



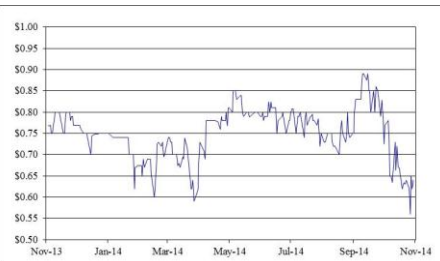
MARKET STATISTICS

Price	\$0.64
52-Week Range	\$0.45- \$0.90
Daily Vol. (3 Month Avg.)	20,820
Market Cap (\$M)	\$17.2
Enterprise Value (\$M)	\$17.3
Shares Outstanding (M)	26.9
Float (M)	4.0
Insider Ownership	68.7%
Institutional Ownership	0.0%

FINANCIAL SUMMARY

Equity (M)	\$	1.0
BV/Sh	\$	0.04
Cash (M)	\$	0.0
Debt (M)	\$	0.5
Debt/Cap		4%

FYE: Dec	2013A	2014E	2015E
<i>(in \$000)</i>			
Rev	\$ 1,800	\$ 2,928	\$ 10,100
Chng%	568%	63%	245%
EBITDA	\$ (435)	\$ (1,023)	\$ (1,910)
EPS	\$ (0.03)	\$ (0.05)	\$ (0.06)
EV/R	9.6x	5.9x	1.7x
EV/EBITDA	nm	nm	nm
P/E	nm	nm	nm



COMPANY DESCRIPTION

OxySure Systems, Inc. is a medical technology company engaged in the design, manufacture, and distribution of emergency medical solutions. Its flagship product, the Oxysure Model 615, is a portable emergency oxygen device. The Company also offers complementary accessories, products, and solutions. Its products enhance the access to emergency oxygen that affects the survival, recovery, and safety of individuals in various areas of need. The Company sells its products to institutional customers through distributors, sub-distributors, and sales agents in the US and internationally.

**Oxysure Systems, Inc.
(OTCBB:OXYS)**

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Research Update: OXYS: Transforming itself by acquisition and exposure

The Company made progress on its strategy of becoming a fully integrated medical device platform company through acquiring Estill, hiring a new Sales VP, and showcasing itself at the Innovation Expo in Washington, D.C.

Results lower than expected

OXYS reported lower revenue at \$800K than our expected estimates of \$900K. Operating expenses were higher than projected, \$900K vs \$700K, driven by higher S&M and G&A costs associated with the Company's acquisition of Estill. Net loss was \$500K vs our estimates of a net loss of \$100K with an EPS at \$(0.02) vs our estimates of \$(0.00).

Company transforming into medical device platform company

OXYS wants to broaden its reach by creating a fully integrated Company whose product lines meet various indications. With the acquisition of Estill, OXYS hopes to create synergies that will be beneficial for both Estill and OXYS. As mentioned in our previous note, Estill has a strong presence within the military, and OXYS will look to leverage this in hopes of growing its marketshare. Likewise, OXYS will utilize its existing channels to introduce Estill's thermal angel to its current list of customers. We believe that creating sales and marketing synergies from its merger with Estill is necessary to build a platform for organic growth going forward.

And made headway in its sales and marketing efforts

OXYS made progress with its sales and marketing strategy in the last quarter. First, the Company appointed Clark Hood, a veteran in the AED and resuscitation industry as its new VP of Worldwide Resuscitation Sales. He has 25 years of experience working in the medical device industry, and 16 of those years working in AED and resuscitation device specifically. Also, the Company was selected by the United States Patent and Trademark Office to exhibit its products at the Innovation Expo at The Smithsonian in early November. The Expo had over 36,000 visitors. We believe that the hiring of a new VP of Sales along with demonstrating Model 615 at the Innovation Expo shows the Company's emphasis on gaining exposure for its product line in an effort to grow its topline.

Updates to Model

We have slightly adjusted our top line downward for FY14 to \$2.9M to account for the latest quarter's results. We have increased our estimates for G&A to \$1.6M as the Company further integrates Estill to build out its product platform and for the hiring of the new sales VP. This results in opex of \$2.9M for FY14. This falls to a net loss of \$1.3M for FY14 and an EPS of \$(0.05). Our projection for FY15 remains the same.

