

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

FORM 10-K

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

For the fiscal year ended December 31, 2019

**“ 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: 000-55800

QRONS INC.

(Exact name of registrant as specified in its charter)

Wyoming

81-3623646

(State or other jurisdiction of incorporation
or organization)

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

50 Battery Place, #7T, New York, New York 10280
(Address of principal executive office)

Registrant's telephone number, including area code: (212)-945-2080

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.0001 par value

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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. Yes ☐ No ☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was \$1,765,152.

As of March 27, 2020, there were 13,089,789 shares of the registrant's common stock outstanding.

TABLE OF CONTENTS

Item No.		Page No.
PART I		
<u>1</u>	<u>Business</u>	1
<u>1A</u>	<u>Risk Factors</u>	9
<u>1B</u>	<u>Unresolved Staff Comments</u>	10
<u>2</u>	<u>Properties</u>	10
<u>3</u>	<u>Legal Proceedings</u>	10
<u>4</u>	<u>Mine Safety Disclosures</u>	10
PART II		
<u>5</u>	<u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.</u>	10
<u>6</u>	<u>Selected Financial Data</u>	12
<u>7</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
<u>7A</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	17
<u>8</u>	<u>Financial Statements and Supplementary Data</u>	17
<u>9</u>	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	18
<u>9A</u>	<u>Controls and Procedures</u>	18
<u>9B</u>	<u>Other Information</u>	19
PART III		
<u>10</u>	<u>Directors, Executive Officers and Corporate Governance</u>	20
<u>11</u>	<u>Executive Compensation</u>	23
<u>12</u>	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	24
<u>13</u>	<u>Certain Relationships and Related Transactions, and Director Independence</u>	25
<u>14</u>	<u>Principal Accounting Fees and Services</u>	26
<u>15</u>	<u>Exhibits, Financial Statement Schedules</u>	27
<u>16</u>	<u>Form 10-K Summary</u>	28
	<u>SIGNATURES</u>	29

PART I

Item 1. Business

As used in this Annual Report on Form 10-K (this "Report"), references to the "Company," the "registrant," "we," "our" or "us" refer to BioLabMart Inc. prior to August 8, 2017 and Qrons Inc. since August 8, 2017, unless the context otherwise indicates.

Forward-Looking Statements

This Report contains predictions, estimates and other forward-looking statements that relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology.

Forward-looking 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, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management's beliefs and assumptions only as of the date of this Annual Report. You should read this Report and the documents that we have filed as exhibits to this Report completely and with the understanding that our actual future results may be materially different from what we expect.

All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made, except as required by federal securities and any other applicable law.

Overview

We were incorporated under the laws of the State of Wyoming on August 22, 2016 as BioLabMart Inc. and changed our name to Qrons Inc. on August 8, 2017.

We are a preclinical stage biotechnology company developing advanced stem cell synthetic hydrogel-based solutions to combat neuronal injuries and focused on achieving a breakthrough in the treatment of traumatic brain injuries ("TBIs") for both concussions and penetrating injuries, an unmet medical need. We believe that our approach is pushing the boundaries of science by using the latest advances in molecular biology and chemistry. The Company collaborates with universities and scientists in the fields of regenerative medicine, tissue engineering and 3D printable hydrogels to develop a treatment that integrates proprietary, engineered mesenchymal stem cells ("MSCs"), 3D printable implant, smart materials and a novel delivery system.

To date, the Company has two product candidates for treating penetrating and non-penetrating (concussion-like) TBIs, both integrating proprietary, anti-brain inflammation synthetic hydrogel and MSCs. QS100™ is an injury specific, 3D printable, implantable MSCs-synthetic hydrogel, to treat penetrating brain injuries and QS200™ is an injectable MSCs-synthetic hydrogel for the treatment of diffused injuries commonly referred to as concussions.

As described below, while continuing research under the Company's sponsored research agreement (the "Sponsored Research Agreement") with the Trustees of Dartmouth College ("Dartmouth") to develop innovative 3D printable, biocompatible advanced materials, the Company entered into an intellectual property license agreement (the "Intellectual Property Agreement") with Dartmouth pursuant to which Dartmouth granted the Company an exclusive worldwide, royalty bearing license for such 3D printable materials in the field of human and animal health and certain additional patent rights to use and commercialize licensed products and services.

In addition, the Company is engaged in laboratory research relating to neuronal tissue regeneration and/or repair in Israel in connection with service agreements with Ariel University R&D Co., Ltd., now known as Ariel Scientific Innovations Ltd., a wholly owned subsidiary of Ariel University, in Ariel, Israel ("Ariel"). The Company is the sole owner of any intellectual property developed from such research.

The Company has relied primarily on its two co-founders, Jonah Meer, Chief Executive Officer, and Ido Merfeld, President, who are its sole directors to manage its day-to-day business. The Company currently outsources all professional services to third parties in an effort to maintain lower operational costs.

Messrs. Meer and Merfeld, as the holders of the Company's issued and outstanding shares of the Company's Class A Preferred Stock, collectively have 66 2/3% of the voting rights of the Company. Acting together, they will be able to influence the outcome of all corporate actions requiring approval of our stockholders.

The Company's common stock was approved by the Financial Industry Regulatory Authority ("FINRA") for quotation on the OTC pink sheets under the symbol "BLMB" as of July 3, 2017. FINRA announced the Company's name change to Qrons Inc. on its Daily List on August 9, 2017. The new name and symbol, "QRON", became effective on August 10, 2017.

The Company's common stock was upgraded from the Pink Market and commenced trading on the OTCQB Venture Market on August 12, 2019 and continues to be traded under the symbol "QRON".

Intellectual Property Agreement with Dartmouth

Pursuant to an option agreement with Dartmouth entered into on October 17, 2017, on October 2, 2019, the Company entered into the Intellectual Property Agreement pursuant to which, effective September 3, 2019 (the Effective Date), Dartmouth granted the Company an exclusive world-wide license under the patent application entitled "Mechanically Interlocked Molecules-based Materials for 3D Printing" in the field of human and animal health and certain additional patent rights to use and commercialize licensed products and services. The license grant includes the right of the Company to sublicense to third parties subject to the terms of the Agreement.

The Company will pay Dartmouth: (i) a \$25,000 license issue fee; (ii) an annual license maintenance fee of \$25,000, commencing on the first anniversary of the Effective Date until the first commercial sale of a licensed product or service; (iii) an earned royalty of 2% of net sales (as defined in the Agreement) of licensed products and services by the Company or a sublicensee; (iv) 15% of consideration received by the Company under a sublicense; and (v) beginning as of the first commercial sale, an annual minimum royalty payment of \$500,000 in the first calendar year after the first commercial sale, \$1,000,000 in the second calendar year, and \$2,000,000 in the third calendar year and each year thereafter. The Company will also reimburse Dartmouth for all patent preparation, filing, maintenance and defense costs.

Under the Agreement, the Company must diligently proceed with the development, manufacture and sale of licensed products and licensed services, including funding at least \$1,000,000 of research in each calendar year beginning in 2019 and ending with the first commercial sale of a licensed product; filing an IND/BLA (or equivalent) with the FDA or a comparable European regulatory agency before the four-year anniversary of the Effective Date, make the first commercial sale of a licensed product before the twelve-year anniversary of the Effective Date and achieve annual net sales of at least \$50,000,000 by 2033. If the Company fails to perform any of these obligations, Dartmouth has the option to terminate the Agreement or change the exclusive license to a nonexclusive license.

Failure to timely make any payment due under the Agreement will result in interest charges to the Company of the lower of 10% per year or the maximum amount of interest allowable by applicable law.

The Agreement may be terminated by Dartmouth if the Company is in material breach of the Agreement which is not cured after 30 days of notice thereof or if the Company becomes insolvent. Dartmouth may terminate the Agreement if the Company challenges a Dartmouth patent or does not terminate a sublicensee that challenges a Dartmouth patent, except in response to a valid court or governmental order. The Company may terminate the Agreement at any time upon six months written notice to Dartmouth.

If the Company or any sublicensee or affiliate institutes or participates in a licensed patent challenge, the then current earned royalty rate for licensed products covered by Dartmouth patents will automatically be increased to three times the then current earned royalty rate.

Sponsored Research Agreement with Dartmouth

On July 12, 2018, the Company entered into a one-year sponsored research agreement, with Dartmouth (the "Sponsored Research Agreement") pursuant to which the Company will fund research conducted by Dartmouth of mutual interest to the parties in accordance with the Agreement. Intellectual property invented or developed solely by a party shall be owned by such party and intellectual property jointly invented or developed shall be jointly owned. Dartmouth shall retain an irrevocable worldwide right to use intellectual property owned by it resulting from its research under the Sponsored Research Agreement on a non-exclusive royalty-free basis for research and education purposes.

If either party desires to obtain patent and copyright protection for intellectual property created under the Sponsored Research Agreement, such party shall notify the other party and the parties shall agree upon intellectual property protection strategy and cost allocation. Each party shall have the right to grant licenses under jointly-owned patents to third parties, subject to the Company's option to the exclusive right to license Dartmouth intellectual property and/or Dartmouth's ownership in jointly-owned intellectual property upon notification to Dartmouth in accordance with the terms of the Agreement and at the Company's cost. If the Company exercises its option to license intellectual property, Dartmouth shall negotiate exclusively with the Company for 180 days (or such additional period as agreed upon by the parties) for such licenses. The Company will be required to reimburse Dartmouth for the costs of patent prosecution and maintenance in the United States and any foreign country and demonstrate reasonable efforts to commercialize the technology.

The Sponsored Research Agreement may be terminated earlier than one year upon written agreement of the parties, a material breach which is not cured within 30 days of notice thereof, if Professor Ke no longer conducts the research under the Agreement and a successor acceptable to both parties is not available, or in the event of an unauthorized assignment of the Company's rights and obligations under the Agreement.

On November 4, 2019, the Company and Dartmouth entered in the First Amendment to the Sponsored Research Agreement to extend the term of the Sponsored Research Agreement and provide for an additional year of funding through July 14, 2020.

Royalty and License Fee Sharing Agreement with Ariel

On November 30, 2019, the Company entered into a royalty and license fee sharing agreement (the "Royalty Agreement") with Ariel which, among other things, superseded and terminated the license and research funding agreement, dated December 14, 2016, as amended, between the Company and Ariel (the "License Agreement"). Services agreements with Ariel (as described below) related to laboratory access and other services were not affected by such termination.

From and after the occurrence of an Exit Event, as such term is described in the Royalty Agreement, including an underwritten public offering of the Company's shares with proceeds of at least \$25 million, a consolidation, merger or reorganization of the Company, and a sale of all or substantially all of the shares and/or the assets of the Company, Ariel has the right to require the Company to issue up to 3% of the then issued and outstanding shares of common stock of the Company. The issuance of any such shares in the future will result in dilution to the interests of other stockholders.

In consideration for the parties' agreement to terminate the License Agreement and for future general scientific collaboration between the parties, the Company agreed to pay Ariel a royalty of 1.25% of net sales (as defined in the Royalty Agreement) of products sold by the Company, or its affiliates and licensees for fifteen years from the first commercial sale in a particular country.

Service Agreements with Ariel

On December 14, 2017, the Company entered into a 12-month services agreement with Ariel (the "Services Agreement") pursuant to which a team at Ariel University, with Prof. Danny Baranes acting as Principal Investigator, will conduct molecular biology research activities involving the testing of implant materials for the Company. If Prof. Baranes ceases to provide services, the Company must be notified and a replacement acceptable to the Company must be found within 30 days or the Company may terminate the Services Agreement. As compensation for such services, the Company paid Ariel (i) \$17,250 on December 19, 2017 and (ii) \$17,250 on April 26, 2018. On April 12, 2018, the Services Agreement was amended to provide for the payment by the Company of an additional monthly fee, commencing March 2018, of up to 8,000 Israeli shekels as compensation for additional costs which the Company may request.

