

## RMS Medical Products Announces Second Straight Record Quarterly Net Sales and Net Income

- Net Sales for the Quarter Ended September 30, 2018 Increased 18.1% Over the Same Period Last Year
- Gross Profit Increased 21.6% Over Third Quarter 2017 to \$2.9 Million, or 63.6% of Net Sales
- Net Income Increased 45% Over Third Quarter 2017 to \$386,553, or 8.5% of Net Sales
- Conference Call to Discuss Results October 24, 2018 at 9:00 am EST

CHESTER, NY / ACCESSWIRE / October 23, 2018 /Repro Med Systems, Inc. dba RMS Medical Products (OTCQX: REPR) today announced financial results for the third quarter ended September 30, 2018.

Net sales grew to \$4.5 million, an 18.1% increase over the third quarter of 2017. The increase in net sales was driven by market expansion and gains in needle sets, tubing and pump sales.

Gross Profit grew to \$2.9 million, or 63.6% of net sales, a 21.6% increase over third quarter 2017 Gross Profit of \$2.4 million, or 61.8% of net sales. The increase in Gross Profit was mostly driven by the increase in net sales and operating efficiencies.

Selling, General and Administrative expenses and Research and Development costs for the third quarter of 2018 totaled \$2.3 million, or 51.3% of net sales, compared to \$1.9 million, or 49.6% of net sales during the third quarter of 2017. The increase was driven by higher legal fees related to the previously disclosed litigation with EMED and matters now under the purview of the Special Committee of the Board, and higher Research and Development and Regulatory expenditures as we invest in product development efforts. These increases were partially offset by lower salary and related benefit expenses, however, we are actively seeking to add talent to our Product Development and Commercial teams and these expenses may increase in the future.

Net income for the period increased to \$386,553, or 8.5% of net sales, an increase of 45% compared with \$265,754, or 6.9% of net sales, reported during the third quarter of 2017. Higher net sales, improved gross margin and the impact of the new lower income tax rate were contributors to the increase in net income.

"The third quarter saw continued momentum from the positive trends in home use of Subcutaneous Immunoglobulin Therapy driving the growth of RMS Medical Products," stated Dan Goldberger, Chairman and interim CEO. "We are thrilled to have Don Pettigrew, an experienced infusion industry executive, as our new President and Chief Commercial

Officer. Don is leading our strategic planning efforts as well as overseeing all sales and marketing activities at the company, and has hit the ground running. Our focus remains on our mission to improve the quality of life of patients around the world through the design, development and delivery of the highest quality innovative therapeutic solutions. Patient safety, product efficacy, customer service, and shareholder value continue to be our highest priorities."

Mr. Goldberger continued, "The addition of Don Pettigrew and our increased investments to support R&D and clinical trial activity should lay the foundation for long term success. We are starting to see leverage in our income statement from expanding gross margins and control of operating expenses. Our balance sheet shows substantial cash resources and zero debt. All of this bodes well for future, profitable growth."

#### **Conference Call**

An accompanying conference call will be led by Dan Goldberger, Chairman and interim Chief Executive Officer, Karen Fisher, Chief Financial Officer and Don Pettigrew, President and Chief Commercial Officer. The call will be held at 9:00AM ET, on Wednesday, October 24, 2018. Please refer to the information below for conference call dial-in information and webcast registration.

Conference date: October 24, 2018, 9:00 AM ET

Conference dial-in: 877-269-7756 International dial-in: 201-689-7817

Conference Call Name: RMS Medical Products (OTCQX: REPR) Third Quarter 2018

Results Call

Webcast Registration: Click Here

Following the live call, a replay will be available on the Company's website, www.rmsmedicalproducts.com, under "Investor Relations" for six months.

