UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

☐ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From March 1, 2017 to December 31, 2017

Commission File Number 0-12305

REPRO MED SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

NEW YORK	**13-3044880**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
24 CARPENTER ROAD, CHESTER, NY	**10918**
(Address of principal executive offices)	(Zip Code)

(845)-469-2042
Registrant's Telephone Number, Including Area Code

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, $.01 PAR VALUE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ☒ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter), is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
(Do not check if a smaller reporting company)	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Based on the closing sales price of June 30, 2017, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was $9,368,992.

The number of issued and outstanding shares of the registrant's common stock, $0.01 par value was 38,021,298 at March 5, 2018, which excludes 2,737,231 shares of Treasury Stock.

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PART I

Throughout this report, "RMS," the "Company," "we," "us" and "our" refer to Repro Med Systems, Inc.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains 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, including statements regarding our business plans and prospects and our future operating results. The words "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue" and other similar expressions are intended to identify forward-looking statements. We have based these forward looking statements largely on current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business prospects and operations and financial needs. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, among others, those discussed in our consolidated financial statements and related notes, as well as the following: change in United States Food and Drug Administration ("FDA") regulations; introduction of competitive products; availability of sufficient capital to continue operations; availability of insurance reimbursement, change in government regulation of the home health care industry; success of our research and development efforts; ability to raise capital if or when needed to develop and market new products; acceptance of and demand for new and existing products; expanded market acceptance of the FREEDOM System; ability to obtain required governmental approvals; success in enforcing and obtaining patents; continued performance by principal suppliers; customer preference to work through distributors; continued service of key personnel and attracting and maintaining new personnel; and the costs, duration and ultimate outcome of litigation.

New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this report to reflect actual results or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

ITEM 1. BUSINESS

OUR BUSINESS

REPRO MED SYSTEMS, INC. d/b/a RMS Medical Products ("REPRO MED," "RMS Medical Products," "RMS", the "Company" or "we"), designs, manufactures and markets proprietary and innovative portable medical devices and supplies, primarily for the ambulatory infusion market and emergency medical applications, in compliance with the FDA quality and regulatory system and international standards for quality system management. The Company's development and marketing focus is primarily concentrated on (i) its mechanical infusion products, the FREEDOM Infusion Systems (as used with one or more accessories, the "FREEDOM System") which include the ™FREEDOM60® Syringe Driver ("FREEDOM60"), the FreedomEdge® Syringe Driver ("FreedomEdge"), HIgH-Flo Subcutaneous Safety Needle Sets™, RMS Precision Flow Rate Tubing™and RMS Precision Flow Rate Controller, and (ii) its medical suction product, RES-Q-VAC® Portable Medical Suction System ("RES-Q-VAC"). The Company was incorporated in the State of New York in March 1980.

OUR MISSION

The RMS mission is "to improve the Quality of Life of patients around the world through the design, development and delivery of the highest quality innovative therapeutic solutions". Our mission statement clarifies what we do, for whom we do it and how we do it, allowing employees and customers to understand in a short statement what RMS is all about. Everything we do is motivated by improving the patient's quality of life. From decisions about future products, to investments in quality, to the design of training programs, we encourage every employee to ask the question "How will this help the patient?" Thousands of RMS patients have been safely using the FREEDOM System for more than 10 years with their life saving therapy to improve the quality of their lives.

RMS' easy-to-use, lightweight and portable FREEDOM System allows the patient to continue with his daily activities while receiving his infusion therapy. The patient experiences virtually no site reactions when using the innovative FREEDOM System with dynamic equilibrium ("DynEq™"), RMS Precision Flow Rate Tubing and HIgH-Flo Subcutaneous Safety Needle Sets. We believe the FREEDOM System is the only system designed specifically to prevent adverse site reactions which improves patient compliance, resulting in healthier patients and lower overall health care costs.

Consistent with our mission, RMS relies on proven scientific principles to innovate and develop the highest quality therapeutic solutions through a culture of continuous improvement.

OUR PRODUCTS

FREEDOM SYSTEM

The FREEDOM System comprises the FREEDOM60 or the FreedomEdge (a smaller version of the FREEDOM60) combined with HigH-Flo Subcutaneous Safety Needle Sets and RMS Precision Flow Rate Tubing. The FREEDOM System is an easy-to-use, lightweight mechanical infusion system which comprises a FREEDOM60 syringe driver using a 60 ml syringe or the FreedomEdge syringe driver using a 20 ml or 30 ml syringe, both are completely portable and maintenance free, with no batteries or electrical connection required. The FREEDOM System offers increased safety, greater reliability and an overall higher quality infusion than electrical pumps and other competitor products. For the infusion professional, the FREEDOM System with RMS accessories delivers accurate infusion rates and class-leading flow performance. For the home infusion provider, the FREEDOM System is a cost-effective alternative to replace electronic systems.

The FREEDOM System is unique, operating in dynamic equilibrium (DynEq), which means the system operates at a safe, low pressure that maintains a balance between what a patient's subcutaneous tissues are able to absorb and what the system delivers. This balance is created by a safe, limited and controlled pressure, which adjusts the flow rate automatically to the patient's needs providing a reliable, faster and more comfortable administration with fewer side effects for those patients than with electronic devices. It is also environmentally friendly, since it does not require batteries or electricity to operate.

The FDA issued a new 510(k) clearance for the RMS "Integrated Catch-Up Freedom Syringe Driver Infusion System" (which we refer to as the "FREEDOM System") effective August 31, 2017, which includes the RMS Precision Flow Tubing sets, and our patient preferred HIgH-Flo Subcutaneous Safety Needle Sets. The FREEDOM System is the first and only fully integrated mechanical system cleared by the FDA for a wide range of flow rates and medications for subcutaneous and intravenous indications, including specific clearance for Cuvitru® and Hyzentra®, and for antibiotics. The FDA clearance includes the following Caution Statement, "In order to achieve specific and repeatable flow rate performance with the FREEDOM Syringe Infusion Systems' unique constant force mechanism, use only Freedom System accessories manufactured by RMS Medical Products …" and "For use with subcutaneous immune globulin products, use only RMS flow control devices and HIgH-Flo Subcutaneous Safety Needle Sets, as use of generic products may result in unknown flow rates and additional site complications such as pain, swelling and redness."

Ambulatory infusion systems are most prevalent in the outpatient and home care market, although RMS believes there is potential in the hospital setting as well. Applications for the FREEDOM System have been expanded to a wide spectrum of clinical applications by the medical and nursing communities due to its unique constant pressure design, fluid dynamics functionality and safety profile. The use of the FREEDOM System for treatment of primary immune deficiencies through subcutaneous immune globulin ("SCIg") administration has continued to increase over the past several years and remains the leading system in the U.S. for these infusions. For patients with Primary Immunodeficiency, Multifocal Motor Neuropathy, Idiopathic Thrombocytopenic Purpura and Chronic Inflammatory Demyelinating Polyneuropathy, the FREEDOM System has vastly improved quality of life with much fewer unpleasant side effects than electronic devices. There is evidence that indications for SCIg therapy will continue to expand to other disease states. RMS believes the FREEDOM System is an ideal system for SCIg administration because:

- *the patient is able to self-administer in any location*
- *the pump is easily configured for this application*
- *it is the best value infusion system available in a heavily cost constrained market*
- *it has demonstrated ultimate effectiveness and an impeccable safety profile*
- *the system prevents the negative side effects caused by other systems*

HIgH-Flo Subcutaneous Safety Needle Sets are a critical element of the FREEDOM System, are available in 26 gauge and 24 gauge sizes, and feature unique design elements specific to subcutaneous self-administration, including a 5-bevel back-cut needle designed for more comfort and less tissue damage and flexible wings to minimize patient discomfort. This unique design prevents adverse side effects caused by conventional needles. In addition, the HIgH-Flo Subcutaneous Safety Needle Sets design permits drug flows which are the same or faster than those achieved with larger gauge needles, a critical success factor for very viscous Immunoglobulin G ("IgG") therapies. RMS's proprietary fluid dynamics engineering, compatible with the FREEDOM System supports the sensitivity of the system's dynamic equilibrium, providing a better overall patient experience.

RMS Precision Flow Rate Tubing is designed for repeatable flow rates, with no free-flow, bolus or overdose of medication. The tubing controls the flow rate and infusion time for various applications when used with the FREEDOM System. Each tubing set provides a different level of flow restriction and consistently delivers medication with low residual volume, resulting in less wasted drug. RMS tubing sets are uniquely calibrated to be part of the FREEDOM System.

In October 2016, RMS expanded its FREEDOM System outside the U.S. to include the RMS Precision Flow Rate Controller (the "Controller") after being granted a CE Mark, a mandatory conformity marking for products sold within the European Economic Area. It is now commercially available in Europe and Canada and is currently being used by patients throughout Germany and Sweden. In March 2017, we initiated a clinical trial for the Controller in Sweden to administer HYQVIA®, a drug used to treat Primary Immunodeficiency (PID). The Controller was designed specifically for this drug viscosity, we believe resulting in the FREEDOM60 System being the easiest and safest delivery system for home use. In this trial patients indicated 96% satisfaction with the system and commented that this was the first time they were able to receive this treatment at home without clinician assistance. We continue the development of the Controller for the standard flow rates currently used for all subcutaneous medications which we plan to launch later this year.

In March 2016, the Company introduced its new On-Line Calculator, a tool to help providers determine which of the RMS Precision Flow Rate Tubing and HIgH-Flo Subcutaneous Safety Needle Sets to use based on the medication being administered and desired flow rate/time of infusion. Customers responded well to the new calculator and expressed that the new format of the On-Line Calculator, which can be used on any computer, tablet or mobile device, was easy to use and very helpful. The calculator is based on well-known fluidic principles and provides consistent predictions of flow rates for various combinations of drugs, RMS Precision Flow Rate Controller, and HIgH-Flo Subcutaneous Safety Needle Sets.

RES-Q-VAC

The RES-Q-VAC is a lightweight, portable, hand-operated suction device that removes fluids from a patient's airway by attaching the RES-Q-VAC pump to various proprietary sterile and non-sterile single-use catheters sized for adult and pediatric suctioning without the need for electricity or batteries. The bottom-hinged, one-hand operation makes it extremely effective and the product is generally found in emergency vehicles, hospitals, disaster kits, mass casualty trailers and wherever portable aspiration is a necessity, including backup support for powered suction systems. Additional markets include nursing homes, hospice, sub-acute, dental and military applications. The Full Stop Protection® filter and disposable features of the RES-Q-VAC reduce the risk of exposing the health professional to human immunodeficiency virus or Tuberculosis when suctioning a patient or during post treatment cleanup. All of the parts that connect to the pump are disposable.

A critical component and significant advantage of the RES-Q-VAC system over similar products in the market, is its Full Stop Protection® filter, a patented filtering system that both prevents leakage and overflow of the aspirated fluids, even at full capacity, and traps many air- and fluid-borne pathogens and potentially infectious materials within the sealable container. This protects users from potential exposure to disease and contamination.

The Centers for Disease Control ("CDC") and World Health Organization continue to emphasize the importance of minimizing aerosol production during suctioning, in order to reduce the spread of pandemic and epidemic diseases such as Ebola and Influenza. At the current time, RMS believes that the RES-Q-VAC with Full Stop Protection is the only portable, hand-operated device to comply with CDC directives from 2003.

Hospitals are required under the Emergency Medical Treatment and Labor Act regulations to provide emergency treatment to patients anywhere in the primary facility and up to 250 yards away. The RES-Q-VAC enables full compliance with these regulations and helps minimize unfavorable outcomes and potential lawsuits. RMS provides special hospital kits, which are fully stocked to meet all hospital applications, both adult and pediatric.

SALES AND DISTRIBUTION

The FREEDOM System is sold through both direct sales and a network of medical device distributors, where the majority of our sales are generated. One distributor in the U.S. provides approximately 55.2% of our gross revenues. We believe many of our customers purchase FREEDOM System products through distributors for "one stop shopping" convenience, but that those customers would purchase directly from RMS should the distributor relationships dissolve. Internationally, the FREEDOM Systems are distributed mostly in Europe and Canada. RMS continues its efforts to expand to other countries around the world.

RES-Q-VAC is sold globally by emergency medical device distributors in approximately 27 countries. These distributors generally sell to the end user and advertise these products in relevant publications and in their catalogs. We also sell directly to some physician offices, hospitals and other institutional customers. We market RES-Q-VAC through regional distributors specializing in the hospital respiratory care market. RMS is expanding distributorships in international markets where we believe RES-Q-VAC has higher potential.

We market our FREEDOM System and RES-Q-VAC at national and international trade shows. We support shows attended by our primary customers such as MEDICA, Arab Health, National Home Infusion Association Conference, Infusion Nurses Society, European Society for Immunodeficiencies and the Immune Deficiency Foundation's regional meetings.

MANUFACTURING AND RAW MATERIALS

The Company performs electromechanical assembly, calibration, pre- and post-assembly quality control inspection and testing, and final packaging for all products at its Chester, NY facility.

Our ability to meet customer demand depends, in part, on our ability to obtain timely and adequate delivery of components for our products. All of the components that go into the manufacturing of our products and accessories are sourced from third-party suppliers, and some of these components are provided by a single supplier, including two suppliers for molded plastic parts located in Taiwan, subassemblies from Command Medical Products, Inc. and tubing from Natvar, a Tekni-Plex Co., Inc. We believe we have adequate supplies or sources of availability of raw materials necessary to meet our needs. There always are risks and uncertainties with respect to the supply of raw materials, particularly where provided by a single supplier, which could impact availability in sufficient quantities to meet our needs.

In an effort to manage risk associated with raw materials supply, we work closely with suppliers to help ensure availability and continuity of supply while maintaining high quality and reliability. The Company also seeks to develop new and alternative sources of supply where beneficial to its overall raw materials procurement strategy, and is working towards establishing several of these secondary sources. The cost and time required to fabricate molds to manufacture parts can slow the development of new products and might temporarily limit supply if we determine it is advisable to seek alternate sources of component supply for existing products.

The Company also utilizes long-term supply contracts with some suppliers to help maintain continuity of supply and manage the risk of price increases. RMS is not always able to recover cost increases for raw materials through customer pricing due to contractual limits and market forces.

RESEARCH AND DEVELOPMENT

We recognize the importance of innovation and renovation to our long-term success and are committed to research and new product development activities. Our product development team engages in consumer research, product development, current product improvement and testing activities, and also leverages our development capabilities by partnering with a network of outside resources. We spent $50,587 on research and development for the ten months ending December 31, 2017 and $237,486 for year ending February 28, 2017. We are actively recruiting for open positions in our research and development department.

During fiscal 2017, we launched our new Controller and defined a product pipeline that enhances our current product offerings as well as broadens the range of products available. We expect to launch three new products within the next six to twelve months. These include new flow rate tubing to achieve maximum flow rates of new SCIg drugs with the smallest needles, a clearance for our variable rate flow controller for use of RMS stated flow rates, and a new addition to the subcutaneous administration needle sets which will initially be positioned to the unique needs of the neurology market. A provisional patent application has been filed for this needle set as a first step in seeking enforceable patent rights for this new and advantageous invention.

QUALITY ASSURANCE

RMS' success depends upon the quality of its products. Our quality management system plays an essential role in determining and meeting customer requirements, preventing defects, facilitating continuous improvement of the Company's processes, products and services, and assuring the safety and efficacy of the Company's products.