The Services Agreement may be terminated by a non-breaching party upon a material breach that is not cured within 30 days by the other party. The Services Agreement may also be terminated by the Company upon thirty days' written notice to Ariel. Ariel must keep confidential information of the Company confidential for five years after the term of the Services Agreement.

On March 6, 2018, the Company entered into an additional service agreement with Ariel for the services of Professor Gadi Turgeman and his neurobiology research team in their lab pursuant to which the Company paid Ariel \$20,580 on each of March 19, 2018 and August 22, 2018. Effective March 6, 2019, this additional service agreement was amended to extend the term for an additional twelve-month period until March 6, 2020 for total compensation of \$41,160 to be paid to Ariel in quarterly installments of \$10,290 commencing on the execution of the amendment and on each of June 1, 2019, September 1, 2019 and December 1, 2019.

Business Description

Traumatic brain injury ("TBI") is a severe form of neuronal damage caused by powerful head impacts. Patients can experience transient symptoms, profound disability or death. TBI is generally caused by violent acts, motor vehicle accidents, falls and sports-related concussions.

TBI can be characterized into two distinct subtypes, penetrating injuries, in which an object pierces the skull and directly damages the brain causing extensive damage to the neuronal tissue, or diffused axonal injuries (commonly referred to as concussions) that are non-penetrating blows that push the brain against the skull, inflicting neuronal damage.

Neuronal cells interconnect to create the gigantic network that drives core brain functions. Unfortunately, neurons rarely regenerate after an injury. As a result, following a severe brain injury, neural connectivity is lost and brain function compromised.

TBI patients can become blind, deaf, paralyzed and experience cognitive and psychological issues. There is also evidence that TBI patients may be more likely to develop Alzheimer's, Huntington's, Parkinson's and other neurodegenerative diseases. Repeated head injuries may induce brain pathologies associated with chronic traumatic encephalopathy ("CTE") a neurodegenerative disease associated with multiple head injuries. CTE is often discovered in athletes, post-mortem.

There are no effective approved FDA treatments to help patients regain function of which we are aware. Current treatments focus on reducing secondary injuries. They can partially reduce further damage but do little or nothing to heal the brain. Most strategies are rehabilitative, helping patients adjust to their impaired cognitive state by creating workarounds, such as taking notes to compensate for lost short-term memory.

Our Mission and Product Candidates

Our mission is to develop and license novel stem cell synthetic hydrogel-based solutions and systems to repair and regenerate neuronal damage. We are focused on finding a treatment for TBI. We believe that to repair TBIs, each injured site must receive a continuous flow of neuro-protective and neuro-regenerative agents in order to prevent further neuronal damage and have the potential to stimulate neurons to migrate to the injury site, regrow axonal processes and regenerate brain tissue.

The Company has also been conducting research under the Sponsored Research Agreement with Professor Chenfeng Ke of the Chemistry Department at Dartmouth to develop innovative 3D printable, biocompatible advanced materials. The Company is working to produce and deliver a proprietary modified stem cell system that would be implanted at the target site and will induce neuronal recovery and/or slowdown of degenerative damage.

To date, we have two product candidates, QS100TM for treating penetrating brain injuries and QS200TM, for treating concussions and other diffused axonal injuries. Both QS100TM and QS200TM integrate proprietary, anti-brain inflammation synthetic hydrogel and modified MSCs and smart synthetic material. QS100TM is an injury specific, 3D printable, implantable MSCs-synthetic hydrogel to treat penetrating brain injuries (such as gunshot wounds, motor vehicle accidents and falls) and QS200TM is an injectable MSCs-synthetic hydrogel for the treatment of diffused injuries commonly referred to as concussions.

QS100TM has demonstrated astrogliosis inhibition and induction of neuronal differentiation in an in-vivo animal experiments penetrating injury animal model. QS200TM research has been completed, has shown efficacy for concussions and diffused brain injuries, and results are being compiled.

We believe that our latest advances provide a superior stem cells/synthetic hydrogel integration which will enable the unleashing of a precise, effective and controlled delivery of our proprietary MSCs so as to induce neuronal growth.

While our research is progressing, there can be no assurance however that such research will continue to progress or be successful in achieving its goals.

Our Market

Our market is the treatment of TBI. According to the Center for Disease Control and Prevention (the "CDC"), TBI is a major cause of death and disability in the United States and TBI contributes to about 30% of all injury deaths. According to the CDC, every day, 153 people in the United States die from injuries that include TBI. In 2014, about approximately 2.87 million TBI-related emergency department visits, hospitalizations, and deaths occurred in the United States including over 837,000 among children. TBI contributed to the deaths of nearly 56,800 people. TBI was a diagnosis in approximately 288,000 hospitalizations including over 23,000 occurring among children. CDC data indicates that the economic cost of TBI in 2010, including direct and indirect medical costs, is estimated to be approximately \$76.5 billion. According to the European CENTER_TBI, the global annual burden of TBI was estimated at \$400 billion.

Market Competition

The biotechnology and pharmaceutical industries are characterized by intense and rapidly changing competition to develop new technologies and proprietary products, and any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. We believe that our novel multi-disciplinary approaches and scientific expertise will enable us to produce and deliver a treatment by integrating proprietary, engineered MSCs, synthetic hydrogels, 3D printable implants, smart materials and a novel delivery system to reduce neuronal loss and functional impairment and potentially regenerate brain tissue and function for TBI patients which will provide us with competitive advantages. We face potential competition from many different sources, including larger and better-funded pharmaceutical, specialty pharmaceutical and biotechnology companies, as well as from academic institutions and governmental agencies and public and private research institutions that may develop potentially competitive products or technologies. To the extent that we develop product candidates for indications with larger patient populations, we expect to experience particularly intense competition from larger and better funded pharmaceutical and biotechnology companies. Any product candidate that we may develop will compete with such larger and better funded pharmaceutical and biotechnology companies, established drugs or solutions and new drug candidates being developed by others, that may currently be in clinical trials.

Currently there are no approved products for our two product candidates. We believe the key competitive factors that will affect the success of our product candidates, if approved, are likely to be their effectiveness, efficacy, safety, convenience of administration and delivery, price, level of generic competition and the availability of reimbursement from government and other third-party payors.

Many of our potential competitors, alone or with their strategic partners, have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of treatments and the commercialization of those treatments. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. Our commercial opportunity could be reduced or eliminated if competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in competitors establishing a strong market position before we are able to enter the market.

Intellectual Property

Our intellectual property is critical to our business and we will strive to protect it, including by seeking, obtaining and maintaining patent protection for our product candidates, novel discoveries and technology, including new targets and applications, and other inventions that are important to our business. We also rely on trademarks, trade secrets, know-how, continuing technological innovation and licensing opportunities to develop and maintain our proprietary position.

On October 2, 2019, we have entered into the Intellectual Property Agreement with Dartmouth pursuant to which Dartmouth granted the Company an exclusive worldwide, royalty bearing license for such 3D printable materials in the field of human and animal health and certain additional patent rights to use and commercialize licensed products and services.

On April 9, 2018, the Company filed a provisional patent application with the USPTO entitled "Techniques for Promoting Neuronal Recovery" and on January 22, 2019, filed a second application that included further technological developments and data. In addition, on April 7, 2019, the Company filed a Patent Cooperation Treaty ("PCT") application with the World Intellectual Property Organization to allow the Company to file patent applications and seek protection in most major market countries throughout the world.

The Company currently intends to file additional patents as research increases, and subject to sufficient resources, to protect its intellectual property, including for methods and techniques related to the integration of pseudopolyrotaxane hydrogel with live cells and epigenetic modifications of MSCs to induce neuronal differentiation and other cellular changes.

On November 15, 2017, Dartmouth filed a utility patent application with the USPTO for "Mechanically Interlocked Molecules-Based Materials" for 3-D printing, which the Company financed by reimbursing Dartmouth for the patent filing costs.

We cannot guarantee that our pending patent applications, or any patent applications that we may in the future file or license from third parties, will result in the issuance of patents. We also cannot predict the scope of claims that may be allowed or enforced in our patents. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted after issuance. Consequently, we may not be able to maintain adequate patent protection for any of our product candidates.

Government Regulation

The research, testing, manufacturing, labeling, approval, selling, import, export, marketing, and distribution of drug products, including biologics, are subject to extensive regulation by the FDA and other regulatory authorities in the United States. We are not permitted to market any biological drug product in the United States until we receive a Biologics License from the FDA. We have not previously submitted a Biologics License Application ("BLA") to the FDA, or similar approval filings to comparable foreign authorities. A BLA must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe, pure, and potent for each desired indication. The BLA must also include significant information regarding the chemistry, manufacturing, and controls for the product, and the manufacturing facilities must complete a successful pre-license inspection. We expect the novel nature of our product candidates to create further challenges in obtaining regulatory approval. The FDA may also require a panel of experts, referred to as an Advisory Committee, to deliberate on the adequacy of the safety and efficacy data to support licensure. The opinion of the Advisory Committee, although not binding, may have a significant impact on our ability to obtain licensure of the product candidates based on the completed clinical trials. Accordingly, the regulatory approval pathway for our product candidates may be uncertain, complex, expensive, and lengthy, and approval may not be obtained.

We will also be required to comply with costly and time-consuming compliance by foreign regulatory authorities if we want to sell our products outside of the United States.

Ethical, social and legal concerns about research regarding stem cells, could result in regulations restricting or prohibiting the processes we may use. Federal and state agencies, congressional committees and foreign governments have expressed interest in further regulating biotechnology. More restrictive regulations or claims that our products are unsafe or pose a hazard could prevent us from commercializing any products. New government requirements may be established that could delay or prevent regulatory approval of our product candidates under development. It is impossible to predict whether legislative changes will be enacted, regulations, policies or guidance changed, or interpretations by agencies or courts changed, or what the impact of such changes, if any, may be.

FDA Review, Clearance and Approval Process

In the US, an Investigational New Drug application ("IND") or BLA is required for nearly all new drugs or biologics entering clinical trials. The IND or BLA comprises three sections: chemistry and manufacturing controls ("CMC"), clinical study design, and nonclinical studies. The nonclinical studies section mainly concerns safety and toxicity in animals using the clinically intended route of administration and a product very similar, if not identical, to that which will be used in the clinic. This section typically includes a description of efficacy studies in relevant disease models. The CMC section pertains to manufacturing processes and quality control systems for ensuring consistency and the absence of potentially deleterious agents in the final product. Each of the sections of the IND or BLA must provide reviewers with a sufficient amount of detail to determine the potential safety of any product before allowing evaluation in humans.

The regulatory route for licensure of an eventual product based on MSCs will likely require a BLA as opposed to a New Drug Application ("NDA"), the latter which generally pertains to drugs of well-defined composition. Within the FDA there are two centers responsible for oversight and approval of new drugs, The Center for Biologics Evaluation and Research ("CBER") and the Center for Drug Evaluation and Research ("CDER"). Jurisdictional oversight of biologics generally falls to CBER: with important exceptions for less complex entities, such as monoclonal antibodies and recombinant proteins. Therefore, the complexity of MSCs whether wholly or partially fractionated, likely will place it under the review of CBER.