#### **About RMS Medical Products**

The Company develops, manufactures and commercializes medical products used for home infusions and suctioning. The FREEDOM Syringe Infusion System currently includes the FREEDOM60® and FreedomEdge® Syringe Infusion Drivers, RMS Precision Flow Rate Tubing™ and RMS HIgHFlo Subcutaneous Safety Needle Sets™. These devices are used for infusions administered in professional healthcare settings as well as at home. The Company's RESQVAC® line of medical suctioning products is used by emergency medical service providers in addition to a variety of other healthcare providers. For more information about RMS Medical Products, please visit <a href="https://www.rmsmedicalproducts.com">www.rmsmedicalproducts.com</a>.

#### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believe", "should," "may" and "bodes well" to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that

are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission. The results of operations for the periods presented herein are not necessarily indicative of the results to be expected in the future.

### Contact

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# REPRO MED SYSTEMS, INC. BALANCE SHEETS

CURRENT ASSETS  Cash and cash equivalents Certificates of deposit Accounts receivable less allowance for doubtful accounts of \$77,067 at September 30, 2018 and \$77,067 at December 31, 2017 Inventory Prepaid expenses  TOTAL CURRENT ASSETS Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and December 31, 2017, respectively Other assets  TOTAL ASSETS  LIABILITIES AND STOCKHOLDERS' EQUITY  CURRENT LIABILITIES  \$3,649,332 \$3,974,536 \$1,671,004 \$263,269 \$3,974,536 \$1,671,004 \$263,269 \$3,974,536 \$1,671,004 \$263,269 \$3,269 \$3,2018 and \$1,510,630 \$1,861,949 \$1,949,403 \$1,658,681 \$1,077,39 \$1,077,39 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1,077,079 \$1
Cash and cash equivalents       \$ 3,649,332       \$ 3,974,536         Certificates of deposit       1,671,004       263,269         Accounts receivable less allowance for doubtful accounts of \$77,067 at September 30, 2018 and \$77,067 at December 31, 2017       1,510,630       1,861,949         Inventory       1,949,403       1,658,681         Prepaid expenses       348,085       170,739         TOTAL CURRENT ASSETS       9,128,454       7,929,174         Property and equipment, net       821,313       836,283         Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$ 10,577,103       \$ 9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
Certificates of deposit       1,671,004       263,269         Accounts receivable less allowance for doubtful accounts of \$77,067 at September 30, 2018 and \$77,067 at December 31, 2017       1,510,630       1,861,949         Inventory       1,949,403       1,658,681         Prepaid expenses       348,085       170,739         TOTAL CURRENT ASSETS       9,128,454       7,929,174         Property and equipment, net       821,313       836,283         Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and December 31, 2017, respectively       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$10,577,103       \$9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
Accounts receivable less allowance for doubtful accounts of \$77,067 at September 30, 2018 and \$77,067 at December 31, 2017       1,510,630       1,861,949         Inventory       1,949,403       1,658,681         Prepaid expenses       348,085       170,739         TOTAL CURRENT ASSETS       9,128,454       7,929,174         Property and equipment, net       821,313       836,283         Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$10,577,103       \$9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
\$77,067 at December 31, 2017       1,510,630       1,861,949         Inventory       1,949,403       1,658,681         Prepaid expenses       348,085       170,739         TOTAL CURRENT ASSETS       9,128,454       7,929,174         Property and equipment, net       821,313       836,283         Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$10,577,103       9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
Inventory
Prepaid expenses         348,085         170,739           TOTAL CURRENT ASSETS         9,128,454         7,929,174           Property and equipment, net         821,313         836,283           Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and         595,754         483,821           Other assets         31,582         31,582         31,582           TOTAL ASSETS         \$10,577,103         \$9,280,860           LIABILITIES AND STOCKHOLDERS' EQUITY
TOTAL CURRENT ASSETS       9,128,454       7,929,174         Property and equipment, net       821,313       836,283         Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$ 10,577,103       \$ 9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
Property and equipment, net Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and December 31, 2017, respectively Other assets TOTAL ASSETS  LIABILITIES AND STOCKHOLDERS' EQUITY  CURRENT LIABILITIES  821,313 836,283  836,283  836,283  836,283  836,283  836,283  836,283  836,283  831,582  10,577,103  9,280,860
Patents, net of accumulated amortization of \$229,693 and \$203,768 at September 30, 2018 and       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$ 10,577,103       \$ 9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
December 31, 2017, respectively       595,754       483,821         Other assets       31,582       31,582         TOTAL ASSETS       \$ 10,577,103       \$ 9,280,860         LIABILITIES AND STOCKHOLDERS' EQUITY
Other assets 31,582  TOTAL ASSETS \$10,577,103 \$9,280,860  LIABILITIES AND STOCKHOLDERS' EQUITY  CURRENT LIABILITIES
TOTAL ASSETS  LIABILITIES AND STOCKHOLDERS' EQUITY  CURRENT LIABILITIES  \$ 10,577,103 \$ 9,280,860
LIABILITIES AND STOCKHOLDERS' EQUITY  CURRENT LIABILITIES
CURRENT LIABILITIES
Deferred capital gain - current \$ 9,383 \$ 22,481
Accounts payable 591,919 454,398
Accrued expenses 627,237 658,060
Accrued payroll and related taxes 121,203 334,903
Accrued tax liability 55,002 115,854
TOTAL CURRENT LIABILITIES 1,404,744 1,585,696
Deferred capital gain - long term - 3,762
Deferred tax liability 32,509 21,675
TOTAL LIABILITIES 1,437,253 1,611,133
STOCKHOLDERS' EQUITY
Common stock, \$0.01 par value; 75,000,000 shares authorized, 40,932,445 and 40,731,529
shares issued, 38,195,214 and 37,994,298 shares outstanding at September 30, 2018 and
December 31, 2017, respectively 409,324 407,315
Additional paid-in capital 4,419,129 4,216,718
Retained earnings 4,655,601 3,389,898
9,484,054 8,013,931
Less: Treasury stock, 2,737,231 shares at September 30, 2018 and December 31, 2017 (344,204)
TOTAL STOCKHOLDERS' EQUITY 9,139,850 7,669,727
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\