Valuation

The Company has positioned itself in the year 2014 with a defined strategic focus on expanding its distribution channels and entering new vertical markets especially after the Estill acquisition. On multiple base comparison among publicly listed peers, comparable companies trade at 5.2x on EV/Sales basis for 2014E whereas OXYS is trading at 5.9x. Regarding FY15, comparable companies trade at 4.4x on EV/Sales basis for 2015E and OXYS is trading at 1.7x.

INVESTMENT FACTORS

OxySure Systems, Inc. is a medical technology company, engaging in the design, manufacture, and distribution of respiratory and emergency medical solutions. The Company pioneered a safe and easy to use solution to produce medically pure (USP) oxygen from inert powders. It has 9 patents and over 15 patents pending that make the provision of emergency oxygen safer, accessible and easier to use than traditional oxygen delivery systems. Additionally, in October 2014 the Company announced it was acquiring Estill in an all equity transaction expected to close in Q4FY14.

Oxysure's flagship product, the Model 615 products provide emergency oxygen access for the survival, recovery and safety of individuals in any setting where medical emergencies can occur. The Model 615 aids individuals at risk for cardiac, respiratory or general medical distress needing immediate aid before emergency responders arrive in various settings from educational, industrial, mining, military, or other environments. In addition, Estill's main product is the FDA cleared thermal angel, a product that warms IV fluid or blood in preparation of administration. Its objective is to prevent hypothermia which the Company estimates that as many as 65% trauma patients have when arriving to the emergency room.

Investment Positives

Company's flagship product has FDA clearance

The product, Model 615, has FDA 510k clearance. In 2005, Oxysure was awarded 510k clearance for over the counter sale, without the need for a prescription. The over the counter clearance gives Oxysure the ability to sell its Model 615 to customers who are unable or unwilling to receive a prescription for medical oxygen. The OTC clearance gives the Company an advantage over its competitors whom the FDA deem necessary for a prescription to obtain their products. A prescription is required of oxygen systems reliant on pressurized oxygen tanks. We believe that because the Model 615 is not reliant on a pressurized oxygen tank and has 510k clearance the Company has cleared a barrier to entry in the emergency response product market.

Model 615 product is easy to use and has broad applications

Oxysure's Model 615 is portable and allows the product to be used in a variety of public and private environments. The Company features a portable thermal bag for easy transportation. Emergency oxygen can help ease the pain and breathing discomfort. The segment who are most at-risk for the need of emergency oxygen are people with asthma, people with chronic obstructive pulmonary disease and people with heart conditions. Emergency oxygen can be administered in most public environments including schools, work offices, military bases, churches, and other places. Model 615 features an easy-to-turn knob that allows for the individual by him or herself to administer the oxygen. We believe that ease of use and broad applications is beneficial in terms of adoption by users.

Fewer risks associated with tankless emergency oxygen

The risks associated with emergency oxygen devices are mitigated through the exclusion of the tank. The Company's device does not face these same risk factors of emergency oxygen systems that have a tank. Model 615 is in a powder solution form until the knob is turned on. There is an inherent risk associated with oxygen tanks because of its compressed format. Although the actual oxygen itself is not flammable, the compressed oxygen in the tanks increases the flammability of the surrounding objects. Tanks can also create harmful explosions when they are submersed in fires. The mixture of the heat of the fire along with the pressure of the oxygen within the tank creates a harmful explosion. In addition, Model 615 does not need to be checked regularly nor does it require regular maintenance. Oxygen tanks lose their pressure over time due to leaks in the casing. We believe that OXYS has a significant advantage over tank based solutions in terms of safety and applicability.

Estill's main product has large market and applicability

Estill's thermal angel seeks to prevent hypothermia, the third most serious condition to all trauma patients according to the Company. Patients who have hypothermia have a mortality rate that is twice as high in patients with higher body temperature. Estill's thermal angel warms the fluid that is

to be administered in the IV with the goal of maintaining a surgical patient's normal body temperature. It seeks to reduce infection, speed healing, and shorten hospital stays, and reduce the chance of heart injury while providing the patient with a more comfortable experience. We believe if the Company can effectively cross sell its products, it can effectively grow its topline and diversify its revenue stream.

