

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15 (d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2018**

Commission file number: **333-216054**

AVRA MEDICAL ROBOTICS, INC
(Exact name of registrant as specified in its charter)

Florida
(State or Other Jurisdiction of
Incorporation or Organization)

47-3478854
(I.R.S. Employer
Identification No.)

3259 Progress Drive, Suite 112A, Orlando, FL 32826
(Address of Principal Executive Offices)

Re registrant's telephone number, including area code: **(407) 956-2250**

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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:

Large Accelerated Filer
Non-accelerated filer

Accelerated Filer
Smaller reporting company
Emerging Growth Company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity as of the last business day of the registrant's most recently completed second fiscal quarter: Not applicable.

The number of shares outstanding of the issuer's common stock, \$0.0001 par value, as of April 15, 2019 was 21,122,496 shares.

DOCUMENTS INCORPORATED BY REFERENCE: No documents are incorporated by reference into this Report except those Exhibits so incorporated as set forth in the Exhibit index.

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FORWARD LOOKING STATEMENTS

Certain statements made in this Annual Report on Form 10-K are “ **forward-looking statements** ” regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. Our plans and objectives are based, in part, on assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein particularly in view of the current state of our operations, the inclusion of such information should not be regarded as a statement by us or any other person that our objectives and plans will be achieved. Factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, the factors set forth herein under the headings “ **Item 1. Business** ” and “ **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations** .” We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

Unless the context otherwise requires, references in this report to ““ AVRA ,” “ the Company ,” “ we ,” “ us ” and “ our ” refer to AVRA Medical Robotics, Inc.

PART I

Item 1 Business.

Overview

AVRA was organized by a senior leadership team with broad and deep experience in medical research, innovation and development in the medical robotics field. The Company plans to exploit the growing demand for practical medical robotic devices by developing a platform-independent precision guidance system, applicable to a variety of minimally and non-invasive procedures, with an initial focus on skin resurfacing. The Company believes that its team, which has been active in the medical robotics field for a number of years, brings the necessary skills and experience to develop and commercialize intelligent medical robotic systems, as well as in marketing, chain management, and the implementation of all other aspects of business operations. The Company believes that progress in mechanical and software engineering has made possible lightweight and relatively inexpensive robotic devices for difficult procedures in various medical fields.

Medical robots are already being successfully employed in several areas of surgery, including Urology (Prostate), Colo-Rectal, Gynecology, Thoracic, General Surgery, Neuro and Spine Surgery. Robots are also being used for Tele-medicine and assistive robotic methods are addressing the delivery of healthcare in inaccessible locations, ranging from rural areas lacking specialist expertise to post-disaster and battlefield areas. With the aging population dominating demographics in the U.S. across all spectrums of health care, robotic technologies are being developed toward promoting improved function, less morbidity and improved overall outcomes.

Today, the U.S. is the leader in robot-assisted surgery for the possibility of cure and improved quality of life. However, other countries are fast followers, having already recognized both the need and the promise of such technologies. The development of surgical robotics is motivated by the desire to enhance the effectiveness of a procedure by coupling information to action in the operating room or interventional suite, and transcend human physical limitations in performing surgery and other interventional procedures, while still affording human control over the procedure. Two decades after the first reported robotic surgical procedure, surgical robots are now being widely used in the operating room. Surgical robots are beginning to realize their potential in terms of improved accuracy and visualization ⁽¹⁾, as well as enabling new procedures.

Current robots used in surgery are under the direct control of a surgeon – the so-called “Master-slave system,” often in a teleoperation scenario in which a human operator manipulates a master input device and the patient-side robot follows the input. In contrast to commonly held beliefs where robots are autonomous, traditional minimally invasive surgical robots provide the surgeon with a higher degree of dexterity inside the body, eliminate operator tremor, scale down operator motions to a fraction of normal distances, and provide a very intuitive connection between the operator and the instrument tips. The surgeon can cut, cauterize, suture and reconstruct tissue with accuracy equal to or better than that of invasive open surgery. A surgical system contains both robotic devices and real-time imaging devices to visualize the operative field during the course of surgery.

The use of robotics in medicine inherently involves physical interaction between caregivers, patients, and robots – in all combinations. Developing user-friendly physical interfaces between humans and robots requires all the classic elements of a robotic system: sensing, perception, and action. A great variety of sensing and perception tasks are required, including recording the motions and forces of a surgeon to infer their intent, determining the mechanical parameters of human tissue, and estimating the forces between a rehabilitation robot and a moving stroke patient. The reciprocal nature of interaction means that the robot will also need to provide useful feedback to the human operator, whether that person is a caregiver or a patient. We need to consider systems that involve many human senses, the most common of which are vision, haptics (force and tactile), and sound. In management’s opinion, a major reason why systems involving physical collaboration between humans and robots are so difficult to design well is that, from the perspective of a robot, humans are extremely uncertain and dynamic.

⁽¹⁾ <http://uhealth.com/services/robotic-surgery/patient-information/benefits/>

Unlike in a passive, static environment, humans dynamically change their motion, force, and immediate purpose throughout a procedure. These changes can be caused by something as simple as physiologic movement (e.g., a patient breathing during surgery), or as complex as the motions of a surgeon suturing during surgery. During physical interaction with a robot, the human is an integral part of a closed-loop feedback system, simultaneously exchanging information and energy with the robotic system, and thus cannot simply be thought of as an external system input. In addition, the loop is often closed with both human force and visual feedback, each with its own errors and delays that can potentially cause challenges in a human-robot system. Given these problems, how does one guarantee safe, collaborative and useful physical interaction between robots and humans? Management believes that to date, no existing system provides the user with an ideal experience of physically interacting with a robot.

AVRA's overall design strategy, as opposed to that used in most non-autonomous systems, is to integrate image-guidance with navigation and organ-targeting to result in a medical robotic system that is truly diverse and multi-dimensional. Having identified limitations in the predominantly non-autonomous systems, AVRA proposes to employ a disruptive model in the design and development process, which considers design and development through a seamless collaboration of surgeons, engineers and scientists. Past efforts in medical robotics have generally been led by either the surgeons, the engineers, or the scientists, but rarely via a collaboration of all three. AVRA has been making a proactive effort to use this collaborative approach in all its development work.

For skin resurfacing, AVRA plans to incorporate recent technological improvements in motors, materials and high-resolution imaging to develop robotic device that will allow a surgeon to autonomously or semi-autonomously treat damaged skin. The basic principle behind the initial technology that AVRA is working on automating is the controlled delivery of micro skin injuries to stimulate remodeling of existing collagen and promote the formation of new collagen, elastin, and vascularization in the papillary dermis, which results in the reduction in appearance of fine lines and wrinkles, skin laxity, and scarring. Some of the advantages of using a robot for skin resurfacing can include greater precision, better visualization, quick automated adjustments during a procedure and shorter times. Presently, we are not aware of any commercially available robotic devices designed for this application.

AVRA is currently developing its initial intelligent medical robotic system for facial corrections (i.e., skin resurfacing) in partnership with the University of Central Florida ("UCF"), pursuant to a research agreement initially entered into with UCF effective as of May 1, 2016 and subsequently amended and extended (the "**Research Agreement**"). UCF is recognized particularly for its work in the area of medical robotic research and design, focusing on the guidance systems. We anticipate that application of this expertise will allow AVRA's medical robotic system to handle a wide array of the currently available "tools" in the market. The Company's plans to target a large market for its initial robotic system, which currently includes such solutions as Botox and CO2 lasers used for keratosis removal and treatment of scarring, discoloration and other skin problems that are often difficult to treat.

Moreover, while AVRA is in development of its robotic system and anticipates that it is ready to build a prototype, to date we have no products or training programs approved or ready for retail marketing and there can be no assurance as to when products will be ready to reach market. Unanticipated delays in market readiness will substantially harm the Company's prospects.

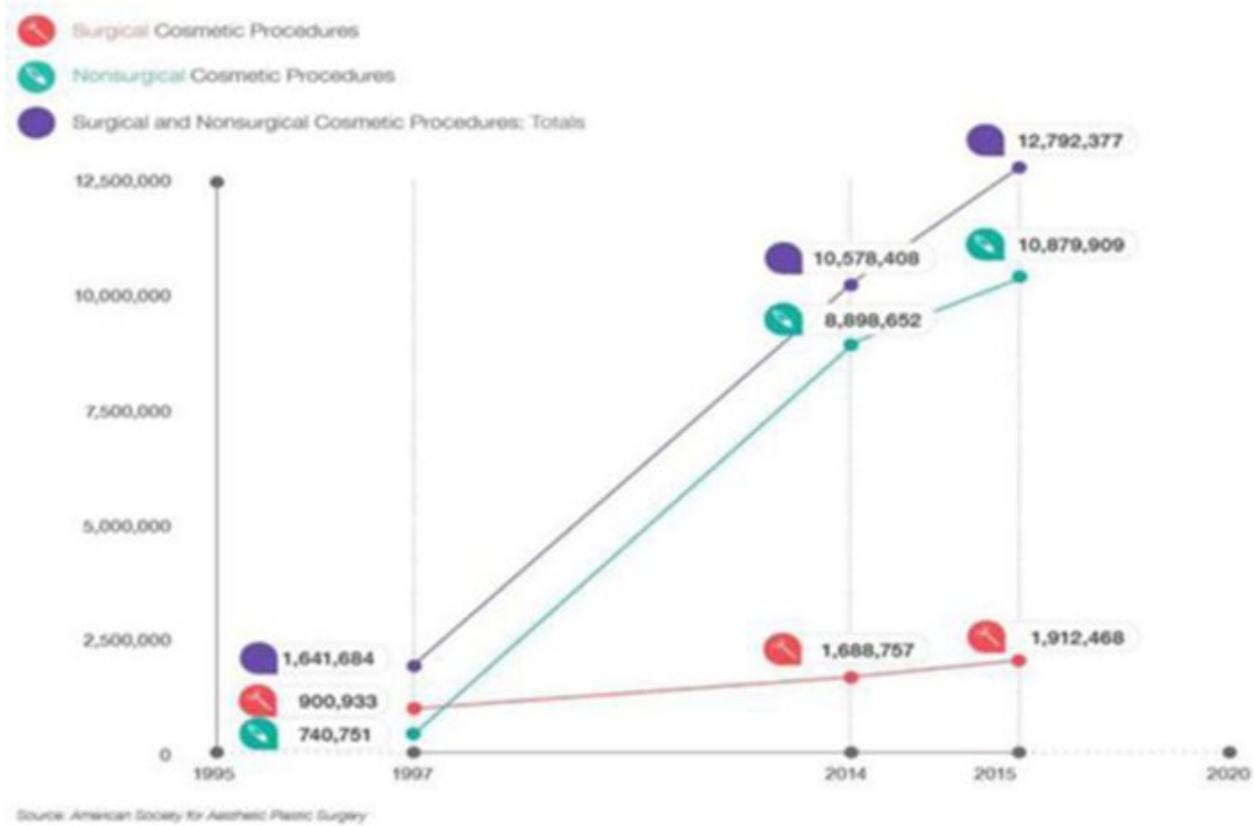
To date, the Company has not generated revenues and has operated with limited capital. The Company will require significant capital to implement its business plan. There can be no assurance that the Company can raise the necessary funds, on favorable terms or otherwise. Failure to obtain sufficient capital will substantially harm the Company's prospects.

Current Market

The concept of using a robot in surgical procedures became a practical reality in 2000 when the FDA approved the da Vinci® robot, introduced to the market by Intuitive Surgical, Inc. (“**ISRG**”). For years, ISRG was, as essentially the only game in town, alone in enjoying the explosive growth in the rapidly emerging field of robotic-assisted, minimally invasive surgery (“**MIS**”).

The global medical robots market is expected to grow to \$11.4 billion by 2020 from \$4.2 billion in 2015 at a combined annual growth rate of 22.2%⁽²⁾.

