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

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

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

For the transition period from _____ to _____

Commission file number 001-36763

MEDOVEX CORP.
(Exact Name of Registrant as Specified in Its Charter)

Nevada	**46-3312262**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)
201 E Kennedy Blvd Suite 700 Tampa, Florida	**33602**
(Address of Principal Executive Offices)	(Zip Code)

(844) 633-6839

(Registrant's Telephone Number, Including Area Code)

3060 Royal Boulevard S, Ste. 150, Alpharetta, Georgia 30009
(Former name, former address and former fiscal year, if changed since last report)

Securities registered under section 12(b) of the Exchange Act: **Common stock, par value $0.001 per share**

Securities registered under section 12(g) of the Exchange Act: **Not applicable**

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

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

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 [X] No [ ]

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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 or a smaller reporting company. See the definitions of "large accelerated filer, "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller Reporting Company [X]
(Do not check if smaller reporting company)	Emerging growth Company [X]

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based upon the closing price of common stock on the last business day of the most recently completed second fiscal quarter, June 30, 2018, was $8,909,513. The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based upon the closing price of common stock on March 18, 2019 was approximately $40,827,791. Shares of voting stock held by each executive officer, director and 10% stockholders have been excluded from this calculation. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 18, 2019, 90,224,860 shares of the registrant's common stock were outstanding.

Documents incorporated by reference: None.

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FORWARD-LOOKING INFORMATION

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance. We have attempted to identify forward-looking statements by terminology including “anticipates,” “believes,” “expects,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predict,” “should” or “will” or the negative of these terms or other comparable terminology. These statements are only predictions; uncertainties and other factors may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Our expectations are as of the date this Annual Report is filed, and we do not intend to update any of the forward-looking statements after the date this Annual Report is filed to confirm these statements to actual results, unless required by law.

This Annual Report also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other industry data. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the statistical and other industry data generated by independent parties and contained in this Annual Report and, accordingly, we cannot guarantee their accuracy or completeness, though we do generally believe the data to be reliable. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including, but not limited to, the possibility that we may fail to preserve our expertise in medical device development; that existing and potential distribution partners may opt to work with, or favor the products of, competitors if our competitors offer more favorable products or pricing terms; that we may be unable to maintain or grow sources of revenue; that changes in the distribution network composition may lead to decreases in query volumes; that we may be unable to attain and maintain profitability; that we may be unable to attract and retain key personnel; that we may not be able to effectively manage, or to increase, our relationships with international customers; that we may have unexpected increases in costs and expenses; or that one or more of the other risks described below in the section entitled “Risk Factors” and elsewhere in this Annual Report may occur. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

PART I

ITEM 1. BUSINESS

Overview

MedoveX was incorporated in Nevada on July 30, 2013 as SpineZ Corp. MedoveX is the parent company of Debride Inc., ("Debride"), which was incorporated under the laws of Florida on October 1, 2012 but did not commence operations until February 1, 2013. SpineZ Corp. changed its name to MedoveX Corp. and effected a 2-for-1 reverse split of its stock in March 2014.

The Company is in the business of designing and marketing proprietary medical devices for commercial use in the United States and Europe. The Company received CE marking in June 2017 for the DenerveX System and it is now commercially available throughout the European Union and several other countries that accept CE marking. The Company's first sale of the DenerveX System occurred in July 2017. The Company still intends to seek approval for the DenerveX System from the Food & Drug Administration ("FDA") in the United States.

In October 2018, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement"), and subsequently amended in January 2019 (the "APA Amendment") with Regenerative Medicine Solutions, LLC ("RMS"), Lung Institute LLC, RMS Lung Institute Management LLC, Cognitive Health Institute Tampa, LLC, RMS Shareholder, LLC and RMS Acquisition Corp. Pursuant to the terms of the Asset Purchase Agreement, the Company purchased all of the assets of RMS, Cognitive Health Institute Tampa, LLC, Lung Institute LLC and RMS Lung Institute Management LLC. The Company executed the Asset Purchase Agreement on January 8, 2019.

The DenerveX Device

Our first acquisition was the DenerveX device. We believe that the DenerveX device can be used to encompass several medical applications, including pain relief.

The Company acquired the DenerveX patent on January 31, 2013 from Scott Haufe, M.D. ("Dr. Haufe"), a former director of the Company, in exchange for 750,108 shares of common stock in the Company and a 1% royalty on all sales of any product sold based on the patent. In September 2013, we entered into a Co-Development Agreement with James Andrews, M.D. ("Dr. Andrews"), a former director of the Company, whereby Dr. Andrews committed to further evaluate the DenerveX device and to seek to make modifications and improvements to such technology. In exchange for such services, the Company agreed to pay Dr. Andrews a royalty equal to two (2%) percent of the DenerveX net sales during the five (5) year term of the Co-Development Agreement. Upon the termination of the term of the Co-Development Agreement, which has a minimum term of five (5) years, then the royalty payable to Dr. Andrews shall be reduced to one (1%) percent of DenerveX net sales after such termination of products covered by any U.S. patent on which Dr. Andrews is listed as a co-inventor; if any such patents are obtained. Such one (1%) percent royalty shall continue during the effectiveness of such patent. Pursuant to the Co-Development Agreement, Dr. Andrews agreed to assign any modifications or improvements to the DenerveX to the Company subject to the royalty rights described above. The Co-Development agreement with Dr. Andrews expired September 30, 2018, and management has no intention to re-enter into this agreement.

We are marketing the product as a disposable, single-use kit which includes all components of the DenerveX device product. In addition to the DenerveX device itself, we have developed a dedicated Electro Surgical Generator, the DenerveX Pro-40, to power the DenerveX device. There is currently no finished good product of the DenerveX device in inventory as commercial production is currently on-hold. The Company anticipates the resumption of manufacturing in Q4 2019.

The generator is provided to customers agreeing to purchase the DenerveX device and cannot be used for any other purpose.

We accepted a proposal from Devicix, a third party design and development firm located in Minneapolis, Minnesota, in November 2013, to develop a prototype device. This proposal included a 5-phase development plan, culminating in the production ready prototype that could be used for validation purposes. We have recently completed the final stages of the build and test phase of the device, culminating in receiving CE marking to market the product in Europe. The DenerveX Kit and Pro-40 generator is now in commercial production. We anticipate very minimal, if any, additional build and test related expenses, which consists of product design verification activities, in the future as we launch the DenerveX System in Europe. Through December 31, 2018, we have incurred expenses of approximately $1,950,000 to Devicix.

In November 2014, we selected Nortech Systems Inc. ("Nortech"), a Minneapolis, Minnesota-based FDA registered contract manufacturer, to produce test DenerveX devices from the prototype supplied by Devicix for use in final development and non-clinical testing. The agreement with Nortech includes agreed upon per unit prices for delivery of the devices. Actual work on development of the final units began in November 2014. Through December 31, 2018, we have incurred expenses of approximately $997,000 to Nortech. Commercial production of the DenerveX device is currently on-hold at Nortech. The Company anticipates the resumption of manufacturing in Q4 2019.

Also in November 2014, we engaged Bovie Medical Corporation ("Bovie"), a Delaware Corporation, to develop the Electro Surgical Generator and provide post production support services. Per our agreement with Bovie, we are invoiced based on deliverables produced by Bovie, which was originally supposed to amount to $295,000 upon completion of all the deliverables. Through December 31, 2018, we have incurred expenses of approximately $441,000 to Bovie for production services. The original $295,000 agreement was a base number along the pathway of development.

Additional requirements were incurred as the research and development process progressed and as a result certain prices increased and additional costs were incurred to further customize the DenerveX System.

Streamline, Inc. Divestiture

In May 2016, the Board of Directors authorized management to seek buyers for Streamline, Inc., ("Streamline"), the Company's wholly owned subsidiary acquired in March 2015. The Company sold all Streamline related assets on December 7, 2016 (the "Closing").

The transaction resulted in the immediate receipt of $500,000 in cash, and a $150,000 receivable to the Company due on or before January 1, 2018. The Company subsequently received the $150,000 per the terms of the asset purchase agreement on January 2, 2018.

The terms of the agreement also required that or each of the calendar years ending December 31, 2018 and December 31, 2019 (each such calendar year, a "Contingent Period"), a contingent payment in cash (each, a "Contingent Payment") equal to five percent (5%) of the total net sales received by the acquiring party from the sale of "IV suspension system" products in excess of 100 units during each Contingent Period. Each such Contingent Payment is payable to the Company by the acquiring party by no later than March 31st of the subsequent year; provided, however, that the total aggregate amount of all Contingent Payments owed by the acquiring party to the Company for all Contingent Periods will not exceed $850,000. The Company is yet to receive any Contingent Payments and has no reason to expect it will receive any Contingent Payments.

Competition

Developing and commercializing new products is highly competitive. The market is characterized by extensive research and clinical efforts and rapid technological change. We face intense competition worldwide from medical device, biomedical technology and medical products and combination products companies, including major medical products companies. We may be unable to respond to technological advances through the development and introduction of new products. Most of our existing and potential competitors have substantially greater financial, marketing, sales, distribution, manufacturing and technological resources. These competitors may also be in the process of seeking FDA or other regulatory approvals, or patent protection, for new products. Our competitors may commercialize new products in advance of our products. Our products also face competition from numerous existing products and procedures, which currently are considered part of the standard of care. We believe that the principal competitive factors in our markets are:

- the quality of outcomes for medical conditions;
- acceptance by surgeons and the medical device market generally;
- ease of use and reliability;
- technical leadership and superiority;
- effective marketing and distribution;
- speed to market; and
- product price and qualification for coverage and reimbursement.

We will also compete in the marketplace to recruit qualified scientific, management and sales personnel, as well as in acquiring technologies and licenses complementary to our products or advantageous to our business.

We are aware of several companies that compete or are developing technologies in our current and future products areas. With regard to the DenerveX System, we believe that our principal competitors include device manufacturers Cosman Medical Inc., Stryker Corporation and Spembly Medical Systems. We may also face competition from developing, but potentially untested technologies such as Zyga's GLYDER device. In order to compete effectively, our products will have to achieve widespread market acceptance, receive adequate insurance coverage and reimbursement, be cost effective and be simultaneously safe and effective.

Customers

Healthcare providers, physicians and third-party payors in the United States and elsewhere play a primary role in the recommendation and prescription of any products for which we obtain marketing approval.

We sell to local distributors in the countries where we currently sell the DenerveX System with the exception of Germany, where we sell directly to hospitals and providers . There is currently no finished goods product of the DenerveX device in inventory as commercial production is currently on-hold. The Company anticipates the resumption of manufacturing in Q4 2019.

Intellectual Property

A key element of our success depends on our ability to identify and create proprietary medical device technologies. In order to proactively protect those proprietary technologies, we intend to continue to develop and enforce our intellectual property rights in patents, trademarks and copyrights, as available through registration in the United States and internationally, as well as through the use of trade secrets, domain names and contractual agreements such as confidentiality agreements and proprietary information agreements.

Currently, our intellectual property rights include the intellectual property acquired from Debride, Inc., which includes the U.S. Patent 8,167,879 B2 (the "Patent"). The Patent was originally filed in 2009 and was issued on May 1, 2012. We intend to leverage the Patent to the fullest extent possible through market development and prosecution of our rights under the Patent.

In addition, we have filed 33 additional US and International patents, of which 21 are pending, 8 are pending published, and 4 have been granted. These patents cover a total of 885 claims both in the United States and Internationally.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application. In the United States, a patent's term may be shortened if a patent is terminally disclaimed over another patent or as a result of delays in patent prosecution by the patentee, and a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent.

We intend to continually re-assess and refine our intellectual property strategy in order to fortify our position in our market space in the United States and internationally. To that end, we are prepared to file additional patent applications should our intellectual property strategy require such filings and/or where we seek to adapt to competition or seize business opportunities.

Many biotechnology companies and academic institutions are competing with us in the medical device field and filing patent applications potentially relevant to our business. Internally, we have established business procedures designed to maintain the confidentiality of our proprietary information, including the use of confidentiality agreements with employees, independent contractors, consultants and companies with which we conduct business. Also, we generally require employees to assign patents and other intellectual property to us as a condition of employment with us.

In order to contend with the possibility of third party intellectual property conflicts, we review and assess the third-party intellectual property landscape for competitive and other developments that may inform or impact our intellectual property development and commercialization strategies. We may find it necessary or prudent to obtain licenses from third party intellectual property holders. Where licenses are readily available at reasonable cost, such licenses are considered a normal cost of doing business. In other instances, however, where a third party holds relevant property and is a direct competitor, a license might not be available on commercially reasonable terms or available at all. We will attempt to manage the risk that such third party intellectual property may pose by conducting, among other measures, freedom-to-operate studies to guide our early-stage research away from areas where we are likely to encounter obstacles in the form of third party intellectual property.

Government Regulations

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of products such as those we are developing. Any product that we develop must be approved by the FDA before they may be legally marketed in the United States and by the appropriate foreign regulatory agency before they may be legally marketed in foreign countries.

European Union and Other Country Approvals

The Company received CE marking in June 2017 for the DenerveX System. It can now be sold throughout the European Union and countries that accept CE Mark.

Aside from the European Union, we may seek regulatory approval for commercialization of the DenerveX System from Columbia, Peru, Argentina, Mexico, Turkey, Israel, New Zealand, Australia and other countries where the management of the Company deems it to be suitable for commercialization. The documentation required to accompany the CE Mark to obtain regulatory approval in the aforementioned countries may include copies of the ISO 13485 certification, the SGS certificate of approval and a statement of Good Manufacturing Practices ("GMP").

FDA Regulation

The DenerveX System and any other product we may develop must be approved or cleared by the FDA before it is marketed in the United States. Before and after approval or clearance in the United States, our products are subject to extensive regulation by the FDA under the Federal Food, Drug, and Cosmetic Act and/or the Public Health Service Act, as well as by other regulatory bodies.

FDA regulations govern, among other things, the development, testing, manufacturing, labeling, safety, storage, record-keeping, market clearance or approval, advertising and promotion, import and export, marketing and sales, and distribution of medical devices and products.

In the United States, the FDA subjects medical products to rigorous review. If we do not comply with applicable requirements, we may be fined, the government may refuse to approve our marketing applications or to allow us to manufacture or market our products, and we may be criminally prosecuted. Failure to comply with the law could result in, among other things, warning letters, civil penalties, delays in approving or refusal to approve a product, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions, or criminal prosecution.

FDA Approval or Clearance of Medical Devices

In the United States, medical devices are subject to varying degrees of regulatory control and are classified in one of three classes depending on the extent of controls the FDA determines are necessary to reasonably ensure their safety and efficacy:

- Class I: general controls, such as labeling and adherence to quality system regulations;
- Class II: special controls, pre-market notification (often referred to as a 510(k) application), specific controls such as performance standards, patient registries, post market surveillance, additional controls such as labeling and adherence to quality system regulations; and
- Class III: special controls and approval of a pre-market approval ("PMA") application.

In general, the higher the classification, the greater the time and cost to obtain approval to market. There are no "standardized" requirements for approval, even within each class. For example, the FDA could grant 510(k) status, but require a human clinical trial, a typical requirement of a PMA. They could also initially assign a device Class III status, but end up approving a device as a 510(k) device if certain requirements are met. The range of the number and expense of the various requirements is significant. The quickest and least expensive pathway would be 510(k) clearance with a review of existing data. The longest and most expensive path would be a PMA with extensive randomized human clinical trials. We cannot predict how the FDA will classify the DenerveX device, nor predict what requirements will be placed upon us to obtain market approval or clearance, or even if they will allow marketing of the DenerveX device at all. However, we believe the pathway that will be required by the FDA will be somewhere between the two extremes described above.

We still intend to apply to the FDA for 510(k) clearance for our DenerveX device. However, it is very possible the FDA will deny this request and require the more expensive de novo classification process or possibly the PMA process. It is possible that the company may choose to directly pursue the de novo classification process without filing a 510K which could reduce the overall FDA review time. The Company has budgeted based on the assumption that the PMA process will be required.

To request marketing authorization by means of a 510(k) clearance, we must submit a pre-market notification demonstrating that the proposed device is substantially equivalent to another currently legally marketed medical device, has the same intended use, and is as safe and effective as a currently legally marketed device and does not raise different questions of safety and effectiveness than does a currently legally marketed device.

510(k) submissions generally include, among other things, a description of the device and its manufacturing, device labeling, medical devices to which the device is substantially equivalent, safety and biocompatibility information, and the results of performance testing.

In some cases, a 510(k) submission must include data from human clinical studies. We believe that other medical devices which have been approved by the FDA have many aspects that are substantially similar to the DenerveX device, which may make obtaining 510(k) clearance possible. Marketing may commence only when the FDA issues a clearance letter finding substantial equivalence.

After a device receives 510(k) clearance, any product modification that could significantly affect the safety or effectiveness of the product, or that would constitute a significant change in intended use, requires a new 510(k) clearance or, if the device would no longer be substantially equivalent, would require PMA. In addition, any additional claims the Company wished to make at a later date, such as the permanent relief of pain, may require a PMA. If the FDA determines that the product does not qualify for 510(k) clearance, they will issue a Not Substantially Equivalent letter, at which point the Company must submit and the FDA must approve a PMA or a de Novo classification before marketing can begin.

During the review of a 510(k) submission, the FDA may request more information or additional studies and may decide that the indications for which we seek approval or clearance should be limited. In addition, laws and regulations and the interpretation of those laws and regulations by the FDA may change in the future. We cannot foresee what effect, if any, such changes may have on us.

Clinical Trials of Medical Devices

One or more clinical trials may be necessary to support an FDA submission. Clinical studies of unapproved or un-cleared medical devices or devices being studied for uses for which they are not approved or cleared (investigational devices) must be conducted in compliance with FDA requirements. If an investigational device could pose a significant risk to patients, the sponsor company must submit an Investigational Device Exemption, or "IDE" application to the FDA prior to initiation of the clinical study. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device on humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. Clinical studies of investigational devices may not begin until an institutional review board ("IRB") has approved the study.

During any study, the sponsor must comply with the FDA's IDE requirements. These requirements include investigator selection, trial monitoring, adverse event reporting, and record keeping. The investigators must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of investigational devices, and comply with reporting and record keeping requirements. We, the FDA, or the IRB at each institution at which a clinical trial is being conducted, may suspend a clinical trial at any time for various reasons, including a belief that the subjects are being exposed to an unacceptable risk. During the approval or clearance process, the FDA typically inspects the records relating to the conduct of one or more investigational sites participating in the study supporting the application.

Post-Approval Regulation of Medical Devices

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- the FDA Quality Systems Regulation ("QSR"), which governs, among other things, how manufacturers design, test, manufacture, exercise quality control over, and document manufacturing of their products;
- labeling and claims regulations, which prohibit the promotion of products for unapproved or "off-label" uses and impose other restrictions on labeling; and
- the Medical Device Reporting regulation, which requires reporting to the FDA of certain adverse experiences associated with use of the product.