Clinical Trials

The first step, a preclinical phase, is to find a promising agent, which involves taking advantage of the advances made in understanding a disease, pharmacology, computer science, and chemistry. Breaking down a disease process into its components can provide clues for targeting drug development. For example, if an enzyme is determined to be a key component of a disease process, a researcher might seek ways to inhibit this enzyme. Advances in basic science might help by ascertaining the active enzyme site. Numerous compounds might be synthesized and tested before a promising agent emerges. Computer modeling often helps select what compounds might be the most promising.

The next step before attempting a clinical trial in humans is to test the drug in living animals, usually rodents. The FDA requires that certain animal tests be conducted before humans are exposed to a new molecular entity. The objectives of early in vivo testing are to demonstrate the safety of the proposed medication. For example, tests should prove that the compound does not cause chromosomal damage and is not toxic at the doses that would most likely be effective. The results of these tests are used to support the IND or BLA application that is filed with the FDA. The IND application includes chemical and manufacturing data, animal test results, including pharmacology and safety data, the rationale for testing a new compound in humans, strategies for protection of human volunteers, and a plan for clinical testing. If the FDA is satisfied with the documentation, the stage is set for phase 1 clinical trials.

Phase 1 studies focus on the safety and pharmacology of a compound. During this stage low doses of a compound are administered to a small group of healthy volunteers who are closely supervised. In cases of severe or life-threatening illnesses, volunteers with the disease may be used. Generally, 20 to 100 volunteers are enrolled in a phase 1 trial. These studies usually start with very low doses, which are gradually increased. On average, about two thirds of phase 1 compounds will be found safe enough to progress to phase 2.

Phase 2 studies examine the effectiveness of a compound. To avoid unnecessarily exposing a human volunteer to a potentially harmful substance, studies are based on an analysis of the fewest volunteers needed to provide sufficient statistical power to determine efficacy. Typically, phase 2 studies involve 100 to 300 patients who suffer from the condition the new drug is intended to treat. During phase 2 studies, researchers seek to determine the effective dose, the method of delivery (e.g., oral or intravenous), and the dosing interval, as well as to reconfirm product safety. Patients in this stage are monitored carefully and assessed continuously. A substantial number of these drug trials are discontinued during phase 2 studies. Some drugs turn out to be ineffective, while others have safety problems or intolerable side effects.

Phase 3 trials are the final step before seeking FDA approval. During phase 3, researchers try to confirm previous findings in a larger population. These studies usually last from 2 to 10 years and involve thousands of patients across multiple sites. These studies are used to demonstrate further safety and effectiveness and to determine the best dosage. Despite the intense scrutiny, a product receives before undergoing expensive and extensive phase 3 testing, approximately 10% of medications fail in phase 3 trials.

If a drug or biologic survives the clinical trials, an NDA or BLA is submitted to the FDA. An NDA or BLA contains all the preclinical and clinical information obtained during the testing phase. The application contains information on the chemical makeup and manufacturing process, pharmacology and toxicity of the compound, human pharmacokinetics, results of the clinical trials, and proposed labeling. An NDA can include experience with the product from outside the United States as well as external studies related to the drug.

After receiving an NDA or BLA, the FDA completes an independent review and makes its recommendations. The Prescription Drug User Fee Act of 1992 (“PDUFA”) was designed to help shorten the review time. This Act allowed the agency to collect user fees from pharmaceutical companies as financial support to enhance the review process. The 1992 act specifies that the FDA reviews a standard drug or biologic application within 12 months and a priority application within 6 months. The FDA does not always meet its PDUFA goal dates for standard and priority NDAs or BLAs, and the review process may be extended by FDA requests for additional information or clarification. Application for drugs or biologics similar to those on the market are considered standard, whereas priority applications represent drugs or biologics offering important advances in addition to existing treatments. If during the review the FDA staff feels there is a need for additional information or corrections, they will make a written request to the applicant. During the review process it is not unusual for the FDA to interact with the applicant staff.

Once the review is complete, the NDA or BLA might be approved or rejected. If the drug or biologic is not approved, the applicant is given the reasons why and what information could be provided to make the application acceptable. Sometimes the FDA makes a tentative approval recommendation, requesting that a minor deficiency or labeling issue be corrected before final approval. Once a drug or biologic is approved, it can be marketed.

Some approvals contain conditions that must be met after initial marketing, such as conducting additional clinical studies. For example, the FDA might request a post-marketing, or phase 4, study to examine the risks and benefits of the new drug or biologic in a different population or to conduct special monitoring in a high-risk population. Alternatively, a phase 4 study might be initiated by the sponsor to assess such issues as the longer-term effects of exposure, to optimize the dose for marketing, to evaluate the effects in pediatric patients, or to examine the effectiveness of the drug or biologic for additional indications. Post-marketing surveillance is important, because even the most well-designed phase 3 studies might not uncover every problem that could become apparent once a product is widely used. Furthermore, the new product might be more widely used by groups that might not have been well studied in the clinical trials, such as elderly patients. A crucial element in this process is that physicians report any untoward complications. The FDA has set up a medical reporting program called Medwatch to track serious adverse events. The manufacturer must report adverse reactions at quarterly intervals for the first 3 years after approval including a special report for any serious and unexpected adverse reactions.

Employees

We had two full-time employees and two part-time employees, however, on March 23, 2020, due to the uncertainty caused by the current COVID-19 pandemic and its impact on our ability to raise additional capital for research and development, we gave 30-day notice of termination of employment to such employees. Our two executive officers, Jonah Meer and Ido Merfeld, who are our sole officers and directors, are responsible for the day-to-day operations of our company. We currently outsource all professional services to third parties and make use of University affiliations in an effort to maintain lower operational costs.

Research and Development

During the years ended December 31, 2019 and 2018, we incurred research and development costs of \$651,476 and \$919,706, respectively.

Item 1A: Risk Factors

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

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The Company had a month-to-month lease for office space at 777 Brickell Avenue, Suite 500, Miami, Florida 33131 for \$70 per month. As of March 15, 2019, the Company's principal executive office is located at 50 Battery Place, #7T, New York, New York 10280 in space currently provided by the Company's Chief Executive Officer at no cost. The Company believes that this space is adequate for its current needs.

Item 3. Legal Proceedings

There are no pending legal proceedings to which we are a party or in which any director, officer or affiliate of ours, any owner of record or beneficially of more than 5% of any class of our voting securities, or security holder is a party adverse to us or has a material interest adverse to us.

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

Our common stock was quoted on the OTC pink sheets until August 12, 2019 when it commenced trading on the OTCQB Venture Market. Our common stock trades under the symbol "QRON".

The over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

On March 5, 2020, the last reported sales price of our common stock on the OTCQB, was \$0.45.

As of March 27, 2020, there were 44 stockholders of record of our common stock.

Dividend Policy

The Company has never paid dividends on its common stock and does not anticipate that it will pay dividends in the foreseeable future. It intends to use any future earnings for the expansion of its business. Any future determination of applicable dividends will be made at the discretion of the board of directors and will depend on the results of operations, financial condition, capital requirements and other factors deemed relevant.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information regarding our equity compensation plans as of December 31, 2019:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders (1)	(2) 2,515,000	\$ 1.987	-

(1) On December 14, 2016, the Board adopted the Plan as described in Item 10 of this Annual Report on Form 10-K. 10,000,000 shares are reserved for issuance under the Plan.

(2) Represents (i) five-year options granted to each of Jonah Meer and Ido Merfeld to purchase an aggregate of 950,000 shares of common stock at \$2.00 per share (ii) three-year options to purchase an aggregate of 20,000 shares of common stock at \$2.00 per share granted to each of Motti Ratmanský and Albert Pinhasov, each a Science Advisor, (iii) three-year option to purchase an aggregate of 30,000 shares of common stock at \$0.40 per share to Yitshak Francis, a former Science Advisor, (iv) three-year option to purchase an aggregate of 30,000 shares of common stock at \$2.00 per share to Chenfeng Ke, a Science Advisor, (v) three-year option to purchase an aggregate of 20,000 shares of common stock at \$2.00 per share to Igor Korman, a Science Advisor, (vi) three-year option to purchase 100,000 shares of common stock at \$2.00 to Matanel Tfilin, our Head of Stem Cell Research (vii) a five-year option to purchase 145,000 shares of common stock at \$2.00 per share exercisable on December 10, 2018 and three-year options to purchase an aggregate of 100,000 shares of common stock to Liat Hammer, our Director of Research and Development, (viii) three-year options to purchase an aggregate of 100,000 shares of common stock at \$2.00 per share to Motti Ratmanský, a Science Advisor, and (ix) a three-year option to purchase an aggregate of 50,000 shares of common stock at \$2.00 per share to John Bonfiglio, our former Chief Operating Officer, as set forth in Note 11 to the financial statements under Item 8 of this Annual Report on Form 10-K.

Recent Sales of Unregistered Securities

Except as set forth below, there were no sales of equity securities during the period covered by this Report that were not registered under the Securities Act and were not previously reported in a Quarterly Report on Form 10-Q or a Current Report on Form 8-K filed by the Company.

On February 18, 2019, the Company issued an aggregate of 40,000 shares of its common stock to two accredited investors in a private offering pursuant to a securities purchase agreement for an aggregate of \$40,000.

On July 1, 2019, the Company granted three-year options to purchase an aggregate of 100,000 shares of its common stock at an exercise price of \$2.00 per share, to Motti Ratmanský for serving as a Science Advisor to the Company. 33,334 of such shares subject to the option are immediately exercisable and expire on July 1, 2022, 33,333 shares vest on July 1, 2020 and expire on July 1, 2023 and 33,333 shares vest on July 1, 2021 and expire on July 1, 2024.

On December 2, 2019, we issued an 8% convertible promissory note in the principal amount of \$25,000 and a warrant to purchase 25,000 shares of our common stock at an exercise price of \$1.00 per share to an accredited investor in a private offering pursuant to a securities purchase agreement.

On December 16, 2019, we issued an 8% convertible promissory note in the principal amount of \$35,000 and a warrant to purchase 35,000 shares of our common stock at an exercise price of \$1.00 per share to an accredited investor in a private offering pursuant to a securities purchase agreement.

On December 20, 2019, we issued an 8% convertible promissory note in the principal amount of \$10,000 and a warrant to purchase 10,000 shares of our common stock at an exercise price of \$1.00 per share to an accredited investor in a private offering pursuant to a securities purchase agreement.

The above issuances did not involve any underwriters, underwriting discounts or commissions, or any public offering and we believe is exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof and/or Regulation D promulgated thereunder. The purchaser represented to us that he was an accredited investor and was acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that he could bear the risks of the investment.

Item 6. Selected Financial Data

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

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

Our Management's Discussion and Analysis contains forward-looking statements relating to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intends", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance 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 or performance. You should not place undue reliance on these statements, which speak only as of the date of this Annual Report. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. You should read this Annual Report on Form 10-K with the understanding that our actual future results may be materially different from what we expect. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made, except as required by federal securities and any other applicable law.

The management's discussion and analysis of our financial condition and results of operations are based upon our audited financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The following discussion and analysis of financial condition and results of operations of the Company is based upon, and should be read in conjunction with, the audited financial statements and related notes elsewhere in this Annual Report on Form 10-K.

Plan of Operation

We have not generated any revenue from the sale of products.

To date, the Company has two product candidates for treating penetrating and non-penetrating (concussion-like) TBIs. We have completed an in-vivo efficacy experiment with QS100™ for treating penetrating brain injuries in an animal model that was successful in substantiating our theories and practices regarding cell regeneration. We have completed animal in-vivo efficacy experiments with QS200™ for treating concussions and other diffused axonal injuries. Subject to the impact of the COVID-19 pandemic as described below, in the next 12 months, we plan on completing development of our product candidates. This will require us to continue working with Dartmouth under the Sponsored Research Agreement in our development of innovative 3D printable biocompatible advanced materials and stem cell delivery techniques. At our research facilities located in Ariel's labs our Stem Cells Team will continue development of our proprietary, neuro-regenerative MSC lines. Upon completion of the development of our product candidates we will begin testing for efficacy. This will require us to establish an Efficacy Team, in preparation to reach clinical trials.