REPRO MED SYSTEMS, INC. STATEMENTS OF OPERATIONS (UNAUDITED)

	For the	For the		
	Three Months Ended September 30,	Nine Months Ended September 30,		
	2018 2017	2018 2017		
NET SALES	\$ 4,547,187 \$ 3,849,338	\$ 13,082,737 \$ 11,317,231		
Cost of goods sold	1,655,619 1,470,680	4,985,761 4,539,320		
Gross Profit	2,891,568 2,378,658	8,096,976 6,777,911		
OPERATING EXPENSES				
Selling, general and administrative	2,203,614 1,893,911	6,106,514 5,674,357		
Research and development	126,923 14,852	160,735 85,598		
Depreciation and amortization	78,345 77,517	228,900 229,178		
Total Operating Expenses	2,408,882 1,986,280	6,496,149 5,989,133		
Net Operating Profit	482,686 392,378	1,600,827 788,778		
Non-Operating (Expense)/Income				
(Loss)/Gain on currency exchange	(5,842) 10,419	(16,256) 62,164		
Gain on sale of fixed asset	6,000 -	6,000 -		
Interest and other income	6,972 361	13,088 2,427		
TOTAL OTHER (EXPENSE)/INCOME	7,130 10,780	2,832 64,591		
PROFIT BEFORE TAXES	489,816 403,158	1,603,659 853,369		
Income Tax Expense	(103,263) (137,404)	(337,956) (312,192)		
NET INCOME	\$ 386,553 \$ 265,754	\$ 1,265,703 \$ 541,177		
NET INCOME PER SHARE				
Basic	\$ 0.01 \$ 0.01	\$ 0.03 \$ 0.01		
Diluted	\$ 0.01 \$ 0.01	\$ 0.03 \$ 0.01		
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u> </u>	<u> </u>		
Basic	38,194,682 37,898,357	38,104,393 37,833,133		
Diluted	38,985,684 38,072,425	38,875,737 37,934,851		

REPRO MED SYSTEMS, INC. STATEMENTS OF CASH FLOWS (UNAUDITED)

