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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2018

or

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

Commission file number: 333-216054

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

Florida	**47-3478854**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

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

(407) 956-2250
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☒

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

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

The number of shares outstanding of the registrant's common stock, $0.0001 par value, as of August 10, 2018 was 20,862,746 shares.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

AVRA MEDICAL ROBOTICS, INC.
CONDENSED BALANCE SHEETS
(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 191,693	$ 452,572
Other prepaid expenses and deposit	11,829	10,457
Total current assets	203,522	463,029
EQUIPMENT:	8,341	4,174
Accumulated depreciation	(1,634)	(789)
Total equipment	6,707	3,385
OTHER ASSETS:		
Intellectual Property	43,548	43,548
Website	36,000	—
Accumulated depreciation	(5,000)	—
Total other assets	74,548	43,548
TOTAL ASSETS	$ 284,777	$ 509,962
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable	$ 5,890	$ 6,073
Accrued expenses	228,426	118,046
Stock Liability	84,000	284,750
Total current liabilities	318,316	408,869
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred Stock, 5,000,000 shares authorized, $.0001 par value, No shares issued and outstanding June 30, 2018 and December 31, 2017, respectively	—	—
Common Stock, 100,000,000 shares authorized, $.0001 par value, 20,862,746 and 20,644,746 shares issued and outstanding June 30, 2018 and December 31, 2017, respectively	2,086	2,064
Additional Paid in Capital	1,931,059	1,621,800
Accumulated Deficit	(1,966,684)	(1,522,771)
Total stockholders' equity (deficit)	(33,539)	101,093
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 284,777	$ 509,962

See accompanying notes to unaudited Condensed Financial Statements.

AVRA MEDICAL ROBOTICS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2018	**2017**	**2018**	**2017**
Revenue	$ —	$ —	$ —	$ —
OPERATING EXPENSES				
Research and Development	4,229	4,624	16,281	51,141
General and Administrative	201,298	173,764	427,676	314,580
Total operating expenses	205,527	178,388	443,957	365,721
OTHER INCOME AND (EXPENSES)				
Interest Earned	18	12	44	30
Interest Expense	—	(9,000)	—	(18,000)
Total other income and (expenses)	18	(8,988)	44	(17,970)
Loss before income tax taxes	(205,509)	(187,376)	(443,913)	(383,691)
Income tax provision	—	—	—	—
NET LOSS	$ (205,509)	$ (187,376)	$ (443,913)	$ (383,691)
Loss per common share - basic and diluted	(0.01)	(0.01)	(0.02)	(0.02)
Weighted average common shares outstanding - basic and diluted	20,862,746	19,192,438	20,791,685	19,163,719

See accompanying notes to unaudited Condensed Financial Statements.

AVRA MEDICAL ROBOTICS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2018	**2017**
CASH FLOWS OPERATING ACTIVITIES:		
Net loss	$ (443,913)	$ (383,691)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	5,845	369
Stock compensation expense	44,781	35,722
Changes in operating assets and liabilities:		
Prepaid expenses	(1,372)	(703)
Accounts payable and accrued expenses	152,347	120,691
NET CASH USED IN OPERATING ACTIVITIES	**(242,312)**	**(227,612)**
INVESTING ACTIVITIES:		
Website costs	(14,400)	—
Equipment acquisition	(4,167)	(4,174)
NET CASH USED IN INVESTING ACTIVITIES	(18,567)	(4,174)
FINANCING ACTIVITIES:		
Repayment of shareholder loans	—	(21,877)
Sale of common stock for cash	—	135,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	—	113,123
DECREASE IN CASH AND CASH EQUIVALENTS	(260,879)	(118,663)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	452,572	248,219
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 191,693	$ 129,556
Supplemental information of non-cash investing and financing activities:		
Cash paid for interest	$ —	$ —
Noncash financing activities:		
Cash paid for income taxes	$ 24,000	$ —
Cash paid for income taxes	$ 18,000	$ 114,876

See accompanying notes to unaudited Condensed 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 significant accounting policies of AVRA were described in Note 1 to the audited financial statements included in the Company's 2017 Annual Report on Form 10-K ("2017 Form 10-K"). There have been no significant changes in the Company's significant accounting policies for the three months ended June 30, 2018.

Basis of Presentation

The accompanying unaudited condensed financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission. Therefore, they do not include all information and footnotes normally included in annual consolidated financial statements and should be read in conjunction with the consolidated financial statements and notes thereto included in the 2017 Form 10-K for the year ended December 31, 2017. In the opinion of the Company's management, the accompanying unaudited condensed financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to present the financial position of the Company as of June 30, 2018 and the results of operations and cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the operating results for the full fiscal year or any future period.

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 June 30, 2018 and December 31, 2017, $0 and $168,301 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

The Company recognizes revenue when all of the following criteria are met: (1) the Company has evidence of an arrangement with a customer; (2) the Company delivers the specified services; (3) terms are fixed or determinable; and (4) collection is probable.

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, other prepaid expenses and deposit, accounts payable, accrued expenses and stock liability.

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 FASB issued an accounting standard update that 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. This accounting standard update is effective for reporting periods beginning after December 15, 2017. This accounting standard will not have a material impact on our financial statements.

Accounting for Leases

In February 2016, the FASB issued an accounting standard update that amends the accounting guidance on leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The amendments in this accounting standard update are effective for us on January 1, 2019, with early adoption permitted. We expect that this standard will not have a material effect on our financial statements.

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.

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	$	206,855

For the six months ended June 30, 2018 and 2017, $16,281 and $51,141 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 $199,500 and $82,500 of accrued officer compensation at June 30, 2018 and December 31, 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.

NOTE 7– INCOME TAXES

The Company's deferred tax assets at June 30, 2018 consist of net operating loss carry forwards of $1,708,243. Using a new federal statutory tax rate of 21%, the valuation allowance balance as of June 30, 2018 total of $358,731. The increase in the valuation allowance balance for the six months ended June 30 , 2018 of $80,357 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 six months ended June 30 , 2018 and 2017.

At June 30 , 2018 and December 31, 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 June 30 , 2018 and December 31, 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 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 March 31, 2018, our Chief Financial Officer converted $18,000 of accrued compensation into 9,000 common shares.

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 June 30, 2018 and December 31, 2017 options representing 1,817,361 shares and 1,681,750 shares were vested or exercisable, respectively.

No options were exercised during the six months ended June 30, 2018 or for the year ended December 31, 2017. Non-vested Options for 97,639 shares were forfeited during March 2018.

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 three months ended June 30 , 2018 and 2017, $28,800 and $19,347, respectively, for stock based compensation. During the six months ended June 30 , 2018 and 2017, $15,031 and $35,722, 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 $20,049 as of June 30 , 2018 . This amount will be recognized over a period of 25 months expiring July 2020.

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.

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.

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 six months ended June 30 , 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 and modified on August 1, 2018, the agreement was amended to extend 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 $1,944, 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 no subsequent events requiring adjustment to or disclosure in the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

When used in this report, unless otherwise indicated, the terms " **AVRA** ," " **the Company** ," " **we** ," " **us** " and " **our** " refer to AVRA Medical Robotics, Inc.

Note Regarding Forward Looking Statements

This report contains forward-looking statements that reflect our current views about future events. We use the words "anticipate," "assume," "believe," "estimate," "expect," "will," "intend," "may," "plan," "project," "should," "could," "seek," "designed," "potential," "forecast," "target," "objective," "goal," or the negatives of such terms or other similar expressions. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Introduction

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 is in the prototype stage, to date AVRA has 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.

The financial statements appearing elsewhere in this report 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.

Results of Operations

Three months ended June 30, 2018, as compared to three months ended June 30, 2017

General. During the three months ended June 31, 2018 and June 30, 2017, our operations were limited to organizational and planning activities and various research initiatives under the Research Agreement with UCF.

Revenues. We had no revenues during either the three months ended June 30, 2018 or the three months ended June 30, 2017.

Research and Development Expenses. Research and development expenses during the three months ended June 30, 2018 were $4,229, as compared to $4,624 for the three months ended June 30, 2017. Research and development expenses in both the 2018 and 2017 quarters, reflect continuing development work on the Company's prototype robotic system at its facilities at UCF's incubator in Orlando, Florida.

General and Administrative Expenses. We incurred $201,298 in general and administrative expenses during the three months ended June 30, 2018, as compared to $173,764 for the three months ended June 30, 2017. The increase is attributable to the payment of compensation for the management staff, legal and other professional expenses related to the Company's filings as a public company with the Securities and Exchange Commission (the " **SEC** ") and stock-based compensation expense related to the Company's 2016 Stock Incentive Plan.

Other Income/Expenses . We had $18 of other income during the three months ended June 30, 2018, as compared to other expenses of $8,988 for the three months ended June 30, 2017. Other expenses principally represent net interest expense on the Company's $480,000 in principal amount of 7.5% Convertible Promissory Notes (the " **Notes** "), which were converted into shares of common stock during the third quarter of 2017.

Net Loss. We incurred a net loss of ($205,509) for the three months ended June 30, 2018, as compared to a net loss of ($187,376) for the three months ended June 30, 2017.

Six months ended June 30, 2018, as compared to six months ended June 30, 2017

General. During the six months ended June 31, 2018 and June 30, 2017, our operations were limited to organizational and planning activities and various research initiatives under the Research Agreement with UCF.

Revenues. We had no revenues during either the six months ended June 30, 2018 or the six months ended June 30, 2017.

Research and Development Expenses. Research and development expenses during the six months ended June 30, 2018 were $16,281, as compared to $51,141 for the six months ended June 30, 2017. The decrease in research and development expenses from the 2017 period to the 2017 period, reflects the completion of the first phase of research by the UCF under the Research Agreement. The Company is continuing development work on its prototype at its facilities at UCF's incubator in Orlando, Florida.

General and Administrative Expenses. We incurred $427,676 in general and administrative expenses during the six months ended June 30, 2018, as compared to $314,580 for the six months ended June 30, 2017. The increase is attributable to the of payment of compensation for the management staff, legal and other professional expenses related to the Company's filings with the SEC as a public company and stock-based compensation expense related to the Company's 2016 Stock Incentive Plan.

Other Income/Expenses . We had $44 of other income during the six months ended June 30, 2018, as compared to other expenses of $17,970 for the six months ended June 30, 2017. Other expenses principally represent net interest expense on the Company's $480,000 in principal amount of 7.5% Convertible Promissory Notes (the " **Notes** "), which were converted into shares of common stock during the third quarter of 2017.

Net Loss. We incurred a net loss of ($443,913) for the six months ended June 30, 2018, as compared to a net loss of ($383,691) for the six months ended June 30, 2017.

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 June 30, 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 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; and (c) $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. As a result of the completion of the September 2017 private offering of common stock, the $480,000 in principal amount of the Notes converted into 960,000 shares of our common stock.

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.

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 3. Quantitative Disclosures About Market Risks.

As a " **smaller reporting company,** " we are not required to provide the information required by this Item.

Item 4. Controls and Procedures.

Management's Report on Disclosure Controls and Procedures

Our Chief Executive Officer (our Principal Executive, 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 June 30, 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), as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer (our Principal Executive, Financial and Accounting Officer) concluded that as of June 30, 2018, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified in our Annual Report on Form 10-K for the year ended December 31, 2017.

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 Chief Executive Officer (our Principal Executive, Financial and Accounting 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.

Changes in Internal Controls Over Financial Reporting

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

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Not Applicable.

Item 1. A. Risk Factors.

See the section of our prospectus entitled " **Risk Factors** " in our Registration Statement on Form S-1 (File No. 333-216054), declared effective by the SEC on July 31, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description of Exhibit
31.1	Section 302 Certification
32.1	Section 906 Certification

SIGNATURES

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

AVRA MEDICAL ROBOTICS, INC.

Dated: August 13, 2018

By: /s/ Barry F. Cohen
Barry F. Cohen, Chief Executive Officer and
Acting Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)

Exhibit 31.1

**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 (principal executive, financial and accounting officer) of AVRA Medical Robotics, Inc., a Florida corporation (the " **Registrant** "), certify that:

1. I have reviewed this Form 10-Q for the quarter ended June 30, 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 Officer and Acting Chief Financial Officer (principal executive, financial and accounting 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 Officer and Acting Chief Financial Officer (principal executive, financial and accounting 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: August 13, 2018

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)

Exhibit 32.1

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-Q for the quarter ended June 30, 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 (principal executive, financial and accounting 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: August 13, 2018

AVRA MEDICAL ROBOTICS, INC.

By: /s/ Barry F. Cohen
Chief Executive Officer and Acting Chief Financial Officer
(Principal Executive, Financial and Accounting Officer)