Investment challenges / risks

OXYS is an early stage company with a history of losses

The Company has yet to produce an operating profit and has a history of net losses. As of Sept 2014, the Company has a \$16.4M accumulated deficit. Additionally, OXYS expects to spend substantial amounts of capital on research and development, FDA approval, and the production capability. The Company anticipates it will also spend on the manufacturing and the commercialization of future products. Capital raised through the sale of equity or convertible securities raises the risk of shareholder dilution.

Uncertain if Company's products will achieve commercial acceptance

The industry where the Company operates is the medical device industries and competition is extremely intense. There is no assurance of its products commercial acceptance or profitability in the long term. Also, superior technology could be introduced or customer needs could change. If the Company is unable to create a cost effective device and gain the acceptance by customers, its business could be materially and adversely affected.

Competition in the medical device market is intense

The current medical device and emergency response device market is highly competitive and has numerous players and potential players. Most of the competition has greater financial, technical, manufacturing, marketing, and operational resources as well as greater industry experience. Target customers may choose to use the competitions' products. If this occurs, sales and revenues will be negatively affected. In addition, more established players may establish cooperative relationships with a large supplier or medical device company. Competition could result in pricing pressure, thus reducing gross margin, and making it difficult to maintain market share.

Acquisition may not produce effective synergies

The Company is acquiring Estill, however it is uncertain whether the Company will be able to achieve the desired synergies to benefit both the top and bottom line. Mergers and acquisitions have historically had mixed results. According to a McKinsey and Company fewer than half of all mergers and acquisitions since 2001 ever created value. Many acquisitions fail because as companies focus on cost cutting, revenue and ultimately profits suffer. Another reason an acquisition can fail are differences in organizational culture between the acquiring company and the acquired company. Because staff reductions are inevitable in an acquisition, an acquisition can negatively affect performance by those left behind. Oxysure must successfully integrate all facets in order to be successful.

VALUATION SUMMARY

Comparable Analysis

The Company is making substantial inroads with various buyers within large institutions. Its 510k clearance makes it simple for customers to buy the Model 615 over the counter and it's easy to use platform allows anyone to administer oxygen to someone in need. With a unique product, the Model 615, its portability and user-friendly set-up, Oxysure Systems appears in a position to take advantage of the emergency response device industry through greater adoption in various settings. In addition, the Company acquired Estill to broaden its platform with Estill's flagship product, the thermal angel, a fluid warmer for intravenous injections.

On multiple base comparison among publicly listed peers, comparable companies trade at 5.2x on EV/Sales basis for 2014E whereas OXYS is trading at 5.9x. Regarding FY15, comparable companies trade at 4.4x on EV/Sales basis for 2015E and OXYS is trading at 1.7x. Below is our comparative analysis.

Exhibit 1: Comparable Analysis

Comparative Analysis

OXYSure (OTCBB: OXYS)

(all figures in \$M except per share information)

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)		
						TTM	2014 E	2015 E
Align Technology Inc.	ALGN	\$ 54.27	80.29	\$ 4,357.3	\$ 3,931.8	5.3x	5.2x	4.6x
DexCom, Inc.	DXCM	\$ 52.73	76.56	\$ 4,037.1	\$ 3,967.4	17.5x	15.9x	11.7x
Masimo Corporation	MASI	\$ 26.42	52.41	\$ 1,384.7	\$ 1,392.1	2.5x	2.4x	2.2x
Novadaq Technologies Inc.	NDQ	\$ 17.78	55.50	\$ 986.8	\$ 810.5	18.3x	16.7x	10.7x
Inogen, Inc.	INGN	\$ 25.08	18.63	\$ 467.2	\$ 411.7	4.0x	3.7x	3.1x
Hansen Medical, Inc.	HNSN	\$ 0.84	132.52	\$ 111.3	\$ 109.3	5.4x	5.6x	4.4x
Tenax Therapeutics, Inc.	OXBT	\$ -	28.11	\$ -	\$ -	0.0x	nm	nm
Allied Healthcare Products Inc.	AHPI	\$ 1.42	8.03	\$ 11.4	\$ 9.7	1.4x	1.2x	0.9x
Average				\$ 1,419.5	\$ 1,329.1	6.8x	7.3x	5.4x
Median				\$ 727.0	\$ 611.1	4.7x	5.2x	4.4x
OxySure Systems, Inc.	OXYS	\$ 0.64	26.9	\$ 17.2	\$ 17.3	9.6x	5.9x	1.7x