As seen in the following charts, the non-surgical segment of the skin resurfacing market, the target for AVRA’s first planned medical robotic system, has enjoyed explosive growth and is foreseen to continue its fast growth in the near future:



⁽²⁾ Markets and Markets research report, Nov 2015, Medical Robots Market by Product (Robotic systems (Surgical Robots, Rehabilitation Robots, Hospital Robots, Assistive Robots, Telemedicine Robots), Instruments & Accessories) & Application (Orthopedic, Laparoscopy, Neurology) - Global Forecasts to 2020

March 2015 ASAPS Data

Surgery

- Breast Aug: 305,856
- Liposuction: 396,048
- Abdominoplasty: 180,717
- Eyelid surgery: 169,708
- Breast Lift: 148,967

Growth 4 %

Total Revenue 58%

Non-Surgery

- Botulinum ToxinA: 4,267,038
- Hyaluronic Acid: 2,148,326
- Laser Hair 1,136,834
- Chemical Peel: 603,305
- Microdermabrasion: 557,690

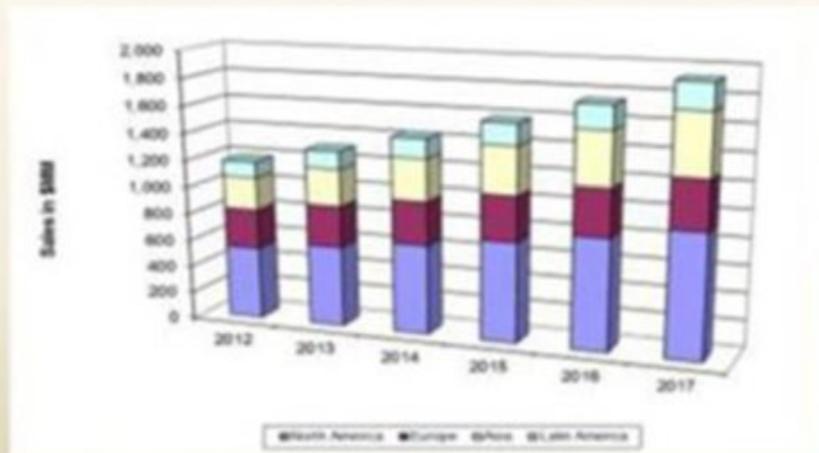
Growth 12%

Total Revenue 42%

Markets and Markets Growth CAGR
2015-2020 10.8%

13.5 Billion Dollar Industry

2014-2015 Nonsurgical Skin Tightening UP 58%



2014-2015 Injectables Up 21%

(3) Statista, <http://www.statista.com/statistics/254612/global-skin-care-market-size/>

As of 2013, there were an estimated 9,600 dermatologists and 7,800 dermatology practices in the U.S. according to IMS Health; approximately, 34% of these are solo practices, while approximately 48% are multi-physician (three or more physicians) practices.

Most products designed to improve the appearance of the skin do not repair the skin itself; rather, they cover and hide scarring and blemishes temporarily. Wrinkles also are challenging as the skin ages and are hard to cover over. Some current products aim to slow or forestall the development of wrinkles, but with questionable effectiveness.

Botox injections and **CO² Lasers** are the common procedures currently in use today for skin resurfacing. Other procedures include Needling, Radiofrequency, Ultrasound, and Cryolipolysis.

Botox injections have proved successful for cosmetic enhancement because it shrinks wrinkles dramatically. Botox has enjoyed rapid growth in sales and number of procedures (now about 7 million annually in the U.S. alone) ⁽⁴⁾. The downside of Botox is pain during the procedures and the need for repeated treatments given the temporary nature of the results achieved.

CO² Laser resurfacing also can shrink wrinkles, even eliminating small wrinkles by removing the outer layer of skin, allowing new skin to form. While simple, this procedure can be painful. Laser resurfacing works by burning off skin; skin can reach 1500°F (800°C) in the process of being removed, and adjacent areas of skin can approach 400°F. (Unsurprisingly, general anesthesia is often required.) Open wounds are created and healing may take up to three weeks. Skin redness may persist for three months, during which the skin is particularly sensitive to UV light. Other risks of laser resurfacing include scarring, changes in skin pigmentation and bacterial infection.

Because wrinkles are a major cosmetic concern of both men and women alike, AVRA believes that a robotic system that actually reduces and eliminates wrinkles with minimal side effects has great market potential. Although no such product currently exists, AVRA intends to focus its initial efforts on addressing this void by being the first to develop, commercialize and market a medical robotic system to aid in skin resurfacing.

Efficiently to Market with a Superior Solution

AVRA believes that its resurfacing solution will be superior to Botox injections and CO² Laser treatments, while being price competitive. Botox needs to be repeated every few months and the cost of acquiring a CO² Laser, where a very basic model starts at approximately \$50,000 but can be much higher than that, can be prohibitive.

AVRA plans to use a treatment delivered by a robotic device that improves the appearance of skin beyond wrinkle elimination. AVRA plans to integrate an existing procedure's tool that has already received FDA approvals as a stand-alone procedure and adapt it to its robotic system. AVRA has researched many procedures and is currently finalizing its choice of the most appropriate procedure and tool for its robotic system. The basic principle behind the initial technology that AVRA is working on automating is the controlled delivery of micro skin injuries to stimulate remodeling of existing collagen and promote the formation of new collagen, elastin, and vascularization in the papillary dermis, which results in the reduction in appearance of fine lines and wrinkles, skin laxity, and scarring

The Company believes that the safety, efficacy and cost effectiveness of its planned technology, which underlying technology will have already received FDA 510(k) approvals by other users of the technology (the "**Technology**"), for the same application of skin resurfacing, but without any automation, will afford a significant medical and competitive advantage as employed by AVRA.

Upon the completion and testing of its prototype, AVRA intends to commence the FDA approval process for its initial application. Since the Company plans to use a device that has already received FDA 510(k) approval, the Company should be in a better position to advance the robotic control of this device. This process may take anywhere from six months to two years but the Company hopes to minimize this time by going through a pre-meeting with the FDA and thus reduce the list of issues it will have to respond to once studies commence. Costs for this process, in the Company's estimation, can range anywhere from \$200,000 to \$500,000.

⁽⁴⁾ 2014 Allergan Presentation

The use of a robotic system will ensure accuracy, speed and minimize human error while also allowing doctors to increase their productivity by performing more procedures daily.

The Company believes it can rapidly develop, commercialize and market its initial medical robotic system because of the following advantages:

- AVRA has substantially completed the design phase and is ready to build a prototype.
- AVRA's team is experienced in medical robotic engineering.
- The underlying technology has already received FDA approvals for skin resurfacing which the Company anticipates will allow for a sharply reduced time to market when applying for approval of the technology integrated with our planned medical robotic system. Numerous companies manufacture the underlying technology and AVRA is working on selecting a manufacturer but as of this date has not entered into any agreements.
- AVRA is working in conjunction with preeminent physicians, engineers and scientific institutions.
- AVRA is prepared for ongoing research, development, commercialization, marketing, and manufacturing of products.
- AVRA believes that its modular approach will enable rapid entry into the skin resurfacing and other markets with new and improved devices.

Product Elements

There are four key elements to the Company's medical robotic devices, all of which can potentially generate revenues:

- Robotic Systems: Standardized arms, precision guidance system, and software controls designed to the needs of doctors and physicians.
- Robotic Tools: Standardized tools that can be modified to cover a wide range of medical procedures.
- Maintenance: Ongoing operation and service simplified so the medical user can perform much of the work in house.
- Education, Training: Remote and on-site programs for surgeons, hospitals and medical support staff.

Marketing Strategy

AVRA and its management team have relationships with many top medical institutions as of the result of their combined years of experience and expertise in exploring new designs for medical robotic systems. Moreover, the Company's Medical Advisory Board consists of some of the most experienced ⁽⁵⁾ robotic surgeons in the world who are working to develop new, cutting edge procedures. As a result, AVRA believes that it will be able to capitalize on its experience and relationships to successfully develop, commercialize and launch a new system that it believes will be welcomed into hospital skin resurfacing departments, as well as into individual and skin resurfacing groups. The Company plans to handle initial sales on a direct basis to departments and practices through its extensive contacts in the medical industry.

AVRA plans to initially place the new AVRA Skin Resurfacing Robotic System into some of the major respected hospital names in the US. The Company already has relationships with many of these. AVRA will then leverage this into the larger skin resurfacing market with a direct cost-effective marketing plan that includes well known social media outlets such as Facebook, Twitter, Instagram and Vimeo.

⁽⁵⁾ For example, AVRA Medical Advisory Board members Dr. Vipul Patel and Dr. Nikhil Shah have already performed more than 10,000 and 6,000 DaVinci robotic surgeries, respectively.

Due to the large market it addresses, the AVRA Skin Resurfacing Robotic System is expected to produce a much higher degree of interest and throng of inquiries than what the internal robotic surgical medical field would generate. The Company anticipates that this will help the company drive patient business directly to our AVRA Skin Resurfacing Robotic System’s doctors and centers.

AVRA will utilize the internet to answer the many expected inquiries and will upgrade its website(s) to automatically handle and direct these when appropriate.

Development Strategy

Effective as of May 1, 2016, the Company entered into the Research Agreement with UCF for the development of a prototype surgical robotic device supporting minimal invasive surgical facial corrections. The Agreement provides that UCF will provide personnel to accomplish the objectives as stated in the Statement of Work over a period which initially extended to June 30, 2017. The Statement of Work includes the development of prototype navigation and control software for the robotic medical device and the integration of all the necessary subcomponents. The Company has agreed to provide funding of \$163,307 for the project. Effective May 1, 2017, the Research Agreement with UCF has been extended to June 30, 2019. This has no effect on any previous agreements or deliverables between AVRA and UCF, but rather allows AVRA to continue working with UCF on an ongoing basis without having to resubmit or restart any administrative requirements. No additional payments to UCF are required pursuant to the amendment.

In addition, AVRA has paid \$43,548 for acquisition of the intellectual property developed by UCF pursuant to collaboration, which amount is capitalized. Other intellectual property costs are expensed as incurred. Management has assessed the carrying value of the asset and believes there has been no diminution of its value and accordingly, no adjustment is necessary.

The total cost to the Company is:

Research Expense - funded from existing funds	\$	163,307
Acquisition of Intellectual Property Rights		43,548
	Total \$	<u>206,855</u>

As of December 31, 2016, \$125,202 has been paid under the Research Agreement. The balance of the amount owing to the University was due November 1, 2016 (\$40,827) and February 1, 2017 (\$40,826). Both balances due have been fully paid on February 24, 2017 and on April 7, 2017, respectively. Additionally, a \$68,952 matching funds grant from the Florida High Tech Corridor Council (FHTCC) was approved on July 16, 2016 which will provide UCF research funds in addition to the Company’s funding obligation to the University. The FHTCC research grant is subject to certain research obligations and action requirements which if not met may result in the loss of the FHTCC research funding which would require the Company to cover any resulting shortfall.

Intellectual Property

In connection with the design of its planned medical robotic systems, AVRA has applied for six provisional patents so far, will review existing patents in the United States and the European Union to reduce the risk of infringement claims and will file patent applications as its product development proceeds for elements of its products which qualify for patent protection.

The Company intends to file, as necessary, patent applications in the United States, as well as in other jurisdictions where it intends to distribute its products and where the dates of our initial patent applications will give us a right of priority.

Patents are granted for a fixed term and eventually expire. Upon expiration, the inventions claimed in a patent enter the public domain. There is no assurance that our patent applications will be granted or that patents granted will prevent others from developing competing products.

Government Regulation

Our products and operations will be subject to extensive and rigorous regulation in the United States by the United States Food and Drug Administration (the “FDA”) and by similar agencies in other countries or regions in which we may market our products.