We will continue to be subject to inspection by the FDA to determine our compliance with regulatory requirements.

Manufacturing cGMP Requirements

Manufacturers of medical devices are required to comply with FDA manufacturing requirements contained in the FDA's current Good Manufacturing Practices ("cGMP") set forth in the quality system regulations promulgated under section 520 of the Food, Drug and Cosmetic Act. cGMP regulations require, among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation. Failure to comply with statutory and regulatory requirements subjects a manufacturer to possible legal or regulatory action, including the seizure or recall of products, injunctions, consent decrees placing significant restrictions on or suspending manufacturing operations, and civil and criminal penalties. Adverse experiences with the product must be reported to the FDA and could result in the imposition of marketing restrictions through labeling changes or in product withdrawal. Product approvals may be withdrawn if compliance with regulatory requirements is not maintained or if problems concerning safety or efficacy of the product occur following the approval.

International Regulation

We are subject to regulations and product registration requirements in many foreign countries in which we may seek to sell our products, including in the areas of product standards, packaging requirements, labeling requirements, import and export restrictions and tariff regulations, duties and tax requirements. The time required to obtain clearance required by foreign countries may be longer or shorter than that required for FDA clearance, and requirements for licensing a product in a foreign country may differ significantly from FDA requirements.

European Good Manufacturing Practices

In the European Union, the manufacture of medical devices is subject to good manufacturing practice ("GMP"), as set forth in the relevant laws and guidelines of the European Union and its member states. Compliance with GMP is generally assessed by the competent regulatory authorities. Typically, quality system evaluation is performed by a Notified Body, which also recommends to the relevant competent authority for the European Community CE Marking of a device. The Competent Authority may conduct inspections of relevant facilities, and review manufacturing procedures, operating systems and personnel qualifications. In addition to obtaining approval for each product, in many cases each device manufacturing facility must be audited on a periodic basis by the Notified Body. Further inspections may occur over the life of the product.

Our third-party manufacturers have ISO certification which is generally one of the requirements for approval under the guidelines established in the European Union.

United States Anti-Kickback and False Claims Laws

In the United States, there are Federal and state anti-kickback laws that prohibit the payment or receipt of kickbacks, bribes or other remuneration intended to induce the purchase or recommendation of healthcare products and services. Violations of these laws can lead to civil and criminal penalties, including exclusion from participation in Federal healthcare programs. These laws are potentially applicable to manufacturers of products regulated by the FDA as medical devices, and hospitals, physicians and other potential purchasers of such products. Other provisions of Federal and state laws provide civil and criminal penalties for presenting, or causing to be presented, to third-party payers for reimbursement, claims that are false or fraudulent, or which are for items or services that were not provided as claimed. In addition, certain states have implemented regulations requiring medical device and pharmaceutical companies to report all gifts and payments of over $50 to medical practitioners. This does not apply to instances involving clinical trials.

Although we intend to structure our future business relationships with clinical investigators and purchasers of our products to comply with these and other applicable laws, it is possible that some of our business practices in the future could be subject to scrutiny and challenge by Federal or state enforcement officials under these laws.

Research, Product Development and Technical Operations Expense

Research and development costs and expenses consist primarily of fees paid to external service providers, laboratory testing, supplies, costs for facilities and equipment, and other costs for research and development activities. Research and development expenses are recorded in operating expenses in the period in which they are incurred. Estimates have been used in determining the expense liability of certain costs where services have been performed but not yet invoiced.

We monitor levels of performance under each significant contract for external service providers for activities through communications with the service providers to reflect the actual amount expended.

Employees

As of December 31, 2018, we had 6 total full-time employees. None of our employees are represented by a union and we believe our employee relations are good.

Available Information

Our website, *www.MedoveX.com,* provides access, without charge, to our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission ("SEC"). The information provided on our website is not part of this report and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this report.

Materials filed by the Company with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding our company that we file electronically with the SEC.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable to smaller reporting companies.

ITEM 2. PROPERTIES

The Company has a commercial building lease agreement with International Realty, LLC. The twenty-eight month lease, having commenced on September 1, 2018, provides for the lease by the Company of approximately 2,358 square feet of space in Alpharetta, GA. Base annual rent is initially set at approximately $3,095 per month with minimal increases each twelve months after the first year.

We believe our existing facilities are suitable for the Company's operations.

ITEM 3. LEGAL PROCEEDINGS

None.

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

The following table sets forth the range of high and low sales prices of the common stock on the OTCQB for each period indicated:

Market and Market Prices of Common Stock (per common share)

	2018	
By Quarter	**High**	**Low**
First	$ 0.65	$ 0.36
Second	0.58	0.37
Third	0.51	0.32
Fourth	0.51	0.27

	2017	
By Quarter	**High**	**Low**
First	$ 1.58	$ 1.04
Second	1.48	0.84
Third	1.26	0.84
Fourth	1.19	0.47

On March 18, 2019, the price per share of the Company's common stock had a high of $0.55 per share, and a low of $0.51 per share. The Company had approximately 226 holders of record of common stock as of March 18, 2019.

Dividends

We have not declared or paid any cash dividends on our common stock and presently intend to retain our future earnings, if any, to fund the development and growth of our business and, therefore, do not anticipate paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

As of December 31, 2018, we have an outstanding aggregate of 557,282 options to purchase common stock under the Plan at a weighted average price of $2.78 per share to certain employees, consultants and our outside directors.

Recent Sales of Unregistered Securities; Uses of Proceeds from Registered Securities

As previously disclosed on a current report on form 8-k dated October 15, 2018, in August and September 2018, the Company sold an aggregate of 15 Units (as defined below) and issued to its investors an aggregate of $750,000 in principal amount of convertible notes (the "Notes") and 1,875,000 warrants (the "Warrants") to purchase the common stock, resulting in total gross proceeds of $750,000 to the Company. The Notes sold therein are convertible into an aggregate of 1,875,000 shares of the common stock. Each Unit consists of (i) a 12% senior secured convertible Note, initially convertible into shares of the Company's common stock, par value $0.001 per share at a conversion price equal to the lesser of (y) $0.40 or (z) ninety percent (90%) of the per share purchase price of any shares of the common stock or common stock equivalents issued in the next private placement of equity and/or debt securities completed by the Company, subject to adjustment (the "Conversion Price") and (ii) a three-year warrant to purchase such number of shares of Company's common stock equal to one hundred percent (100%) of the number of shares of common stock issuable upon conversion of the Notes. The Warrants are exercisable at $0.75 per share.

As previously disclosed on a current report on form 8-k dated October 18, 2018, on October 18, 2018, we entered into an Asset Purchase Agreement (the "Asset Purchase Agreement"), and subsequently an amendment to the Asset Purchase Agreement in January 2019 (the "APA Amendment"), with Regenerative Medicine Solutions, LLC ("RMS"), Lung Institute LLC, RMS Lung Institute Management LLC, Cognitive Health Institute Tampa, LLC, RMS Shareholder, LLC and RMS Acquisition Corp. ("Buyer") (collectively, the "Parties").

Pursuant to the terms of the Asset Purchase Agreement, as amended, Buyer shall purchase all of the assets of Regenerative Medicine Solutions LLC, Cognitive Health Institute Tampa, LLC, Lung Institute LLC and RMS Lung Institute Management LLC (collectively the "Sellers"). As consideration, Buyer shall issue to Sellers 39,772 shares of Series C Preferred Stock of the Company ("Series C Preferred Stock"), where each share of Series C Preferred Stock will convert into 1,000 shares of the common stock and shall combine to represent the right to convert into and acquire an aggregate of fifty-five percent (55%) of the outstanding common stock of the Company and (z) "Additional Exchange Shares" as defined by Section 2.05(f) of the Asset Purchase Agreement; and (ii) assume certain liabilities as provided in Section 2.03 of the Asset Purchase Agreement. In March 2019, the Company issued RMS the 39,772,498 shares of Common Stock upon the Conversion of the 39,772 shares of Series C Preferred Stock. The Company also issued RMS an additional 11,152,778 shares of Common Stock to RMS to compensate it for the additional dilution occurred in 2019.

As reported in Current Reports on Form 8-K filed by the Company, including those filed in the first quarter of 2019, the Company has sold an aggregate of $6,625,000 of 12% convertible notes and 16,562,500 warrants exercisable at $0.75 per share (the "Recent Financing") of such convertible notes, $5,375,000 of the convertible notes have already been converted into an aggregate of 13,437,500 shares of Common Stock.

As previously disclosed on Form 8-K filed on April 5, 2019, the Company entered into SPA's with additional investors which raised an additional $575,000 and brought the aggregate principal amount of capital raised in all the offerings since January 8, 2019 to $7,200,000.

ITEM 6. SELECTED FINANCIAL DATA

Not required for smaller reporting company.

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

Overview

MedoveX Corp. (the "Company" or "MedoveX"), was incorporated in Nevada on July 30, 2013 as SpineZ Corp. ("SpineZ") and changed its name to MedoveX Corp. on March 20, 2014. MedoveX is the parent company of Debride Inc. ("Debride"), which was incorporated under the laws of the State of Florida on October 1, 2012. The Company is in the business of designing and marketing proprietary medical devices for commercial use in the United States and Europe. The Company received CE marking in June 2017 for the DenerveX System and it is now commercially available throughout the European Union and several other countries that accept CE marking. The Company's first sale of the DenerveX System occurred in July 2017. The Company plans to seek approval for the DenerveX System from the Food & Drug Administration ("FDA") in the United States.

In October 2018, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement"), and subsequently an amendment to the Asset Purchase agreement in January 2019 (the "APA Amendment"), with Regenerative Medicine Solutions, LLC ("RMS"), Lung Institute LLC, RMS Lung Institute Management LLC, Cognitive Health Institute Tampa, LLC, RMS Shareholder, LLC and RMS Acquisition Corp. Pursuant to the terms of the Asset Purchase Agreement, the Company purchased all of the assets of RMS, Cognitive Health Institute Tampa, LLC, Lung Institute LLC and RMS Lung Institute Management LLC. The Company closed the Asset Purchase Agreement on January 8, 2019.

The DenerveX System

Our first acquisition was the DenerveX device. We believe that the DenerveX device can be used to encompass several medical applications, including pain relief.

The Company acquired the DenerveX patent on January 31, 2013 from Scott Haufe, M.D. ("Dr. Haufe"), a former director of the Company, in exchange for 750,108 shares of common stock in the Company and a 1% royalty on all sales of any product sold based on the patent. In September 2013, we entered into a Co-Development Agreement with James Andrews, M.D. ("Dr. Andrews"), a former director of the Company, whereby Dr. Andrews committed to further evaluate the DenerveX device and to seek to make modifications and improvements to such technology. In exchange for such services, the Company agreed to pay Dr. Andrews a royalty equal to two (2%) percent of the DenerveX net sales during the five (5) year term of the Co-Development Agreement.

Upon the termination of the term of the Co-Development Agreement, which has a minimum term of five (5) years, then the royalty payable to Dr. Andrews shall be reduced to one (1%) percent of DenerveX net sales after such termination of products covered by any U.S. patent on which Dr. Andrews is listed as a co-inventor; if any such patents are obtained. Such one (1%) percent royalty shall continue during the effectiveness of such patent. Pursuant to the Co-Development Agreement, Dr. Andrews agreed to assign any modifications or improvements to the DenerveX to the Company subject to the royalty rights described above. The Co-Development agreement with Dr. Andrews expired September 30, 2018. The company has no intention of re-entering the agreement with Dr. Andrews.

We are marketing the product as a disposable, single-use kit which includes all components of the DenerveX device product. In addition to the DenerveX device itself, we have developed a dedicated Electro Surgical Generator, the DenerveX Pro-40, to power the DenerveX device. Commercial production of the DenerveX device is currently on-hold. The Company anticipates the resumption of manufacturing in Q4 2019.

The generator is provided to customers agreeing to purchase the DenerveX device and cannot be used for any other purpose.

We accepted a proposal from Devicix, a Minneapolis, Minnesota third party design and development firm, in November 2013, to develop a prototype device. This proposal included a 5-phase development plan, culminating in the production ready prototype that could be used for validation purposes. We have recently completed the final stages of the build and test phase of the device, culminating in receiving CE marking to market the product in Europe. The DenerveX Kit and Pro-40 generator is now in commercial production.

We anticipate very minimal, if any, additional build and test related expenses, which consists of product design verification activities, in the future as we launch the DenerveX System in Europe. Through December 31, 2018, we have incurred expenses of approximately $1,950,000 to Devicix.

In November 2014, we selected Nortech Systems Inc. (“Nortech”), a Minneapolis, Minnesota based FDA registered contract manufacturer, to produce test DenerveX devices from the prototype supplied by Devicix for use in final development and non-clinical testing. The agreement with Nortech includes agreed upon per unit prices for delivery of the devices. Actual work on development of the final units began in November 2014. Through December 31, 2018, we have incurred expenses of approximately $997,000 to Nortech. We are now in commercial production.

Also in November 2014, we engaged Bovie Medical Corporation (“Bovie”), a Delaware Corporation, to develop the Electro Surgical Generator and provide post production support services. Per our agreement with Bovie, we are invoiced based on deliverables produced by Bovie, which was originally supposed to amount to $295,000 upon completion of all the deliverables. Through December 31, 2018, we have incurred expenses of approximately $441,000 to Bovie for production services. The original $295,000 agreement was a base number along the pathway of development. Additional requirements were incurred as the research and development process progressed and as a result certain prices increased and additional costs were incurred to further customize the DenerveX System. We are also in commercial production of the generator.

The Company has completed the final stages of the development and verification of the DenerveX Device and the DenerveX Pro-40 power generator as a system, and the DenerveX System is presently being manufactured and sold.

Regulatory Approval

The Company received CE marking in June 2017 for the DenerveX System. It can now be sold throughout the European Union and countries that accept CE Mark. In the future, the Company will seek marketing clearance from the FDA for commercialization of the DenerveX System in the US.

Aside from the European Union, we may seek regulatory approval for commercialization of the DenerveX System from Columbia, Peru, Argentina, Mexico, Turkey, Israel, New Zealand, Australia and other countries. The documentation required to accompany the CE Mark to obtain regulatory approval in the aforementioned countries may include copies of the ISO 13485 certification, the SGS certificate of approval and a statement of Good Manufacturing Practices (“GMP”).

Streamline, Inc. **Divestiture**

In May 2016, the Board of Directors authorized management to seek buyers for Streamline, Inc., (“Streamline”), the Company’s wholly owned subsidiary acquired in March 2015. The Company sold all Streamline related assets on December 7, 2016 (the “Closing”).

The transaction resulted in the immediate receipt of $500,000 in cash, and a $150,000 note receivable to the Company due on or before January 1, 2018. The Company subsequently received the $150,000 per the terms of the asset purchase agreement on January 2, 2018.

The terms of the agreement also required that or each of the calendar years ending December 31, 2018 and December 31, 2019 (each such calendar year, a "Contingent Period"), a contingent payment in cash (each, a "Contingent Payment") equal to five percent (5%) of the total net sales received by the acquiring party from the sale of "IV suspension system" products in excess of 100 units during each Contingent Period.

Each such Contingent Payment is payable to the Company by the acquiring party by no later than March 31st of the subsequent year; provided, however, that the total aggregate amount of all Contingent Payments owed by the acquiring party to the Company for all Contingent Periods will not exceed $850,000. The Company is yet to receive any Contingent Payments and has no reason to expect it will receive any Contingent Payments.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which we have prepared in accordance with United States generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods.

On an ongoing basis, we evaluate our estimates and judgments, including those described in greater detail below.

We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our consolidated financial statements included elsewhere in this report, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our financial condition and results of operations.

Fair Value Measurements

We measure certain non-financial assets at fair value on a non-recurring basis. These non-recurring valuations include evaluating assets such as long-lived assets and non-amortizing intangible assets for impairment; allocating value to assets in an acquired asset group; and applying accounting for business combinations.

We use the fair value measurement framework to value these assets and report the fair values in the periods in which they are recorded or written down.

The fair value measurement framework includes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair values in their broad levels. These levels from highest to lowest priority are as follows:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets or liabilities or observable prices that are based on inputs not quoted on active markets, but corroborated by market data; and
- Level 3: Unobservable inputs or valuation techniques that are used when little or no market data is available.

The determination of fair value and the assessment of a measurement's placement within the hierarchy requires judgment. Level 3 valuations often involve a higher degree of judgment and complexity. Level 3 valuations may require the use of various cost, market, or income valuation methodologies applied to unobservable management estimates and assumptions. Management's assumptions could vary depending on the asset or liability valued and the valuation method used. Such assumptions could include: estimates of prices, earnings, costs, actions of market participants, market factors, or the weighting of various valuation methods. We may also engage external advisors to assist us in determining fair value, as appropriate.

Although we believe that the recorded fair value of our financial instruments is appropriate at December 31, 2017, these fair values may not be indicative of net realizable value or reflective of future fair values.

Income Taxes

The Company uses the liability method of accounting for income taxes, which requires recognition of temporary differences between financial statement and income tax bases of assets and liabilities, measured by enacted tax rates. A valuation allowance is recorded to reduce deferred tax assets when necessary.

We file income tax returns in the U.S. federal jurisdiction and certain state jurisdictions. The tax years that could be subject to federal audit are 2015, 2016 and 2017.

Revenue Recognition and Sales Returns, Discounts and Allowances

We recognize revenue in accordance with generally accepted accounting principles as outlined in the Financial Accounting Standard Board's ("FASB") Accounting Standards Codification ("ASC") 606, Revenue From Contracts with Customers, which requires that five basic criteria be met before revenue can be recognized: (i) identify the contract with the customer; (ii) identity the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price; and (v) recognize revenue when or as the entity satisfied a performance obligation.

The Company sells the DenerveX System through a combination of direct sales and independent distributors in international markets. The Company recognizes revenue when title to the goods and risk of loss transfers to customers, provided there are no material remaining performance obligations required of the Company or any matters of customer acceptance. We only record revenue when collectability is reasonably assured.

Revenue recognition occurs at the time product is shipped to customers from the third-party distribution warehouse located in Berlin, Germany. Our stocking distributors, who sell the products to their customers or sub-distributors, contractually take title to the products and assume all risks of ownership at the time of shipment. Our stocking distributors are obligated to pay us the contractually agreed upon invoice price within specified terms regardless of when, if ever, they sell the products.

Our direct customers do not have any contractual rights of return or exchange other than for defective product. A portion of the Company's revenue is generated from inventory maintained at hospitals or physician's offices.

The Company records estimated sales returns, discounts and allowances as a reduction of net sales in the same period revenue is recognized. The company does not have any estimated sales returns or allowances as of December 31, 2018. The Company recorded $9,484 in sales discounts for the year ended December 31, 2018.