As our research progresses, if and when we achieve functional supporting results, the Company intends to file for additional patents.

We will continue exploring sources of additional debt and equity financings as well as available grants.

There is substantial doubt that we can continue as an on-going business unless we obtain additional capital to pay our expenditures. We do not currently have sufficient resources to accomplish all of the conditions necessary for us to generate revenue.

Results of Operations

Revenue

We have not generated any revenue since our inception and do not expect to generate any revenue from the sale of products in the near future.

Operating Expenses

For the years ended December 31, 2019 and December 31, 2018:

	For the Year ended December 31,	
	2019	2018
Operating expenses:		
Research and development expenses	\$ 651,476	\$ 919,706
Professional fees	75,677	44,147
General and administrative expenses	789,279	2,941,092
Total operating expenses	<u>\$ 1,516,432</u>	<u>\$ 3,904,945</u>

Total operating expenses for the year ended December 31, 2019 were \$1,516,432 as compared to \$3,904,945 for the year ended December 31, 2018. During the year ended December 31, 2019, the Company incurred \$651,476 of research and development expenses which included payroll of \$223,766, service fees related to certain research and development agreements of \$292,044, fees associated with a sponsored research agreement of \$80,006, legal and filing fees related to patents of \$21,760, software fees of \$1,374, technology licensing fees of \$8,333 and purchases of expendable lab supplies and equipment of \$24,193, compared to research and development expenses of \$919,706, which included payroll of \$130,991, service fees related to certain research and development agreements of \$677,235, fees associated with a sponsored research agreement of \$27,220, legal and filing fees related to patents of \$24,212, publication and software fees of \$6,971 and purchases of expendable lab supplies and equipment of \$53,077 during the fiscal year ended December 31, 2018. The Company incurred general and administrative expenses of \$789,279 for the year ended December 31, 2019 compared to general and administrative expenses of \$2,941,092 for the year ended December 31, 2018. The substantial decrease in general and administrative expense during the 2019 fiscal year was primarily due to stock-based compensation costs of \$2,673,011 related to the issuance of stock options to our officers and certain advisors during the year ended December 31, 2018, with only \$409,495 in stock-based compensation to officers and advisors in the year ended December 31, 2019. Professional fees were \$75,677 for the year ended December 31, 2019 compared to professional fees of \$44,147 during fiscal 2018. The increase in professional fees in the year ended December 31, 2019 is the result of certain specialized contract and tax advice. Other expenses were \$30,340 in the year ended December 31, 2019, which included a gain of \$12,234 as a result of the change in value of derivative liabilities and interest expense of \$42,574, of which \$36,410 relates to financing costs with respect to the issuance of warrants in the year ended December 31, 2019 in connection with convertible note financings, accretion of convertible notes of \$945 and interest charges on convertible notes of \$5,219. Other expenses were \$26,083 in the year ended December 31, 2018, which represents a loss of \$5,737 as a result of the change in value of our derivative liabilities and interest expense of \$20,346, including accretion of our convertible notes of \$18,335 and \$2,011 as incurred interest charges.

Net Loss

We had a net loss of \$1,546,772 in the year ended December 31, 2019 compared to a net loss of \$3,931,028 in the year ended December 31, 2018.

Statement of Cash Flows

The following table summarizes our cash flows for the period presented:

	For the Year ended December 31,	
	2019	2018
Net cash provided (used by) operating activities	\$ (546,837)	\$ (488,905)
Net cash provided from (used by) investing activities	-	-
Net cash provided from financing activities	470,000	575,000
Increase (decrease) in cash and cash equivalents	<u>\$ (76,837)</u>	<u>\$ 86,095</u>

During the year ended December 31, 2019 we used cash of \$76,837 as compared to the year ended December 31, 2018, where our net cash increased by \$86,095.

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2019 totaled \$546,837 as compared to \$488,905 used in the year ended December 31, 2018.

Cash used in operating activities for the year ended December 31, 2019 was primarily the result of our net loss, offset by non-cash items including compensation in the form of stock options for research and development expenses totaling \$219,095, stock awards for advisory and consulting services of \$126,875, stock options granted for management and advisory services of \$409,495, common stock issued for services of \$74,500, warrants granted as financing costs of \$36,410 and changes to our operating assets and liabilities including an increase to prepaid expenses and increases to our accounts payable and accounts payable-related parties. Cash used in the year ended December 31, 2018 was primarily the result of our net loss, offset by non-cash items including compensation in the form of stock options for research and development expense totaling \$529,019, stock awards totaling \$28,000, stock-based compensation of \$150,000 related to shares issued under the terms of an investor relations agreement, stock options recorded as management and advisory expenses totaling \$2,673,011, and changes to our operating assets and liabilities including an increase to prepaid expenses and increases to our accounts payable and accounts payable-related parties. In the year ended December 31, 2018, we also recorded \$18,335 as the non-cash accretion of the debt discount related to certain convertible notes compared to \$945 in the year ended December 31, 2019, and changes to our derivative liabilities reflecting a gain of \$12,234 in the year ended December 31, 2019 compared to a loss of \$5,737 in the year ended December 31, 2018.

Cash Provided by Investing Activities

There was no cash provided by investing activities for the years ended December 31, 2019 and December 31, 2018.

Cash Provided by Financing Activities

During the year ended December 31, 2019, financing activities provided cash of \$470,000, including proceeds from private offerings of common stock of \$65,000, proceeds from convertible notes of \$70,000, short term advances from third parties of \$100,00, loans from our offices and directors of \$50,000 and related party advances of \$185,000. During the year ended December 31, 2018, financing activities provided cash of \$575,000 which consisted entirely of proceeds from private offerings of common stock.

Liquidity and Capital Resources

As of December 31, 2019, we had cash of \$67,025. We are in the early stage of development and have experienced net losses to date and have not generated revenue from operations which raises substantial doubt about our ability to continue as a going concern. There are a number of conditions that we must satisfy before we will be able to commercialize potential products and generate revenue, including successful development of product candidates, which includes clinical trials, FDA approval, demonstration of effectiveness sufficient to generate commercial orders by customers, establishing production capabilities as well as effective marketing and sales capabilities for our product. We do not currently have sufficient resources to accomplish any of these conditions necessary for us to generate revenue and expect to incur increasing operating expenses. We will require substantial additional funds for operations, the service of debt and to fund our business objectives. We will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms favorable to us. Additionally, the continued spread of COVID-19 and uncertain market conditions will limit the Company's ability to access capital. Without additional financing, we do not believe our resources will be sufficient to meet our operating and capital needs beyond the second quarter of 2020.

Covid-19 Pandemic

We rely on our employees and agreements with Ariel and Dartmouth for our research and development. The recent COVID-19 pandemic could have an adverse impact on the research and development of our product candidates. Professor Chenfeng Ke's research laboratory at Dartmouth is currently subject to a six-week closure. We do not currently know the full extent of potential delays of research under our service and research agreements.

COVID-19 has also caused significant disruptions to the global financial markets, which severely impacts our ability to raise additional capital. We have given notice of termination of employment to our current employees in an effort to conserve resources as we evaluate our business development efforts. We may be required to substantially reduce operations or cease operations if we are unable to finance our operations. The ultimate impact on us and our significant contracted relationships is currently uncertain.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report, is highly uncertain and subject to change. Management is actively monitoring the situation but given the daily evolution of the COVID-19 outbreak, the Company is not able to estimate the effects of the COVID-19 outbreak on its operations or financial condition in the next 12 months. However, while significant uncertainty remains, the Company believes it is likely that the COVID-19 outbreak will have a negative

impact on its ability to raise additional financing and will result in delays as it continues to impact the Company's workforce and its collaborative development efforts.

Going Concern

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, does not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation. Our report from our independent registered public accounting firm for the fiscal year ended December 31, 2019 includes an explanatory paragraph stating the Company has not generated revenues sufficient to cover operating expenses and will need additional capital to service its debt obligations. Also, if the Company is unable to obtain adequate capital due to the continued spread of COVID-19, the Company may be required to reduce the scope, delay, or eliminate some or all of its planned operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

Off Balance Sheet Arrangements

We currently have no off-balance sheet arrangements.

Critical Accounting Policies

The preparation of our financial statements requires management 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 and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments which are based on historical experience and on various other factors that are believed to be reasonable under the circumstances. The results of their evaluation form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions and circumstances. Our significant accounting policies are more fully discussed in the Notes to our Financial Statements.

Research and Development Costs: The Company charges research and development costs to expense when incurred in accordance with FASB ASC 730, "Research and Development". Research and development costs were \$651,476 for the year ended December 31, 2019. Research and development costs were \$919,706 for the year ended December 31, 2018

Stock-Based Compensation and Other Share-Based Payments: The expense attributable to the Company's directors is recognized over the period in which the amounts are earned and vested, and the expense attributable to the Company's non-employees is recognized when vested, as described in Note 11, *Stock Plan*.

Warrants: The Company accounts for common stock warrants in accordance with applicable accounting guidance provided in ASC Topic 815 "*Derivatives and Hedging – Contracts in Entity's Own Equity*" (ASC Topic 815), as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. For warrants classified as equity instruments we apply the Black Scholes model. Presently all warrants issued and outstanding are accounted for using the equity method.

Recent Accounting Pronouncements

Recent accounting pronouncements, other than below, issued by the Financial Accounting Standards Board ("FASB"), (including its EITF, the AICPA and the SEC), did not or are not believed by management to have a material effect on the Company's present or future financial statements.

In June 2018, an accounting update was issued by FASB to simplify the accounting for nonemployee share-based payment transactions resulting from expanding the scope of *ASC Topic 718, Compensation-Stock Compensation*, to include share-based payment transactions for acquiring goods and services from nonemployees. An entity is required to apply the requirements of *ASC Topic 718* to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The amendments in the accounting update specify that *ASC Topic 718* applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that *ASC Topic 718* does not apply to share-based payments used to effectively provide (1) financing to an issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under *ASC Topic 606, Revenue from Contracts with Customers*. The amendments in this accounting update are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than an entity's adoption date of *ASC Topic 606*.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

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

Item 8. Financial Statements And Supplemental Data

Qrons Inc.

Index to Financial Statements

	Page
Report of Independent Registered Public Accounting Firm	F-1
<u>Balance Sheets as of December 31, 2019 and 2018</u>	F-2
<u>Statements of Operations for the years ended December 31, 2019 and 2018</u>	F-3
<u>Statement of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 2019 and 2018</u>	F-4
<u>Statements of Cash Flows for the years ended December 31, 2019 and 2018</u>	F-5
<u>Notes to Financial Statements</u>	F-6

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Qrons, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Qrons, Inc. (the Company) as of December 31, 2019 and 2018, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Consideration of the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has sustained recurring losses from operations, negative working capital, and insufficient liquidity which raise substantial doubt about its ability to continue as a going concern.