Unless an exemption applies, each medical device that we intend to market in the U.S. must first receive either “**510(k) clearance**” or “**Premarket (PMA) approval**” from the FDA pursuant to the Federal Food, Drug, and Cosmetic Act. The FDA’s 510(k) clearance process usually takes from four to 12 months, but it can last longer. The process of obtaining PMA approval is much more costly, lengthy and uncertain. It generally takes from one to three years or even longer. We cannot be sure that 510(k) clearance or PMA approval will be obtained in the future for any product we propose to market.

The FDA decides whether a device must undergo either the 510(k) clearance or PMA approval process based upon statutory criteria. These criteria include the level of risk that the agency perceives is associated with the device and a determination whether the product is similar to devices that are already legally marketed. Devices deemed to pose relatively less risk are placed in either class I or II, which requires the manufacturer to request 510(k) clearance, unless an exemption applies. The manufacturer must demonstrate that the proposed device is “substantially equivalent” in intended use, safety and effectiveness to a legally marketed “predicate device” that is either in class I, class II, or is a “pre-amendment” class III device, one that was in commercial distribution before May 28, 1976, for which the FDA has not yet called for submission of a PMA application. After a device receives 510(k) clearance, any modification to the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance or could require a PMA approval.

Devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or devices deemed not substantially equivalent to a legally marketed predicate device, are placed in class III. Such devices are required to undergo the PMA approval process in which the manufacturer must prove the safety and effectiveness of the device to the FDA’s satisfaction.

A PMA application must provide extensive preclinical and clinical trial data as well as information about the device and its components regarding, among other things, device design, manufacturing and labeling. As part of the PMA review, the FDA will inspect the manufacturer’s facilities for compliance with CGMP and QSR requirements, which include elaborate testing, control, documentation and other quality assurance procedures. During the FDA’s review, an FDA advisory committee, typically a panel of clinicians, likely will be convened to review the application and recommend to the FDA whether, or upon what conditions, the device should be approved. Although the FDA is not bound by the advisory panel decision, the panel’s recommendation is important to the FDA’s overall decision-making process. If the FDA’s evaluation of the PMA application is favorable, the FDA typically issues an “approvable letter” requiring the applicant’s agreement to comply with specific conditions or to supply specific additional data or information in order to secure final PMA approval.

Once the approvable letter conditions are satisfied, the FDA will issue a PMA order for the approved indications, which can be more limited than those originally sought by the manufacturer. The PMA order can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution. Failure to comply with the conditions of approval can result in an enforcement action, including withdrawal of the approval. The PMA process can be expensive and lengthy, and no assurance can be given that any PMA application will ever be approved for marketing. After approval of a PMA, a new PMA or PMA supplement may be required in the event of modifications to the device, its labeling or its manufacturing process.

A clinical trial may be required to support a 510(k) submission and generally is required for a PMA application. Such trials generally require an investigational device exemption application, or IDE, approved in advance by the FDA for a specified number of patients and study sites, unless the product is deemed an insignificant risk device eligible for more abbreviated IDE requirements. The IDE must be supported by appropriate data, such as animal and laboratory testing results. Clinical trials may begin if the FDA and the appropriate institutional review boards at the clinical trial sites approve the IDE. Trials must be conducted in conformance with FDA regulations and institutional review board requirements. The sponsor or the FDA may suspend these trials at any time if they are deemed to pose unacceptable health risks or if the FDA finds deficiencies in the way they are being conducted. Data from clinical trials are often subject to varying interpretations that could delay, limit or prevent FDA approval.

We will be subject to inspection and market surveillance by the FDA to determine compliance with regulatory requirements. If the FDA finds that we have failed to comply, the agency can institute a wide variety of enforcement actions, ranging from a public warning letter to more severe sanctions. The FDA also has the authority to request repair, replacement or refund of the cost of any medical device manufactured or distributed by us. Our failure to comply with applicable requirements could lead to an enforcement action that may have an adverse effect on our financial condition and results of operations.

In order for us to market our products in other countries, we must obtain regulatory approvals and comply with extensive safety and quality regulations in other countries. These regulations, including the requirements for approvals or clearance and the time required for regulatory review, vary from country to country. Failure to obtain regulatory approval in any foreign country in which we plan to market our products may harm our ability to generate revenue and harm our business.

Employees

As of the date of this prospectus the Company employs six persons, including its executive officers. The Company also relies on independent third-party consultants to perform additional services as needed. As we implement our business plan and subject to the availability of capital, additional employees will be hired in the future as our business expands.

Item 1A. Risk Factors.

See the section entitled “ **Risk Factors** ” in Post-Effective Amendment No. 1 to our Registration Statement on Form S-1 (File No. 333-216054), declared effective by the Securities and Exchange Commission (the “ **SEC** ”) on December 20, 2018.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties.

The Company currently does not own any properties but leases an office from a UCF at 3259 Progress Drive, Suite 112A, Orlando, FL 32826 under a lease expiring July 31, 2018 at a rental of \$1,948 per month. Pursuant to the Research Agreement, research and development activities are conducted at UCF’s campus.

Item 3. Legal Proceedings.

Currently there are no legal proceedings pending or threatened against us. However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in any such matter may harm our business.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Since July 9, 2018, our common stock has been quoted under the symbol AVMR on the OTC, and since September 7, 2018, on the OTCQB tier of the over-the-counter market operated by OTC Markets Group, Inc. However, the trading market for our common stock is sporadic and extremely limited. There can be no assurance that a liquid public trading market for our shares will develop or if developed, that it will be sustained. OTCQB securities are not quoted and traded on the floor of an organized national or regional stock exchange. Instead, securities transactions are conducted through a telephone and computer network connecting dealers in stocks. OTCQX and OTCQB stocks are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

Holders of our Common Stock

As of the date of this report, we had 21,122,496 shares of common stock issued and outstanding and 159 holders of record of our common stock.

Dividends

The payment by us of dividends, if any, in the future rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and financial condition, as well as other relevant factors. We have not paid any dividends since our inception and we do not intend to pay any cash dividends in the foreseeable future, but intend to retain all earnings, if any, for use in our business.

Securities Authorized for Issuance under Equity Compensation Plans

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,799,111 shares ⁽¹⁾	\$0.256	352,006 shares ⁽¹⁾
Equity compensation plans not approved by security holders	0 shares	None issued	0 shares
Total	2,799,111 shares ⁽¹⁾	\$0.256	352,006 shares ⁽¹⁾

(1) Represents shares of common stock under our 2016 Incentive Stock Plan.

Recent Sales of Unregistered Securities.

During the fourth quarter of 2018, the Company issued the following shares of our common stocks without registration under the Securities Act of 1933, as amended (the “**Securities Act**”):

- (a) 25,000 shares to Farhan Taghizadeh, our Chief Medical Officer as compensation for his services as an employee of the Company;
- (b) 19,600 shares to three non-affiliated consultants for services rendered;
- (c) 12,000 shares to a non-affiliated service provider;
- (d) 18,000 shares to patent counsel for services rendered;
- (e) 25,000 shares to a non-affiliated equipment provider for the purchase of certain equipment;
- (f) 16,000 shares to a single investor at a price of \$1.25 per share; and
- (d) 9,000 shares to A. Christian Schauer, our former Chief Financial Officer and current director in payment of accrued but unpaid salary through February 28, 2018.

All the above securities were issued pursuant to the exemptions from registration under the Securities Act afforded by Section 4(a)(2) thereof and/or Regulation D thereunder.

Item 6. Selected Financial Data.

As a “**smaller reporting company**,” as defined in Rule 12b-2 under the Exchange Act, we are not required to provide the information required by this Item.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Introduction

The financial statements appearing elsewhere in this prospectus have been prepared assuming the Company will continue as a going concern. The company was recently formed and has not established sufficient operations or revenues to sustain the company. These conditions raise substantial doubt about the company’s ability to continue as a going concern.

The following table provides selected financial data about our Company at December 31, 2018 and December 31, 2017:

Balance Sheet Data

	As of December 31, 2018 (unaudited)	As of December 31, 2017
Cash	\$ 35,716	\$ 452,572
Total Assets	\$ 145,434	\$ 509,962
Total Liabilities	\$ 449,783	\$ 408,869
Total Stockholders’ Deficit	\$ 304,349	\$ 101,093

To date, the Company has relied on debt and equity raised in private offerings to finance operations and no other source of capital has been identified or sought. If we experience a shortfall in operating capital we could be faced with having to limit our research and development and marketing activities.

Results of Operations

Year ended December 31, 2018 as compared to year ended December 31, 2017

Revenues. We had no revenues during the years ended December 31, 2018 and December 31, 2017.

Research and Development Expenses. Research and development expenses for 2018 were \$27,121, as compared to \$71,170 for 2017, primarily reflecting efforts undertaken pursuant to the Research Agreement with UCF in 2017.

General and Administrative Expenses. We incurred \$933,255 in general and administrative expenses during the year ended December 31, 2018, as compared to \$939,637 for the year ended December 31, 2017. The decrease is due to decreases in executive compensation and in stock-based compensation in 2018.

Other Expenses. We incurred a net positive of \$58 of other expenses during 2018, as compared to (\$26,916) for 2017, consisting primarily of interest expense related to our convertible notes during 2017.

Net Loss. We incurred a net loss of \$(960,322) for 2018, as compared to a net loss of \$(1,037,723) for 2017. The decrease in net loss is primarily due to decreases in general and administrative and interest expenses.

Liquidity and Capital Resources

The Company expects to require substantial funds for research and development, to continue to develop its initial proposed medical robotic system. The Company plans to meet its operating cash flow requirements by raising additional funds from the sale of our securities and, if possible on favorable terms, by entering into development partnerships to assist the Company with its technology development activities.

During the period from inception (February 4, 2015) through December 31, 2018, the Company raised (a) \$1,900 from an initial private offering of its common stock in February 2017; (b) \$480,000 from the private offering of the convertible notes completed in June 2017; (c) \$135,000 from a private offering of 135,000 shares of common stock at a price of \$1.00 per share completed in February 2017; (d) \$542,260 from a private offering of 433,808 shares of stock in a private offering at a price of \$1.25 per share completed in September 2017; and (e) \$20,000 from the private sale of 16,000 shares of our common stock at a price of \$1.25 per share in August 2018.

In March 2019, the Company sold 7.5 Units in a private offering of ten (10) units (“**Units**”), each Unit consisting of a \$10,000 principal amount six-month promissory note bearing interest at the rate of 5% per annum and a three-year warrant to purchase 5,000 shares of common stock at an exercise price of \$1.25 per share.

In addition to the foregoing, in December 2019, the Company obtained loans from Barry F. Cohen, our Chief Executive Officer, A. Christian Schauer and a non-executive shareholder, in the principal amounts of \$15,000, \$20,000 and \$15,000, respectively. The loans are due December 31, 2019 and do not bear interest, other than the loan obtained from the non-executive shareholder, which bears interest at the rate of 4% per annum, payable upon maturity. In February 2019, Mr. Cohen made an additional one-year interest free loan to the Company in the principal amount of \$17,500.

While we have been successful in raising funds to fund our operations since inception and we believe that we will be successful in obtaining the necessary financing to fund our operations going forward, we do not have any committed sources of funding and there are no assurances that we will be able to secure additional funding. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern; however, if the efforts noted above are not successful, it would raise substantial doubt about the Company’s ability to continue as a going concern. If we cannot obtain financing, then we may be forced to further curtail our operations or consider other strategic alternatives. Even if we are successful in raising the additional financing, there is no assurance regarding the terms of any additional investment and any such investment or other strategic alternative would likely substantially dilute our current shareholders.

Critical Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included deferred revenue, costs incurred related to deferred revenue, the useful lives of property and equipment and the useful lives of intangible assets.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, Accounting for Income Taxes, as clarified by ASC 740-10, Accounting for Uncertainty in Income Taxes. Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which the Company operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the “more likely than not” criteria of ASC 740.

ASC 740-10 requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the “more-likely-than-not” threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements and Supplementary Data.

