

## Company Report

# OCULUS INNOVATIVE SCIENCES, INC.

## OCLS Shares Undervalued; Stock Worth \$2.25 Today

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### OCULUS INNOVATIVE SCIENCES, INC. (NASDAQ:CM – OCLS - \$1.60)

Price Target: \$3.50

Rating: Speculative Buy

#### COMPANY SNAPSHOT

Oculus is a healthcare company noted for its safe and effective tissue care products based upon the Microcyn® Technology platform which significantly reduces the need for antibiotics while reducing infections and accelerating healing. The Microcyn® Technology addresses the need for improved solutions in dermatology, oral care, cosmeceutical, wound care and other markets. It features a biocompatible, shelf-stable solution that is currently approved and commercialized in many of the world's largest markets. Several solutions derived from this platform have, in various studies, demonstrated the ability to treat antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses; increase blood flow to the wound site; and reduce both inflammation and pain while assisting in faster wound closure.

#### KEY STATISTICS

|                       |                 |
|-----------------------|-----------------|
| Price as of 6/17/11   | \$1.60          |
| 52 Wk High – Low      | \$2.65 - \$1.41 |
| Est. FD Shares Out.   | 26.5M           |
| Market Capitalization | \$42.4M         |
| 3 Mo Avg Vol          | 65,000          |
| Exchange              | NASDAQ:CM       |

#### FINANCIAL FORECAST

FY11A Revenue & EPS: \$9.8M, (\$0.30)  
 FY12E Revenue & EPS: \$14.0M, (\$0.20)  
 FY13E Revenue & EPS: \$25.0M, \$0.09

#### COMPANY INFORMATION

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#### INVESTMENT HIGHLIGHTS

**Oculus is a proven innovator in the multi-billion dollar tissue care and wound care market.** The Company's platform technology, Microcyn®, cures infections, enhances healing, and reduces the need for antibiotics.

**Oculus is well-positioned to become the global standard of care for the treatment and irrigation of open wounds and skin care.** The Company's highly effective anti-infective technology fills a serious need in the dermatology, oral care, and wound care markets. Oculus has received 7 FDA clearances, plus approvals in Europe, China, and Mexico. In addition, the Microsyn® name has become an important brand in the U.S. OTC market.

**A true innovator in the space, trials and studies have demonstrated that Microsyn® platform-derived solutions have the ability to treat anti-biotic resistant strains of bacteria such as MRSA and VRE.**

**Through key marketing and sales partnerships, Oculus benefits from royalty stream inflows while maintaining relatively low operating expenses, thus ensuring profitability as critical mass in sales occurs.**

**A number of milestones should ensure that this year will be a turning point for Oculus.** We expect that Oculus will enjoy higher revenue through greater market penetration, higher royalties, as well as new approvals and partnerships.

**We believe Oculus' shares represent a tremendous opportunity for investors and that the stock is worth \$2.25 today, or 40% higher than Friday's closing price.**

With its projected hockey-stick type growth and upcoming milestone events, we believe that OCLS can reach \$3.50 in the next 6 months. Our preliminary 12-month target is \$5.00. We forecast 40% growth in revenue this year and 78% next year, plus meaningful operating profitability. Our methodology is based on a conservative 5x revenue multiple on estimated forward 12-month revenue forecasts. We rate these shares Speculative Buy.

## COMPANY OVERVIEW

Tracing its roots to 1999, Oculus Innovative Sciences, Inc. is a healthcare company noted for its safe and effective tissue care products based upon the Microcyn® Technology platform which significantly reduces the need for antibiotics while reducing infections and accelerating healing. The Microcyn® Technology addresses the need for improved solutions in dermatology, oral care, cosmeceutical, wound care and other markets. In addition to its California-based headquarters, the Company has an important, revenue-generating and production subsidiary in Mexico and sales operations in Europe, China, India, and the Middle East.

Oculus has been awarded seven FDA 510 (k) clearances in the U.S., including 5 for wound care and 2 for dermatology, and is awaiting approval for 3 new products. Most of these approvals are for use as a medical device in wound cleaning, or debridement, lubricating, moistening and dressing, including traumatic wounds and acute and chronic dermal lesions. The Company has also been awarded clearances for wound care treatment in Europe and China and both wound care and dermatology clearances in Mexico.

The Company enjoys a strong patent portfolio and an impressive patent pipeline. Oculus has been awarded 12 patents and has 14 patents pending in the U.S. and 76 abroad. In addition, the Company has 14 SKUs to treat topical and invasive infections and a total of 2 dozen in the animal health care space.