For the	Nine	Months	Ended
	Septer	mber 30	_

Net Income			O O P LO		00,
Net Income			2018	_	2017
Adjustments to reconcile net income to net cash provided by operating activities:	CASH FLOWS FROM OPERATING ACTIVITIES				
Amortization of deferred compensation cost  Stock based compensation expense 154,925 87 Depreciation and amortization 228,900 225 Gain on sale of fixed asset (6,000) Deferred capital gain - building lease (16,860) Deferred capital gain - building lease (10,860) Deferred taxes 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,834 10,83	Net Income	\$	1,265,703	\$	541,177
Stock based compensation expense   154,925   87					
Depreciation and amortization         228,900         225           Gain on sale of fixed asset         (6,000)         (16,860)         (16,860)           Deferred capital gain - building lease         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (16,860)         (18,800)         (24,460)         (290,722)         (22,260)         (22,260)         (22,260)         (22,260)         (22,260)         (22,260)         (23,362)         33,362,33         13,352,369         (33,823)         13,352,369         (40,60)         (213,700)         (11,77,346)         33,362,33         13,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49,352,899         49	Amortization of deferred compensation cost		-		7,000
Gain on sale of fixed asset         (6,000)           Deferred capital gain - building lease         (16,860)         (16,860)           Deferred capital gain - building lease         (16,860)         (16,860)           Provision for returns and doubtful accounts         10,834         (8,860)           Changes in operating assets and liabilities:         351,319         (24,160)           Decrease/(Increase) in accounts receivable         351,319         (24,170)           Increase)/Decrease in inventory         (290,722)         (22,170)           (Increase)/Decrease in prepaid expense and other assets         (177,346)         33           Increase/(Decrease) in accounts payable         137,521         (40,60)           Decrease in accrued payroll and related taxes         (213,700)         (11           (Decrease)/Increase in accrued expense         (30,823)         13           (Decrease)/Increase in accrued tax liability         (60,852)         30;           NET CASH PROVIDED BY OPERATING ACTIVITIES         1,352,899         49;           CASH FLOWS FROM INVESTING ACTIVITIES         (1,80,000)         (16,60)           Purchase of certificate of deposit         (1,500,000)         (1,500,000)           Payments for patents         (1,727,598)         (23           Proceeds/(reinvested earnings) from	Stock based compensation expense		154,925		87,271
Deferred capital gain - building lease	Depreciation and amortization		228,900		229,178
Deferred taxes	Gain on sale of fixed asset		(6,000)		-
Provision for returns and doubtful accounts	Deferred capital gain - building lease		(16,860)		(16,860)
Changes in operating assets and liabilities:         351,319         (24:11)           Decrease/(Increase) in accounts receivable         351,319         (24:12)           Increase in inventory         (290,722)         (22:12)           (Increase)/Decrease in prepaid expense and other assets         (177,346)         33           Increase/(Decrease) in accounts payable         137,521         (40:12)           Decrease in accrued payroll and related taxes         (213,700)         (17:02)           (Decrease)/Increase in accrued expense         (30,823)         13:35           (Decrease)/Increase in accrued tax liability         (60,852)         30:30           NET CASH PROVIDED BY OPERATING ACTIVITIES         1,352,899         49:20           CASH FLOWS FROM INVESTING ACTIVITIES         (188,006)         (16:02)           Payments for capital expenditures         (188,006)         (16:02)           Payments for patents         (137,858)         (7:02)           Proceeds on sale of fixed assets         (10,000)         (137,858)         (7:02)           Payments for patents         (137,858)         (7:02)         (7:02)           Porceeds/(reinvested earnings) from certificates of deposit         (1,727,598)         (23:02)           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (23:02	Deferred taxes		10,834		8,843
Decrease   (Increase) in accounts receivable   351,319   (243)     Increase   (190,722)   (224)     Increase   (190,722)   (224)     Increase   (190,722)   (224)     Increase   (190,722)   (190,722)   (190,722)     Increase   (190,722)   (190,722)   (190,722)     Decrease   in accounts payable   137,521   (405)     Decrease   in accrued payroll and related taxes   (213,700)   (113,623)     (190,623)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,622)   (190,62	Provision for returns and doubtful accounts		-		58,339
Increase in inventory	Changes in operating assets and liabilities:				
(Increase)/Decrease in prepaid expense and other assets         (177,346)         37           Increase/(Decrease) in accounts payable         137,521         (400           Decrease in accrued payroll and related taxes         (213,700)         (11           (Decrease)/Increase in accrued expense         (30,823)         136           (Decrease)/Increase in accrued tax liability         (60,852)         303           NET CASH PROVIDED BY OPERATING ACTIVITIES         1,352,899         497           CASH FLOWS FROM INVESTING ACTIVITIES         (188,006)         (160           Purchase of certificate of deposit         (1,500,000)         (160           Proceeds on sale of fixed assets         6,000         (17,888)         (70           Payments for patents         (137,888)         (70           Proceeds/(reinvested earnings) from certificates of deposit         92,266         (70           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (23           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (23           Stock issuances         51,250         (1,755)         (15           Purchase of treasury stock         -1         (1,755)         (15           NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES         49,495         (15	Decrease/(Increase) in accounts receivable		351,319		(243,428)
Increase (Decrease) in accounts payable	Increase in inventory		(290,722)		(225,177)
Decrease in accrued payroll and related taxes (213,700) (Decrease)/Increase in accrued expense (30,823) 136 (Decrease)/Increase in accrued tax liability (60,852) 303 (Decrease)/Increase in accrued tax liability (188,066) (188,066) 497 (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (188,066) (18	(Increase)/Decrease in prepaid expense and other assets		(177,346)		37,753
(Decrease)/Increase in accrued expense         (30,823)         136           (Decrease)/Increase in accrued tax liability         (60,852)         303           NET CASH PROVIDED BY OPERATING ACTIVITIES         1,352,899         497           CASH FLOWS FROM INVESTING ACTIVITIES         (188,006)         (160           Payments for capital expenditures         (1,500,000)         (160           Purchase of certificate of deposit         (1,500,000)         (1,500,000)           Proceeds on sale of fixed assets         6,000         (137,858)         (70           Payments for patents         (137,858)         (70           Proceeds/(reinvested earnings) from certificates of deposit         92,266         (1           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (23           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (23           Stock issuances         51,250         (1,755)         (15           Payment for cancelled shares         (1,755)         (15           Purchase of treasury stock             NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES         49,495         (15           NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS         (325,204)         244           CASH AND CASH EQUIVALENTS, END OF P	Increase/(Decrease) in accounts payable		137,521		(409,171)
Decrease   Increase in accrued tax liability   (60,852)   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303   303	Decrease in accrued payroll and related taxes		(213,700)		(17,253)
NET CASH PROVIDED BY OPERATING ACTIVITIES         1,352,899         497           CASH FLOWS FROM INVESTING ACTIVITIES         (188,006)         (160           Payments for capital expenditures         (1,500,000)         (1,500,000)           Proceeds on sale of fixed assets         6,000         (137,858)         (70           Payments for patents         (137,858)         (70           Proceeds/(reinvested earnings) from certificates of deposit         92,266         (7           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (232           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (232           Stock issuances         51,250         51,250           Payment for cancelled shares         (1,755)         (15           Purchase of treasury stock         -         -           NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES         49,495         (15           NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS         (325,204)         244           CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD         3,974,536         3,417           CASH AND CASH EQUIVALENTS, END OF PERIOD         \$3,649,332         \$3,667           Supplemental Information         -         -           Cash paid during the periods for:         -	(Decrease)/Increase in accrued expense		(30,823)		136,045