Foreign Currency Transactions

The Company transacts some of its operating activities in foreign currencies, most notably the Euro. The Company also has certain assets and liabilities denominated in foreign currencies that are translated to US Dollars for reporting purposes as of and for the year ended December 31, 2018. These amounts are immaterial and are included in other income or expense for the years ended December 31, 2018 and 2017. Because of the immaterial effect noted above, we did not present a separate statement of other comprehensive income.

Stock-Based Compensation

A summary of significant assumptions used to estimate the fair value of the equity awards granted in 2018 and 2017 follows:

Stock-based compensation expense for the years ended December 31, 2018 and 2017 includes both common stock and stock options granted to certain employees, consultants, and directors and has been recorded as general and administrative expenses. We follow the provisions of the ASC Topic 718, *Compensation- Stock Compensation* which requires the measurement and recognition of compensation expense for all stock-based payment awards made to employees and non-employee directors, including employee stock options.

Stock compensation expense based on the fair value on the grant date estimated in accordance with the provisions of ASC 718 is generally recognized as an expense over the requisite service period.

The stock grant prices and the option prices were set at the estimated fair value of the common stock on the date of grant using the market approach. Under the market approach, the fair value of the common stock was determined to be the value of the stock on the date of the grant.

We utilize the Black-Scholes valuation method to recognize compensation expense over the vesting period for stock options. The expected life represents the period that our stock option-based compensation awards are expected to be outstanding.

We use a simplified method provided in Securities and Exchange Commission release,*Staff Accounting Bulletin No. 110,* which averages an award's weighted average vesting period and contractual term for "plain vanilla" share options. The expected volatility was estimated by analyzing the historic volatility of the Company's stock and similar public biotech companies in an early stage of development.

The Company uses, and will continue to use in the future, the historic volatility of similar biotech companies until we have either a sufficient amount of historical information regarding the volatility of our own share price or other traded financial instruments are available to derive an implied volatility to support an estimate of expected volatility. No dividend payouts were assumed as we have not historically paid, and do not anticipate paying, dividends in the foreseeable future.

The risk-free rate of return reflects the weighted average interest rate offered for US treasury rates over the expected term of the options.

During 2018, 1,243,956 shares of common stock were granted. The Company did not grant any options to purchase shares of common stock during 2018.

RESULTS OF OPERATIONS

Overview

We started operations late in 2013. We anticipate that our quarterly and annual results of operations will be impacted for the foreseeable future by several factors, including the ramp-up in sales of our prototype product in Europe, approval of the product by the Food & Drug Administration ("FDA") in the United States, and the rate of adoption of our product by medical professionals. The Company received CE marking in June 2017 for the DenerveX System and it is now commercially available throughout the European Union and several other countries that accept CE marking. The Company's first sale of the DenerveX System occurred in July 2017. Due to these factors, we believe that period to period comparisons of our results of operations are not a good indication of our future performance.

The following table sets forth our results of operation for the years ended December 31, 2018 and 2017:

	2018	2017
Revenues, net of discount of $9,484 and $52, respectively	$ 818,211	$ 207,344
Cost of Goods Sold	(502,789)	(162,837)
Gross Profit	315,422	44,507
Operating Expenses:		
General and administrative	3,972,446	4,721,893
Sales and marketing	808,223	865,377
Research and development	204,690	491,076
Loss on asset disposal	32,865	—
Depreciation and amortization	23,915	27,100
Total operating expenses	5,042,139	6,105,446
Operating Loss	(4,726,717)	(6,060,939)
Other Income	—	957
Other Expenses:		
Interest expense	162,200	395,332
Foreign currency transaction loss	19,727	—
Total Other Expenses	181,927	395,332
Loss from Continuing Operations	(4,908,644)	(6,455,314)
Discontinued Operations		
Loss from discontinued operations	—	1,163
Total Loss from Discontinued Operations	—	(1,163)
Net Loss	$ (4,908,644)	$ (6,456,477)
Dividend on outstanding Series B Preferred Stock	$ (57,813)	—
Deemed dividend on adjustment to exercise price on certain warrants	(107,697)	—
Deemed dividend on beneficial conversion features	(403,719)	—
Net Loss Attributable to Common Shareholders	$ (5,477,873)	—

Revenue; Cost of Revenue and Gross Profit

The Company's first sale of the DenerveX System occurred in July 2017. The Company recorded revenue for the year ended December 31, 2018 of $818,211, net of sales discounts.

The Company sells the DenerveX System through a combination of direct sales and independent distributors in international markets. The Company recognizes revenue at the time product is shipped to customers from the third-party distribution warehouse in Berlin, Germany. We believe this action satisfies the performance obligation as outlined in new revenue recognition standards.

The DenerveX Device is manufactured by Nortech in Minneapolis, MN and subsequently shipped to the third-party warehouse in packages of five units per one package. Our independent distributors then order the DenerveX Devices as single units at specified prices as outlined in their distribution agreements. The international distribution agreements also specify the pricing for which the independent distributor is to sell the DenerveX Device to their end-user customers.

The Pro-40 Generator is manufactured in Bulgaria and shipped to the third-party warehouse as single units. The generators are typically provided for use to customers at no cost, however, demo units can be purchased by customers for which the Company records revenue.

Our independent distribution customers place initial purchase orders for minimum stocking quantities of both the DenerveX Devices and Pro-40 Generators as agreed upon per their signed international distribution agreements. Subsequent stocking orders are required to be placed initially at specified dates and quantities based upon projected end-user sales volumes. Stocking orders thereafter are required to be placed quarterly based off actual end-user sales volumes.

Cost of sales as a percentage of revenue in 2018 was approximately 61% resulting in a gross profit margin of approximately 39%. Cost of sales as a percentage of revenue in 2017 was approximately 79% resulting in a gross profit margin of approximately 21 %.

Operating Expenses

We classify our operating expenses into five categories: research & development, sales & marketing, general & administrative expense, loss on asset disposal, and depreciation and amortization expense.

Research and Development Costs and Expenses

Research and development costs and expenses consist primarily of fees paid to external service providers, laboratory supplies, costs for facilities and equipment, and other costs for research and development activities.

Research and development expenses are recorded in operating expenses in the period in which they are incurred. Estimates have been used in determining the liability of certain costs where services have been performed but not yet invoiced.

We monitor levels of performance under each significant contract for external service providers, including the extent of patient enrollment and other activities through communications with the service providers to reflect the actual amount expended.

Advertising

During 2018, the Company incurred approximately $149,000 in advertising expenses compared to approximately $332,000 in 2017. Advertising expenses consists primarily of fees paid to vendors for tradeshows and consultants in correlation with the launch of the DenerveX in Europe.

General and Administrative Expenses

During 2018, the Company incurred approximately $2,162,000 in personnel costs, compared to approximately $1,850,000 in 2017. Professional fees were approximately $1,668,000 in 2018 and $1,651,000 in 2017 which consisted primarily of professional costs related to the development of the DenerveX System. Travel expenses were approximately $144,000 during 2018 and $299,000 in 2017.

We anticipate an overall increase in our general and administrative expenses due to increases in wage expense with the addition of the Company's new CEO, Bill Horne. We anticipate that other general and administrative expenses to remain at comparable rates in the future to support clinical trials, commercialization of our product candidate and continued costs of operating as a public company.

Depreciation & Amortization

Depreciation and amortization expense are recorded in the period in which they are incurred. During 2018, the Company recognized approximately $23,900 in depreciation expense, compared to approximately $27,100 in 2017.

Liquidity and Capital Resources

Since our inception, we have incurred losses and anticipate that we will continue to incur losses in the foreseeable future.

Through March 31, 2019, the Company has entered into SPA's with investors which has brought the aggregate principal amount of capital raised in all the offerings since January 8, 2019 to $7,200,000.

While we expect our research and development costs for the DenerveX System to diminish, we also anticipate increased expenditures for clinical trials to obtain FDA approval of the DenerveX System as well as expenses related to the commercial launch of the DenerveX system. We will need additional cash to fully fund these activities.

Our independent registered public accounting firm has included an explanatory paragraph with respect to our ability to continue as a going concern in its report on our consolidated financial statements as of and for the years ended December 31, 2018 and 2017.

The presence of the going concern explanatory paragraph suggests that we may not have sufficient liquidity or minimum cash levels to operate the business.

Sources of Liquidity

Equity

Common Stock / Preferred Series A Stock

On July 14, 2017, the Company entered into a Securities Purchase Agreement with selected accredited investors whereby the Company sold an aggregate of 2,956,043 shares of common stock and 1,478,022 warrants to purchase common stock. The Offering resulted in $2,690,686 in gross proceeds to the Company. The placement agent collected $188,000 in total fees related to the offering. The common stock shares were sold at $0.91 per share which was the closing price of the Company's common stock on July 13, 2017, the day prior to the agreement. Each warrant has an exercise price of $1.15 and is exercisable for a period of five years commencing six months from the date of issuance.

On February 26, 2018, the Company entered into a securities purchase agreement with selected accredited investors whereby the Company sold an aggregate of 770,000 shares of common stock and 385,000 warrants to purchase common stock. The offering resulted in $308,000 in gross proceeds to the Company. The warrants have a five-year term commencing six months from issuance with an exercise price of $0.75. The Company allocated $52,003 to the warrants and the remainder to the issuance of the common stock based on their relative fair values. The Company incurred $13,500 in legal expenses related to the offering.

On February 9, 2017, the Company entered into a Unit Purchase Agreement with selected accredited investors whereby the Company had the right to sell in a private placement a minimum of $3,000,000 and up to a maximum of $5,000,000 of Units. Each Unit had a purchase price of $100,000 and consisted of (i) 96,154 shares of the Company's common stock, par value $0.001 per share at a purchase price of $1.04 per share, and (ii) a warrant to purchase 48,077 shares of common stock. Each warrant has an initial exercise price of $1.50 per share and is exercisable for a period of five (5) years from the date of issuance. Investors had the option to request shares of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock") in lieu of common stock, on a basis of one share of preferred stock for every one hundred shares of common stock.

The offering resulted in gross proceeds of $3,022,000 and resulted in the issuance of an aggregate of 1,631,730 shares of common stock, 12,740 shares of Series A Preferred Stock and warrants to purchase 2,005,761 shares of common stock. The placement agent collected an aggregate of approximately $350,000 in total fees related to the offering and warrants to purchase an aggregate of 405,577 shares of common stock at a price of $1.50 per share.

Each share of Series A Preferred Stock may be converted into shares of fully paid and non-assessable shares of common stock at a rate of one hundred shares of the Company's common stock for every share of Series A Preferred Stock.

Preferred Series B Stock

On May 1, 2018, the Company entered into a securities purchase agreement with selected accredited investors whereby the Company offered up to $1,000,000 in units. Each unit had a purchase price of $100,000 and consisted of (i) 1,000 shares of the Company's 5% Series B Convertible Preferred Stock (the "Series B Shares") and (ii) warrants to purchase 250,000 shares of the Company's common stock, par value $0.001 per share. Each Series B Share is convertible at a conversion price of $0.40 per share. The conversion price has a feature that would adjust the conversion price downward if the company issues any common stock or common stock equivalents at a price less than $0.40 per share while the Series B shares are outstanding. The market value of the common stock on the date of the agreement was $0.44. The Series B Shares initially entitled the holders to a 5% adjustable annual dividend. The Series B Shares also have a feature that provides the holder the ability to adopt more favorable terms of subsequent financings while the Series B Shares are outstanding.

The Warrants are exercisable for a period of three (3) years from the date of issuance at an initial exercise price of $0.75 per share subject to downward adjustment if the Company issues any common stock or common stock equivalents at a price less than $0.75 per share while the warrants are outstanding.

As a result of the offering, the Company sold an aggregate of 8.25 Units and issued to the Investors an aggregate of 8,250 Series B Shares and 2,062,500 warrants to purchase common stock, resulting in total $825,000 gross proceeds to the Company. The Company incurred $5,000 in legal fees related to the offering, which resulted in $820,000 net cash received from the offering. The 8,250 Series B Shares sold in the Offering are initially convertible into an aggregate of 2,062,500 shares of Common Stock.

Of the net proceeds in the offering of $820,000, approximately $288,000 was first allocated to the warrants issued to investors based on their relative fair value. The Company recognized a beneficial conversion feature related to the Series B Shares of approximately $373,000, which was credited to additional paid-in capital, and the residual amount of approximately $159,000 was allocated to the Series B Shares. Because the Series B Shares can immediately be converted by the holder, the discount recognized by the allocation of proceeds to the beneficial conversion feature was immediately accreted and recognized as a deemed dividend to the preferred shareholders.

On August 1, 2018 the annual dividend rate on the Series B Shares was adjusted to 12%, which is equal to the same rate as the convertible debt issued in August and September 2018, pursuant to an adjustment provision in the Series B Shares which entitles the holders to receive a more beneficial annual dividend rate offered in any subsequent financings. The Company had accrued unpaid dividends in the amount of approximately $58,000 as of December 31, 2018, related to the Series B Shares.

On August 8, 2018, the Company completed the issuance of convertible debt at an initial conversion price of $0.40. Accordingly the exercise price on all of the warrants issued with the Series B Shares were adjusted downward to $0.40. In conjunction with the downward adjustment, the Company recorded a deemed dividend of approximately $108,000 representing the difference in the fair value of the warrants immediately before and after the adjustment to the exercise price.

Debt

Convertible Debenture

On January 31, 2018, the Company issued a 5% convertible debenture in exchange for $100,000. The debenture accrued interest at 5% per annum. Principal and interest were due on January 30, 2019. The debenture was convertible at the option of the holder into shares of the Company's common stock at a conversion rate equivalent to 85% of the average closing price of the Company's common stock for the 20 days preceding the conversion.

On April 26, 2018, the convertible debenture and unpaid accrued interest was converted into an aggregate of 266,301 shares of common stock, eliminating the Company's debt obligation. Prior to the conversion, the Company recognized approximately $1,200 in interest expense related to the convertible debenture during the year ended December 31, 2018. The market value of the common stock on the date of the conversion was $0.40. This difference lead to an immaterial amount related to a beneficial conversion feature.

Convertible Notes

In August and September 2018, the Company entered into a securities purchase agreement with select accredited investors, whereby the Company offered up to $1,000,000 in units at a purchase price of $50,000 per unit. Each Unit consists of (i) a 12% senior secured convertible note, initially convertible into shares of the Company's common stock, par value $0.001 per share, at a conversion price equal to the lesser of $0.40 or ninety percent (90%) of the per share purchase price of any shares of common stock or common stock equivalents issued in future private placements of equity and/or debt securities completed by the Company following this offering, and (ii) a three-year warrant to purchase such number of shares of the Company's common stock equal to one hundred percent (100%) of the number of shares of common stock issuable upon conversion of the notes at $0.40. The Warrants are exercisable at a price equal to the lesser of $0.75 or ninety percent (90%) of the per share purchase price of any shares of common stock or common stock equivalents issued in future private placements of the debt and/or equity securities completed by the Company following the issuance of warrants. The notes are secured by all of the assets of the Company.

ASU 2017-11, Earnings per share (Topic 260), provided that when determining whether certain financial instruments should be classified as liability or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. If a down round feature on the conversion option embedded in the note is triggered, the Company will evaluate whether a beneficial conversion feature exists, the Company will record the amount as a debt discount and will amortize it over the remaining term of the debt.

If the down round feature in the warrants is triggered, the Company will recognize the effect of the down round as a deemed dividend which will reduce the income available to common stockholders.

In the offering, the Company sold an aggregate of 15 units and issued to investors an aggregate of $750,000 in principal amount of convertible notes and 1,875,000 warrants to purchase common stock, resulting in total gross proceeds of $750,000 to the Company. If converted at $0.40 the convertible notes sold in the offering are convertible into an aggregate of 1,875,000 shares of common stock. The Company recorded the proceeds from the notes and the accompanying warrants, which accrete over the period the notes are outstanding, on a relative fair value basis of approximately $505,000 and $245,000, respectively. Accretion expense related to the discount on these convertible notes for the year ended December 31, 2018 was approximately $93,000. The Company recognized $33,700 in unpaid accrued interest expense related to the notes as of December 31, 2018.

Cash Flows

Net cash used in operating activities was approximately $2,341,000 during the year ended December 31, 2018, compared to approximately $5,590,000 in 2017. Net cash provided by investing activities was approximately $150,000 during the year ended December 31, 2018, compared to net cash used in investing activities of approximately $17,000 during the year ended December 31, 2017. Net cash provided by financing activities was approximately $1,993,000 during the year ended December 31, 2018, compared to approximately $4,959,000 in 2017.

The Company had approximately $47,000 and $245,000 of cash on hand at December 31, 2018 and 2017, respectively.

Results of Continued Operations

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

The Company recorded $827,695 and $502,789, respectively, in revenue and cost of goods sold for the year ended December 31, 2018. The Company recorded $207,396 and $162,837, respectively, in revenue and cost of goods sold for the year ended December 31, 2017.

Total operating expenses decreased approximately $1,063,000, or 18%, to approximately $5,042,000 for the year ended December 31, 2018, as compared to approximately $6,105,000 for the year ended December 31, 2017.

The Company experienced hardships in 2018 raising additional funds to maintain a sufficient level of working capital which is the primary reason for the decrease in operating expenses in 2018.

Funding Requirements

We anticipate our cash expenditures will remain consistent as diminishing research and development costs will be offset by the cost of clinical trials to obtain FDA approval and moving forward with the recent commercialization of the DenerveX System. We expect future cash flow expenditures to increase if the FDA requires a de novo regulatory path, instead of a 510(k) approval. We also continue to incur similar costs as we continue to operate as a publicly traded entity.

Subsequent to year-end, on January 8, 2019, the Company executed the Asset Purchase Agreement with RMS, as amended, by which the Company entered into a securities purchase agreement (the "SPA") with select accredited investors and raised an aggregate amount of $2,000,000, with $1,800,000 received in cash and $200,000 by cancellation of debt.

Subsequent to the consummation of the Asset Purchase Agreement with RMS, the Company has raised an additional $5,200,000 with select accredited investors under the same SPA. Through March 31, 2019 the Company has raised an aggregate of $7,200,000 in convertible note financings.

The sale of additional equity or convertible debt securities would likely result in dilution to our current stockholders.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Regulation S-K Item 303(a)(4) during the periods presented, investments in special-purpose entities or undisclosed borrowings or debt. Additionally, we are not a party to any derivative contracts or synthetic leases.

Contractual Obligations and Commercial Commitments

The Company has long term contractual obligations for the two promissory notes issued to the Bank of North Dakota New Venture Capital Program and North Dakota Development Fund. Both Notes from the Bank of North Dakota New Venture Capital Program and North Dakota Development were assumed in conjunction with the consummation of the Streamline acquisition on March 25, 2015 and require combined monthly principal and interest payments of $5,661 into the third quarter of 2019.

The Company rents commercial office space in Alpharetta, GA. Base annual rent is currently set at $3,095 per month and the lease term ends December 31, 2020.