Management's plans in regard to these matters are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

/s/ Heaton & Company, PLLC

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

Heaton & Company, PLLC
Farmington, Utah
March 27, 2020

QRONS INC.
BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 67,025	\$ 143,862
Prepaid expenses	56,265	51,985
Total current assets	<u>123,290</u>	<u>195,847</u>
TOTAL ASSETS	<u>\$ 123,290</u>	<u>\$ 195,847</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 140,967	\$ 23,324
Accounts payable and accrued liabilities - related party	34,907	3,421
Demand loans, related party	50,000	-
Advances from related party	185,000	-
Unsecured short-term advances	100,000	-
Convertible note - related party, net of debt discount	25,000	25,000
Convertible note, net of debt discount	6,171	-
Derivative liabilities	89,367	36,827
Total current liabilities	<u>631,412</u>	<u>88,572</u>
Total liabilities	<u>631,412</u>	<u>88,572</u>
Stockholders' equity (deficit)		
Series A Preferred Shares: \$0.001 par value, authorized 10,000; 2,000 shares issued and outstanding	2	2
Common stock, \$0.0001 par value: shares authorized 100,000,000; 13,089,789 and 12,872,309 shares issued and outstanding at December 31, 2019 and December 31, 2018, respectively	1,309	1,287
Additional Paid-in Capital	6,561,047	5,629,694
Accumulated deficit	<u>(7,070,480)</u>	<u>(5,523,708)</u>
Total stockholder's equity (deficit)	<u>(508,122)</u>	<u>107,275</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	<u>\$ 123,290</u>	<u>\$ 195,847</u>

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

QRONS INC.

STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2019	2018
Net sales	\$ -	\$ -
Operating expenses:		
Research and development expenses	651,476	919,706
Professional fees	75,677	44,147
General and administrative expenses	789,279	2,941,092
Total operating expenses	<u>1,516,432</u>	<u>3,904,945</u>
Income (loss) from operations	<u>(1,516,432)</u>	<u>(3,904,945)</u>
Other income (expense)		
Interest expense	(42,574)	(20,346)
Change in derivative liabilities	12,234	(5,737)
Total other income (expense)	<u>(30,340)</u>	<u>(26,083)</u>
Net (loss)	<u>\$(1,546,772)</u>	<u>\$(3,931,028)</u>
Net (loss) per common shares (basic and diluted)	<u>\$ (0.12)</u>	<u>\$ (0.31)</u>
Weighted average shares outstanding (basic and diluted)	<u>12,998,973</u>	<u>12,770,845</u>

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

QRONS INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Series A Preferred Shares		Common Stock		Additional Paid-in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balance, December 31, 2017	<u>2,000</u>	<u>2</u>	<u>12,404,910</u>	<u>1,240</u>	<u>1,611,711</u>	<u>(1,592,680)</u>	<u>20,273</u>
Issuance of common stock for private placement	-	-	380,684	38	574,962	-	575,000
Warrants exercised associated with private placement	-	-	1,715	-	-	-	-
Shares issued for stock awards for business advisory services	-	-	10,000	1	27,999	-	28,000
Shares issued for services provided	-	-	75,000	8	149,992	-	150,000
Stock options granted to officers	-	-	-	-	2,673,011	-	2,673,011
Stock options granted to non-employees as research and development costs	-	-	-	-	152,626	-	152,626
Stock option granted to employees as research and development costs	-	-	-	-	439,393	-	439,393
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,931,028)</u>	<u>(3,931,028)</u>
Balance, December 31, 2018	<u>2,000</u>	<u>2</u>	<u>12,872,309</u>	<u>1,287</u>	<u>5,629,694</u>	<u>(5,523,708)</u>	<u>107,275</u>
Shares issued for stock awards for business advisory services	-	-	92,500	9	126,866	-	126,875
Shares issued for services provided	-	-	50,000	5	74,495	-	74,500
Stock options granted to non-employees as research and development costs	-	-	-	-	219,095	-	219,095
Issuance of common stock for private placement	-	-	65,000	7	64,993	-	65,000
Warrants granted as financing costs	-	-	-	-	36,410	-	36,410
Stock options granted to officers	-	-	-	-	409,495	-	409,495
Warrants exercised associated with	-	-	9,980	1	(1)	-	-

private placement							
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,546,772)</u>	<u>(1,546,772)</u>
Balance, December 31, 2019	<u>2,000</u>	<u>\$ 2</u>	<u>13,089,789</u>	<u>\$ 1,309</u>	<u>\$ 6,561,047</u>	<u>\$(7,070,480)</u>	<u>\$ (508,122)</u>

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

QRONS INC.

STATEMENTS OF CASH FLOWS

	For the Years ended December 31,	
	2019	2018
Cash Flows From Operating Activities		
Net loss	\$(1,546,772)	\$(3,931,028)
Adjustments to reconcile net loss to net cash (used by) operating activities:		
Stock options issued for research and development expense	219,095	592,019
Stock awards issued for advisory and consulting services	126,875	28,000
Stock issued for services	74,500	150,000
Stock options granted for officer compensation	409,495	2,673,011
Warrants granted as financing costs	36,410	-
Accretion of debt discount	945	18,335
Change in derivative liabilities	(12,234)	5,737
Changes in operating assets and liabilities:		
Prepaid expenses	(4,280)	(36,173)
Accounts payable and accrued liabilities	117,643	9,183
Accounts payable and accrued liabilities, related party	31,486	2,011
Net cash (used by) operating activities	<u>(546,837)</u>	<u>(488,905)</u>
Cash Flows From Investing Activities		
Net cash provided from (used by) investing activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Proceeds from convertible notes	70,000	-
Proceeds from private placement	65,000	575,000
Proceeds from short term advance, third party	100,000	-
Proceeds from demand loan, related party	50,000	-
Proceeds from related party advances	185,000	-
Net cash provided from financing activities	<u>470,000</u>	<u>575,000</u>
Increase (decrease) in cash and cash equivalents	(76,837)	86,095
Cash at beginning of year	143,862	57,767
Cash at end of year	<u>\$ 67,025</u>	<u>\$ 143,862</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
SUPPLEMENTAL NON-CASH FINANCING ACTIVITIES		
Derivative liability associated with debt discount	<u>\$ 64,774</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1 - Description of Business and Basis of Presentation

Organization and nature of business:

Qrons Inc. ("Qrons" or the "Company") was incorporated under the laws of the State of Wyoming on August 22, 2016 under the name BioLabMart Inc.

On July 6, 2017, the board of directors and a majority of the Company's shareholders approved an amendment to the Company's Articles of Incorporation to change the name of the Company from "BioLabMart Inc." to "Qrons Inc." On August 8, 2017, the Company filed Amended Articles of Incorporation with the State of Wyoming to effectuate such name change. The Company's common stock was approved by the Financial Industry Regulatory Authority ("FINRA") for quotation on the OTC pink sheets under the symbol "BLMB" as of July 3, 2017. FINRA announced the Company's name change to Qrons Inc. on its Daily List on August 9, 2017. The new name and symbol change to "QRON" for the OTC Market was effective August 10, 2017.

The Company is a preclinical stage biotechnology company developing advanced stem cell-synthetic hydrogel-based solutions to combat neuronal injuries and achieve a breakthrough in the treatment of traumatic brain injuries ("TBIs"), for both concussions and penetrating injuries, an unmet medical need. The Company collaborates with universities and scientists in the fields of regenerative medicine, tissue engineering and 3D printable hydrogels to develop a treatment that integrates proprietary, engineered mesenchymal stem cells ("MSCs"), synthetic hydrogels, 3D printable implant, smart materials and a novel delivery system.

On March 15, 2019, the Company relocated its principal executive office from Miami, Florida to 50 Battery Place, #7T, New York, New York 10280.

Note 2 - Summary of Significant Accounting Policies

Financial Statement Presentation: The audited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Fiscal year end: The Company has selected December 31 as its fiscal year end.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from these estimates.

Cash Equivalents: The Company considers all highly liquid investments with maturities of 90 days or less from the date of purchase to be cash equivalents.

Research and Development Costs: The Company charges research and development costs to expense when incurred in accordance with FASB ASC 730, "Research and Development." Research and development costs were \$651,476 for the year ended December 31, 2019. Research and development costs were \$919,706 for the year ended December 31, 2018

Advertising and Marketing Costs: Advertising and marketing costs are expensed as incurred. The Company incurred \$256,106 and \$56,879 in advertising and marketing costs during the years ended December 31, 2019 and 2018, respectively.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Related parties: For the purposes of these financial statements, parties are considered to be related if one party has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Stock-Based Compensation and Other Share-Based Payments: The expense attributable to the Company's directors is recognized over the period the amounts are earned and vested, and the expense attributable to the Company's non-employees is recognized when vested, as described in Note 11, *Stock Plan*.

Fair Value of Financial Instruments

FASB ASC 820, Fair Value Measurements and Disclosures defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

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

The following table provides a summary of the fair value of the Company's derivative liabilities as of December 31, 2019 and December 31, 2018:

	Fair value measurements on a recurring basis		
	Level 1	Level 2	Level 3
As of December 31, 2019:			
Liabilities			
Derivative liabilities	\$ -	\$ -	\$ 89,367
As of December 31, 2018:			
Liabilities			
Derivative liabilities	\$ -	\$ -	\$ 36,827

QRONS INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Warrants: The Company accounts for common stock warrants in accordance with applicable accounting guidance provided in ASC Topic 815 "*Derivatives and Hedging - Contracts in Entity's Own Equity*" (ASC Topic 815), as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. For warrants classified as equity instruments the Company applies the Black Scholes model. Presently all warrants issued and outstanding are accounted for using the equity method.

Income taxes: The Company has adopted ASC Topic 740 - "Income Taxes" ASC Topic 740 which requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of ASC Topic 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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.

Basic and Diluted Loss Per Share: In accordance with ASC Topic 260 - "Earnings Per Share," the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common stock outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional shares of common stock that would have been outstanding if the potential common stock had been issued and if the additional shares of common stock were dilutive.

Potential common stock consists of the incremental common stock issuable upon the exercise of common stock warrants (using the if-converted method), convertible notes, classes of shares with conversion features, and stock awards and stock options. The computation of basic loss per share for the years ended December 31, 2019 and 2018 excludes potentially dilutive securities of underlying share purchase warrants, convertible notes, stock options and preferred shares, because their inclusion would be antidilutive. As a result, the computations of net loss per share for each period presented is the same for both basic and fully diluted.

The table below reflects the potentially dilutive securities at each reporting period which have been excluded from the computation of diluted net loss per share:

	December 31, 2019	December 31, 2018
Stock purchase warrants	-	52,000
Research Warrants at 3% of issued and outstanding shares	392,694	386,170
Convertible Notes	261,107	27,864
Series A Preferred shares	700	700
Stock options vested	2,331,669	1,486,670
Stock options not yet vested	183,331	128,330
Stock purchase warrants	70,000	-
Total	3,239,501	2,081,734

New Accounting Pronouncements: Recent accounting pronouncements, other than below, issued by the Financial Accounting Standards Board ("FASB"), (including its EITF, the AICPA and the SEC), did not or are not believed by management to have a material effect on the Company's present or future financial statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 2 - Summary of Significant Accounting Policies (continued)

In June 2018, an accounting update was issued by FASB to simplify the accounting for nonemployee share-based payment transactions resulting from expanding the scope of *ASC Topic 718, Compensation-Stock Compensation*, to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of *ASC Topic 718* to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The amendments specify that *ASC Topic 718* applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that *ASC Topic 718* does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under *ASC Topic 606, Revenue from Contracts with Customers*. The amendments in this accounting update are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than an entity's adoption date of *ASC Topic 606*.