See the Index to the Financial Statements beginning on page F-1 below.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

(a) **Disclosure Controls and Procedures**

Management’s Report on Disclosure Controls and Procedures

Our Chief Executive Officer (who is both our principal executive officer and our principal financial and accounting officer) conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “**Exchange Act**”), as amended, as of December 31, 2018, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms adopted by the SEC, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer (our principal executive, financial and accounting officer), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2018, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified in the “**Risk Factors**” section of Post-Effective Amendment No. 1 to our Registration Statement on Form S-1 (File No. 333-216054).

Our Chief Executive Officer (our principal executive, financial and accounting officer) does not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive officer has determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(c) **Remediation of Material Weaknesses**

To remediate the material weakness in our documentation, evaluation and testing of internal controls we plan to engage a third-party firm to assist us in remedying this material weakness once resources become available.

We also intend to remedy our material weakness with regard to insufficient segregation of duties by hiring additional employees in order to segregate duties in a manner that establishes effective internal controls once resources become available.

(d) **Changes in Internal Controls Over Financial Reporting**

There were no changes in our internal controls over financial reporting that occurred during the last fiscal quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our directors and executive officers and their respective ages and titles are as follows:

<u>Name</u>	<u>Age</u>	<u>Position(s) and Office(s) Held</u>
Barry F. Cohen	77	Chief Executive Officer. Acting Chief Financial Officer and Director
Dr. Ray Powers	68	Chief Operating Officer
Farhan Taghizadeh, M.D.	46	Chief Medical Officer
Nikhil Shah, D.O.	47	Chief Strategy Officer
Nicole Bergman-Fong	56	Corporate Counsel
A. Christian Schauer	75	Director
Peter Carnegie	48	Director

Set forth below is a brief description of the background and business experience of our directors and executive officers.

Barry F. Cohen founded the Company and has served as its Chief Executive Officer and a director since February 4, 2015 and as Acting Chief Financial Officer since March 1, 2018. Between 2006 and 2008, Mr. Cohen was a private investor and founded AVRA Surgical, Inc., a medical technology company. Prior to founding AVRA, Mr. Cohen was a director of Dualis Med-Tech from 2012 to 2014 and has been a director of AvraMiro since 2009 and Avra Surgical Robotics, Inc. since 2011, which companies are currently inactive. From approximately 1979 to 1983 he served as director of Synalloy Corp., a manufacturer of pipe, piping systems and specialty chemicals after which he was appointed to serve as President from 1984 to 1985. Mr. Cohen also served as Chairman of the Executive Board of Wolverine Technologies, Inc., a NYSE listed company from 1979 to 1983 and President of Barry F. Cohen & Co., an NASD member from 1983 to 1999. Mr. Cohen has over 50 years' experience in managing private and public industrial companies, and 47 years' experience as a securities executive. This significant experience qualifies Mr. Cohen to serve as a director.

Dr. Ray Powers, who became our Chief Operating Officer on August 1, 2016, was an executive within the Bell System for 30 years prior to moving on to C-level positions in the technology sector serving in both private and public companies. He has served as Director of Standards for the Project Management Institute, and on their Board of Directors as well as on several non-profit boards. During the last 5 years, he has been a full-time professor and administrator in higher education. In December 2015, Dr. Powers and his spouse filed a petition for bankruptcy protection under Chapter 11 of the Bankruptcy Code. Their plan of reorganization was confirmed and the bankruptcy was discharged in December 2016. Dr. Powers holds a professional project manager credential (PMP); a bachelor of science degree in business from Arizona State University; a master of arts degree in education; a master of arts degree in business (MBA); and a doctorate degree in leadership (EdD).

Farhan Taghizadeh, M.D., 45, became our Chief Medical Officer on September 15, 2017, after serving as a member of our Medical Advisory Board since October 1, 2016. Dr. Taghizadeh received his undergraduate degree from Yale University and attended medical school at Penn State University. He completed his residency at the University of Rochester in Rochester, New York and his post-residency fellowship at the University of Bern, Switzerland. Dr. Taghizadeh has authored numerous publications and received many honors. He is certified by the American Board of Otolaryngology-Head and Neck Surgery. Dr. Taghizadeh is an expert in facial rejuvenation, having performed over 3,000 face lifts and thousands of laser procedures. He has authored numerous publications, spoken at many national meetings, and has been involved as a consultant and luminary with various companies in the facial aesthetic arena. Dr. Taghizadeh holds various patents in the field of personalized skincare and automated aesthetic devices. He completed the FDA studies for the Vivace, an advanced RF Microneedling technology, and in 2015, founded Aesthetics Biomedical, a thought leader in the innovation of treatment serums, masks, numbing cream and recovery agents to optimize the results of the treatments they design. In 2014, Dr. Taghizadeh co-founded Omni Biocetical Innovations, an innovative skin treatment and care solutions company, which was a presenter at MEIDAM in 2017. Dr. Taghizadeh also founded Amnioaesthetics, a company launched in 2016, which is dedicated to advancing amniotic products in the space of regenerative skin and hair care. He has also served as the Chief Medical Director of Arizona Facial Plastics since 2016. Dr. Taghizadeh's interest in robotics stems from his 2013 publication outlining the steps to use robots to conduct facial cosmetic procedures. His recent research focuses on advancing various laser applications, robotics and personalized skincare solutions.

Nikhil L. Shah, D.O., served as a director of the Company from October 1, 2016 to March 1, 2018, when he stepped down from such position and became the Chief Strategy Officer of the Company. Dr. Shah is one of the top global leaders in robotic surgery and is currently the Chief of Minimal Access & Robotic Surgery at Piedmont Healthcare in Atlanta, GA. He previously served as the Director of Urology & Urologic Oncology at Piedmont Atlanta Hospital from 2012 to 2016. He holds an Associate Professor (adjunct) at the Georgia Institute of Technology in the College of Computing – Robotics & Intelligent Machines. Prior positions also include the Section Chief of Urology, Department of Surgery, Saint Joseph's Hospital of Atlanta, and the Director of Robotic Surgery, Saint Joseph's Hospital of Atlanta. Dr. Shah is Founder and Board Member of the Men's Health & Wellness Center in Atlanta. This is a 501-3c non-profit that works to educate Men on screening and prevention for all health issues affecting the aging male as well as awareness of cancer conditions affecting Men and their Partners. Dr. Shah has a Masters in Health Management and Health Policy from the University of Michigan. Given his experience, he has been an invited speaker and advisor for organizations in the financial arena, academia and medical device industry.

Nicole Bergman-Fong, who became our Corporate Counsel on October 1, 2016, has been advising and supporting the development of a number of start-up businesses and small businesses in New York and across the globe since 2005. She previously was a finance partner in the law firm of Mayer Brown for 10 years. From 1984 through 1991 Ms. Bergman-Fong was a finance associate at Cravath, Swaine & Moore in the M&A to Structured Finance Area. She attended Brown University and she was a Harlan Fiske Stone Scholar at Columbia Law School where she graduated with honors. She is a member of the New York Bar.

A. Christian Schauer served as the Company's Chief Financial Officer from August 1, 2016 to March 1, 2018, when he stepped down from such position to become a director of the Company. Since 2003, he has been serving as Chairman, President and Chief Executive Officer of PharmOptima LLC, a pre-clinical contract research company based in Portage, Michigan. Mr. Schauer only devotes a small portion of his working time to such positions. Mr. Schauer also served as Chief Financial Officer of Avra Surgical Robotics, Inc. from February 2013 to April 2014. From 1999 until it was acquired by Eimo of Finland in 2001, Mr. Schauer served as Chief Executive Officer of Triple S. Plastics. For 25 years prior thereto, he served in various senior management positions with Clausing Corporation, including as Chairman and Chief Executive Officer from 1984 until 1999. Before joining Clausing Corporation, Mr. Schauer was with Ernst & Ernst (now Ernst & Young) for approximately a decade. A certified public accountant, he holds a B.B.A. in accounting from Western Michigan University. Mr. Schauer has served as an executive and non-executive director for several companies, including First of America Bank, Durametall Corporation, Triple S Plastics, Harter Corporation, The 600 Group Plc. (London), and Z Seven Fund. Mr. Schauer currently serves as a non-executive director for Griffith Foods, Inc., and as a Trustee of the Boards at Kalamazoo Valley Community College and Hope Network. This significant experience qualifies Mr. Schauer to serve as a director.

Peter Carnegie, who became a director on August 15, 2016, is a leader in developing successful robotic surgery programs in storied institutions like the Cleveland Clinic, the University of Alabama, Birmingham, the University of Pittsburgh Medical Center and West Virginia University Hospitals. He also is an expert in developing robotic and medical device training programs, surgeon training programs, nurse training programs, and clinical and sales training programs. Since 2011, Mr. Carnegie has been the CEO of Minimally Invasive Solutions Consulting (MIS), a robotic surgery consulting firm, where he developed successful robotic programs with such clients as the University of Alabama, Birmingham; the University of Pittsburgh Medical Center Presbyterian in Pittsburgh, PA; East Alabama Medical Center in Opelika, AL; Bon Secours St. Mary's Hospital in Richmond, VA; Bay Medical Center in Panama City, Florida; SSM DePaul in St. Louis, MO; Christiana Care Hospital in Wilmington, DE; the University of Virginia Medical Center in Charlottesville, AV and Jack Ruby Memorial Hospital which is a part of West Virginia University Hospitals. He also developed clinical and sales mastery training programs for Mazor Robotics and ImaCor Monitoring. Prior to becoming the CEO of MIS, he was its Chief Operating Officer. Before, MIS, he worked at Intuitive Surgical, Inc. as U.S. Program Development Manager for Cardiothoracic, Head & Neck Surgery. Prior to working for Intuitive, he was at Ethicon Endo-Surgery of Johnson & Johnson. He has headed programs in robotic training, including the Symposium on Science, Technology and Advanced Robotics in partnership with the Links Inc. Professional Opportunities Program for Students of the University of Central Florida, the University of South Florida, and Valencia College. He is a decorated war veteran and recipient of the Douglas McArthur Leadership Award and holds a BS degree in engineering from West Point. This significant experience qualifies Mr. Carnegie to serve as a director.

Terms of Office

Our directors are appointed for a one-year term to hold office until the next annual meeting of our shareholders and until a successor is appointed and qualified, or until their removal, resignation, or death. Executive officers serve at the pleasure of the board of directors.

Director Independence

At present, we believe that our two non-employee directors (Messrs. Schauer and Carnegie) are “ **independent** ” as defined under Rule 10A-3(b)(1) under the Exchange Act.

Board Committees

Our board of directors does not currently have an audit committee, a compensation committee, or a corporate governance committee. We plan to establish such committees in the near future, all the members of which will be “ **independent** ” directors.

Code of Ethics

We have we adopted a Code of Ethics that applies to employees, including our principal executive officer, principal financial officer, or persons performing similar functions.

Board of Directors Role in Risk Oversight

Members of the board of directors have periodic meetings with management and the Company's independent auditors to perform risk oversight with respect to the Company's internal control processes. The Company believes that the board's role in risk oversight does not materially affect the leadership structure of the Company .

Medical Advisory Board

The Company has also established a medical advisory board, whose members meet periodically in person or by telephone with management and/or the board of directors to advise on scientific, product development and marketing matters. The current members of the medical advisory board are:

- Dr. Juan Jose Badimon, PhD
- Dr. Heywood Y. Epstein
- Dr. Yuman Fong

- Dr. Hiep T. Nguyen
- Dr. Vipul Patel

Dr. Juan Jose Badimon, Ph.D. , is a Professor of Medicine and Director of the Atherothrombosis Research Unit at the Cardiovascular Institute, Mount Sinai School of Medicine, New York. He graduated by the University of Barcelona in 1982. His academic appointments include Mayo Clinic, Massachusetts General Hospital, Harvard University, Boston (and Mount Sinai School of Medicine, New York. His major research interests are focused on pathogenesis and treatment of atherothrombosis and cardiovascular diseases. Dr. Badimon has published more than 370 peer-reviewed articles in athero-thrombosis, imaging and cardiovascular diseases. He serves as reviewer for 10 of the top journals in cardiovascular diseases.