The Company has a consulting agreement with Jesse Crowne, a former Director and Co-Chairman of the Board of the Company, to provide business development consulting services for a fee of $13,333 per month through March 31, 2019.

The Company has a distribution center agreement with a logistics service provider in Berlin, Germany pursuant to which they shall manage and coordinate the DenerveX System products which the Company exports to the EU through June 2019.

The Company pays a fixed monthly fee of €6,900 (approximately $7,900) for all accounting, customs declarations, office support, logistics, warehousing and customer support services.

The Company issued to investors an aggregate of $750,000 in 12% senior secured convertible notes in August and September 2018. The notes are secured by all of the assets of the Company.

Changes in Board of Directors and Certain Officers

On October 9, 2018, William E. Horne, pursuant to agreement and subsequent modification, began serving as the Company's President and Chief Executive Officer. The Employment Agreement is for a term of five (5) years subject to additional one year renewals. Mr. Jarrett Gorlin resigned as President and Chief Executive Officer upon the effectiveness of the Employment Agreement. There were no agreements between Mr. Gorlin and the Company.

On October 15, 2018, Directors Jarrett Gorlin, James R. Lawson, Randal R. Betz, John C. Thomas, Jr., James R. Andrews, Clyde A. Hennies, Jon Mogford, Scott Haufe and Jesse W. Crowne, this being all Board members except for Larry W. Papasan, tendered their resignations to Mr. Papasan, Co-Chairman of the Board. Mr. Papasan then invited newly appointed President and Chief Executive Officer, William E. Horne, to join the Board as Chairman. Mr. Horne accepted, and Mr. Papasan tendered his resignation to Mr. Horne, leaving Mr. Horne as the sole director of the Company.

On January 8, 2019, the Company appointed Raymond Monteleone and Michael Yurkowsky to serve as members of the Company's Board.

On February 4, 2019, Jeremy Daniel was appointed as the Company's new CFO and Charles Farrahar resigned such position.

Indemnification

We have agreements whereby we indemnify our officers and directors for certain events or occurrences while the officer or director is or was serving, at our request, in such capacity, to the maximum extent permitted under the laws of the State of Nevada.

The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited. However, we maintain directors and officers insurance coverage that may contribute, up to certain limits, a portion of any future amounts paid for indemnification of directors and officers. We believe the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal. Historically, we have not incurred any losses or recorded any liabilities related to performance under these types of indemnities.

Additionally, in the normal course of business, we have made certain guarantees, indemnities and commitments under which we may be required to make payments in relation to certain transactions. These indemnities include intellectual property and other indemnities to our customers and distribution network partners in connection with the sales of our products, and indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease.

It is not possible to determine the maximum potential loss under these guarantees, indemnities and commitment due to our limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision.

Recently Adopted Accounting Standards

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. ASU 2016-02 is effective for public companies for annual reporting periods beginning after December 15, 2018, and interim periods within those fiscal years. The guidance may be adopted prospectively or retrospectively and early adoption is permitted. The Company is currently assessing the impact the adoption of ASU 2016-02 will have on its consolidated financial statements.

Jumpstart Our Business Startups Act of 2012

The JOBS Act permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies.

We are choosing to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO THE FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
MedoveX Corp. and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of MedoveX Corp and Subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for the years then ended (collectively referred to as the consolidated financial statements). In our opinion, the consolidated 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 their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 12 to the consolidated financial statements, the Company has an accumulated deficit and has incurred significant operating losses and has a working capital deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to this matter are also discussed in Note 12. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Frazier & Deeter, LLC

Atlanta, Georgia
April 10, 2019

We have served as the Company's auditor since 2015.

MEDOVEX CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2018	December 31, 2017
Assets		
Current Assets		
Cash	$ 47,290	$ 245,026
Accounts receivable	145,757	157,069
Other receivables	—	86,888
Inventory	131,455	294,714
Prepaid expenses	46,153	204,532
Short-term receivable	—	150,000
Total Current Assets	370,655	1,138,229
Property and Equipment, net of accumulated depreciation	30,393	87,173
Deposits	2,751	2,751
Total Assets	$ 403,799	$ 1,228,153
Liabilities and Stockholders' (Deficit) Equity		
Current Liabilities		
Interest payable	$ 103,709	$ 69,222
Accounts payable	750,958	196,171
Other payables	37,377	—
Accounts payable to related parties	91,302	12,319
Accrued payroll	451,207	—
Accrued liabilities	210,846	64,000
Notes payable, current portion	99,017	132,294
Short-term note payable, net of debt discount	598,119	—
Dividend payable	57,813	—
Unearned revenue	—	1,048
Total Current Liabilities	2,400,348	475,054
Long-Term Liabilities		
Notes payable, net of current portion	—	38,990
Deferred rent	267	688
Total Long-Term Liabilities	267	39,678
Total Liabilities	2,400,615	514,732
Stockholders' (Deficit) Equity		
Series A Preferred stock - $.001 par value: 500,000 shares authorized, 0 and 12,740 shares issued and outstanding at December 31,2018 and December 31, 2017, respectively	—	13
Series B Preferred stock - $.001 par value: 10,000 shares authorized, 9,250 shares issued and outstanding at December 31, 2018, no shares issued and outstanding at December 31, 2017	9	—
Common stock - $.001 par value: 49,500,000 shares authorized, 24,717,270 and 21,163,013 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	24,717	21,163
Additional paid-in capital	35,812,202	33,509,648
Accumulated deficit	(37,833,744)	(32,817,403)
Total Stockholders' (Deficit) Equity	(1,996,816)	713,421
Total Liabilities and Stockholders' Equity (Deficit)	$ 403,799	$ 1,228,153

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the year ended December 31,	
	2018	**2017**
Revenues, net of discount of $9,484 and $52, respectively	$ 818,211	$ 207,344
Cost of Goods Sold	(502,789)	(162,837)
Gross Profit	315,422	44,507
Operating Expenses		
General and administrative	3,972,446	4,721,893
Sales & Marketing	808,223	865,377
Research and development	204,690	491,076
Loss on asset disposal	32,865	—
Depreciation and amortization	23,915	27,100
Total Operating Expenses	5,042,139	6,105,446
Operating Loss	(4,726,717)	(6,060,939)
Other Income	—	957
Other Expenses		
Foreign currency transaction loss	19,727	—
Interest expense	162,200	395,332
Total Other Expenses	181,927	395,322
Loss from Continuing Operations	(4,908,644)	(6,455,314)
Discontinued Operations		
Loss from discontinued operations	—	1,163
Total Loss from Discontinued Operations	—	(1,163)
Net Loss	(4,908,644)	$ (6,456,477)
Deemed dividend on outstanding Series B Preferred Stock	(57,813)	—
Deemed dividend on adjustment to exercise price on certain warrants	(107,697)	—
Deemed dividend on beneficial conversion features	(403,719)	—
Net loss attributable to common shareholders	(5,477,873)	—
Loss per share – Basic and Diluted		
Continued Operations	$ (0.23)	$ (0.34)
Discontinued Operations	—	—
Net Loss per share	$ (0.23)	$ (0.34)
Weighted average outstanding shares used to compute basic and diluted net loss per share	23,458,305	19,142,795

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
For the year ended December 31, 2018 and 2017

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholder' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance – December 31, 2016	14,855,181	$ 14,855	—	$ —	$ 25,898,054	$ (26,360,926)	$ (448,017)
Issuance of common stock in exchange for board of director fees in January 2017	173,912	174	—	—	239,826	—	240,000
Issuance of common stock pursuant to a private placement completed in February 2017	1,631,730	1,632	—	—	1,207,032	—	1,208,664
Issuance of preferred stock pursuant to a private placement completed in February 2017	—	—	12,740	13	943,673	—	943,686
Issuance of warrants pursuant to a private placement completed in February 2017	—	—	—	—	465,709	—	465,709
Issuance of common stock pursuant to the conversion of a short term note in February 2017	165,865	166	—	—	145,753	—	145,919
Issuance of preferred stock pursuant to the conversion of a short term note in February 2017	—	—	9,399	9	826,865	—	826,874
Issuance of warrants pursuant to the conversion of a short term note in February 2017	—	—	—	—	177,207	—	177,207
Issuance of common stock pursuant to warrant cancellations in February 2017	200,000	200	—	—	207,800	—	208,000
Issuance of common stock pursuant to preferred stock conversion in March 2017	414,663	415	(4,147)	(4)	(411)	—	—
Issuance of common stock pursuant to preferred stock conversion in April 2017	525,240	525	(5,252)	(5)	(520)	—	—
Issuance of common stock pursuant to a private placement completed in July 2017	2,956,043	2,956	—	—	2,019,670	—	2,022,626
Issuance of warrants pursuant to a private placement completed in July 2017	—	—	—	—	446,561	—	446,561
Issuance of common stock in exchange for board of director fees in October 2017	115,389	115	—	—	134,885	—	135,000
Issuance of common stock in exchange for consulting services in October 2017	74,990	75	—	—	80,925	—	81,000
Issuance of common stock in exchange for consulting services in December 2017	50,000	50	—	—	33,450	—	33,500
Stock based compensation	—	—	—	—	683,169	—	683,169
Net loss	—	—	—	—	—	(6,456,477)	(6,456,477)
Balance – December 31, 2017	21,163,013	$ 21,163	12,740	$ 13	$ 33,509,648	$ (32,817,403)	$ 713,421
Issuance of common stock pursuant to a private placement completed in February 2018	770,000	770	—	—	241,727	—	242,497
Issuance of warrants pursuant to a private placement completed in February 2018	—	—	—	—	52,003	—	52,003
Issuance of warrants in connection with short-term debt in March 2018	—	—	—	—	25,646	—	25,646
Issuance of common stock pursuant to preferred series A stock conversion in March 2018	1,274,000	1,274	(12,740)	(13)	(1,261)	—	—
Issuance of common stock pursuant to conversion of convertible debt in April 2018	266,301	266	—	—	100,928	—	101,194
Issuance of preferred series B stock pursuant to a private placement completed in May 2018	—	—	8,250	8	158,565	—	158,573
Issuance of warrants pursuant to a private placement completed in May 2018	—	—	—	—	287,995	—	287,995
Convertible preferred stock – beneficial conversion feature pursuant to a private placement completed in May 2018	—	—	—	—	373,432	—	373,432
Issuance of preferred stock pursuant to conversion of short-term debt in May 2018	—	—	1,000	1	35,674	—	35,674
Issuance of warrants in connection with conversion of short-term debt in May 2018	—	—	—	—	34,038	—	34,038
Convertible preferred stock – beneficial conversion feature pursuant to conversion of short-term promissory note in May 2018	—	—	—	—	30,287	—	30,287
Issuance of warrants in connection with convertible debt in August 2018	—	—	—	—	192,330	—	192,330
Issuance of warrants in connection with convertible debt in September 2018	—	—	—	—	52,246	—	52,246
Issuance of common stock in exchange for consulting services in October 2018	75,000	75	—	—	23,925	—	24,000
Issuance of common stock in exchange for board fees in October 2018	320,202	320	—	—	179,680	—	180,000
Issuance of common stock pursuant to severance pay to a former office in October 2018	323,810	324	—	—	135,676	—	136,000
Issuance of common stock pursuant to bonus compensation to certain officers and employees in October 2018	524,944	525	—	—	209,453	—	209,978
Adjustment of exercise price of certain warrants	—	—	—	—	107,697	(107,697)	—
Stock based compensation	—	—	—	—	120,326	—	120,326
Dividends payable	—	—	—	—	(57,813)	—	(57,813)
Net Loss	—	—	—	—	—	(4,908,644)	(4,908,644)
Balance – December 31, 2018	**24,717,270**	**$ 24,717**	**9,250**	**$ 9**	**$ 35,812,202**	**$ (37,833,744)**	**$ (1,996,816)**

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2018	**2017**
Cash Flows from Operating Activities		
Net loss	$ (4,908,644)	$ (6,456,477)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	23,915	27,100
Disposal loss	32,865	—
Amortization of debt discount	118,340	31,773
Debt conversion expense	—	355,985
Stock based compensation	120,326	683,169
Straight-line rent adjustment	(421)	(491)
Common stock issued for consulting services	24,000	114,500
Common stock issued for bonuses	209,978	—
Equity-based severance payments	136,000	—
Equity-based directors fees	180,000	—
Changes in operating assets and liabilities, net of effects of disposition:		
Accounts receivable	11,312	(157,069)
Other receivables	86,888	(86,888)
Prepaid expenses	158,379	229,632
Inventory	163,259	(294,714)
Unearned revenue	(1,048)	1,048
Accounts payable	554,787	(29,554)
Other payables	37,377	—
Interest payable	34,487	—
Accounts payable to related parties	78,983	12,319
Accrued payroll	451,207	—
Accrued liabilities	146,846	(20,800)
Net Cash Used in Operating Activities	(2,341,164)	(5,590,467)
Cash Flows from Investing Activities		
Proceeds from disposition of, net assets of Streamline Inc.	150,000	—
Expenditures for property and equipment	—	(16,682)
Net Cash (Used in) Provided by Investing Activities	150,000	(16,682)
Cash Flows from Financing Activities		
Principal payments under note payable obligation	(171,072)	(127,885)
Proceeds from issuance of common stock and preferred stock, net of offering costs	774,502	3,838,671
Proceeds from issuance of warrants, net of offering costs	610,220	1,248,575
Proceeds from issuance of promissory notes	174,354	—
Proceeds from issuance of convertible notes	605,424	—
Net Cash Provided by Financing Activities	1,993,428	4,959,361
Net Decrease in Cash	(197,736)	(647,788)
Cash - Beginning of period	245,026	892,814
Cash - End of period	$ 47,290	$ 245,026
Cash paid for interest	$ 6,020	$ 7,161
Non-cash investing and financing activities		
Finance agreement for insurance policy	$ 74,672	$ 69,343
Conversion of note and accrued interest to common stock and preferred stock	101,194	826,874
Conversion of short-term loan to common stock	—	145,919
Issuance of warrants for conversion of note	—	177,207
Issuance of common stock for consulting services	24,000	114,500
Common stock issued for board of director fees	180,000	375,000
Common stock issued for bonus compensation	209,978	—
Common stock issued for severance	136,000	—
Issuance of common stock for preferred stock conversion	—	940
Issuance of common stock warrants for placement agent fees	—	153,688
Issuance of warrants for promissory note	25,646	—
Dividends accrued	57,813	—

See notes to consolidated financial statements

Notes to consolidated financial statements

Note 1 - Organization

Description of Business

MedoveX Corp. (the "Company" or "MedoveX"), was incorporated in Nevada on July 30, 2013 as SpineZ Corp. ("SpineZ") and changed its name to MedoveX Corp. on March 20, 2014. MedoveX is the parent company of Debride Inc. ("Debride"), which was incorporated under the laws of the State of Florida on October 1, 2012. The Company is in the business of designing and marketing proprietary medical devices for commercial use in the United States and Europe. The Company received CE marking in June 2017 for the DenerveX System and it is now commercially available throughout the European Union and several other countries that accept CE marking. The Company's first sale of the DenerveX System occurred in July 2017. The Company plans to seek approval for the DenerveX System from the Food & Drug Administration ("FDA") in the United States.

In October 2018, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Regenerative Medicine Solutions, LLC ("RMS"), Lung Institute LLC, RMS Lung Institute Management LLC, Cognitive Health Institute Tampa, LLC, RMS Shareholder, LLC and RMS Acquisition Corp. Pursuant to the terms of the Asset Purchase Agreement, the Company shall purchase all of the assets of RMS, Cognitive Health Institute Tampa, LLC, Lung Institute LLC and RMS Lung Institute Management LLC. The Company executed the Asset Purchase Agreement on January 8, 2019. (See Note 13)

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation And Principles of Consolidation

The accompanying consolidated financial statements include the accounts of MedoveX Corp., its wholly-owned subsidiary, Debride, as well as its wholly owned subsidiary, Streamline Inc. ("Streamline"). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

In preparing the financial statements, generally accepted accounting principles in the United States ("U.S. GAAP") requires disclosure regarding estimates and assumptions used by management that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company's cash balances at December 31, 2018 and 2017 consists of funds deposited in checking accounts with commercial banks.

Accounts Receivable, Sales Returns, Discounts and Allowances

Accounts receivable primarily represent amounts due from customers for which revenue has been recognized. Generally, the Company does not require collateral or any other security to support its receivables.

The Company records estimated sales returns, discounts and allowances as a reduction of net sales in the same period revenue is recognized. The allowance is estimated for trade accounts receivable based on the expected collectability of accounts receivable after considering the Company's historical collection experience and the length of time an account is outstanding. The adequacy of this allowance is reviewed each reporting period and adjusted as necessary. As the Company only commenced sales in July 2017, all outstanding trade receivables were deemed collectable, thus, no allowance for doubtful accounts was recorded at December 31, 2018 and 2017.

Inventory

Inventories consist of only finished goods and are valued at the lower of cost or net realizable value, using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the related assets, generally three to five years. Repairs and maintenance are expensed as incurred. Improvements and betterments, which extend the lives of the assets, are capitalized.

Other Payables

Other payables include value added tax (VAT) owed to the German tax authority. As a part conducting business in the European Union ("EU"), the Company's sales transactions are taxed based on the value of the product. At the end of each reporting period, the Company calculates the value of all taxable sales then subtracts the sum of all taxable purchases and the VAT rate is applied to the difference.

Leases

The Company recognizes rent expense on a straight-line basis over the term of the lease. The lease term commences on the date the Company takes possession of or controls the physical use of the property. Deferred rent is included in non-current liabilities on the balance sheet.

Revenue Recognition

The Company has adopted the new 5-step revenue recognition process as promulgated by ASC 606, Revenue from Contracts with Customers (Topic 606), the core principle of which necessitates companies to recognize revenue when a customer obtains control rather than when companies have transferred substantially all risks and rewards of a good or service. The early adoption of ASC 606 was completed as of September 30, 2017, which was in the first year the Company generated revenue. The early adoption did not have any retrospective effect on prior year.

Identify the contract with the customer

Medovex has two types of customers: distributors, and individual customers.

Distributors:

The Company has distribution agreements with distributors located in Italy, Austria, Colombia, Scandinavia, Brazil, Israel, Australia, Turkey, Spain, Switzerland, Chile, Taiwan, Poland, Slovakia, the Czech Republic and the United Kingdom. For each distributor, a standardized distribution agreement is executed and is the definitive contract between the Company and the customer. Each distribution agreement details the pricing, order placement, stocking requirements, terms of payment, and shipping terms under which the DenerveX System will be shipped to the distributor. The distributor places orders for additional product, but all these orders are subject to the terms of the Distribution Agreement.

Direct Customers:

In Germany, all customers are direct hospitals and individual practitioners. Sales in Germany are solicited by and placed with third party contractors on behalf of Medovex. Medovex has sales agreements with each third party sales representative selling the DenerveX System. Each sales agreement details the price at which the DenerveX System must be sold to the customer. A purchase order from the customer is required before the Company will ship product to the customer. This purchase order contains all the terms and conditions of the sale and is considered the definitive contract for this type of sale.

Identify the performance obligation in the contract

Distributors, who sell the DenerveX System to their customers or sub-distributors, contractually take title to the products and assume all risks of ownership at the time of shipment. The Company has no further obligations once the product is shipped. Stocking distributors are obligated to pay the Company the contractually agreed upon invoice price within specified terms regardless of when, if ever, they sell the products. Since no right of return exists, the product is not considered consigned inventory. For direct sales to hospitals and practitioners in Germany, the obligation is met when the product is shipped. Our direct customers do not have any contractual rights of return or exchange other than for defective product or shipping error.

Determine the transaction price

DenerveX Kit:

The DenerveX kit consists of one Denervex handheld device, one K-Wire, one dilator, one tissue stabilizer, one portal tube and one portal driver. The product is marketed as a disposable, single-use kit which includes all of the components packaged together.

The transaction price for the DenerveX Kit is specifically outlined in the standardized distribution agreements for all distributors.

The transaction price for the DenerveX Kit is specifically outlined in the standardized sales rep agreements for all sales contractors.

Pro-40 Generators:

The DenerveX device requires a custom generator for power and cannot be used for any other purpose. For each initial order of the DenerveX Kit, a generator is provided to each customer at no charge. The Company does not recognize any revenue for the no-charge generator units. The units are removed from inventory and recognized as a cost of sales at the time of shipment. Customers may order demo generators, however, the Company charges a set price for these units.

Allocate the transaction price

In the Company's case, all of the transaction price is recorded as revenue.

Recognize revenue when or as the entity satisfies a performance obligation

Revenue recognition occurs at the time product is shipped, FOB shipping, to all customers from the third-party distribution warehouse located in Berlin, Germany.

For Medovex, this is considered the point at which the customer gains control of the Denervex device and there are no remaining material performance obligations. If something abnormal were to happen to the product in transit, the matter would be handled with the carrier, however, the sale would remain intact.

Research and Development

Research and development costs are expensed as incurred.

Advertising

The Company expenses all sales and marketing costs as incurred. For the years ended December 31, 2018 and 2017, advertising costs were approximately $149,000 and $332,000, respectively.

Foreign Currency transactions

The Company transacts some of its operating activities in foreign currencies, most notably the Euro. The Company also has certain assets and liabilities denominated in foreign currencies that are translated to US Dollars for reporting purposes as of and for the year ended December 31, 2018. These amounts are immaterial and are included in other income or expense for the years ended December 31, 2018 and 2017. Because of the immaterial effect noted above, we did not present a separate statement of other comprehensive income.

Income Taxes

The Company uses the liability method of accounting for income taxes, which requires recognition of temporary differences between financial statement and income tax bases of assets and liabilities, measured by enacted tax rates. A valuation allowance is recorded to reduce deferred tax assets when necessary.

Stock-Based Compensation

The Company maintains a stock option incentive plan and accounts for stock-based compensation in accordance with ASC 718,*Compensation - Stock Compensation.* The Company recognizes share-based compensation expense, net of an estimated forfeiture rate, over the requisite service period of the award to employees and directors. As required by fair value provisions of share-based compensation, employee and non-employee share-based compensation expense recognized is calculated over the requisite service period of the awards and reduced for estimated forfeitures.

Loss per Share

Basic loss per share is computed on the basis of the weighted average number of shares outstanding for the reporting period. Diluted loss per share is computed on the basis of the weighted average number of common shares plus dilutive potential common shares outstanding using the treasury stock method. Any potentially dilutive securities are anti-dilutive due to the Company's net losses. For the years presented, there is no difference between the basic and diluted net loss per share: 12,108,743 warrants and 557,282 common stock options outstanding were considered anti-dilutive and excluded for the year ended December 31, 2018. 7,402,910 warrants and 1,314,059 common stock options outstanding were considered anti-dilutive and excluded for the year ended December 31, 2017.

Discontinued Operations

As more fully described in Note 6, in May 2016, management was authorized to locate a buyer for Streamline Inc., the Company's wholly owned subsidiary acquired in March 2015, by the Board of Directors. Streamline's results of operations have been classified as discontinued operations for all periods presented.

Fair Value Measurements

The Company measures certain non-financial assets, liabilities, and equity issuances at fair value on a non-recurring basis. These non-recurring valuations include evaluating assets such as long-lived assets and non-amortizing intangible assets for impairment; allocating value to assets in an acquired asset group; and applying accounting for business combinations.

The Company uses the fair value measurement framework to value these assets and report the fair values in the periods in which they are recorded, adjusted above, or written down.

The fair value measurement framework includes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair values in their broad levels. These levels from highest to lowest priority are as follows:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets or liabilities or observable prices that are based on inputs not quoted on active markets, but corroborated by market data; and
- Level 3: Unobservable inputs or valuation techniques that are used when little or no market data is available.

The determination of fair value and the assessment of a measurement's placement within the hierarchy requires judgment. Level 3 valuations often involve a higher degree of judgment and complexity. Level 3 valuations may require the use of various cost, market, or income valuation methodologies applied to unobservable management estimates and assumptions. Management's assumptions could vary depending on the asset or liability valued and the valuation method used. Such assumptions could include: estimates of prices, earnings, costs, actions of market participants, market factors, or the weighting of various valuation methods. The Company may also engage external advisors to assist us in determining fair value, as appropriate.

Although the Company believes that the recorded fair value of our financial instruments is appropriate, these fair values may not be indicative of net realizable value or reflective of future fair values.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist solely of cash. At times throughout the year, the Company may maintain certain US bank account balances in excess of FDIC insured limits. The Company may also maintain German bank account balances in excess of Germany's deposit guarantee regulations within the framework of the German Banks' Compensation Scheme. At December 31, 2018 and 2017, the Company did not have cash deposits that exceeded federally insured deposit limits in the US or Germany. The Company believes that its funds are deposited in high credit quality financial institutions. The Company has not experienced any losses in such accounts to date and believes it is not exposed to any significant credit risk associated with its cash deposits.

Recently Issued Accounting Pronouncements

The Company considers the applicability and impact of all ASUs issued, both effective and not yet effective.

In May 2014, the FASB issued ASU 2014-09, "Revenue Recognition - Revenue from Contracts with Customers" (ASU 2014-09) that requires companies to recognize revenue when a customer obtains control rather than when companies have transferred substantially all risks and rewards of a good or service. This update is effective for annual reporting periods beginning on or after December 15, 2017 and interim periods therein and requires expanded disclosures. The Company adopted the amendments of ASU 2014-09 effective quarter ended September 30, 2017. The adoption of this standard did not have a material impact on our consolidated financial statements.

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. ASU 2016-02 is effective for public companies for annual reporting periods beginning after December 15, 2018, and interim periods within those fiscal years. The guidance may be adopted prospectively or retrospectively and early adoption is permitted. The Company is currently assessing the impact the adoption of ASU 2016-02 will have on its consolidated financial statements.

Note 3 – Inventory

Inventories consist only of finished goods and are valued at the lower of cost or net realizable value, using the first-in, first-out (FIFO) method.

Inventories consisted of the following items as of December 31, 2018, and December 31, 2017:

	December 31, 2018	December 31, 2017
Split Return Electrodes	$ —	$ 1,868
Denervex device	5,205	111,596
Pro-40 generator	126,250	181,250
Total	$ 131,455	$ 294,714

Note 4 - Property and Equipment

Property and equipment consists of the following:

	Useful Life	December 31, 2018	December 31, 2017
Furniture and fixtures	5 years	$ 52,857	$ 67,777
Computers and software	3 years	12,130	31,738
Leasehold improvements	5 years	—	35,676
		64,987	135,191
Less accumulated depreciation		(34,594)	(48,018)
Total		$ 30,393	$ 87,173

Depreciation and amortization expense amounted to $23,915 and $27,100 for the years ended December 31, 2018 and 2017, respectively.

The Company recognized a disposal loss of $32,865 for the year ended December 31, 2018. The disposal loss was the result of the resignation of Jarrett Gorlin, the Company's former CEO. Mr. Gorlin's severance agreement cancelled the current lease agreement and stated all furniture and equipment located at his office would remain in his possession.

Note 5 - Equity Transactions

Series B Preferred Stock Preferences

Voting Rights

Preferred Series B Stock holders have the right to receive notice of any meeting of holders of Common Stock or Series B Preferred Stock and to vote upon any matter submitted to a vote of the holders of Common Stock or Series B Preferred Stock. Each holder of Series B Preferred Stock shall vote on each matter submitted to them with the holders of Common Stock.

LIQUIDATION

Upon the liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, each holder of Series B Preferred Stock shall be entitled to receive, for each share thereof, out of assets of the Company legally available therefor, a preferential amount in cash equal to the stated value plus all accrued and unpaid dividends. All preferential amounts to be paid to the holders of Series B Preferred Stock in connection with such liquidation, dissolution or winding up shall be paid before the payment or setting apart for payment of any amount for, or the distribution of any assets of the Company's to the holders of the Company's Common Stock.

Common stock issuance

In November 2016, the Board authorized the issuance of shares of common stock to all Board members, both current and former, in an amount equivalent to $240,000, representing their accrued but unpaid directors' fees as of December 31, 2016. In January 2017, the Company issued an aggregate of 173,912 shares at $1.38 per share, which was the average closing price of the Company's stock during 2016, to fulfill this obligation. The closing price of the Company's stock on January 17, 2017, the day the shares were issued, was $1.16 per share.

In August 2017, the Board authorized the issuance of shares of common stock to all Board members, both current and former, in an amount equivalent to $135,000, representing their accrued but unpaid directors' fees as of September 30, 2017. In October 2017, the Company issued an aggregate of 115,389 shares at $1.17 per share, which was the average closing price of the Company's stock through September 30, 2017, to fulfill this obligation. The closing price of the Company's stock on October 30, 2017, the day the shares were issued, was $1.09 per share.

In August 2017, the Board authorized the issuance of up to 125,000 shares of common stock to a certain member of the Board of Directors and up to 175,000 shares of common stock to a certain consultant. At the inception of the agreement, 25% of the shares were issued to both the director and the consultant. In December 2017, 50,000 shares were issued to the consultant. In October 2018, the board member and consultant were issued an additional 75,000 vested shares. The 75,000 shares were valued at the performance completion date, August 16, 2018, at $0.32 per share, which was the closing price on that date. The Company recognized $24,000 and $115,000, respectively, in consulting expense with respect to the vested stock issuance at December 31, 2018 and 2017.

In October 2018, the Board authorized the issuance of shares of common stock to all Board members in an amount equivalent to $180,000, representing their accrued but unpaid directors' fees as of September 30, 2018. Per Board resolution, the Company issued an aggregate of 320,202 shares at $0.56 per share to settle accrued unpaid director fees. The closing price of the Company's stock on October 3, 2018, the day the shares were issued, was $0.40 per share.

In October 2018, the Board authorized the issuance of shares of common stock to Jarrett Gorlin in an amount equivalent to $136,000, representing 6 months' severance pay. The Company issued an aggregate of 323,810 shares at $0.42 per share. The closing price of the Company's stock on October 3, 2018, the day the shares were issued, was $0.40.

Stock-Based Compensation Plan

2013 Stock Option Incentive Plan

On October 14, 2013, shareholders approved the MedoveX Corp. 2013 Stock Incentive Plan (the "Plan"). Under the Plan, the Company may grant incentive stock options to employees and non-statutory stock options to employees, consultants, and directors for up to 1,150,000 shares of common stock. On November 10, 2016, shareholders approved a 500,000 share increase in the number of shares available for issuance under the Plan, from 1,150,000 to 1,650,000 shares. On October 28, 2017, shareholders approved a 1,000,000 share increase in the number of shares available for issuance under the Plan, from 1,650,000 to 2,650,000 shares.

The stock options are exercisable at a price equal to the market value on the date of the grant. The Plan gives full authority for granting options, determining the type of options granted, and determining the fair market value of the options to the Plan Administrator which is the Board of Directors.

The Company has the right, but not obligation, to repurchase any shares obtained through exercise of an option from terminated Plan participants. The Company has 90 days from the date of termination to exercise it's repurchase right. The Company must pay the Fair Market Value ("FMV") of the shares if the termination was for any reason other than for cause, or the option price (if less than FMV of the shares) if the termination is for cause. The FMV is determined by the Plan Administrator on the date of termination.

During 2017, the Company granted options to purchase 189,159 shares of common stock to certain employees. The options vest as follows: 25% on the date of grant and 25% on each of the next three anniversaries. The options granted were at the market value of the common stock on the date of the grant. No stock options were granted in 2018.

The Company utilizes the Black-Scholes valuation method to recognize compensation expense over the vesting period. The expected life represents the period that our stock-based compensation awards are expected to be outstanding.

The Company uses a simplified method provided in Securities and Exchange Commission release,*Staff Accounting Bulletin No. 110,* which averages an award's weighted average vesting period and contractual term for "plain vanilla" share options. The expected volatility was estimated by analyzing the historic volatility of the Company's stock and similar public biotech companies in an early stage of development.

No dividend payouts were assumed as the Company has not historically paid, and does not anticipate paying, dividends in the foreseeable future. The risk-free rate of return reflects the weighted average interest rate offered for US treasury rates over the expected term of the options.

For the years ended December 31, 2018 and 2017, the Company recognized approximately $120,000 and $683,000, respectively, as compensation expense with respect to stock options.

A summary of the Company's share-based compensation activity and related information is as follows:

	Shares		Weighted Average Exercise Price	Weighted Average Remaining Term (Years)
Outstanding at 12/31/2016	1,124,900	$	2.15	9.0
Granted	189,159	$	1.17	9.10
Exercised	—		—	—
Cancelled	—		—	—
Outstanding at 12/31/2017	1,314,059	$	2.01	8.19
Granted	—		—	—
Exercised	—		—	—
Cancelled	(756,777)	$	1.44	—
Outstanding at 12/31/2018	557,282	$	2.78	6.99
Exercisable at 12/31/2018	469,179	$	3.08	6.84

As of December 31, 2018, there were 88,103 shares of unvested stock. Unrecognized compensation cost amounts to approximately $30,000 as of December 31, 2018 and will be recognized as an expense on a straight-line basis over a remaining weighted average service period of 1.28 years. The fair value of vested share-based compensation at December 31, 2018 and 2017 was approximately $188,000 and $544,000, respectively.

Private Placements

On February 9, 2017, the Company entered into a Unit Purchase Agreement with selected accredited investors whereby the Company had the right to sell in a private placement a minimum of $3,000,000 and up to a maximum of $5,000,000 of units. Each Unit had a purchase price of $100,000 and consisted of (i) 96,154 shares of the Company's common stock, par value $0.001 per share at a purchase price of $1.04 per share, and (ii) a warrant to purchase 48,077 shares of common stock. Each warrant has an initial exercise price of $1.50 per share and is exercisable for a period of five (5) years from the date of issuance. Investors had the option to request shares of the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock") in lieu of common stock, on a basis of one share of preferred stock for every one hundred shares of common stock.

The offering resulted in gross proceeds of $3,022,000 and resulted in the issuance of an aggregate of 1,631,730 shares of common stock, 12,740 shares of Series A Preferred Stock and warrants to purchase 2,005,761 shares of common stock. The placement agent collected an aggregate of approximately $350,000 in fees related to the offering and warrants to purchase an aggregate of 405,577 shares of common stock at a price of $1.50 per share.

Each share of Series A Preferred Stock may be converted into shares of fully paid and non-assessable shares of common stock at a rate of one hundred shares of the Company's common stock for every share of Series A Preferred Stock.

On July 14, 2017, the Company entered into a Securities Purchase Agreement with selected accredited investors whereby the Company sold an aggregate of 2,956,043 shares of common stock and 1,478,022 warrants to purchase common stock. The Offering resulted in $2,690,686 in gross proceeds to the Company. The placement agent collected $188,000 in total fees related to the offering. The common stock shares were sold at $0.91 per share which was the closing price of the Company's common stock on July 13, 2017, the day prior to the agreement. Each warrant has an exercise price of $1.15 and is exercisable for a period of five years commencing six months from the date of issuance.

On February 26, 2018, the Company entered into a securities purchase agreement with selected accredited investors whereby the Company sold an aggregate of 770,000 shares of common stock and 385,000 warrants to purchase common stock. The offering resulted in $308,000 in gross proceeds to the Company. The warrants have a five-year term commencing six months from issuance with an exercise price of $0.75. The Company allocated $52,003 to the warrants and the remainder to the issuance of the common stock based on each instruments relative fair value. The Company incurred $13,500 in legal expenses related to the offering.

On May 1, 2018, the Company entered into a securities purchase agreement with selected accredited investors whereby the Company offered up to $1,000,000 in units. Each unit had a purchase price of $100,000 and consisted of (i) 1,000 shares of the Company's 5% Series B Convertible Preferred Stock (the "Series B Shares") and (ii) warrants to purchase 250,000 shares of the Company's common stock, par value $0.001 per share. Each Series B Share is convertible at a conversion price of $0.40 per share. The conversion price has a feature that would adjust the conversion price downward if the company issues any common stock or common stock equivalents at a price less than $0.40 per share while the Series B shares are outstanding. The market value of the common stock on the date of the agreement was $0.44. The Series B Shares initially entitled the holders to a 5% adjustable annual dividend. The Series B Shares also have a feature that provides the holder the ability to adopt more favorable terms of subsequent financings while the Series B Shares are outstanding.

The Warrants are exercisable for a period of three (3) years from the date of issuance at an initial exercise price of $0.75 per share subject to downward adjustment if the Company issues any common stock or common stock equivalents at a price less than $0.75 per share while the warrants are outstanding.

As a result of the offering, the Company sold an aggregate of 8.25 Units and issued to the Investors an aggregate of 8,250 Series B Shares and 2,062,500 warrants to purchase common stock, resulting in total $825,000 gross proceeds to the Company. The Company incurred $5,000 in legal fees related to the offering, which resulted in $820,000 net cash received from the offering. The 8,250 Series B Shares sold in the Offering are initially convertible into an aggregate of 2,062,500 shares of Common Stock.

Of the net proceeds in the offering of $820,000, approximately $288,000 was first allocated to the warrants issued to investors based on their relative fair value. The Company recognized a beneficial conversion feature related to the Series B Shares of approximately $373,000, which was credited to additional paid-in capital, and the residual amount of approximately $159,000 was allocated to the Series B Shares. Because the Series B Shares can immediately be converted by the holder, the discount recognized by the allocation of proceeds to the beneficial conversion feature was immediately accreted and recognized as a dividend to the preferred shareholders.