CASH FLOWS FROM INVESTING ACTIVITIES       (188,006)       (160         Payments for capital expenditures       (1,500,000)       (1,500,000)         Purchase of certificate of deposit       (1,500,000)       (1,500,000)         Proceeds on sale of fixed assets       6,000       (1,7858)       (70         Payments for patents       (137,858)       (70         Proceeds/(reinvested earnings) from certificates of deposit       92,266       (1         NET CASH USED IN INVESTING ACTIVITIES       (1,727,598)       (232         CASH FLOWS FROM FINANCING ACTIVITIES       51,250       51,250         Payment for cancelled shares       (1,755)       (15         Purchase of treasury stock       -       -         NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES       49,495       (15         NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS       (325,204)       244         CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD       3,974,536       3,411         CASH AND CASH EQUIVALENTS, END OF PERIOD       \$ 3,649,332       \$ 3,667         Supplemental Information       \$ 3,649,332       \$ 3,667         Cash paid during the periods for:       Interest       \$ -	(Decrease)/Increase in accrued tax liability		(60,852)		303,349
Payments for capital expenditures       (188,006)       (160         Purchase of certificate of deposit       (1,500,000)       (1,500,000)         Proceeds on sale of fixed assets       6,000       (137,858)       (70         Payments for patents       (137,858)       (70         Proceeds/(reinvested earnings) from certificates of deposit       92,266       (1         NET CASH USED IN INVESTING ACTIVITIES       (1,727,598)       (23         CASH FLOWS FROM FINANCING ACTIVITIES       51,250       15         Stock issuances       51,250       15         Payment for cancelled shares       (1,755)       (15         Purchase of treasury stock       -       -         NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES       49,495       (15         NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS       (325,204)       244         CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD       3,974,536       3,417         CASH AND CASH EQUIVALENTS, END OF PERIOD       \$ 3,649,332       \$ 3,666         Supplemental Information       \$ 3,649,332       \$ 3,666         Cash paid during the periods for:       Interest       \$ -       \$ -	NET CASH PROVIDED BY OPERATING ACTIVITIES		1,352,899		497,066
Purchase of certificate of deposit         (1,500,000)           Proceeds on sale of fixed assets         6,000           Payments for patents         (137,858)         (70           Proceeds/(reinvested earnings) from certificates of deposit         92,266         (**           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (232           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (232           Stock issuances         51,250         (1,755)         (15           Payment for cancelled shares         (1,755)         (15           Purchase of treasury stock         -         -           NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES         49,495         (15           NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS         (325,204)         244           CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD         3,974,536         3,417           CASH AND CASH EQUIVALENTS, END OF PERIOD         \$ 3,649,332         \$ 3,667           Supplemental Information         Cash paid during the periods for:         Interest         \$ -         \$ -	CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of certificate of deposit         (1,500,000)           Proceeds on sale of fixed assets         6,000           Payments for patents         (137,858)         (70           Proceeds/(reinvested earnings) from certificates of deposit         92,266         (**           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (232           CASH FLOWS FROM FINANCING ACTIVITIES         (1,727,598)         (232           Stock issuances         51,250         **           Payment for cancelled shares         (1,755)         (15           Purchase of treasury stock         -         **           NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES         49,495         (15           NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS         (325,204)         244           CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD         3,974,536         3,417           CASH AND CASH EQUIVALENTS, END OF PERIOD         \$ 3,649,332         \$ 3,667           Supplemental Information         **         **           Cash paid during the periods for:         Interest         **	Payments for capital expenditures		(188,006)		(160,946)
Payments for patents Proceeds/(reinvested earnings) from certificates of deposit Proceeds/(reinvested earnings) from certificates of deposit  NET CASH USED IN INVESTING ACTIVITIES  CASH FLOWS FROM FINANCING ACTIVITIES Stock issuances Payment for cancelled shares Purchase of treasury stock  NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES  NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD  CASH AND CASH EQUIVALENTS, END OF PERIOD  Supplemental Information Cash paid during the periods for: Interest  Interest  (137,858) (70 (147,755) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157,7598) (157			, , ,		-