Each product that we market is required to meet specific quality standards, both in packaging and in product integrity and quality. If either of those is determined to be compromised at any time, we take corrective and preventive actions designed to ensure compliance with regulatory requirements and to meet customer expectations.

On March 10, 2016, RMS initiated a Voluntary Medical Device Correction and Removal for its RMS Precision Flow Rate Tubing and HIgH-Flo Subcutaneous Safety Needle Sets, due to defective bags. On May 19, 2016, the entire process of field corrections and removal for the defective bags was completed and closed out without any complaint and/or adverse event reported from the field.

INSURANCE REIMBURSEMENT

Medicare currently provides reimbursement for the FREEDOM System, although there can be no assurance it will continue to do so. Medicare may allow reimbursement for other infusion pumps that are currently in the market or new ones that may enter shortly, which could adversely affect our sales into this market.

In order to receive more favorable Medicare reimbursement for the FREEDOM60, we submitted a formal request for a Healthcare Common Procedures Coding System ("HCPCS") coding verification with the Statistical Analysis Durable Medical Equipment Regional Carrier. It was the determination that the Medicare HCPCS code(s) used to bill the four Durable Medical Regional Carriers should be: "E0779 Ambulatory infusion pump, mechanical, reusable, for infusion eight hours or greater." This code provides reimbursement for the FREEDOM60 for billable syringe pump application approved by Medicare. Current approved uses under Medicare include among others, subcutaneous immune globulin, antivirals, antifungals, and chemotherapeutics.

The 21st Century Cures Act, which went into effect January 1, 2017, changes the payment structure for infusion drugs under the Part B Durable Medical Equipment (DME) benefit. Previously, the reimbursement rate covered service-intensive clinical therapies to administer drugs for heart failure and immunotherapy infusions. However, section 5004(a) of the Cures Act reduces the drug reimbursement structure, and there is no separate reimbursement for the services required to deliver these infusion services. While section 5012 includes a separate service payment, it doesn't become effective until 2021. This means a gap of four years without home infusion coverage for many Medicare patients. Because the FREEDOM System is less costly than most competitive products, more Medicare patients may turn to the FREEDOM System during that gap.

COMPETITION AND THE MARKET

FREEDOM SYSTEM

RMS is the global leader in mechanical infusion systems. Competition for Freedom Systems include; electrically powered pumps, elastomeric infusers and one competitor in mechanical devices. Electronic pumps are constant flow devices which deliver drugs at a programmed rate. These expensive devices can create high pressures during delivery which can cause complications for the patient. They require either batteries or another source of power and extensive patient and provider training to properly program. Electronic pumps are used widely outside the U.S. and RMS devices are seen as an environmentally friendly, lower cost and easier to use alternative. Elastomeric infusers are a very low cost one-time-use balloon type devices used for infusion of drugs in intravenous ("IV") applications. Pharmacies are required to fill them with drugs and deliver them to the patient. They are easy to use from the patient point of view since they are thrown away at the end of the infusion but they are more costly to fill, have issues with drug stability, retain up to 7% of the drug and end up in landfills (leaking drugs). Elastomeric devices are manufactured outside the U.S. by a number of competitors. RMS has one competitor in the mechanical device category. This competitor is a lower cost option in the market and has a stated strategy of under cutting RMS pricing. They manufacture in Mexico and sell primarily in the U.S., although they are attempting to expand to Europe. RMS successfully competes on quality, service and innovation with all competitors.

The ambulatory infusion market for the FREEDOM System has been rapidly changing due to reimbursement issues. Insurance reimbursement has reduced the market share of high-end electronic delivery systems. We believe market pressures have moved specialty pharmacies to consider alternatives to expensive electronic systems especially for new subcutaneous administrations, which usually cannot be done with gravity. For cost concerns, some patients have been trained to administer intravenous drugs through IV push where the drug is pushed into the vein directly from a syringe. Pharmacies are now seeing the financial benefit of using and reusing Freedom Systems rather than elastomeric devices for delivery of antibiotics. It is easier and less costly to fill syringes than elastomeric devices, the drugs are more stable and less is wasted. Even though price pressure continues to increase, the quality of Freedom Systems continues to win, since patient care is the top priority. Thus, we believe the overall trend continues to be towards syringe pumps such as the FREEDOM System and that quality will be the primary decision criteria.

Internationally, the Company has engaged in clinical trials with a number of different drug companies in several countries. In January 2017, the umbrella organization of the public health insurance in Germany approved the FREEDOM System for reimbursement, and it was registered and listed in the Medical Device Registry in the category of mechanical infusion pumps. It is the only device of its kind registered within Germany. We continue our efforts to obtain registrations in other countries, which on average can take anywhere from twelve to eighteen months.

We are currently involved in legal proceedings with a competitor who has been offering accessories that FDA has indicated in the current clearance should not be used with the FREEDOM System (see Item 3 – Legal Proceedings).

RES-Q-VAC

We believe that the RES-Q-VAC is currently the performance leader for manual, portable suction instruments. In the emergency market, the primary competition is the V-VAC™ from Laerdal Medical. The V-VAC™ is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or in the extreme cold. Another main competitor is the Ambu® Res-Cue Pump™, a lower-cost product similar to our design, made in China. We believe that the product is not as well

made, as ergonomic, or as versatile, and may not be purchased by the military segment of the market due to lines of supply concerns. We believe that Full Stop Protection substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass airborne pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and we believe the RES-Q-VAC provides improved protection for these users.

GOVERNMENT REGULATION

The FDA governs the development and manufacturing of all medical products. The FDA requires us to register our manufacturing facility, list our devices, file notice of intent to market new products, track the locations of certain products and to report any incidents of death or serious injury relating to the products with the FDA. We could become subject to civil and criminal penalties and/or recall, seizure or injunctions if we fail to comply with regulations of the FDA.

Periodically we are subject to inspections by the FDA District Office for quality system and good manufacturing practices compliance. RMS had an inspection by the FDA in June 2015, which included, among other items, a review of customer complaints, quality controls, quality assurance and documentation. The FDA inspection was then expanded as a consequence of an extensive "trade complaint" filed on behalf of a competitor which resulted in the issuance of an FDA FORM 483. Eight months later without any further discussion with the FDA, on February 29, 2016 we received a Warning Letter. On November 20, 2017, the Warning Letter was officially closed out.

The Company is International Organization for Standardization ("ISO") 13845:2012 certified. Our registrar is British Standards Institute ("BSI").

The Company has received a positive letter from OSHA confirming that the RES-Q-VAC with Full Stop Protection falls under the engineering controls of the blood borne pathogen regulation and that the products use would fulfill the regulatory requirements. Full Stop Protection meets the requirement of OSHA as described in OSHA 29 Code of Federal Regulations 1910.1030 - Occupational Exposure to Blood borne Pathogens requires that employers of "... emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers ... must consider and implement devices that are appropriate [to contain blood borne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as our Full Stop Protection for RES-Q-VAC.

We are required to comply with federal, state, and local environmental laws; however, there is no significant effect of compliance on capital expenditures, earnings, or competitive position. We do not use significant amounts of hazardous materials in the assembly of our products.

EMPLOYEES

As of December 31, 2017, we had 73 full time employees and no part time employees.

The Company carries insurance on the life of Andrew Sealfon, President and Chief Executive Officer, providing a death benefit to the Company of $3.1 million.

PATENTS AND TRADEMARKS

We have filed and received U.S. protection for many of our products and, in some cases where it was no longer deemed economically beneficial, we have allowed certain patent protections to lapse. The patent position of small companies is highly uncertain and involves complex legal and factual questions. Consequently, there can be no assurance that patent applications relating to products or technology will result in patents being granted or that, if issued, the patents will afford protection against competitors with similar technology. There can be no assurance that we will have the financial resources necessary to enforce any patent rights we may hold. See Item 3. Legal Proceedings for details regarding our patent litigation.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We currently rent a masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. This facility is used as our headquarters, for manufacturing operations and for research and development.

Currently, we are in year nineteen of a twenty-year lease that expires in February 2019 and are responsible for all repairs, maintenance, and upkeep of the space occupied. The terms of the lease call for monthly lease payments of $11,042, and we contribute payments of 65% of the building's annual property taxes, amounting to $41,959 for the ten months ended December 31, 2017. We continue to seek another location within a 30 mile radius from our current facility with more square footage to accommodate our expanding needs. In addition to the increased costs of occupying a larger space, we expect to incur additional costs in connection with construction and FDA compliance with respect to the new location. Since there can be no assurance that we will find a suitable location before our current lease expires on terms that are economically favorable to us or at all, on November 14, 2017, we executed a lease extension with our current landlord, which calls for six month extensions beginning March 1, 2019 with the option to renew six times, with monthly lease payments of $12,088.

We also lease 2,500 square feet of warehouse space in a nearby industrial park on a year-to-year basis. For the ten months ending December 31, 2017, we paid $17,883 in rent and common charges for this space.

The Company owns a residence adjacent to our facility for use as additional office and research and development space. We paid cash for the property in the amount of $0.2 million.

We believe our current facilities are suitable and adequate for our current business operations.

ITEM 3. LEGAL PROCEEDINGS

Lawyers representing EMED Technologies Corp. ("EMED") sent RMS a letter dated, May 1, 2013, which alleged that the RMS High-Flo Butterfly design infringed a patent controlled by EMED. RMS disputed this claim and believes that our design did not infringe and that the EMED patent itself was not valid. Under advice of counsel, on September 20, 2013, the Company commenced in the United States District Court for the Eastern District of California a Declaratory Judgment action against competitor, EMED to establish the invalidity of one of EMED's patents and non-infringement of the Company's needle sets. EMED answered the complaint and asserted patent infringement and unfair business practice counterclaims. The Company responded by asserting its own unfair business practice claims against EMED. Both parties have requested injunctive relief and monetary damages. Discovery is ongoing.

On June 16, 2015, the Court issued what it termed a "narrow" Preliminary Injunction against the Company from making certain statements regarding some of EMED's products. On June 23, 2016, EMED filed a Motion seeking to have the Company held in contempt, claiming that certain language in the Company's device labeling does not comply with the injunction. In response to a Show Cause Order, the Company advised the Court that the language in the Company's labeling that EMED challenged is language that the FDA directed the Company to use in its labeling. The Court discharged the Show Cause Order, effectively rejecting EMED's contempt argument.

On March 24, 2016, EMED filed a Motion seeking a second Preliminary Injunction prohibiting RMS from selling three of its products in California. The Company opposed that Motion on April 19, 2016. The Order denying this second Preliminary Injunction was issued June 6, 2017.

On August 22, 2017, the Company filed a Motion seeking a Preliminary Injunction prohibiting EMED from making false statements and claims regarding the products of both companies. EMED filed a Response and Objections to Company's motion on September 21, 2017, and Company filed a subsequent Reply on September 28, 2017. The Court issued a Minute Order on September 22, 2017 vacating a hearing set for October 5, 2017, and stating that if the Court determines oral hearings to be required, the parties will be notified. Presently, the parties are awaiting further action by the Court.

On June 25, 2015, EMED filed a claim of patent infringement for the second of its patents, also directed to the Company's needle sets, in the United States District Court for the Eastern District of Texas. This second patent is related to the one concerning the Company's declaratory judgment action. Given the close relationship between the two patents, the Company requested that the Texas suit be transferred to California. Also, based on a validity review of the patent in the U.S. Patent and Trademark Office ("USPTO"), discussed below, the Company requested the Texas suit be stayed. On May 12, 2016, the Court entered an order staying the case until after the Patent Trial and Appeal Board ("PTAB") at the USPTO issued a final written decision regarding the validity of the patent. On January 12, 2017, the PTAB issued its final written decision invalidating the claims asserted by EMED in the Texas litigation. On January 26, 2017, the Company and EMED requested that the Texas case remain stayed pending EMED's appeal of the PTAB's final ruling to the Court of Appeals for the Federal Circuit ("CAFC").

On September 11, 2015, the Company requested an ex parte reexamination of the patent in the first filed case, and on September 17, 2015 the Company requested an inter partes review ("IPR") of the patent in the second filed case. On November 20, 2015, the USPTO instituted the ex parte reexamination request having found a substantial new question of patentability concerning EMED's patent in the first filed case. All EMED claims have been rejected by the USPTO Examiner in a Final Office Action dated July 19, 2017. EMED filed a response to this Final Office Action on September 15, 2017, and subsequently filed a Notice of Appeal on October 17, 2017. The Date for filing an Appeal Brief is two (2) months from the date of Notice. On January 25, 2018 EMED filed an Appeal Brief with a Petition for Revival having unintentionally delayed the filing by more than two months. Service was made to RMS on January 28, 2018. Thus, the ex parte reexamination is ongoing. A decision to institute the IPR for EMED's patent in the second filed case was ordered by the USPTO on February 19, 2016 having determined a reasonable likelihood all claims of the patent may be found to be unpatentable. Oral argument for the IPR was held on November 22, 2016 and a final ruling issued on January 12, 2017. In its final ruling, the PTAB held the claim asserted by EMED against the Company in the second filed case was invalid. EMED appealed the PTAB's final ruling, and EMED's opening brief in the CAFC was filed on June 26, 2017. The Company's response brief was filed on August 3, 2017. EMED filed a reply brief on August 17, 2017. Presently, the parties are awaiting further action by the CAFC.

Following the final decision on January 12, 2017 by the PTAB in the IPR regarding the second patent, EMED apparently filed a new application in the USPTO claiming priority back to US Application 12/187,256 – which was issued as US 8,500,703, and the subject of the Ex-Parte Re Examination noted above. This new application was submitted under the USPTO Tract 1 accelerated prosecution option and resulted in a new patent US 9,808,576 issued November 7, 2017. On this same date, EMED filed a new claim of patent infringement for this third patent, also directed to the Company's needle sets, in the United States District Court for the Eastern District of Texas. In light of the recent cases, including *TC Heartland v. Kraft Foods Group,* RMS has filed a Motion to Dismiss or Transfer Venue to the Southern District of New York. EMED has filed a Response to this Motion, and RMS filed a further Response on February 8, 2018 a day ahead of the due date. We await a decision by the Court.

Although the Company believes it has meritorious claims and defenses in these actions and proceedings, their outcomes cannot be predicted with any certainty. We believe that it is likely both patents will be determined invalid, however, if any of these actions against the Company are successful, they could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

We are authorized to issue 75,000,000 shares of common stock, $0.01 par value ("Common Stock"). As of December 31, 2017, 37,994,298 shares were issued and outstanding and there were approximately 802 stockholders of record.

Our Common Stock is traded on the OTCQX market under the symbol, "REPR". The following table sets forth the high and low closing bid quotations for the Common Stock, as reported by Nasdaq.com, for the periods indicated. These quotations do not include retail mark-up, markdown, or commission and may not represent actual transactions.

	High	Low
QUARTER ENDED		
December 31, 2017	$ 1.25	$ 0.50
September 30, 2017	$ 0.57	$ 0.37
June 30, 2017 (four months)	$ 0.47	$ 0.38
QUARTER ENDED		
February 28, 2017	$ 0.50	$ 0.38
November 30, 2016	$ 0.47	$ 0.37
August 31, 2016	$ 0.51	$ 0.29
May 31, 2016	$ 0.55	$ 0.30

On September 30, 2015, RMS's Board of Directors authorized a stock repurchase program pursuant to which the Company makes open market purchases of up to 2,000,000 shares of the Company's outstanding common stock. The purchases are made through a broker designated by the Company with price, timing and volume restrictions based on average daily trading volume, consistent with the safe harbor rules of the Securities and Exchange Commission for such repurchases. As of February 28, 2017, the Company had repurchased 396,606 shares at an average price of $0.45 under the program. There is no expiration date to the program. As of December 31, 2017 the maximum number of shares available to be repurchased under the Plan was 1,603,394. Management of the Company decided to discontinue repurchasing its outstanding common stock under the program for an undetermined period of time to utilize cash for capital investments needed to expand the business. As such, no shares were repurchased in the ten months ended December 31, 2017.

On September 30, 2015, the Board of Directors approved the 2015 Stock Option Plan authorizing the Company to grant awards to certain employees under the plan at fair market value, which was approved by shareholders at the Annual Meeting held on September 6, 2016. The total number of shares of Common Stock, with respect to which awards may be granted pursuant to the Plan, shall not exceed 4,000,000 shares. As of December 31, 2017, the Company had 1,038,000 options outstanding to certain executives and key employees under the plan.

We have not paid any cash dividends on our Common Stock and do not plan to pay any such dividends in the foreseeable future. We currently intend to use all available funds for our business operations.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes included under Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those described under Part I – Forward-Looking Statements and elsewhere in this Annual Report.

INDUSTRY TRENDS

The healthcare industry has seen huge changes in reimbursement and medical insurance during the past decade. In the U.S., the Affordable Health Care Act was created in part to address the rising costs of medical care and ensure greater efficacy of treatments. One trend that is significantly impacting the costs of health care is moving treatments out of the hospital and into the home. Our FREEDOM System products are specifically designed for home care infusions, and we expect this trend towards home care infusions to continue and to accelerate.

The 21st Century Cures Act, which went into effect January 1, 2017, changes the payment structure for infusion drugs under the Part B Durable Medical Equipment (DME) benefit. Previously, the reimbursement rate covered service-intensive clinical therapies to administer drugs for heart failure and immunotherapy infusions. However, section 5004(a) of the Cures Act reduces the drug reimbursement structure, and there is no separate reimbursement for the services required to deliver these infusion services. While section 5012 includes a separate service payment, it doesn't become effective until 2021. This means a gap of four years without home infusion coverage for many Medicare patients. Because the FREEDOM System is less costly than most competitive products, more Medicare patients may turn to the FREEDOM System during that gap.

We believe altering the Part B reimbursement for infusion drugs furnished through DME concerns immunologists and patients due to collective previous experience of a similar Medicare payment transition. When Medicare transitioned payment for Part B drugs from average wholesale price to average sales price plus six percent, (following enactment of the Medicare Modernization Act of 2003), our patients experienced serious disruptions in access to needed treatment. In particular, the previous transition dramatically affected our patients with primary immunodeficiency diseases, who would be impacted by this new provision.

The American Academy of Allergy, Asthma & Immunology ("AAAAI") began advocating for additional safeguards to ensure appropriate patient training, follow up and care. As the 21st Century Cures Act advanced through Congress, AAAAI educated lawmakers about the importance of a Medicare benefit for subcutaneous immune globulin ("SCIg") home infusions which includes coverage for the education, training and monitoring necessary for patients receiving such infusions. Congress included in the final

21st Century Cures Act reimbursement for training, monitoring and nursing services that could make it more affordable for specialty pharmacies to continue to provide these services in the home. The home infusion benefit commences in 2021, although the above reimbursement cut took place beginning on January 1, 2017.

AAAAI has expressed concerns about the affect this reimbursement cut will have on patient access to SCIg in the years before beneficiaries will have explicit new Medicare coverage for home infusion services. Along with organizations like the National Home Infusion Association and the Immune Deficiency Foundation, AAAAI has urged Congress to correct the law and be consistent in the implementation of the two provisions affecting SCIg services. As it currently stands, the discrepancy in dates could affect the willingness of some specialty pharmacies to provide SCIg, and thus threaten patient access to these critical therapies.

On May 21, 2010, the Department of Health and Human Services ("HHS") announced the addition of Severe Combined Immune Deficiency ("SCID"), a primary immunodeficiency disease, to the recommended uniform screening of newborns. The Immune Deficiency Foundation (IDF) has strongly supported and worked tirelessly toward this goal for many years. As of November 29, 2017, 48 states have added SCID to their uniform newborn screening. As more states add this screening, patients are diagnosed earlier, which could translate to sales opportunities in the future.

There is the potential for new drugs to enter the market which might change the market conditions for devices such as the FREEDOM60, FreedomEdge, RMS Precision Flow Rate Tubing and HIgH-Flo Subcutaneous Safety Needle Sets (e.g. Hyaluronidase, which can facilitate absorption of IgG, making multiple site infusions unnecessary). We believe DynEq (the principle behind the FREEDOM System) is ideal for new drug combinations. New drugs might increase the size of the subcutaneous market, but there can be no assurance that newer drugs will have the same needs and requirements as the current drugs being used.

In Europe, governments are moving towards home care health services. Thus we expect the home care infusion market to continue to expand worldwide.

While many countries are attempting to reduce reimbursement and simply lower costs, there is also a trend towards proving efficacy. In the U.S., when patients require additional treatments for the same illness, the responsibility falls back onto the health care provider who must pick up the cost of any additional treatments. We believe that health systems which consider the outcomes of the treatment will find that our Freedom System is not only cost effective but also has proven favorable outcomes.

FISCAL YEAR END

In order to conform to industry norms and to facilitate financial analysis for investors, on March 22, 2017, the Board of Directors approved a change in the Company's fiscal year end from February 28 to December 31. For its new fiscal year ending December 31, 2017, RMS is filing this Transition Report on Form 10-K for ten months ending December 31, 2017 and twelve months ending February 28, 2017. For comparison purposes, RMS is also presenting the twelve months ending December 31, 2017 and 2016 within this management discussion and analysis below.

OVERVIEW

On March 22, 2017, the Board of Directors approved a change in the Company's fiscal year end from February 28 to December 31. This change was made by the Company to better align the Company's financial reporting calendar with its industry peers, suppliers and customers.

Our fiscal year ended December 31, 2017 was one of many accomplishments and Company firsts. During the twelve month period we achieved Company record net sales of $15.4 million and net income of $0.8 million. The growth in net sales was driven principally by increased volume with our existing customers domestically and internationally and in all product categories. The High-Flo Subcutaneous Safety Needle Sets showed substantial growth led in part by the launch of a new drug. Several customers recently informed the Company that they had hesitated and delayed purchasing decisions as a result of the concerns raised by the FDA and that their hesitation was removed when the new 510(k) clearance was issued by the FDA for the RMS "Integrated Catch-Up Freedom Syringe Drive Infusion System" on August 31, 2017, which includes specific clearance for Cuvitru® and Hizentra®. Internationally, we gained new customers in several new countries, a current distributor has expanded its home infusion business, and facilitated subcutaneous immunoglobulin gained traction in Europe. Contributing to our improved net income was the significant reduction in legal fees of nearly 50% year over year, as FDA regulatory concerns were satisfied and litigation efforts became more focused and financially controlled.

Our Integrated Catch-Up Freedom Syringe Driver System is the first ever fully integrated 510(k) cleared system by the FDA. It is also the only mechanical infusion system cleared for both subcutaneous drugs (SCIg) and intravenous (antibiotics), clearing the path for customers to invest in one system to meet many of their needs.

In April 2017, the FDA renewed our Certificate to Foreign Government which is used to communicate to foreign governments that the FDA certified that RMS meets good manufacturing practices and quality system regulations.

Since receipt of the February 29, 2016 advisory FDA Warning Letter, RMS learned that the basis for this letter was a June 2015 trade complaint submitted to the FDA on behalf of EMED, which the Company believes was false and misleading. The FDA cleared the 510(k) for the "Integrated Catch-Up Freedom Syringe Driver System" on August 31, 2017 and officially closed the Warning Letter on November 20, 2017.

During 2017, we received registrations in new countries, have generated new sales in Asia and Africa and started several clinical trials with drug companies. Furthermore, we redesigned our packaging and entered the social media world to help extend our brand awareness. We plan to continue to focus on global sales growth, cost control and new product development. We have requested an extension on the lease for our facility as we continue to assess what our strategy for future expansion and growth requirements will be.

RESULTS OF OPERATIONS

Ten Months Ended December 31, 2017 compared to the Twelve Months Ended February 28, 2017

Net Sales

The following table summarizes our net sales for the ten months ended December 31, 2017 and the twelve months ended February 28, 2017.

	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017	Change from Prior Year		% of Net Sales	
			$	%	December 31, 2017	February 28, 2017
Net Sales						
Domestic	$ 10,885,446	$ 10,043,468	$ 841,978	8.4%	81.8%	81.7%
International	2,428,448	2,250,187	178,261	7.9%	18.2%	18.3%
Total	$ 13,313,894	$ 12,293,655	$ 1,020,239	8.3%		

Net sales for the ten months ended December 31, 2017 were 8.3% greater than net sales for the twelve months ended February 28, 2017. The increase is driven principally by increased volume with our existing customers domestically and internationally in all major product categories. The launch of a new drug generated increased needle sales, and we believe the new 510(k) clearance by the FDA for the RMS "Integrated Catch-Up Freedom Syringe Drive Infusion System" on August 31, 2017, which includes specific clearance for Cuvitru® and Hizentra®, also contributed in part to increased sales. Internationally, we gained new customers in several new countries, a current distributor has expanded its home infusion business, and facilitated subcutaneous immunoglobulin gained traction in Europe. Also contributing to the increase was a backlog at February 28, 2017 of $0.4 million, which was filled during the current period. Excluding this backlog, net sales grew 2.0% for the ten months ending December 31, 2017 compared with the twelve months ending February 28, 2017.

The following table summarizes our net sales for the twelve months ended December 31, 2017 and 2016.

	Twelve Months Ended December 31,		Change from Prior Year		% of Net Sales	
	2017	2016	$	%	2017	2016
Net Sales						
Domestic	$ 12,615,121	$ 10,160,768	$ 2,454,353	24.2%	81.7%	82.2%
International	2,827,591	2,203,517	624,074	28.3%	18.3%	17.8%
Total	$ 15,442,712	$ 12,364,285	$ 3,078,427	24.9%		

Net sales increased $3.1 million or 24.9% compared with the twelve month period last year. The increase is driven principally by increased volume with our existing customers domestically and internationally in all major product categories. The launch of a new drug generated increased needle sales, and we believe the new 510(k) clearance by the FDA for the RMS "Integrated Catch-Up Freedom Syringe Drive Infusion System" on August 31, 2017, which includes specific clearance for Cuvitru® and Hizentra®, also contributed in part to increased sales. Internationally, we gained new customers in several new countries, a current distributor has expanded its home infusion business, and facilitated subcutaneous immunoglobulin gained traction in Europe. Also contributing to the 2017 increase was a backlog at December 31, 2016 of $0.3 million, which was filled during the current period. Excluding this backlog, net sales grew 20.2% for the twelve month period ending December 31, 2017.

Gross Profit

Our gross profit for the ten months ended December 31, 2017 and the twelve months ended February 28, 2017 is as follows:

	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017	Change from Prior Year	
			$	%
Gross Profit	$ 8,138,948	$ 7,569,558	$ 569,390	7.5%
Stated as a Percentage of Net Sales	61.1%	61.6%		

Although the comparison is a ten month versus a twelve month period, gross profit increased $0.6 million or 7.5% for the ten months ended December 31, 2017 as compared to the twelve months ended February 28, 2017 due to the increase in net sales which was partially offset by the increase in higher salary and related benefits costs from overtime and the addition of a second shift to meet increased demand.

Our gross profit for the twelve months ended December 31, 2017 and 2016 is as follows:

	Twelve Months Ended December 31,		Change from Prior Year	
	2017	2016	$	%
Gross Profit	$ 9,268,107	$ 7,680,895	$ 1,587,212	20.7%
Stated as a Percentage of Net Sales	60.0%	62.1%		

Gross profit for the twelve months ended December 31, 2017 increased $1.6 million or 20.7% compared to the same period last year. This increase was mostly driven by the increase in net sales which was partially offset by the increase in higher salary and related benefits costs from overtime and the addition of a second shift to meet increased demand. Furthermore, increased scrap during quality inspections also negatively impacted gross profit. In January 2018, we implemented a nondestructive testing protocol to reduce scrap. Higher shipping costs and sterilization costs due to the backlog also lowered the gross profit.

Selling, general and administrative and Research and development

Our selling, general and administrative expenses and research and development costs for the ten months ended December 31, 2017 and the twelve months ended February 28, 2017 are as follows:

	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017	Change from Prior Year	
			$	%
Selling, general and administrative	$ 6,594,570	$ 7,767,712	$ (1,173,142)	(15.1%)
Research and development	50,587	237,486	(186,899)	(78.7%)
	$ 6,645,157	$ 8,005,198	$ (1,360,041)	(17.0%)
Stated as a Percentage of Net Sales	49.9%	65.1%		

Selling, general and administrative expenses decreased $1.2 million for the ten months ended December 31, 2017, down 15.1% from the twelve month period ended February 28, 2017 due to the ten month period versus the twelve month period. Legal fees were significantly lower as FDA regulatory concerns were satisfied and litigation efforts became more focused and financially controlled.

Research and development expenses decreased by $0.2 million for the ten months ended December 31, 2017 compared to the twelve month period ended February 28, 2017. This decrease is due to attrition in the engineering staff. We are currently recruiting to fill three engineering positions.

Our selling, general and administrative expenses and research and development costs for the twelve months ended December 31, 2017 2016 are as follows:

	Twelve Months Ended December 31,		Change from Prior Year	
	2017	2016	$	%
Selling, general and administrative	$ 7,731,972	$ 7,468,724	$ 263,248	3.5%
Research and development	88,621	246,551	(157,930)	(64.1%)
	$ 7,820,593	$ 7,715,275	$ 105,318	1.4%
Stated as a Percentage of Net Sales	50.6%	62.4%		

Selling, general and administrative expenses increased $0.3 million or 3.5% for the twelve months ended December 31, 2017, compared with the same period last year. The increase in selling, general and administrative expense was due to the addition of a Chief Operating Officer in January 2017 and his subsequent resignation in December 2017, which increased salary and benefit costs and severance expense. Additionally we had higher payroll costs and related benefits due to increased headcount to support regulatory compliance and higher commission expense resulting from the increase in sales. Significantly offsetting this increase was reduced legal fees as our regulatory concerns were satisfied and litigation efforts became more focused and financially controlled, lower consulting fees versus last year which included our website redesign as well as various other consulting projects and attrition in international sales staff.

Research and development costs were lower due to engineering staff attrition. We are actively recruiting to fill the open positions. Andrew Sealfon, the Company's Chief Executive Officer, has contributed much of his time to the RMS's research and development efforts and we expect to launch two new products within the next six to twelve months.

Depreciation and amortization

Depreciation and amortization expense was $257,257 or 14.4% lower in the ten months ended December 31, 2017 compared with the twelve month period ended February 28, 2017 due to the short period.

For the twelve months ended December 31, 2017, depreciation and amortization expense was $306,562 or 3.5% higher compared with the same period last year as a result of continued investment in capital assets mostly related to production and for new patent applications and maintenance of existing patents.

Net Income/(Loss)

	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017	Change from Prior Year $
Net Income/(Loss)	$ 904,957	$ (534,999)	$ 1,439,956
Stated as a Percentage of Net Sales	6.8%	(4.4%)	

Our net income for the ten months ended December 31, 2017 was $0.9 million, as compared to a net loss of $0.5 million for the twelve months ended February 28, 2017. The increase is due to increased gross profit and the impact of the ten month versus the twelve month comparison.

	Twelve Months Ended December 31,		Change from Prior Year
	2017	2016	$
Net Income/(Loss)	$ 819,547	$ (216,123)	$ 1,035,670
Stated as a Percentage of Net Sales	5.3%	(1.7%)	

Our net income for the twelve months ended December 31, 2017 was $0.8 million, as compared to a net loss of $0.2 million for the twelve months ended December 31, 2016. This improvement was mostly the result of increased gross profit and minimal net increases in selling, general and administrative expenses as described above. Further adding to the improvement was the favorable impact on foreign exchange resulting in a gain of $65,651 compared with a loss of $37,594 in the same period last year. With the increase in profitability, we had tax expense of $0.4 million compared with a tax benefit of $0.2 million in the same period last year due to losses.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is our cash of $4.0 million as of December 31, 2017, and cash flows from operations. Our principal source of operating cash inflows is from sales of our products to customers. Our principal cash outflows relate to the purchase and production of inventory and related costs, selling, general and administrative expenses, capital expenditures and patent costs.

We believe that as of December 31, 2017, cash on hand and cash expected to be generated from future operating activities will be sufficient to fund our operations, including further research and development and capital expenditures for the next 12 months. We believe the FREEDOM System continues to find a solid following in the SCIg market, and this market is expected to continue to increase both domestically and internationally. In addition, we expect many of the SCIg providers, and others, will see benefit in using the FREEDOM System for additional uses such as antibiotics, chemotherapeutics, and pain medications.

We continue to be in litigation with a competitor, EMED Technologies Corp. ("EMED") although our expenses have significantly reduced as our litigation efforts have become more focused and financially controlled. Although the Company believes it has meritorious claims and defenses in the actions and proceedings, their outcomes cannot be predicted with any certainty. If any of these actions against the Company are successful, they could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

Cash Flows

The following table summarizes our cash flows:

	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017
Net cash provided by (used in) operating activities	$ 899,912	$ (313,616)
Net cash used in investing activities	$ (219,281)	$ (416,329)
Net cash used in financing activities	$ (19,360)	$ (140,739)

Operating Activities

Net cash provided by operating activities of $0.9 million for the ten months ended December 31, 2017 was primarily attributable to our net income of $0.9 million, non-cash charges in earnings of $0.3 million for depreciation and amortization of long lived tangible and intangible assets and an increase in accrued expenses of $0.2 million due to increased bonus accrual. Further adding to the net cash provided by operating activities was an increase in accrued income tax liability of $0.3 million due to increased profitability and an increase in accrued payroll and related taxes of $0.2 million related to a severance accrual for the former Chief Operating Officer. Partially offsetting these were increases in accounts receivable of $0.4 million, an increase in inventory of $0.3 million as we build inventory and a decrease in accounts payable of $0.3 million related to the payment of legal fees accrued at February 28, 2017.

Net cash used in operating activities of $0.3 million for the fiscal year ended February 28, 2017, was primarily attributable to our net loss of $0.5 million and higher inventory levels of $0.3 million due to anticipated sales and building raw inventory reserve. Offsetting these were the increase in accounts payable of $0.5 million mostly due to professional fees and the purchase of raw materials, non-cash charges in earnings of $0.3 million for depreciation and amortization of long lived tangible and intangible assets, $28,000 of deferred compensation costs and stock based compensation expense of $0.2 million.

Investing Activities

Our net cash used in investing activities of $0.2 million for the ten months ended December 31, 2017 and $0.4 million for the fiscal year ended February 28, 2017 was primarily attributable to our continued investment in capital assets mostly related to production and for new patent applications and maintenance of existing patents.

Financing Activities

Net cash used in financing activities was $19,360 for the ten months ended December 31, 2017 and $0.1 million for the fiscal year ended February 28, 2017 attributable to stock repurchases under the Company's repurchase program.

Lease Commitments

We currently lease a masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. This facility is used as our headquarters, for manufacturing operations and research & development. We are in year nineteen of a twenty-year lease and are responsible for all repairs, maintenance, and upkeep of the space occupied. The terms of the lease call for a monthly lease payment of $11,042 per month. We also contribute payments of 65% of the building's annual property taxes, amounting to $41,959 for the ten month year ended December 31, 2017. On November 14, 2017, we executed a lease extension with our current landlord, which calls for six month extensions beginning March 1, 2019 with the option to renew six times, with monthly lease payments of $12,088.

We also lease 2,500 square feet of warehouse space in a nearby industrial park on a year-to-year basis. In the ten months ended December 31, 2017, we paid $17,883 in rent and common charges for this space.

ACCOUNTING POLICIES

Preparation in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. These estimates are based on our best knowledge of current events and actions we may undertake in the future. Estimates used in accounting are, among other items, allowance for excess and obsolete inventory, useful lives for depreciation and amortization of long lived assets, contingencies and allowances for doubtful accounts. Actual results may ultimately differ from our estimates, although we do not generally believe such differences would materially affect the financial statements in any individual year.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-09—Compensation-Stock Compensation (Topic 718), which provides clarity and reduces both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, Compensation—Stock Compensation, to a change to the terms or conditions of a share-based payment award. The amendments in this update affect any entity that changes the terms or conditions of a share-based payment award. The amendments in this update are effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period, for (1) public business entities for reporting periods for which financial statements have not yet been issued and (2) all other entities for reporting periods for which financial statements have not yet been made available for issuance. The amendments in this update should be applied prospectively to an award modified on or after the adoption date. We do not expect the adoption of the standard to have a material effect on our financial statements, disclosure requirements and methods of adoption.

In June 2016, FASB issued ASU No. 2016-13—Financial Instruments – Credit Losses (Topic 326); Measurement of Credit Losses on Financial Instruments, which amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available for sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. This ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

In August 2016, the FASB issued ASU 2016-15—Statement of Cash Flows (Topic 230); Classification of Certain Cash Receipts and Cash Payments. The ASU provides guidance on eight specific statement of cash flow classification issues and is intended to reduce diversity in practice. ASU 2016-15 will be effective for the Company on January 1, 2018. The adoption of ASU 2016-15 is not expected to have a material impact on the financial statements.

In May 2014, the FASB issued ASU No. 2014-09—Revenue from Contracts with Customers. The ASU clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards ("IFRS") that removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, provides more useful information to users of the financial statements through improved disclosure requirements and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The amendments in this update are effective for the annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Full or modified retrospective adoption is required and early application is not permitted. On July 9, 2015, the FASB issued ASU No. 2015-14 Revenue from Contracts with Customers (Topic 606); Deferral of the Effective Date, which (a) delays the effective date of ASU 2014-09, Revenue from Contracts with Customers (Topic 606), by one year to annual periods beginning after December 15, 2017 and (b) allows early adoption of the ASU by all entities as of the original effective date for public entities. We currently anticipate adopting the new standard using the modified retrospective method beginning January 1, 2018. In March 2016, the FASB issued ASU No. 2016-08 Revenue from Contracts with Customers (Topic 606); Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations and the effective date is the same as the requirements in ASU 2014-09. In April 2016, the FASB issued ASU No. 2016-10 Revenue from Contracts with Customers (Topic 606); Identifying Performance Obligations and Licensing, which is intended to clarify identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas and the effective date is the same as the requirements in ASU 2014-09. In May 2016, FASB issued ASU No. 2016-12—Revenue from Contracts with Customers (Topic 606); Narrow-Scope Improvements and Practical Expedients, which is intended to not change the core principle of the guidance in Topic 606, but rather affect only the narrow aspects of Topic 606 by reducing the potential for diversity in practice at initial application and by reducing the cost and complexity of applying Topic 606 both at transition and on an ongoing basis. The effective date and transition requirements for the amendments in this update are the same as the effective date and transition requirements for Topic 606 (and any other Topic amended by update 2014-09). In December 2016, the FASB issued ASU No. 2016-20 Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers, which represents changes to make minor improvements to the Codification that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. This update is the final, combined version of Proposed Accounting Standards Updates 2016-240 and 2016-320 (both entitled Technical Corrections and Improvements), which have been deleted. In November 2017, the FASB issued ASU No. 2017-14 Income Statement-Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606), which amends SEC paragraphs pursuant to Staff Accounting Bulletins No. 116 and SEC Release No. 33-10403. We do not expect the adoption of the standard and related amendments to have a material effect on our financial condition or results of operations.

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The Company considers the applicability and impact of all recently issued accounting pronouncements. Recent accounting pronouncements not specifically identified in our disclosures are either not applicable to the Company or are not expected to have a material effect on our financial condition or results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Repro-Med Systems, Inc.
Chester, New York

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Repro-Med Systems, Inc. (the "Company") as of December 31, 2017 and February 28, 2017, the related statements of operations, changes in equity, and cash flows for the ten months ended December 31, 2017 and the twelve months ended February 28, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and February 28, 2017 and the results of its operations and its cash flows for the ten months ended December 31, 2017 and the twelve months ended February 28, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ McGrail Merkel Quinn & Associates, P.C.

We have served as the Company's auditor since 2014.

Scranton, Pennsylvania
March 5, 2018

REPRO MED SYSTEMS, INC.
BALANCE SHEETS

	December 31, 2017	February 28, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,974,536	$ 3,313,265
Certificates of deposit	263,269	262,314
Accounts receivable less allowance for doubtful accounts of $77,067 and $18,046 for December 31, 2017, and February 28, 2017, respectively	1,861,949	1,502,030
Inventory	1,658,681	1,353,703
Tax receivable	—	172,457
Prepaid expenses	170,739	175,955
TOTAL CURRENT ASSETS	7,929,174	6,779,724
Property and equipment, net	836,283	932,092
Patents, net of accumulated amortization of $203,768 and $180,137 at December 31, 2017 and February 28, 2017, respectively	483,821	426,943
Other assets	31,582	31,490
TOTAL ASSETS	$ 9,280,860	$ 8,170,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Deferred capital gain - current portion	$ 22,481	$ 22,481
Accounts payable	454,398	772,428
Accrued expenses	658,060	417,357
Accrued payroll and related taxes	334,903	177,018
Accrued tax liability	115,854	—
Total Current Liabilities	1,585,696	1,389,284
Deferred capital gain - less current portion	3,762	22,496
Deferred tax liability	21,675	82,422
Total Liabilities	1,611,133	1,494,202
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, 75,000,000 shares authorized, 40,731,529 and 40,558,429 shares issued; 37,994,298 and 37,821,198 shares outstanding at December 31, 2017, and February 28, 2017, respectively	407,315	405,584
Additional paid-in capital	4,216,718	4,129,726
Retained earnings	3,389,898	2,484,941
	8,013,931	7,020,251
Less: Treasury stock, 2,737,231 shares at December 31, 2017 and February 28, 2017, respectively, at cost	(344,204)	(344,204)
TOTAL STOCKHOLDERS' EQUITY	7,669,727	6,676,047
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,280,860	$ 8,170,249

The accompanying notes are an integral part of these Financial Statements.

REPRO MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS

	For the	
	Ten Months Ended December 31, 2017	**Twelve Months Ended February 28, 2017**
NET SALES	$ 13,313,894	$ 12,293,655
Cost of goods sold	5,174,946	4,724,097
Gross Profit	8,138,948	7,569,558
OPERATING EXPENSES		
Selling, general and administrative	6,594,570	7,767,712
Research and development	50,587	237,486
Depreciation and amortization	257,257	300,611
Total Operating Expenses	6,902,414	8,305,809
Net Operating Profit/(Loss)	1,236,534	(736,251)
Non-Operating (Income)/Expense		
Interest expense	—	1,886
(Gain)/Loss on foreign currency exchange	(68,566)	41,499
Other expense and interest income, net	(2,420)	(2,937)
INCOME/(LOSS) BEFORE TAXES	1,307,520	(776,699)
Income tax expense/(benefit)	402,563	(241,700)
NET INCOME/(LOSS)	$ 904,957	$ (534,999)
NET INCOME/(LOSS) PER SHARE		
Basic	$ 0.02	$ (0.01)
Diluted	$ 0.02	$ (0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	37,897,632	37,830,581
Diluted	38,445,482	37,878,201

The accompanying notes are an integral part of these financial statements.

REPRO MED SYSTEMS, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE TEN MONTHS ENDED DECEMBER 31, 2017 AND THE TWELVE MONTHS ENDED FEBRUARY 28, 2017

	Common Stock		Additional Paid-in	Retained	Treasury	Deferred Compensation	Total Stockholders'
	Shares	Amount	Capital	Earnings	Stock	Cost	Equity
BALANCE, FEBRUARY 29, 2016	40,487,532	$ 404,875	$ 3,968,342	$ 3,019,940	$ (246,858)	$ (28,000)	$ 7,118,299
Issuance of stock based compensation	167,439	1,674	87,984	—	—	—	89,658
Compensation expense related to stock options	—	—	115,828	—	—	—	115,828
Cancellation of common stock	(96,542)	(965)	(42,428)	—	—	—	(43,393)
Purchase of treasury common stock	—	—	—	—	(97,346)	—	(97,346)
Amortization of deferred compensation cost	—	—	—	—	—	28,000	28,000
Net loss for the year ended February 28, 2017	—	—	—	(534,999)	—	—	(534,999)
BALANCE, FEBRUARY 28, 2017	40,558,429	405,584	4,129,726	2,484,941	(344,204)	—	6,676,047
Issuance of stock based compensation	217,100	2,171	110,329	—	—	—	112,500
Compensation expense related to stock options	—	—	(4,417)	—	—	—	(4,417)
Cancellation of common stock	(44,000)	(440)	(18,920)	—	—	—	(19,360)
Net income for the year ended December 31, 2017	—	—	—	904,957	—	—	904,957
BALANCE, DECEMBER 31, 2017	40,731,529	$ 407,315	$ 4,216,718	$ 3,389,898	$ (344,204)	$ —	$ 7,669,727

The accompanying notes are an integral part of these Financial Statements.

REPRO MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS

	For the	
	Ten Months Ended December 31, 2017	**Twelve Months Ended February 28, 2017**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	$ 904,957	$ (534,999)
Adjustments to reconcile net income (loss) to net cash provided (used in) by operating activities:		
Amortization of deferred compensation cost	—	28,000
Stock based compensation expense	108,083	205,486
Depreciation and amortization	257,257	300,611
Deferred capital gain - building lease	(18,734)	(22,480)
Deferred taxes	(60,747)	(40,689)
Allowance for returns and doubtful accounts	58,941	(19,360)
Changes in operating assets and liabilities:		
Increase in accounts receivable	(418,860)	(132,490)
Increase in inventory	(304,978)	(313,426)
Decrease (Increase) in prepaid expense	5,217	(83,289)
Increase in other assets	(93)	(350)
(Decrease) Increase in accounts payable	(318,030)	464,664
Increase in accrued payroll and related taxes	157,885	28,252
Increase (Decrease) in accrued expense	240,703	(82,049)
Increase (Decrease) in accrued income tax liability	288,311	(129,497)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	899,912	(331,616)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(137,817)	(203,125)
Payments for patents	(80,509)	(212,008)
Purchase of certificates of deposit	(955)	(1,196)
NET CASH USED IN INVESTING ACTIVITIES	(219,281)	(416,329)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock	—	(97,346)
Payment for cancelled shares	(19,360)	(43,393)
NET CASH USED IN BY FINANCING ACTIVITIES	(19,360)	(140,739)
Net Increase (Decrease) in CASH AND CASH EQUIVALENTS	661,271	(888,684)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,313,265	4,201,949
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,974,536	$ 3,313,265
Supplemental Information		
Cash paid during the years for:		
Interest	$ —	$ 1,886
Taxes	$ 175,000	$ 194,470
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Issuance of common stock as compensation	$ 112,500	$ 89,658

The accompanying notes are an integral part of these Financial Statements.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

REPRO MED SYSTEMS, INC. (the "Company", "RMS") designs, manufactures and markets proprietary portable medical devices and supplies primarily for the ambulatory infusion market and emergency medical applications as governed by the United States Food and Drug Administration (the "FDA") quality and regulatory system and international standards for quality management systems. The Company operates as one segment.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Company holds cash in excess of $250,000 at multiple depositories, which exceeds the FDIC insurance limits and is, therefore, uninsured.

CERTIFICATES OF DEPOSIT

The certificates of deposit are recorded at cost plus accrued interest. The certificates of deposit earn interest at a rate of 0.35% to 0.55% and mature in February 2018 and March 2018.

INVENTORY

Inventories of raw materials are stated at the lower of standard cost, which approximates average cost, or market value including allocable overhead. Work-in-process and finished goods are stated at the lower of standard cost or market value and include direct labor and allocable overhead.

PATENTS

Costs incurred in obtaining patents have been capitalized and are being amortized over the legal life of the patents.

INCOME TAXES

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences.

The Company believes that it has no uncertain tax positions requiring disclosure or adjustment. Generally, tax years starting with 2015 are subject to examination by income tax authorities.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets.

STOCK-BASED COMPENSATION

The Company maintains various long-term incentive stock benefit plans under which it grants stock options and stock to certain directors and key employees. The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model. All options are charged against income at their fair value. The entire compensation expense of the award is recognized over the vesting period. Shares of stock granted are recorded at the fair value of the shares at the grant date.

NET INCOME PER COMMON SHARE

Basic earnings per share are computed on the weighted average of common shares outstanding during each year. Diluted earnings per share include only an increase in the weighted average shares by the common shares issuable upon exercise of employee and director stock options (See Note 6).

	Fiscal Year Ended	
	Ten Months December 31, 2017	Twelve Months February 28, 2017
Net income/(loss)	$ 904,957	$ (534,999)
Weighted Average Outstanding Shares:		
Outstanding shares	37,897,632	37,830,581
Option shares includable	547,850	47,620
	38,445,482	37,878,201
Net income/(loss) per share		
Basic	$ 0.02	$ (0.01)
Diluted	$ 0.02	$ (0.01)

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Important estimates include but are not limited to, asset lives, valuation allowances, inventory, and accruals.

REVENUE RECOGNITION

Sales of manufactured products are recorded when shipment occurs. The Company's revenue stream is derived from the sale of an assembled product. Other service revenues are recorded as the service is performed. Shipping and handling costs generally are billed to customers and are included in sales. The Company generally does not accept return of goods shipped unless it is a Company error. The only credits provided to customers are for defective merchandise. On a monthly basis the Company records rebates based upon actual sales. The rebates are provided to distributors for the difference in selling price to distributor and pricing specified to select customers.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-09—Compensation-Stock Compensation (Topic 718), which provides clarity and reduces both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, Compensation—Stock Compensation, to a change to the terms or conditions of a share-based payment award. The amendments in this update affect any entity that changes the terms or conditions of a share-based payment award. The amendments in this update are effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period, for (1) public business entities for reporting periods for which financial statements have not yet been issued and (2) all other entities for reporting periods for which financial statements have not yet been made available for issuance. The amendments in this update should be applied prospectively to an award modified on or after the adoption date. We do not expect the adoption of the standard to have a material effect on our financial statements, disclosure requirements and methods of adoption.

In June 2016, FASB issued ASU No. 2016-13—Financial Instruments – Credit Losses (Topic 326); Measurement of Credit Losses on Financial Instruments, which amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available for sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. This ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is assessing the impact of the adoption of the ASU on its financial statements, disclosure requirements and methods of adoption.

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In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The main difference between the current requirement under GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. This ASU requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. This is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. This ASU must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. We are currently assessing the potential impact of this ASU on our financial statements, disclosure requirements and methods of adoption.

The Company considers the applicability and impact of all recently issued accounting pronouncements. Recent accounting pronouncements not specifically identified in our disclosures are either not applicable to the Company or are not expected to have a material effect on our financial condition or results of operations.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the balance sheet for cash, trade receivables, accounts payable and accrued expenses approximate fair value based on the short-term maturity of these instruments.

ACCOUNTING FOR LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment at least annually or whenever the circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. As of December 31, 2017, the Company does not believe that any of its assets are impaired.

NOTE 2 INVENTORY

Inventory consists of:

	December 31, 2017	February 28, 2017
Raw materials and Work-in-process	$ 1,042,367	$ 947,670
Finished goods	677,762	456,621
Total	1,720,129	1,404,291
Less: reserve for obsolete inventory	61,448	50,588
Inventory, net	$ 1,658,681	$ 1,353,703

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at:

	December 31, 2017	February 28, 2017	Estimated Useful Lives
Land	$ 54,030	$ 54,030	
Building	171,094	171,094	20 years
Furniture, office equipment, and leasehold improvements	1,052,501	1,022,942	3-10 years
Manufacturing equipment and tooling	1,075,471	1,003,166	3-12 years
Total	2,353,096	2,251,232	
Less: accumulated depreciation	1,516,813	1,319,140	
Property and equipment, net	$ 836,283	$ 932,092	

Depreciation expense was $233,626 and $267,854 for the ten months ended December 31, 2017, and the twelve months ended February 28, 2017, respectively.

NOTE 4 RELATED PARTY TRANSACTIONS

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Paul Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM System. Authorized by the Board of Directors, the agreement provided for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period. Amortization was zero for the ten months ended December 31, 2017, and was $28,000 for the twelve months ended February 28, 2017; the agreement is fully amortized.

On June 24, 2016, Cyril Narishkin executed a termination and general release agreement, which terminated his previous consulting agreement, and resigned as an officer and director for personal reasons. Mr. Narishkin was compensated for services as a consultant through January 31, 2017 at a monthly rate of $16,000 per month for up to eight days of service a month upon request of the Company. Mr. Narishkin's compensation was $230,000 for the year ended February 28, 2017. In accordance with the agreement, the Company repurchased 96,542 shares of common stock of the Company owned by Mr. Narishkin at an aggregate purchase price of $43,393.

In December 2016 and January 2017, Brad Sealfon, the son of Andrew Sealfon, the Company's President and Chief Executive Officer, consulted for the Company in its production and quality departments and was compensated $7,744. In March 2017, Mr. Sealfon provided additional consulting for the Company in its marketing department and was compensated $2,000.

LEASED AIRCRAFT

The Company leases an aircraft from a company controlled by Andrew Sealfon, the Company's President and Chief Executive Officer. The lease payments were $13,421 for the ten months ended December 31, 2017 and $21,500 for the year ended February 28, 2017. The original lease agreement has expired and the Company is currently on a month-to-month basis for rental payments.

BUILDING LEASE

Mr. Mark Pastreich, a director, is a principal in the entity that owns the building leased by Company. The Company is in year nineteen of a twenty-year lease. With a monthly lease amount of $11,042, the lease payments were $110,420 for the ten months ended December 31, 2017, and $132,504 for the twelve months ended February 28, 2017. The Company also paid property taxes for the ten months ended December 31, 2017 in the amount of $41,959 and $48,455 for the twelve months ended February 28, 2017. On November 14, 2017, we executed a lease extension, which calls for six month extensions beginning March 1, 2019 with the option to renew six times at monthly lease amount of $12,088.

NOTE 5 STOCKHOLDERS' EQUITY

On September 30, 2015, RMS's Board of Directors authorized a stock repurchase program pursuant to which the Company has and expects to continue to make open market purchases of the Company's outstanding common stock. The Board of Directors initially authorized such purchases up to 1,000,000 shares. On June 29, 2016, the Board of Directors approved the amendment to the stock repurchase program increasing the authorized to be repurchased to 2,000,000 shares. The purchases are made through a broker designated by the Company with price, timing and volume restrictions based on average daily trading volume, consistent with the safe harbor rules of the Securities and Exchange Commission (the "Commission") for such repurchases.

As of December 31, 2017, the Company had repurchased 396,606 shares at an average price of $0.45 under the program. Management of the Company decided to discontinue repurchasing its outstanding common stock under the program for an undetermined period of time to utilize cash for capital investments needed to expand the business. As such, no shares were repurchased in the ten months ended December 31, 2017.

NOTE 6 STOCK-BASED COMPENSATION

On September 30, 2015, the Board of Directors approved the 2015 Stock Option Plan ("the Plan") authorizing the Company to grant stock option awards to certain officers, employees and consultants under the Plan, subject to shareholder approval at the Annual Meeting of Shareholders held on September 6, 2016. The total number of shares of common stock of the Company, par value $0.01 per share ("Common Stock"), with respect to which awards may be granted pursuant to the Plan was not to exceed 2,000,000 shares.

On June 29, 2016, the Board of Directors approved the amendment to the Plan authorizing the total number of shares of common stock authorized to be subject to awards granted under the Plan to be increased to 4,000,000 shares. On September 6, 2016, at the Annual Shareholder Meeting, the Company's shareholders approved the Plan as amended.

As of December 31, 2017, the Company has 1,038,000 options outstanding to certain executives and key employees under the Plan.

Effective November 1, 2016, the Company entered into an employment agreement with Dr. Ma, the Company's Chief Medical Officer. The agreement calls for quarterly equity compensation in the form of shares of common stock of the Company. The stock will be awarded on the day following the last working day of each quarter. The number of shares issued each quarter shall be determined by dividing $15,000 by the closing bid price of the Company's common stock as reported by the OTC Markets Inc. as of the last working day of such quarter (the "Closing Price"). As of December 31, 2017, 129,019 shares of common stock were issued to Dr. Ma.

On October 21, 2015, the Board of Directors of the Company approved non-employee director compensation of $25,000 each annually, to be paid quarterly half in cash and half in common stock, beginning September 1, 2015.

The per share weighted average fair value of stock options granted during the fiscal year ended December 31, 2017 and February 28, 2017 was $0.29 and $0.21, respectively. The fair value of each award is estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in the fiscal year ended December 31, 2017 and February 28, 2017. Historical information was the primary basis for the selection of the expected volatility, expected dividend yield and the expected lives of the options. The risk-free interest rate was selected based upon yields of the U.S. Treasury issues with a term equal to the expected life of the option being valued:

	December 31, 2017	February 28, 2017
Dividend yield	0.00%	0.00%
Expected Volatility	70.1%-72.2%	59.00%-70.90%
Weighted-average volatility	—	—
Expected dividends	—	—
Expected term (in years)	5 Years	5 Years
Risk-free rate	2.30%-2.36%	2.17%-2.48%

The following table summarizes the status of the Company's stock option plan:

	December 31, 2017		February 28, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at March 1	1,345,000	$ 0.39	1,060,000	$ 0.37
Granted	318,000	$ 0.49	500,000	$ 0.41
Exercised	—	$ —	—	$ —
Forfeited	625,000	$ 0.39	215,000	$ 0.36
Outstanding at year end	1,038,000	$ 0.41	1,345,000	$ 0.39
Options exercisable	737,010	$ 0.38	—	$ —
Weighted average fair value of options granted during the period	—	$ 0.29	—	$ 0.21
Stock-based compensation expense	—	$ (4,417)	—	$ 115,828

Total stock-based compensation expense, net of forfeitures, for stock option awards totaled $(4,417) and $115,828 for the fiscal year ended December 31, 2017 and February 28, 2017, respectively.

The weighted-average grant-date fair value of options granted during ten months ended December 31, 2017 and the twelve months ended February 28, 2017 was $93,115 and $122,656 respectively. The total intrinsic value of options exercised during the ten months ended December 31, 2017 and the twelve months ended February 28, 2017, was zero for both periods.

The following table presents information pertaining to options outstanding at December 31, 2017:

Range of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.36-0.50	1,038,000	5 years	$ 0.41	737,010	$ 0.38

As of December 31, 2017, there was $77,620 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 17 months. The total fair value of vested options during the ten months ended December 31, 2017 was $150,820 and for the twelve months ended February 28, 2017, it was $98,432.

NOTE 7 SALE-LEASEBACK TRANSACTION - OPERATING LEASE

On February 25, 1999, the Company entered into a sale-leaseback arrangement whereby the Company sold its land and building at 24 Carpenter Road in Chester, New York and leased it back for a period of twenty years. The leaseback is accounted for as an operating lease. The gain of $0.5 million realized in this transaction has been deferred and is amortized to income in proportion to rental expense over the term of the related lease.

At December 31, 2017, minimum future rental payments are:

Year	Minimum Rental Payments
2018	132,504
2019	22,084
	$ 154,588

Rent expense for the ten months ended December 31, 2017 was $110,420, and for the twelve months ended February 28, 2017 was $132,504.

NOTE 8 FEDERAL AND STATE INCOME TAXES

The provision (benefit) for income taxes at December 31, 2017, and February 28, 2017 consisted of:

	December 31, 2017	February 28, 2017
State income tax:		
Current, net of refund	$ 1,670	$ 2,004
Federal income (benefit) tax:		
Deferred	(47,327)	(40,689)
Current	448,220	(203,015)
Total	$ 402,563	$ (241,700)

The reconciliation of income taxes shown in the financial statements and amounts computed by applying the Federal expected tax rate of 34% is as follows:

	December 31, 2017	February 28, 2017
Income (loss) before tax	$ 1,307,520	$ (776,699)
Computed expected tax (benefit)	$ 444,557	$ (264,078)
State income and franchise tax/(refund)	1,670	1,323
Reduction in deferred tax from change in tax rate	(13,420)	—
Other	(30,244)	21,055
Provision (benefit) for taxes	$ 402,563	$ (241,700)

The components of deferred tax liabilities at December 31, 2017, and February 28, 2017, respectively, are as follows:

	December 31, 2017	February 28, 2017
Deferred compensation cost	$ 33,987	$ 49,228
Depreciation and amortization	(69,550)	(156,596)
Allowance for bad debts and other	13,888	24,946
Deferred tax liabilities	$ (21,675)	$ (82,422)

New Tax Legislation

On December 22, 2017, the President of the United States ("U.S.") signed into law the Tax Cuts and Jobs Act tax reform legislation. This legislation makes significant change in U.S tax law including a reduction in the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corporate alternative minimum tax. The legislation reduced the highest U.S corporate tax rate from the current rate of 35% to 21%, effective January 1, 2018. As a result of the enacted law, the Company was required to revalue deferred tax assets and liabilities at the enacted rate. This revaluation resulted in an additional benefit of $13,420 included in income tax expense and corresponding reduction in the net deferred tax liabilities. The other provisions of the Tax Cuts and Jobs Act did not have a material impact on the 2017 financial statements.

NOTE 9 MAJOR CUSTOMERS

For the ten months ended December 31, 2017, and the twelve months ended February 28, 2017, approximately, 55% and 56%, respectively, of the Company's gross product revenues were derived from one major customer. At December 31, 2017, and February 28, 2017, accounts receivable due from this customer were $0.9 million and $0.4 million, respectively.

The largest customer in both years is a domestic medical products and supplies distributor. Although a number of larger infusion customers have elected to consolidate their purchases through one or more distributors in recent years, we continue to maintain a strong direct relationship with them. We do not believe that their continued purchase of FREEDOM System products and related supplies is contingent upon the distributor.

NOTE 10 LEGAL PROCEEDINGS

Lawyers representing EMED Technologies Corp. ("EMED") sent RMS a letter dated, May 1, 2013, which alleged that the RMS High-Flo Butterfly design infringed a patent controlled by EMED. RMS disputed this claim and believes that our design did not infringe and that the EMED patent itself was not valid. Under advice of counsel, on September 20, 2013, the Company commenced in the United States District Court for the Eastern District of California a Declaratory Judgment action against competitor, EMED to establish the invalidity of one of EMED's patents and non-infringement of the Company's needle sets. EMED answered the complaint and asserted patent infringement and unfair business practice counterclaims. The Company responded by asserting its own unfair business practice claims against EMED. Both parties have requested injunctive relief and monetary damages. Discovery is ongoing.

On June 16, 2015, the Court issued what it termed a "narrow" Preliminary Injunction against the Company from making certain statements regarding some of EMED's products. On June 23, 2016, EMED filed a Motion seeking to have the Company held in contempt, claiming that certain language in the Company's device labeling does not comply with the injunction. In response to a Show Cause Order, the Company advised the Court that the language in the Company's labeling that EMED challenged is language that the FDA directed the Company to use in its labeling. The Court discharged the Show Cause Order, effectively rejecting EMED's contempt argument.

On March 24, 2016, EMED filed a Motion seeking a second Preliminary Injunction prohibiting RMS from selling three of its products in California. The Company opposed that Motion on April 19, 2016. The Order denying this second Preliminary Injunction was issued June 6, 2017.

On August 22, 2017, the Company filed a Motion seeking a Preliminary Injunction prohibiting EMED from making false statements and claims regarding the products of both companies. EMED filed a Response and Objections to Company's motion on September 21, 2017, and Company filed a subsequent Reply on September 28, 2017. The Court issued a Minute Order on September 22, 2017 vacating a hearing set for October 5, 2017, and stating that if the Court determines oral hearings to be required, the parties will be notified. Presently, the parties are awaiting further action by the Court.

On June 25, 2015, EMED filed a claim of patent infringement for the second of its patents, also directed to the Company's needle sets, in the United States District Court for the Eastern District of Texas. This second patent is related to the one concerning the Company's declaratory judgment action. Given the close relationship between the two patents, the Company requested that the Texas suit be transferred to California. Also, based on a validity review of the patent in the U.S. Patent and Trademark Office ("USPTO"), discussed below, the Company requested the Texas suit be stayed. On May 12, 2016, the Court entered an order staying the case until after the Patent Trial and Appeal Board ("PTAB") at the USPTO issued a final written decision regarding the validity of the patent. On January 12, 2017, the PTAB issued its final written decision invalidating the claims asserted by EMED in the Texas litigation. On January 26, 2017, the Company and EMED requested that the Texas case remain stayed pending EMED's appeal of the PTAB's final ruling to the Court of Appeals for the Federal Circuit ("CAFC").

On September 11, 2015, the Company requested an ex parte reexamination of the patent in the first filed case, and on September 17, 2015 the Company requested an inter partes review ("IPR") of the patent in the second filed case. On November 20, 2015, the USPTO instituted the ex parte reexamination request having found a substantial new question of patentability concerning EMED's patent in the first filed case. All EMED claims have been rejected by the USPTO Examiner in a Final Office Action dated July 19, 2017. EMED filed a response to this Final Office Action on September 15, 2017, and subsequently filed a Notice of Appeal on October 17, 2017. The Date for filing an Appeal Brief is two (2) months from the date of Notice. On January 25, 2018 EMED filed an Appeal Brief with a Petition for Revival having unintentionally delayed the filing by more than two months. Service was made to RMS on January 28, 2018. Thus, the ex parte reexamination is ongoing. A decision to institute the IPR for EMED's patent in the second filed case was ordered by the USPTO on February 19, 2016 having determined a reasonable likelihood all claims of the patent may be found to be unpatentable. Oral argument for the IPR was held on November 22, 2016 and a final ruling issued on January 12, 2017. In its final ruling, the PTAB held the claim asserted by EMED against the Company in the second filed case was invalid. EMED appealed the PTAB's final ruling, and EMED's opening brief in the CAFC was filed on June 26, 2017. The Company's response brief was filed on August 3, 2017. EMED filed a reply brief on August 17, 2017. Presently, the parties are awaiting further action by the CAFC.

Following the final decision on January 12, 2017 by the PTAB in the IPR regarding the second patent, EMED apparently filed a new application in the USPTO claiming priority back to US Application 12/187,256 – which was issued as US 8,500,703, and the subject of the Ex-Parte Re Examination noted above. This new application was submitted under the USPTO Tract 1 accelerated prosecution option and resulted in a new patent US 9, 808,576 issued November 7, 2017. On this same date, EMED filed a new claim of patent infringement for this third patent, also directed to the Company's needle sets, in the United States District Court for the Eastern District of Texas. In light of the recent cases, including *TC Heartland v. Kraft Foods Group,* RMS has filed a Motion to Dismiss or Transfer Venue to the Southern District of New York. EMED has filed a Response to this Motion, and RMS filed a further Response on February 8, 2018 a day ahead of the due date. We await a decision by the Court.

Although the Company believes it has meritorious claims and defenses in these actions and proceedings, their outcomes cannot be predicted with any certainty. We believe that it is likely both patents will be determined invalid, however, if any of these actions against the Company are successful, they could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

NOTE 11 EMPLOYEE BENEFITS

We provide a safe harbor 401(k) plan for our employees that allows for employee elective contributions, Company matching contributions and discretionary profit sharing contributions. Employee elective contributions are funded through voluntary payroll deductions. The Company makes safe harbor matching contributions in an amount equal to 100% of the employee's contribution not to exceed 3% of employee's compensation plus 50% of employee's pay contributed between 3% and 5% of employee's compensation. Company matching expense for the period ended December 31, 2017 and February 28, 2017 was $64,881 and $54,042, respectively. The Company has not provided for a discretionary profit sharing contribution.

NOTE 12 SUBSEQUENT EVENTS

On February 8, 2018, the Company executed a Promissory Note with KeyBank National Association in the amount of $1.5 million as a variable rate revolving line of credit loan due on demand with an interest rate of Libor plus 2.25%, collateralized with a certificate of deposit in the amount of $1.5 million. The Company entered into this arrangement to establish a credit lending history and, in the event needed, to have additional cash on hand for future expansion.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer or CEO, and Chief Financial Officer or CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2017. Based on that evaluation, our management, including our CEO and CFO, concluded that as of December 31, 2017 our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, and implemented in conjunction with management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management determined that, as of December 31, 2017, the Company maintained effective internal control over financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table sets forth certain information with respect to our executive officers and directors as of March 5, 2018:

Name	Age	Position / Held Since
Andrew I. Sealfon	72	President 1980 Chairman 1989 Director 1980 Chief Executive Officer 1986
Karen Fisher	51	Chief Financial Officer and Treasurer 2015
Dr. Fred Ma	58	Chief Medical Officer 2016
Paul M. Baker	68	Director 1991
Mark L. Pastreich	88	Director 2011
Brad A. Sealfon	30	Director 2013
Arthur J. Radin	80	Director 2015
David W. Anderson	65	Director 2016
Joseph M. Manko, Jr.	52	Director 2016

All directors hold offices until the next annual meeting of stockholders or until their successors are elected. Executive officers hold office at the discretion of the Board of Directors.

Mr. Andrew Sealfon co-founded Repro Med Systems, Inc. in 1980 and has been its President, Chief Executive Officer and head of research and development since that time, except from October 2015 through June 2016. He is an electrical engineer and inventor and has been granted numerous U.S. patents. Mr. Sealfon is a graduate of Lafayette College.

Ms. Fisher has more than 25 years of financial experience at a variety of industries. Prior to joining RMS, Ms. Fisher was Assistant Controller, Senior Manager for Armored Autogroup, Inc., a worldwide consumer products company from February 2012 to January 2015. Before joining Armored Autogroup, Inc., she spent seven years at Gilman Ciocia, Inc., where she served in a variety of financial roles, including Chief Accounting Officer and Treasurer, and, earlier, as Controller. Before Gilman Ciocia, Inc., she held multiple financial management roles at The New York Times Company and Thomson Financial. Ms. Fisher is a Certified Public Accountant and a graduate of Arizona State University with a BS in accounting.

Dr. Ma has over 30 years of broad experience based on his neurosurgical practice, with significant emphasis in pharmaceuticals and medical device industries. Prior to joining RMS Medical Products, Dr. Ma was President and Managing Director of Medical Quality International, LLC, a pharmaceutical and medical device development consulting firm, from July 2014 to January 2016. From June 2011 to July 2014, Dr. Ma was the Chief Medical Officer and Board of Director at Innovacyn, Inc. a pharmaceutical company. Dr. Ma has a successful track record in all phases of product research and development culminating in final approvals, clearances, and commercialization. He is prominent within regulatory agencies and a multitude of professional organizations. Dr. Ma has directly designed and supervised numerous product developments, 600 clinical trials, and has obtained many regulatory approvals and clearances in the United States and worldwide. Dr. Ma earned his M.D. degree from Capital University of Medical Sciences, Beijing, D.M.Sc. (Doctorate of Medical Sciences (equivalent to combined M.D. and Ph.D. degrees)) from University of Tokyo, Japan, and a Ph.D. from Rutgers University.

Dr. Baker earned a medical degree from Cornell University Medical College. Dr. Baker has been a practicing pediatrician for over 38 years, has been on Medical Staff at Orange Regional Medical Center, Middletown, New York for 38 years and has been attending at Weill Cornell Medicine Voluntary Faculty in New York City for 37 years. Dr. Baker assisted us in the development of the RES-Q-VAC® Suction System. In addition, Dr. Baker has published results of use of the RES-Q-VAC in a letter to LANCET, a medical journal. Dr. Baker is currently consulting with the Company to provide clinical research and support services related to new and enhanced applications for the FREEDOM60 and FreedomEdge.

Mr. Pastreich is a businessman, and a longtime real estate investor and broker for the past 60 years. He has served on numerous for-profit and not-for-profit boards. Among his other various real estate holdings, he has been a partner in Casper Creek LLC for past 18 years, which owns the building leased by the Company. Mr. Pastreich has a wealth of business acumen and experience.

Mr. Radin was appointed to the Board of Directors in January, 2015. Mr. Radin, who started his career at Touche Ross & Co., has been a partner in public accounting firms for 45 years. He was a Partner with Radin, Glass & Co., the Company's former independent auditors, from 1998 until January 2015 when he joined Janover LLC, a certified public accounting firm. Mr. Radin retired as a Partner as of January 2017 and remains a consultant at Janover LLC. He is a member of the New York State Society of Certified Public Accountants Editorial Board. Mr. Radin received a BA degree from Columbia College and a Master's in Business Administration from New York University.

Mr. Brad Sealfon joined the Board of Directors in November, 2013. Mr. Sealfon is the son of Mr. Andrew Sealfon, the Company's Chairman, President and Chief Executive Officer. From 2011 through December 2015, Mr. Sealfon was employed at the Company in a variety of roles, most recently as the Marketing Director. Mr. Sealfon continues to consult with the Company on various projects. Mr. Sealfon is the founder of Stokequest, a traveling and consulting group for fellow adventurers and outdoor enthusiasts. Mr. Sealfon was also Head of Partnerships for the app WeShelter with a mission to end street homelessness. Mr. Sealfon also served on the Board of Directors for the Interactive Museum in Orange County, NY.

Mr. Anderson was appointed to the Board of Directors in February, 2016. Mr. Anderson has been in the medical (device) industry for over 23 years and is currently the Chief Executive Officer for Brain Temp, Inc. Previously, he held the role of Chief Executive Officer for Orteq Sports Medicine from 2014 to 2017 and Gentis, Inc. from 2004 through 2014. He also serves on the board for ACell Inc., (Regenerative Medicine for Woundcare), as well as serves on several advisory committees. Mr. Anderson received a B.S. in Chemical Engineering from Cornell University and attended University of Minnesota for Graduate Studies in Microbiology.

Mr. Manko was appointed to the Board of Directors on May 13, 2016. Mr. Manko has been the Senior Principal in Horton Capital Management LLC, the investment manager for the Horton Capital Partners Fund, LP ("Horton Fund") since 2013. The Horton Fund is a significant shareholder in the Company. Mr. Manko has over 20 years of investment experience in the asset management, investment banking, private equity and corporate securities markets. From 2005 to 2010 Mr. Manko was a Partner and Chief Executive Officer of Switzerland-based BZ Fund Management Limited, where he was responsible for corporate finance, private equity investments, three public equity funds and the firm's Special Situations and Event-Driven strategies. Prior to that Mr. Manko was a Managing Director with Deutsche Bank in London. He began his investment banking career at Merrill Lynch as a Vice President in Hong Kong and prior to that, Mr. Manko was a corporate finance attorney at Skadden, Arps, Slate, Meagher & Flom. Mr. Manko has served on the board of several companies in the bio-pharmaceutical industry and has advised numerous companies in the pharmaceutical, biotech and medtech industries. Mr. Manko earned both his B.A. and Juris Doctor from the University of Pennsylvania.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our directors and executive officers, and persons who own more than ten percent (10%) of our common stock, file with the SEC reports of initial ownership of our common stock and subsequent changes in that ownership and furnish to us copies of all forms they file pursuant to Section 16(a). Based solely on a review of Forms 3, 4, and 5 furnished to us or filed with the SEC, we believe all Section 16(a) filing requirements were timely made in the fiscal year ended December 31, 2017, except the following filings were late: Joseph Manko one Form 4; David Anderson one Form 4.

Code of Ethics

The Company has a Code of Ethics applicable to all employees, including the principal executive officer, principal financial officer, principal accounting officer or Controller. The Code of Ethics is available on the Company's website at www.rmsmedicalproducts.com/about/code_of_ethics.pdf. The Company intends to disclose future amendments to certain provisions of the Code of Ethics, and waivers of the Code of Ethics granted to the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, if any, on the website at www.rmsmedicalproducts.com within four business days following the date of any amendment or waiver. A printed copy will be sent, without charge, to any shareholder who requests it by writing to the Chief Financial Officer of Repro Med Systems, Inc., 24 Carpenter Road, Chester, NY 10918.

Audit Committee

The Audit Committee was established by our Board of Directors on May 11, 2016. The Audit Committee recommends the appointment of our independent registered public accountants, reviews our internal accounting procedures and financial statements and consults with and reviews the services provided by our independent registered public accountants, including the results and scope of their audit. The Audit Committee is currently comprised of Messrs. Radin (chair), Pastreich and Dr. Baker. Each member of this committee is "independent" within the meaning of applicable SEC rules and standards of the NASDAQ, except Mr. Pastreich because he was paid in excess of $120,000 for building lease payments. The Board of Directors has designated Mr. Radin as the audit committee financial expert, as currently defined under the SEC rules.

The Audit Committee operates under a formal charter adopted by the Board of Directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from the Company's website at www.rmsmedicalproducts.com.

ITEM 11. EXECUTIVE COMPENSATION

The following table summarizes all compensation paid by us in the last two completed fiscal years for our "named executive officers", which are:

- our Chief Executive Officer;
- our two most highly compensated executive officers other than our Chief Executive Officer who were serving as executive officers at December 31, 2017 as that term is defined under Rule 3b-7 of the Securities Exchange Act of 1934, as amended; and
- up to two additional individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer at December 31, 2017.

Summary Compensation Table

Name and Position	Year*	Salary	Bonus	Stock Awards	Option Awards	All Other Compensation	Total
Andrew I. Sealfon, Chief Executive Officer (1)	2017	$ 354,167	$ 60,833	$ —	$ —	$ —	$ 415,000
	FY2017	$ 425,000	$ —	$ —	$ —	$ —	$ 425,000
Eric Bauer, Former Chief Operating Officer (2)	2017	$ 229,167	$ 57,292	$ —	$ —	$ 172,568(5)	$ 459,027
	FY2017	$ 33,420	$ 25,000	$ —	$ 122,656	$ 4,000	$ 185,076
Dr. Fred Ma, Chief Medical Officer (3)	2017	$ 250,000	$ 60,000	$ 65,000	$ —	$ —	$ 375,000
	FY2017	$ 275,000	$ 19,726	$ 5,000	$ —	$ —	$ 299,726
Karen Fisher, Chief Financial Officer (4)	2017	$ 166,731	$ 33,346	$ —	$ —	$ —	$ 200,077
	FY2017	$ 193,479	$ 29,138	$ —	$ —	$ —	$ 222,617

* 2017 represents the ten month period ending December 31, 2017 and FY2017 represents the twelve month period ending February 28, 2017

(1) Mr. Sealfon is provided with an automobile that has been paid for in full by the Company.

(2) Mr. Bauer had an employment agreement with the Company effective January 17, 2017. Mr. Bauer's annual base compensation was $275,000, plus he was eligible to earn an annual bonus in accordance with the Company policy and procedure for granting of a specified executive bonus which is equivalent to 50% of base compensation based on achievement of goals, payable 50% in cash and 50% in stock of the Company. The agreement further called for the award of a stock option grant of 500,000 incentive stock options to vest quarterly over a four year term and in accordance with the Company's current stock option plan. Vesting would be automatically accelerated if Mr. Bauer's employment were terminated by the Company without Cause (as defined in the employment agreement) after two years of employment. Mr. Bauer received a one-time sign on bonus of $25,000 payable upon hire. Mr. Bauer received $2,000 per month or $22,000 in the aggregate, to cover the cost of temporary housing for up to twelve (12) months from effective date of his agreement until his resignation. Upon termination of Mr. Bauer's employment by the Company without Cause, subject to his execution of a customary general release of claims in favor of the Company and its affiliates, Mr. Bauer would have been entitled to receive an amount equal to (i) if the termination date is less than twelve (12) months after the effective date, six months of the cash portion (but not the stock portion) of his salary; or (ii) if the termination date is at least twelve (12) months after the effective date, twelve (12) months of the cash portion (but not the stock portion) of his salary. Mr. Bauer resigned his employment effective as of January 17, 2018 pursuant to a Separation Agreement and General Release dated December 19, 2017 (the "Separation Agreement"), which calls for payment of six months of his salary in the amount of $137,500 plus salary through January 15, 2018 in the amount of $11,458.33, unused vacation of $9,338.11, $4,271.28 for six months of COBRA premiums and a pro-rated portion of the 2017 annual bonus.

(3) Dr. Ma was hired as a consultant for the Company from July 2015 through October 2016 and was paid pursuant to his consulting agreement. During the period from July 2015 through January 2016, he was paid at a monthly rate of $15,000 per month, from February 2016 through July 2016 he was paid $20,000 per month, and from August 2016 through October 2016 he was paid $25,000 per month. Dr. Ma was also reimbursed for approved out of pocket expenses. Effective November 1, 2016, the Company entered into an employment agreement with Dr. Ma with an annual base salary of $300,000, plus he will be eligible to earn an annual bonus in accordance with the Company policy and procedure for granting of bonuses to management and executives. The agreement further called for quarterly equity compensation in the form of shares of common stock of the Company. The stock will be awarded on the day following the last working day of each quarter. The number of shares issued each quarter shall be determined by dividing $15,000 by the closing bid price of the Company's common stock as reported by the OTC Markets Inc. as of the last working day of such quarter (the "Closing Price"). The quarterly equity compensation set forth in the agreement shall cease on October 31, 2017, and the parties shall negotiate any replacement compensation in good faith. During the first six months of employment Dr. Ma will also receive up to $1,000 per month to cover the cost of temporary housing and in the case he relocates to within commuting distance of the Company during the twelve (12) month period ending October 31, 2017, up to $50,000 to cover costs attributable to such relocation. If Dr. Ma's employment is terminated by the Company other than for cause, Dr. Ma shall be entitled to receive an amount equal to (i) if the termination date is less than twelve (12) months after the effective date, his Base Salary as in effect as of the termination date, paid over time as if he were employed until the date that is twelve (12) months after the effective date; (ii) if the termination date is at least twelve (12) months after the effective date, six (6) months of the cash portion (but not the stock portion) of his base salary in effect as of the termination date, or (iii) if the termination date is at least twenty-four (24) months after the effective date, twelve (12) months of the cash portion (but not the stock portion) of his base salary in effect as of the termination date.

(4) Ms. Fisher has an employment agreement with the Company which was entered into on January 15, 2015. Ms. Fisher's annual salary was $185,000, plus a minimum performance bonus of 20% of the base annual salary based on metrics of the Company-wide incentive plan, which is based on individual performance and the Company's adjusted EBITDA target. Effective March 1, 2017, Ms. Fisher's annual compensation was increased to $200,000. The agreement further called for the award of stock or stock options within Ms. Fisher's first fiscal year of employment. On November 4, 2015, pursuant to the Company's 2015 Stock Option Plan, Ms. Fisher was awarded 500,000 incentive stock options which vested on November 3, 2016 and are exercisable for $0.38 per share. The term of employment is on an at-will basis, provided that if Ms. Fisher is terminated without cause she shall receive termination benefits at her then current base salary for a period of six months following termination.

(5) Of this amount $10,000 represents temporary housing allowance and $162,568 represents his severance.

Officers and directors are reimbursed for travel and other expenses incurred on behalf of the Company. We offer an optional 401(k) savings plan with a company matching component to all full-time employees with 90 days of service.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding the outstanding equity awards held by our named executive officers as of December 31, 2017.

2017 FISCAL YEAR OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date
Karen Fisher	11/4/2015	500,000(1)	—	0.38	11/2/2020
Eric Bauer	1/17/2017	125,000(2)	—	0.41	1/16/2022

(1) Incentive stock options granted under the 2015 Stock Option Plan. Fully vested and subject to early termination as provided in the option agreements, immediately prior to a change of control of the Company.
(2) Incentive stock options granted under the 2015 Stock Option Plan and fully vested in accordance with the Separation Agreement, exercisable prior to April 17, 2018.

Director Compensation

The following table provides compensation information for the year ended December 31, 2017 for each non-employee member of our Board of Directors:

2017 DIRECTOR COMPENSATION TABLE*

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	All Other Compensation ($)	Total ($)
Paul M. Baker	10,417	10,417	—	20,834
Mark L. Pastreich	10,417	10,417	—	20,834
Brad A. Sealfon (1)	10,417	10,417	2,000	22,834
Arthur J. Radin	10,417	10,417	—	20,834
David W. Anderson	10,417	10,417	—	20,834
Joseph M. Manko, Jr. (2)	10,417	10,417	—	20,834

* Amounts are for the ten months ended December 31, 2017
(1) Brad Sealfon was employed by the Company as a consultant for a special project.
(2) The stock awards were issued to Horton Capital Partners Fund L.P.

On October 21, 2015, the Board of Directors of the Company approved non-employee director compensation of $25,000 each annually, to be paid quarterly half in cash and half in common stock, effective September 1, 2015. We pay no additional remuneration to our employees serving as directors. All directors, including our employee directors (if any), are reimbursed for reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the Board of Directors and committee meetings. The Board of Directors has not made any changes to director compensation as of December 31, 2017.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The table below sets forth, as of March 5, 2018, the number of shares of common stock beneficially owned by each person owning more than 5% of the outstanding shares, by each named executive officer and director, and by all executive officers and directors as a group. Except as otherwise noted, the address of each person is c/o Repro Med Systems, Inc., 24 Carpenter Road, Chester, NY, 10918.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Percentage ownership is based on 38,021,298 shares of common stock outstanding at March 5, 2018. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, except as indicated by the footnotes below, we deemed outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 5, 2018, to be outstanding ignoring the withholding of shares of common stock to cover applicable taxes. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. We did not deem outstanding shares of common stock issuable as directors' fees or pursuant to employment contracts within 60 days after March 5, 2018, as the number of shares is not able to be calculated at this time. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

The information provided in the table is based on our records, information filed with the SEC, and information provided to us, except where otherwise noted.

Name of Principal Stockholders and Identity of Group	Number of Shares Owned	Percent of Class	Notes:
Andrew I. Sealfon	8,127,250	21%	(1)
Dr. Paul Mark Baker	1,863,185	5%	(2)
Mark Pastreich	440,505	1%	—
Arthur J. Radin	313,005	1%	—
Brad A. Sealfon	132,439	*	—
Joseph M. Manko, Jr.	7,266,907	19%	(3)
David W. Anderson	17,262	*	—
Karen Fisher	500,000	1%	—
Eric Bauer	125,000	*	—
Dr. Fred Ma	129,019	*	—
All Directors and Officers as a Group	18,914,572	48%	(3)
Horton Capital Management, LLC	7,266,907	19%	(3)
Total of all Directors, Officers and 5% stockholders	18,914,572	48%	—

(1) Does not include approximately 115,000 shares of common stock owned by Mr. Andrew Sealfon's wife, 129,939 shares of common stock held by Mr. Sealfon's son, Brad A. Sealfon, or 85,000 shares of common stock held by Mr. Sealfon's daughter, Carolyn Sealfon, as to which Mr. Sealfon disclaims beneficial ownership.

(2) Includes shares owned by Andrea Baker, Dr. Baker's wife.

(3) Each of Mr. Manko and Horton Capital Management, LLC, a Delaware limited liability company ("HCM"), may be deemed to beneficially own 7,266,907 shares of common stock, including 6,206,907 shares of common stock held by Horton Capital Partners Fund, LP, a Delaware limited partnership ("HCPF"), and excluding 1,000,000 shares of common stock issuable upon the exercise of the Warrant, dated August 8, 2014, issued to HCPF due to a conversion cap. Such conversion cap precludes HCPF from exercising the Warrant to the extent that HCPF would, after such exercise, beneficially own (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended) in excess of 9.99% of the shares of common stock of the Company then outstanding, unless Horton waives this provision with permission of the Company. On September 8, 2017, Horton waived this provision and requested the warrant to be exercised, but Company permission was not granted. Pursuant to investment management agreements, HCM maintains investment and voting power with respect to 6,206,907 shares of common stock held by HCPF. Despite the delegation of investment and voting power to HCM, Horton Capital Partners LLC, a Delaware limited liability company ("HCP"), may be also deemed to be the beneficial owner of 6,206,907 shares of common stock held by HCPF because HCP has the right to acquire investment and voting power through termination of investment management agreements with HCM. In addition, HCM acts as an investment adviser to certain managed accounts. Under investment management agreements with managed account clients, HCM has investment and voting power with respect to 1,060,000 shares of common stock of the Company held in such managed accounts. HCP is the general partner of HCPF. Mr. Manko is the managing member of both HCM and HCP. The address of Mr. Manko, HCM, HCP and HCPF is 1717 Arch Street, 39th Floor, Philadelphia, PA 19103.

Equity Compensation Plan Information
as of December 31, 2017

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	**1,038,000**	**$0.41**	**2,962,000**
Equity compensation plans not approved by security holders (1)	—	—	—
Total	**1,038,000**	**$0.41**	**2,962,000**

(1) Non-employee directors receive quarterly shares of common stock in an amount equal to $12,500 as determined by the closing bid price of the Company's common stock as reported by the OTC Markets Inc. on the last day of the quarter (the "Closing Price"). Pursuant to Dr. Ma's employment agreement, Dr. Ma receives quarterly shares of common stock in an amount equal to $15,000 as determined by the Closing Price. The Company has reserved 200,000 shares for issuance to Dr. Ma, of which 129,019 have been issued as of December 31, 2017.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

To reduce corporate travel expenses, we maintain and operate a corporate aircraft. Since 1992, the aircraft has been leased from AMI Aviation, Inc. Mr. Andrew Sealfon, the Company's President and Chief Executive Officer, is a majority shareholder in AMI Aviation. The lease expenses paid were $13,421 for the ten months ended December 31, 2017. The original lease agreement has expired and the Company is currently on a month-to-month basis for rental payments. We believe the AMI lease is on terms competitive with those that could be obtained from unaffiliated third parties.

In February 2011, the Company added Mr. Mark Pastreich as a director. Mr. Pastreich is a principal in the company that owns the building leased by the Company located at 24 Carpenter Road, Chester, New York 10918. The Company is in year nineteen of a twenty-year lease. The Company's current lease payments for the ten months ended December 31, 2017 were approximately $110,420 plus 65% of the building's annual property taxes, amounting to $41,959. On November 14, 2017, we executed a lease extension, which calls for six month extensions beginning March 1, 2019 with the option to renew six times at a monthly lease amount of $12,088.

In affirmatively determining whether a director is "independent", the Board of Directors uses the definition of independence set forth in the rules of the NASDAQ. The Board of Directors, in applying these standards, has affirmatively determined that its current "independent" directors are Messrs. Radin, Anderson, Manko and Dr. Baker.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to us by McGrail Merkel Quinn & Associates, P.C., an independent registered public accounting firm, for professional services rendered for the fiscal years ended December 31, 2017 and February 28, 2017, respectively.

Fee Category	Ten Months Ended December 31, 2017	Twelve Months Ended February 28, 2017
Audit Fees	$ 35,000	$ 39,000

Audit fees consist of aggregate fees billed for professional services rendered for the audit of our annual financial statements and review of the interim financial statements included in quarterly reports or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for the ten months ended December 31, 2017, and the twelve months ended February 28, 2017, respectively.

The Board of Directors is responsible for the appointment, compensation, and oversight of the work of the independent auditors and approves in advance any services to be performed by the independent auditors, whether audit-related or not. The Board of Directors reviews each proposed engagement to determine whether the provision of services is compatible with maintaining the independence of the independent auditors. All of the fees for services shown above were pre-approved by the Board of Directors. The Audit Committee of the Board of Directors is responsible for evaluating and pre-approving the audit scope and the compensation of the independent auditors and any non-audit services to be provided by the independent auditors, including evaluating the effect of such services on the auditor's independence.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The Financial Statement Schedules are filed in Part II, Item 8 hereof.

The following exhibits are filed herewith or incorporated by reference as part of this Annual Report.

Exhibit No.	Description
3(i)	Amended and Restated Articles of Incorporation dated December 28, 2016 (previously filed with Form 10-Q for the quarter ended November 30, 2016 and incorporated by reference).
3(ii)	Amended and Restated By-Laws dated October 5, 2016 (previously filed with Form 10-Q for the quarter ended August 31, 2016 and incorporated by reference).
4.1	Securities Purchase Agreement with Horton Capital Partners Fund, L.P. dated August 8, 2014 (previously filed with Form 10-K for the fiscal year ended February 28, 2015 and incorporated by reference).
10.1	Executive Employment Agreement for Karen Fisher, Chief Financial Officer dated January 15, 2015 (previously filed with Form 10-Q for the quarter ended August 31, 2016 and incorporated by reference).
10.2	Executive Employment Agreement for Fred Ma, Chief Medical Officer dated November 1, 2016, (previously filed with Form 10-K for the fiscal year ended February 28, 2017 and incorporated by reference).
10.3	Executive Employment Agreement for Eric Bauer, Chief Operating Officer dated January 17, 2017, (previously filed with Form 10-K for the fiscal year ended February 28, 2017 and incorporated by reference).
10.4	Executive Termination Agreement for Eric Bauer, Chief Operating Officer dated December 19, 2017, filed herewith.
31.1	Certification of the Principal Executive Officer of registrant required under Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Principal Financial Officer of registrant required under Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of the Principal Executive Officer of registrant required under Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.2	Certification of the Principal Financial Officer of registrant required under Section 906 of the Sarbanes-Oxley Act of 202, filed herewith.
101	Interactive Data File (Annual Report on Form 10-K, for the fiscal year ended December 31, 2017), furnished in XBRL (eXtensible Business Reporting Language).