On August 1, 2018 the annual dividend rate on the Series B Shares was adjusted to 12%, which is equal to the same rate as the convertible debt issued in August and September 2018, pursuant to an adjustment provision in the Series B Shares which entitles the holders to receive a more beneficial annual dividend rate offered in any subsequent financings. The Company had accrued unpaid dividends in the amount of approximately $58,000 as of December 31, 2018, related to the Series B Shares.

On August 8, 2018, the Company completed the issuance of convertible debt at an initial conversion price of $0.40. Accordingly the exercise price on all of the warrants issued with the Series B Shares were adjusted downward to $0.40. In conjunction with the downward adjustment, the Company recorded a deemed dividend of approximately $108,000 representing the difference in the fair value of the warrants immediately before and after the adjustment to the exercise price.

preferred Stock Conversion

On March 28, 2017, 4,147 shares of Series A Preferred Stock were converted into an aggregate of 414,663 restricted shares of authorized common stock, par value $0.001 per share.

On April 21, 2017, 5,252 shares of Series A Preferred Stock were converted into an aggregate of 525,240 restricted shares of authorized common stock, par value $0.001 per share.

On March 30, 2018, 12,740 shares of Series A Preferred Stock were converted into an aggregate of 1,274,000 restricted shares of authorized common stock, par value $0.001 per share.

CONVERTIBLE NOTES

In August and September 2018, the Company entered into a securities purchase agreement with select accredited investors, whereby the Company offered up to $1,000,000 in units at a purchase price of $50,000 per unit. Each Unit consists of (i) a 12% senior secured convertible note, initially convertible into shares of the Company's common stock, par value $0.001 per share, at a conversion price equal to the lesser of $0.40 or ninety percent (90%) of the per share purchase price of any shares of common stock or common stock equivalents issued in future private placements of equity and/or debt securities completed by the Company following this offering, and (ii) a three-year warrant to purchase such number of shares of the Company's common stock equal to one hundred percent (100%) of the number of shares of common stock issuable upon conversion of the notes at $0.40. The Warrants are exercisable at a price equal to the lesser of $0.75 or ninety percent (90%) of the per share purchase price of any shares of common stock or common stock equivalents issued in future private placements of the debt and/or equity securities completed by the Company following the issuance of warrants. The notes are secured by all of the assets of the Company.

ASU 2017-11, Earnings per share (Topic 260), provided that when determining whether certain financial instruments should be classified as liability or equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. If a down round feature on the conversion option embedded in the note is triggered, the Company will evaluate whether a beneficial conversion feature exists, the Company will record the amount as a debt discount and will amortize it over the remaining term of the debt.

If the down round feature in the warrants is triggered, the Company will recognize the effect of the down round as a deemed dividend,
which will reduce the income available to common stockholders.

In the offering, the Company sold an aggregate of 15 units and issued to investors an aggregate of $750,000 in principal amount of convertible notes and 1,875,000 warrants to purchase common stock, resulting in total gross proceeds of $750,000 to the Company. If converted at $0.40 the convertible notes sold in the offering are convertible into an aggregate of 1,875,000 shares of common stock. The Company recorded the proceeds from the notes and the accompanying warrants, which accrete over the period the notes are outstanding, on a relative fair value basis of approximately $505,000 and $245,000, respectively. Accretion expense related to the discount on these convertible notes for the year ended December 31, 2018 was approximately $93,000. The Company recognized $33,700 in unpaid accrued interest expense related to the notes as of December 31, 2018.

Debt Conversion

Short-Term Note Payable

On February 9, 2017, the Company's $1,150,000 short-term note payable was converted into an aggregate of 165,865 shares of common stock and 9,399 shares of Series A Preferred Stock and warrants, eliminating the Company's debt obligation. The debt was converted into shares at $1.04 per share, which was the offering price of the Company's stock in the February private placement. Each share of Series A Preferred Stock may be converted into shares of fully paid and non-assessable shares of common stock at a rate of one hundred shares of the Company's common stock for every share of Series A Preferred Stock.

As consideration for converting the debt, the noteholders' agreed to receive common stock in lieu of the 200,000 warrants to purchase common stock that were issued in conjunction with the short-term loan. As a result, the 200,000 warrants were cancelled, and the Company issued to the noteholders' an aggregate of 200,000 shares of common stock. The closing price of the Company's stock on February 9, 2017, the day the shares were issued, was $1.04 per share. The fair value of the common stock issued was approximately $208,000.

Convertible Debenture

On April 26, 2018, the Company's $100,000 5% convertible debenture and unpaid accrued interest of $1,194 was converted into an aggregate of 266,301 shares of common stock, eliminating the Company's debt obligation. The debt was converted into shares at $0.38 per share, which was 85% of the average closing price of the Company's stock during the twenty trading days immediately preceding the delivery of the notice of conversion. The market value of the common stock on the date of the conversion was $0.40. This difference noted above lead to an immaterial amount related to a beneficial conversion feature.

Promissory Note

On March 26, 2018 the Company issued a promissory note to Steve Gorlin, father of Jarrett Gorlin, the Company's former CEO, for the principal amount of $200,000, plus interest, at a rate of five percent per year. The outstanding principal and all accrued but unpaid interest was originally due on May 15, 2018. The Company issued warrants to purchase an aggregate of 133,333 shares of common stock par value $.001 per share in conjunction with the promissory note to Mr. Gorlin. Each warrant has an exercise price of $0.75 and is exercisable for a period of five years commencing from the date of issuance. The balance of the loan was initially recorded net of discount for the warrants of approximately $26,000, based on their relative fair value, which was being accreted to its $200,000 face amount over the period the loan was outstanding.

On May 15, 2018, the Company entered into a modification agreement with Steve Gorlin whereby he agreed to convert $100,000 of the $200,000 outstanding promissory note into Series B Preferred Shares. The conversion of $100,000 was converted under the terms of the May 1, 2018 securities purchase agreement. The $100,000 conversion was converted into an aggregate of 1,000 shares of the Company's Series B Preferred Shares and 250,000 warrants to purchase common stock, eliminating $100,000 of the Company's $200,000 debt obligation.

Of the converted $100,000, approximately $34,000 was first allocated to the fair value of the warrants issued in conjunction with the conversion based on their relative fair value. The Company recognized a beneficial conversion feature related to the Series B Shares of approximately $30,000, which was credited to additional paid-in capital, and the residual amount of approximately $36,000 was allocated to the Series B Shares. Because the Series B Shares can immediately be converted by the holder, the discount recognized by the allocation of proceeds to the beneficial conversion feature was immediately accreted and recognized as a deemed dividend to the preferred shareholders.

On August 21, 2018, the Company paid back the remaining $100,000 plus unpaid accrued interest in the amount of $2,944, eliminating the Company's debt obligation.

Note 6 – Commitments & Contingencies

Operating Leases

Office Space

Prior to the resignation of Jarrett Gorlin ("Mr. Gorlin"), the Company's former Chief Executive Officer, the Company paid TAG Aviation ("TAG"), a company owned by Mr. Gorlin, for office space that was being used as the Company's principal business location plus utilities (see "Related Party Transactions") on a monthly basis. Base rental payments under the arrangement was $2,147 per month. Rent expense and utilities cost incurred by TAG amounted to approximately $34,555 for the year ended December 31, 2018, of which approximately $6,300 was included in accounts payable at December 31, 2018. Rent expense and utilities cost incurred by TAG amounted to approximately $34,600 for the years ended December 31, 2017. No future lease payments are required under this rental agreement at December 31, 2018.

On September 1, 2018, the Company extended the term of the lease agreement for the commercial building which originally commenced on August 1, 2015. The term of the new lease agreement is for two years four months commencing on September 1, 2018 and ending December 31, 2020. Base rent under the old lease agreement was $2,948 and base rent under the new agreement is $3,095. Total lease expense for the year ended December 31, 2018 was approximately $33,000 related to this lease, of which approximately $3,400 was included in accounts payable at December 31, 2018. Total lease expense for the year ended December 31, 2017 was approximately $35,000 related to this lease.

Future minimum lease payments under this rental agreement are approximately as follows:

For the year ended:

December 31, 2019	37,510
December 31, 2020	38,635
	$ 76,145

Equipment

The Company had a non-cancelable 36-month operating lease agreement for equipment that was located at Mr. Gorlin's office. The equipment remained with Mr. Gorlin after his resignation per the terms of his severance agreement. The Company has no further commitments under this operating lease agreement as of December 31, 2018.

Total lease expense for equipment was approximately $2,500 and $2,600, respectively, for the years ended December 31, 2018 and 2017, respectively.

Consulting Agreements

The Company has a modified agreement with Jesse Crowne, a former Director and Co-Chairman of the Board of the Company, to provide business development consulting services for a fee of $13,333 per month. The Company incurred $160,000 for the year ended December 31, 2018 related to this consulting agreement, of which $40,000 was included in accounts payable at December 31, 2018. The monthly consulting fee was increased from a rate of $9,167 beginning in January 2018. The Company incurred $110,000 for the year ended December 31, 2017, related to this consulting agreement.

The Company had a modified consulting agreement with a sales, marketing, and distribution consultant in Latin America at a fee of $7,000 per month through December 31, 2018. The Company terminated the agreement effective November 30, 2018. The Company incurred $77,000 for the year ending December 31, 2018, of which $14,000 was in accounts payable at December 31, 2018. The Company incurred $66,000 for the year ended December 31, 2017 related to this consulting agreement.

The Company had consulting agreements with a varying team of sales, marketing, and distribution consultants in Europe who provided consulting services for aggregate compensation amounting to approximately €21,000 (approximately $23,000) per month. The consulting agreements were cancelled by the Company effective November 30, 2018. The Company incurred approximately $263,000 and $238,000, respectively, for the years ended December 31, 2018 and 2017 related to these consulting agreements.

Generator development agreement

The Company is obligated to reimburse Bovie up to $295,000 for the development of the Pro-40 electrocautery generator. For the year ended December 31, 2018, the Company incurred approximately $19,000 under this agreement, of which $15,000 was included in accounts payable at December 31, 2018. For the year ended December 31, 2017, the Company incurred approximately $33,200 under this agreement. Through December 31, 2018, the Company has incurred approximately $441,000 for production services from Bovie. The original $295,000 agreement was a base number along the pathway of development. Additional requirements were incurred as the research and development process progressed and as a result certain prices increased and additional costs were incurred to further customize the DenerveX System. We are currently in production manufacturing of the generator.

Distribution center and logistic services agreement

The Company has a non-exclusive distribution center agreement with a logistics service provider in Berlin, Germany pursuant to which they manage and coordinate the DenerveX System products which the Company exports to the EU through June 2019. The Company originally paid a fixed monthly fee of €2,900 (approximately $3,500) for all accounting, customs declarations and office support, and a variable monthly fee ranging from €1,900 to €6,900 (approximately $2,300 to $8,300), based off volume of shipments, for logistics, warehousing and customer support services. Effective September 1, 2018, the fixed monthly fee was changed to €6,900 (approximately $7,900).

Total expenses paid for the distribution center and logistics agreement was approximately $142,000 for the year ended December 31, 2018, of which approximately $16,000 was included in accounts payable at December 31, 2018. Total expenses paid for the distribution center and logistics agreement was approximately $75,700 for the year ended December 21, 2017.

Co-Development Agreement

In September 2013, the Company executed a Co-Development Agreement with James R. Andrews, M.D. ("Dr. Andrews") to further evaluate, test and advise on the development of products incorporating the use of the patented technology. In exchange for these services the Company was obligated to pay Dr. Andrews a royalty of 2% of revenues earned from applicable product sales over a period of 5 years. If Dr. Andrews was listed as inventor of any Improvement Patent on the DenerveX device during the 5-year term, he would have continued to receive a 1% royalty after the 2% royalty expired for the duration of the effectiveness of the Improvement Patent. The co-development agreement expired September 30, 2018.

The Company incurred approximately $13,000 in royalty expense under the co-development agreement for the year ended December 31, 2018, all of which is in accounts payable at December 31, 2018. The Company incurred approximately $1,000 in royalty expense under the co-development agreement for the year ended December 31, 2017, all of which was included in accounts payable at December 2017 and subsequently paid in 2018.

Patent Assignment and Contribution Agreements

On February 1, 2013, the Company issued 750,108 shares of common stock to Scott Haufe, M.D. ("Dr. Haufe") pursuant to the terms of a Contribution and Royalty Agreement dated January 31, 2013 between the Company and Dr. Haufe. This agreement provides for the Company to pay Dr. Haufe royalties equal to 1% of revenues earned from sales of any and all products derived from the use of the DenerveX technology. Royalties are payable to Dr. Haufe within 30 days after the close of each calendar quarter based on actual cash collected from sales of applicable products. The royalty period expires on September 6, 2030.

The Company incurred approximately $8,700 in royalty expense under the Contribution and Royalty agreement for the year ended December 21, 2018, all of which is included in accounts payable at December 31, 2018. The Company incurred approximately $800 in royalty expense under the Contribution and Royalty agreement for the year ended December 21, 2017, all of which was included in accounts payable at December 31, 2017 and subsequently paid in 2018.

Streamline Inc. Asset Sale

The asset sale of Streamline Inc. resulted in the immediate receipt of $500,000 in cash in December 2016, and a $150,000 note receivable that was due to the Company on January 1, 2018. The $150,000 note receivable represents the non-contingent portion of the receivables due from the sale. The Company received the short-term receivable on January 2, 2018.

The terms of the sale also required that for each of the calendar years ending December 31, 2018 and December 31, 2019 (each such calendar year, a "Contingent Period"), a contingent payment in cash (each, a "Contingent Payment") equal to five percent (5%) of the total net sales received by the acquiring party from the sale of "IV suspension system" products in excess of 100 units during each Contingent Period. Each such Contingent Payment is payable to the Company by the acquiring party by no later than March 31st of the subsequent year; provided, however, that the total aggregate amount of all Contingent Payments owed by the acquiring party to the Company for all Contingent Periods will not exceed $850,000. The Company is yet to receive any Contingent Payments and has no reason to expect it will receive any Contingent Payments.

The Company did not incur any Streamline related expenses for the year ended December 31, 2018. The Company recorded a nominal amount in Streamline related expenses for the year ended December 31, 2017.

Note 7 – Short Term Liabilities

Finance Agreement

The Company entered into a commercial insurance premium finance and security agreement in December 2017. The agreement finances the Company's annual D&O insurance premium. Payments are due in quarterly installments of approximately $24,000 and carry an annual percentage interest rate of 5.98%.

The Company had paid the yearly premium in full and had no outstanding balance as of December 31, 2018 related to the agreement.

Promissory Notes

In conjunction with the consummation of the Streamline acquisition in March 2015, the Company assumed two promissory notes for approximately $135,000 and $125,000 payable to the Bank of North Dakota New Venture Capital Program and North Dakota Development Fund, both outside non-related parties. Assumption of the liabilities was not included as part of the asset purchase agreement that was executed in December 2016. Thus, the Company retained the promissory notes upon consummation of the divestiture.

Payments on both of the notes are due in aggregate monthly installments of approximately $5,700 and carry an interest rate of 5%. Both of the notes have a maturity date of August 1, 2019. The promissory notes had outstanding balances of approximately $103,000 and $104,000 at December 31, 2018 and December 31, 2017, respectively.

The Company incurred interest expense related to the notes for the years ended December 31, 2018 and 2017 in the amount of approximately $3,400 and $7,000, respectively. The Company had unpaid accrued interest in the amount of approximately $70,000 and $69,000 at December 31, 2018 and 2017, respectively, related to the notes.

Expected future payments related to the promissory notes as of December 31, 2018, are approximately as follows:

For the year ended:	
2019	103,000
	$ 103,000

Convertible Debenture

On January 31, 2018, the Company issued a 5% convertible debenture in exchange for $100,000. The debenture accrued interest at 5% per annum. Principal and interest were due on January 30, 2019. The debenture was convertible at the option of the holder into shares of the Company's common stock at a conversion rate equivalent to 85% of the average closing price of the Company's common stock for the 20 days preceding the conversion.

On April 26, 2018, the convertible debenture and unpaid accrued interest was converted into an aggregate of 266,301 shares of common stock, eliminating the Company's debt obligation (Note 5). Prior to the conversion, the Company recognized approximately $1,200 in interest expense related to the convertible debenture during the year ended December 31. 2018. The market value of the common stock on the date of the conversion was $0.40. This difference lead to an immaterial amount related to a beneficial conversion feature.

Convertible Notes

In August and September 2018, the Company entered into a securities purchase agreement with select accredited investors, whereby the Company offered up to $1,000,000 in units at a purchase price of $50,000 per unit. Each unit consists of a 12% senior secured convertible note and a three-year warrant to purchase shares of the Company's common stock. The notes are secured by all of the assets of the Company. (See Note 5).

In the offering, the Company sold an aggregate of 15 units and issued to investors an aggregate of $750,000 in principal amount of convertible notes and 1,875,000 warrants to purchase common stock, resulting in total gross proceeds of $750,000 to the Company. The convertible notes sold in the offering are initially convertible into an aggregate of 1,875,000 shares of common stock but could convert into additional shares if the Company completes a down round financing during the term of the convertible notes. The Company recorded the proceeds from the notes and the accompanying warrants, which accrete over the period the notes are outstanding, on a relative fair value basis of $505,424 and $244,576, respectively. Accretion expense related to the discount on these convertible notes for the year ended December 31, 2018 was approximately $93,000. The Company recognized $33,700 in unpaid accrued interest expense related to the notes as of December 31, 2018.

Note 8 – Common Stock Warrants

Fair value measurement valuation techniques, to the extent possible, should maximize the use of observable inputs and minimize the use of unobservable inputs. The Company's fair value measurements of all warrants are designated as Level 1 since all of the significant inputs are observable and quoted prices used for volatility were available in an active market.

A summary of the Company's warrant issuance activity and related information as of December 31, 2017 and 2016 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding at 12/31/2016	3,713,542	$ 2.19	3.8
Issued	3,889,368	$ 1.37	4.3
Cancelled	(200,000)	$ 1.625	—
Outstanding at 12/31/2017	7,402,910	$ 1.77	3.5
Issued	4,705,833	(1)(2)	2.7
Outstanding at 12/31/2018	12,108,743	$ 1.38	2.6
Exercisable at 12/31/2018	12,108,743	$ 1.38	2.6

The fair value of all warrants issued are determined by using the Black-Scholes-Merton valuation technique and were assigned based on the relative fair value of both the common stock and the warrants issued.

The inputs used in the Black-Scholes-Merton valuation technique to value each of the warrants issued in 2018 as of their respective issue dates are as follows:

Event Description	Date	MDVX Stock Price	Exercise Price of Warrant	Grant Date Fair Value	Life of Warrant	Risk Free Rate of Return (%)	Annualized Volatility Rate (%)
Private placement	2/26/18	$ 0.51	$ 0.75	$ 0.20	5 years	2.60	55.91
Short-term debt	3/26/18	$ 0.53	$ 0.75	$ 0.22	5 years	2.64	56.57
Private placement	5/1/2018	$ 0.44	(1)	$ 0.24	3 years	2.66	103.29
Debt conversion	5/15/2018	$ 0.39	(1)	$ 0.20	3 years	2.75	103.32
Convertible notes	8/8/2018	$ 0.37	(2)	$ 0.19	3 years	2.68	104.37
Convertible notes	9/28/2018	$ 0.40	(2)	$ 0.21	3 years	2.88	105.07

(1)Warrants issued with the May 2018 private placement and debt conversion had an initial exercise price of $0.75 and contain a contingent feature which would adjust the exercise price of the warrant in the event the Company issues any shares of common stock or common stock equivalents in a private placement of equity or debt securities at a price less than $0.75 per share. On August 8, 2018, the Company completed the issuance of convertible debt at an initial conversion price of $0.40. Accordingly the exercise price on these warrants was adjusted downward to $0.40.

(2)Warrants issued with the August 8, 2018 and September 28, 2018 convertible notes have an initial exercise price of $0.75 and contain a contingent feature which would adjust the exercise price of the warrant in the event the Company issues any shares of common stock or common stock equivalents in a private placement of equity or debt securities at which 90% of the issuance price is less than $0.75.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 9 - Income Taxes

The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. As of December 31, 2018, the Company has not incurred any interest or penalties relating to uncertain tax positions.

The Company's evaluation was performed for the tax years ending December 31, 2017, 2016 and 2015, which remain subject to examination by major tax jurisdictions as of December 31, 2018. The Company's tax year ending in December 31, 2014 is no longer subject to U.S. federal, state, and local, or non-US income tax examinations.

For the years ended December 31, 2018 and 2017, the Company has incurred net losses and, therefore, has no current income tax liability and recognized no income tax expense. The net deferred tax asset generated by these losses, which principally consist of start-up costs deferred for income tax purposes, is fully reserved as of December 31, 2018 and 2017 since it is more likely than not that the benefit will not be realized in future periods.

A reconciliation of the statutory federal income tax expense (benefit) to the effective tax is as follows:

	2018	2017
Statutory rate – federal	21.0%	21.0%
State taxes, net of federal benefit	4.0	4.0
Income tax benefit	25.0%	25.0%
Less valuation allowance	(25.0)	(25.0)
Total	0.00%	0.00%

The Company's financial statements contain certain deferred tax assets which have arisen primarily as a result of losses incurred that are considered startup costs for tax purposes, as well as net deferred income tax assets resulting from other temporary differences related to certain reserves and differences between book and tax depreciation and amortization. We record a valuation allowance against our net deferred tax assets when we determine that based on the weight of available evidence, it is more likely than not that our net deferred tax assets will not be realized.

In our evaluation of the weight of available evidence, the Company considered recent reported losses as negative evidence which carried substantial weight. Therefore, the Company considered evidence related to the four sources of taxable income, to determine whether such positive evidence outweighed the negative evidence associated with the losses incurred. The positive evidence considered included:

- taxable income in prior carryback years, if carryback is permitted under the tax law;
- future reversals of existing taxable temporary differences;
- tax planning strategies; and
- future taxable income exclusive of reversing temporary differences and carryforwards.

During fiscal 2018 and 2017, the Company weighed all available positive and negative evidence and concluded the weight of the negative evidence of a cumulative loss continued to outweigh the positive evidence. Based on the conclusions reached, the Company maintained a full valuation allowance during 2018 and 2017.

Deferred tax assets and liabilities consist of the following at December 31:

	2018	2017
Deferred Tax Assets:		
Start-up costs	$ 6,816,896	$ 5,566,520
Share-based compensation	243,848	238,109
Total Deferred Tax Assets	7,060,744	5,804,629
Valuation Allowance	(7,060,744)	(5,804,629)
Net Deferred Tax Asset	$ —	$ —

The Company is required to file federal income tax returns and state income tax returns in the states of Florida, Georgia and Minnesota. There are no uncertain tax positions at December 31, 2018. The Company has not undergone any tax examinations since inception and is therefore not subject to examination by any applicable tax authorities.

Note 10 - Related-Party Transactions

Patent Assignment and Royalty Agreements

As described in Note 6, the Company has a Contribution and Royalty Agreement with Dr. Haufe, a former director of the Company.

Co-Development Agreement

As described in Note 6, the Company entered into a Co-Development Agreement with Dr. Andrews, a former director of the Company.

Operating Lease

As described in Note 6, the Company paid TAG, a company owned by Mr. Gorlin, for month to month rental of office space at Dekalb-Peachtree Airport in Atlanta Georgia plus cost of utilities. Rent payments under this arrangement were $2,147 per month. Rent expense and utilities cost incurred by TAG amounted to approximately $35,000 for the year ended December 31, 2018, of which approximately $6,300 was included in accounts payable at December 31, 2018. Rent expense and utilities cost incurred by TAG amounted to approximately $34,600 for the years ended December 31, 2017. No future lease payments are required under this rental agreement at December 31, 2018.

Consulting Expense

As described in Note 6, the Company paid $160,000 and $110,000, respectively, for the years ended December 31, 2018 and 2017, respectively, to Jesse Crowne, a former director and Co-Chairman of the Board of the Company, for business advisory services, of which $40,000 was included in accounts payable at December 31, 2018.

Note 11 - Research and Development

Devicix Prototype Manufacturing Agreement

In November 2013, the Company accepted a proposal from Devicix, a Minneapolis Minnesota based FDA registered contract medical device designer and developer, to develop a commercially viable prototype of its product that could be used to receive regulatory approval from the FDA and other international agencies for use on humans to relieve pain associated with Facet Joint Syndrome.

During 2018, the Company incurred approximately $101,000 of expense under this agreement, with approximately $69,000 of the amount in payables at December 31, 2018. During 2017, the Company incurred approximately $302,000 of expense under this agreement, with approximately $7,000 of the amount in payables at December 31, 2017 which was subsequently paid in 2018.

DenerveX Generator Manufacturing Agreement

The DenerveX device requires a custom electrocautery generator for power. As described in Note 7, in November 2014, the Company contracted with Bovie to customize one of their existing electrocautery generators for use with DenerveX Device, and then manufacture that unit on a commercial basis once regulatory approval for the DenerveX was obtained.

The Bovie agreement required a base $295,000 development fee to customize the unit, plus additional amounts if further customization was deemed necessary beyond predetermined estimates.

The Company incurred approximately $19,000 for the year ended December 31, 2018, of which $15,000 was included in accounts payable at December 31, 2018. The Company incurred approximately $33,000 for the year ended December 31, 2017. The manufacturing agreement is complete as of December 31, 2018, and the Company does not expect to incur any more expenses related to the agreement.

Nortech Manufacturing Agreement

In November 2014, the Company selected Nortech Systems Inc. (“Nortech”), a Minneapolis, Minnesota based FDA registered contract manufacturer, to produce 315 DenerveX devices from the prototype supplied by Devicix for use in final development and clinical trials. The agreement with Nortech includes agreed upon per unit prices for delivery of the devices. Actual work on development of the final units began in November 2014.

The Company incurred fees of approximately $106,000 to Nortech for the year ended December 31, 2018. The Company incurred fees of approximately $146,000 to Nortech for the year ended December 31, 2017, of which $40,000 was in accounts payable at December 31, 2017.

Note 12 – Liquidity, Going Concern and Management’s Plans

The Company incurred net losses of approximately $4,909,000 and $6,456,000 for the years ended December 31, 2018 and 2017, respectively. The Company will continue to incur losses until such time as it can sell a sufficient enough volume of the DenerveX System with margins sufficient to offset expenses.

To date, the Company’s primary source of funds has been from the issuance of debt and equity.

The Company anticipates cash expenditures will remain consistent as diminishing research and development costs will be offset by the cost of clinical trials to obtain FDA approval and moving forward with the recent commercialization of the DenerveX System. The Company expects future cash flow expenditures to increase if the FDA requires a de novo regulatory path, instead of a 510(k) approval. The Company also continues to incur similar costs as it continues to operate as a publicly traded entity.

Subsequent to year-end, on January 8, 2019, the Company executed the Asset Purchase Agreement with RMS, as amended, by which the Company entered into a securities purchase agreement (the “SPA”) with select accredited investors and raised an aggregate amount of $2,000,000, with $1,800,000 received in cash and $200,000 by cancellation of debt.

Subsequent to the consummation of the Asset Purchase Agreement with RMS, the Company has raised an additional $5,200,000 with select accredited investors under the same SPA. Through March 31, 2019 the Company has raised an aggregate of $7,200,000 in convertible note financings.

The financial statements do not include any adjustments to the carrying amounts of its assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 13 - Subsequent Events

As previously disclosed on a Form 8-K filed on October 18, 2018, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Regenerative Medicine Solutions, LLC ("RMS"), Lung Institute LLC ("Lung Institute"), RMS Lung Institute Management LLC ("RMS Management"), Cognitive Health Institute Tampa, LLC ("CHIT"), RMS Shareholder, LLC ("RMS Shareholder") and RMS Acquisition Corp. ("RMS Acquisition") (collectively, the "Parties"). On January 8, 2019, the Parties to the Asset Purchase Agreement entered into an amendment thereto (the "APA Amendment") to, among other things, i) update the contracts assigned to and liabilities assumed by RMS Acquisition, ii) amend the number of Series C preferred stock of the Company (the "Series C Preferred Stock") issued to RMS Shareholder from 30,119 shares to 39,772 shares, iii) revise the lists of material contracts, real estate leases, legal proceedings, employees of RMS Management and Lung Institute Tampa, iv) state that the Company shall enter into an employment agreement with James St. Louis, v) include two additional members, Michael Yurkowsky and Raymond Monteleone, to the board of directors of the Company (the "Board"), and vi) revise the patient treatment arrangement among the Parties after closing of the Asset Purchase Agreement.

In connection with the Asset Purchase Agreement and APA Amendment, on January 8, 2019, RMS, Lung Institute, RMS Management, CHIT and RMS Acquisition executed an assignment and assumption agreement (the "Assignment and Assumption Agreement"), pursuant to which RMS, Lung Institute, RMS Management and CHIT assigned and transferred to RMS Acquisition all the rights and interests in the Assigned Contracts as listed in the APA Amendment and RMS Acquisition assumed all the obligations and liabilities under the Assumed Liabilities as defined in the APA Amendment.

On January 8, 2019, the Company executed the Asset Purchase Agreement, as amended, by which the Company entered into a securities purchase agreement (the "SPA") with four purchasers (the "Purchasers") pursuant to which the four Purchasers invested in the Company an aggregate amount of $2,000,000, with $1,800,000 in cash and $200,000 by cancellation of debt as explained below, in exchange for forty (40) units (the "Units"), each consisting of a convertible note (the "Convertible Note") with the principal amount of $50,000 and a warrant (the "Warrant") to purchase common stock (the "Common Stock") of the Company.

Pursuant to this SPA, the Company initially offered a minimum of $1,000,000 and a maximum of $6,000,000, and subsequently increased to a maximum of $8,000,000 (the "Maximum Amount") of Units at a price of $50,000 per Unit until the earlier of i) the closing of the subscription of the Maximum Amount and ii) March 31, 2019 (the "Termination Date"), subject to the Company's earlier termination at its discretion. The SPA includes the customary representations and warranties from the Company and purchasers. Steve Gorlin, the Company's former Chairman of the Board, converted a $200,000 promissory note owed to him by the Company in exchange for four (4) Units on the same terms as all other Purchasers. Each Convertible Note offered by the Company as part of the Unit bears an interest rate of 12% per annum, has a principal amount of $50,000, shall mature in one year from the original issue date on January 8, 2019, and will be convertible into shares of Common Stock at a price of $0.40 subject to adjustment stated in the Convertible Note. Pursuant to the terms of the Convertible Note, each holder of the Convertible Notes shall not own more than 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of Common Stock issuable upon exercise of such Convertible Note. Upon default, the penalty interest rate of the Convertible Note shall rise to 18% per annum. In addition, pursuant to the SPA, the Company offers, as part of the Unit, Warrants to purchase the Common Stock at a price of $0.75 per share (the "Exercise Price"), subject to adjustments stated therein. The holder of each Warrant may purchase the number of shares of Common Stock equal to the number of shares of Common Stock issuable upon conversion of each Convertible Note while the Warrant is exercisable. The Warrants have a term of three years and shall be exercised in cash or on a cashless basis as described in the Warrant.

In March 2018, the Company issued RMS the 39,772,498 shares of Common Stock upon the Conversion of the 39,772 shares of Series C Preferred Stock. The Company also issued RMS an additional 11,152,778 shares of Common Stock to RMS to compensate it for the additional dilution occurred in the recent financing.

Through March 31, 2019, the Company has entered into other SPA's under the same terms with additional purchasers, which has brought the aggregate principal amount of capital raised in the offerings to $7,200,000, as of that date.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal accounting officer, as appropriate to allow timely decisions regarding disclosure.

Our Chief Executive Officer (our "CEO") and our Principal Accounting Officer (our "Controller"), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) as of December 31, 2018, the end of our fiscal year. In designing and evaluating disclosure controls and procedures, we recognize that any disclosure controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objective. Based on the evaluation of our disclosure controls and procedures as of December 31, 2018, our CEO and Controller concluded that our disclosure controls and procedures were not effective.

In light of the conclusion that our internal disclosure controls were ineffective as of December 31, 2018, we have applied procedures and processes as necessary to ensure the reliability of our financial reporting in regard to this annual report. Accordingly, the Company believes, based on its knowledge, that: (i) this annual 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 they were made, not misleading with respect to the period covered by this report; and (ii) the financial statements, and other financial information included in this annual report, fairly present in all material respects our financial condition, results of operations and cash flows as of and for the periods presented in this annual report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Under the supervision of our CEO and Controller, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2018 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013 Framework).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. In our assessment of the effectiveness of internal control over financial reporting as of December 31, 2018, we determined that control deficiencies existed that constituted material weaknesses. Specifically, our Controller currently performs most of the accounting related functions

In order to obtain proper segregation of accounting related duties, additional personnel will need to be hired and duties allocated so this material weakness can be corrected.

Due to the fact the RMS Asset Purchase Agreement closed subsequent to yearend, the Company expects to be able to design and implement effective internal controls to address the material weaknesses that existed as of December 31, 2018.

Accordingly, we concluded that these material weaknesses resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

As a result of the material weaknesses described above, our CEO and Controller concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2018 based on criteria established in Internal Control— *Integrated Framework* issued by COSO (2013 Framework).

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal controls over financial reporting because this is not required of the Company pursuant to Regulation SK Item 308(b).

Changes in internal control over financial reporting

During 2018, due to the Company's financial condition, we terminated our Accounting Clerk, thus creating a lack of segregation of duties as it left only one person performing most of the financial functions thereby creating a material weakness in our internal controls.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our board of directors consists of ten (3) members: William E. Horne, Raymond Monteleone and Michael Yurkowsky.

Our current executive officers are William E. Horne, Chief Executive Officer; Jeremy Daniel, Chief Financial Officer and Treasurer; and Jeffery Wright, Controller.

Directors and Executive Officers

The following table provides information as of April 1, 2019 as to each person who is, as of the filing hereof, a director and/or executive officer of the Company:

Name	Position(s)	Age
William E. Horne	Chief Executive Officer & Chairman of the Board	64
Jeremy Daniel	Chief Financial Officer	42
Raymond Monteleone	Director (1)	71
Michael Yurkowsky	Director	46
Jeffery Wright	Controller	36

(1) Chairman of audit committee

No Family Relationships

There is no family relationship between any director and executive officer or among any directors or executive officers.

Business Experience and Background of Directors and Executive Officers

BOARD OF DIRECTORS

William E. Horne

William "Bill" Horne is a founder and former Chief Executive Officer and Chairman of the Board of Laser Spine Institute. From 2005 to 2015, Horne served as the company's CEO, expanding the homegrown organization from one facility with nine employees, to seven state-of-the-art surgery centers with more than 1,000 employees across six states, while driving annual revenues as high as $288M during his tenure. In his role as Chairman of the Board, he led the strategic direction of the company, which has made it possible for more than 75,000 patients to take back their lives from chronic pain with its minimally invasive spine procedures.

Raymond Monteleone

Raymond Monteleone, 71, serves managerial and consultative roles at several enterprises. Mr. Monteleone currently serves as the chairman and president of Paladin Global Partners, LLC since 2007; a board member and vice president of Dannelly, Monteleone & Associates, LLC since 2010; sits on the board of Chenmoore Engineering Inc. since 2015; is a managing member at Diner Investment Partners, LLC since 2016 and Uyona Management, LLC since 2013; a managing member and the chief financial officer at HBRE, LLC since 2013 and Horne Management, LLC since 2011; and the president at Monteleone & Associates Consulting, Inc. since 2005. Mr. Monteleone received a college degree from the New York Institute of Technology and an MBA degree from Florida Atlantic University.

A former partner with Arthur Young (now EY), Ray Monteleone joins Medovex after working closely with several large and small companies serving as board member and/or advisor, specializing in strategic planning, health care, tax and financial planning and corporate management. Mr. Monteleone previously held officer positions with Sensormatic Electronics Corporation, a billion dollar company listed in the New York Stock Exchange and was a member of the Board of Directors of Rexall Sundown, Inc., a large public entity. He also previously served as an officer working closely with the Board of Directors of Laser Spine Institute ("LSI") and worked as deputy commissioner, chief operating officer, and chief financial officer with the Florida Department of Education. He attended an exclusive Arthur Young Harvard Business School program and earned his MBA from Florida Atlantic University. Considered an expert in financial analysis and business management, Monteleone is regularly featured as a lecturer at various universities and professional associations.

Michael Yurkowsky

Michael Yurkowsky operates his own family office, YP Holdings LLC, which has an investment portfolio of 50 private companies and participated in over 100 financing transactions with public companies since 2012. Previously Mr. Yurkowsky managed his own hedge fund and worked as a broker at several national broker-dealer firms.

Michael Yurkowsky comes to Medovex with more than 25 years of experience in financial services. Yurkowsky spent the first ten years of his career working as a broker with several national broker-dealers and as a licensed investment banker. He went on to start and manage his own hedge fund, specializing in debt arbitrage. In 2012, he opened his own family office, YP Holdings LLC, which has invested in more than 50 private companies and participated in more than 100 public company financing transactions. Throughout his career, Mr. Yurkowsky has served on multiple public and private boards and has been involved in several M&A transactions.

NON-DIRECTOR EXECUTIVE OFFICERS

Chief Financial Officer and Treasurer – Jeremy Daniel

Jeremy Daniel has been the Chief Financial Officer of Regenerative Medicine Solutions, LLC ("RMS") since 2013. Prior to that, Mr. Daniel worked in the private sector in the accounting and finance field for the past twenty years. Mr. Jeremy Daniel is a Certified Public Accountant and received a college degree from the University of Cincinnati and an MBA degree from Xavier University. The Company currently does not have any employment agreement with Mr. Jeremy Daniel.