Note 3 - Going Concern

The Company has experienced net losses to date, and it has not generated revenue from operations. While the Company raised proceeds of \$470,000 and \$575,000 during 2019 and 2018, respectively, by way of private placement offerings to accredited investors and loans and advances from our officers and directors and third party short term loans, it does not believe its resources will be sufficient to meet its operating and capital needs beyond the second quarter of 2020. The Company expects it will require additional capital to fully implement the scope of its proposed business operations, which raises substantial doubt about its ability to continue as a going concern. The Company will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on favorable terms. In addition, if the Company is unable to obtain adequate capital due to the continued spread of COVID-19, the Company may be required to reduce the scope, delay, or eliminate some or all of its planned operations.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amount and classification of liabilities that might cause results from this uncertainty.

Note 4 - Convertible Note - Related Party and Derivative Liabilities

On September 1, 2016, the Company entered into a convertible debenture agreement with CubeSquare, LLC ("CubeSquare"), of which its Chief Executive Officer is the managing partner and its President is a 25% owner. The Company received proceeds of \$10,000 during fiscal 2016 ("Note 1"). The note bears interest at 8% per annum and was due on September 1, 2017. Interest accrues from September 1, 2016 and is payable on maturity. Interest is payable, at the lender's option, in cash or common stock. Any portion of the loan and unpaid interest is convertible at any time at the option of the lender into shares of common stock of the Company at a conversion price of the greater of (i) \$0.0625 per share if the Company's shares are not trading on a public market and; (ii) in the event the Company's shares are listed for trading on a public market, the conversion price shall be equal to a 50% discount to the average of the five lowest trading prices during the previous twenty trading days prior to the date of the notice of conversion from the lender.

On September 28, 2017, the Company and CubeSquare amended Note 1 to extend the maturity date from September 1, 2017 to September 1, 2018; on September 9, 2018, the Company further amended Note 1 to extend the maturity date to September 1, 2019; and on September 1, 2019, the Company further amended Note 1 to extend the maturity date to September 1, 2020, under the same terms and conditions.

On September 27, 2017, the Company entered into a second convertible debenture agreement with CubeSquare under which the Company received proceeds of \$15,000 (Note 2). Note 2 bears interest at 8% per annum and is due on September 27, 2018. Interest shall accrue from September 27, 2017 and shall be payable on maturity. Any portion of the principal and unpaid interest under the note is convertible at any time at the option of CubeSquare into shares of common stock of the Company at a conversion price equal to a 50% discount to the average of the five lowest trading prices during the previous twenty trading days prior to the date of the notice of conversion from CubeSquare. On September 9, 2018, Note 2 was amended to extend the maturity date until September 27, 2019.

QRONS INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 4 - Convertible Note - Related Party and Derivative Liabilities (continued)

On September 27, 2019, Note 2 was amended to extend the maturity date until September 27, 2020.

The Company analyzed the amendment to Note 1 and Note 2 under ASC 815-10-15-83 and concluded that these two convertible Notes meet the definition of a derivative. We estimated the fair value of the derivative on the inception dates, and subsequently, using the Black-Scholes valuation technique, adjusted for the effect of dilution, because that technique embodies all of the assumptions (including, volatility, expected terms, and risk-free rates) that are necessary to fair value complex derivative instruments.

The carrying value of these convertible notes is as follows:

	December 31, 2019	December 31, 2018
Face value of certain convertible notes	\$ 25,000	\$ 25,000
Less: unamortized discount	-	-
Carrying value	<u>\$ 25,000</u>	<u>\$ 25,000</u>

We recorded interest expenses of \$2,011 for the years ended December 31, 2019 and 2018. As of December 31, 2019, and 2018, the unpaid interest balance under Accounts payable and accrued liabilities - related party was \$5,432 and \$3,421, respectively.

As a result of the application of ASC No. 815 in the years ended December 31, 2019 and December 31, 2018 the fair value of the conversion feature is summarized as follows:

Balance at December 31, 2017	<u>\$ 31,090</u>
Derivative addition associated with convertible notes	-
Change in fair value	5,737
Balance at December 31, 2018	<u>36,827</u>
Change in fair value	355
Balance at December 31, 2019	<u>\$ 37,182</u>

The fair value at the commitment and re-measurement dates for the Company's derivative liabilities were based upon the following management assumptions as of December 31, 2019 and December 31, 2018 and the commitment date:

	Commitment Date	December 31, 2019	December 31, 2018
Expected dividends	0	0	0
Expected volatility	101% ~ 103%	167% ~ 180%	64% ~ 65%
Expected term	0.92 ~ 1 year	0.26 year	0.67 ~ 0.74 year
Risk free interest rate	1.33%	1.60%	2.60%

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 5 - Convertible Note and Derivative Liabilities

In December 2019 we issued and sold in a private offering 8% convertible notes in the aggregate principal amount of \$70,000. Such notes are due on December 31, 2021 and are convertible into shares of our common stock at a conversion price (the "Conversion Price") for each share of common stock equal to the lesser of: (a) \$.50; or (b) the lowest price at which the Company has converted any convertible security of the Company (to the Holder or to any third party) within 30 trading days prior to the date of delivery of the applicable Notice of Conversion; or (c) so long as lower than (a) or (b), such price per share of common stock as the Company and the holder may agree from time to time. In connection with the 8% convertible note issuance, we issued warrants to purchase an aggregate of 70,000 shares of common stock at an exercise price of \$1.00.

We recorded interest expenses of \$161 for the year ended December 31, 2019 in respect of the aforementioned notes.

The convertible notes qualify for derivative accounting and bifurcation under ASC 815, "Derivatives and Hedging." The derivative liability of the \$70,000 convertible notes was calculated using the Black-Scholes pricing model to be \$64,774.

The carrying value of these convertible notes is as follows:

	December 31, 2019	December 31, 2018
Face value of certain convertible notes	\$ 70,000	\$ -
Less: unamortized discount	(63,829)	-
Carrying value	<u>\$ 6,171</u>	<u>\$ -</u>

Amortization of the discount during the year ended December 31, 2019 totaled \$945 which amounts have been recorded as interest expense.

As a result of the application of ASC No. 815 in the periods ended December 31, 2019 and December 31, 2018 the fair value of the conversion feature is summarized as follows:

Balance at December 31, 2018	\$ -
Derivative addition associated with convertible notes	64,774
Change in fair value	(12,589)
Balance at December 31, 2019	<u>\$ 52,185</u>

The fair value at the commitment and re-measurement dates for the Company's derivative liabilities were based upon the following management assumptions as of December 31, 2019 and commitment date:

	Commitment Date	December 31, 2019
Expected dividends	0	0
Expected volatility	154.19% ~155.95%	156.46%
Expected term	2.10 year	2 year
Risk free interest rate	1.65%	1.58%

Note 6 - Unsecured Short-Term Advance from Third Party

On June 20, 2019, the Company received \$100,000 from a third party in the form of an unsecured, demand, non-interest bearing, short term advance to meet its operating needs. The advance remains outstanding at December 31, 2019.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 7 - Related Party Transactions

(1) Demand Loan from related party

On May 1, 2019, the Company issued a promissory note (the "Note") to CubeSquare in the principal amount of \$50,000. The Note bears interest at the rate of 8% per annum and is due and payable by the Company upon demand from CubeSquare. We recorded interest expenses of \$2,663 for the year ended December 31, 2019. As of December 31, 2019, the unpaid interest balance under Accounts payable and accrued liabilities - related party was \$2,663.

(2) Advances from Related Parties

During the year ended December 31, 2019, the Company received \$135,000 from Jonah Meer, its Chief Executive Officer, in the form of an unsecured, demand, non-interest bearing, short term advance to help meet its operating needs.

On August 20, 2019, the Company received \$50,000 from Ido Merfeld, its President, in the form of an unsecured, demand, non-interest bearing, short term advance to help meet its operating needs.

(3) Commitment

On June 25, 2019, the Company entered into a term sheet ("Term Sheet") with John N. Bonfiglio, PhD ("Bonfiglio") pursuant to which Dr. Bonfiglio will serve as the Company's chief operating officer, effective July 1, 2019. As compensation Dr. Bonfiglio was granted (i) 50,000 shares of common stock of the Company, 37,500 of which shares vested upon issuance on July 1, 2019 and 12,500 of which shares will vest on the earlier of (i) January 1, 2020 and (ii) the date the Company raises equity capital of \$500,000 as described in the Term Sheet, provided Dr. Bonfiglio is in the employ of the Company on such date. The Term Sheet also provides for the grant of a three-year stock option to purchase 100,000 shares of common stock at an exercise price of \$2.00 per share, 50,000 of which shares will vest upon grant and 25,000 shares will vest on each of July 1, 2020 and July 1, 2021, provided Dr. Bonfiglio is in the employ of the Company on such dates. If the Company raises equity capital of \$1.5 million before December 31, 2019, unvested shares subject to the option will immediately vest and become exercisable, so long as Dr. Bonfiglio is in the Company's employ on such date and Dr. Bonfiglio will be appointed to the Company's board of directors.. In addition, Dr. Bonfiglio will be entitled to a salary of \$12,000 per month which will be deferred and payable at the rate of 5% of equity capital raised by the Company up to \$12,000 per month, only if such capital is raised.

The Term Sheet was terminated effective October 31, 2019. Mr. Bonfiglio was terminated as Chief Operating Officer effective November 30, 2019 and all unvested options and awards were concurrently terminated.

During the year ended December 31, 2019, fees incurred as general and administrative expenses relative to the aforementioned contract were as follows:

Stock option - 50,000 vested shares	\$ 44,175
Stock award - 37,500 vested shares	49,125
	<u>\$ 93,300</u>

(4) Others

During the year ended December 31, 2019, Jonah Meer, the Company's Chief Executive Officer, made payments to various vendors in the accumulated amount of \$25,642. During the year ended December 31, 2019, Ido Merfeld, the Company's President, made payments to various vendors in the accumulated amount of \$1,169. The balance of \$26,811 is reflected in accounts payable, related party.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 8 - License and Research Funding Agreement / Royalty Agreement

On December 14, 2016, the Company entered into a license agreement with Ariel (the "License Agreement") under which the Company paid Ariel \$100,000 to fund research for 12 months (with an option to extend such research financing and research period). In consideration therefore, the Company received an exclusive worldwide royalty-bearing license in Ariel patents and know-how to develop and commercialize products based on or incorporating coral-based conditioned medium for neuronal tissue regeneration and/or repair, resulting from Ariel's research or technology or the Company's research funding in accordance with milestones set forth in the Agreement.

In addition, upon the occurrence of an Exit Event (as defined in the License Agreement) of the Company or of any affiliate commercializing the products, the Company is obligated to issue to Ariel an immediately exercisable warrant for that number of shares equal to 4% of the issued and outstanding shares of the Company at the time of issuance. The Company and Ariel entered into Addendum #1 to the License Agreement, effective December 13, 2017 (the "Addendum") pursuant to which Ariel was permitted to exercise a portion of the warrant granted pursuant to the License Agreement. On December 13, 2017, the Company issued 119,950 shares of common stock to Ariel, representing 1% of the issued and outstanding shares of the Company on such date, and valued at \$335,860. The right to the balance of the shares subject to the warrant remains subject to the terms of the License Agreement and the occurrence of an Exit Event (as described in the License Agreement). In addition, the Addendum provides that Ariel may not request a demand registration until the balance of the shares subject to the warrant is exercised.

In addition to the other payments, the Company will pay Ariel upon the occurrence of the following milestone events, additional payments which shall be due within 6 months of completion of the milestone:

- Upon successful clinical FDA Phase II completion - \$130,000; and
- Upon successful clinical FDA Phase III completion - \$390,000

Upon successful development and commercialization and in recognition of the rights and licenses granted to the Company pursuant to the License Agreement, the Company will be subject to certain royalty payments as specified in the License Agreement.