Keys to success for the Company include the introduction and continued development of a broad and diverse family of products for sale in multiple markets around the world, often with the aid of third-party marketing and sales relationships. As a result, Oculus has many arrows in its quiver and is properly leveraging those arrows through the engagement of relationships with firms that have strong success in specific treatment and geographical market penetration and distribution. In addition, engaging in these partnerships enables Oculus to generate valuable royalty streams while incurring only incremental sales and marketing expenses.

The Company's primary markets include: Animal Health Care, International Sales, and Prescription Wound Healing/Dermatology Products. Oculus is partnered with AMNEAL, the fastest growing generic drug company in the U.S. for the wound care and dermatology markets, Precision Dermatology for dermatology, Union Springs Pharmaceuticals for OTC Applications, and Innovacyn for Animal health care and OTC wound care products for humans. Separately, the Company has also partnered with OroScience, Inc. on the oral care segment. Oculus has a dedicated contract sales force in Mexico and other partners and distributor relationships in other parts of the world.

Oculus recently released record revenue of \$9.8M for fiscal 2011, a 32% increase over FY10. The Company also beat quarterly guidance for 4Q11 and received a new, key approval during the period. The FDA awarded Oculus 510(k) clearance for Microcyn-based Dermatology HydroGel for management of Atopic Dermatitis, Radiation Dermatitis and other skin dermatoses. This is a huge approval and will be a big focus for Oculus going forward as the atopic and radiation dermatitis markets are several hundred million annually.

While sales in Mexico are nearing a maturation stage, the continued strength of the animal health care market, buoyed by Innovacyn, should contribute a great deal going forward, as royalty rates will increase by fifty percent to 30%, beginning July 1, 2011. New product launches in the podiatry and dermatitis segments, along with potential approvals, partnerships, introductions in surgical/acute care, and commercial activities in China are key milestones going forward.

**Table I. Key U.S. Products**  
**Oculus Innovative Sciences, Inc.**

| <u>Region</u> | <u>Treatment</u>           | <u>Marketing Partner</u> |
|---------------|----------------------------|--------------------------|
| U.S.          | Wound & Infection (Animal) | Innovacyn                |
| U.S.          | Chronic Wound/Podiatry     | AMNEAL                   |
| U.S.          | Atopic Dermatitis          | Precision Dermatology    |
| U.S.          | Wound & Skin (Human)       | Innovacyn                |

(Source: Oculus)

## Company Report

The Problem

Infection is a serious potential complication in both chronic and acute wounds, and thus controlling infection is a critical step in wound healing. The Microcyn® platform is a proprietary solution of electrically charged oxychlorine small molecules designed to treat a wide range of organisms that cause disease (pathogens). These include viruses, fungi, spores and antibiotic-resistant strains of bacteria, such as methicillin-resistant *Staphylococcus aureus*, or *MRSA*, and vancomycin-resistant *Enterococcus*, or *VRE*, in wounds, as well as *Clostridium difficile*, or *C. diff*, a highly contagious bacteria spread by human contact.

Enter Microcyn®

Microcyn® Technology has demonstrated antimicrobial activity against numerous bacterial, viral and fungal pathogens, including antibiotic-resistant strains, as evidenced by passing results in numerous standardized laboratory microbiology tests conducted on its 510(k) approved technology by a variety of certified independent testing laboratories.

The Microcyn® platform technology generates stable, highly efficacious pH-neutral products based on the science of hypochlorous acid (HOCl). This chemical is a highly efficient, but under most conditions, an unstable antimicrobial agent that is generated by human cells as a defensive agent. Microcyn® is a proprietary solution of oxychlorine compounds that, among other things, interact with and inactivate surface proteins on cell walls and membranes of microorganisms. Once Microcyn surrounds single cell microorganisms, it damages these proteins, causing the cell membrane to rupture, leading to cell death. This destruction of the cell appears to occur through a fundamentally different process than that which occurs as a result of contact with a bleach-based solution. It should be noted that the active ingredient in Microcyn® Technology, is 70 times more efficacious than the active ingredient in bleach, sodium hypochlorite.

In laboratory tests, Microcyn® has been shown to destroy certain biofilms, which are a complex cluster of microorganisms or bacteria marked by the formation of a protective shell, which allow bacteria to collect and proliferate. It is estimated that over 65% of microbial infections in the body involve bacteria growing as a biofilm. One result of this film environment is increased resistance to antibiotics and to the body's immune system. In chronic wounds, biofilms interfere with the normal healing process and halt or slow wound closure. Bacteria growing in biofilms can become up to 1000-fold more resistant to antibiotics and other biocides. As a result, biofilm infections cannot be effectively treated with conventional antibiotic therapy. In these studies, Microcyn was shown to destroy two common biofilms after five minutes of exposure.

It should be noted that although Oculus has received seven 510(k) clearances already, the Company, physicians and scientists have undertaken significant clinical trials and studies. In fact, there have been 40 trials and studies and Oculus estimates that over 3 million patients have used its offerings. The Company has also completed a favorable Phase II clinical trial for which it demonstrated the effectiveness of Microcyn® Technology in mildly infected diabetic foot ulcers with the primary endpoint of clinical cure and improvement of infection. Oculus utilized 15 clinical sites and enrolled 48 patients in three arms. Management plans to seek a partner to initiate a future, pivotal trial.

The Solution

**Oculus' approach has proven to offer substantial benefits relative to a number of existing solutions, such as traditional topical antiseptic and antibiotic solutions.** Management believes that the Microcyn Technology is the only known stable, anti-infective therapeutic available in the world today that cures or improves infection while also promoting wound healing. Studies have demonstrated that these actions are led by increased blood flow to the wound bed and reduced chronic inflammation. Moreover, Microcyn provides significant advantages over current methods of care in the treatment chronic and acute wounds.

The stages of treatment include cleaning, debridement, prevention and treatment of infections and wound healing. Unlike typical antibiotics, antiseptics, growth regulators and other advanced wound care products, Microcyn appears to be the only stable wound care solution that is as safe as saline, and also cures infection while simultaneously accelerating wound healing. Also, unlike most antibiotics, we believe Microcyn does not target specific strains of bacteria, a practice which has been shown to promote the development of resistant bacteria.

# OCULUS INNOVATIVE SCIENCES, INC. (NASDAQ:CM - OCLS)

Other key advantages include the fact that Oculus' products are bio-compatible, shelf stable, non-toxic, require no special preparation and are easy to use. Some competing treatments have a shelf life of only 48 hours. At neutral pH, Microcyn® Technology products have shelf lives of eighteen months and beyond. The unique chemistry behind Microcyn® Technology generates stable HOCl acid in a bottle. There is no other stable, bottled HOCl acid product available.

**Table II. Oculus Approvals**

| <u>Region</u> | <u>Clearance Type</u> | <u>Description/Indication</u>  |
|---------------|-----------------------|--|
| U.S.          | 510(k)                | Moistening and lubricating wound dressings                           |
| U.S.          | 510(k)                | Moistening and debriding acute and chronic dermal lesions            |
| U.S.          | 510(k)                | Moistening absorbent dressings and cleaning minor cuts               |
| U.S.          | 510(k)                | Management of exuding wounds such as ulcers                          |
| U.S.          | 510(k)                | Debridement of wounds ulcers, burns                                  |
| U.S.          | 510(k)                | Management of dermal irritation, incl itch and pain relief           |
| U.S.          | 510(k)                | Atopic dermatitis and radiation dermatitis                           |
| EU            | CE Mark               | Debriding, irrigating and moistening acute and chronic wounds        |
| Mex           | Prod Reg              | Antiseptic disinfection solution for high level disinfection         |
| Mex           | Prod Reg              | Antiseptic treatment of wounds and infected areas.                   |
| Canada        | Class II Med Dev      | Irrigating, cleansing and debriding acute and chronic dermal lesions |
| India         | Drug Lic              | Cleaning and debriding in wound management                           |
| China         | Med Dev               | Reduces the propagation of microbes in wounds                        |

(Source: Oculus)

## Oculus: Strategy and Segments

Clearly the Company seeks to become the anti-infective standard of care in wound care and dermatology. To that end, Oculus has introduced a number of products in key segments that represent (based on market research from Kalorama) a \$2.0+ market, with pending approvals potentially adding to the prospective market size.



**Rx Wound Care, Dermatology  
and Post-Surgical**

Image I. Microsyn® Products

(Source: Oculus)



Image II. Innovacyn Products

(Source : Innovacyn)

## Company Report

## Animal Health Care

**A large, but underfollowed market, there are 170 million companion dogs and cats and 12 million horses in America alone.** Oculus has granted Innovacyn the exclusive North American rights to the Company's Microcyn-technology-based *Vetericyn* brand. *Vetericyn*, the animal version of the Microcyn formulation, is a non-toxic anti-bacterial, anti-fungal and anti-viral spray that is safe as water.