(1) Previous day's closing price

Source: Company reports, Capital IQ, Stonegate Securities

Source: (1) Previous day's closing price

Company Reports, Stonegate Securities

We see the following important catalysts for the stock in FY2014 and beyond:

- Greater adoption by end users of Model 615.....FY14 & FY15
- New relationships with distributors across the US and abroad..... FY14 & FY15
- Entry into direct to consumer sales channel.....FY14 & FY15
- Cross selling synergies between OXYS and Estill.....FY14 & FY15
- Get insurance reimbursement for Model 615.....FY14 & FY15
- Enter new vertical mass market.....FY14 & FY15
- Enter strategic alliance to grow sales organically.....FY14 & FY15

COMPARABLE ANALYSIS

Comparative Analysis

OXYSure (OTCBB: OXYS)

(all figures in \$M except per share information)

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	E	Revenues (2)		
							2013	2014 E	2015 E
Align Technology Inc.	ALGN	\$ 54.27	80.3	\$ 4,357.3	\$ 3,931.8	Dec	\$ 739.2	\$ 760.9	\$ 862.5
DexCom, Inc.	DXCM	\$ 52.73	76.6	\$ 4,037.1	\$ 3,967.4	Dec	\$ 226.6	\$ 249.0	\$ 338.6
Masimo Corporation	MASI	\$ 26.42	52.4	\$ 1,384.7	\$ 1,392.1	Dec	\$ 556.0	\$ 584.5	\$ 628.0
Novadaq Technologies Inc.	NDQ	\$ 17.78	55.5	\$ 986.8	\$ 810.5	Dec	\$ 44.3	\$ 48.7	\$ 76.0
Inogen, Inc.	INGN	\$ 25.08	18.6	\$ 467.2	\$ 411.7	Dec	\$ 103.2	\$ 109.8	\$ 133.4
Hansen Medical, Inc.	HNSN	\$ 0.84	132.5	\$ 111.3	\$ 109.3	Dec	\$ 20.1	\$ 19.4	\$ 25.0
Tenax Therapeutics, Inc.	OXBT	\$ -	28.1	\$ -	\$ -	Dec	\$ 0.1	\$ -	\$ -
Pulse Health Limited	PHG	\$ 0.48	163.9	\$ 78.7	\$ 72.0	Dec	\$ 52.4	\$ 58.1	\$ 78.6
Allied Healthcare Products Inc.	AHPI	\$ 1.42	8.0	\$ 11.4	\$ 9.7	Dec	\$ 36.5	\$ -	\$ -
OxySure Systems, Inc.	OXYS	\$0.64	26.9	\$ 17.2	\$ 17.3	Dec	\$ 1.8	\$ 2.9	\$ 10.1

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)		
						TTM	2014 E	2015 E
Align Technology Inc.	ALGN	\$ 54.27	80.29	\$ 4,357.3	\$ 3,931.8	5.3x	5.2x	4.6x
DexCom, Inc.	DXCM	\$ 52.73	76.56	\$ 4,037.1	\$ 3,967.4	17.5x	15.9x	11.7x
Masimo Corporation	MASI	\$ 26.42	52.41	\$ 1,384.7	\$ 1,392.1	2.5x	2.4x	2.2x
Novadaq Technologies Inc.	NDQ	\$ 17.78	55.50	\$ 986.8	\$ 810.5	18.3x	16.7x	10.7x
Inogen, Inc.	INGN	\$ 25.08	18.63	\$ 467.2	\$ 411.7	4.0x	3.7x	3.1x
Hansen Medical, Inc.	HNSN	\$ 0.84	132.52	\$ 111.3	\$ 109.3	5.4x	5.6x	4.4x
Tenax Therapeutics, Inc.	OXBT	\$ -	28.11	\$ -	\$ -	0.0x	nm	nm
Allied Healthcare Products Inc.	AHPI	\$ 1.42	8.03	\$ 11.4	\$ 9.7	1.4x	1.2x	0.9x
Average				\$ 1,419.5	\$ 1,329.1	6.8x	7.3x	5.4x
Median				\$ 727.0	\$ 611.1	4.7x	5.2x	4.4x
OxySure Systems, Inc.	OXYS	\$ 0.64	26.9	\$ 17.2	\$ 17.3	9.6x	5.9x	1.7x

(1) Previous day's closing price

Source: Company reports, Capital IQ, Stonegate Securities

BALANCE SHEETS

OXYSure (OTCBB: OXYS)					
Consolidated Balance Sheets (in thousands \$)					
Fiscal Year: December					
	FY 2012	FY 2013	Q1	Q2	Q3
			Mar-14	Jun-14	Sep-14
ASSETS					
Current Assets					
Cash & cash equivalents	\$13.5	\$657.7	\$150.7	\$22.0	\$8.7
License fee receivable	-	500.0	463.3	463.3	463.3
Accounts receivables, net	18.5	47.2	320.0	410.7	492.1
Inventories	221.3	287.7	277.6	285.9	299.3
Prepaid expenses and other current assets	36.9	107.3	50.5	48.4	68.7
Total Current Assets	290.2	1,599.8	1,262.1	1,230.3	1,332.0
Property and equipment, net	46.5	70.2	129.6	131.1	128.1
Intangible assets, net	418.5	392.7	385.2	377.9	370.3
Other assets	124.2	289.5	306.1	285.9	266.1
Total Assets	\$ 879.4	\$ 2,352.4	\$ 2,083.1	\$ 2,025.2	\$ 2,096.5
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued expenses	302.4	147.7	352.0	436.5	572.5
Related party payable	207.5	118.6	29.5	24.5	17.5
Capital leases - current	308.7	309.1	308.6	308.1	0.0
Notes payable - current	398.6	44.0	47.1	37.8	40.9
Convertible notes payable	-	229.9	252.6	306.1	394.2
Deferred revenue	499.2	3.0	-	-	-
Total Current Liabilities	1,716.4	852.4	989.8	1,112.9	1,025.2
Long-Term Liabilities					
Capital Leases	3.2	0.6	0.6	0.6	0.6
Notes Payable	76.1	76.1	76.1	44.5	44.5
Total Long-Term Liabilities	79.3	76.6	76.6	45.0	45.0
Stockholders' Equity					
Preferred stock	0.4	0.4	0.3	0.3	0.3
Common stock	9.0	10.3	10.4	10.4	10.7
Additional paid-in capital	13,649.4	16,700.3	16,669.5	16,840.0	17,461.1
Accumulated deficit	(14,575.2)	(15,287.6)	(15,664.0)	(15,983.5)	(16,445.8)
Total Stockholders' Equity (deficit)	(916.3)	1,423.4	1,016.3	867.2	1,026.3
Total Liabilities and Stockholders' Equity	\$ 879.4	\$ 2,352.4	\$ 2,082.8	\$ 2,025.2	\$ 2,096.5
Ratios					
Liquidity					
Current Ratio	0.2x	1.9x	1.3x	1.1x	1.3x
Quick Ratio	0.0x	1.5x	1.0x	0.8x	1.0x
Working Capital	(\$1,426.2)	\$747.5	\$272.3	\$117.4	\$306.9
Leverage					
Debt To Equity	-51.8%	8.4%	4.6%	4.4%	4.0%
Debt To Capital	-107.5%	7.8%	4.4%	4.2%	3.8%
Capital Usage -Annualized					
A/R Turns	25.4x	54.8x	7.8x	7.4x	7.3x
Inv Turns	0.6x	1.9x	2.9x	3.8x	4.4x
A/P Turns	0.5x	2.2x	3.3x	2.7x	2.6x

Source: Company Reports, Stonegate Securities

INCOME STATEMENTS

OXYSure (OTCBB: OXYS)																
Consolidated Statements of Income (in thousands \$, except per share amounts)																
Fiscal Year: December																
	FY 2012	Q1 Mar-13	Q2 Jun-13	Q3 Sep-13	Q4 Dec-13	FY 2013	Q1 Mar-14	Q2 Jun-14	Q3 Sep-14	Q4 Dec-14	FY 2014 E	Q1 E Mar-15	Q2 E Jun-15	Q3 E Sep-15	Q4 E Dec-15	FY 2015 E
Revenues																
Revenues	\$ 269.7	\$ 240.4	\$ 476.1	\$ 545.8	\$ 538.0	\$ 1,800.3	\$ 356.2	\$ 678.1	\$ 818.5	\$ 1,075.0	\$ 2,927.8	\$ 2,205.0	\$ 2,350.0	\$ 2,645.0	\$ 2,900.0	\$ 10,100.0
Total revenue	\$ 269.7	\$ 240.4	\$ 476.1	\$ 545.8	\$ 538.0	\$ 1,800.3	\$ 356.2	\$ 678.1	\$ 818.5	\$ 1,075.0	\$ 2,927.8	\$ 2,205.0	\$ 2,350.0	\$ 2,645.0	\$ 2,900.0	\$ 10,100.0
Cost of revenues																
Cost of sales	143.8	53.2	152.5	111.1	173.6	490.3	205.6	264.9	321.9	345.0	1,137.4	1,200.0	1,275.0	1,400.0	1,475.0	5,350.0
Total cost of revenues	143.8	53.2	152.5	111.1	173.6	490.3	205.6	264.9	321.9	345.0	1,137.4	1,200.0	1,275.0	1,400.0	1,475.0	5,350.0
Gross (loss) profit	125.9	187.2	323.6	434.7	364.5	1,310.0	150.6	413.3	496.5	730.0	1,790.4	1,005.0	1,075.0	1,245.0	1,425.0	4,750.0
Operating expenses																
R&D	25.8	36.7	183.4	134.4	1.5	356.0	1.5	276.0	155.9	200.0	633.4	640.0	650.0	670.0	750.0	2,710.0
G&A	1,107.1	256.6	194.8	266.3	371.4	1,089.1	345.8	259.2	527.3	525.0	1,657.3	550.0	600.0	650.0	700.0	2,500.0
S&M	131.9	107.3	133.7	77.8	34.2	353.2	87.9	154.0	202.8	125.0	569.8	350.0	350.0	360.0	390.0	1,450.0
Total operating expenses	1,264.8	400.7	512.0	478.5	407.1	1,798.3	435.2	689.2	886.0	850.0	2,860.5	1,540.0	1,600.0	1,680.0	1,840.0	6,660.0
Income (loss) from operations	(1,138.9)	(213.4)	(188.4)	(43.8)	(42.7)	(488.3)	(284.6)	(276.0)	(389.5)	(120.0)	(1,070.1)	(535.0)	(525.0)	(435.0)	(415.0)	(1,910.0)
Other (income) / expense:																
Interest expense, net	217.0	28.7	26.7	47.2	147.3	250.0	91.4	86.0	169.1	44.3	390.7	44.3	44.3	42.0	42.0	172.6
Other income, net	(224.6)	-	(19.0)	(8.4)	1.6	(25.8)	0.3	(42.5)	(96.2)	(10.0)	(148.3)	(12.0)	(10.0)	(12.0)	(10.0)	(44.0)
Total other (income) / expense:	(7.6)	28.7	7.7	38.8	148.9	224.2	91.7	43.5	72.9	34.3	242.4	32.3	34.3	30.0	32.0	128.6
Pre-tax income (loss)	(1,146.5)	(242.2)	(196.1)	(82.6)	(191.6)	(712.5)	(376.3)	(319.5)	(462.3)	(154.3)	(1,312.5)	(567.3)	(559.3)	(465.0)	(447.0)	(2,038.6)
Income taxes (benefit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	(1,146.5)	(242.2)	(196.1)	(82.6)	(191.6)	(712.5)	(376.3)	(319.5)	(462.3)	(154.3)	(1,312.5)	(567.3)	(559.3)	(465.0)	(447.0)	(2,038.6)
Net income (loss) to common	(1,146.5)	(242.2)	(196.1)	(82.6)	(191.6)	(712.5)	(376.3)	(319.5)	(462.3)	(154.3)	(1,312.5)	(567.3)	(559.3)	(465.0)	(447.0)	(2,038.6)
Basic EPS (loss) (1)	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.06)
Basic shares outstanding	19,573.5	22,665.5	23,167.4	24,076.8	23,754.4	23,416.0	25,889.3	25,996.6	26,121.0	29,987.4	26,998.6	31,486.7	33,061.1	34,714.1	36,449.8	33,927.9
EBITDA	(972.8)	(208.6)	(168.7)	(54.2)	(3.7)	(435.1)	(272.5)	(263.3)	(378.9)	(108.7)	(1,023.3)	(535.0)	(525.0)	(435.0)	(415.0)	(1,910.0)
Margin Analysis																
Gross margin	46.7%	77.9%	68.0%	79.6%	67.7%	72.8%	42.3%	60.9%	60.7%	67.9%	61.2%	45.6%	45.7%	47.1%	49.1%	47.0%
R&D	9.6%	15.3%	38.5%	24.6%	0.3%	19.8%	0.4%	40.7%	19.0%	18.6%	21.6%	29.0%	27.7%	25.3%	25.9%	26.8%
G&A	410.5%	106.7%	40.9%	48.8%	69.0%	60.5%	97.1%	38.2%	64.4%	48.8%	56.6%	24.9%	25.5%	24.6%	24.1%	24.8%
S&M	48.9%	44.6%	28.1%	14.3%	6.4%	19.6%	24.7%	22.7%	24.8%	11.6%	19.5%	15.9%	14.9%	13.6%	13.4%	14.4%
Operating margin	-422.3%	-88.8%	-39.6%	-8.0%	-7.9%	-27.1%	-79.9%	-40.7%	-47.6%	-11.2%	-36.5%	-24.3%	-22.3%	-16.4%	-14.3%	-18.9%
Pre-tax margin	-425.1%	-100.7%	-41.2%	-15.1%	-35.6%	-39.6%	-105.6%	-47.1%	-56.5%	-14.4%	-44.8%	-25.7%	-23.8%	-17.6%	-15.4%	-20.2%
Net income margin	-425.1%	-100.7%	-41.2%	-15.1%	-35.6%	-39.6%	-105.6%	-47.1%	-56.5%	-14.4%	-44.8%	-25.7%	-23.8%	-17.6%	-15.4%	-20.2%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margin	-360.7%	-86.7%	-35.4%	-9.9%	-0.7%	-24.2%	-76.5%	-38.8%	-46.3%	-10.1%	-35.0%	-24.3%	-22.3%	-16.4%	-14.3%	-18.9%
Growth Rate Analysis YY																
Total revenue	45.6%	762.2%	657.0%	434.2%	601.0%	567.5%	48.2%	42.4%	49.9%	99.8%	62.6%	519.0%	246.6%	223.2%	169.8%	245.0%
Total cost of revenues	39.0%	318.6%	506.1%	120.1%	na	241.1%	286.6%	73.7%	189.7%	na	132.0%	483.7%	381.4%	334.9%	na	370.4%
R&D	na	61085.0%	15512.5%	23105.0%	-93.8%	1279.0%	-95.8%	50.4%	16.0%	13233.3%	77.9%	41431.5%	135.5%	329.8%	275.0%	327.9%
G&A	-3.8%	-8.7%	-18.0%	33.8%	-4.7%	-1.6%	34.7%	33.1%	98.0%	41.4%	52.2%	59.1%	131.5%	23.3%	33.3%	50.8%
S&M	na	4317.6%	637.5%	976.0%	-67.1%	167.7%	-18.1%	15.2%	160.6%	265.1%	61.4%	298.0%	127.2%	77.5%	212.0%	154.5%
Operating income	-6.5%	20.4%	14.0%	71.8%	91.4%	57.1%	-33.3%	-46.5%	-789.0%	-181.2%	-119.1%	-88.0%	-90.2%	-11.7%	-245.8%	-78.5%
EBITDA	8.7%	-8.0%	-5.6%	-52.5%	-99.2%	-55.3%	30.6%	56.0%	599.1%	2869.8%	135.2%	96.4%	99.4%	14.8%	281.7%	86.6%
Pre-tax income	25.2%	25.6%	10.2%	38.8%	57.6%	37.9%	-55.4%	-62.9%	-459.7%	19.5%	-84.2%	-50.7%	-75.1%	-0.6%	-189.7%	-55.3%
Net income	25.2%	25.6%	10.2%	38.8%	57.6%	37.9%	-55.4%	-62.9%	-459.7%	19.5%	-84.2%	-50.7%	-75.1%	-0.6%	-189.7%	-55.3%
EPS	39.1%	41.4%	23.3%	47.2%	64.6%	48.1%	-36.1%	-45.2%	-415.9%	36.2%	-59.8%	-24.0%	-37.6%	24.3%	-138.3%	-23.6%
Share count - fully diluted	22.9%	27.0%	17.0%	16.0%	19.5%	19.6%	14.2%	12.2%	8.5%	26.2%	15.3%	21.6%	27.2%	32.9%	21.6%	25.7%

Source: Company Reports, Stonegate Securities estimates

CASH FLOWS

OXYSure (OTCBB: OXYS)						
Consolidated Statements of Cash Flows (cumulative)						
Fiscal Year: December						
	FY 2012	FY 2013	Q1	Q2	Q3	FY 2014 E
			Mar-14	Jun-14	Sep-14	
Cash Flow from Operations						
Net income (loss)	(1,144.8)	(712.5)	(376.3)	(695.8)	(1,158.2)	(1,312.5)
Adjustments to reconcile net income to net cash :						
Depreciation	166.1	53.2	12.1	24.9	35.5	46.7
Amortization of intangible assets	202.0	207.2	95.8	-	-	-
Prior period adjustment	-	-	4.4	121.1	254.9	254.9
Amortization of debt discount & warrant fair values	-	-	-	4.4	-	-
Amortization of original issuance & discounts of notes payable	-	-	(16.3)	-	-	-
Amortization of other assets	(163.6)	-	-	-	-	-
Common stk options issued for compensation	21.4	37.3	17.6	17.6	62.1	62.1
Common stk and warrants issued for compensation	134.3	61.5	-	(42.5)	-	-
Common stk and warrants issued for services	76.4	126.8	-	-	-	-
Changes in operating assets & liabilities, net of acquisitions						
Accounts receivable	(15.7)	(28.7)	(272.8)	(363.5)	(444.9)	(646.5)
License fee receivable	-	(500.0)	36.7	36.7	36.7	36.7
Inventory	26.7	(66.3)	10.4	1.8	(11.6)	(18.0)
Prepaid expense & other current assets	107.5	106.1	40.2	62.5	87.1	65.5
Accounts payable and accrued liability	135.0	(72.6)	212.3	304.4	476.8	413.0
Deferred revenue	77.5	(72.8)	(3.0)	(3.0)	(3.0)	(3.0)
Net cash provided by operating activities	(377.3)	(860.8)	(239.0)	(531.5)	(783.9)	(1,303.6)
Cash Flow from Investing						
Purchases of intangible assets	(3.2)	(4.3)	-	(0.2)	(0.2)	(0.2)
Purchases of property and equipment	(32.9)	(12.1)	(64.0)	(70.7)	(70.7)	(70.7)
Net cash used by investing activities	(36.0)	(16.4)	(64.0)	(70.8)	(70.8)	(70.8)
Cash Flow from Financing						
Loan proceeds, net	555.6	42.5	-	-	-	-
Payment of capital leases	(18.6)	(2.3)	(0.6)	(1.0)	(1.4)	(309.6)
Payment from related parties	(264.7)	(269.0)	-	9.8	9.8	9.8
Payments made to related parties	-	-	-	(108.3)	(115.3)	(115.3)
Payment on convertible notes	(86.0)	-	-	(192.0)	(192.0)	(465.9)
Proceeds from convertible notes	125.0	431.5	-	247.5	475.0	475.0
Proceeds from issuance of preferred stk	-	750.0	(110.0)	-	-	-
Proceeds from issuance of common stk for cash	41.3	347.4	-	10.7	29.7	29.7
Proceeds from common stk subscribed	-	216.8	(93.5)	-	-	-
Proceeds from common stk options and warrants	9.3	4.4	-	-	-	-
Net cash provided (used) by financing activities	361.8	1,521.3	(204.1)	(33.3)	205.7	(376.3)
Net increase (decrease) in cash	(51.6)	644.2	(507.0)	(635.7)	(649.0)	(1,750.8)
Cash and cash equivalents, beginning of year	65.1	13.5	657.7	657.7	657.7	657.7
Cash and cash equivalents, end of period	13.6	657.7	150.6	22.0	8.7	(1,093.1)

Source: Company Reports, Stonegate Securities

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