Dr. Heywood Y. Epstein was Chief Resident in Radiation Therapy at Montefiore Hospital in the Bronx NY, Assistant Professor of Radiology at Columbia P&S, NYU, Mt. Sinai in NY, and Stoney Brook NY. While in the US Public Health Service he was both Director of Staten Island Radiology Residency Program, Director of their Radiology Technologist Training Program, and USPHS radiation safety officer for the Northeast United States. Dr. Epstein helped establish NYU's first ultrasound section in their Radiology Department and has coauthored 25 articles for juried journals. Dr. Epstein has performed approximately 10,000 angiograms and interventional radiographic procedures, in addition to another 10,000 breast biopsies guided by ultrasound, and stereotactically.

Dr. Yuman Fong is an internationally recognized expert in cancer and is a sought-after consultant on a wide range of medical robotic research. Dr. Fong is currently Chair of the Department of Surgery for City of Hope and was at the renowned Memorial Sloan-Kettering Cancer Center in New York City for the prior two decades. Dr. Fong is also both author and innovator: he has developed many new surgical techniques and instruments and written and edited hundreds of scholarly articles as well as nearly a dozen textbooks.

Dr. Hiep Nguyen is a world-renowned Pediatric Urologist specializing in robotic and minimally invasive surgery, ureter pelvic junction (UPJ) obstruction, vesicoureteral reflux and reconstructive surgery. Dr. Nguyen was Director of the Robotic Surgery, Research and Training Center Rose Zimmerman Mandell, Chair in Innovative Urological Technology; Associate Professor (Surgery), Harvard Medical School, and Boston Children's Hospital. He is currently at the Carson Children's Medical Center in Mesa, Arizona.

Dr. Vipul Patel is Medical Director of the Global Robotics Institute at Florida Hospital. Founder of the Society of Robotic Surgery, Dr. Patel has personally performed the most robotic surgeries in the world, 10,000+ robotic prostatectomies. He is also a Professor at the University of Central Florida College of Medicine.

Members of the medical advisory board are compensated through the grant of a stock option awards under our 2016 Incentive Stock Plan. Current members each received a five-year option to purchase 36,000 shares at an exercise price of \$0.15 per share, 6,000 shares of which vest upon grant and the balance of which vest in twelve quarterly installments of 2,500 shares each, subject to continued service.

Item 11. Executive Compensation.

Summary Compensation Table

The table below summarizes all compensation awarded to, earned by, or paid to our Chief Executive Officer and our other executive officers for the years ended December 31, 2018, December 31, 2017 and December 31, 2016.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (#)	Option Awards (#)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Barry F. Cohen, Chairman and Chief Executive Officer ⁽¹⁾										
	2018	180,000	0	0	0	0	0	0	6,000	186,000
	2017	150,000	0	0	0	0	0	0	6,000	156,000
	2016	63,000	0	0	1,000,000	88,026	0	0	0	151,026
Ray Powers, Chief Operating Officer ⁽²⁾										
	2018	0	0	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0	0	0
	2016	0	0	0	75,000	6,602	0	0	0	6,602
Farhan Taghizadeh, M.D., Chief Medical Officer ⁽³⁾										
	2018	0	0	60,000	0	0	0	0	0	0
	2017	0	0	36,000	0	0	0	0	0	43,750
Nicole Bergman-Fong, Corporate Counsel ⁽⁴⁾										
	2018	0	0	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0	0	0
	2016	0	0	0	60,000	7,922	0	0	0	7,922
Nikhil Shah, M.D., Chief Strategy Officer ⁽⁵⁾										
	2018	0	0	300,000	250,000	0	0	0	0	0

⁽¹⁾ Mr. Cohen was granted an option for 1,000,000 shares on August 15, 2016, all vested immediately. Pursuant to a conversion agreement with the Company, \$39,000 in accrued but unpaid salary due Mr. Cohen at December 31, 2017 was converted into 19,500 shares of our common stock. [

⁽²⁾ Dr. Powers was granted an option for 75,000 shares on August 15, 2016 vesting in equal monthly installments over 36 months.

⁽³⁾ Dr. Taghizadeh became the Company's Chief Medical Officer on September 15, 2017, at which time he was awarded a grant of 20,000 shares of common stock under AVRA's 2016 Incentive Stock Plan and a grant of 5,000 shares under the Company's 2016 Incentive Stock Plan for each subsequent month in which he serves in such capacity.

⁽⁴⁾ Ms. Bergman-Fong was granted an option for 60,000 shares on October 1, 2016, with 15,000 shares vesting immediately and the balance vesting in equal monthly installments over 36 months.

⁽⁵⁾ Dr. Shah became the Company's Officer on March 1, 2018, at which time he was awarded a stock grant of 300,000 shares, with 60,000 of those shares vesting on each yearly anniversary of his employment date, as long as he remains employed by the Company. On May 1, 2018, Dr. Shah was awarded an option for 250,000 shares of common stock under AVRA's 2016 Incentive Stock Plan vesting in equal monthly installments over 36 months.

Employment Agreements

The Company is party to an employment agreement with Barry F. Cohen, its Chief Executive Officer. Mr. Cohen's employment agreement is for a term of four years expiring June 30, 2020, provides for a base salary currently set at \$15,000 per month. The employment agreement also provides for reimbursement of other reasonable business expenses incurred by Mr. Cohen in the performance of his duties and contains confidentiality and non-competition provisions.

Outstanding Equity Awards at Fiscal Year-End Table

The table below summarizes all unexercised options, stock that has not vested, and equity incentive plan awards for each of our executive officers outstanding as of December 31, 2018, the end of our last completed fiscal year.

	Number of Securities	Number of Securities				Market value of shares of stock that have not vested*
	Underlying Unexercised Options Exercisable	Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares that have not vested	
Barry F. Cohen	1,000,000	1,000,000	\$ 0.10	08/15/2021	0	0
Dr. Ray Powers	58,333	75,000	\$ 0.10	08/15/2021	16,667	0
Farhan Taghizadeh, M.D.)	28,500	36,000	\$ 0.15	10/01/2021	7,500	0
Nikhil L. Shah, D.O.	55,556	250,000	\$ 1.25	05/01/20123	194,444	0
Nicole Bergman-Fong	45,000	60,000	\$ 0.15	10/01/2021	15,000	0
A. Christian Schauer	140,000	70,000	\$ 0.10	08/15/2021	70,000	0
Peter Carnegie	38,333	45,000	\$ 0.10	08/15/2021	6,667	0

*Volume weighted average exercise/fair value price per share for all options awarded is \$0.256

Compensation of Directors Table

The table below summarizes all compensation paid to our directors for the year ended December 31, 2018, our last completed fiscal year.

Name	DIRECTOR COMPENSATION							Total (\$)
	Fees Earned or paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Non-Qualified	
Barry F. Cohen	0	0	0	0	0	0	0	0
A. Christian Schauer	0	0	0	0	0	0	0	0
Peter Carnegie	0	0	0	0	0	0	0	0

Narrative Disclosure to the Director Compensation Table

Non-employee directors are currently compensated with a grant of options under the 2016 Incentive Stock Plan, in the discretion of the board of directors. Non-employee directors are also reimbursed for travel and lodging expenses in connection with their attendance at in-person meetings of the board. When the Company is sufficiently capitalized, the Company may institute payment of cash directors' fees to its non-employee directors in amounts to be determined at that time.

2016 Incentive Stock Plan

Our 2016 Incentive Stock Plan provides for equity incentives to be granted to our employees, executive officers or directors or to key advisers or consultants. Equity incentives may be in the form of stock options with an exercise price not less than the fair market value of the underlying shares as determined pursuant to the 2016 Incentive Stock Plan, restricted stock awards, other stock-based awards, or any combination of the foregoing. The 2016 Incentive Stock Plan is administered by the compensation committee, or alternatively, if there is no compensation committee, the board of directors. 3,000,000 shares of our common stock were originally reserved for issuance pursuant to the exercise of awards under the 2016 Incentive Stock Plan. The number of shares so reserved automatically adjusts upward on January 1 of each year, so that the number of shares covered by the 2016 Incentive Stock Plan is equal to 15% of our issued and outstanding common stock, or 3,115,117 shares as of January 1, 2019. As of the date of this report, the Company has granted options to purchase 2,186,750 shares under the 2016 Incentive Stock Plan, exercisable at prices ranging from of \$0.10 to \$1.25 per share and 368,256 shares in stock grants.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth, as of the date of this report, the beneficial ownership of our common stock by each director and executive officer, by each person known by us to beneficially own 5% or more of our common stock and by directors and executive officers as a group. Unless otherwise stated, the address of the persons set forth in the table is c/o the Company, 3259 Progress Drive, Suite 112A, Orlando, FL 32826.

Names and addresses of beneficial owners	Number of shares of common stock*	Percentage of class (%)*
Barry F. Cohen ⁽¹⁾	11,295,538	51.5
Avra Acquisitions, LLC	3,672,700	17.4
Dr. Ray Powers	88,750	**
Nikhil L. Shah, D. O.	252,639	1.20
Farhan Tagzihadeh, M.D.	172,667	**
Nicole Bergman-Fong	78,333	**
A. Christian Schauer	550,000	2.63
Peter Carnegie	242,500	1.15
All directors and executive officers as a group (seven persons)	12,680,427	57.3

* Includes shares issuable upon the exercise of options within sixty (60) days of the date of this prospectus.

* Less than 1%.

⁽¹⁾ Includes 7,622,838 shares owned by Mr. Cohen directly of which 100,000,000 are shares issuable upon the exercise of stock options, and 3,672,700 shares held by Avra Acquisitions, LLC of which Mr. Cohen is managing member and over which shares Mr. Cohen exercises voting and dispositive control.

The persons named above have full voting and investment power with respect to the shares indicated. Under the rules of the SEC, a person (or group of persons) is deemed to be a “beneficial owner” of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security.

Securities Authorized for Issuance under Equity Compensation Plans

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,799,111 shares ⁽¹⁾	\$0.256	352,006 shares ⁽¹⁾
Equity compensation plans not approved by security holders	0 shares	None issued	0 shares
Total	2,799,111 shares ⁽¹⁾	\$0.256	352,006 shares ⁽¹⁾

⁽¹⁾ Represents shares of common stock under our 2016 Incentive Stock Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related Party Transactions

During 2017, the Company entered into conversion agreements with its Barry F. Cohen, its Chief Executive Officer and A. Christian Schauer, its former Chief Financial Officer and current director, whereby each agreed to convert the amounts owing to them during 2017 as compensation into common stock of the Company at a price of \$2.00 per share. Such conversions resulted in 19,500 and 13,500 shares being issued to Messrs. Cohen and Schauer respectively. In addition, compensation due Mr. Schauer for the period from January 1, 2018 until his resignation as an executive officer on February 28, 2018, was converted into 9,000 shares of our common stock during 2018.

In December 2019, the Company obtained loans from Barry F. Cohen, our Chief Executive Officer, A. Christian Schauer and a non-executive shareholder, in the principal amounts of \$15,000, \$20,000 and \$15,000, respectively. The loans are due December 31, 2019 and do not bear interest, other than the loan obtained from the non-executive shareholder, which bears interest at the rate of 4% per annum, payable upon maturity. In February 2019, Mr. Cohen made an additional one-year interest free loan to the Company in the principal amount of \$17,500.

Review, Approval and Ratification of Related Party Transactions

Given our small size and limited financial resources, we had not adopted formal policies and procedures for the review, approval or ratification of transactions with our executive officers, directors and significant shareholders. However, we intend that such transactions will, on a going-forward basis, be subject to the review, approval or ratification of our board of directors, or an appropriate committee thereof.