As with Microcyn®, *Vetericyn* is completely biocompatible because it mimics the body's natural immune system's response to an infection. In addition, bacteria, virus, fungi and spores have not demonstrated the ability to develop resistance to *Vetericyn*. The potency is at such a level that it also kills staph, E. coli and even MRSA (Methicillin-resistant *Staphylococcus aureus*). The product contains no steroids or antibiotics that can hinder the healing process or weaken the immune system, so an animal can lick its wounds or infections after application without any adverse affects. *Vetericyn* will not stain clothing or furniture.

*Vetericyn* significantly increases the oxygen content at the wound site within 30 seconds and maintains that oxygen level for up to 36 hours. It is believed this increase in oxygen accounts for accelerated healing times up to 60%. *Vetericyn* treats and reduces chronic inflammation by inhibiting the release of histamines by the mast cells, which are a barrier to healing.

Since its introduction in 2009, *Vetericyn* has become a brand name in the animal health care space. This is largely a result of a strong distribution network, and clever marketing strategies. To date *Vetericyn* has:

- Presence in 50% of 18,000 independent retail pet stores
- Penetration in all 800+ Tractor Supply Stores
- Distribution through PETCO
- 50% share of all pet stores
- 24 SKU's
- Successful campaign with Caesar "Dog Whisperer" Milan

The ramp-up by Innovacyn has been phenomenal, with growth from essentially zero 2 years ago to \$10M in fiscal 2011. With the added benefit of a fifty percent increase in royalty revenue to 30% beginning July 2011, management estimates that sales growth in this segment should be in the 70-90% range. Since this is a third party relationship, Innovacyn bears the cost of marketing while Oculus enjoys 30% of the revenue stream. We should note that Innovacyn plans to introduce a new OTC product brand, *Puracyn*, for human wound care, in the first half of CY12, which could add incremental revenue for Oculus in FY12, but certainly contribute in FY13.

## Prescription Wound Care and Dermatology

The prescription wound care markets are, in our opinion, clear examples of Oculus addressing unmet needs when the side effects and efficacy of the existing treatments are reviewed. Oculus is well-positioned to take advantage of this opportunity through its broad, multi-year partnership agreement with AMNEAL Pharmaceuticals. A major component of the agreement includes providing this partner with U.S. and Canadian rights to the Microcyn-based dermatology atopic dermatitis hydrogel that just received FDA clearance. This market is huge, representing 19M patients in the U.S. alone, and an estimated \$500M annual market. With the side effects of the current topical creams and solutions, there are limitations to the current standard of care treatment for chronic wound care. As a result, Oculus is presented with an opportunity to emerge as the SoC for this treatment. With approvals in the U.S. and abroad, Oculus has a great deal of experience in treating chronic wound care.

Other elements of the agreement include the co-promotion of chronic wound care treatments to podiatrists. and an option license an NDA for an acne drug. Royalty rates of these offerings are very favorable.



## International Markets

This segment accounted for 62% of FY11 sales, with a meaningful percentage derived from the Mexico operations. While growth is expected to be muted somewhat as the Mexico market matures, Oculus' large direct and partner sales force should benefit from additional OTC introductions. Plus, management remains optimistic regarding sales potential in China and the Middle East as registrations and certifications continue. Europe also appears poised to benefit from Rx and OTC sales.

## COMPETITIVE ADVANTAGES

Oculus has a number of unique advantages in the tissue care and wound care segments.

- The Company's product is non-irritating is easy to use, and has a long shelf life.
- Microcyn® can be used as a complement to other treatments.
- Phase II results and additional physician-led studies indicate that not only does the Company's flagship platform reduce infection but can cure infection and aid in the healing process as well.
- Use of the products can reduce the need for antibiotics.
- Oculus has a diverse offering, pending approvals, deep patent and product portfolio, and multi-country clearances.
- The Company's third-party marketing strategy with multiple firms with a strong presence in their respective segments should continue to demonstrate success through the form of valuable royalty streams, while reducing opex.

## LOOKING AHEAD: NEAR-TERM MILESTONES

The road ahead is bright for Oculus. A higher royalty stream for the fast-growing animal health care segment is a big boost and should immediately enhance cash flow. Plus, the all-encompassing agreement with AMNEAL will likely bring quantifiable results, beginning later this year. New offerings such as *Puracyn* through *Innovacyn*, new partnerships, meaningful commercial activity in China, and the likely shift of current pending clearances to 510(k) clearance status for 1 or more products will only enhance Oculus' positioning. The pending products include Scar HydroGel, Allergen Shield HydroGel, and Oral indications.

We expect management will introduce a surgical segment to the business, leveraging Microcyn's approval for post-surgical irrigation. Furthermore, the current standard of care for the 36 million surgeries and 9 million acute trauma cases, saline and bacitracin have not limited effectiveness against MRSA and VRE, while Microcyn® has proven efficacy.

## RISK FACTORS

In our view, the greatest risk to investors is execution risk with respect to market penetration, broadening distribution, and increasing sales of existing products. A royalty arrangement is great for firms without deep pockets to develop a large in-house sales force. However, firms such as Oculus run the risk of these firms not encouraging their sales forces to commit time and dollars to marketing the Oculus products. We believe that this risk is not significant due to the upfront payment associated with these relationships and the historical results generated by such partners as *Innovacyn*. Separately, the length of time brand education in multiple geographies may be required to capture steady, meaningful sales in new markets may be a barrier to quick success. Delays may occur despite the fact of documented health, benefits and performance of its products and the sector as a whole. Other risk factors including the possible need for additional capital to fund its growth, and competition from larger firms are all consistent with firms of Oculus' size and standing.

**Company Report****FINANCIALS**

Oculus recently released FY11 results. The Company recorded revenue of \$9.8M for fiscal 2011, a 32% increase the \$7.4M recorded in FY10, with a loss per share of (\$0.30.) The Company enjoyed 40% product growth for the year and recorded \$11M in non-cash operating expenses versus the \$13.6 full operating expenses recorded, which includes non-cash compensation. With \$4.4M in cash, we believe that the Company has enough cash to reach its break-even point, which is estimated at \$4M in quarterly revenue.

Our FY12 estimates call for \$14M in revenue, with animal health care accounting for nearly 25% of total revenue. We note that this figure is at the low end of management's revenue growth range so we would not be surprised to see an upside surprise. Gross margin should stay at typical levels of around 70%. Operating expenses are expected to rise incrementally \$13.8M. It should be noted that these costs include non-cash expenses. Interest expense is forecast to be higher this year and the loss per share narrowed to (\$0.20.) Investors should be aware that our revenue forecast does not include any potential revenue from pending approvals and no tax expense due to the large NOL.

For FY13, we project a big jump in revenue to \$25M, again near the low band of revenue guidance, with an EPS forecast of \$0.04. Margin improvement should occur on all fronts. We should note that our operating income estimate of \$3.2M reflects non-cash expenses and that we preliminarily forecast that with the exclusion of those items, operating profit the figure would approach \$5M. We increased the share count in our model in the event management elects to go to market and raise funds, in part to fund a pivotal trial with a partner.

**VALUATION AND CONCLUSION**

In our view, Oculus' low relative valuation presents a tremendous opportunity for investors. The stock is presently trading at a valuation akin to an early stage medical device firm with one product and limited sales rather than a company generating substantial growth, with a total of 10 approvals worldwide, numerous patents and patents pending, and on the cusp of operating profitability. Clearly, some investors are incorrectly discounting the swift animal health care penetration and other segment successes. On the contrary, we believe that Oculus is not an "also-ran" in the tissue and wound care space but rather one that could emerge as the standard of care in certain segments.

In our view, Oculus' shares represent a tremendous opportunity for investors and that the stock is worth \$2.25 today, or 40% higher than Friday's closing price. With its projected hockey-stick type growth and upcoming milestone events, we believe that OCLS can reach \$3.50 in the next 6 months. Our preliminary 12-month target is \$5.00. We forecast 40% growth in revenue this year and 78% next year, plus meaningful operating profitability. Our methodology is based on a conservative 5x revenue multiple on estimated forward 12-month revenue forecasts. In addition, when valuing the Company based on operating income excluding non-cash compensation, FY13 results could appear to be stellar. Separately, we are surprised that the Street is apparently assigning zero value to the Phase II clinical trial results for Microcyn. We view it as a hidden bonus as investors will see unlocked value when management elects to go forward with a pivotal trial.

We rate Oculus a Speculative Buy.

# OCULUS INNOVATIVE SCIENCES, INC. (NASDAQ:CM - OCLS)

**Table III. Projected Income Statement**

**Oculus Innovative Sciences, Inc.**

(in thousands)

|                                 | <u>FY11A</u>     | <u>1Q12E</u>     | <u>2Q12E</u>     | <u>3Q12E</u>     | <u>4Q12E</u>     | <u>FY12E</u>     | <u>FY13E</u>    |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>Revenue</b>                  |                  |                  |                  |                  |                  |                  |                 |
| Product                         | \$8,826          | \$2,750          | \$2,600          | \$3,400          | \$4,250          | \$13,000         | \$24,000        |
| Services                        | <u>\$928</u>     | <u>\$225</u>     | <u>\$250</u>     | <u>\$250</u>     | <u>\$250</u>     | <u>\$975</u>     | <u>\$1,000</u>  |
| <b>Total Revenue</b>            | <b>\$9,754</b>   | <b>\$2,975</b>   | <b>\$2,850</b>   | <b>\$3,650</b>   | <b>\$4,500</b>   | <b>\$13,975</b>  | <b>\$25,000</b> |
| <b>Cost of Sales</b>            |                  |                  |                  |                  |                  |                  |                 |
| Product                         | \$2,876          | \$825            | \$780            | \$986            | \$1,233          | \$3,824          | \$6,480         |
| Service                         | <u>\$737</u>     | <u>\$180</u>     | <u>\$200</u>     | <u>\$200</u>     | <u>\$200</u>     | <u>\$780</u>     | <u>\$800</u>    |
| <b>Total Cost of Sales</b>      | <b>\$3,613</b>   | <b>\$1,005</b>   | <b>\$980</b>     | <b>\$1,186</b>   | <b>\$1,433</b>   | <b>\$4,604</b>   | <b>\$7,280</b>  |
| <b>Gross Profit</b>             | <b>\$6,141</b>   | <b>\$1,970</b>   | <b>\$1,870</b>   | <b>\$2,464</b>   | <b>\$3,068</b>   | <b>\$9,372</b>   | <b>\$17,720</b> |
| <b>Operating Expenses</b>       |                  |                  |                  |                  |                  |                  |                 |
| R&D                             | \$2,046          | \$476            | \$456            | \$584            | \$698            | \$2,214          | \$2,375         |
| SG&A                            | <u>\$11,600</u>  | <u>\$2,737</u>   | <u>\$2,736</u>   | <u>\$3,103</u>   | <u>\$3,240</u>   | <u>\$11,816</u>  | <u>\$12,125</u> |
| <b>Total Operating Expenses</b> | <b>\$13,646</b>  | <b>\$3,213</b>   | <b>\$3,192</b>   | <b>\$3,687</b>   | <b>\$3,938</b>   | <b>\$14,029</b>  | <b>\$14,500</b> |
| <b>Operating Income (Loss)</b>  | <b>(\$7,505)</b> | <b>(\$1,243)</b> | <b>(\$1,322)</b> | <b>(\$1,223)</b> | <b>(\$870)</b>   | <b>(\$4,658)</b> | <b>\$3,220</b>  |
| Interest Expense                | \$406            | \$140            | \$140            | \$150            | \$150            | \$580            | \$600           |
| Interest Income                 | \$3              | \$5              | \$5              | \$5              | \$5              | \$20             | \$25            |
| Change in Der. Liab             | <b>(\$135)</b>   | <b>(\$125)</b>   | <b>(\$125)</b>   | <b>(\$125)</b>   | <b>(\$125)</b>   | <b>(\$500)</b>   | <b>(\$300)</b>  |
| Other Exp. (Inc.,) Net          | <u>\$175</u>     | <u>\$150</u>     | <u>\$150</u>     | <u>\$150</u>     | <u>\$150</u>     | <u>\$600</u>     | <u>\$200</u>    |
| <b>Net Loss</b>                 | <b>(\$7,948)</b> | <b>(\$1,403)</b> | <b>(\$1,482)</b> | <b>(\$1,393)</b> | <b>(\$1,040)</b> | <b>(\$5,318)</b> | <b>\$2,745</b>  |
| <b>Net Loss per Share</b>       | <b>(\$0.30)</b>  | <b>(\$0.05)</b>  | <b>(\$0.06)</b>  | <b>(\$0.05)</b>  | <b>(\$0.04)</b>  | <b>(\$0.20)</b>  | <b>\$0.09</b>   |
| <b>Est. Shares Outstanding</b>  | 26,374           | 26,500           | 26,800           | 27,000           | 27,300           | 26,900           | 31,000          |



Company Report

Recent Trading History For OCLS

(Source: Stockta.com)



# OCULUS INNOVATIVE SCIENCES, INC. (NASDAQ:CM - OCLS)

## Analyst: Robert Goldman

Rob Goldman has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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