

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

FORM 10-Q/A
(Amendment No. 3)

(Mark One)

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

For the quarterly period ended September 30, 2015

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
(State or Other Jurisdiction
of Incorporation or Organization)

46-3312262
(IRS Employer
Identification Number)

3279 Hardee Avenue
Atlanta, Georgia
(Address of Principal Executive Offices)

30341
(Zip Code)

(844) 633-6839
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.)

Yes No

Indicate by check mark 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

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 10, 2015, 11,250,064 shares of the registrant's common stock were outstanding.

MEDOVEX CORP.
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” as defined under United States federal securities laws. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our ability to market, commercialize and achieve broader market acceptance for our products;
- our ability to successfully expand, and achieve full productivity from, our sales, clinical support and marketing capabilities;
- our ability to successfully complete the development of, and obtain regulatory clearance or approval for, our products; and
- the estimates regarding the sufficiency of our cash resources, our ability to obtain additional capital or our ability to maintain or grow sources of revenue.

In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would,” and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these words. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. You should also refer to the section of our Annual report on Form 10-K entitled “Risk Factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We do not undertake to update any of the forward-looking statements after the date of this Quarterly Report, except to the extent required by applicable securities laws.

EXPLANATORY NOTE

The Company is filing this Amended Form 10-Q for the purpose of making changes to Item 4 Internal Controls and refiling the appropriate certifications.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**MEDOVEX CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS**

	September 30, 2015 (unaudited)	December 31, 2014 (audited)
Assets		
Current Assets		
Cash	\$ 1,771,426	\$ 6,684,576
Prepaid expenses	117,297	156,730
Inventory	1,878	--
Total Current Assets	<u>1,890,601</u>	<u>6,841,306</u>
Property and Equipment, net of accumulated depreciation	25,016	24,450
Deposits	2,751	--
Patent	10,155,645	--
Total Assets	<u>\$ 12,074,013</u>	<u>\$ 6,865,756</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 118,775	\$ 140,678
Accrued liabilities	276,547	219,429
Total Current Liabilities	<u>395,322</u>	<u>360,107</u>
Long-Term Liabilities		
Notes Payable	236,738	--
Deferred Rent	197	--
Total Long-Term Liabilities	<u>236,935</u>	<u>--</u>
Total Liabilities	<u>632,257</u>	<u>360,107</u>
Stockholders' Equity		
Preferred stock - \$.001 par value: 500,000 shares authorized, no shares outstanding	--	--
Common stock - \$.001 par value: 49,500,000 shares authorized, 11,256,175 and 9,172,480 shares issued at September 30, 2015 and December 31, 2014, respectively, 11,039,518 and 9,172,480 shares outstanding at September 30, 2015 and December 31, 2014, respectively	11,256	9,173
Additional paid-in capital	19,805,517	10,106,841
Accumulated deficit during the development stage	(8,375,017)	(3,610,365)
Total Stockholders' Equity	<u>11,441,756</u>	<u>6,505,649</u>
Total Liabilities and Stockholders' Equity	<u>\$ 12,074,013</u>	<u>\$ 6,865,756</u>

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
General and administrative	1,197,505	374,344	3,881,987	1,284,474
Research and development	249,140	202,570	882,665	549,721
Total Operating Expenses	<u>1,446,645</u>	<u>576,914</u>	<u>4,764,652</u>	<u>1,834,195</u>
Net Loss	<u>\$ (1,446,645)</u>	<u>\$ (576,914)</u>	<u>\$ (4,764,652)</u>	<u>\$ (1,834,195)</u>
Basic and diluted net loss per common share	\$ (0.13)	\$ (0.07)	\$ (0.47)	\$ (0.24)
Basic and diluted weighted average common shares outstanding	11,256,175	7,781,175	10,214,508	7,781,175

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the nine months ended September 30, 2015

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Capital</u>	<u>Deficit</u>	<u>Stockholders'</u>
					<u>Equity</u>
Balance - December 31, 2014	\$ 9,172,480	\$ 9,173	\$ 10,106,841	\$ (3,610,365)	6,505,649
Issuance of common stock to underwriters	208,695	208	1,083,928	-	1,084,136
Value of common stock to acquire Streamline on date of closing at \$4.50 per share	1,875,000	1,875	8,435,625	-	8,437,500
Stock based compensation	-	-	179,123	-	179,123
Net loss	-	-	-	(4,764,652)	(4,764,652)
Balance - September 30, 2015	<u>\$ 11,256,175</u>	<u>\$ 11,256</u>	<u>\$ 19,805,517</u>	<u>\$ (8,375,017)</u>	<u>\$ 11,441,756</u>

See notes to consolidated financial statements

MEDOVEX CORP. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30,	
	2015	2014
Cash Flows from Operating Activities		
Net loss	\$ (4,764,652)	\$ (1,834,194)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,739	1,340
Stock based compensation	179,123	26,023
Straight-line rent adjustment	197	--
Changes in operating assets and liabilities, net of effects of acquisition:		
Prepaid expenses	39,434	2,677
Accounts payable	(323,843)	51,358
Accrued liabilities	51,100	52,274
Net Cash Used in Operating Activities	(4,813,902)	(1,700,522)
Cash Flows from Investing Activities		
Acquisition of Streamline, Inc., net of cash received	(1,152,292)	--
Deposits	(2,586)	--
Expenditures for property and equipment	(5,306)	(11,207)
Net Cash Used in Investing Activities	(1,160,184)	(11,207)
Cash Flows from Financing Activities		
Principal payments under note payable obligation	(23,200)	--
Deferred initial public offering costs	--	(226,435)
Collection of subscription receivable	--	100,000
Proceeds from issuance of common stock from underwriter's overallotment	1,084,136	--
Net Cash Provided by (Used in) Financing Activities	1,060,936	(126,435)
Net Decrease in Cash		
Cash - Beginning of period	(4,913,150)	(1,838,164)
Cash - End of period	\$ 1,771,426	\$ 767,911
Non-cash investing and financing activities		
Issuance of common stock for acquisition of Streamline	\$ 8,437,500	\$ --

See notes to consolidated financial statements

MEDOVEX CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Note 1 - Organization and Significant Accounting Policies

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.