In lieu of extending the research financing and research period under the License Agreement with Ariel beyond the initial 12 months, on December 14, 2017, the Company entered into the Services Agreement pursuant to which a team at Ariel University, with Professor Danny Baranes as Principal Investigator, will conduct molecular biology research activities involving the testing of scaffold materials for the Company. [track language from business section] As compensation for such services, the Company paid Ariel (i) \$17,250 on December 19, 2017 and an additional \$17,250 on April 26, 2018. On April 12, 2018, the Services Agreement was amended to provide for the payment by the Company of an additional monthly fee, commencing March 2018, of up to 8,000 Israeli shekels as compensation for additional costs which the Company may request.

On March 6, 2018, the Company entered into an additional service agreement with Ariel for the services of Professor Gadi Turgeman and his neurobiology research team in their lab pursuant to which the Company paid Ariel \$20,580 on each of March 19, 2018 and August 22, 2018.

On December 12, 2018, the Company further amended the Services Agreement (the "Second Amendment") with Ariel to extend the term thereof for an additional twelve-month period until December 14, 2019. Pursuant to the Second Amendment, the Company paid Ariel \$17,250 on each of December 28, 2018 and June 24, 2019. All other terms and conditions of the Services Agreement not amended remain in effect.

On December 8, 2019, the Company further amended the Services Agreement with Ariel (the "Third Amendment") to extend the term thereof for an additional twelve-month period until December 14, 2020. The Third Amendment also provides that the Company pay Ariel \$17,250 within 30 days of the date of such Amendment and an additional \$17,250 on or before May 1, 2020. All other terms and conditions of the Services Agreement not amended remain in effect.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 8 - License and Research Funding Agreement / Royalty Agreement (continued)

On July 12, 2018, the Company entered into a one-year sponsored research agreement (the “Sponsored Research Agreement”) with the Trustees of Dartmouth College (“Dartmouth”) pursuant to which the Company will support and fund the cost of research conducted by Dartmouth of mutual interest to the parties in accordance with the Agreement. Intellectual property invented or developed solely by a party shall be owned by such party and intellectual property jointly invented or developed shall be jointly owned. Dartmouth shall retain an irrevocable worldwide right to use intellectual property owned by it resulting from its research under the Agreement on a non-exclusive royalty-free basis for research and education purposes. The Agreement may be terminated earlier than one year upon written agreement of the parties, a material breach which is not cured within 30 days of notice thereof, if Professor Ke no longer conducts the research under the Agreement and a successor acceptable to both parties is not available, or in the event of an unauthorized assignment of the Company’s rights and obligations under the Agreement. On November 4, 2019, the parties entered into an amendment to the Sponsored Research Agreement to extend the term of the Agreement through July 14, 2020.

On November 30, 2019, the Company entered into a royalty and license fee sharing agreement (the “Royalty Agreement”) with Ariel which, among other things, supersedes and terminates the License Agreement. Certain services agreements related to laboratory access and other services are not affected by such termination.

From and after the occurrence of an Exit Event, as such term is described in the Royalty Agreement, including an underwritten public offering of the Company’ s shares with proceeds of at least \$25 million, a consolidation, merger or reorganization of the Company, and a sale of all or substantially all of the shares and/or the assets of the Company, Ariel has the right to require the Company to issue up to 3% of the issued and outstanding shares of common stock of the Company at the time Ariel exercises such right.

Note 9 - Intellectual Property License Agreement

On October 2, 2019, the Company entered into an Intellectual Property License Agreement (the “Agreement”) with the Trustees of Dartmouth College (“Dartmouth”) pursuant to which, effective September 3, 2019 (the Effective Date”), Dartmouth granted the Company an exclusive world-wide license under the patent application entitled “Mechanically Interlocked Molecules-based Materials for 3D Printing” in the field of human and animal health and certain additional patent rights to use and commercialize licensed products and services. The license grant includes the right of the Company to sublicense to third parties subject to the terms of the Agreement. Dartmouth has reserved certain rights in its intellectual property for educational and research purposes.

As consideration for the license grant, the Company will pay Dartmouth: (i) a license issue fee of \$25,000; (ii) an annual license maintenance fee of \$25,000, commencing on the first anniversary of the Effective Date until the date of the first commercial sale of a licensed product or service; (iii) an earned royalty of 2% of net sales (as defined in the Agreement) of licensed products and services by the Company or a sublicensee; (v)15% of all consideration received by the Company under a sublicense; and (vi) beginning as of the date of the first commercial sale, an annual minimum royalty payment of \$500,000 in the first calendar year after the first commercial sale, \$1,000,000 in the second calendar year, and \$2,000,000 in the third calendar year and each year thereafter.

The Company will also reimburse Dartmouth for all patent preparation, filing, maintenance and defense costs.

Under the Agreement, the Company must diligently proceed with the development, manufacture and sale of licensed products and licensed services, including funding at least \$1,000,000 of research in each calendar year beginning in 2019 and ending with the first commercial sale of a licensed product; filing an IND/BLA (or equivalent) with the FDA or a comparable European regulatory agency before the four-year anniversary of the Effective Date, make the first commercial sale of a licensed product before the twelve-year anniversary of the Effective Date and achieve annual net sales of at least \$50,000,000 by 2033. If the Company fails to perform any of these obligations, Dartmouth has the option to terminate the Agreement or change the exclusive license to a nonexclusive license. Failure to timely make any payment due under the Agreement will result in interest charges to the Company of the lower of 10% per year or the maximum amount of interest allowable by applicable law.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 9 - Intellectual Property License Agreement (continued)

The Agreement may be terminated by Dartmouth if the Company is in material breach of the Agreement which is not cured after 30 days of notice thereof or if the Company becomes insolvent. Dartmouth may terminate the Agreement if the Company challenges a Dartmouth patent or does not terminate a sublicensee that challenges a Dartmouth patent, except in response to a valid court or governmental order. The Company may terminate the Agreement at any time upon six months written notice to Dartmouth.

If the Company or any sublicensee or affiliate institutes or participates in a licensed patent challenge, the then current earned royalty rate for licensed products covered by Dartmouth patents will automatically be increased to three times the then current earned royalty rate.

The Agreement also includes indemnification and insurance requirements by the Company and customary confidentiality provisions.

The Company recorded the \$25,000 license fee under prepaid expenses, which amount shall be expensed ratably over the initial one-year term of the Agreement.

Note 10 - Commitments

(1) Service Agreement with Ariel Scientific Innovations Ltd.

On December 14, 2017, the Company entered into the Services Agreement pursuant to which a team at Ariel with Prof. Danny Baranes, as Principal Investigator, will conduct molecular biology research activities involving the testing of implant materials for the Company. As compensation for the services provided, the Company will paid Ariel \$17,250 on each of December 19, 2017 and April 26, 2018.

On April 12, 2018, the Services Agreement was amended to provide for the payment by the Company of an additional monthly fee, commencing March 31, 2018, of up to \$2,200 (8,000 Israeli shekels) as compensation for additional costs which the Company may request. During the year ended December 31, 2018, the Company paid \$16,935 for these additional costs.

On December 12, 2018, the Company further amended the Services Agreement with Ariel (the "Second Amendment") to extend the term thereof for an additional twelve-month period until December 14, 2019. Pursuant to the Second Amendment, the Company paid Ariel \$17,250 on each of December 28, 2018 and June 24, 2019., All other terms and conditions of the Services Agreement not amended remain in effect.

On December 8, 2019, the Company further amended the Services Agreement with Ariel (the "Third Amendment") to extend the term thereof for an additional twelve-month period until December 14, 2020. The Third Amendment also provides that the Company pay Ariel \$17,250 within 30 days of the date of the Amendment and an additional \$17,250 on or before May 1, 2020. All other terms and conditions of the Services Agreement not amended remain in effect.

During the years ended December 31, 2019 and 2018, \$35,219 and \$68,081 were expensed, respectively, and the remaining \$15,812 (December 31, 2018 - \$16,531), which amount is reflected on the Company's balance sheets as prepaid expenses, will be expensed in a subsequent period.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 10 - Commitments (continued)

(2) Service Agreement with Ariel - Dr. Gadi Turgeman

On March 6, 2018, the Company entered into a service agreement for the services of Professor Gadi Turgeman and his neurobiology research team in their lab. As compensation for the services provided, the Company paid Ariel \$20,580 on each of March 19, 2018 and August 22, 2018.

The Services Agreement may be terminated by the non-breaching party upon a material breach that is not cured within 30 days or by the Company upon thirty days' prior written notice to Ariel. Ariel must keep confidential information of the Company confidential for six years after the term of the Services Agreement.

On April 11, 2019, the Company amended its services agreement (the "First Amendment") with Ariel which it entered into on March 6, 2018, to extend the term thereof for an additional twelve months until March 6, 2020. Pursuant to the First Amendment, the Company will pay Ariel an aggregate of \$41,160 in quarterly payments of \$10,290 on each of April 11, 2019, June 1, 2019, September 1, 2019 and December 1, 2019 for the services of Professor Gadi Turgeman and his neurobiology research team and the use of his lab.

During the years ended December 31, 2019 and 2018, \$37,730 and \$34,300 were expensed, respectively, with no prepaid amounts remaining in fiscal 2019 and \$6,860 remaining in prepaid accounts at December 31, 2018, which amount was expensed in a subsequent period.

(3) Science Advisory Board Member Consulting Agreements (the "Consulting Agreements")

As part of its ongoing program of research and development, the Company has retained distinguished scientists and other qualified individuals to advise the Company with respect to its technology and business strategy and to assist it in the research, development and analysis of the Company's technology and products. In furtherance thereof, the Company has retained certain Advisors as members of its Scientific Advisory Board and Business Advisory Board as described below, and the Company and Advisors have entered into Consulting Agreements with the following terms and conditions:

-Scientific Advisory Board and Consulting Services - Advisor shall provide general consulting services to Company (the "Services") as a member of its Scientific Advisory Board ("SAB"). As a member of the SAB, Advisor agrees to provide the Services as follows: (a) attending meetings of the Company's SAB; (b) performing the duties of a SAB member at such meetings, as established from time to time by the mutual agreement of the Company and the SAB members, including without limitation meeting with Company employees, consultants and other SAB members, reviewing goals of the Company and assisting in developing strategies for achieving such goals, and providing advice, support, theories, techniques and improvements in the Company's scientific research and product development activities; and (c) providing consulting services to Company at its request, including a reasonable amount of informal consultation over the telephone or otherwise as requested by Company. Advisor's consultation with Company will involve services as scientific, technical and business advisor to the Company and its management with respect to neuronal injuries and neuro degenerative diseases.

-SAB Consulting Compensation - the Company shall grant to Advisor the option to purchase certain number of shares of the common stock of the Company as per the stock option award grant. The options are subject to terms and provisions of the Company's 2016 Stock Option and Stock Award Plan.

On November 15, 2017, the Company entered into Consulting Agreements with three Advisors under the terms of which two Advisors are granted an option to purchase 20,000 shares of common stock and one Advisor was granted an option to purchase 30,000 shares of common stock under the 2016 Stock Option and Award Plan subject to certain vesting terms.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 10 - Commitments (continued)

(3) Science Advisory Board Member Consulting Agreements (the "Consulting Agreements") (continued)

On April 16, 2018, the Company entered into a Consulting Agreement with an Advisor to serve on the Company's Scientific Advisory Board under the terms of which the Advisor was granted an option to purchase 30,000 shares of common stock under the 2016 Stock Option and Award Plan subject to certain vesting terms.