Item 14. Principal Accounting Fees and Services.

De Leon & Company, P. A. (“**De Leon**”) is our current independent registered public accounting firm.

Audit Fees

Aggregate audit fees billed by De Leon for the years ended December 31, 2018 and December 31, 2017 were \$27,500 and \$37,000, respectively.

Audit-Related Fees

There were no audit-related fees billed by De Leon for the years ended December 31, 2018 and December 31, 2017.

Tax Fees

There were no tax fees billed by De Leon for the years ended December 31, 2018 and 2017.

Pre-Approval Policy

We do not currently have a standing audit committee. Provision of the above services was approved by our board of directors.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

- (1) **Financial Statements** . The following financial statements and the report of our independent registered public accounting firm, are filed as “ **Item 8. Financial Statements and Supplementary Data** ” of this report:

Report of Independent Registered Public Accounting Firm

Balance Sheets at December 31, 2018 and December 31, 2017

Statements of Operations for the Years Ended December 31, 2018 and December 31, 2017

Statements of Cash Flows for the Years Ended December 31, 2018 and December 31, 2017

Statements of Shareholders’ Deficit for the Years Ended December 31, 2018 and December 31, 2017

Notes to Financial Statements

- (2) **Financial Statement Schedules**.

Financial Statement Schedules are omitted because the information required is not applicable or the required information is shown in the financial statements or notes thereto.

- (3) **Exhibits**.

Exhibit Number	Description
3.1(i)	Amended and Restated Articles of Incorporation ⁽¹⁾
3.2	By-Laws ⁽¹⁾
10.1	2016 Incentive Stock Plan ^{(1)*}
10.2	Research Agreement with the University of Central Florida ⁽¹⁾
10.3	Employment Agreement with Barry F. Cohen ^{(1)*}
10.6	Form of Director Appointment Agreement ⁽¹⁾
10.7	Code of Ethical Conduct ⁽¹⁾
10.8	Form of Indemnification Agreement ^{(1)*}
10.10	Conversion Agreement between the Company and Barry F. Cohen ⁽²⁾
10.11	Conversion Agreement between the Company and A. Christian Schauer ⁽²⁾
31.1	Section 302 Certification by Chief Executive Officer and Acting Chief Financial Officer ⁽³⁾
32.1	Section 906 Certification by Chief Executive Officer and Acting Chief Financial Officer ⁽³⁾

(1) Filed as an exhibit of the same number to the registrant’s Registration Statement on Form S-1 (File No. 333-216054) and incorporated herein by reference.

(2) Filed as An Exhibit of the same number to the registrant’s Current Report on Form 8-K dated March 16, 2018 and incorporated herein by reference.

(3) Filed herewith.

* Management compensation plan or arrangement.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVRA MEDICAL ROBOTICS, INC.

Dated: April 16, 2019

By: /s/ Barry F. Cohen

Barry F. Cohen, Chief Executive Officer and Acting Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title(s)</u>	<u>Date</u>
<u>/s/ Barry F. Cohen</u> Barry F. Cohen	Chief Executive Officer, Acting Chief Financial Officer and Director (Principal Executive, Financial and Accounting Officer)	April 16, 2019
<u>/s/ Peter Carnegie</u> Peter Carnegie	Director	April 16, 2019
<u>/s/ A. Christian Schauer</u> A. Christian Schauer	Director	April 16, 2019

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Avra Medical Robotics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Avra Medical Robotics, Inc. (the “Company”) as of December 31, 2018 and 2017 and the related statements of operations, shareholders’ equity and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company’s ability to raise additional capital through debt and/or equity financing to fund its operating costs is unknown, which raises substantial doubt about its ability to continue as a going concern. Management’s plan in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

DE LEON & COMPANY, P.A.

We have served as the Company’s auditor since 2016.

Pembroke Pines, Florida
April 10, 2019

AVRA MEDICAL ROBOTICS, INC.
BALANCE SHEETS
AS OF DECEMBER 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 35,716	\$ 452,572
Other prepaid expenses and deposit	5,830	10,457
Total current assets	41,546	463,029
EQUIPMENT:		
Accumulated depreciation	44,592	4,174
Total equipment	(9,252)	(789)
	35,340	3,385
OTHER ASSETS:		
Intellectual Property	43,548	43,548
Website	36,000	—
Accumulated depreciation	(11,000)	—
Total other assets	68,548	43,548
TOTAL ASSETS	\$ 145,434	\$ 509,962
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	\$ 10,020	\$ 6,073
Accrued expenses	328,450	118,046
Stock liability	81,313	284,750
Due to majority shareholder	15,000	—
Promissory notes	15,000	—
Total current liabilities	449,783	408,869
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred Stock, 5,000,000 shares authorized, \$.0001 par value, No shares issued and outstanding December 31, 2018 and 2017, respectively	—	—
Common Stock, 100,000,000 shares authorized, \$.0001 par value, 21,007,446 and 20,644,746 shares issued and outstanding December 31, 2018 and 2017, respectively	2,101	2,064
Additional Paid in Capital	2,176,643	1,621,800
Common Shares to be issued	—	—
Accumulated Deficit	(2,483,093)	(1,522,771)
Total stockholders' equity (deficit)	(304,349)	101,093
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 145,434	\$ 509,962

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

**AVRA MEDICAL ROBOTICS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,**

	2018	2017
Revenue	\$ —	\$ —
OPERATING EXPENSES		
Research and Development	27,125	71,170
General and Administrative	933,255	939,637
Total operating expenses	960,380	1,010,807
OTHER INCOME AND (EXPENSES)		
Interest Earned	58	84
Interest Expense	—	(27,000)
Total other income and (expenses)	58	(26,916)
Loss before income tax taxes	(960,322)	(1,037,723)
Income tax provision	—	—
NET LOSS	\$ (960,322)	\$ (1,037,723)
Loss per common share - basic and diluted	(0.05)	(0.05)
Weighted average common shares outstanding - basic and diluted	20,863,980	19,538,325

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

AVRA MEDICAL ROBOTICS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2018</u>	<u>2017</u>
CASH FLOWS OPERATING ACTIVITIES:		
Net loss	\$ (960,322)	\$ (1,037,723)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	19,463	789
Stock compensation expense	187,068	265,901
Changes in operating assets and liabilities:		
Other prepaid expenses and deposit	4,627	(9,991)
Accounts payable and accrued expenses	509,313	49,418
Stock liabilities payable	(203,437)	284,750
NET CASH USED IN OPERATING ACTIVITIES	<u>(443,288)</u>	<u>(446,856)</u>
INVESTING ACTIVITIES:		
Website costs	(14,400)	—
Equipment acquisition	(9,168)	(4,174)
NET CASH USED IN INVESTING ACTIVITIES	<u>(23,568)</u>	<u>(4,174)</u>
FINANCING ACTIVITIES:		
Increase (repayment) of shareholder loans	15,000	(21,877)
Increase in promissory notes	15,000	—
Sale of common stock for cash	20,000	677,260
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>50,000</u>	<u>655,383</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(416,856)	204,353
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>452,572</u>	<u>248,219</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 35,716</u>	<u>\$ 452,572</u>
Supplemental information of non-cash investing and financing activities:		
Cash paid for interest	\$ —	\$ —
Cash paid for income taxes	\$ —	\$ —
Noncash financing activities:		
Related party accrued expenses converted into common stock	\$ 39,000	\$ 315,187
Related party note payable converted into common stock	\$ —	\$ 480,000
Stock issued for website	\$ 21,600	\$ —
Stock issued for equipment	\$ 31,250	\$ —
Stock issued for services	\$ 367,025	\$ —

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

AVRA MEDICAL ROBOTICS, INC.
STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Common Stock		Subscriptions	Additional	Accumulated	Total
	Number	Amount	Receivable	Paid-In Capital	Deficit	Shareholders' Equity (Deficit)
BALANCE AT DECEMBER 31, 2016	19,000,000	\$ 1,900	\$ —	\$ 128,088	\$ (485,048)	\$ (355,060)
Stock based compensation expense	—	—	—	21,429	—	21,429
Sale of stock	568,808	57	—	677,203	—	677,260
Conversion of note payable	960,000	96	—	479,904	—	480,000
Related party accrued expenses converted to common stock	115,938	11	—	267,587	—	267,598
Accrued interest converted into stock warrants	—	—	—	47,589	—	47,589
Net loss					(1,037,723)	(1,037,723)
BALANCE AT DECEMBER 31, 2017	20,644,746	\$ 2,064	\$ —	\$ 1,621,800	\$ (1,522,771)	\$ 101,093
Stock based compensation expense	—	—	—	76,005	—	76,005
Sale of stock	16,000	2	—	19,998	—	20,000
Stock issued for services	327,200	33	—	419,842	—	419,875
Related party accrued expenses converted to common stock	19,500	2	—	38,998	—	39,000
Net loss					(960,322)	(960,322)
BALANCE AT DECEMBER 31, 2018	<u>21,007,446</u>	<u>\$ 2,101</u>	<u>\$ —</u>	<u>\$ 2,176,643</u>	<u>\$ (2,483,093)</u>	<u>\$ (304,349)</u>

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

AVRA MEDICAL ROBOTICS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL STATEMENTS

AVRA Medical Robotics, Inc. (the “Company” or “AVRA”) was incorporated as AVRA Surgical Microsystems, Inc. in the State of Florida on February 4, 2015. Effective November 5, 2015, the Company’s corporate name was changed to AVRA Medical Robotics, Inc. The Company was established to develop advanced medical surgical devices. The Company is structured to invest in four principal areas – surgical robotic systems, surgical tools, implantable devices and surgical robotic training.

The accompanying financial statements are prepared on the basis of accounting principles generally accepted in the United States of America (“GAAP”). The Company is a development-stage enterprise devoting substantial efforts to establishing a new business, financial planning, raising capital, and research into products which may become part of the Company’s product portfolio. The Company has not realized sales through December 31, 2018. A development stage company is defined as one in which all efforts are devoted substantially to establishing a new business and, even if planned principal operations have commenced, revenues are insignificant.

The accompanying financial statements have been prepared assuming the continuation of the Company as a going concern. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and is dependent on debt and equity financing to fund its operations. Management of the Company is making efforts to raise additional funding until a registration statement relating to an equity funding facility is in effect. While management of the Company believes that it will be successful in its capital formation and planned operating activities, there can be no assurance that the Company will be able to raise additional equity capital, or be successful in the development and commercialization of the products it develops or initiates collaboration agreements thereon. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Stock Compensation Expense

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with Accounting Standards Codification (“ASC”) Topic 505, “Equity.” Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by ASC Topic 505.

Income Taxes

The Company accounts for income taxes pursuant to ASC Topic 740 “*Income Taxes*.” Under ASC Topic 740, deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences. A valuation allowance is recorded when it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company applies the provisions of ASC Topic 740-10-05 “*Accounting for Uncertainty in Income Taxes*.” The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses. The Company regularly evaluates estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates made by management.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company maintains its principal cash balance in a financial institution. These balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2018 and 2017, \$0 were in excess of the FDIC insured limit, respectively.

Basic and Diluted Loss per Share

In accordance with ASC Topic 260 “*Earnings Per Share*,” basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted loss per common share gives effect to dilutive convertible securities, options, warrants and other potential common stock outstanding during the period, only in periods in which such effect is dilutive. The Company only has stock options and convertible promissory notes that may be converted to outstanding potential common shares.

Revenue Recognition

Effective January 1, 2018, the Company adopted guidance issued by the FASB regarding recognizing revenue from contracts with customers. The revenue recognition policies as enumerated below reflect the Company's accounting policies effective January 1, 2018, which did not have a materially different financial statement result than what the results would have been under the previous accounting policies for revenue recognition.

Research and Development Costs

In accordance with ASC Topic 730 "Research and Development", with the exception of intellectual property that is purchased from another enterprise and have alternative future use, research and development expenses are charged to operations as incurred. The Company purchased existing Intellectual Property from the University of Central Florida. Management regularly assesses the carrying value of the intellectual property to determine if there has been any diminution of value.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method at rates determined to estimate the useful lives of the assets. The annual rates used in calculating depreciation is as follows:

Equipment -5 years straight-line

Website

Website is recorded at cost and amortized using the straight-line method over its estimated life of 3 years.

Long-lived Assets

In accordance with ASC 360, "*Property Plant and Equipment*", the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to : significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset and current expectation that the asset will more than likely not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the discounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain circumstances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Fair Value of Financial Instruments

Our financial instruments consist principally of accounts receivable, amounts due to related parties and promissory notes payable.

ASC 820 *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments* establish a framework for measuring fair value, establishes a fair value hierarchy based on the quality of the inputs used to measure fair value, and enhances disclosure requirements for fair value measurements.

Fair Value Hierarchy

The Company has categorized its financial statements, based on the priority of inputs to the valuation technique, into a three-tier fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest level priority to unobservable inputs (Level 3).

Financial assets and liabilities recorded on the balance sheet are categorized based on inputs to the valuation techniques as follows:

- Level 1* Financial assets and liabilities for which values are based on unadjusted quoted prices for identical assets or liabilities in an active market that management has the ability to access.
- Level 2* Financial assets and liabilities for which values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (commodity derivatives and interest rate swaps).
- Level 3* Financial assets and liabilities for which values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying amounts of cash and cash equivalents and promissory notes approximate fair value because of the short-term nature of these items.

NOTE 3 - RECENT ACCOUNTING PRONOUNCEMENTS

Improvements to Employee Share-Based Payment Accounting

In March 2016, the Financial Accounting Standards Board (“FASB”) issued an accounting standard update that amends several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification within the statement of cash flows, and accounting for forfeitures. The amendments in this accounting standard update were effective for periods beginning after December 15, 2016. The provisions of this accounting standard update did not have an impact on our financial statements.

Simplifying the Goodwill Impairment Test

In January 2017, the FASB issued an accounting standard update that simplifies the subsequent measurement of goodwill by eliminating the second step of the goodwill impairment test. Under the new standard, goodwill impairment should be recognized based on the amount by which the carrying amount of a reporting unit exceeds its fair value, but should not exceed the total amount of goodwill allocated to the reporting unit. The amendments in this accounting standard update are to be applied prospectively and are effective for interim or annual goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The provisions of this accounting standard update did not have an impact on our financial statements.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”). ASU 2014-09 amends the accounting guidance on revenue recognition. The amendments in this accounting standard update are intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and improve disclosure requirements. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. The principles in the standard should be applied using a five-step model that includes 1) identifying the contract(s) with a customer, 2) identifying the performance obligations in the contract, 3) determining the transaction price, 4) allocating the transaction price to the performance obligations in the contract, and 5) recognizing revenue when (or as) the performance obligations are satisfied. The standard also requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In addition, the standard amends the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are and are not in a contract with a customer (for example, sales of real estate) to be consistent with the standard’s guidance on recognition and measurement (including the constraint on revenue). The FASB also subsequently issued several amendments to the standard, including clarification on principal versus agent guidance, identifying performance obligations, and immaterial goods and services in a contract.

The Company adopted ASU 2014-09 and its related amendments (collectively known as ASC 606) effective on January 1, 2018 using the modified retrospective approach applied only to contracts not completed as of the date of adoption, with no restatement of comparative periods. Therefore, the comparative information has not been adjusted and continues to be reported under ASC Topic 605. Please see refer earlier in Note 2 for a discussion of the Company’s updated policies related to revenue recognition, accounting for costs to obtain and fulfill a customer contract and for the disclosures related to adopting this standard.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued an accounting standard update that provides classification guidance on eight specific cash flow issues, for which guidance previously did not exist or was unclear. The amendments in this accounting standard update are effective for periods beginning after December 15, 2017. Early adoption is permitted for any entity in any interim or annual period. The provisions of this accounting standard update will not have a material impact on our statements of cash flows.

Compensation—Stock Compensation

In May 2017, the FASB issued ASU 2017-09, “Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting,” that provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The new guidance became effective for the Company on January 1, 2018 and was applied on a prospective basis, as required. The adoption of this standard did not have an impact on the financial statements or the related disclosures.

Income Statement – Reporting Comprehensive Income

In February 2018, the FASB issued ASU 2018-02, “Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” to address stakeholder concerns about the guidance in current GAAP that requires deferred tax liabilities and assets to be adjusted for the effect of a change in tax laws or rates with the effect included in income from continuing operations in the reporting period that includes the enactment date. The amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 (the “2017 Act”). The ASU must be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the 2017 Act is recognized. The Company made the election to early adopt ASU 2018-02 as of January 1, 2018, the standard did not have an impact our financial statements.

Intangibles – Goodwill and Other – Internal-Use Software

In September 2018, the FASB issued ASU 2018-15, “Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract” which requires cloud computing arrangements in a service contact to follow the internal-use software guidance provided by ASC 350-40 in determining the accounting treatment of implementation costs. ASC 350-40 states that only qualifying costs incurred during the application development stage may be capitalized. The Company made the election to early adopt ASU 2018-15 on a retrospective basis, and the standard did not have an impact our financial statements.

Derivatives and Hedging

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.” The ASU is targeted at simplifying the application of hedge accounting and aims at aligning the recognition and presentation of the effects of hedge instruments and hedge items. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The Company plans to adopt this guidance effective January 1, 2019 and is currently evaluating the potential impact adoption will have on the consolidated financial statements and related disclosures.

Leases

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). The FASB issued ASU 2016-02 to increase transparency and comparability among organizations recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, lessors will account for leases using an approach that is substantially equivalent to existing GAAP for sales-type leases, direct financing leases and operating leases. Unlike current guidance, however, a lease with collectability uncertainties may be classified as a sales-type lease. If collectability of lease payments, plus any amount necessary to satisfy a lessee residual value guarantee, is not probable, lease payments received will be recognized as a deposit liability and the underlying assets will not be derecognized until collectability of the remaining amounts becomes probable. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted, and must be adopted using a modified retrospective transition. The Company will adopt the standard effective January 1, 2019, utilizing the lessor practical expedient. The Company anticipates this standard will not have a material impact on our balance sheets.

NOTE 4 – RESEARCH COLLABORATION AGREEMENT

Effective May 1, 2016, the Company entered into a Research Agreement (the “Research Agreement”) with the University of Central Florida (“UCF” or the “University”) for the development of a prototype surgical robotic device supporting minimal invasive surgical facial corrections.

The Agreement provides that the University will provide personnel to accomplish the objectives as stated in the Statement of Work over a period extending to September 30, 2017. Effective May 1, 2017, the research agreement with the University of Central Florida has been extended to September 30, 2019. No additional payments to the University were required.

The Company agreed to extend funding of \$163,307 from AVRA’s existing funds.

In addition, AVRA has paid \$43,548 for outright ownership of the University’s Intellectual Property resulting from the collaboration, which amount is shown as Intellectual Property. Management has assessed the carrying value of the asset and believes there has been no diminution of its value and accordingly, no adjustment is necessary.

The total cost to the Company is:

Research Expense -funded from existing funds	\$	163,307
Acquisition of Intellectual Property Rights		43,548
	Total	<u>\$ 206,855</u>

In 2018 and 2017, \$0- and \$40,826 had been paid under the Agreement, respectively. The balance of the amount owing to the University was fully paid on February 24, 2017 and April 7, 2017. Additionally, a \$68,952 matching funds grant from the Florida High Tech Corridor Council (FHTCC) was approved on July 16, 2016 which will provide the University research funds in addition to the Company's funding obligation to the University. The FHTCC research grant is subject to certain research obligations and action requirements which if not met may result in the loss of the FHTCC research funding. The agreement further provides for the payment of a 1% royalty to the University in any year when the sales of products using the intellectual property exceeds \$20,000,000.

NOTE 5 – ACCRUED EXPENSES

Accrued Expenses include \$150,000 and \$82,500 of accrued officer compensation at December 31, 2018 and 2017, respectively.

NOTE 6 – PROMISSORY NOTES

During the year ended December 31, 2016, the Company borrowed \$480,000 under 7.5% Convertible Promissory Note Agreements. The Notes were due September 30, 2017 and bore interest at 7.5%. The noteholders had agreed to extend the maturity to October 31, 2017. The notes were convertible into common stock of the Company at \$0.50 per share in the event of a voluntary conversion on or before an optional prepayment or the maturity date, or (1) the lower of \$0.50 or (2) a 20% discount to the effective price per share offering price in the event of a mandatory conversion upon consummation of a "Qualified Financing", as defined. The Company had pledged all assets as security for the notes. In the event of default, the notes would bear interest at 12% per annum.

Based upon the Company's funding of \$542,260, a Qualified Financing, a mandatory conversion of the \$480,000 in principal of Convertible Notes was triggered. The \$480,000 in principal plus accrued interest were converted into 960,000 common shares and three-year Warrants to purchase 144,000 common shares at \$1.25 per share.

Further, the Company borrowed \$100,000 from an individual on May 16, 2016 under a note bearing interest at 5%. The note, along with accrued interest, was repaid on September 30, 2016.

On December 31, 2018, the Company borrowed \$15,000 under a non-interest bearing promissory note from a related party. The note matures on December 31, 2019. Also on December 31, 2018, the Company borrowed an additional \$15,000, with interest payable annually at 4%, maturing on December 31, 2019.

NOTE 7– INCOME TAXES

The Company's deferred tax assets at December 31, 2018 consist of net operating loss carry forwards of \$2,083,255 Using a new federal statutory tax rate of 21%, the valuation allowance balance as of December 31, 2018 total of \$437,484 The increase in the valuation allowance balance for the year ended December 31, 2018 of \$159,110 is entirely attributable to the net operating loss.

The Company's deferred tax assets at December 31, 2017 consist of net operating loss carry forwards of \$1,325,590. Using a federal statutory tax rate of 21%, the valuation allowance balance as of December 31, 2017 total of \$278,374.

Due to the uncertainty of their realization, no income tax benefits have been recorded by the Company for these loss carry forwards as valuation allowances have been established for any such benefits. The increase in the valuation allowance was the result of increases in the net operating losses discussed above. Therefore, the Company's provision for income taxes is \$-0- for the years ended December 31, 2018 and 2017.

At December 31, 2018 and 2017, the Company had no material unrecognized tax benefits and no adjustments to liabilities or operations were required. The Company does not expect that its unrecognized tax benefits will materially increase within the next twelve months. The Company recognizes interest and penalties related to uncertain tax positions in general and administrative expense. At December 31, 2018 and 2017, the Company has not recorded any provisions for accrued interest and penalties related to uncertain tax positions.

The Company files U.S. federal and state income tax returns in jurisdictions with varying statutes of limitations.

NOTE 8 – STOCKHOLDERS' EQUITY (DEFICIT)

The Company is authorized to issue up to 100,000,000 shares of common stock, \$0.0001 par value per share plus 5,000,000 shares of preferred stock, par value \$0.0001. On February 1, 2016 subscriptions were issued for 5,899,600 shares of common stock at \$0.0001 per share (total \$590). In February 2017, the Company raised an additional \$135,000 from a private offering of 135,000 shares of common stock at a price of \$1.00 per share made to three investors.

On September 30, 2017, the Company raised an additional \$542,260, from a private offering of 433,808 shares of common stock at a price of \$1.25 per share.

Effective April 1, 2017, the Company entered into Conversion Agreements with its Chairman/CEO and the Chief Financial Officer whereby each agreed to convert the amounts owing to them as of March 31, 2017 as compensation into common stock of the Company at a price of \$2.00 per share. Furthermore, the Chief Financial Officer has agreed to convert any future amounts due as compensation per his Employment Agreement effective through August 1, 2017, into shares of common stock at \$2.00 per share as such amounts are earned, and the Chairman/CEO has agreed to convert any future amounts in excess of \$2,500 per month due as compensation through July 1, 2017, per his Employment Agreement, into shares of common stock at \$2.00 per share as such amounts are earned. On April 1, 2017, 57,438 shares were issued under the agreement to convert compensation due to the Chairman/CEO and Chief Financial Officer. Both agreements were renewed upon their respective expirations. As of July 1, 2017, the Chairman/CEO agreed to convert any future amounts in excess of \$2,500 per month due as compensation through December 31, 2017, per his Employment Agreement, into shares of common stock at \$2.00 per share, as such amounts are earned. As of August 1, 2017, the Chief Financial Officer agreed to convert all cash payments due to the employee per his Employment Agreement, into shares of common stock using a price of \$2.00 per share, as such amounts are earned.

On September 30, 2017, the Chairman/CEO and the Chief Financial Officer converted \$117,000 of compensation owed into 58,500 common shares.

In addition, on September 30, 2017, the promissory notes of \$480,000 were converted into 960,000 shares of common stock (see Note 5). The interest due on the promissory note was exchanged for Warrants to purchase 144,000 common shares at \$1.25. The Warrants expire on the third-year anniversary.

On February 23, 2018, the board of directors of AVRA authorized the issuance of an aggregate of 218,000 shares of AVRA's common stock (the "Shares") as follows:

- 150,000 Shares at a value of \$1.25 per Share, to six consultants and service providers for services rendered through December 31, 2017;
- 35,000 Shares, at a value of \$1.25 per Share, to Farhan Taghizadeh, M.D., AVRA's Chief Medical Officer, for services rendered during the period September 1, 2017 to December 31, 2017; and
- 19,500 and 13,500 Shares, at a value of \$2.00 per Share, to Barry F. Cohen and A. Christian Schauer, our Chief Executive Officer and its former Chief Financial Officer, respectively, pursuant to Conversion Agreements with each of such officers, under which they converted all December 31, 2017 accrued but unpaid compensation due them under their respective employment agreements with the Company into the Shares..

On August 13, 2018 the Company sold 16,000 shares of its common stock for \$20,000.

On October 4, 2018, the Board of Directors adopted the following resolutions and took the following actions by unanimous written consent in lieu of a meeting in accordance with the applicable provisions of the Florida business Corporation Act:

- 128,300 shares of restricted common stock required to be issued, to six consultants and service providers for services rendered through September 30, 2018;
- 400 shares of restricted common stock required to be issued, for services rendered through February 28, 2018;

Holders are entitled to one vote for each share of common stock. No preferred stock has been issued.

NOTE 9 – 2016 INCENTIVE STOCK PLAN

On August 1, 2016, the Company adopted the 2016 Incentive Stock Plan (the "Plan"). The Plan provides for the granting of options to employees, directors, consultants and advisors to purchase up to 3,000,000 shares of the Company's common stock. The Board is responsible for administration of the Plan. The Board determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable. Incentive stock options may be granted to any officer or employee at an exercise price per share of not less than the fair market value per common share on the date of the grant.

At December 31, 2018 and 2017 options representing 2,243,250 shares and 1,681,750 shares were vested or exercisable, respectively.

No options were exercised during the years ended December 31, 2018 and 2017. Non-vested Options for 97,639 shares were forfeited during March 2018.

For options granted October 1, 2017, the following factors were used: volatility 45.07%; expected term of 3 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.25 per share.

For options granted July 1, 2018, the following factors were used: volatility 31.34%; expected term of 3 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.25 per share.

For options granted May 1, 2018, the following factors were used: volatility 62.16%; expected term of 3 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.25 per share.

On July 1, 2018 options for 75,000 shares were issued to our Counsel for services rendered totaling \$21,000. These shares are vested immediately and expire on July 1, 2023. The exercise price is \$1.25.

All options issued to-date expire after five years from the issue date. Except for the option for one million shares issued to the CEO and to the Company's counsel for 40,000 shares that vested immediately, all the options issued to date vest over three years.

Stock options are accounted for in accordance with FASB ASC Topic 718, *Compensation – Stock Compensation*, with option expense amortized over the vesting period based on the Black-Scholes option-pricing model fair value on the grant date, which includes a number of estimates that affect the amount of expense. During the years ended December 31, 2018 and 2017, \$187,068 and \$265,901 respectively, of expensed stock options has been recorded as stock-based compensation and classified in general and administrative expense on the Statement of Operations. The total amount of unrecognized compensation cost related to non-vested options was \$113,903 as of December 31, 2018. This amount will be recognized over a period of 31 months expiring April 2021.

The grant date fair value of options granted during the year of 2016 were estimated on the grant date using the Black-Scholes model with the following assumptions: expected volatility of 181%, expected term of 2.9 years, risk-free interest rate of 2.00% and expected dividend yield of 0% for the options granted on August 15, 2016 with an exercise price of \$0.10 per share and; expected volatility of 73.64%, expected term of 2.9 years, risk-free interest rate of 2.00% and expected dividend yield of 0% for the options granted on October 1, 2016 with an exercise price of \$0.15 per share. For options granted January 1, 2017, the following factors were used; volatility 63.05%; expected term of 2.9 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$0.15 per share. For options granted August 1, 2017, the following factors were used: volatility 36.18%; expected term of 2.9 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.00 per share. For options granted May 1, 2018, the following factors were used; volatility 62.16%; expected term of 3 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.25 per share. For options granted July 1, 2018, the following factors were used; volatility 31.34%; expected term of 3 years, risk-free interest rate of 2.00%, dividend yield of 0% and exercise price of \$1.25 per share.

Expected volatility is based on the average of the historical volatility of the stock prices of a blend of five publicly traded companies operating in a similar industry as that of the Company. The risk-free rate is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the options. The Company uses historical data to estimate pre-vesting for feature rates.

NOTE 10 – EMPLOYMENT AGREEMENTS

On July 1, 2016, the Company entered into an Employment Agreement with its Chairman and Chief Executive Officer. The agreement provides for an annual salary of \$120,000 per year, increasing to \$180,000 per year beginning July 2017. Through December 2016, the employee agreed to not receive the compensation in cash until the Board of Directors deemed it prudent to pay some or all of his salary. Further the Agreement provides that the employee will receive a three-year option to purchase 1,000,000 shares of the Company's common stock at an exercise price of \$0.10 per share, and becoming fully vested on August 15, 2016.

On August 1, 2016, the Company entered into a one-year Employment Agreement with its Chief Financial Officer. The agreement provides for an annual salary of \$108,000 per year. Through December 2016, the employee agreed to not receive the compensation in cash until the Board of Directors deemed it prudent to pay some or all of his salary. Further the Agreement provides that the employee will receive a three-year option to purchase 210,000 shares of the Company's common stock at an exercise price of \$0.10 per share, with 70,000 shares becoming fully vested upon each yearly anniversary. The options are to be surrendered and cancelled if the Agreement is terminated. The Agreement has expired but its compensation terms continue in effect as long as the employee remains employed by the Company.

On August 1, 2016, the Company entered into a three-year Employment Agreement with its Vice President of Global Business Development. The agreement provides for an annual salary of \$96,000 per year, increasing to \$144,000 per year beginning July 2017. Through December 2016, the employee agreed to not receive the compensation in cash until the Board of Directors deemed it prudent to pay some or all of his salary. Further the Agreement provides that the employee will receive a three-year option to purchase 300,000 shares of the Company's common stock at an exercise price of \$0.10 per share, with 100,000 shares vested on each yearly anniversary.

Further, on July 1, 2016, the Company entered into Indemnification Agreements with the Chairman and Chief Executive Officer, and on August 1, 2016 the Chief Financial Officer and the Vice-President of Global Business Development providing for the Company to indemnify the individuals for all expenses, judgments, etc. incurred while serving in various capacities with the Company.

Commencing March 1, 2018, the Company entered into an employment agreement with its new Chief Strategy Officer whereby compensation will be determined upon sufficient funding of the Company. The Company granted a 300,000 share stock award under its 2016 Incentive Stock Plan, which vests in five equal annual installments of 60,000 shares each.

In addition, on May 1, 2018 options for 250,000 shares that vest monthly over 3 years were also issued to our Chief Strategy Officer. These options expire on May 1, 2023 and are exercisable at \$1.25.

NOTE 11 – EARNINGS PER SHARE

Basic earnings per share (“basic EPS”) is computed by dividing the net income or loss by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share (“diluted EPS”) gives effect to all dilutive potential shares outstanding. For the year ended December 31, 2018 and 2017, the potential exercise of stock options has been excluded from the computation of loss per share as the effect was anti-dilutive.

NOTE 12 – LEASE COMMITMENT

The Company occupies office and laboratory space in Orlando, Florida under a lease agreement that expired on July 31, 2017. Effective August 1, 2018 and modified on September 1, 2018, the agreement extended the lease term to July 31, 2019. The amended agreement provides that the Company pay insurance, maintenance and taxes with a monthly lease expense of \$2,363.05. Either party may cancel the agreement at any time with 30 days’ notice.

NOTE 13 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date that the financial statements were issued and determined that there were subsequent events requiring adjustments to or disclosure in the financial statements.

During January 2019, the Company borrowed \$20,000 under a non interest bearing promissory note which matures on December 31, 2019

On January 4, 2019, the Board of Directors adopted the following resolutions and took the following actions by unanimous written consent in lieu of a meeting in accordance with the applicable provisions of the Florida business Corporation Act:

- 115,050 shares of restricted common stock required to be issued, to eight consultants and service providers for services rendered through December 31, 2018; The total shares of common stock when issued will be fully-paid and non-assessable.
- The three promissory notes dated December 31, 2018, totaling \$50,000 were ratified.

On February 6, 2019, the Company borrowed from its CEO, \$17,500 under a non interest bearing promissory note which matures on February 6, 2020.

On March 1, 2019, a Director accelerated his final 70,000 options, and exercised his total 210,000 options at \$0.10 per option. The Company received \$21,000.

On March 11, 2019, the Company borrowed \$25,000 under a promissory note bearing an annual interest rate of 5% and which matures on September 11, 2019. The loan includes a warrant to purchase 12,500 common shares at a strike price of \$1.25 per share. The warrant expires in 3 years.

On March 14, 2019, the Company borrowed \$25,000 under a promissory note bearing an annual interest rate of 5% and which matures on September 14, 2019. The loan includes a warrant to purchase 12,500 common shares at a strike price of \$1.25 per share. The warrant expires in 3 years.

On March 29, 2019, the Company borrowed \$25,000 under a promissory note bearing an annual interest rate of 5% and which matures on September 29, 2019. The loan includes a warrant to purchase 12,500 common shares at a strike price of \$1.25 per share. The warrant expires in 3 years.

The Company issued a total of 95,050 shares of restricted common stock required to be issued for services through March 31, 2019, per various services agreements.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Barry F. Cohen, Chief Executive Officer and Acting Chief Financial Officer of AVRA Medical Robotics, Inc., a Florida corporation (the “**Registrant**”), certify that:

1. I have reviewed this Form 10-K for the fiscal year ended December 31, 2018 of 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. I, as the Registrant’s Chief Executive Office and Acting Chief Financial Officer, am 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 my 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 my 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 my 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. I, as the Registrant’s Chief Executive Office and Acting Chief Financial Officer, have disclosed, based on my 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.

Date: April 16, 2019

AVRA MEDICAL ROBOTICS, INC.

By: /s/ Barry F. Cohen

Barry F. Cohen, Chief Executive Officer and Acting Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
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 Annual Report of Avra Medical Robotics, Inc., a Florida corporation (the “ **Company** ”) on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “ **Report** ”), I, Barry F. Cohen, the Chief Executive Officer and Acting Chief Financial 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 results of operations of the Company.

Date: April 16, 2019

AVRA MEDICAL ROBOTICS, INC.

By: /s/ Barry F. Cohen

Chief Executive Officer and Acting Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)