Proceeds/(reinvested earnings) from certificates of deposit         92,266         (           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (232           CASH FLOWS FROM FINANCING ACTIVITIES         51,250         (1,755)         (15           Stock issuances         (1,755)         (15         (15         (15           Payment for cancelled shares         (1,755)         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15 <t< td=""><td>Proceeds on sale of fixed assets</td><td></td><td>6,000</td><td></td><td>_</td></t<>	Proceeds on sale of fixed assets		6,000		_
Proceeds/(reinvested earnings) from certificates of deposit         92,266         (           NET CASH USED IN INVESTING ACTIVITIES         (1,727,598)         (232           CASH FLOWS FROM FINANCING ACTIVITIES         51,250         (1,755)         (15           Stock issuances         (1,755)         (15         (15         (15           Payment for cancelled shares         (1,755)         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15         (15 <t< td=""><td>Payments for patents</td><td></td><td>(137,858)</td><td></td><td>(70,556)</td></t<>	Payments for patents		(137,858)		(70,556)
NET CASH USED IN INVESTING ACTIVITIES       (1,727,598)       (232         CASH FLOWS FROM FINANCING ACTIVITIES       51,250       51,250       51,250       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615       615	Proceeds/(reinvested earnings) from certificates of deposit				(1,196)
CASH FLOWS FROM FINANCING ACTIVITIES       51,250         Stock issuances       51,250         Payment for cancelled shares       (1,755)       (15         Purchase of treasury stock       -         NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES       49,495       (15         NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS       (325,204)       244         CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD       3,974,536       3,417         CASH AND CASH EQUIVALENTS, END OF PERIOD       \$ 3,649,332       \$ 3,667         Supplemental Information       Cash paid during the periods for:       Interest       *	NET CASH USED IN INVESTING ACTIVITIES		(1.727.598)		(232,698)
Stock issuances       51,250         Payment for cancelled shares       (1,755)       (19         Purchase of treasury stock       -         NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES       49,495       (19         NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS       (325,204)       244         CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD       3,974,536       3,417         CASH AND CASH EQUIVALENTS, END OF PERIOD       \$ 3,649,332       \$ 3,666         Supplemental Information       Cash paid during the periods for:       Interest       \$ -	CASH FLOWS FROM FINANCING ACTIVITIES	_	, , , , , , , , , , ,	_	( 1 , 1 1 1
Payment for cancelled shares       (1,755)       (15)         Purchase of treasury stock       -       -         NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES       49,495       (15)         NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS       (325,204)       244         CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD       3,974,536       3,417         CASH AND CASH EQUIVALENTS, END OF PERIOD       \$ 3,649,332       \$ 3,667         Supplemental Information       Cash paid during the periods for:       Interest       *			51 250		_
Purchase of treasury stock  NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES  NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD  CASH AND CASH EQUIVALENTS, END OF PERIOD  Supplemental Information  Cash paid during the periods for:  Interest  Interest					(19,360)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES  NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD  CASH AND CASH EQUIVALENTS, END OF PERIOD  Supplemental Information Cash paid during the periods for: Interest			(1,700)		(484)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 3,974,536 3,417 CASH AND CASH EQUIVALENTS, END OF PERIOD \$3,649,332 \$3,666 Supplemental Information Cash paid during the periods for: Interest  \$-\$	·	_	10 105	_	(19,844)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD  CASH AND CASH EQUIVALENTS, END OF PERIOD  Supplemental Information Cash paid during the periods for: Interest  Interest  3,974,536  3,417  \$ 3,649,332  \$ 3,666	· · · ·	_		_	244.524
CASH AND CASH EQUIVALENTS, END OF PERIOD  Supplemental Information Cash paid during the periods for: Interest  \$ 3,649,332	,				, -
Supplemental Information  Cash paid during the periods for:  Interest  \$ - \$		_		_	3,417,183
Cash paid during the periods for:  Interest \$ - \$		\$	3,649,332	\$	3,661,707
Interest \$ - \$					
Interest \$ - \$	Cash paid during the periods for:				
	Interest	\$	<u>-</u>	\$	
Taxes \$ 378,000 \$	Taxes	\$	378,000	\$	
NON-CASH FINANCING AND INVESTING ACTIVITIES		-	,	÷	
		Ф	103 333	Φ.	101,250
	issuance of continuit stock as compensation	Ψ	100,000	Ψ	101,230

**SOURCE:** Repro Med Systems, Inc.