



OxySure Systems, Inc. (OXYS)

3Q 2015 Financial Results

November 16, 2015

It's About Time.

Forward Looking Statements

The following may contain forward-looking statements that involve risks and uncertainties, including uncertainties associated with the medical device industry. Except for the historical information contained herein, the matters set forth in this communication, including statements relating to our growth strategy, financial results, product approvals, and development programs, are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date the statements are made and are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events. You should not put undue reliance on any forward-looking statements. Important factors that could cause actual performance to differ materially from the forward-looking statements we make include: range of treatment options, clinical applications, and market acceptance of products and other risks detailed from time to time in our filings with the Securities and Exchange Commission. Our actual results of operations may differ significantly from those contemplated by such forward-looking statements as a result of these and other factors.



3Q 2015 Financial Highlights

- Total revenue up 39% to \$1,138,380 (three months)
- Total revenue up 52% to \$2,809,553 (nine months)
- Gross profit up 12% to \$558,254 (three months)
- Gross profit up 40% to \$1,484,388 (nine months)
- Total cash up 210% to \$2,006,312 from \$647,093
- Working capital surplus up 253% to \$1,479,075 from \$418,734
- Total assets up 76% to \$4,424,003 from \$2,511,448
- Stockholder equity up 103% to \$2,180,918 from \$1,074,788
- Net loss \$.04 per share



Other Key Highlights

- 14th Consecutive growth quarter
- TTM revenue \$3.4 million
- Revenue run rate approaching \$5 million
- **On track for revenue run rate of \$10 million in 2016**
- Adjusted EBITDA in 3Q15 was \$(76,000), -6.7%
- **On track for breakeven in 2016**
 - Cash flow breakeven first
 - GAAP breakeven later



Revenue trends

	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Revenues	103,327	75,595	240,420	476,071	545,819	538,017	356,228	678,112	818,456	584,606	624,514	1,045,693	1,138,380
Growth%	380%	16%	747%	655%	428%	612%	48%	42%	50%	9%	75%	54%	39%

Annual revenues

	FY2012	FY2013	FY2014
Revenues	269,697	1,800,327	2,437,402
Revenue Growth	84,488	1,530,630	637,075
Growth%	46%	568%	35%

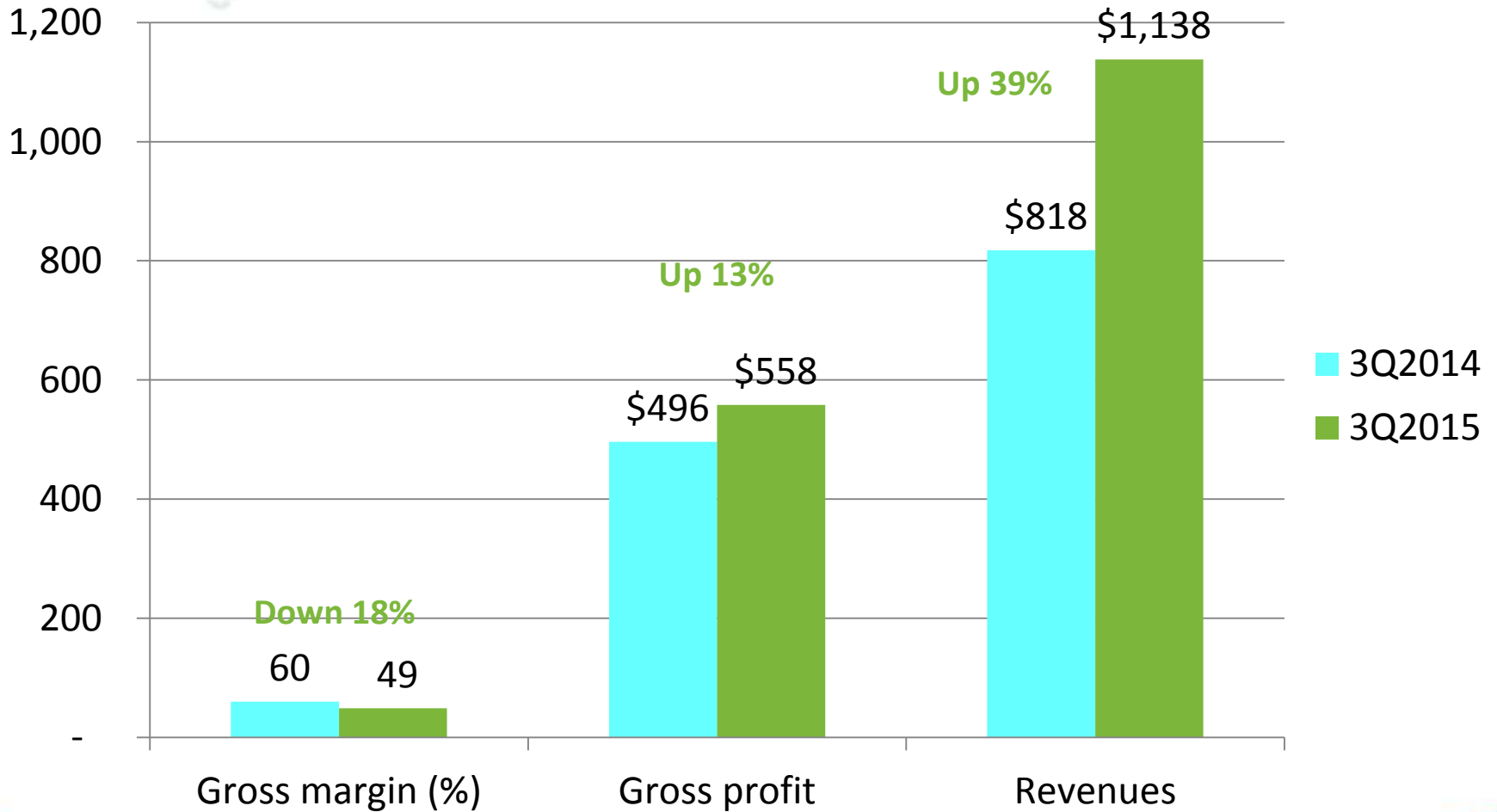
Average *quarterly* growth rate: **243%**

