
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

- Quarterly Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended September 30, 2017
- Transition Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period from _____ to _____.

Commission File No. 000-20970

COGENTIX MEDICAL, INC.

(Exact name of registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3430173

(I.R.S. Employer Identification No.)

5420 Feltl Road

Minnetonka, Minnesota, 55343

(Address of principal executive offices)

(952) 426-6140

(Registrant's telephone number, including area code)

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 (§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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company Emerging Growth Company
(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extend 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 Exchange Act)
YES NO

As of November 6, 2017 the registrant had 60,905,666 shares of common stock outstanding.

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As used in this report, the terms “Cogentix”, “Cogentix Medical”, the “Company”, “we”, “us”, “our” and similar references refer to Cogentix Medical, Inc. and our consolidated subsidiaries, and the term “common stock” refers to our common stock, par value \$0.01 per share.

This report contains the following trademarks, trade names and service marks of ours: PrimeSight™, Vision-Sciences®, EndoSheath®, Slide-On®, EndoWipe®, The Vision System®, Urgent®PC, Macroplastique®, VOX®, PTQ® and Uroplasty®. This report also contains trademarks, trade names and service marks that are owned by other persons or entities.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements contained in this report that refer to our estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect our current perspective of existing trends and information as of the date of this report. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “plan,” “could,” “should,” “estimate,” “expect,” “forecast,” “outlook,” “guidance,” “intend,” “may,” “might,” “will,” “possible,” “potential,” “predict,” “project,” or other similar words, phrases or expressions. These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control and could cause our actual results to differ materially from those matters expressed or implied by our forward-looking statements. Forward-looking statements (including oral representations) are only predictions or statements of current plans and can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties.

When relying on forward-looking statements to make decisions with respect to the Company, our investors and others should carefully consider the foregoing factors and other uncertainties and potential events and read our filings with the SEC, including our annual report on Form 10K for the year ended December 31, 2016, for a discussion on these and other risks and uncertainties. These filings are available at www.sec.gov. We do not undertake any obligation to update or revise any forward-looking statement, except as may be required by law. We qualify all forward-looking statements by these cautionary statements.

- we may obtain additional financing, which may not be available on favorable terms at the time it is needed and which could reduce our operational and strategic flexibility;
- we may attempt to acquire new products or technologies, and if we are unable to successfully complete these acquisitions or to integrate acquired businesses, products, technologies or employees, we may fail to realize expected benefit or harm our existing business;
- the use and acceptance of our products depends heavily upon the availability of third-party reimbursement for the procedures in which its products are used;
- we cannot predict how quickly or how broadly the market will accept our products;
- that we are subject to changing federal and state regulations that could increase the cost of doing business or impose requirements with which we cannot comply;
- changes in regulatory policy, particularly at the FDA, might adversely affect our operations;
- if we are not able to attract, retain and motivate our sales force and expand our distribution channels, our sales and revenues will suffer;
- the size and resources of our competitors may render it difficult for us to successfully compete in the marketplace;
- we are primarily dependent on sales from a limited number of product lines and our business would suffer if sales of any of these product lines decline;
- we could be subject to fines and penalties, or required to temporarily or permanently cease offering products, if we fail to comply with the extensive regulations applicable to the sale and manufacture of medical products;
- our distributors may not obtain regulatory approvals in a timely basis, or at all;
- we may not have the resources to successfully market our products, which would adversely affect our business and results of operations;
- if we cannot attract and retain our key personnel and management team, we may not be able to manage and operate successfully, and we may not be able to meet our strategic objectives;
- if third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and costs and may have to redesign or discontinue selling the affected product;

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- if we are unable to adequately protect our intellectual property rights, we may not be able to compete effectively;
- product liability claims could adversely affect our business and results of operations;
- security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer;
- the loss or interruption of materials from any of our key suppliers could delay the manufacture of our products, which would limit our ability to generate sales and revenues;
- if we are not able to maintain sufficient quality controls, regulatory approvals of our products by the European Union, Canada, the FDA or other relevant authorities could be delayed or denied and our sales and revenues will suffer;
- if we are not able to acquire or license other products, our business and future growth prospects could suffer;
- our business strategy relies on assumptions about the market for our products, which, if incorrect, would adversely affect our business prospects and profitability;
- we derive a significant portion of our sales and revenues from outside of the U.S. and we are subject to the risks of international operations;
- failure to comply with the U.S. Foreign Corrupt Practices Act could subject us to, among other things, penalties and legal expenses that could harm our reputation and have a material adverse effect on our business, financial condition and operating results;
- our stock is thinly traded and you may find it difficult to sell your investment in our stock at quoted prices;
- our stock price may fluctuate and be volatile;
- future sales of our common stock in the public market could lower our share price;
- we are exempt from certain corporate governance requirements due to our status as a "controlled company" within the meaning of the Nasdaq rules, including certain rules related to board independence;
- our corporate documents contain provisions that could discourage, delay or prevent a change in control of the company; and
- we do not intend to declare dividends on our stock in the foreseeable future.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,375,756	\$ 9,369,624
Short-term investments	10,656,566	13,573,057
Accounts receivable, net	7,178,811	6,770,838
Inventories	7,375,504	7,235,043
Other	987,982	571,527
Total current assets	<u>41,574,619</u>	<u>37,520,089</u>
Property, plant, and equipment, net	2,466,344	2,115,316
Goodwill	19,150,849	18,749,888
Other intangible assets, net	7,969,736	9,482,578
Long-term investments	719,417	5,344,004
Equity method investment	2,000,000	-
Deferred tax assets and other	160,716	163,427
Total assets	<u>\$ 74,041,681</u>	<u>\$ 73,375,302</u>

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,051,979	\$ 2,689,035
Income taxes payable	249,690	113,191
Note payable	198,174	-
Accrued liabilities:		
Compensation	3,889,783	4,670,640
Deferred revenue	759,786	597,524
Accrued legal fees	56,241	34,667
Accrued foreign and domestic sales tax/VAT	476,355	327,992
Accrued employee expenses	92,134	88,557
Accrued vendor payables	826,614	190,000
Other	358,434	197,056
Total current liabilities	<u>8,959,190</u>	<u>8,908,662</u>
Accrued pension liability	244,940	308,918
Deferred rent	600,092	639,019
Note payable – long term	289,387	-
Other	329,549	278,780
Total liabilities	<u>10,423,158</u>	<u>10,135,379</u>
Shareholders' equity:		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized; none issued or outstanding at September 30, 2017 and December 31, 2016, respectively	-	-
Common stock \$0.01 par value; 100,000,000 shares authorized, 60,907,834 and 60,436,548 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	609,080	604,367
Additional paid-in capital	145,660,671	144,430,382
Accumulated deficit	(82,068,028)	(81,005,654)
Accumulated other comprehensive loss	(583,200)	(789,172)
Total shareholders' equity	<u>63,618,523</u>	<u>63,239,923</u>
Total liabilities and shareholders' equity	<u>\$ 74,041,681</u>	<u>\$ 73,375,302</u>

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales	\$ 13,765,065	\$ 13,407,611	\$ 40,779,414	\$ 38,618,826
Cost of goods sold	4,370,408	4,369,574	13,522,655	12,257,933
Gross profit	9,394,657	9,038,037	27,256,759	26,360,893
Operating expenses				
General and administrative	2,055,763	1,558,090	6,250,246	5,087,871
Research and development	1,234,468	1,218,669	3,556,977	3,255,603
Selling and marketing	5,697,552	5,203,477	16,699,590	16,272,678
One-time costs	-	(53,887)	-	2,257,654
Amortization of intangible assets	601,604	590,858	1,780,803	1,772,574
	9,589,387	8,517,207	28,287,616	28,646,380
Operating income (loss)	(194,730)	520,830	(1,030,857)	(2,285,487)
Other income (expense)				
Interest income (expense)	56,745	(380,679)	164,678	(1,146,941)
Other income	1,001	-	7,365	-
Foreign currency exchange gain (loss)	3,020	(14,905)	49,213	(40,311)
	60,766	(395,584)	221,256	(1,187,252)
Income (loss) before income taxes	(133,964)	125,246	(809,601)	(3,472,739)
Income tax expense	26,125	18,932	141,276	52,122
Net income (loss)	\$ (160,089)	\$ 106,314	\$ (950,877)	\$ (3,524,861)
Basic net income (loss) per common share	\$ 0.00	\$ 0.00	\$ (0.02)	\$ (0.14)
Diluted net income (loss) per common share	\$ 0.00	\$ 0.00	\$ (0.02)	\$ (0.14)
Weighted average common shares outstanding:				
Basic	60,126,357	25,633,172	59,888,906	25,509,584
Diluted	60,126,357	25,748,844	59,888,906	25,509,584

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss)	\$ (160,089)	\$ 106,314	\$ (950,877)	\$ (3,524,861)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	68,184	(4,458)	198,956	(29,080)
Unrealized gain on available-for-sale investments	9,163	-	17,023	-
Pension adjustments	(4,398)	(41)	(10,007)	3,876
Total other comprehensive income (loss), net of tax	72,949	(4,499)	205,972	(25,204)
Comprehensive income (loss)	<u>\$ (87,140)</u>	<u>\$ 101,815</u>	<u>\$ (744,905)</u>	<u>\$ (3,550,065)</u>

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Nine Months Ended September 30, 2017
(Unaudited)

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid-in	Deficit	Other	Shareholders'
			Capital		Comprehensive	Equity
					Income (Loss)	
Balance at December 31, 2016	60,436,548	\$ 604,367	\$ 144,430,382	\$ (81,005,654)	\$ (789,172)	\$ 63,239,923
Share-based compensation and vesting of restricted stock	474,336	4,743	1,126,739	-	-	1,131,482
Proceeds from exercise of stock options, net of shares exchanged	(3,050)	(30)	(7,947)	-	-	(7,977)
Adoption of ASU 2016-09	-	-	111,497	(111,497)	-	-
Comprehensive loss	-	-	-	(950,877)	205,972	(744,905)
Balance at September 30, 2017	<u>60,907,834</u>	<u>\$ 609,080</u>	<u>\$ 145,660,671</u>	<u>\$ (82,068,028)</u>	<u>\$ (583,200)</u>	<u>\$ 63,618,523</u>

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$ (950,877)	\$ (3,524,861)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,336,095	2,364,673
Share-based compensation expense	1,131,482	440,000
Amortization of premium on available-for-sale securities	95,727	-
Deferred rent	(23,840)	6,836
Amortization of discount on related party debt	-	836,288
Proceeds from restricted stock exchanged for taxes	(17,690)	(57,343)
Other	8,003	(59,048)
Changes in operating assets and liabilities:		
Accounts receivable, net	270,965	1,399,070
Inventories	57,344	(1,637,619)
Other current assets	(154,906)	265,395
Accounts payable	(898,771)	394,573
Interest payable	-	261,505
Accrued compensation	(1,035,278)	1,796,568
Accrued liabilities, other	657,950	213,387
Accrued pension liability	(99,389)	(45,463)
Deferred revenue	250,174	220,789
Net cash provided by operating activities	<u>1,626,989</u>	<u>2,874,750</u>
Cash flows from investing activities:		
Proceeds from maturity of available-for-sale securities	9,900,000	-
Purchases of available-for-sale securities	(2,438,322)	-
Purchase of equity method investment	(2,000,000)	-
Purchases of property, plant and equipment	(680,416)	(232,331)
Acquisition of business, net of cash acquired	(196,560)	-
Net cash provided by (used in) investing activities	<u>4,584,702</u>	<u>(232,331)</u>
Cash flows from financing activities:		
Borrowings from line of credit	3,033,385	2,646,500
Repayments of line of credit	(3,033,385)	(2,646,500)
Payments of note payable	(7,354)	-
Payments of secured borrowings	(180,755)	-
Financing costs	-	(375,839)
Proceeds from exercise of stock options	9,713	-
Net cash used in financing activities	<u>(178,396)</u>	<u>(375,839)</u>
Effect of exchange rates on cash and cash equivalents	<u>(27,163)</u>	<u>(4,949)</u>
Net increase in cash and cash equivalents	6,006,132	2,261,631
Cash and cash equivalents at beginning of period	<u>9,369,624</u>	<u>1,976,594</u>
Cash and cash equivalents at end of period	<u>\$ 15,375,756</u>	<u>\$ 4,238,225</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for income tax	\$ 152,941	\$ 35,424
Cash paid during the period for interest	\$ 13,741	\$ 47,754
Non-cash financing activities:		
Note payable issued in conjunction with acquisition of business	\$ 617,740	-
Deferred financing costs in AP/Accruals	-	\$ 975,061

See accompanying notes to the Condensed Consolidated Financial Statements.

COGENTIX MEDICAL, INC. AND SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

Cogentix Medical, Inc. (the “Company”) is a global medical device company headquartered in Minnetonka, Minnesota, with additional operations in New York, Massachusetts, The Netherlands and the United Kingdom. We design, develop, manufacture and market a robust line of high performance fiberoptic and video endoscopy products under the PrimeSight™ brand that are used across multiple surgical specialties in diagnostic and treatment procedures, with our focus being on the urology market. We also offer the Urgent® PC Neuromodulation System, a device that delivers percutaneous tibial nerve stimulation (“PTNS”), for the office-based treatment of overactive bladder (“OAB”). OAB is a chronic condition that affects approximately 40 million adults in the U.S. The symptoms include urinary urgency, frequency and urge incontinence. We also offer Macroplastique® Implants, an injectable urethral bulking agent for the treatment of adult female stress urinary incontinence that is primarily due to intrinsic sphincter deficiency. Outside the U.S., we market additional bulking agents: PTQ® for the treatment of fecal incontinence and VOX® for vocal cord augmentation.

We have prepared our Condensed Consolidated Financial Statements included in this quarterly report on Form 10-Q, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, have been condensed or omitted, pursuant to such rules and regulations, although we believe that our disclosures are adequate to make the information not misleading. The consolidated results of operations for any interim period are not necessarily indicative of results for a full fiscal year. These Condensed Consolidated Financial Statements, presented herein, should be read in conjunction with the audited consolidated financial statements and related notes included in our annual report on Form 10-K for the year ended December 31, 2016.

The Condensed Consolidated Financial Statements presented herein as of September 30, 2017 and for the three and nine month periods ended September 30, 2017 and 2016, reflect, in the opinion of management, all material adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the consolidated financial condition, results of operations and cash flows for the interim periods.

We have identified certain accounting policies that we consider particularly important for the portrayal of our results of operations and financial condition and which may require the application of a higher level of judgment by our management, and as a result are subject to an inherent level of uncertainty. These are characterized as “critical accounting policies” and address revenue recognition, accounts receivable, valuation of inventory, foreign currency translation/transactions, the determination of recoverability of long-lived and intangible assets, share-based compensation, defined benefit pension plans and income taxes, each of which is described in our annual report on Form 10-K for the year ended December 31, 2016. Based upon our review, we have determined that these policies remain our most critical accounting policies for the nine months ended September 30, 2017. We have adopted two additional policies during 2017. The first policy is for the adoption of Accounting Standards Update (“ASU”) 2016-09, “*Improvements to Employee Share-Based Payment Accounting*.” Under the new ASU we no longer account for forfeitures of restricted stock awards and stock options throughout the vesting period and instead account for them in the period in which they occur. We also recognize certain tax benefits or tax shortfalls upon a restricted-stock award vesting or stock option exercise relative to the deferred tax asset position established in the provision for income taxes line of the consolidated statements of operations instead of within the consolidated statement of shareholders’ equity. The second policy is for the adoption of Accounting Standards Codification (“ASC”) 323, “*Investments – Equity Method and Joint Ventures*.” This ASC establishes accounting guidelines for an equity investment in which the Company has the ability to exercise significant influence, but does not have a controlling interest. In this situation, the equity method should be applied to an investment. Significant influence is generally considered to exist when the Company has an ownership interest in the voting stock of an entity between 20% and 50%, and other factors, such as representation on the Board of Directors, are considered in determining whether the equity method of accounting is appropriate. We adopted this policy for our equity investment in Vensica Medical, as described in Note 12 to the financial statements.

Note 2. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-09, “*Improvements to Employee Share-Based Payment Accounting*.” This ASU simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. This new standard is effective for annual periods beginning after December 15, 2016, and interim periods within that reporting period. We adopted this standard as of January 1, 2017. The adoption did not have a material impact on our consolidated financial statements. Under the new ASU we no longer account for forfeitures of restricted stock awards and stock options throughout the vesting period and instead account for them in the period in which they occur. We also recognize certain tax benefits or tax shortfalls upon a restricted-stock award vesting or stock option exercise relative to the deferred tax asset position established in the provision for income taxes line of the consolidated statements of operations instead of within the consolidated statement of shareholders’ equity.

In August 2016, the FASB issued ASU No. 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.” This ASU is in response to diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows and provides guidance on eight specific cash flow classification issues. It will be effective for reporting periods beginning after December 15, 2017, and interim periods within that reporting period. Early adoption is permitted, including adoption in an interim period. The Company adopted this standard as of January 1, 2017. The adoption did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-09, “Compensation – Stock Compensation: Scope of Modification Accounting.” This ASU is intended to provide guidance about which changes to the terms or conditions on a share-based payment award require an entity to apply modification accounting. This new standard is effective for annual periods beginning after December 15, 2017, and interim periods within that reporting period. The Company does not expect these amendments to have a material effect on its consolidated financial statements.

In March 2017, the FASB issued ASU 2017-08, “Receivables - Nonrefundable Fees and Other Costs: Premium Amortization on Purchased Callable Debt Securities” related to the amortization period for certain purchased callable debt securities held at a premium. The amendments shorten the amortization period for the premium to the earliest call date. The amendment is effective for interim and annual periods beginning after December 15, 2018. The Company does not expect these amendments to have a material effect on its consolidated financial statements.

In January 2017, the FASB, issued ASU No. 2017-04, “Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment” which simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test. Goodwill impairment will now be the amount by which the reporting unit’s carrying value exceeds its fair value, limited to the carrying value of the goodwill. The standard is effective for us beginning January 1, 2020. Early adoption is permitted for any impairment tests performed after January 1, 2017. The new guidance is not expected to have a material impact on our results of operations and financial position.

In February 2016, the FASB issued ASU 2016-2, “Leases”, under which lessees will recognize most leases on-balance sheet. This will generally increase reported assets and liabilities. For public entities, this ASU is effective for annual and interim periods in fiscal years beginning after December 15, 2018. ASU 2016-2 mandates a modified retrospective transition method for all entities. While the Company is still evaluating the timing and impact of the adoption of this guidance on its consolidated financial statements, it anticipates that the adoption could result in an increase in the assets and liabilities recorded on its consolidated balance sheet.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)”, as amended by ASU 2015-14, “Deferral of Effective Date”, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 sets forth a new revenue recognition model that requires identifying the contract, identifying the performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon satisfaction of performance obligations. For public entities, this ASU is effective for annual reporting periods beginning after December 15, 2017 including interim reporting periods within that reporting period. The provisions can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption. We plan to adopt this ASU effective January 1, 2018 using the cumulative-effect adjustment method. The Company has completed the assessment of this ASU on each of our revenue streams and, based on our review of contracts, we believe the impact on our consolidated financial statements will be immaterial. For each of our products, revenue will still be recognized when title passes to the customer, generally upon shipment. Revenue for service repairs of equipment will continue to be recognized after service has been completed, and service contract revenue will be recognized ratably over the term of the contract. We are still evaluating the impact of the new revenue recognition standard on our disclosures due to the new qualitative and quantitative requirements under the standard.

Note 3. Business Combination

The Company, through its wholly owned subsidiary, Uroplasty LTD, acquired 100% of the issued share capital in Genesis Medical Holdings LTD (“Genesis”) and its subsidiaries effective July 25, 2017 (the “Genesis Acquisition”).

The Genesis Acquisition has been accounted for in accordance with Accounting Standards Codification (ASC) Topic 805, "Business Combinations". The terms of the Genesis Acquisition include an upfront payment equal to the estimated fair market value of the tangible net assets, approximately \$280,000. The terms also include a purchase price for the ongoing business of approximately \$556,000, payable at the rate of 5% of Genesis revenue on a monthly basis. In addition, if Genesis achieves revenue of approximately \$4.7 million for the twelve months ended March 31, 2019, the Company will pay an additional amount of approximately \$134,000. We have determined the likelihood of paying the \$134,000 as probable. The note payable and the contingent consideration have been discounted to a net present value equal to approximately \$618,000. All conversions between British Pounds and U.S. Dollars were computed using the July 25, 2017 exchange rate of \$1.34 per £1.

Under the acquisition method of accounting, the total purchase price was allocated to the net tangible and intangible assets of Genesis based on their fair values at the effective date of the Acquisition. The preliminary allocation is approximately as follows:

Cash and cash equivalents	\$	83,891
Accounts receivable		860,734
Inventory		186,193
Tangible fixed assets		172,241
Customer relationships		268,000
Goodwill		398,190
Total assets acquired	\$	1,969,249
Accounts payable	\$	1,032,589
Deferred tax liability		50,920
Total liabilities assumed	\$	1,083,509
Total Purchase Price	\$	885,740

Cash paid to Genesis, net of cash acquired of \$84,000, totaled approximately \$197,000. The remaining purchase price was financed via a note payable and contingent consideration as described above.

Legal costs directly related to the acquisition of approximately \$40,000 and approximately \$50,000 have been charged directly to operations and are included in general and administrative expense in our Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017.

The goodwill of \$398,190 resulting from the acquisition is the excess of the purchase price over the fair value of the net assets acquired. The goodwill primarily reflects the value of enhancing our market opportunity and growth potential in the U.K. None of the goodwill recognized is deductible for income tax purposes as it was a stock acquisition and as such, no deferred taxes have been recorded to goodwill.

The allocation of the purchase price to the net assets acquired and liabilities assumed resulted in the recognition of the following identifiable intangible asset:

	<u>Amount</u>	<u>Weighted Average Life-Years</u>
Customer relationships	\$ 268,000	3

Note 4. Goodwill and Other Intangible Assets

Goodwill

There was no change in the goodwill balance as of September 30, 2017 as compared to December 31, 2016 other than the addition of approximately \$400,000 related to the Genesis Acquisition as described in Note 3.

Other Intangible Assets

Other intangible assets consisted of approximately the following at September 30, 2017 and December 31, 2016:

	September 30, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Remaining Useful Life	Gross Carrying Amount	Accumulated Amortization	Remaining Useful Life
Developed technology	\$ 6,200,000	\$ 2,214,000	4.50	\$ 6,200,000	\$ 1,550,000	5.25
Patents	5,653,000	5,631,000	7.50	5,653,000	5,616,000	8.25
Trademarks and trade names	190,000	82,000	7.50	190,000	74,000	8.25
Customer relationships	7,538,000	3,684,000	2.52	7,270,000	2,590,000	3.25
	<u>\$ 19,581,000</u>	<u>\$ 11,611,000</u>		<u>\$ 19,313,000</u>	<u>\$ 9,830,000</u>	
Accumulated amortization	11,611,000			9,830,000		
Net book value of amortizable intangible assets	<u>\$ 7,970,000</u>		3.47	<u>\$ 9,483,000</u>		4.23

For the nine months ended September 30, 2017 and 2016, amortization of intangible assets charged to operations was approximately \$1,781,000 and \$1,773,000, respectively.

Estimated amortization expense for all intangible assets as of September 30, 2017 is approximately as follows:

October 1, 2017 through December 31, 2017	\$ 609,000
2018	2,437,000
2019	2,430,000
2020	1,307,000
2021	894,000
Thereafter	293,000
Total	<u>\$ 7,970,000</u>

Note 5. Fair Value Measurements

Estimates of fair value for financial assets and liabilities are based on the framework established in the accounting guidance for fair value measurements. The framework defines fair value, provides guidance for measuring fair value and requires certain disclosures. The framework prioritizes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three broad levels of inputs may be used to measure fair value under the fair value hierarchy:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Significant unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

If the inputs used to measure the financial assets and liabilities fall within more than one of the different levels described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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The following table shows our cash and available-for-sale securities' adjusted cost, gross unrealized gains, gross unrealized losses and fair value by significant investment category recorded as cash and cash equivalents or short- or long-term investments as of September 30, 2017:

	September 30, 2017						
	<u>Adjusted Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Cash and Cash Equivalents</u>	<u>Short-Term Investments</u>	<u>Long-Term Investments</u>
Cash	\$ 4,005,930	\$ -	\$ -	\$ 4,005,930	\$ 4,005,930	\$ -	\$ -
Level 1:							
Money market funds	11,369,826	-	-	11,369,826	11,369,826	-	-
Subtotal	<u>11,369,826</u>	<u>-</u>	<u>-</u>	<u>11,369,826</u>	<u>11,369,826</u>	<u>-</u>	<u>-</u>
Level 2:							
Certificates of deposit	2,160,000	-	(826)	2,159,175	-	1,439,758	719,417
Commercial paper	1,194,342	114	-	1,194,456	-	1,194,456	-
Corporate notes/bonds	6,025,967	-	(1,715)	6,024,252	-	6,024,252	-
U.S. government agencies	2,000,000	-	(1,900)	1,998,100	-	1,998,100	-
Subtotal	<u>11,380,309</u>	<u>-</u>	<u>(4,441)</u>	<u>11,375,933</u>	<u>-</u>	<u>10,656,566</u>	<u>719,417</u>
Total	<u>\$ 26,756,065</u>	<u>\$ 114</u>	<u>\$ (4,441)</u>	<u>\$ 26,751,739</u>	<u>\$ 15,375,756</u>	<u>\$ 10,656,566</u>	<u>\$ 719,417</u>

We consider all cash on-hand and highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. We classify marketable securities having original maturities of more than three months when purchased and remaining maturities of one year or less as short-term investments and marketable securities with remaining maturities of more than one year as long-term investments. We further classify marketable securities as available-for-sale. We have not designated any of our marketable securities as trading securities or as held to maturity. We may sell any of our marketable securities prior to their stated maturities for strategic reason including, but not limited to, anticipation of credit deterioration and duration management. The long-term securities have a contractual term that ranges from November 2018 to December 2018.

We consider the declines in market value of our marketable securities investment portfolio to be temporary in nature. We typically invest in highly-rated securities, and our investment policy generally limits the amount of credit exposure to any one issuer.

Cash and cash equivalents of approximately \$15.4 million and \$9.4 million at September 30, 2017 and December 31, 2016, respectively, include highly liquid money market funds and debt securities with original maturities of three months or less totaling approximately \$11.4 million and \$5.6 million at September 30, 2017 and December 31, 2016 respectively. Money market funds present negligible risk of changes in value due to changes in interest rates, and their cost approximates their fair market value. We maintain cash in bank accounts, which, at times, may exceed federally insured limits. We have not experienced any losses in such accounts. Cash and cash equivalents held in foreign bank accounts totaled approximately \$864,000 and approximately \$507,000 at September 30, 2017 and December 31, 2016, respectively.

In connection with the Genesis Acquisition discussed in Note 3, we are required to make a payment of approximately \$134,000 if certain revenue targets are achieved by Genesis for the twelve months ended March 31, 2019. The fair value of the contingent liability recognized upon acquisition, and classified as other non-current liability, was approximately \$123,000, and was estimated by discounting to present value the probability-weighted contingent payments expected to be made. Assumptions used in this calculation included the discount rate and various probability factors. This liability is considered to be a Level 3 financial liability that is re-measured each reporting period.

We have estimated the fair value of the contingent consideration based on the probability of achieving the specified revenue thresholds at 100%. A significant increase (decrease) in our estimates of achieving the relevant targets could materially increase (decrease) the fair value of the contingent consideration liability.

Note 6. Line of Credit

We have a loan agreement with Venture Bank, a Minnesota banking corporation, providing us with a \$7.0 million secured revolving credit facility (the "Facility"), subject to eligible accounts receivable and inventory, and secured by substantially all our assets. The Facility was amended in March 2017. Under the amended Facility, the Facility will expire on September 18, 2018.

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Under the Facility, we may borrow the lesser of: (a) the sum of (i) eighty percent (80%) of the value of eligible accounts receivable; and (ii) forty percent (40%) of the value of eligible inventory capped at \$2.5 million; or (b) \$7 million. As of September 30, 2017, based on eligible receivables and inventory, our total available borrowing base was approximately \$6,250,000. We did not have any borrowings under the facility as of September 30, 2017.

Loans under the Facility bear interest at a rate per annum equal to the Wall Street Journal Prime Rate plus 1.25%, provided that in no case will the interest charged be less than 5.25%. In the event that there is an event of default under the Facility, the interest rate will be increased by 6.0% for the entire period that an event of default exists. In addition, the Borrowers will pay a non-usage fee of 0.15% based on the average unused and available portion of the Facility on a monthly basis.

Genesis has a Factoring Agreement with Lloyds Bank in the United Kingdom. Pursuant to the terms of the Factoring Agreement, Genesis may offer for sale, and Lloyd's Bank may purchase, certain accounts receivable of Genesis. The Factoring Agreement was last amended on March 6, 2017. The maximum amount that can be factored at any given period is approximately \$470,000. As of September 30, 2017, the factoring balance was approximately \$64,000.

Note 7. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market (net realizable value). We value at lower of cost or market the slow moving and obsolete inventories based upon current and expected future product sales and the expected impact of product transitions or modifications. Inventories consist of approximately the following:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Raw materials	\$ 4,437,000	\$ 4,483,000
Work-in-process	180,000	462,000
Finished goods	<u>2,758,000</u>	<u>2,290,000</u>
Total inventory	<u>\$ 7,375,000</u>	<u>\$ 7,235,000</u>

Note 8. Net Income (Loss) per Common Share

We calculate basic net income (loss) per common share amounts by dividing net income (loss) by the weighted-average common shares outstanding. For calculating diluted net income (loss) per common share amounts, we add additional shares to the weighted-average common shares outstanding for the assumed exercise of stock options and vesting of restricted shares, if dilutive. The following table sets forth the computation of our basic and diluted net income (loss) per share:

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income (loss)	\$ (160,089)	\$ 106,314	\$ (950,877)	\$ (3,524,861)
Weighted average shares outstanding - basic	60,126,357	25,633,172	59,888,906	25,509,584
Dilutive impact of common stock equivalents outstanding	-	<u>115,672</u>	-	-
Weighted Averages shares used to compute diluted net income (loss) per share	60,126,357	25,748,844	59,888,906	25,509,584
Net income (loss) per share – basic	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.02)</u>	<u>\$ (0.14)</u>
Net income (loss) per share – diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.02)</u>	<u>\$ (0.14)</u>

The following common stock equivalents are excluded from our EPS calculations because they are antidilutive:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Restricted stock	774,647	305,432	774,647	899,333
Common stock options	2,618,768	1,549,905	2,618,769	1,699,905
Common stock warrants	-	<u>376,123</u>	-	<u>376,123</u>
	<u>3,393,415</u>	<u>2,231,460</u>	<u>3,393,415</u>	<u>2,975,361</u>

Note 9. Shareholders' Equity

Share-based compensation. On September 30, 2017, the Company had one active plan, the Cogentix Medical 2015 Omnibus Incentive Plan, for share-based compensation grants ("the 2015 Plan"). Under the 2015 Plan, if we have a change in control (as defined in the 2015 Plan) and the Company is not the surviving entity, all outstanding grants, including those subject to vesting or other performance targets, fully vest immediately if they are not assumed or replaced with equivalent grants. If the Company is the surviving entity, there is no accelerated vesting of equity grants solely upon a change in control. In 2016, the Company experienced a change in control for which it was the surviving entity. Outstanding grants will vest if a participant's employment or other service with the Company is terminated, without cause or by the participant for good reason, within two years of the November 3, 2016 change in control. Under the 2015 Plan, we reserved 2,500,000 shares of our common stock for share-based grants and 64,223 shares remain available for grant on September 30, 2017.

We grant options at the discretion of our directors. We grant option awards with an exercise price equal to the closing market price of our stock at the date of the grant. We have options outstanding to purchase 2,618,768 shares of common stock granted under the 2015 Plan or predecessor companies' plans. Options generally expire over a period ranging from seven to ten years from date of grant and vest at varying rates ranging up to three years. The options granted under the 2015 Plan generally provide for the exercise of options during a limited period following termination of employment, death or disability.

We determined the fair value of our option awards using the Black-Scholes option pricing model. We used the following weighted-average assumptions to value the options granted during the nine months ended September 30:

	<u>2017</u>
Expected life in years	3.00
Risk-free interest rate	1.45%
Expected volatility	66.89%
Expected dividend yield	0%
Weighted-average grant date fair value	\$ 0.74

The expected life for options granted represents the period of time we expect options to be outstanding based on historical data of option holder exercise and termination behavior for similar grants. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury rate over the expected life at the time of grant. Expected volatility is based upon historical volatility of our stock.

The following table summarizes the activity related to our stock options during the nine months ended September 30, 2017:

	<u>Number of shares</u>	<u>Weighted average exercise price</u>	<u>Weighted average remaining life in years</u>	<u>Aggregate intrinsic value</u>
Outstanding at December 31, 2016	1,680,990	\$ 3.54	6.55	\$ 752,290
Options granted	1,042,809	1.65		
Options exercised	(7,211)	1.35		
Options surrendered	(97,820)	4.53		
Outstanding at September 30, 2017	<u>2,618,768</u>	\$ 2.76	6.27	\$ 2,151,629
Exercisable at September 30, 2017	<u>1,095,392</u>	\$ 4.56	3.44	\$ 492,887

The total fair value of stock options that vested during the nine months ended September 30, 2017 and 2016 was approximately \$223,000 and \$268,000, respectively.

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We grant restricted shares at the discretion of our directors with vesting terms ranging from six months to three years. The following table summarizes the activity related to our restricted shares during the nine months ended September 30, 2017:

	Number of restricted shares	Weighted average grant date fair value	Weighted average remaining life in years	Aggregate intrinsic value
Balance at December 31, 2016	992,548	\$ 1.30	1.35	\$ 1,995,021
Shares granted	542,541	1.67		
Shares vested	(692,237)	1.39		1,772,127
Shares surrendered	(68,205)	1.56		
Balance at September 30, 2017	<u>774,647</u>	\$ 1.46	1.72	\$ 1,983,096

The aggregate intrinsic value shown above for the restricted shares represents the total pre-tax value based on the closing price of our common stock at the end of each period.

We recognize share-based compensation expense in our Condensed Consolidated Statements of Operations based on the fair value at the time of grant of the share-based payment over the requisite service period. We incurred approximately \$1,131,000 and \$440,000 in share-based compensation expense for the nine months ended September 30, 2017 and 2016, respectively.

On September 30, 2017, we had approximately \$883,000 of unrecognized share-based compensation expense related to stock options that we expect to recognize over a weighted-average period of approximately 2.37 years.

On September 30, 2017, we had approximately \$684,000 of unrecognized share-based compensation expense related to restricted shares that we expect to recognize over a weighted-average period of approximately 1.72 years.

Note 10. Savings and Retirement Plans

We sponsor various retirement plans for eligible employees in the United States, the United Kingdom, and The Netherlands. Our retirement savings plan in the United States conforms to Section 401(k) of the Internal Revenue Code and participation is available to substantially all employees. We may also make discretionary contributions ratably to all eligible employees. We made discretionary contributions to the U.S. plan of \$432,000 and \$308,000 for the nine months ended September 30, 2017, and 2016, respectively.

Our international subsidiaries have defined benefit retirement plans for eligible employees. These plans provide benefits based on the employee's years of service and compensation during the years immediately preceding retirement, termination, disability, or death, as defined in the plans.

The cost for our defined benefit retirement plans in The Netherlands and the United Kingdom includes the following components for the three- and nine-month periods ended September 30:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Gross service cost	\$ 26,000	\$ 28,000	\$ 75,000	\$ 83,000
Interest cost	25,000	29,000	71,000	87,000
Expected return on assets	(23,000)	(24,000)	(65,000)	(72,000)
Amortization	(1,000)	(2,000)	(1,000)	(5,000)
Net periodic retirement cost	<u>\$ 27,000</u>	<u>\$ 31,000</u>	<u>\$ 80,000</u>	<u>\$ 93,000</u>

Note 11. Business Segment Information

ASC 280, “*Segment Reporting*,” establishes disclosure standards for segments of a company based on management’s approach to defining operating segments. Reportable segments are defined primarily by the nature of products and services, the nature of the production processes, and the type of customers for our products and services.

For financial reporting purposes, we report one operating segment as our Chief Operating Decision Maker utilizes financial statement information provided to him on a consolidated basis.

Information regarding geographic area net sales to customers for the three and nine months ended September 30, is approximately as follows:

	<u>United States</u>	<u>All Other Foreign Countries (1)</u>	<u>Consolidated</u>
Three months ended September 30, 2017	\$ 10,415,000	\$ 3,350,000	\$ 13,765,000
Three months ended September 30, 2016	\$ 10,701,000	\$ 2,707,000	\$ 13,408,000
Nine months ended September 30, 2017	\$ 29,990,000	\$ 10,789,000	\$ 40,779,000
Nine months ended September 30, 2016	\$ 28,877,000	\$ 9,742,000	\$ 38,619,000

(1) No other country accounts for 10% or more of the consolidated net sales.

Information regarding geographic area long-lived assets is approximately as follows:

	<u>United States</u>	<u>United Kingdom/ The Netherlands</u>	<u>Consolidated</u>
September 30, 2017	\$ 1,805,000	\$ 661,000	\$ 2,466,000
December 31, 2016	\$ 1,676,000	\$ 439,000	\$ 2,115,000

Accounting policies of the operations in the various geographic areas are the same as those described in Note 1. Net sales attributed to each geographic area are net of intercompany sales. No single customer represents 10% or more of our consolidated net sales. Long-lived assets consist of property, plant and equipment.

Note 12. Equity Investment

ASC 323, “*Investments – Equity Method and Joint Ventures*,” establishes accounting guidelines for an equity investment in which the Company has the ability to exercise significant influence, but does not have a controlling interest. In this situation, the equity method should be applied to an investment. Significant influence is generally considered to exist when the Company has an ownership interest in the voting stock of an entity between 20% and 50%, and other factors, such as representation on the Board of Directors, are considered in determining whether the equity method of accounting is appropriate.

On September 28, 2017, we made an equity investment in Vensica Medical (“Vensica”), a privately-held Israeli-based company developing VensiCare, an ultrasound based, needle-free drug delivery system. Our \$2 million investment gave us a 20% ownership in the company and allows us to have one seat on the Vensica Medical Board of Directors along with two call options to acquire the entire company for an additional \$8 million. The investment is accounted for using the equity method of accounting because the Company has significant influence, but not control, of the entity. Due to the timing of this investment, we did not earn any income (loss) in Vensica Medical for the three and nine-month period ended September 30, 2017.

Note 13. Subsequent Event

None.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

We recommend that you read this quarterly report on Form 10-Q in conjunction with our annual report on Form 10-K for the year ended December 31, 2016.

You should read the following discussion of our financial condition and results of operation together with the unaudited, condensed, consolidated financial statements and the notes thereto included elsewhere in this report and other financial information included in this report. The following discussions may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, as we discussed in our special note regarding "Forward-Looking Statements" beginning on page 3 of this report and under "Part I - Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2016. These risks could cause our actual results to differ materially from any further performance suggested below.

We do not undertake, nor assume any obligation, to update any forward-looking statement that we may make from time to time.

Overview

Cogentix Medical is a global medical device company headquartered in Minnetonka, Minnesota, with additional operations in New York, Massachusetts, The Netherlands and the United Kingdom. We design, develop, manufacture and market a robust line of high performance fiberoptic and video endoscopy products under the PrimeSight™ brand that are used across multiple surgical specialties in diagnostic and treatment procedures, with our focus being on the urology market. We also offer the Urgent® PC Neuromodulation System, a device that delivers percutaneous tibial nerve stimulation ("PTNS"), for the office-based treatment of overactive bladder ("OAB"). OAB is a chronic condition that affects approximately 40 million adults in the U.S. The symptoms include urinary urgency, frequency and urge incontinence. We also offer Macroplastique® Implants, an injectable urethral bulking agent for the treatment of adult female stress urinary incontinence that is primarily due to intrinsic sphincter deficiency. Outside the U.S., we market additional bulking agents: PTQ® for the treatment of fecal incontinence and VOX® for vocal cord augmentation.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or GAAP, which require us to make estimates and assumptions in certain circumstances that affect amounts reported. In preparing these consolidated financial statements, we have made our best estimates and judgments of certain amounts, giving due consideration to materiality.

We have identified in our annual report on Form 10-K for the year ended December 31, 2016, our "critical accounting policies," which are certain accounting policies that we consider important to the portrayal of our results of operations and financial condition and which may require the application of a higher level of judgment by our management, and as a result are subject to an inherent level of uncertainty. Management made no significant changes to our critical accounting policies during the nine months ended September 30, 2017 other than for the adoption of ASU 2016-09, "Improvements to Employee Share-Based Payment Accounting." Under the new ASU we no longer account for forfeitures of restricted stock awards and stock options throughout the vesting period, and instead, we account for them in the period in which they occur. We also recognize certain tax benefits or tax shortfalls upon a restricted-stock award vesting or stock option exercise relative to the deferred tax asset position established in the provision for income taxes line of the consolidated statements of operations instead of within the consolidated statement of shareholders' equity.

Results of Operations

Three months ended September 30, 2017 compared to three months ended September 30, 2016

Net Sales: Consolidated net sales of \$13,765,000 in the current period represented a \$357,000 increase, or 2.7%, over net sales of \$13,408,000 in the prior period. The increase is primarily due to a \$422,000 net increase in revenue from the Urology product lines, which is comprised of the PrimeSight, Urgent PC and other urology products, and is offset by a \$65,000 net decrease in revenue from the non-core Airway Management and Industrial product lines.

Consolidated net sales for PrimeSight urology products of \$4,293,000 in the current period represented a \$114,000 decrease, or 2.6%, over net sales of \$4,407,000 in the prior period. Our PrimeSight endoscopes are capital purchases for our customers, and such capital sales can vary from quarter to quarter. In the third quarter of 2016, the Company had its largest sale to date of capital equipment to one customer and there was no comparable sale in the third quarter of 2017. Year to date through September 30, 2017, PrimeSight urology revenue has increased by 26% over the same period of 2016.

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Consolidated net sales of our Urgent PC System of \$5,360,000 in the current period represented a \$150,000 increase, or 2.9%, when compared to net sales of \$5,210,000 in the prior period. The increase is due to increased utilization within existing accounts.

Consolidated net sales of our Macroplastique product of \$1,715,000 in the current period represented a \$44,000 increase, or 2.6%, over net sales of \$1,671,000 in the prior period. Macroplastique serves a small market, and the focus of our sales force has been on growing sales of our PrimeSight urology and Urgent PC products.

Consolidated net sales of other urology products of \$550,000 in the current period represented a \$342,000 increase, or 164.4%, over net sales of \$208,000 in the prior period. The increase is due primarily to non-PrimeSight revenue from the Genesis Acquisition described in Note 3 to the financial statements.

Consolidated net sales of our non-urology products (Airway Management and Industrial Boroscopes) of \$1,847,000 in the current period represented a \$65,000 decrease, or 3.4%, over net sales of \$1,912,000 in the prior period. The decrease is primarily due to our increased focus on Urology products. Additionally, we are exploring strategic alternatives for our non-Urology Airway Management and Industrial product lines.

Consolidated net sales to customers in the U.S. of \$10,415,000 in the current period represented a decrease of \$425,000, or 3.9%, over net sales of \$10,840,000 in the prior period. Consolidated net sales to customers outside the U.S. of \$3,350,000 in the current period represented an increase of \$782,000, or 30.5%, over net sales of \$2,568,000 in the prior period.

Gross Profit: Gross profit was \$9,395,000, or 68.3% of net sales in the current period, compared to \$9,038,000, or 67.4% of net sales in the prior period. The increase in gross profit percentage is attributed primarily to product mix. Revenue from our higher margin Urgent PC and Macroplastique products were a higher proportion of total sales in the current quarter than the prior quarter.

Operating Expenses: Operating expenses in the current period totaled approximately \$9,589,000, compared to approximately \$8,517,000 in the prior period, an increase of approximately \$1,072,000. The increase was primarily attributable to share based compensation expense, business development costs, operating costs from the Genesis Acquisition described in Note 3 to the financial statements and the expansion of the U.S. sales force. Operating expenses included:

General and Administrative Expenses (G&A): G&A expenses of \$2,056,000 in the current period increased \$498,000 from \$1,558,000 in the prior period. The increase is attributed primarily to a \$192,000 increase of share based compensation expense and approximately \$208,000 of business development costs as well as inclusion of approximately \$100,000 for the operating costs of Genesis.

Research and Development Expenses (R&D): R&D expenses of \$1,234,000 in the current period decreased \$16,000 from \$1,219,000 in the prior period.

Selling and Marketing Expenses (S&M): S&M expenses of \$5,698,000 in the current period increased \$494,000, from \$5,203,000 in the prior period. The increase is attributed primarily to the expansion of the U.S sales force as well as the addition of five sales personnel from the Genesis Acquisition.

One-time Costs: In the first half of 2016, the Company incurred one-time costs related to the proxy contest between the Company and Mr. Lewis Pell (a current director) and related litigation. In the third quarter of 2016, the Company received a \$54,000 refund of professional fees. There were no similar costs or refunds in the current period.

Amortization of Intangible Assets: Amortization of intangible assets was \$602,000 in the current period compared to \$591,000 in the prior period.

Other Income (Expense): Other income (expense) includes interest income, interest expense, foreign currency exchange and other non-operating costs when incurred. Net other income was \$61,000 in the current period compared to net other expense of \$396,000 in the prior period. Other income in the current quarter is primarily interest income from our investments. Interest expense in the prior year is primarily due to interest on related party debt that was converted into equity in the fourth quarter of 2016.

Income Tax Expense: We recorded income tax expense of approximately \$26,000 in the current period and \$19,000 in the prior period. Income tax expense is attributed to our European subsidiaries and to the payment of minimum taxes in the U.S.

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Net Income (Loss): Net loss was approximately \$160,000 (\$0.00 per share) in the current period compared to net income of approximately \$106,000 (\$0.00 per share) in the prior period.

Nine months ended September 30, 2017 compared to nine months ended September 30, 2016

Net Sales: Consolidated net sales of \$40,779,000 in the current period represented a \$2,160,000 increase, or 5.6%, over net sales of \$38,619,000 in the prior period. The increase is primarily due to a \$2,850,000 net increase in revenue from the Urology product lines, which is comprised of the PrimeSight, Urgent PC and other urology products, and is offset by a \$572,000 net decrease in revenue from the Airway Management and Industrial product lines.

Consolidated net sales for PrimeSight urology products of \$13,735,000 in the current period represented a \$2,850,000 increase, or 26.2%, over net sales of \$10,885,000 in the prior period. The increase is primarily due to our sales force becoming more proficient in selling this technology as well the fact that our PrimeSight technology platform meets the needs of our medical customers for always ready, always sterile flexible endoscopy solutions. Our urology PrimeSight products have been clinically proven to reduce the risk of cross contamination associated with the reuse or reprocessing of difficult to clean conventional endoscopes and they also reduce the typical 45-minute reprocessing time to less than 10 minutes, allowing for greater patient throughput, increased physician productivity and ultimately economic benefit for our customers.

Consolidated net sales of our Urgent PC System of \$15,602,000 in the current period represented a \$118,000 decrease, or 0.8%, when compared to net sales of \$15,720,000 in the prior period. U.S. unit growth was offset by a 4% decline in average selling price. U.S. unit growth was due primarily to sales execution and increased penetration in existing accounts. Our sales team has effectively demonstrated the clinical efficacy and value proposition of Urgent PC to our physician customers resulting in the increased sales. The sales team continues to place a strong emphasis on servicing existing accounts and increasing utilization within existing accounts. The decrease in average selling price is primarily due to the continued sales efforts of a large competitor who entered the PTNS space in the first quarter of 2016. Average selling prices have been substantially consistent over the past four quarters.

Consolidated net sales of our Macroplastique product of \$5,237,000 in the current period represented a \$273,000 decrease, or 5.0%, over net sales of \$5,510,000 in the prior period. Macroplastique serves a small market, and the focus of our sales force has been on growing sales of our PrimeSight urology and our Urgent PC products.

Consolidated net sales of other urology products of \$1,071,000 in the current period represented a \$273,000 increase, or 34.2%, over net sales of \$789,000 in the prior period. The increase is due primarily to non-PrimeSight revenue from the Genesis Acquisition.

Consolidated net sales of our non-urology products of \$5,134,000 in the current period represented a \$572,000 decrease, or 10.0%, over net sales of \$5,706,000 in the prior period. The decrease is primarily due to our increased focus on Urology products. Additionally, we are exploring strategic alternatives for our non-Urology Airway Management and Industrial product lines.

Consolidated net sales to customers in the U.S. of \$29,990,000 in the current period represented an increase of \$611,000, or 2.1%, over net sales of \$29,379,000 in the prior period. Consolidated net sales to customers outside the U.S. of \$10,789,000 in the current period represented an increase of \$1,549,000, or 16.8%, over net sales of \$9,240,000 in the prior period.

Gross Profit: Gross profit was \$27,257,000, or 66.8% of net sales in the current period, compared to \$26,361,000, or 68.3% of net sales in the prior period. The change in gross profit percentage is attributed primarily to product mix, as revenue from our PrimeSight products were a higher proportion of total sales in the current period as compared to the same period of the prior year, and our PrimeSight products have a lower profit percentage than our Urgent PC and Macroplastique products.

Operating Expenses: Operating expenses in the current period totaled approximately \$28,288,000 compared to approximately \$28,646,000 in the prior period, a decrease of \$359,000. Operating expenses included:

General and Administrative Expenses (G&A): G&A expenses of \$6,250,000 in the current period increased \$1,162,000 from \$5,088,000 in the prior period. The increase is attributed primarily to an increase of \$655,000 in share based compensation expense and approximately \$398,000 of business development costs.

Research and Development Expenses (R&D): R&D expenses of \$3,557,000 in the current period increased \$301,000 from \$3,256,000 in the prior period. The increase is attributed to ongoing enhancements to our PrimeSight product line.

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Selling and Marketing Expenses (S&M): S&M expenses of \$16,700,000 in the current period increased \$427,000, from \$16,273,000 in the prior period. The increase is attributed primarily to the expansion of the U.S sales force and is partially offset by a \$372,000 for an IRS tax refund related to medical device taxes paid in 2013 -2015.

One-time Costs: One-time costs in the prior period related to the proxy contest settlement between the Company and Mr. Lewis Pell and related litigation in connection with the 2016 Annual Meeting. These fees included \$758,000 of professional fees (primarily legal) and \$1,500,000 of severance costs for the Company's former CEO. There were no similar costs in the current period.

Amortization of Intangible Assets: Amortization of intangible assets was \$1,781,000 in the current period compared to \$1,773,000 in the prior period.

Other Income (Expense): Other income (expense) includes interest income, interest expense, foreign currency exchange and other non-operating costs when incurred. Net other income was \$221,000 in the current period compared to net other expense of \$1,187,000 in the prior period. Other income in the current period is primarily interest income from our investments. Interest expense in the prior year is primarily due to interest on related party debt that was converted into equity in the fourth quarter of 2016.

Income Tax Expense: We recorded income tax expense of approximately \$141,000 in the current period and \$52,000 in the prior period. Income tax expense is attributed to our European subsidiaries and to the payment of minimum taxes in the U.S.

Net Income (Loss): Net loss was approximately \$951,000 (\$0.02 per share) in the current period compared to a net loss of approximately \$3,525,000 (\$0.14 per share) in the prior period.

Non-GAAP Financial Measures: The following tables reconcile our operating income (loss) calculated in accordance with GAAP to non-GAAP financial measures that exclude non-cash charges for share-based compensation expense, depreciation and amortization. The non-GAAP financial measures used by management and disclosed by us are neither a substitute for, nor superior to, financial measures and consolidated financial results calculated in accordance with GAAP, and you should carefully evaluate our reconciliations to non-GAAP. We may calculate our non-GAAP financial measures differently from similarly titled measures used by other companies. Therefore, our non-GAAP financial measures may not be comparable to those used by other companies. We have described the reconciliations of each of our non-GAAP financial measures described above to the most directly comparable GAAP financial measures.

We use this non-GAAP financial information, and in particular non-GAAP cash operating income (loss), for internal managerial purposes because we believe such measures are one important indicator of the strength and the operating performance of our business. Analysts and investors frequently ask us for this information. We believe that they use this information to evaluate the overall operating performance of companies in our industry, including as a means of comparing period-to-period results and as a means of evaluating our results with those of other companies.

Our non-GAAP cash operating income, excluding non-cash expenses, during the three months ended September 30, 2017 was approximately \$1,025,000 and our non-GAAP cash operating income, excluding one-time costs, for the three months ended September 30, 2016 was approximately \$1,444,000.

Three-Months Ended	GAAP	Expense Adjustments					Non-GAAP
		Share-based Expense	Long-term Incentive Plan	Depreciation	Amortization		
September 30, 2017							
Gross profit	\$ 9,394,657	\$ 5,257	\$ -	\$ 54,271	\$ -	\$ 9,454,185	
% of net sales	68.3%					68.7%	
Operating expenses							
General and administrative	2,055,763	(365,780)	-	(51,026)	-	1,638,957	
Research and development	1,234,468	(11,577)	-	(3,571)	-	1,219,320	
Selling and marketing	5,697,552	(45,548)	-	(81,405)	-	5,570,599	
Amortization	601,604	-	-	-	(601,604)	-	
Total operating expenses	\$ 9,589,387	\$ (422,905)	\$ -	\$ (136,002)	\$ (601,604)	\$ 8,428,876	
Operating income (loss)	\$ (194,730)	\$ 428,162	\$ -	\$ 190,273	\$ 601,604	\$ 1,025,309	
September 30, 2016							
Gross profit	\$ 9,038,037	\$ 5,375	\$ -	\$ 41,938	\$ -	\$ 9,085,350	
% of net sales	67.4%					69.9%	
Operating expenses							
General and administrative	1,558,090	(174,385)	17,534	(55,408)	-	1,345,831	
Research and development	1,218,669	(7,526)	-	(1,779)	-	1,209,364	
Selling and marketing	5,203,477	(27,714)	-	(89,427)	-	5,086,336	
Amortization	590,858	-	-	-	(590,858)	-	
One-time costs	(53,887)	-	-	-	-	(53,887)	
Total operating expenses	\$ 8,517,207	\$ (209,625)	\$ 17,534	\$ (146,614)	\$ (590,858)	\$ 7,587,644	
Operating income (loss)	\$ 520,830	\$ 215,000	\$ (17,534)	\$ 188,552	\$ 590,858	\$ 1,497,706	
One-time costs	(53,887)					(53,887)	
Cash operating income excluding one-time costs						\$ 1,443,819	

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Our non-GAAP cash operating income, excluding non-cash expenses, during the nine months ended September 30, 2017 was approximately \$2,437,000 and our non-GAAP cash operating income, excluding one-time costs for the nine months ended September 30, 2016 was approximately \$2,712,000.

Nine-Months Ended	GAAP	Expense Adjustments				Non-GAAP
		Share-based Expense	Long-term Incentive Plan	Depreciation	Amortization	
September 30, 2017						
Gross profit	\$ 27,256,759	\$ 17,072	\$ -	\$ 140,406	\$ -	\$ 27,414,237
% of net sales	66.8%					67.2%
Operating expenses						
General and administrative	6,250,246	(971,688)	-	(150,210)	-	5,128,348
Research and development	3,556,977	(30,975)	-	(8,905)	-	3,517,097
Selling and marketing	16,699,590	(111,747)	-	(255,770)	-	16,332,073
Amortization	1,780,803	-	-	-	(1,780,803)	-
Total operating expenses	\$ 28,287,616	\$ (1,114,410)	-	(414,885)	\$ (1,780,803)	\$ 24,977,518
Operating income (loss)	\$ (1,030,857)	\$ 1,131,482	\$ -	\$ 555,291	\$ 1,780,803	\$ 2,436,719
September 30, 2016						
Gross profit	\$ 26,360,893	\$ 27,629	\$ -	\$ 135,321	\$ -	\$ 26,523,743
% of net sales	68.3%					68.7%
Operating expenses						
General and administrative	5,087,871	(314,838)	64,404	(155,208)	-	4,682,229
Research and development	3,255,603	(16,191)	-	(2,960)	-	3,236,452
Selling and marketing	16,272,678	(81,342)	-	(298,711)	-	15,892,625
Amortization	1,772,574	-	-	-	(1,772,573)	-
One-time costs	2,257,654	-	-	-	-	2,257,654
Total operating expenses	\$ 28,646,380	\$ (412,371)	\$ 64,404	\$ (456,879)	\$ (1,772,573)	\$ 26,068,961
Operating income (loss)	\$ (2,285,487)	\$ 440,000	\$ (64,404)	\$ 592,100	\$ 1,772,573	\$ 454,782
One-time costs	2,257,654					2,257,654
Cash operating income excluding one-time costs						\$ 2,712,436

Liquidity and Capital Resources

Cash Flows.

At September 30, 2017, our cash, cash equivalents and investments totaled \$26,752,000. Our net working capital as of September 30, 2017, totaled approximately \$32,615,000.

For the nine months ended September 30, 2017, cash provided by operating activities was \$1,608,000, compared to cash provided by operating activities of \$2,875,000 during the nine months ended September 30, 2016. For the nine months ended September 30, 2017, we incurred a net loss of \$951,000. Significant non-cash expenses incurred in this period include depreciation and amortization expense of \$2,336,000 and share based compensation of \$1,131,000. Working capital changes that provided cash include higher accrued liabilities and lower accounts receivable, while cash was used as a result of lower accrued compensation and lower accounts payable. For the nine months ended September 30, 2016, we incurred a net loss of \$3,525,000. Significant non-cash expenses incurred in this period include depreciation and amortization expense of \$2,365,000 and share based compensation of \$440,000. Working capital changes that provided cash include higher accrued compensation, lower accounts receivables, and higher accounts payable, while cash was used as a result of inventories increasing.

During the nine months ended September 30, 2017, cash provided by investing activities included \$9,900,000 of proceeds from the maturity of available-for-sale securities, partially offset by \$2,438,000 in purchases of available-for-sale securities, \$2,000,000 for the investment in Vensica Medical, as described in Note 12 to the financial statements, \$680,000 for the purchase of property, plant, and equipment, and \$178,000 for the Genesis Acquisition, as described in Note 3 to the financial statements. During the nine months ended September 30, 2016, we used \$232,000 of net cash for the purchase of property, plant, and equipment.

Sources of Liquidity.

In addition to our cash and investments, we have a secured revolving credit facility ("Facility"), subject to eligible accounts receivable and inventory. Under the Facility, we may borrow the lesser of: (a) the sum of (i) eighty percent (80%) of the value of eligible accounts receivable; and (ii) forty percent (40%) of the value of eligible inventory, capped at \$2.5 million; or (b) \$7 million. As of September 30, 2017, based on eligible receivables and inventory, our total available borrowing base was approximately \$6,250,000. We did not have any borrowings under the Facility as of September 30, 2017.

On April 19, 2017, we filed a universal shelf registration statement with the SEC that enables us to raise capital through the offering from time to time of an aggregate amount of up to \$100 million of securities, including common stock, preferred stock, warrants to purchase common stock or preferred stock, units consisting of a combination of securities, and subscription rights to purchase the foregoing securities. We may offer and sell securities covered by the registration statement through one or more methods of distribution, subject to market conditions and our capital needs. However, the aggregate market value of securities sold during a 12-month period can be no more than one-third of the aggregate market value of voting and nonvoting common equity held by our non-affiliates. The terms of any offering under the shelf registration statement will be established at the time of the offering and described in a prospectus supplement filed with the SEC prior to the completion of the offering.

We may obtain additional debt and/or equity financing during 2017.

Our ability to achieve significant revenue growth will depend, in large part, on our ability to achieve widespread market acceptance of our products and successfully expand our business in the U.S. We cannot guarantee that we will successfully achieve such revenue growth. If we fail to meet our projections of profitability and cash flow, or determine to use cash for matters we are not currently projecting, we may need to seek additional financing to meet our cash needs. We cannot assure you that such financing, if needed, will be available to us on acceptable terms, if at all.

The Company does not have any commitments for capital expenditures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company and are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures.

Under the supervision and with the participation of our management, including our President and Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer) (“CEO and CFO”), we evaluated the effectiveness of the design and operation 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”). Based on this evaluation, our CEO and CFO of our company concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and that such information is accumulated and communicated to our management, including our CEO and CFO, in a manner that allows timely decisions regarding required disclosure.

Changes In Internal Controls Over Financial Reporting.

Based on the evaluation conducted by our management, with the participation of the principal executive officer, principal financial officer and principal accounting officer, pursuant to Rules 13a-15(d) and 15d-15(d) promulgated under the Exchange Act, our management (including such officers) have concluded that there were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) that occurred since June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

We are a smaller reporting company and are not required to provide the information required by this Item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

NONE.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit	Method of Filing
3.1	Amended and Restated Certificate of Incorporation of Cogentix Medical, Inc.	Filed herewith
3.2	Amended and Restated By-Laws of Cogentix Medical, Inc.	Filed herewith
10.1*	Fifth Amendment dated May 9, 2017, to the Supply Agreement, dated December 6, 2007, by and between Cogentix Medical, Inc. and Covidien Sales LLC	Incorporated by reference to Exhibit 10.8 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed with the SEC on May 12, 2017 (File No. 000-20970)
31.1	Certification by the PEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification by the PFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification by the PEO pursuant to Section 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification by the PFO pursuant to Section 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101	Financial Statements for the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2017, formatted in Extensible Business Reporting Language: (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statement of Operations; (iii) Condensed Consolidated Statement of Comprehensive Income (Loss); (iv) Condensed Consolidated Statement of Shareholders' Equity; (v) Condensed Consolidated Statement of Cash Flows and (vi) Notes to Condensed Consolidated Financial Statements	Filed herewith

* Portions of this exhibit have been omitted pursuant to a request for confidential treatment

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	COGENTIX MEDICAL, INC.
Date: November 13, 2017	By: <u>/s/ DARIN HAMMERS</u> Darin Hammers President and Chief Executive Officer (Principal Executive Officer)
Date: November 13, 2017	By: <u>/s/ BRETT REYNOLDS</u> Brett Reynolds Senior Vice President, Chief Financial Officer and Corporate Secretary (Principal Financial and Accounting Officer)

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
COGENTIX MEDICAL, INC.**

The present name of the Corporation is Cogentix Medical, Inc. The Corporation was incorporated under the name "Machida Incorporated" by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on October 19, 1987. This Amended and Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation's certificate of incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware. The certificate of incorporation of the Corporation is hereby amended, integrated and restated to read in its entirety as follows:

FIRST. The name of the Corporation is:
Cogentix Medical, Inc.

SECOND. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business or purposes to be conducted or promoted by the Corporation is as follows:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of all classes of stock that the Corporation shall have authority to issue is (i) one hundred million (100,000,000) shares of Common Stock, \$0.01 par value per share ("Common Stock"), and (ii) five-million (5,000,000) shares of Preferred Stock, \$0.01 par value per share ("Preferred Stock").

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by the Corporation may be reissued except as otherwise provided by law. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions of the Board of Directors providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the General Corporation Law of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock or any other series to the extent permitted by law. No vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of the Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation.

FIFTH. In furtherance of and not in limitation of powers conferred by statute, it is further provided:

1. Election of directors need not be by written ballot.
2. The Board of Directors is expressly authorized to adopt, amend or repeal the By-laws of the Corporation.

SIXTH. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

SEVENTH. Except to the extent that the General Corporation Law of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

EIGHTH.

1. ACTIONS, SUITS AND PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) (all such persons being referred to hereafter as an "Indemnitee") or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Notwithstanding anything to the contrary in this Article, except as set forth in Section 6 below, the Corporation shall not indemnify an Indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by the Indemnitee unless the initiation thereof was approved by the Board of Directors of the Corporation.

2. ACTIONS OR SUITS BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) which the Court of Chancery of Delaware or such other court shall deem proper.

3. INDEMNIFICATION FOR EXPENSES OF SUCCESSFUL PARTY. Notwithstanding the other provisions of this Article, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, he shall be indemnified against all expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to the Indemnitee, (ii) an adjudication that the Indemnitee was liable to the Corporation, (iii) a plea of guilty or NOLO CONTENDERE by the Indemnitee, (iv) an adjudication that the Indemnitee did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and (v) with respect to any criminal proceeding, an adjudication that the Indemnitee had reasonable cause to believe his conduct was unlawful, the Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

4. NOTIFICATION AND DEFENSE OF CLAIM. As a condition precedent to his right to be indemnified, the Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving him for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to the Indemnitee. After notice from the Corporation to the Indemnitee of its election so to assume such defense, the Corporation shall not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with such claim, other than as provided below in this Section 4. The Indemnitee shall have the right to employ his own counsel in connection with such claim, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Corporation, (ii) counsel to the Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and the Indemnitee in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel for the Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article. The Corporation shall not be entitled, without the consent of the indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

5. ADVANCE OF EXPENSES. Subject to the provisions of Section 6 below, in the event that the Corporation does not assume the defense pursuant to Section 4 of this Article of any action, suit, proceeding or investigation of which the Corporation receives notice under this Article, any expenses (including attorneys' fees) incurred by an Indemnitee in defending a civil or criminal action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter, PROVIDED, HOWEVER, that the payment of such expenses incurred by an Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of the Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article. Such undertaking may be accepted without reference to the financial ability of such person to make such repayment.

6. PROCEDURE FOR INDEMNIFICATION. In order to obtain indemnification or advancement of expenses pursuant to Section 1, 2, 3 or 5 of this Article, the Indemnitee shall submit to the Corporation a written request, including in such request such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification or advancement of expenses. Any such indemnification or advancement of expenses shall be made promptly, and in any event within 60 days after receipt by the corporation of the written request of the Indemnitee, unless with respect to requests under Section 1, 2 or 5 the Corporation determines, by clear and convincing evidence, within such 60-day period that the Indemnitee did not meet the applicable standard of conduct set forth in Section 1 or 2, as the case may be. Such determination shall be made in each instance by (a) a majority vote of a quorum of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), (b) if no such quorum is obtainable, a majority vote of a committee of two or more disinterested directors, (c) a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the action, suit or proceeding in question, (d) independent legal counsel (who may be regular legal counsel to the Corporation), or (e) a court of competent jurisdiction.

7. REMEDIES. The right to indemnification or advances as granted by this Article shall be enforceable by the Indemnitee in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within the 60-day period referred to above in Section 6. Unless otherwise provided by law, the burden of proving that the Indemnitee is not entitled to indemnification or advancement of expenses under this Article shall be on the Corporation. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 6 that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such proceeding shall also be indemnified by the Corporation.

8. SUBSEQUENT AMENDMENT. No amendment, termination or repeal of this Article or of the relevant provisions of the General Corporation Law of Delaware or any other applicable laws shall affect or diminish in any way the rights of any Indemnitee to indemnification under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

9. OTHER RIGHTS. The indemnification and advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of the Indemnitee. Nothing contained in this Article shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth in this Article. In addition, the Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article.

10. PARTIAL INDEMNIFICATION. If an Indemnitee is entitled under any provision of this Article to indemnification by the Corporation for some or a portion of the expenses (including attorneys' fees), judgments, fines or amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnitee for the portion of such expenses (including attorneys' fees), judgments, fines or amounts paid in settlement to which the Indemnitee is entitled.

11. INSURANCE. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan) against any expense, liability or loss incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of Delaware.

12. MERGER OR CONSOLIDATION. If the Corporation is merged into or consolidated with another corporation and the Corporation is not the surviving corporation, the surviving corporation shall assume the obligations of the Corporation under this Article with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the date of such merger or consolidation.

13. SAVINGS CLAUSE. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

14. DEFINITIONS. Terms used herein and defined in Section 145(h) and Section 145(i) of the General Corporation Law of Delaware shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

15. SUBSEQUENT LEGISLATION. If the General Corporation Law of Delaware is amended after adoption of this Article to expand further the indemnification permitted to Indemnitees, then the Corporation shall indemnify such persons to the fullest extent permitted by the General Corporation Law of Delaware, as so amended.

NINTH. Notwithstanding any other provision of law, the Amended and Restated Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least two-thirds (66 2/3%) of the votes which all the stockholders would be entitled to cast in any annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, Articles SEVENTH, EIGHTH and NINTH. Except as otherwise provided herein, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute and the Amended and Restated Certificate of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

TENTH. This Article is inserted for the management of the business and for the conduct of the affairs of the Corporation.

1. NUMBER OF DIRECTORS. The number of directors of the Corporation shall not be less than seven. The exact number of directors within the limitations specified in the preceding sentence shall be fixed from time to time pursuant to a resolution adopted by the Board of Directors.

2. ELECTION OF DIRECTORS. Elections of directors need not be by written ballot except as and to the extent provided in the By-laws of the Corporation.

3. QUORUM; ACTION AT MEETING. A majority of the directors at any time in office shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified, provided that in no case shall less than one-third of the number of directors fixed pursuant to Section 1 above constitute a quorum. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law, by the By-laws of the Corporation or by this certificate of Incorporation.

4. VACANCIES. Unless and until filled by the stockholders, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, may be filled by a vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected to hold office until the next annual meeting, subject to the election and qualification of his/her successor and to his/her earlier death, resignation or removal.

ELEVENTH. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of all of the outstanding shares of stock that would be entitled to vote thereon at a meeting of stockholders. Notwithstanding any other provisions of law, the Certificate of Incorporation or the By-laws of the Corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least 75% of the votes which all of the stockholders would be entitled to cast at an annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Article ELEVENTH.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this 6th day of June, 2017.

COGENTIX MEDICAL, INC.

/s/ Brett Reynolds

Name: Brett Reynolds

Title: Senior Vice President, Chief Financial Officer and Corporate Secretary

AMENDED AND RESTATED BY-LAWS

OF

COGENTIX MEDICAL, INC., AS AMENDED ON JUNE 5, 2017

ARTICLE 1 – Stockholders

1.1 Place of Meetings. All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Board of Directors or the President or, if not so designated, at the registered office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board of Directors, the Chairman or the President (which date shall not be a legal holiday in the place where the meeting is to be held) at the time and place to be fixed by the Board of Directors, the Chairman or the President and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these By-Laws to the annual meeting of the stockholders shall be deemed to refer to such special meeting.

1.3 Special Meetings. Special meetings of stockholders may be called at any time by the Chairman or the President or by the Board of Directors. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

1.5 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, at a place within the city where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the holders of one-third (1/3rd) of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-Laws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting, may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for him by proxy authorized by an instrument in writing, by a transmission or another method permitted by law and in accordance with the procedures established for the meeting. A copy, facsimile telecommunication or other reliable reproduction of the writing, transmission or telecommunication created pursuant to this section may be substituted or used in lieu of the original writing, the transmission or telecommunication that could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing, transmission or telecommunication. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, the holders of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class present or represented and voting on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these By-Laws. Any election by stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election.

1.10 Action without Meeting. Until the closing of a firm commitment underwritten public offering of the corporation's common stock (a "Public Offering"), any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock entitled to vote thereon were present and voted. Prompt notice of the taking of stockholder action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Effective upon the closing of a Public Offering, any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of all of the outstanding shares of stock that would be entitled to vote thereon at a meeting of stockholders. Notwithstanding any other provisions of law, the Certificate of Incorporation or the By-laws of the corporation, and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of at least 75% of the votes which all of the stockholders would be entitled to cast at an annual election of directors or class of directors shall be required to amend or repeal, or to adopt any provision inconsistent with, this Section 1.10.

ARTICLE 2 – Directors

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number of Directors. The number of directors of the corporation shall not be less than seven. The exact number of directors within the limitations specified in the preceding sentence shall be fixed from time to time pursuant to a resolution adopted by the Board of Directors.

2.3 Quorum; Action at Meeting. A majority of the directors at any time in office shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified, provided that in no case shall less than one-third of the number of directors fixed pursuant to Section 2.2 above constitute a quorum. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of those present may adjourn the meeting from time to time. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number is required by law, by the By-laws of the corporation or by this Certificate of Incorporation.

2.4 Vacancies. Unless and until filled by the stockholders, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, may be filled by a vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected to hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his/her successor and to his/her earlier death, resignation or removal.

2.5 Resignation. Any director may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.6 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.7 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware, designated in a call by the Chairman of the Board, President, two or more directors, or by one director in the event that there is only a single director in office.

2.8 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 48 hours in advance of the meeting, (ii) by sending a telegram or telex, or delivering written notice by hand, to his last known business or home address at least 48 hours in advance of the meeting, or (iii) by mailing written notice to his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.9 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.10 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

2.11 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors.

2.12 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 – Officers

3.1 Enumeration. The officers of the corporation shall consist of a Chairman, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Vice-Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers, and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws, each officer shall hold office until his successor is elected and qualified, unless a different term is specified in the vote choosing or appointing him, or until his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified, or until his earlier death, resignation or removal.

3.7 Chairman of the Board and Vice-Chairman of the Board. The Chairman shall be the Principal Accredited Director (as defined in the Share Purchase Agreement (“SPA”)) so long as the Voting Agreement (as defined in the SPA) is in effect. The Board of Directors may designate the Chairman of the Board as Chief Executive Officer. The Chairman of the Board shall perform such duties and possess such powers as are assigned to him by the Board of Directors. If the Board of Directors appoints a Vice-Chairman of the Board, he shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in him by the Board of Directors.

3.8 President. The President shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the stockholders. Unless the Board of Directors has designated the Chairman of the Board or another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The President shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary, (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.11 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him by the Board of Directors or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-Laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer, (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.12 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

ARTICLE 4 – Capital Stock

4.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. Every holder of stock of the corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by him in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman or Vice-Chairman, if any, of the Board of Directors, or the President or a Vice-President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the By-Laws, applicable securities laws or any agreement among any number of shareholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney Properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-Laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such Stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-Laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE 5 – General Provisions

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of April in each year and end on the last day of March in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these By-Laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

5.4 Voting of Securities. Except as the directors may otherwise designate, the President or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Transactions with Interested Parties. No contract or transaction between the corporation and one or more of the directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee of the Board of Directors, or the Stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

5.8 Severability. Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws.

5.9 Pronouns. All pronouns used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE 6 – Amendments

6.1 By the Board of Directors. These By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

6.2 By the Stockholders. These By-Laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Darin Hammers, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended September 30, 2017 of Cogentix Medical, Inc. (the “Registrant”);
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 (or persons performing the equivalent functions):
 - (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.

Dated: November 13, 2017

/s/ DARIN HAMMERS

Darin Hammers
President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brett Reynolds, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended September 30, 2017 of Cogentix Medical, Inc. (the “Registrant”);
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 (or persons performing the equivalent functions):
 - (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.

Dated: November 13, 2017

/s/ Brett Reynolds

Brett Reynolds
Senior Vice President and Chief Financial Officer and Corporate Secretary

EXHIBIT 32.1

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

In connection with the Quarterly Report of Cogentix Medical, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Darin Hammers, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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 result of operations of the Company.

/s/ Darin Hammers

Darin Hammers
President and Chief Executive Officer

Dated: November 13, 2017

EXHIBIT 32.2

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

In connection with the Quarterly Report of Cogentix Medical, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brett Reynolds, Senior Vice President, Chief Financial Officer and Corporate Secretary of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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 result of operations of the Company.

/s/ Brett Reynolds

Brett Reynolds
Senior Vice President, Chief Financial Officer and Corporate Secretary

Dated: November 13, 2017