On September 3, 2013, Debride entered into an Agreement and Plan of Merger with SpineZ, a privately owned company with no operations (the “SpineZ Merger”). The SpineZ Merger was effectuated as a share exchange transaction in which the former stockholders of Debride exchanged each share that they owned of Debride for 1.936 shares of SpineZ. As a result of the SpineZ Merger, the former owners of Debride became 53% majority owners of SpineZ. The Company accounted for this transaction as a reverse merger and recapitalization of Debride into SpineZ. The Company is a development stage enterprise that has acquired a patent, patent applications and other intellectual property rights relating to the use, development, and commercialization of the DenerveX Device (“DenerveX”). DenerveX is a device that is intended to be used in the treatment of conditions resulting from the degeneration of joints in the spine that cause back pain.

In March 2014, SpineZ changed its legal name to MedoveX Corp. and effectuated a 1 for 2 reverse stock split. All share related amounts in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted to reflect this reverse split.

On March 9, 2015, the Board of Directors of MedoveX and Streamline, Inc., a Minnesota corporation (“Streamline”), approved an Agreement and Plan of Merger (the “Merger Agreement”). On March 24, 2015, Streamline shareholders approved the Merger Agreement and the transaction closed immediately thereafter. Under the Merger Agreement, STML Merger Sub, Inc. a wholly-owned subsidiary of MedoveX, merged with Streamline, and thus Streamline became a wholly-owned subsidiary of MedoveX. Streamline is in the business of designing, developing, manufacturing and marketing 510(k) and 510(k) exempt products for use in the medical field.

Note 2 - Summary of Significant Accounting Policies

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of MedoveX Corp. and its wholly-owned subsidiary, Streamline. All intercompany accounts and transactions have been eliminated in consolidation.

UNAUDITED INTERIM RESULTS

The accompanying consolidated balance sheet as of September 30, 2015, consolidated statements of operations for the three and nine months ended September 30, 2015 and 2014, statement of changes in stockholders’ equity for the nine months ended September 30, 2015 and the statements of cash flows for the nine months ended September 30, 2015 and 2014 are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments which included only normal recurring adjustments, necessary to present fairly the Company’s financial position and results of operations and cash flows for the three and nine months ended September 30, 2015 and 2014. The financial data and other information disclosed in the notes to the consolidated financial statements related to the three and nine month periods are unaudited. The results for the three and nine months ended September 30, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015 or for any other interim period or for any future year.

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. The Company's significant estimates currently include the fair value, useful life and carrying amount of its patented technology, the deferred income tax asset and the related valuation allowance, and the fair value of its share based payment arrangements. For those estimates that are sensitive to the outcome of future events, 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, 2014 and September 30, 2015 consists of funds deposited in checking accounts with commercial banks.

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 bank account balances in excess of FDIC insured limits. At December 31, 2014 and September 30, 2015, the Company had cash deposits that exceeded federally insured deposit limits. 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.

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.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred.

ADVERTISING

The Company expenses all advertising costs as incurred. For the three and nine months ended September 30, 2014, advertising costs were approximately \$1,000. For the three and nine months ended September 30, 2015, advertising costs were approximately \$17,000 and \$29,000, respectively.

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation in accordance with the Financial Accounting Standard Board's Accounting Standards Codification ASC 718 Compensation — Stock Compensation ("ASC 718"). ASC 718 addresses all forms of share-based payment ("SBP") awards including shares issued under employee stock purchase plans and stock incentive shares. Under ASC 718 awards result in a cost that is measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest and will result in a charge to operations.

INCOME TAXES

The Company accounts for income taxes under ASC 740, Income Taxes, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the asset will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The standard under ASC 740 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. ASC 740 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of December 31, 2014, and September 30, 2015 the Company does not have a liability for unrecognized tax uncertainties.

The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense. As of September 30, 2015, the Company has not incurred any interest or penalties relating to uncertain tax positions.

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. All granted common stock options outstanding were considered anti-dilutive for the periods presented.

BUSINESS COMBINATIONS

The Company completed an acquisition on March 25, 2015. This transaction was recorded using guidelines provided by ASC 805, *Business Combinations*. Following these guidelines, the consideration paid by MedoveX for Streamline was measured on the date of acquisition. An independent valuation of Streamline was performed using the discounted cash flow method. Based on the estimated value of Streamline, the consideration paid by MedoveX and the tangible assets of Streamline, Management determined that all of the intangible portion of the purchase price should be assigned to a technology based intangible asset called "Patent Acquired from Streamline". There was no value assigned to goodwill, and no bargain purchase was applicable. This preliminary purchase price allocation is subject to material change pending the completion of the valuation of the assets and liabilities assumed. The Company expects the purchase price allocation to be finalized no later than within one year of the acquisition date.

INVENTORY

Inventory consists of finished goods units for sale of the Streamline IV Suspension System (IV Poles). Inventory is valued at the lower of cost or market, using the first-in, first-out (FIFO) method. The Company does not believe any inventory reserve is required as of September 30, 2015.

INTANGIBLE ASSETS

The Company does not amortize intangible assets with indefinite useful lives. Such assets are required to be tested for impairment at least annually, or sooner whenever events or changes in circumstances indicate that the assets may be impaired. The Company performs its intangible asset impairment tests in the fourth quarter of each year.

LEASES

For lease agreements that provide for escalating rent payments or free-rent occupancy periods, the Company recognizes rent expense on a straight-line basis over the non-cancelable lease term. The lease term commences on the date that the Company takes possession of or controls the physical use of the property. Deferred rent is included in non-current liabilities on the consolidated balance sheet.