Average *annual* growth rate: **216%**



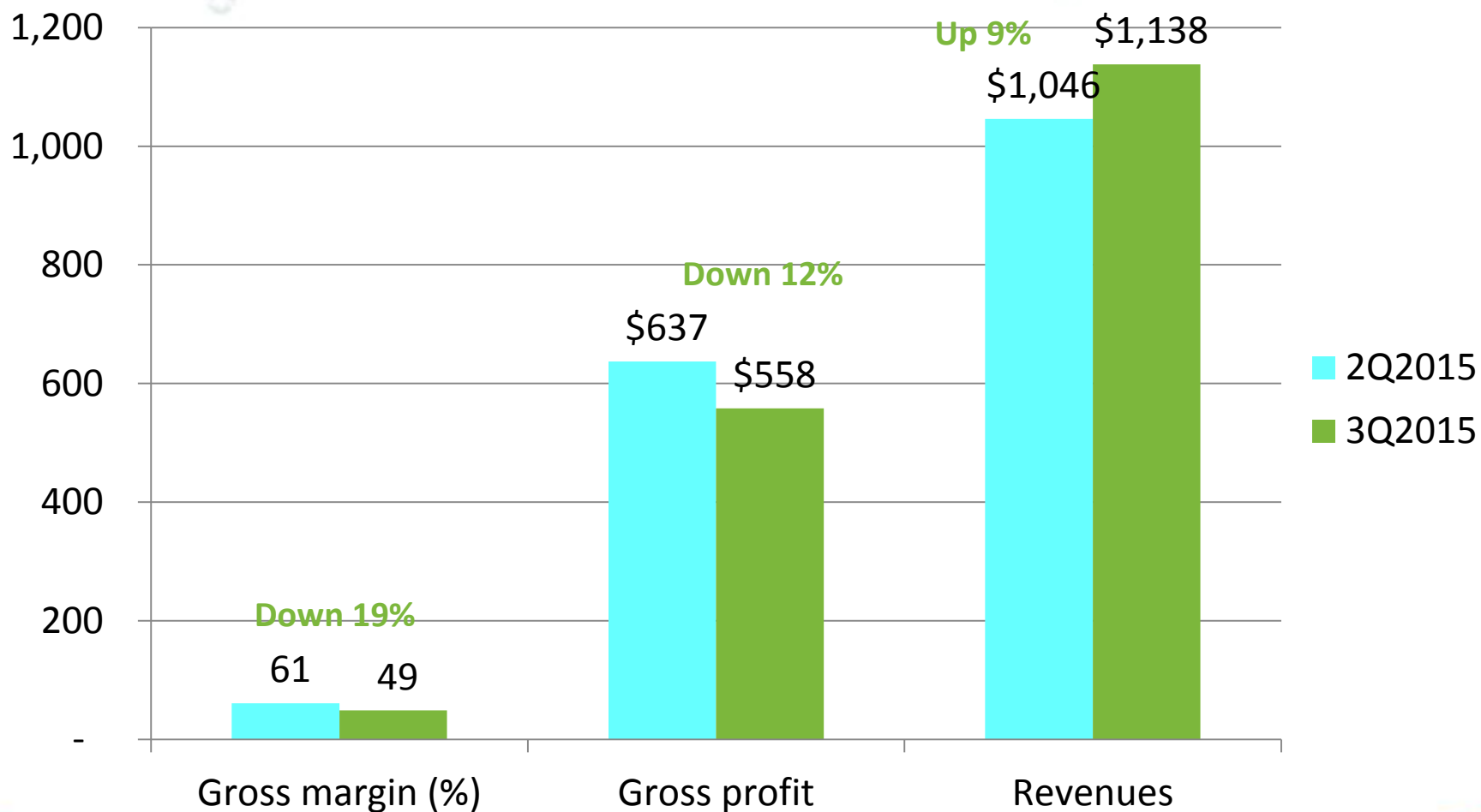
3Q 2015 Financial Results

3-Month Results – 3Q15 v 3Q14 (in thousands)



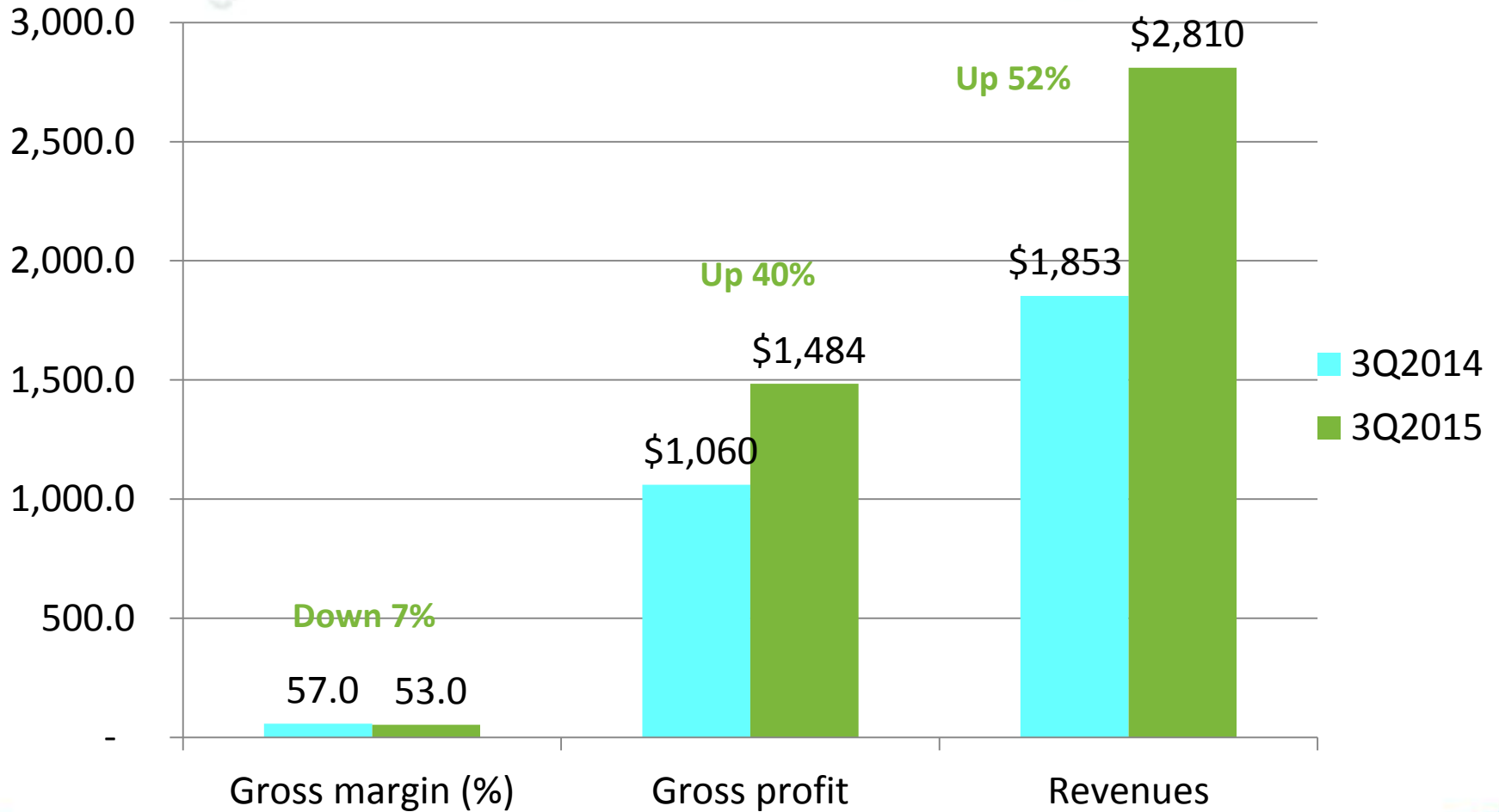
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3-Month Results – Consecutive Quarters (in thousands)



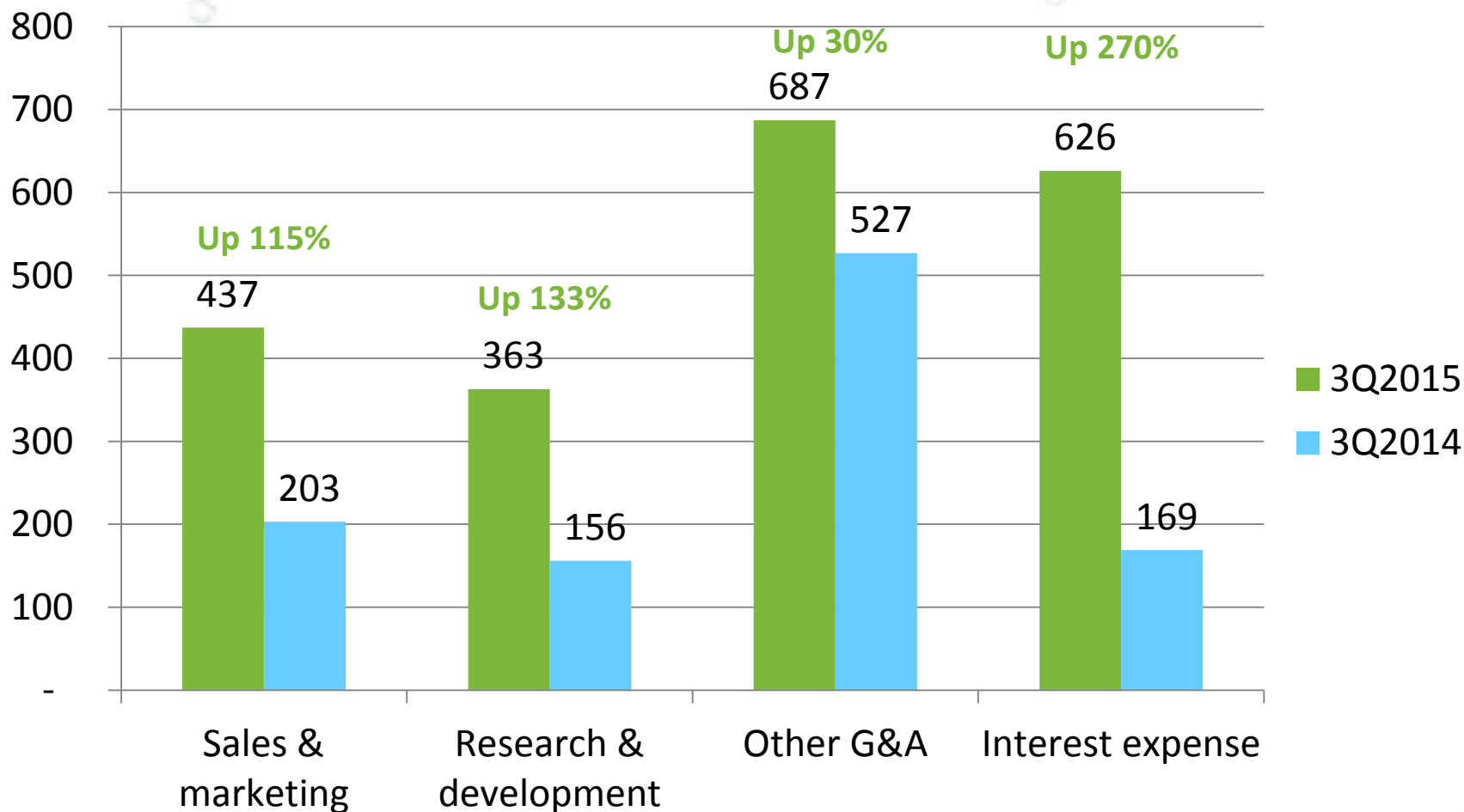
3Q 2015 Financial Results

9-Month Results – 3Q15 v 3Q14 (in thousands)



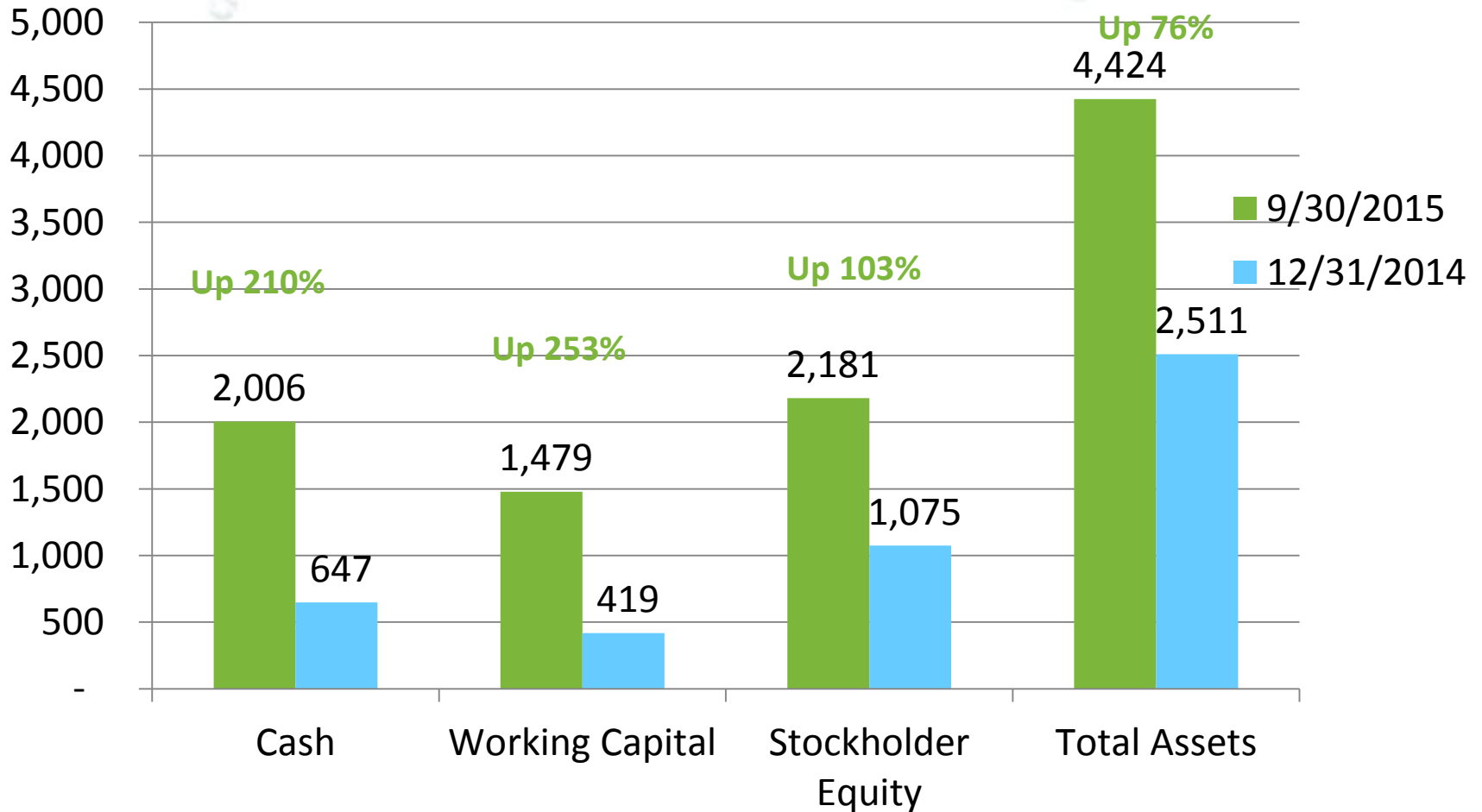
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Q/Q Results – 3Q15 v 3Q14 (in thousands)



3Q 2015 Financial Results

Balance Sheet Items – 9/30/15 v 12/31/2014 (in thousands)



3Q 2015 Financial Results

3Q 2015	2Q 2015	1Q 2015	3Q 2014
Revenues:			
\$1,138,380	\$ 1,045,693	\$624,514	\$818,456
Net income (loss):			
\$(1,380,753)	\$(1,259,314)	\$(1,340,103)	\$(462,349)
Net income (loss) per share:			
\$(.04)	\$(.04)	\$(.05)	\$(.02)



Consolidated Balance Sheets

ASSETS

Current assets

Cash and cash equivalents	\$ 6,312	\$ 647,093
Restricted cash	\$ 2,000,000	\$ -
Accounts receivable, net	830,596	369,575
Inventories	390,028	277,346
License fee receivable	403,478	463,308
Prepaid expenses and other current assets	91,747	53,588
Total current assets	<u>3,722,161</u>	<u>1,810,910</u>
Property and equipment, net	89,544	91,537
Intangible assets, net	340,142	362,764
Other assets	<u>276,692</u>	<u>246,237</u>
TOTAL ASSETS	<u><u>\$ 4,428,538</u></u>	<u><u>\$ 2,511,448</u></u>



LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued expenses	\$ 768,674	\$ 558,338
Related party payable	222,417	154,850
Capital leases - current	-	149
Notes payable - current, net of discount	47,103	40,897
Convertible notes payable, net of discount	1,132,808	606,932
Derivative liability	76,618	31,010
Total current liabilities	2,247,620	1,392,176
Long-term liabilities		
Notes payable	-	44,484
Total long-term liabilities	-	44,484
TOTAL LIABILITIES	2,247,620	1,436,660

COMMITMENTS AND CONTINGENCY**STOCKHOLDERS' EQUITY**

Preferred stock, par value \$0.0005 per share; 25,000,000 shares authorized;		
518,750 Series A convertible preferred shares issued and outstanding as of September 30, 2015 and 593,750 shares issued and outstanding as of December 31, 2014.	258	296
750 Series B convertible preferred shares issued and outstanding as of September 30, 2015 and 1,145 shares issued and outstanding as of December 31, 2014.	1	1
770,000 Series C convertible preferred shares issued and outstanding as of September 30, 2015 and 0 shares issued and outstanding as of December 31, 2014.	385	-
1,050,000 Series D convertible preferred shares issued and outstanding as of September 30, 2015 and 0 shares issued and outstanding as of December 31, 2014.	525	-
531,666 Series E convertible preferred shares issued and outstanding as of September 30, 2015 and 0 shares issued and outstanding as of December 31, 2014.	266	-
Common stock, par value \$0.0004 per share; 100,000,000 shares authorized;		
33,488,420 shares of voting common stock issued and outstanding as of September 30, 2015 and 28,436,930 shares issued and outstanding as of December 31, 2014	13,398	11,377
Other stockholder equity	(1,231,666)	-
Additional Paid-in Capital	25,418,546.00	19,104,322
Accumulated deficit	(22,020,795)	(18,041,208)
TOTAL STOCKHOLDERS' EQUITY	2,180,918	1,074,788
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,428,538	\$ 2,511,448



Statement of operations

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues, net	\$ 1,138,380	\$ 818,456	\$ 2,809,553	\$ 1,852,796
Cost of goods sold	580,126	321,932	1,325,165	792,378
Gross profit	558,254	496,524	1,484,388	1,060,418
Operating expenses				
Research and development	\$ 362,599	\$ 155,869	\$ 873,450	\$ 433,384
Sales and marketing	437,442	202,825	1,231,581	444,818
Other general and administrative	686,828	527,289	1,930,425	1,132,276
Total operating expenses	1,486,869	885,983	4,035,456	2,010,478
Loss from operations	(928,615)	(389,459)	(2,551,067)	(950,060)
Other income (expenses)				
Interest expense	(626,127)	(169,051)	(1,519,071)	(362,638)
Change in value of derivative liabilities	219,673	-	342,257	-
Derivative expense	(47,091)	-	(251,363)	-
Other income (expense)	1,407	96,161	(342)	154,521
Total other income (expenses)	(452,138)	(72,890)	(1,428,519)	(208,117)
Net loss	<u>\$ (1,380,753)</u>	<u>\$ (462,349)</u>	<u>\$ (3,979,587)</u>	<u>\$ (1,158,177)</u>
Basic net loss per common share	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.13)</u>	<u>\$ (0.04)</u>
Weighted average common shares outstanding:				
Basic and Diluted	<u>32,425,195</u>	<u>26,120,974</u>	<u>30,543,678</u>	<u>26,042,971</u>



Statement of cash flows

	For the nine months ended September 30,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (3,979,587)	\$ (1,158,177)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization expense	33,239	35,462
Amortization of debt discount and beneficial conversion features	1,315,271	254,944
Gain on forgiveness of debt	(44,954)	-
Excess derivative over proceeds	251,363	-
Derivative liability fair value adjustment	(342,257)	-
Expenses paid by related parties	137,150	4,374
Warrants issued for services	11,025	-
Stock based compensation	119,083	62,137
Common stock issued for services	147,363	-
Gain on extinguishment of debt	-	(123,667)
Changes in operating assets and liabilities:		
Accounts receivable	(461,020)	(444,915)
Inventories	(112,682)	(11,618)
License fees receivable	59,830	36,692
Prepaid expenses and other current assets	(38,159)	87,070
Other assets	(30,455)	-
Accounts payable and accrued liabilities	266,363	476,772
Deferred revenue	-	(2,976)
NET CASH USED IN OPERATING ACTIVITIES	(2,668,427)	(783,900)



Statement of cash flows

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(8,624)	(70,651)
Purchase of intangible assets	-	(198)

NET CASH USED IN INVESTING ACTIVITIES	(8,624)	(70,849)
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CASH FLOWS FROM FINANCING ACTIVITIES

Common stock subscribed and issued for cash	80,001	29,672
Preferred stock issued for cash and warrants	2,650,001	-
Cash received from related parties	43,917	9,800
Payments made to related parties	(113,500)	(115,300)
Cash received from convertible notes payable	1,551,000	475,000
Payments made on convertible notes payable	(175,000)	(192,000)
Payments on capital leases	(149)	(1,440)

NET CASH PRODUCED BY FINANCING ACTIVITIES	4,036,270	205,732
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Net change in cash and cash equivalents	1,359,219	(649,019)
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Cash and cash equivalents, at beginning of period	647,093	657,673
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Cash and cash equivalents, at end of period	<u>\$ 2,006,312</u>	<u>\$ 8,654</u>
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Sales trends and pipeline

- Sales trends and pipeline
- Law enforcement customers
- Strong sales, Quickclot Hemostatic Solution
- Strong sales, AEDs
- Other resuscitation solutions



Business updates

- Appointed Dr. Joseph M. Chalil, MD, MBA, FACHE, a Physician and Executive at Boehringer Ingelheim to our Strategic Advisory Board;
- Our business and industry received support from an opinion paper published in the Journal of Emergency Medical Services (JEMS) that appears to pave the way for “public/first aid oxygen” usage, prior to the arrival of professional first responders;
- Stockholders voted to approve two proposals designed to support an uplisting to Nasdaq and amendment of capital structure to facilitate significant future growth;



Business updates, cont.

- Conducted an investor day at headquarters where a tour of the Company's production plant and operations was provided;
- Announced the appointment of two new Territory Sales Managers in Indiana and Colorado;
- Placed fourth on the Fast Tech Award - honoring the fastest growing technology Companies in North Texas – We grew at ave. of 801.45% for the two-year period under review;
- Received commercial drone approval from (FAA);
- We presented at 2015 Sidoti Emerging Growth Conference;



Business updates, cont.

- Retained Donohoe Advisory Associates LLC to advise and assist in our efforts to obtain Nasdaq listing;
- OxySure Model 615 portable emergency oxygen device was used eighteen times during the Special Olympics World Games which took place July 25 - August 2, 2015 in Los Angeles;
- Teamed up with Cardiac Science Corporation (Cardiac Science), on some joint strategic initiatives; and
- Closed a \$3 million institutional financing transaction.



Looking ahead...

- Launch new product/solution
- Initiate test & learn for DTC campaign
- Grow direct sales force
- Uplist to national exchange



Summary

- Strong building quarter, new opportunities
- Expect \$10 million run rate, breakeven in 2016
- Keeping solidifying our medical device platform



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OxySure Systems, Inc. (OXYS)

investors@oxysure.com

www.oxysure.com

Questions & Answers



Contact Information

OxySure Systems, Inc.

OTCQB: OXYS

10880 John W. Elliott Road, Suite 600

Frisco, TX 75033 USA

Tel: (+1) 972-294-6450

investors@oxysure.com

www.OxySure.com



Renmark Financial

Bettina Filippone

[Email: bfilippone@renmarkfinancial.com](mailto:bfilippone@renmarkfinancial.com)

Tel.: (416) 644-2020 or (514) 939-3989

www.renmarkfinancial.com/

Redchip

Jon Cunningham

[Email: jon@redchip.com](mailto:jon@redchip.com)

Tel: 800-733-2447, ext. 107

www.redchip.com/