Controller and Principal Accounting Officer – Jeffery Wright

Mr. Wright is a Certified Public Accountant and previously served as our Chief Financial Officer and Treasurer from January 2015 through August 2017. Prior to joining the Company in December 2014, Mr. Wright was an audit senior at Ernst & Young within the Assurance Services division, where he had an opportunity to help manage audits of large ($2 billion to $10 billion annual revenue) publicly-traded companies. He also has experience auditing medium size ($2 million - $200 million annual revenue) privately-held companies in multiple industries with other accounting firms. Prior to his career in public accounting, Mr. Wright worked as a trading analyst in the retirement trust services department at Reliance Trust Company, managing the institutional trading desk to settle mutual fund transactions with the National Securities Clearing Corporation. Mr. Wright holds Master of Professional Accountancy and Bachelor of Business Administration degrees from the Georgia State University Robinson College of Business and is a member of the Georgia Society of Certified Public Accountants.

Liability and Indemnification of Directors and Officers

Our Articles of Incorporation provide that to the fullest extent permitted under Nevada law, our directors will not be personally liable to the Company or its stockholders for monetary damages for breach of the duty of care, breach of fiduciary duty or breach of any other duties as directors. Our Articles of Incorporation also provide for indemnification of our directors and officers by the Company to the fullest extent permitted by law. The Company maintains D&O insurance coverage.

Role of Board in Risk Oversight Process

Our board of directors has responsibility for the oversight of the Company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board to understand the company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The audit committee reviews information regarding liquidity and operations, and oversees our management of financial risks. Periodically, the audit committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the audit committee includes direct communication with our external auditors, and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The compensation committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. The nominating/corporate governance committee manages risks associated with the independence of the board, corporate disclosure practices, and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our board as a whole.

Board Committees and Independence

Our board of directors has established an audit committee, a nominating and corporate governance committee and a compensation committee, each of which operates under a charter that has been approved by our board.

The following committees are in the process of being formulated; and selections of chairman to be finalized at the first quarterly board meeting in fiscal year 2019.

- Nominating and corporate governance committee
- Compensation committee

Mr. Ray Monteleone chairs the audit committee. The audit committee's main function is to oversee our accounting and financial reporting processes, internal systems of control, independent registered public accounting firm relationships and the audits of our financial statements.

This committee's responsibilities include, among other things:

- appointing, approving the compensation of and assessing the independence of our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- overseeing our risk assessment and risk management policies;
- establishing policies regarding hiring employees from the independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our internal auditing staff, independent registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by the Securities and Exchange Commission, or SEC, rules.

All audit and non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Our board of directors has determined that Ray Monteleone is an "audit committee financial expert" as defined in applicable SEC rules.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the code will be posted on the Corporate Governance section of our website, www.MedoveX.com.

In addition, we intend to post on our website all disclosures that are required by law or the listing standards of The NASDAQ Capital Market concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this Annual Report.

Procedures for Security Holders to Recommend Nominees for Election as Directors

There have been no material changes to the procedures by which security holders may recommend nominees to the board of directors since the Company last described such procedures or any material changes thereto.

Company Policy as to Director Attendance at Annual Meetings of Stockholders

The Company's policy encourages board members to attend annual meetings of stockholders.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires each person who is a director or officer or beneficial owner of more than 10% of the common stock of the Company to file reports in connection with certain transactions. To the knowledge of the Company, based solely upon a review of forms or representations furnished to the Company during or with respect to the most recent completed fiscal year, there were a few isolated instances where the director purchased or received shares and was late filing under section 16(a). All of the required filings have now been made.

ITEM 11. EXECUTIVE COMPENSATION

Name & Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Option Awards ($)	All Other Compensation ($)	Total ($)
William E. Horne, CEO	2018	153,333	-	-	-	153,333
	2017	-	-	-	-	-
Jeremy Daniel, CFO	2018	-	-	-	-	-
	2017	-	-	-	-	-
Jeffery Wright, Controller	2018	140,000	-	-	-	140,000
	2017	140,000	-	-	33,600	173,600

The current annualized salaries of our executive officers are as follows:

Name & Position	Annual Salary
William E. Horne, CEO	$ 650,000
Jeremy Daniel, CFO	$ 200,000
Jeffery Wright, Controller	$ 60,000

Director Compensation

In October 2018, the Board authorized the issuance of shares of common stock to all former Board members in an amount equivalent to $180,000, representing their accrued but unpaid directors' fees as of September 30, 2018. The Company issued an aggregate of 320,202 shares at $0.42 per share, which was the average closing price of the Company's stock during the year through September 30, 2018, to fulfill this obligation. The closing price of the Company's stock on October 3, 2018, the day the shares were issued, was $0.40 per share.

There are no arrangements or understandings between the Company and Mr. Michael Yurkowsky.

There are understandings between the Company and Mr. Raymond Monteleone as follows; $5,000 per quarter for Board of Director meetings, $5,000 per quarter as Audit Committee Chair, and $10,000 per month for advisory services.

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

The information is presented for each person we know to be a beneficial owner of 5% or more of our securities, each of our directors and executive officers, and our officers and directors as a group.

The percentage of common equity beneficially owned is based upon 24,717,271 shares of Common Stock issued and outstanding as of December 31, 2018. The shares of common stock issued to William E. Horne, the Company's CEO, per his employment agreement were not outstanding as of December 31, 2018 and, therefore, not included in the below

The number of shares beneficially owned by each stockholder is determined under the rules issued by the Securities and Exchange Commission and includes voting or investment power with respect to such securities.

Under these rules, beneficial ownership includes any shares as to which the individual or entity has sale or shared voting power or investment power. Unless otherwise indicated, the address of all listed stockholders is c/o MEDOVEX, 3060 Royal Boulevard South Suite 150, Atlanta, Alpharetta 30022. Unless otherwise indicated each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned, subject to community property laws where applicable.

	Number of Shares Beneficially Owned(1)	Percentage of common equity beneficially owned
William E. Horne, Director and Officer	—	0.010%
Jeremy Daniel, Officer	—	—
Raymond Monteleone, Director	—	—
Michael Yurkowsky, Director	1,022,009	4.13%
Jeffery Wright, Officer	137,220(3)	0.006%
Officers and Directors as a Group (5 persons)		

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned and options exercisable within 60 days. Beneficial ownership is based on information furnished by the individuals or entities.

(2) Includes 76,129 shares pursuant to options exercisable within 60 days.

Equity Compensation Plan Information

In October 2013, the Company adopted the 2013 Stock Incentive Plan (the "Plan").

The Plan is intended to secure for us and our stockholders the benefits arising from ownership of our Common Stock by individuals we employ or retain who will be responsible for the future growth of the enterprise. The Plan is also designed to help attract and retain superior personnel for positions of substantial responsibility, including advisory relationships where appropriate, and to provide individuals with an additional incentive to contribute to our success.

The "Administrator" of the Plan is the Compensation Committee of the Board; however, the Administrator may also delegate to one or more officers of the Company the authority to make most determinations otherwise reserved for decision by the Administrator. Under the Plan, the Administrator has the flexibility to determine eligible participants and the type and amount of awards to grant to eligible participants.

The Administrator may make the following types of grants under the Plan, each of which will be an "Award":

- qualified incentive stock options ("QISOs");
- nonqualified stock options; and
- awards of restricted stock and/or restricted stock units.

Our officers, key employees, directors, consultants and other independent contractors or agents who are responsible for or contribute to our management, growth or profitability will be eligible for selection by the Administrator to participate in the Plan, provided, however, that QISOs may be granted only to our employees.

We authorized and reserved for issuance under the Plan an aggregate of 2,650,000 shares of our Common Stock. The Company did not grant any stock options in 2018. As of December 31, 2018, we have outstanding an aggregate of 1,314,059 options to purchase common stock at a weighted average price of $2.78 per share. In 2018 we granted an aggregate of 75,000 common stock shares from the Plan to certain outside consultants at the market price on the day of grant. If any of the awards granted under the Plan expire, terminate or are forfeited for any reason before they have been exercised, vested or issued in full, the unused shares allocable to or subject to those expired, terminated or forfeited awards will become available for further grants under the Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company paid TAG Aviation ("TAG"), a company owned by former CEO Jarrett Gorlin, for executive office space in Atlanta Georgia at a rate of $2,147 per month plus related utilities. The rental rate was 90% of the amount billed to TAG Aviation by the owner of the property. There is no further commitment under this lease agreement.

Policies and Procedures for Related Person Transactions

Our board of directors has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds $120,000 and one of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a "related person," has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a "related person transaction," the related person must report the proposed related person transaction to our Chief Executive Officer. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction.

If advance review and approval is not practicable, the committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chairman of the committee to review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, subject to ratification by the committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the committee after full disclosure of the related person's interest in the transaction. As appropriate for the circumstances, the committee will review and consider:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party; and
- the purpose of, and the potential benefits to us of, the transaction.

The committee may approve or ratify the transaction only if the committee determines that, under all of the circumstances, the transaction is in our best interests. The committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person's position as an executive officer of another entity (whether or not the person is also a director of such entity) that is a participant in the transaction, where (i) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (ii) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction and (iii) the amount involved in the transaction is less than the greater of $200,000 or 5% of the annual gross revenues of the company receiving payment under the transaction; and

- a transaction that is specifically contemplated by provisions of our charter or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the compensation committee in the manner specified in its charter.

We did not have a written policy regarding the review and approval of related person transactions. Nevertheless, with respect to such transactions, it was our policy for our board of directors to consider the nature of and business reason for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interests.

In addition, all related person transactions required prior approval, or later ratification, by our board of directors.

Stock Option Grants to Executive Officers and Directors

We authorized and reserved for issuance under the Plan an aggregate of 2,650,000 shares of our Common Stock. No stock options were issued under the Plan in 2018. In 2017 we granted an aggregate of 147,611, of options to purchase common stock to executive officers and directors. If any of the Awards granted under the Plan expire, terminate or are forfeited for any reason before they have been exercised, vested or issued in full, the unused shares allocable to or subject to those expired, terminated or forfeited awards will become available for further grants under the Plan.

Policies and Procedures for Approving Related Person Transactions

Our policy and procedure with respect to any related person transaction between the Company and any related person requiring disclosure under Item 404(a) of regulation S-K under the Exchange Act, is that the Company's audit committee reviews all such transactions.

This review covers any material transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which the Company was and is to be a participant, and a related party had or will have a direct or indirect material interest, including, purchases of goods or services by or from the related party or entities in which the related party has a material interest, indebtedness, guarantees of indebtedness and employment by the Company of a related party. The board of directors has adopted a written policy reflecting the policy and procedure identified above.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to the Company by Frazier & Deeter, LLC for professional accounting services rendered for the fiscal years ended December 31, 2018 and 2017.

	Fiscal Year 2018	Fiscal Year 2017
Audit fees	$ 108,000	$ 99,500
Tax fees	3,000	11,000
Other fees	—	2,500
Total	**$ 111,000**	**$ 113,000**

Audit fees consist of fees billed for services rendered for the audit of our financial statements and review of our financial statements included in our quarterly reports on Form 10–Q. Other fees consist of comfort letter service fees.

Tax fees consist of fees billed for professional services related to the preparation of our U.S. federal and state income tax returns.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Registered Public Accounting Firms

The policy of the audit committee is to pre-approve all audit and permissible non-audit services to be performed by the independent public accounting firm during the fiscal year. The audit committee pre-approves services by authorizing specific projects within the categories outlined above. The audit committee's charter delegates to its Chair the authority to address any requests for pre-approval of services between audit committee meetings, and the Chair must report any pre-approval decisions to the audit committee at its next scheduled meeting. All of the services related to the fees described above were approved by the audit committee pursuant to the pre-approval provisions set forth in the applicable SEC rules and the audit committee's charter.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) *Financial Statements*. The following are filed as part of Item 15 of this Annual Report on Form 10-K:

(a)(3) *Exhibits required by Item 601 of Regulation S-K*. The information required by this Section (a)(3) of Item 15 of this Annual Report on Form 10-K is set forth on the exhibit index that follows the Signatures page hereof.

SIGNATURES

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

MEDOVEX CORP.

Date: April 10, 2019

By: */s/ William E. Horne*
William E. Horne,
Chief Executive Officer

Signature	Title	Date
/s/ William E. Horne William E. Horne	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	April 10, 2019
/s/ Jeff Wright Jeff Wright	Controller (Principal Financial and Accounting Officer)	April 10, 2019
/s/ Raymond Monteleone Raymond Monteleone	Director	April 10, 2019
/s/ Michael Yurkowsky Michael Yurkowsky	Director	April 10, 2019

EXHIBIT INDEX

Exhibits

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated September 16, 2013 among MedoveX Corp. f/k/a SpineZ Corp. and Debride Inc. (1)
2.2	Agreement and Plan of Merger, dated March 9, 2015 among MedoveX Corp. and Streamline, Inc. (2)
2.3	Asset Purchase Agreement, dated December 7, 2016, among MedoveX Corp., Streamline, Inc., Skytron, LLC and certain other parties thereto (3)
3.1	Articles of Incorporation of Spinez Corp. (1)
3.3	Bylaws of MedoveX Corp. (1)
4.1	Modification Agreement by and between the Company and Steve Gorlin dated January 25, 2016. (5)
4.2	Amendment to the Modification Agreement by and between the Company and Steve Gorlin dated February 16, 2016. (6)
4.3	Second Amendment to the Modification Agreement by and between the Company and Steve Gorlin dated March 25, 2016. (7)
4.4	Third Amendment to the Modification Agreement by and between the Company and Steve Gorlin dated November 1, 2016 (7)
4.5	Fourth Amendment to the Modification Agreement by and between the Company and Steve Gorlin dated November 30, 2016 (8)
10.1	2013 Stock Incentive Plan. (1)
10.6	Contribution and Royalty Agreement between MedoveX and Scott W. Haufe dated January 31, 2013. (1)
10.7	Co-Development Agreement between MedoveX Corp. and Dr. James Andrews dated September 30, 2013. (1)
10.9	Engineering Services Agreement between MedoveX Corp. and Devicix, LLC dated November 25, 2013. (1)
10.10	Form of Indemnification Agreement. (1)
10.13	Form of Common Stock Purchase Warrant (9)
10.14	Form of Unit Purchase Agreement between MedoveX Corp. and Investors (10)
10.15	Form of Registration Rights Agreement between MedoveX Corp. and Investors (10)
10.16	Private Placement Memorandum Supplement dated April 18, 2016 (10)
10.17	Form of Warrant (11)
10.18	Form of Unit Purchase Agreement (11)
10.19	Form of Registration Rights Agreement (11)
10.20	Form of Note (12)
10.21	Form of Warrant (12)
10.22	Form of Security Agreement (12)
10.23	Form of Warrant (4)
10.24	Form of Unit Purchase Agreement (4)
10.25	Form of Registration Rights Agreement (4)
10.26	Form of Common Stock Purchase Warrant issued by MedoveX Corporation to each of the Investors (13)
10.27	Form of Securities Purchase Agreement, by and between the Company and Investors (13)
10.28	Consulting Agreement, by and between MedoveX Corp. and CG# Consulting LLC, dated February 2, 2018 (14)
10.29	Form of Securities Purchase Agreement, by and between the Company and Investors (15)
10.30	Form of Warrant issued by MedoveX Corp. to each of the Investors (15)
RMS Agreements	
14	Business and Code of Ethics of MedoveX Corp. (1)
21.1	Subsidiaries of MedoveX Corp. *
24.1	Power of Attorney (included on signature page).*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*

31.2	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

(*) Filed herewith
(1) Incorporated by reference herein from the Registration Statement on Form S-1/A filed on September 8, 2014
(2) Incorporated by reference herein from the Current Report on Form 8-K filed on March 11, 2015.
(3) Incorporated by reference herein from the Current Report on Form 8-K filed on December 12, 2016.
(4) Incorporated by reference herein from the Current Report on Form 8-K filed on February 14, 2017.
(5) Incorporated by reference herein from the Current Report on Form 8-K filed on January 25, 2016.
(6) Incorporated by reference herein from the Current Report on Form 8-K filed on February 17, 2017.
(7) Incorporated by reference herein from the Current Report on Form 8-K filed on November 4, 2016
(8) Incorporated by reference herein from the Current Report on Form 8-K filed on December 6, 2016
(9) Incorporated by reference herein from the Current Report on Form 8-K filed on April 25, 2016
(10) Incorporated by reference herein from the Current Report on Form 8-K filed on May 5, 2016
(11) Incorporated by reference herein from the Current Report on Form 8-K filed on August 8, 2016
(12) Incorporated by reference herein from the Current Report on Form 8-K filed on September 19, 2016
(13) Incorporated by reference herein from the Current Report on Form 8-K filed on July 14, 2017
(14) Incorporated by reference herein from the Current Report on Form 8-K filed on February 6, 2018
(15) Incorporated by reference herein from the Current Report on Form 8-K filed on March 1, 2018
(1) Incorporated by reference herein from the Registration Statement on Form S-1/A filed on December 9, 2014.
(2) Incorporated by reference herein from the Current Report on Form 8-K filed on March 11, 2015.
(3) Incorporated by reference herein from the Current Report on Form 8-K filed on January 25, 2016.
(4) Incorporated by reference herein from the Current Report on Form 8-K filed on February 17, 2016.
(*) Filed herewith

ITEM 16. SUMMARY. NONE.

Exhibit 21.1

Name of Entity	Jurisdiction
Debride, Inc.	Florida
STML Merger Sub, Inc.	Minnesota

Exhibit 31.1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William E. Horne, certify that:

1. I have reviewed this Annual Report on Form 10-K of MedoveX Corp.;

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

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

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

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

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

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

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

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

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

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

Date: April 10, 2019

/s/ William E. Horne

William E. Horne,
Principal Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff Wright, certify that:

1. I have reviewed this Annual Report on Form 10-K of MedoveX Corp.;

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

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

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

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

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

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

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

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

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

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

Date: April 10, 2019

/s/ Jeff Wright

Jeff Wright,
Principal Financial and Accounting Officer

Exhibit 32.1

Certifications Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, William E. Horne, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of MedoveX Corp. on Form 10-K for the fiscal year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K as amended fairly presents, in all material respects, the financial condition and results of operations of MedoveX Corp.

Date: April 10, 2019

By: */s/ William E. Horne*
Name: **William E. Horne**
Title: ***Principal Executive Officer***

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of MedoveX Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

Certifications Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Jeff Wright, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of MedoveX Corp. on Form 10-K for the fiscal year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K as amended fairly presents, in all material respects, the financial condition and results of operations of MedoveX Corp.

Date: April 10, 2018

By: */s/ Jeff Wright*
Name: **Jeff Wright**
Title: ***Principal Financial and Accounting Officer***

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of MedoveX Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.