Note 3 - Property and Equipment

Property and equipment, net, consists of the following:

	Useful Life	September 30, 2015	December 31, 2014
Furniture and fixtures	5 years	\$ 17,888	\$ 16,016
Computers and software	3 years	15,020	11,587
		<u>32,908</u>	<u>27,603</u>
Less accumulated depreciation		<u>(7,892)</u>	<u>(3,153)</u>
Total		<u>\$ 25,016</u>	<u>\$ 24,450</u>

Depreciation expense amounted to \$1,721 and \$4,739, respectively, for the three and nine months ended September 30, 2015. Depreciation expense amounted to \$661 and \$1,340, respectively, for the three and nine months ended September 30, 2014.

Note 4 – Patent Assignment and Contribution and Royalty 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.

Note 5– Acquisitions

On March 25, 2015, the Company acquired Streamline Inc. pursuant to an Agreement and Plan of Merger dated March 9, 2015. As a result of this transaction, Streamline, Inc. is now a wholly owned subsidiary of the Company. Under the terms of the Agreement and Plan of Merger, the Company paid \$1,397,466 cash and 1,875,000 shares of common stock. The Company incurred approximately \$344,000 in acquisition related legal fees. Streamline is in the business of designing, developing, manufacturing and marketing 510(k) and 510(k) exempt products for use in the medical field.

Per the approved Agreement and Plan of Merger with Streamline, the Company is to issue an aggregate of 1,875,000 shares of MedoveX common stock upon receipt of a transmittal letter from each Streamline shareholder. As of September 30, 2015, the Company had received transmittal letters from Streamline shareholders representing 1,665,509 shares of MedoveX common stock. While the assumption is the remaining shareholders will return a letter, the agreement is structured such that if a shareholder does not return a letter, no shares are issued. Additionally, 200,000 shares of MedoveX common stock are being held in escrow until September 25, 2016 to secure Streamline’s indemnification obligations under the Merger Agreement. The terms of the Merger Agreement also require a commitment by MedoveX to supply a minimum of \$750,000 in working capital to the Streamline subsidiary, to fund the operations and product development of the Company as needed. Of the \$750,000 working capital commitment, approximately \$98,000 and \$288,000, respectively, has been spent for the three and nine month periods ended September 30, 2015.

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The closing price of the common stock on March 25, 2015 was \$4.50 per share. Based on this price and cash consideration, the acquisition of Streamline was valued at \$9,834,966.

The following is a summary of the preliminary allocation of the estimated fair value of Streamline.

Assets acquired	
Cash	\$ 245,174
Inventory	1,878
Other assets	165
Patent acquired from Streamline	10,155,645
Total assets acquired	10,402,862
Liabilities assumed	
Accounts payable	301,940
Accrued liabilities	6,018
Notes Payable	259,938
Total	567,896
Net assets acquired	<u>\$ 9,834,966</u>

The results of operations of Streamline are included in the consolidated statements of operations beginning from the acquisition date. The following unaudited condensed pro forma financial information presents the results of operations as if all acquisitions in 2015 had taken place on January 1, 2014 and 2015. The unaudited condensed pro forma financial information was prepared for comparative purposes only and is not necessarily indicative of what would have occurred had the acquisition been made at that time or of results which may occur in the future.

	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2015	Nine Months Ended September 30,2015
Pro Forma Revenues	\$ -	\$ -	\$ -	\$ -
Pro Forma Net Loss	\$ (642,200)	\$ (2,070,310)	\$ (1,660,917)	\$ (4,978,918)
Loss per Share	\$ (0.07)	\$ (0.24)	\$ (0.15)	\$ (0.54)

Note 6 - Equity Transactions

FOUNDER'S SHARES

On February 1, 2013, the Company issued an aggregate of 2,624,892 shares of common stock to its founders in exchange for a contribution of \$0.01 cent per share. Aggregate proceeds from this transaction amounted to \$27,120. The Company concurrently issued 750,108 additional shares to another founding stockholder in exchange for \$7,750 of cash and the transfer of patented technology to the Company pursuant to the terms of the Contribution and Royalty Agreement described in Note 4.

On August 28, 2013, the Company issued 3,050,000 shares of common stock to the initial SpineZ stockholders in exchange for a contribution of \$0.04 cents per share. Aggregate proceeds from this transaction amounted to \$122,000, which became available to the Company for its use as general working capital upon the completion of the SpineZ Merger.

PRIVATE PLACEMENT

On September 16, 2013, the Company commenced a private placement of its common stock at an offering price of \$2.50 per share. This financing transaction was completed in December 2013 with an aggregate of 1,346,175 shares issued for proceeds amounting to \$3,056,651, net of issuance costs of \$208,786, and a \$100,000 subscription receivable that was paid on January 24, 2014. The Company also issued 10,000 shares of common stock as a partial fee paid to the placement agent who represented the Company in this financing transaction. The shares sold in this private placement were issued with certain rights that provide for such shares to be registered by the Company under the Securities Act of 1933 in the event that the Company files a registration statement with the Securities and Exchange Commission ("SEC").

PUBLIC PLACEMENT

On December 19, 2014, the Company completed its Initial Public Offering ("IPO") of common stock by selling 1,391,305 units pursuant to SEC rule 424(b)(4). Each unit consists of one share of common stock and one warrant. The unit sold for \$5.75, and the exercise price of the warrant is \$6.90 per share. The units traded on the NASDAQ exchange under the ticker symbol MDVXU. On February 2, 2015, the unit ceased trading and the common stock (MDVX) and warrant (MDVXW) began trading separately. Net of transaction costs, the Company raised \$6,731,783 in the IPO. On January 16, 2015, the underwriter exercised its entire 15% over-allotment of shares, resulting in the issuance of an additional 208,695 shares of common stock and proceeds of \$1,084,136, net of transaction costs.

STOCK-BASED COMPENSATION PLAN

2013 Stock Option Incentive Plan

On October 14, 2013, the MedoveX Corp. Board of Directors approved the MedoveX Corp. 2013 Stock Incentive Plan (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. The stock options are exercisable at a price equal to the market value of the common stock 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.

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 its 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.

On January 27, 2015, May 8, 2015 and August 11, 2015, the Board of Directors authorized the Company to issue options to purchase an aggregate of 125,000, 50,000, and 145,000 shares, respectively, of common stock to certain employees and consultants. The stock options vest as follows: 25% on date of grant and 25% on each of the next three anniversaries. The options issued on January 27, 2015, May 8, 2015 and August 11, 2015 are exercisable at a price of \$5.99, \$3.61 and \$2.91, respectively, which is equal to the market value of the common stock on the date of the grant.

For the three and nine months ended September 30, 2015, the Company recognized \$75,763 and \$179,123, respectively, as compensation expense with respect to the stock options. For the three and nine months ended September 30, 2014, the Company recognized \$7,950 and \$26,022, respectively, as compensation expense with respect to vesting stock options.

STOCK OPTION ACTIVITY

As of September 30, 2015, there were 270,000 shares of time-based, non-vested restricted stock. As of September 30, 2015 there was approximately \$800,000 of total unrecognized stock-based compensation related to these non-vested restricted shares. That expense is expected to be recognized on a straight-line basis over a weighted average period of 2.95 years.

STREAMLINE ACQUISITION

Pursuant to the Merger Agreement approved by the Boards of MedoveX and Streamline on March 9, 2015, and subsequently approved by the Streamline Shareholders on March 25, 2015, an aggregate of 1,875,000 shares of common stock were reserved for issuance to Streamline shareholders who submit an executed transmittal letter to a paying agent. Of these shares, 200,000 are being held in escrow until September 25, 2016, at which time they will be issued to Streamline shareholders in whole or in part depending on what claims, if any, are made against the escrow.

Note 7 - Commitments

OPERATING LEASES

Office Space

The Company pays TAG Aviation, a company owned by its Chief Executive Officer, Jarrett Gorlin (“Mr. Gorlin”) for office space that is currently being used as the Company’s principal business location plus utilities cost (see “Related Party Transactions”) on a monthly basis.

On July 8, 2015, the Company entered into a commercial building lease agreement with Sugar Oak Kimball Royal, LLC. The thirty-six month lease, having commenced on or about August 1, 2015 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 \$2,750 per month. Future minimum lease payments under this rental agreement are approximately as follows:

For the year ended:	
December 31, 2015	\$ 14,000
December 31, 2016	34,000
December 31, 2017	35,000
December 31, 2018	21,000
	<u>\$ 104,000</u>

Equipment

The Company entered into a non-cancelable 36 month operating lease agreement for equipment on April 22, 2015. The agreement is renewable at the end of the term and requires the Company to maintain comprehensive liability insurance. Total lease expense for the three and nine month periods ended September 30, 2015 was approximately \$1,200. Future minimum lease payments under this operating lease agreement are approximately as follows:

For the year ended:	
December 31, 2015	\$ 1,800
December 31, 2016	2,600
December 31, 2017	2,600
December 31, 2018	800
	<u>\$ 7,800</u>

CONSULTING AGREEMENTS

On December 2, 2013, the Company engaged one of its founding stockholders to provide business development consulting services over a one-year period at a fee of \$10,000 per month. Effective January 1, 2015, this fee was increased to \$35,000 per month. Either party can cancel this agreement upon 30 days' notice.

On March 31, 2015, the Company engaged Laidlaw & Company Ltd. to provide financial advisory services over a one-year period at a fee of \$125,000. The fee is payable in quarterly installments of \$31,250 beginning at the start of the advisory period and every three months thereafter. The engagement terminates on March 31, 2016 per the terms of the agreement.

On July 1, 2015, the Company engaged Dirk Kemmstedt to provide sales, marketing and distribution consulting services over a six-month period for \$55,000. The fee is payable in monthly installments of \$9,167 per month.

On July 1, 2015, the Company engaged Doug Pletcher to provide business planning and development consulting services over a one-year period at a fee of \$100 per hour. The fee is payable on a monthly basis based on hours incurred.

EMPLOYMENT AGREEMENTS

The Company entered into Employment Agreements with each of its four executive officers for aggregate compensation amounting to approximately \$834,000 per annum, plus customary benefits. These employment agreements are for terms of three years and provide for the Company to pay six months of severance in the event of (i) the Company's termination of an executive's employment without cause, (ii) the resignation by an executive for good reason, (iii) a change in control of the Company, (iv) a material reduction in an executive's duties, or (v) a requirement that an executive move their primary work location more than 50 miles.

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 is 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 is listed as inventor of any Improvement Patent on the DenerveX device during the 5 year term, he would continue to receive a 1% royalty after the 2% royalty expires for the duration of the effectiveness of the Improvement Patent.

MATERIAL PURCHASE ORDERS

For the three and nine months ended September 30, 2015, the Company had approximately \$410,000 in outstanding purchase order obligations related to the build of the DenerveX device. The Company did not have any outstanding purchase order obligations for the three and nine months ended September 30, 2014.

COMDEL MANUFACTURING, DEVELOPMENT AND SERVICES CONTRACT

On July 8, 2015, the Company entered into a manufacturing agreement with ComDel Innovation, Inc. ("ComDel"). The terms of the service contract state ComDel is to manufacture, assemble and test the Company's Streamline IV Suspension System (IV Poles), the patented product acquired in the Streamline acquisition, and to develop future product line extensions of the IV Suspension System.

Note 8 – Long Term Liabilities

In conjunction with the consummation of the Streamline acquisition on March 25, 2015, the Company assumed two promissory notes for approximately \$135,000 and \$125,000 to the Bank of North Dakota New Venture Capital Program and North Dakota Development Fund, both outside non-related parties. Payments on both of the notes are due in aggregate monthly installments of approximately \$5,700 and carry an interest rate of 5%. The Company had outstanding balances of approximately \$0 and \$237,000 at September, 2014 and September 30, 2015, respectively, related to the notes. The Company paid interest expense related to the notes for the three and nine months ended September 30, 2015 in the amount of approximately \$3,000 and \$5,000, respectively. The Company did not pay any interest expense related to the notes for the three and nine months ended September 30, 2014. The Company did not have any unpaid accrued interest at September 30, 2014 and 2015, respectively, related to the notes.

Note 9 - Income Taxes

For the period from February 1, 2013 (inception) to September 30, 2015, the Company has incurred net losses and, therefore, has no current income tax liability. 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, 2014 and September 30, 2015, since it is currently more likely than not that the benefit will not be realized in future periods.

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, 2014 or September 30, 2015. The Company has not undergone any tax examinations since inception.

Note 10 - Related-Party Transactions

AVIATION EXPENSE

Periodically the Company may charter general aviation aircraft from TAG Aviation LLC (“TAG”), a company owned by Mr. Jarrett Gorlin. The Company believes that such aircraft charter is on terms no less favorable than it would receive from a third party. The total amount of general aviation expense paid to TAG amounted to approximately \$15,000 and \$26,000, respectively, for the three and nine months ended September 30, 2015. The total amount of general aviation expense paid to TAG amounted to approximately \$9,000 and \$16,000, respectively, for the three and nine months ended September 30, 2014.

OPERATING LEASE

As described in Note 7, the Company pays TAG Aviation LLC, (“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 are \$1,800 per month. Rent expense and utility costs paid to TAG Aviation amounted to approximately \$7,000 and \$21,000, respectively, for the three and nine months ended September 30, 2015. Rent expense and utility costs paid to TAG Aviation amounted to approximately \$7,000 and \$22,000, respectively, for the three and nine months ended September 30, 2014.

CONSULTING EXPENSE

On December 2, 2013, the Company engaged a founding stockholder who owns 375,000 shares of its common stock to provide the Company with business development advisory services. Fees under this arrangement include a \$45,000 up-front payment that is non-refundable and \$10,000 per month for each month of services provided to the Company under this arrangement. This arrangement is cancelable by either party upon 30 days’ notice. On January 1, 2015, this consulting agreement was modified to increase the monthly compensation to \$35,000 through December 2015. The Company paid \$105,000 and \$315,000, respectively, for the three and nine months ended September 30, 2015, under this new arrangement. The Company paid \$30,000 and \$80,000, respectively, for the three and nine months ended September 30, 2014, under the arrangement.

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 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. The development work commenced in December 2013. The total estimated cost of this work at contract signing was \$960,000; however, the terms of the proposal allow either the Company or the designer and developer to cancel the development work with 10-days' notice. The Company incurred expenses of approximately \$89,000 and \$326,000, respectively, for the three and nine months ended September 30, 2015, of which approximately \$4,000 was included in accounts payable as of September 30, 2015. The Company incurred expenses of approximately \$125,000 and \$400,000, respectively, for the three and nine months ended September 30, 2014 under the agreement.

BOVIE GENERATOR MANUFACTURING AGREEMENT

The DenerveX device requires a custom radiofrequency generator for power. In December 2014, the Company contracted with Bovie International to customize one of their existing radiofrequency generators for use with the DenerveX Device, and then manufacture that unit on a commercial basis once regulatory approval for the DenerveX was obtained. The Bovie agreement requires a base \$295,000 development fee to customize the unit, plus additional amounts if further customization is necessary beyond predetermined estimates. The Company paid approximately \$85,000 and \$181,000, respectively, for the three and nine months ended September 30, 2015 under this agreement. The Company did not incur any expenses related to this agreement for three and nine months ended September 30, 2014.

NORTECH MANUFACTURING AGREEMENT

In November 2014, the Company selected Nortech Systems Inc. ("Nortech"), a Minneapolis, Minnesota based FDA registered contract manufacturer, to produce approximately 1,200 DenerveX devices from the prototype supplied by Devicix for use in final development and 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. On January 19th, 2015 and February 24th, 2015, the Company submitted material purchase orders to Nortech Systems in the amount of \$202,161 and \$206,850, respectively, related to the build of the DenerveX device. The Company paid approximately \$37,000 and \$210,000, respectively, to Nortech for the three and nine months ended September 30, 2015. The Company did not incur any expenses related to this agreement for the three and nine months ended September 30, 2014.

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

The Company incurred a net loss of approximately \$1,834,000 and \$4,765,000 for the nine months ended September 30, 2014 and September 30, 2015, respectively. The Company will continue to incur losses until such time as it can bring a sufficient number of approved products to market and sell them with margins sufficient to offset expenses.

To date, the Company's sole source of funds has been from the issuance of debt and equity. The Company was founded in February 2013 with an approximately \$35,000 investment from founding shareholders in exchange for common stock. In August 2013, the Company merged with Spinez. The Spinez founders invested an additional \$122,000 into the Company for common stock. In December 2013, a private placement of common stock was closed, netting approximately \$3,157,000 for the Company. In December 2014, the Company raised approximately \$6,732,000 net of expenses in a public offering of its common stock.

In January 2015, the underwriter for the public offering exercised the overallotment of shares pursuant to the initial public offering, netting another \$1,084,000.

As discussed in Note 13, the Company raised \$1,000,000 of convertible debt on November 9, 2015 from Steve Gorlin, a related party. A second transfer of \$1,000,000 is due before March 1, 2016. Management believes this cash is sufficient to fund operations into the summer of 2016. The Company is exploring other fundraising options for 2016. However, if the Company is unable to raise sufficient financing, it could be required to undertake initiatives to conserve its capital resources, including delaying or suspending the development of its technology. These matters raise substantial doubt about the Company's ability to continue as a going concern. 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

CONVERTIBLE PROMISSORY NOTE

On November 9, 2015, the Company issued a convertible promissory note to Steve Gorlin, a related party, for the principal amount of \$2,000,000. The Company received \$1,000,000 on November 9, 2015. Mr. Gorlin is obligated to transfer the other \$1,000,000 by March 1, 2016. The note carries an interest rate of 5.5% and payments are due in quarterly installments beginning January 2016 and will continue until the outstanding principal is paid in full or converted into common stock, no later than the maturity date of November 9, 2017. The principal and all accrued but unpaid interest on the note are convertible into common stock of the Company at \$2.00 per share. As additional incentive for making the loan, Mr. Gorlin received a warrant for 500,000 shares of common stock at an exercise price of \$2.20 per share. This warrant expires on November 9, 2018. The closing price of the Company's stock on the day prior to entering into the Agreement was \$1.75 per share. Mr. Gorlin was granted piggyback registration rights with respect to the shares of common stock issuable upon conversion of the Note and upon exercise of the warrants. The Company believes that such terms on the Note are no less favorable than it would receive from a third, unrelated party

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and the notes thereto appearing in Part I, Item 1 of this Quarterly Report. Historical results and trends that might appear in this Quarterly Report should not be interpreted as being indicative of future operations.

Overview

MedoveX Corp. (the "Company") was incorporated in Nevada on July 30, 2013 as Spinez Corp. MedoveX is the parent company of 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 1-for-2 reverse split of its stock in March, 2014.

The goal of the Company is to obtain, develop and commercialize various intellectual property rights (patents, patent applications, knowhow, etc.) in the medical technology area, with particular focus on the development of medical devices. We intend to leverage the extensive experience of our board of directors and management team in the medical industry to seek out product candidates for licensing, acquisition or development.

DenerveX

Our first acquisition was the DenerveX device. We believe that the DenerveX device can be developed for pain relief.

The Company acquired the DenerveX patent on January 31, 2013 from Scott Haufe, M.D., a 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 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.

Our intention is to market the product as a disposable, single-use kit which will include all components of the DenerveX product. In addition to the DenerveX device itself, we are developing a dedicated Electro Surgical Generator to power the DenerveX device. The generator would be provided to customers agreeing to purchase the DenerveX device, and could not 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 of a prototype that could be used for validation purposes. Currently we are in the build and test phase of the device, which focuses on completing the product design verification testing, design optimization as required, and the completion of manufacturing transfer. Through September 30, 2015, we have paid approximately \$993,000 to Devicix.

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In November 2014, we selected Nortech Systems Inc. (“Nortech”), a Minneapolis, Minnesota based FDA registered contract manufacturer, to produce approximately 1,200 DenerveX devices from the prototype supplied by Devicix for use in final development and 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 September 30, 2015, we have paid approximately \$226,000 to Nortech.

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 will amount to \$295,000 upon completion of all the deliverables. Through September 30, 2015, we have paid approximately \$291,000 to Bovie towards the \$295,000 total.

In July 2015, we entered into a non-exclusive distribution center agreement with Technology Consult Berlin GmbH (“TCB”) pursuant to which TCB shall manage and coordinate the DenerveX products which the Company exports to the European Union.

Also in July 2015, we entered into an international distribution agreement with EDGE Medical, a company organized and located in the United Kingdom (the “UK”). EDGE Medical is expected to provide sales, marketing and distribution services for the various country hospitals throughout the UK for the launch of the DenerveX System.

We entered into three more international distribution agreements in August 2015. The first was with German based Aureus Medical for the distribution of its DenerveX System throughout Germany. Aureus Medical distributes spine and pain management solutions in the spine space. The second distribution agreement was with Turkey based MEDS Medikal Ltd. for the distribution of the DenerveX System throughout Turkey. MEDS Medikal Ltd. has been providing sales, marketing and distribution services in the spine surgery market space in Turkey since 1997, representing leading brands of the world. The third distribution agreement entered into in August 2015 was with Sydney based Medical Innovators Pty. Ltd. for the distribution of its DenerveX System throughout Australia and New Zealand. The agreement will expand the market for us by leveraging the Spine industry-leading marketing, sales, support and distribution power of Medical Innovators Pty. Ltd.

Also in August 2015, we entered into two medical advisory board agreements with European leading spine surgeons Dr. Martin Deeg and Dr. Karsten Ritter-Lang. Under the terms of the agreements, both doctors will leverage their expertise, experience and relationships in the spine treatment space, specifically the Facet Joint pain area by advising us on matters related to its technology and the area of Facet Joint pain therapies. They will also provide services to help introduce the DenerveX System to other leading physicians and medical professionals.

IV Suspension System

On March 25, 2015, we acquired Streamline, Inc. (“Streamline”) in exchange for the issuance of an aggregate of 1,875,000 shares of our common stock (200,000 shares of which will be held in escrow for 18 months from March 25, 2015) and approximately \$1,397,000 of cash, which has been sent to the paying agent for distribution to Streamline shareholders. As of September 30, 2015, the Company had received transmittal letters from Streamline shareholders representing 1,648,852 shares of MedoveX common stock. While the assumption is the remaining shareholders will return a letter, the agreement is structured such that if a shareholder does not return a letter, no shares are delivered. As prescribed by the Securities Exchange Act of 1934, the Company’s independent auditors have completed the audits of the financial statements of Streamline as of and for the year ended December 31, 2014 and 2013. Streamline’s financial statements were filed with the Securities and Exchange Commission on June 10, 2015. The terms of our agreement with Streamline also required a commitment to supply a minimum of \$750,000 in working capital to Streamline, which is in the business of designing, developing, manufacturing and marketing 510(k) and 510(k) exempt products for use in the medical field.

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As part of the Company's acquisition of Streamline, it acquired patent rights to Streamline's IV Suspension System ("ISS"). The product has already been manufactured at a contract facility in North Dakota and requires no regulatory approval for sale. The ISS is a system designed to allow the transportation of IV poles secured to hospital beds such that one person could move a patient without fear of separating the IV pole from the patient during transport.

While there are several "bed and boom" transfer systems on the market, we are not aware of any that take the Streamline patented approach to addressing IV pole transportation. Nevertheless, other bed transportation products have been on the market longer and have larger organizations marketing their products. The hospital market in general is highly competitive, and introducing any new product is difficult and time consuming.

On July 22, 2015, the Company entered into a Master Manufacturing, Development and Service Agreement with ComDel Innovation, Inc., of Wahpeton, ND. ComDel is a leading developer and manufacturer of medical devices and has an FDA certified ISO 13485 facility. The agreement provides for continued development and manufacturing of the ISS poles, as well as assisting in the development of future product line extensions in the safe patient treatment space.

Critical Accounting Policies

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 ("GAAP"). 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.

Factors Which May Influence Future Results of Operations

The following is a description of factors that may influence our future results of operations, and that we believe are important to an understanding of our business and results of operations.

Revenue; Cost of Revenue and Gross Profit

We have not produced any revenues to date.

Operating Expenses

We classify our operating expenses into two categories: research & development and general & administrative.

Research and Development Expenses

Research and development 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 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, including the extent of patient enrollment and other activities through communications with the service providers to reflect the actual amount expended.

General and Administrative Expenses

Beginning in October 2013, the Company hired full time management, began sourcing vendors, retained consultants and commenced other activities consistent with a new operation. Prior to that time, most activity focused on the Company's initial capital raise under Regulation D of the Securities Act of 1933 and in securing its initial product applications. For the three and nine months ended September 30, 2015, the Company paid approximately \$381,000 and \$998,000 respectively, in personnel costs. For the three and nine months ended September 30, 2014, the Company paid approximately \$181,000 and \$520,000, respectively, in personnel costs.

For the three and nine months ended September 30, 2015, the Company paid approximately \$506,000 and \$1,967,000, respectively, in professional fees, of which approximately \$390,000 were Streamline acquisition-related legal expenses. For the three and nine months ended September 30, 2014, the Company paid approximately \$221,000 and \$737,000, respectively, in professional fees. For the three and nine months ended September 30, 2015, the Company paid approximately \$76,000 and \$243,000, respectively, in travel expenses. For the three and nine months ended September 30, 2014, the Company paid approximately \$23,000 and \$89,000, respectively, in travel expenses. Our general and administrative expenses have increased to support continued research and development activities, commercialization of our product candidate as well as overall increased costs of operating as a public company. These increases have included increased costs related to the hiring of additional personnel and fees to outside consultants, lawyers and accountants, among other expenses. Additionally, we've incurred costs associated with being a public company including expenses related to services associated with maintaining compliance with exchange listing and Securities and Exchange Commission requirements, insurance, and investor relations costs.

Results of Operations

Three and Nine Months Ended September 30, 2015 Compared to the Three and Nine Months Ended September 30, 2014

Total operating expenses increased approximately \$869,000, or 147%, to approximately \$1,447,000 for the three months ended September 30, 2015, as compared to approximately \$577,000 for the three months ended September 30, 2014. Total operating expenses increased approximately \$2,930,000, or 160%, to approximately \$4,765,000 for the nine months ended September 30, 2015, as compared to approximately \$1,834,000 for the nine months ended September 30, 2014. The increase in expenses as compared to the prior year is due primarily to increased product development costs associated with the DenerveX device, additional costs incurred related to being a public entity as well as costs associated with the acquisition and operation of Streamline.

Liquidity and Capital Resources

Sources of Liquidity

To date our operations have been funded with the issuance of debt and equity. On November 9, 2015, we issued a convertible promissory note to Steve Gorlin, a related party, for \$1,000,000 received on November 9, 2015, with another \$1,000,000 obligated prior to March 1, 2016. The note carries an interest rate of 5.5% and payments are due in quarterly installments beginning January 2016 and will continue until the outstanding principal is paid in full or converted into common stock, no later than the maturity date of November 9, 2017. The principal and all accrued but unpaid interest on the note are convertible into common stock of the Company at \$2.00 per share. As additional incentive for making the loan, Mr. Gorlin received a warrant for 500,000 shares of common stock at an exercise price of \$2.20 per share. This warrant expires on November 9, 2018. The closing price of the Company's stock on the day prior to entering into the Agreement was \$1.75 per share. The Company believes that such terms on the Note are no less favorable than it would receive from a third, unrelated party. The debt presented on our September 30, 2015 balance sheet stems from two promissory notes totaling \$300,000 issued by Streamline prior to our acquisition of that entity in March 2015. Medovex assumed liability for the notes as part of the acquisition. Our equity funding stems from both the private sale of common stock and an initial public offering of common stock. Net of transaction costs, we raised approximately \$6,732,000 in the initial public offering in December 2014, and approximately \$1,084,000 from the exercise of the underwriter's over-allotment in January 2015. Since we believe that the likelihood of obtaining traditional debt financing at our stage of development is low, our source of funds in the foreseeable future will likely be from the sale of capital stock or some type of structured capital arrangement involving either equity or a combination of debt with an equity component.

Working Capital

	September 30, 2015	December 31, 2014
Current Assets	\$ 1,891,000	\$ 6,800,000
Current Liabilities	395,000	360,000
Working Capital	<u>\$ 1,496,000</u>	<u>\$ 6,440,000</u>

Cash Flows

Cash activity for the nine months ended September, 2015 and 2014 is summarized as follows:

	Nine Months Ended September 30,	
	2015	2014
Cash used in operating activities	\$ (4,814,000)	\$ (1,700,000)
Cash used in investing activities	(1,160,000)	(11,000)
Cash provided by (used in) financing activities	1,061,000	(126,000)
Net decrease in cash and cash equivalents	<u>\$ (4,913,000)</u>	<u>\$ (1,837,000)</u>

For the nine months ended September 30, 2015 and 2014, the Company has used approximately \$4,814,000, and \$1,700,000, respectively, for operating activities. For the nine months ended September 30, 2015, net cash from the sale of common stock pursuant to the exercise of the underwriters' overallotment options was approximately \$1,084,000. As of September 30, 2015, the Company had approximately \$1,771,000 of cash on hand.

Funding Requirements

We anticipate our cash expenditures will increase as we develop the DenerveX product, especially if the FDA requires a de novo regulatory path, as opposed to 510(k) approval. We also anticipate an increase in cash expenditures for funding the working capital needs of the ISS as we pursue introducing this product into the marketplace.

To the extent our available cash is insufficient to satisfy our long-term operating requirements, we will need to seek additional sources of funds from the sale of equity or debt securities or through a credit facility, or we will need to modify our current business plan. There can be no assurances that we will be able to obtain additional financing on commercially reasonable terms, if at all. The sale of additional equity or convertible debt securities would likely result in dilution to our current stockholders.

Going Concern

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 for the years ended December 31, 2013 and 2014. The presence of the going concern explanatory paragraph suggests that we may not have sufficient liquidity or minimum cash levels to operate the business. Since our inception, we have incurred losses and anticipate that we will continue to incur losses until such time as our products can generate enough revenue to offset our research and development, general and administrative and sales and marketing expenses. We received \$1,000,000 in exchange for convertible debt on November 9, 2015, with a commitment to receive another \$1,000,000 by March 1, 2016. We believe these funds will be sufficient to maintain uninterrupted operations while we pursue our operational plans next year. There can be no assurance we will be successful in our operational plans. If our product sales do not occur in the amounts we anticipated, we could need additional funding later in 2016.

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 convertible promissory note issued to Steve Gorlin, and for the two promissory notes issued to the Bank of North Dakota New Venture Capital Program and North Dakota Development Fund. Quarterly principal and interest payments due in conjunction with the convertible promissory note owed to Steve Gorlin will begin in January 2016. Both the Bank of North Dakota New Venture Capital Program and North Dakota Development Fund notes were assumed in conjunction with the consummation of the Streamline acquisition on March 25, 2015, and require combined monthly payments of \$5,661 into the third quarter of 2019. The Company has a commercial building lease agreement with Sugar Oak Kimball Royal, LLC for rent and utility costs for building space at a cost of approximately \$3,000 per month through July 2018.

The Company does not have any other long term contractual obligations. The Company currently reimburses its CEO, Jarrett Gorlin, for the lease of executive office space at a cost of \$1,800 per month, which it believes is at fair market value. The Company also has one consulting agreement with a monthly payment of \$35,000 which either party can cancel with 30 days' notice. We have employment agreements with each of our executive officers that commit us to a nine month severance and benefits package if those employees separate under certain conditions, including a change in control of the Company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by 17 CFR 229.10(f)(1). Thus, under Item 305(a) of Regulation S-K, we are not required to provide information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

We have adopted and maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC's rules and forms and that the information is gathered and communicated to our management, including our Chief Executive Officer (Principal Executive Officer and Principal Financial Officer), as appropriate, to allow for timely decisions regarding required disclosure.

Our Chief Executive Officer ("CEO") and our Principal Financial Officer who is our Chief Financial Officer ("CFO"), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) promulgated under the Exchange Act) as of September 30, 2015. In designing and evaluating disclosure controls and procedures, we recognize that any disclosure controls and procedure, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objective. As of September 30, 2015, based on the evaluation of these disclosure controls and procedures, and in light of the material weaknesses found in our internal controls, the CEO and CFO concluded that our disclosure controls and procedures were not effective. In our assessment of the effectiveness of internal control over financial reporting as of September 30, 2015, we were determined that control deficiencies existed that constituted material weaknesses in that the Company had an ineffective separation of duties due to its limited staff.

In light of the conclusion that our internal controls over financial reporting were ineffective as of September 30, 2015, we have applied procedures and processes as necessary to ensure the reliability of our financial reporting in regards to this quarterly report on Form 10-Q. Accordingly, the Company believes, based on its knowledge that: (i) this quarterly 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 periods covered by this report; and (ii) the financial statements, and other financial information included in this quarterly 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 quarterly report.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 30, 2015, there were no changes in our internal control over financial reporting that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding. None of our directors, officers or affiliates are involved in a proceeding adverse to our business or has a material interest adverse to our business.

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by 17 CFR 229.10(f)(1). Thus, we are not required to provide information under this item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The exhibits listed in the accompanying Exhibit Index are filed, furnished or incorporated by reference as part of this Quarterly Report on Form 10-Q.

SIGNATURES

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

Date: February 17, 2016

MEDOVEX CORP

By: /s/ Jarrett Gorlin
Jarrett Gorlin
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Jeffery Wright
Jeffery Wright
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT INDEX

31.1	Section 302 Certification of Principal Executive Officer*
31.2	Section 302 Certification of Principal Financial Officer*
32.1	Section 906 Certification of Principal Executive Officer and Principal Financial Officer***
10.1	Promissory note issued on November 9, 2015 in favor of Steve Gorlin
10.2	Warrant issued on November 9, 2015 to Steve Gorlin
101.INS	XBRL Instance Document **
101.SCH	XBRL Taxonomy Extension Schema Document **
101.CAL	XBRL Taxonomy Calculation Linkbase Document **
101.LAB	XBRL Taxonomy Labels Linkbase Document **
101.PRE	XBRL Taxonomy Presentation Linkbase Document **
101.DEF	XBRL Definition Linkbase Document **

* Filed herewith.

** Pursuant to Rule 406T of Regulation S-T adopted by the SEC, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liability under these sections.

*** This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and it is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

I, Jarrett Gorlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A3 for the quarter ended September 30, 2015, 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(s) 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(s) 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: February 17, 2016

/s/ Jarrett Gorlin
Jarrett Gorlin,
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

I, Jeffery Wright, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A3 for the quarter ended September 30, 2015, 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(s) 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(s) 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: February 17, 2016

/s/ Jeffery Wright
Jeffery Wright,
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(b) UNDER
THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 1350 OF
CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE**

Each of the undersigned, Jarrett Gorlin and Jeffery Wright, certifies pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code, that (1) this quarterly report on Form 10-Q/A-3 for the quarter ended September 30, 2015, of MedoveX Corp. (the "Company") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, and (2) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2015

/s/ Jarrett Gorlin

Jarrett Gorlin,
Chief Executive Officer

/s/ Jeffery Wright

Jeffery Wright,
Chief Financial Officer