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 5, 2018.

REPRO MED SYSTEMS, INC.

/s/ Andrew I. Sealfon
Andrew I. Sealfon, President, Chairman of the Board, Director, Chief Executive Officer

/s/ Karen Fisher
Karen Fisher, Chief Financial Officer and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 5, 2018.

/s/ Andrew I. Sealfon
Andrew I. Sealfon, President, Chairman of the Board, Director, and Chief Executive Officer

/s/ Dr. Paul Mark Baker
Dr. Paul Mark Baker, Director

/s/ Mark Pastreich
Mark Pastreich, Director

/s/ Arthur J. Radin
Arthur J. Radin, Director

/s/ Brad A. Sealfon
Brad A. Sealfon, Director

/s/ David Anderson
David Anderson, Director

_____
Joseph M. Manko, Jr., Director

EXHIBIT 10.4

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release ("***Agreement***") is made effective as of December 19, 2017 by and between Eric Bauer ("***Employee***") and Repro Med Systems, Inc. ("***Company***").

BACKGROUND

A. Employee was previously employed by Company pursuant to that certain Employment Agreement effective as of January 17, 2017 (the "***Employment Agreement***").

B. Employee resigned as an officer of the Company effective as of November 17, 2017, and has resigned from his employment with the Company effective as of January 17, 2018 (the "***Separation Date***").

C. Employee and the Company desire to agree upon terms for the separation of Employee's employment.

D. Company and Employee seek to resolve all issues between them, reinforce certain continuing obligations, and amicably conclude their employment relationship.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, agreements and representations contained herein, with the foregoing background incorporated by reference, and intending to be legally bound hereby, Company and Employee hereby agree as follows:

1. **Definitions**. As used in this Agreement, any reference to "Employee" shall include Employee and his heirs, administrators, personal representatives, executors, successors and assigns. Any reference to "Company" shall include Company and its divisions, affiliates, parent corporations, sister corporations, subsidiary corporations, predecessors, successors, transferees, assignees, shareholders, partners, and all officers, directors, employees, agents, and representatives of Company. Other terms are defined where they are used in this Agreement.

2. **Termination of Employment and Benefits to Employee** .

(a) Employee's employment will terminated effective as of the Separation Date. In consideration for signing this Agreement and Employee's compliance with the Release in Paragraph 4 below and other promises made in this Agreement, including but not limited to those set forth in Paragraphs 2(b) and 5(d) below, Company agrees to provide Employee (i) $11,458.33 on January 15, 2018 (representing salary that would have been payable from December 29, 2017 through January 15, 2018), (ii) $137,500 payable commencing after January 15, 2018 in accordance with the Company's customary payroll cycle (representing severance that would have been payable had Employee's employment been terminated by the Company in accordance with the Employment Agreement), (iii) $9,338.11 payable on January 15, 2018 for unused vacation time during the period of employment, and (iv) $4271.28 for 6 months of COBRA premiums provided to Employee immediately prior to the Separation Date through July

15, 2018. All of the foregoing amounts shall be subject to federal, state and local withholding, as applicable. In addition, Employee shall be eligible to earn a pro-rated portion of the 2017 annual bonus to which he would have been otherwise entitled pursuant to the Employment Agreement if he had not resigned from his employment (together with the amounts set forth in (i) – (iv) above, the "***Benefits***"). Employee agrees that, of the 500,000 incentive stock options he currently owns, 125,000 shall be fully vested as of December 29, 2017, and the remainder are hereby forfeited.

(b) As a condition to receipt of the amount set forth in Paragraph 2(a)(ii) above, Employee shall execute and deliver to the Company a release in favor of the Company, dated December 29, 2017, in substantially the form of Paragraphs 3(a), 4 and 5(d) of this Agreement.

(c) Employee and Company disagree regarding what benefits Company is obligated to provide to Employee under their existing agreements, and Employee and Company are each compromising their positions to reach an agreement for Company to provide these Benefits and a release in exchange for Employee to make the promises in this Agreement and to provide a release. Employee acknowledges that, apart from the Benefits, all other benefits provided by Company to Employee, as well as any benefits that are or may be owed under the Employment Agreement, have terminated as of the Separation Date.

(d) Employee acknowledges and agrees that the Benefits are due solely from Company and that Insperity PEO Services, L.P. ("***Insperity***") has no obligation to pay any of the Benefits, even though Company's payment may be processed through Insperity.

3. **Mutual General Release of Claims**.

(a) In consideration of Company's promise of Benefits in Paragraph 2 above, Employee hereby freely, knowingly and irrevocably releases and discharges Company and Insperity and their respective current and former parent companies, subsidiaries and other affiliated companies as well as any of their respective current and former insurers, directors, officers, agents, shareholders, employees and representatives (collectively, the "***Indemnified Parties***") from any and all rights, actions, causes of action, suits, debts, contracts, controversies, agreements, promises, damages, judgments, claims, demands, losses, liabilities, or obligations whatsoever, of whatever kind and based on whatever legal theory, including but not limited to, obligations in law or equity, which exist or may exist, whether vested or otherwise, whether known or unknown, that Employee ever had, now has, or may have through the date of this Agreement, including, but not limited to: any alleged violation of Title VII of the Civil Rights Act of 1964, Sections 1981 through 1988 of Title 42 of the United States Code, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the National Labor Relations Act, the Immigration Reform Control Act, the Consolidated Omnibus Budget Reconciliation Act, the New Jersey Law Against Discrimination, the New Jersey State Wage and Hour Law, and the New Jersey Conscientious Employee Protection Act, each of those laws as they may have been amended, any other federal, state or local civil law, regulation, ordinance or public policy prohibiting employment discrimination, breach of contract, or wrongful discharge, and any associated claims for costs, attorney's fees, or other expenses which Employee ever had

or now has through the date on which Employee executes this Agreement. Employee further agrees to waive any claim for damages occurring at any time after he executes this Agreement because of alleged continuing effects of any alleged discriminatory or other wrongful acts or omissions involving the Indemnified Parties that occurred prior to such execution. Nothing in this Agreement waives or is intended to waive Employee's rights with respect to indemnification or insurance coverage.

(b) Company hereby freely, knowingly and irrevocably releases and discharges Employee from any and all rights, actions, causes of action, suits, debts, contracts, controversies, agreements, promises, damages, judgments, claims, demands, losses, liabilities, or obligations whatsoever, of whatever kind and based on whatever legal theory, including but not limited to, obligations in law or equity, which exist or may exist, whether vested or otherwise, whether known or unknown, that Company ever had, now has, or may have through the date of this Agreement for all matters arising out of Employee's employment with Company and the cessation of that employment, and Employee's service as an officer of the Company, which Company ever had or now has through the date on which Company executes this Agreement.

4. **Acknowledgment of Waiver of Claims under ADEA**. Employee and Company intend for this Agreement to comply with Section 201 of the Older Workers Benefit Protection Act of 1990. Accordingly, Employee acknowledges and represents as follows:

(a) Employee has read and understands this Agreement and all of its terms, conditions, requirements and obligations.

(b) By executing this Agreement, Employee does not waive rights or claims that may arise after the date this Agreement is executed.

(c) Employee knowingly and voluntarily waives such claims as he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") in exchange for consideration of value to which he is not otherwise entitled.

(d) Employee has been advised in writing by Company to consult with an attorney before signing this Agreement, and has had the opportunity to consult with an attorney before signing this Agreement and Employee is fully satisfied that he or he understands it completely.

(e) Employee has had a period of twenty-one (21) days commencing on the date he received this Agreement in which to consider this Agreement before signing it, and he was permitted to use as much of that period as he wished prior to signing; however, Employee acknowledges that no proposal or actual change that he or his counsel makes with respect to this Agreement will restart this twenty-one (21) day period.

(f) Employee, however, specifically does not release any claims that arise after he signs this Agreement, or any claims that he cannot waive by operation of law, including the right to file a charge with or participate in an investigation conducted by the EEOC. Employee is waiving, however, his right to any monetary recovery or other relief should Employee, the EEOC, or any other agency pursue claims on his behalf.

(g) For a period of seven (7) days following the execution of this Agreement, Employee may revoke this Agreement, and this Agreement shall not become effective or enforceable until this seven (7) day revocation period has expired. Should he wish to do so, Employee must deliver written notice of his revocation to Company no later than 5:00 p.m. on the seventh (7th) day after Employee has signed this Agreement with a copy to Meaghan Londergan at Royer Cooper Cohen Braunfeld LLC, 100 N. 18th Street, Suite 710, Philadelphia, PA 19103. If Employee revokes this Agreement, it shall not be effective or enforceable, and he will not receive Benefits as referenced in Paragraph 2, above.

(h) **IN ENTERING INTO THIS AGREEMENT, EMPLOYEE IS ACTING VOLUNTARILY, KNOWINGLY, AND WITHOUT DURESS OR COERCION**.

5. **Obligations of Employee**. In consideration of this Agreement, and in addition to the release set forth in Paragraph 4 above and Employee's other covenants in this Agreement, Employee shall perform the following obligations in exchange for the Benefits described in Paragraph 2 above:

(a) Services. Employee shall provide transition and other services on an at-will basis as reasonably requested by the Company through December 29, 2017. Transition services include, without limitation, communications with third parties with whom the Company has a relationship (only as pre-approved by the Company) and transferring passwords and log-in information. Employee shall cooperate with and make himself available to Company in connection with any investigation, litigation, arbitration or other proceeding brought by or against Company, whether or not Employee is a party in such matter, or in connection with any threatened or potential investigation, litigation, arbitration or other proceeding by or against Company, including making himself available to answer questions by Company and giving testimony and depositions.

(b) Return of Property. Employee shall return to Company all Company property in his possession or control at the close of business on December 29, 2017.

(c) Employment Agreement. Employee specifically acknowledges and agrees that the provisions of Section 7 and Section 9 of the Employment Agreement shall remain in full force and effect at all times since the effective date of the Employment Agreement, provided that the "Restricted Period" referenced therein shall be deemed to be a period of six (6) months following the Separation Date.

(d) Covenant Not to Sue. Employee covenants and represents that he has not filed or caused to be filed any lawsuit, complaint, charge, action or other proceeding against Company with respect to any claim he is releasing in this Agreement, and Employee further covenants and agrees not to sue Company with respect to any matter arising before the date on which he executed this Agreement that Employee has released pursuant to Section 4(a) of this Agreement. Employee's covenants include, but are not limited to, proceedings to negate, modify or reform this Agreement, provided, however, that nothing in this Agreement is intended to, nor

shall it, release or interfere with Employee's protected right to file a charge with, or to participate in an investigation or proceeding pursuant to, the statutes administered by the Equal Employment Opportunity Commission or equivalent state agency, including a charge contesting the validity of this Agreement under the Age Discrimination in Employment Act, or the right of any governmental agency to pursue any such claim regarding Employee. In any event, Employee understands that, by signing this Agreement, he waives any right he may have to recover money or other relief in any lawsuit or proceeding that he brings or which is brought on his behalf by any agency or third party against Company based on events arising through the date on which he executes this Agreement. Except where otherwise permitted under this Paragraph 5, Employee agrees that such action shall be dismissed with prejudice upon the presentation of this Agreement to the Court and Employee agrees that he will not accept relief or recovery from such action. Company covenants and represents that it has not filed or caused to be filed any lawsuit, complaint, charge, action or other proceeding against Employee with respect to any claim it is releasing in this Agreement, and provided that Employee is in compliance with his obligations under this Agreement, Company further covenants and agrees not to sue Employee with respect to any matter arising before the date on which Company executed this Agreement that Company has released pursuant to Section 4(b) of this Agreement.

6 . **Tax Consequences.** The Company makes no representation regarding any tax consequences associated with the terms of this Agreement. Employee understands and agrees that the Company has no responsibility for any tax liability Employee may incur as a consequence of this Agreement or any payment hereunder.

7 . **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its conflict of laws provisions.

8 . **Severability**. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or to conflict with applicable federal, state or local law, the Agreement shall be reformed to remove that invalid provision and/or amended in writing to render that invalid provision enforceable. However, all remaining provisions of the Agreement shall remain in full force and effect.

9 . **No Admission of Wrongdoing**. Employee and Company acknowledge and agree that neither this Agreement, nor the furnishing of the consideration for this Agreement, shall be deemed or construed at any time for any purpose as an admission by Company or Employee of any liability or unlawful conduct of any kind, including any wrongful termination or any cause for termination.

1 0 . **Amendment**. This Agreement may not be modified, altered or changed except upon express written consent of both parties wherein specific reference is made to this Agreement. Employee and Company acknowledge that the terms of this Agreement are contractual and not recitals only, except that the paragraph headings have been included for convenience of reference only and shall not constitute a part of this Agreement nor affect its interpretation.

11. **Entire Agreement**. This Agreement sets forth the entire agreement between Employee and Company with respect to the subject matter hereof and fully supersedes any prior agreements or understandings between them with respect to the subject matter hereof, except the Employment Agreement, which shall continue in full force and effect except as expressly modified hereby. Employee acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with his decision to sign this Agreement, except for those set forth in this Agreement.

12. **Attorney Consultation**. Company hereby advises Employee to consult with an attorney prior to executing this Agreement, and Employee acknowledges that he has been so advised. Employee acknowledges that it has been his decision alone whether or not to consult with an attorney regarding this Agreement.

IN WITNESS WHEREOF, Employee and Company now voluntarily and knowingly execute this Separation Agreement and General Release on the date set forth below:

REPRO MED SYSTEMS, INC.

Date: December 21, 2017

By: /s/ Karen Fisher
Name: Karen Fisher CFO
Authorized Signatory

EMPLOYEE:

Date: December 21, 2017

/s/ Eric Bauer
Eric Bauer

EXHIBIT 31.1

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

I, Andrew I. Sealfon, Principal Executive Officer, certify that:

1) I have reviewed this Annual Report on Form 10-K of REPRO MED SYSTEMS, INC.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Chief Executive Officer
Date: March 5, 2018

EXHIBIT 31.2

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER

I, Karen Fisher, Principal Financial Officer, certify that:

1) I have reviewed this Annual Report on Form 10-K of REPRO MED SYSTEMS, INC.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Karen Fisher
Karen Fisher
Chief Financial Officer and Treasurer
Date: March 5, 2018

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of REPRO MED SYSTEMS, INC. (the "Company") on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Andrew I. Sealfon, Principal Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Chief Executive Officer
Date: March 5, 2018

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of REPRO MED SYSTEMS, INC. (the "Company") on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission (the "Report"), I, Karen Fisher, Principal Financial Officer and Treasurer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Karen Fisher
Karen Fisher
Chief Financial Officer and Treasurer
Date: March 5, 2018