On August 15, 2018, the Company entered into a Consulting Agreement with an Advisor under the terms of which the Company granted an option to purchase 20,000 shares of common stock under the 2016 Stock Option and Award Plan subject to certain vesting terms.

(4) Business Advisory Board Agreement

On January 23, 2018, the Company entered into a one-year advisory board member consulting agreement with Pavel Hilman, the controlling shareholder of Conventus Holdings SA, a BVI corporation ("Conventus"), under which Mr. Hilman will serve on the Company's Advisory Board as a business advisor. The Advisory Board Agreement will automatically renew for up to two additional one-year periods, unless earlier terminated by either party upon 30 days' prior written notice to the other party. In consideration for serving on the Advisory Board, the Company awarded 10,000 shares of its common stock to Mr. Hilman under its 2016 Stock Option and Stock Award Plan. On January 28, 2019, the Company issued 30,000 shares of common stock to Pavel Hilman for his continuing service on the Company's Advisory Board.

On September 18, 2019, the Company entered into a one-year advisory board member consulting agreement with Derrick Chambers under which Mr. Chambers will serve on the Company's Advisory Board as a business advisor. The Advisory Board Agreement will automatically renew for up to two additional one-year periods, unless earlier terminated by either party upon 30 days' prior written notice to the other party. In consideration for serving on the Advisory Board, the Company awarded 25,000 shares of its common stock to Mr. Chambers under its 2016 Stock Option and Stock Award Plan, which shares were fully vested and recorded as advisory services on issuance.

(5) Investor Relations Agreement

On April 23, 2018, the Company entered into a six-month investor relations agreement with an investor relations firm for a monthly consulting fee of \$5,000 and the issuance of 75,000 shares of common stock payable on signing the agreement. On June 23, 2018, the Company gave notice of rescission of the agreement to such firm. As a result, the Company has not recorded any fees for services rendered past June 23, 2018. A total of \$10,000 representing April 2018 and May 2018 monthly consulting fees is reflected in the statement of operations and a total of \$150,000, the fair market value of the issued shares, was expensed on issue.

On August 8, 2019, the Company entered into a six-month services agreement with PCG Advisory, Inc. ("PCG") under which agreement PCG will provide investor relations and capital market advisory services to the Company. In consideration therefor, the Company will pay PCG a monthly cash fee of \$5,000 (\$2,500 of which will be deferred until the Company raises at least \$300,000 in a financing) and issued 50,000 shares of its common stock on August 8, 2019. After the initial six-month term, the agreement will automatically renew on a month-to-month basis unless either party notifies the other of its desire to terminate the agreement or by the Company if PCG fails to comply with securities laws, makes an untrue statement of material facts or omits to state any material fact in connection with an investment in the Company or breaches a representation, warranty or covenant in the agreement.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 10 - Commitments (continued)

(6) Sponsored Research Agreement

On July 12, 2018, the Company entered into a one-year Sponsored Research Agreement with Dartmouth pursuant to which the Company will support and fund the cost of research conducted by Dartmouth of mutual interest to the parties in accordance with the Agreement. Intellectual property invented or developed solely by a party shall be owned by such party and intellectual property jointly invented or developed shall be jointly owned. Dartmouth shall retain an irrevocable worldwide right to use intellectual property owned by it resulting from its research under the Agreement on a non-exclusive royalty-free basis for research and education purposes. The Company funded \$36,293 on August 20, 2018 and funded an additional \$18,147 on December 17, 2018 and funded an additional \$18,146 on June 20, 2019.

On November 4, 2019, the parties entered into an amendment to the Sponsored Research Agreement to extend the term of the Agreement through July 14, 2020. The Company required to fund \$37,790 on November 4, 2019 and fund an additional \$18,895 on December 1, 2019 and fund final amount of \$18,895 on June 1, 2020.

During the years ended December 31, 2019 and 2018, \$80,006 and \$27,220 were expensed, respectively, and the remaining \$22,045 (December 31, 2018 - \$27,220), which amount is reflected on the Company's balance sheets as prepaid expenses, was expensed in the applicable period.

Note 11 - Stock Plan

2016 Stock Option and Stock Award

On December 14, 2016, the Board adopted the Company's 2016 Stock Option and Stock Award Plan (the "Plan"). The Plan provides for the award of stock options (incentive and non-qualified), stock awards and stock appreciation rights to officers, directors, employees and consultants who provide services to the Company. The terms of awards under the Plan are made by the Administrator of the Plan appointed by the Company's Board of Directors (the "Board"), or in the absence of an Administrator, by the Board. The Company has reserved 10 million shares for issuance under the Plan.

Stock Awards:

On December 14, 2016, the Board awarded to each of Prof. Danny Baranes, a Science Advisor, and Dr. Liat Hammer, a former Science Advisor, a total of 440,000 shares of common stock of which 150,000 shares vested on December 14, 2016 and 145,000 shares vested on December 14, 2017. The balance of 145,000 shares did not vest as the nature of such services in such capacities were no longer provided to the Company.

The value of the vested awards had been recorded as research and development expenses in the respective periods. A total of 290,000 stock awards did not vest during the fourth quarter of fiscal 2018.

On January 23, 2018, the Company awarded 10,000 shares of its common stock to Mr. Hilman under its 2016 Stock Option and Stock Award Plan, which shares were fully vested and recorded as advisory services on issuance. On January 28, 2019, the Company issued 30,000 shares of common stock to Pavel Hilman for his continuing service on the Company's Board of Advisors.

In connection with the Term Sheet, on July 1, 2019, Dr. Bonfiglio was granted (i) 50,000 shares of common stock of the Company, 37,500 of which shares vested upon issuance on July 1, 2019 and 12,500 of which shares will vest on the earlier of (i) January 1, 2020 and (ii) the date the Company raises equity capital of \$500,000, provided Dr. Bonfiglio is in the employ of the Company on such date. Mr. Bonfiglio was terminated, effective November 30, 2019. All unvested stock awards were terminated on such date.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 11 - Stock Plan

Stock Awards: (continued)

On September 18, 2019, the Company awarded 25,000 shares of common stock to Derrick Chambers, a member of its advisory board, under its 2016 Stock Option and Stock Award Plan, which shares were fully vested and recorded as advisory services on issuance.

	December 31, 2019	December 31, 2018
Number of shares vested in period	92,500	10,000
Weighted average fair market value per share	\$ 1.37	\$ 2.8
Stock based compensation recognized	\$ 126,875	\$ 28,000

Stock Options:

(a) Stock Options granted to Science Advisors:

On November 15, 2017, under the 2016 Stock Option and Award Plan, the Board awarded two of its Science Advisors the following three-year stock options: (i) an immediately exercisable option to purchase 6,667 shares of common stock at an exercise price of \$2.00 per share, (ii) an option to purchase 6,667 shares of common stock exercisable on November 15, 2018 at an exercise price of \$2.00 per share and (iii) an option to purchase 6,666 shares of common stock exercisable on November 15, 2019 at an exercise price of \$2.00 per share, provided the advisors are still providing services to the Company.

On November 15, 2017, under the 2016 Stock Option and Award Plan, the Board awarded a Science Advisor, the following three-year stock options: (i) an option to purchase 15,000 shares of common stock, exercisable on November 15, 2018 at an exercise price of \$0.40 per share and (ii) an option to purchase 15,000 shares of common stock exercisable on November 15, 2019 at an exercise price of \$0.40 per share, provided the advisor is still providing services to the Company.

On April 16, 2018, under the 2016 Stock Option and Award Plan, the Board awarded a Science Advisor, the following three-year stock options: (i) an option to purchase 10,000 shares of common stock, exercisable on April 16, 2018 at an exercise price of \$2.00 per share (ii) an option to purchase 10,000 shares of common stock exercisable on April 16, 2019 at an exercise price of \$2.00 per share, and (iii) an option to purchase 10,000 shares of common stock exercisable on April 16, 2020 at an exercise price of \$2.00 per share, provided the advisor is still providing services to the Company.

On August 15, 2018, under the 2016 Stock Option and Award Plan, the Board awarded a Science Advisor, the following three-year stock options: (i) an option to purchase 6,667 shares of common stock, exercisable on August 15, 2018 at an exercise price of \$2.00 per share (ii) an option to purchase 6,667 shares of common stock exercisable on August 15, 2019 at an exercise price of \$2.00 per share, and (iii) an option to purchase 6,666 shares of common stock exercisable on August 15, 2020 at an exercise price of \$2.00 per share, provided the advisor is still providing services to the Company.

On July 1, 2019, under the 2016 Stock Option and Award Plan, the Board awarded a Science Advisor, the following three-year stock options: (i) an option to purchase 33,334 shares of common stock, exercisable on July 1, 2019 at an exercise price of \$2.00 per share (ii) an option to purchase 33,333 shares of common stock exercisable on July 1, 2020 at an exercise price of \$2.00 per share, and (iii) an option to purchase 33,333 shares of common stock exercisable on July 1, 2021 at an exercise price of \$2.00 per share, provided the advisor is still providing services to the Company.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 11 - Stock Plan (continued)

Stock Options: (continued)

(b) Stock Options granted to Employees:

On December 10, 2018, under the 2016 Stock Option and Award Plan, the Board granted an immediately exercisable five-year option to purchase an aggregate of 145,000 shares of common stock at an exercise price of \$2.00 per share to an employee of the Company for services provided to the Company as a "replacement award" for the same number of shares which did not vest as described in Note 7-Stock Awards. Applying the accounting guidance contained in ASC 718-20 the issuance of the stock option and concurrent cancelation of a stock award of the same number of shares is considered a "replacement award" and the Company has determined and expensed the incremental cost of the replacement award in the amount of \$54,840.

On December 10, 2018, under the 2016 Stock Option and Award Plan, the Board awarded an employee the following three-year stock options: (i) an option to purchase 33,334 shares of common stock, exercisable on December 10, 2018 at an exercise price of \$2.00 per share (ii) an option to purchase 33,333 shares of common stock exercisable on December 10, 2019 at an exercise price of \$2.00 per share, and (iii) an option to purchase 33,333 shares of common stock exercisable on December 10, 2020 at an exercise price of \$2.00 per share, provided the advisor is still providing services to the Company.

On December 10, 2019, under the 2016 Stock Option and Award Plan, the Board awarded an employee, the following three-year stock options: (i) an option to purchase 33,334 shares of common stock, exercisable on December 10, 2019 at an exercise price of \$2.00 per share (ii) an option to purchase 33,333 shares of common stock exercisable on December 10, 2020 at an exercise price of \$2.00 per share, and (iii) an option to purchase 33,333 shares of common stock exercisable on December 10, 2021 at an exercise price of \$2.00 per share, provided the advisor is still providing services to the Company.

The following table is the recognized compensation in respect of the above stock option compensation ((a) and (b)) which amount has been allocated as below:

	Twelve Months ended December 31,	
	2019	2018
Research and development expenses	\$ 219,095	\$ 592,019

As of December 31, 2019, and 2018, total unrecognized compensation remaining to be recognized in future periods totaled \$105,683 and \$198,088 respectively.

(c) Stock Options granted to Officers:

On December 4, 2017, the Board granted five-year options to each of its two officers for the purchase of 300,000 shares of the common stock of the Company. The options have an exercise price of \$2.00 and vest and become exercisable on December 4, 2018.

On December 10, 2018, the Board granted five-year options to each of its two officers for the purchase of 325,000 shares of the common stock of the Company. The options have an exercise price of \$2.00 and are immediately exercisable.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 11 - Stock Plan (continued)

Stock Options: (continued)

On June 25, 2019, the Company appointed John N. Bonfiglio, PhD as its chief operating officer, effective July 1, 2019. As compensation, