



**MARKET STATISTICS**

Price	\$0.73
52-Week Range	\$0.51- \$0.90
Daily Vol. (3 Month Avg.)	7,491
Market Cap (\$M)	\$19.0
Enterprise Value (\$M)	\$18.7
Shares Outstanding (M)	26.1
Float (M)	3.0
Insider Ownership	70.9%
Institutional Ownership	0.0%

**FINANCIAL SUMMARY**

Equity (M)	\$	0.9
BV/Sh	\$	0.03
Cash (M)	\$	0.0
Debt (M)	\$	0.0
Debt/Cap		4%

FYE: Dec	2013A	2014E	2015E
<i>(in \$000)</i>			
Rev	\$ 1,800	\$ 3,009	\$ 4,075
Chng%	568%	67%	35%
EBITDA	\$ (449)	\$ (543)	\$ (55)
EPS	\$ (0.03)	\$ (0.03)	\$ (0.01)
EV/R	10.4x	6.2x	4.6x
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: Cleared in the EU and Australia**

OXYS received regulatory clearance in the EU and in Australia. In addition, the Company continues to expand into various markets at home and abroad.

**Company lower than expected**

OXYS reported lower revenue at \$700K than our expected estimates of \$800K. Operating expenses were higher than projected, \$700K vs \$600K, driven by higher S&M costs associated with the Company's efforts at home and abroad. Net income was \$300K vs our estimates of \$0K with an EPS at \$(0.01) vs our estimates of \$(0.00).

**Model 615 received clearance in Europe and Australia.**

OXYS received CE Mark approval for 615. This allows the Company to launch Model 615 in the thirty countries belonging to the European Economic Area (EEA). Also it received an approval from the Therapeutic Goods Administration in Australia, so the Company can also introduce Model 615 in Australia. The regulatory agency approvals are further validation that Model 615 is both safe and effective. These approvals are progress as the Company makes headway in different countries as part of its strategy to pursue customers in the US and abroad.

**While penetrating various domestic and international markets**

The Company continues to make progress by going in to new countries and signing new distributors at home in the US. The Company plans to launch in three new countries in FY14. It has also added Thailand, Taiwan, Greece, Saudi Arabia, and China to its target list of countries to introduce Model 615. The Company seeks to expand its geographic presence in an effort to educate the general public on the benefits of Model 615.

**Updates to Model**

We have adjusted slightly downward our topline estimates for FY14 to \$3.0M to reflect the reported results. We project opex for FY14 to be \$2.5M as a result of the Company's go-to-market efforts in various countries. This results in a net loss and EPS of 800K and \$(0.03), respectively. In FY15, we project the Company to expand its domestic and international footprint and increasing its y-o-y revenue to \$4.1M. We expect opex to increase y-o-y to \$3.0M as the Company broadens its international footprint and the Company develops the next generation of Model 615. We project net loss to be \$200K with an EPS of \$(0.01) for FY15.

**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. On multiple base comparison among publicly listed peers, comparable companies trade at 6.2x on EV/Sales basis for 2014E whereas OXYS is trading at 6.1x. Regarding FY15, comparable companies trade at 5.1x on EV/Sales basis for 2014E and OXYS is trading at 4.6x.

## 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.

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.

### 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.

**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 June 2014, the Company has a \$16.0M 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.

## 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.

On multiple base comparison among publicly listed peers, comparable companies trade at 6.2x on EV/Sales basis for 2014E whereas OXYS is trading at 6.1x. Regarding FY15, comparable companies trade at 5.1x on EV/Sales basis for 2014E and OXYS is trading at 4.6x. 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	\$ 54.95	80.79	\$ 4,439.6	\$ 4,074.0	5.7x	5.4x	4.7x
DexCom, Inc.	DXCM	\$ 44.41	75.48	\$ 3,351.9	\$ 3,296.4	16.4x	14.0x	10.6x
Masimo Corporation	MASI	\$ 21.94	54.77	\$ 1,201.6	\$ 1,179.7	nm	2.0x	1.9x
Novadaq Technologies Inc.	NDQ	\$ 14.40	55.47	\$ 798.8	\$ 626.0	15.2x	12.9x	8.6x
Inogen, Inc.	INGN	\$ 19.10	18.24	\$ 348.4	\$ 292.8	3.1x	2.7x	2.4x
Hansen Medical, Inc.	HNSN	\$ 1.27	112.20	\$ 142.5	\$ 149.6	7.0x	6.8x	5.6x
Oxygen Biotherapeutics, Inc.	OXBT	\$ 4.25	28.11	\$ 119.5	\$ 61.5	212.9x	nm	nm
Allied Healthcare Products Inc.	AHPI	\$ 2.24	8.03	\$ 18.0	\$ 16.5	nm	nm	nm
<b>Average</b>				<b>\$ 1,302.5</b>	<b>\$ 1,212.0</b>	<b>43.4x</b>	<b>7.3x</b>	<b>5.6x</b>
<b>Median</b>				<b>\$ 573.6</b>	<b>\$ 459.4</b>	<b>11.1x</b>	<b>6.1x</b>	<b>5.1x</b>
<b>OxySure Systems, Inc.</b>	<b>OXYS</b>	<b>\$ 0.73</b>	<b>26.1</b>	<b>\$ 19.0</b>	<b>\$ 18.7</b>	<b>10.4x</b>	<b>6.2x</b>	<b>4.6x</b>

(1) Previous day's closing price  
Source: Company reports, Capital IQ, Stonegate Securities

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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
- 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	\$ 54.95	80.8	\$ 4,439.6	\$ 4,074.0	Dec	\$ 712.3	\$ 761.2	\$ 861.2
DexCom, Inc.	DXCM	\$ 44.41	75.5	\$ 3,351.9	\$ 3,296.4	Dec	\$ 200.5	\$ 234.8	\$ 312.3
Masimo Corporation	MASI	\$ 21.94	54.8	\$ 1,201.6	\$ 1,179.7	Dec	\$ 545.1	\$ 589.4	\$ 634.0
Novadaq Technologies Inc.	NDQ	\$ 14.40	55.5	\$ 798.8	\$ 626.0	Dec	\$ 41.1	\$ 48.6	\$ 72.6
Inogen, Inc.	INGN	\$ 19.10	18.2	\$ 348.4	\$ 292.8	Dec	\$ 93.6	\$ 106.7	\$ 123.9
Hansen Medical, Inc.	HNSN	\$ 1.27	112.2	\$ 142.5	\$ 149.6	Dec	\$ 21.3	\$ 22.1	\$ 26.9
Oxygen Biotherapeutics, Inc.	OXBT	\$ 4.25	28.1	\$ 119.5	\$ 61.5	Dec	\$ 0.3	\$ -	\$ -
Pulse Health Limited	PHG	\$ 0.56	113.8	\$ 63.1	\$ 109.2	Dec	\$ 50.4	\$ -	\$ -
Allied Healthcare Products Inc.	AHPI	\$ 2.24	8.0	\$ 18.0	\$ 16.5	Dec	\$ 36.7	\$ -	\$ -
<b>OxySure Systems, Inc.</b>	<b>OXYS</b>	<b>\$0.73</b>	<b>26.1</b>	<b>\$ 19.0</b>	<b>\$ 18.7</b>	<b>Dec</b>	<b>\$ 1.8</b>	<b>\$ 3.0</b>	<b>\$ 4.1</b>

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)		
						TTM	2014 E	2015 E
Align Technology Inc.	ALGN	\$ 54.95	80.79	\$ 4,439.6	\$ 4,074.0	5.7x	5.4x	4.7x
DexCom, Inc.	DXCM	\$ 44.41	75.48	\$ 3,351.9	\$ 3,296.4	16.4x	14.0x	10.6x
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Inogen, Inc.	INGN	\$ 19.10	18.24	\$ 348.4	\$ 292.8	3.1x	2.7x	2.4x
Hansen Medical, Inc.	HNSN	\$ 1.27	112.20	\$ 142.5	\$ 149.6	7.0x	6.8x	5.6x
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Allied Healthcare Products Inc.	AHPI	\$ 2.24	8.03	\$ 18.0	\$ 16.5	nm	nm	nm
<b>Average</b>				<b>\$ 1,302.5</b>	<b>\$ 1,212.0</b>	<b>43.4x</b>	<b>7.3x</b>	<b>5.6x</b>
<b>Median</b>				<b>\$ 573.6</b>	<b>\$ 459.4</b>	<b>11.1x</b>	<b>6.1x</b>	<b>5.1x</b>
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(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 Mar-14	Q2 Jun-14
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & cash equivalents	\$13.5	\$657.7	\$150.7	\$22.0
License fee receivable		500.0	463.3	463.3
Accounts receivables, net	18.5	47.2	320.0	410.7
Inventories	221.3	287.7	277.6	285.9
Prepaid expenses and other current assets	36.9	107.3	50.5	48.4
<b>Total Current Assets</b>	<b>290.2</b>	<b>1,599.8</b>	<b>1,262.1</b>	<b>1,230.3</b>
Property and equipment, net	46.5	70.2	129.6	131.1
Intangible assets, net	418.5	392.7	385.2	377.9
Other assets	124.2	289.5	306.1	285.9
<b>Total Assets</b>	<b>\$ 879.4</b>	<b>\$ 2,352.4</b>	<b>\$ 2,083.1</b>	<b>\$ 2,025.2</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	302.4	147.7	352.0	436.5
Related party payable	207.5	118.6	29.5	24.5
Capital leases - current	308.7	309.1	308.6	308.1
Notes payable - current	398.6	44.0	47.1	37.8
Convertible notes payable	-	229.9	252.6	306.1
Deferred revenue	499.2	3.0	-	-
<b>Total Current Liabilities</b>	<b>1,716.4</b>	<b>852.4</b>	<b>989.8</b>	<b>1,112.9</b>
<b>Long-Term Liabilities</b>				
Capital Leases	3.2	0.6	0.6	0.6
Notes Payable	76.1	76.1	76.1	44.5
<b>Total Long-Term Liabilities</b>	<b>79.3</b>	<b>76.6</b>	<b>76.6</b>	<b>45.0</b>
<b>Stockholders' Equity</b>				
Preferred stock	0.4	0.4	0.3	0.3
Common stock	9.0	10.3	10.4	10.4
Additional paid-in capital	13,649.4	16,700.3	16,669.5	16,840.0
Accumulated deficit	(14,575.2)	(15,287.6)	(15,664.0)	(15,983.5)
<b>Total Stockholders' Equity (deficit)</b>	<b>(916.3)</b>	<b>1,423.4</b>	<b>1,016.3</b>	<b>867.2</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 879.4</b>	<b>\$ 2,352.4</b>	<b>\$ 2,082.8</b>	<b>\$ 2,025.2</b>
<b>Ratios</b>				
<b>Liquidity</b>				
Current Ratio	0.2x	1.9x	1.3x	1.1x
Quick Ratio	0.0x	1.5x	1.0x	0.8x
Working Capital	(\$1,426.2)	\$747.5	\$272.3	\$117.4
<b>Leverage</b>				
Debt To Equity	-51.8%	8.4%	4.6%	4.4%
Debt To Capital	-107.5%	7.8%	4.4%	4.2%
<b>Capital Usage - Annualized</b>				
A/R Turns	25.4x	54.8x	7.8x	7.4x
Inv Turns	0.6x	1.9x	2.9x	3.8x
A/P Turns	0.5x	2.2x	3.3x	2.7x

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 E Dec-14	FY 2014 E	Q1 E Mar-15	Q2 E Jun-15	Q3 E Sep-15	Q4 E Dec-15	FY 2015 E
<b>Revenues</b>																
Revenues	\$ 269.7	\$ 240.4	\$ 476.1	\$ 545.8	\$ 538.0	\$ 1,800.3	\$ 356.2	\$ 678.1	\$ 900.0	\$ 1,075.0	\$ 3,009.3	\$ 877.5	\$ 925.0	\$ 1,097.5	\$ 1,175.0	\$ 4,075.0
<b>Total revenue</b>	<b>\$ 269.7</b>	<b>\$ 240.4</b>	<b>\$ 476.1</b>	<b>\$ 545.8</b>	<b>\$ 538.0</b>	<b>\$ 1,800.3</b>	<b>\$ 356.2</b>	<b>\$ 678.1</b>	<b>\$ 900.0</b>	<b>\$ 1,075.0</b>	<b>\$ 3,009.3</b>	<b>\$ 877.5</b>	<b>\$ 925.0</b>	<b>\$ 1,097.5</b>	<b>\$ 1,175.0</b>	<b>\$ 4,075.0</b>
<b>Cost of revenues</b>																
Cost of sales	143.8	53.2	152.5	111.1	173.6	490.3	205.6	264.9	320.0	345.0	1,135.4	250.0	260.0	305.0	325.0	1,140.0
Total cost of revenues	143.8	53.2	152.5	111.1	173.6	490.3	205.6	264.9	320.0	345.0	1,135.4	250.0	260.0	305.0	325.0	1,140.0
<b>Gross (loss) profit</b>	<b>125.9</b>	<b>187.2</b>	<b>323.6</b>	<b>434.7</b>	<b>364.5</b>	<b>1,310.0</b>	<b>150.6</b>	<b>413.3</b>	<b>580.0</b>	<b>730.0</b>	<b>1,873.9</b>	<b>627.5</b>	<b>665.0</b>	<b>792.5</b>	<b>850.0</b>	<b>2,935.0</b>
<b>Operating expenses</b>																
R&D	25.8	36.7	183.4	134.4	1.5	356.0	1.5	276.0	280.0	285.0	842.5	300.0	315.0	325.0	335.0	1,275.0
G&A	1,107.1	256.6	194.8	266.3	371.4	1,089.1	345.8	259.2	275.0	275.0	1,155.0	280.0	290.0	300.0	315.0	1,185.0
S&M	131.9	107.3	133.7	77.8	34.2	353.2	87.9	154.0	125.0	125.0	492.0	125.0	130.0	135.0	140.0	530.0
Total operating expenses	1,264.8	400.7	512.0	478.5	407.1	1,798.3	435.2	689.2	680.0	685.0	2,489.5	705.0	735.0	760.0	790.0	2,990.0
<b>Income (loss) from operations</b>	<b>(1,138.9)</b>	<b>(213.4)</b>	<b>(188.4)</b>	<b>(43.8)</b>	<b>(42.7)</b>	<b>(488.3)</b>	<b>(284.6)</b>	<b>(276.0)</b>	<b>(100.0)</b>	<b>45.0</b>	<b>(615.6)</b>	<b>(77.5)</b>	<b>(70.0)</b>	<b>32.5</b>	<b>60.0</b>	<b>(55.0)</b>
<b>Other (income) / expense:</b>																
Interest expense, net	217.0	28.7	26.7	47.2	147.3	250.0	91.4	86.0	44.3	44.3	266.0	44.3	44.3	42.0	42.0	172.6
Change in fair value of convertible debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of warrant liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income, net	(224.6)	-	(19.0)	(8.4)	1.6	(25.8)	0.3	(42.5)	(12.0)	(10.0)	(64.1)	(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	32.3	34.3	201.8	32.3	34.3	30.0	32.0	128.6
<b>Pre-tax income (loss)</b>	<b>(1,146.5)</b>	<b>(242.2)</b>	<b>(196.1)</b>	<b>(82.6)</b>	<b>(191.6)</b>	<b>(712.5)</b>	<b>(376.3)</b>	<b>(319.5)</b>	<b>(132.3)</b>	<b>10.7</b>	<b>(817.4)</b>	<b>(109.8)</b>	<b>(104.3)</b>	<b>2.5</b>	<b>28.0</b>	<b>(183.6)</b>
Income taxes (benefit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<b>(1,146.5)</b>	<b>(242.2)</b>	<b>(196.1)</b>	<b>(82.6)</b>	<b>(191.6)</b>	<b>(712.5)</b>	<b>(376.3)</b>	<b>(319.5)</b>	<b>(132.3)</b>	<b>10.7</b>	<b>(817.4)</b>	<b>(109.8)</b>	<b>(104.3)</b>	<b>2.5</b>	<b>28.0</b>	<b>(183.6)</b>
<b>Net income (loss) to common</b>	<b>(1,146.5)</b>	<b>(242.2)</b>	<b>(196.1)</b>	<b>(82.6)</b>	<b>(191.6)</b>	<b>(712.5)</b>	<b>(376.3)</b>	<b>(319.5)</b>	<b>(132.3)</b>	<b>10.7</b>	<b>(817.4)</b>	<b>(109.8)</b>	<b>(104.3)</b>	<b>2.5</b>	<b>28.0</b>	<b>(183.6)</b>
<b>Basic EPS (loss) (1)</b>	<b>\$ (0.06)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ (0.01)</b>
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	28,539.4	29,987.4	27,603.2	31,486.7	33,061.1	34,714.1	36,449.8	33,927.9
EBITDA	(972.8)	(208.6)	(168.7)	(54.2)	(17.2)	(448.7)	(258.9)	(256.2)	(87.0)	59.5	(542.6)	(77.5)	(70.0)	32.5	60.0	(55.0)
<b>Margin Analysis</b>																
Gross margin	46.7%	77.9%	68.0%	79.6%	67.7%	72.8%	42.3%	60.9%	64.4%	67.9%	62.3%	71.5%	71.9%	72.2%	72.3%	72.0%
R&D	9.6%	15.3%	38.5%	24.6%	0.3%	19.8%	0.4%	40.7%	31.1%	26.5%	28.0%	34.2%	34.1%	29.6%	28.5%	31.3%
G&A	410.5%	106.7%	40.9%	48.8%	69.0%	60.5%	97.1%	38.2%	30.6%	25.6%	38.4%	31.9%	31.4%	27.3%	26.8%	29.1%
S&M	48.9%	44.6%	28.1%	14.3%	6.4%	19.6%	24.7%	22.7%	13.9%	11.6%	16.3%	14.2%	14.1%	12.3%	11.9%	13.0%
Operating margin	-422.3%	-88.8%	-39.6%	-8.0%	-7.9%	-27.1%	-79.9%	-40.7%	-11.1%	4.2%	-20.5%	-8.8%	-7.6%	3.0%	5.1%	-1.3%
Pre-tax margin	-425.1%	-100.7%	-41.2%	-15.1%	-35.6%	-39.6%	-105.6%	-47.1%	-14.7%	1.0%	-27.2%	-12.5%	-11.3%	0.2%	2.4%	-4.5%
Net income margin	-425.1%	-100.7%	-41.2%	-15.1%	-35.6%	-39.6%	-105.6%	-47.1%	-14.7%	1.0%	-27.2%	-12.5%	-11.3%	0.2%	2.4%	-4.5%
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%	-3.2%	-24.9%	-72.7%	-37.8%	-9.7%	5.5%	-18.0%	-8.8%	-7.0%	3.0%	5.1%	-1.3%
<b>Growth Rate Analysis Y/Y</b>																
Total revenue	45.6%	762.2%	657.0%	434.2%	601.0%	567.5%	48.2%	42.4%	64.9%	99.8%	67.2%	146.3%	36.4%	21.9%	9.3%	35.4%
Total cost of revenues	39.0%	318.6%	506.1%	120.1%	na	241.1%	286.6%	73.7%	188.0%	na	131.6%	21.6%	-1.8%	-4.7%	na	0.4%
R&D	na	61085.0%	15512.5%	23105.0%	-93.8%	1279.0%	-95.8%	50.4%	108.4%	18900.0%	136.7%	19367.9%	14.1%	16.1%	17.5%	51.3%
G&A	-3.8%	-8.7%	-18.0%	33.8%	-4.7%	-1.6%	34.7%	33.1%	3.3%	-26.0%	6.0%	-19.0%	11.9%	9.1%	14.5%	2.6%
S&M	na	4317.6%	637.5%	976.0%	-67.1%	167.7%	-18.1%	15.2%	60.6%	265.1%	39.3%	42.1%	-15.6%	8.0%	12.0%	7.7%
Operating income	-6.5%	20.4%	14.0%	71.8%	91.4%	57.1%	-33.3%	-46.5%	-128.3%	205.5%	-26.1%	72.8%	74.6%	132.5%	33.3%	91.1%
EBITDA	8.7%	-8.0%	-5.6%	-52.5%	-96.2%	-53.9%	24.1%	51.8%	60.5%	-446.5%	20.9%	-70.1%	-72.7%	-137.4%	0.8%	-89.9%
Pre-tax income	25.2%	25.6%	10.2%	38.8%	57.6%	37.9%	-55.4%	-62.9%	-60.1%	105.6%	-14.7%	70.8%	67.4%	101.9%	161.7%	77.5%
Net income	25.2%	25.6%	10.2%	38.8%	57.6%	37.9%	-55.4%	-62.9%	-60.1%	105.6%	-14.7%	70.8%	67.4%	101.9%	161.7%	77.5%
EPS	39.1%	41.4%	23.3%	47.2%	64.6%	48.1%	-36.1%	-45.2%	-35.1%	104.4%	2.7%	76.0%	74.3%	101.6%	115.3%	81.7%
Share count - fully diluted	22.9%	27.0%	17.0%	16.0%	19.5%	19.6%	14.2%	12.2%	18.5%	26.2%	17.9%	21.6%	27.2%	21.6%	21.6%	22.9%

Source: Company Reports, Stonegate Securities estimates

## CASH FLOWS

<b>OXYSure (OTCBB: OXYS)</b>				
<b>Consolidated Statements of Cash Flows (cumulative)</b>				
<b>Fiscal Year: December</b>				
	<b>FY 2012</b>	<b>FY 2013</b>	<b>Q1</b>	<b>Q2</b>
<b>Cash Flow from Operations</b>			<b>Mar-14</b>	<b>Jun-14</b>
Net income (loss)	(1,144.8)	(712.5)	(376.3)	(695.8)
Adjustments to reconcile net income to net cash :				
Depreciation	166.1	53.2	12.1	24.9
Amortization of intangible assets	202.0	207.2	95.8	-
Amortization of original issuance & discounts of notes payable	-	-	(16.3)	-
Common stk options issued for compensation	21.4	37.3	17.6	17.6
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)
License fee receivable	-	(500.0)	36.7	36.7
Inventory	26.7	(66.3)	10.4	1.8
Prepaid expense & other current assets	107.5	106.1	40.2	62.5
Accounts payable and accrued liability	135.0	(72.6)	212.3	304.4
Deferred revenue	77.5	(72.8)	(3.0)	(3.0)
<b>Net cash provided by operating activities</b>	<b>(377.3)</b>	<b>(860.8)</b>	<b>(239.0)</b>	<b>(531.5)</b>
<b>Cash Flow from Investing</b>				
Purchases of intangible assets	(3.2)	(4.3)	-	(0.2)
Purchases of property and equipment	(32.9)	(12.1)	(64.0)	(70.7)
<b>Net cash used by investing activities</b>	<b>(36.0)</b>	<b>(16.4)</b>	<b>(64.0)</b>	<b>(70.8)</b>
<b>Cash Flow from Financing</b>				
Loan proceeds, net	555.6	42.5	-	-
Payment of capital leases	(18.6)	(2.3)	(0.6)	(1.0)
Payment from related parties	(264.7)	(269.0)	-	9.8
Payments made to related parties			-	(108.3)
Payment on convertible notes	(86.0)	-	-	(192.0)
Proceeds from convertible notes	125.0	431.5	-	247.5
Proceeds from issuance of preferred stk	-	750.0	(110.0)	-
Proceeds from issuance of common stk for cash	41.3	347.4	-	10.7
Proceeds from common stk subscribed	-	216.8	(93.5)	-
Proceeds from common stk options and warrants	9.3	4.4	-	-
<b>Net cash provided (used) by financing activities</b>	<b>361.8</b>	<b>1,521.3</b>	<b>(204.1)</b>	<b>(33.3)</b>
Net increase (decrease) in cash	(51.6)	644.2	(507.0)	(635.7)
Cash and cash equivalents, beginning of year	65.1	13.5	657.7	657.7
Cash and cash equivalents, end of period	13.6	657.7	150.6	22.0

Source: Company Reports, Stonegate Securities



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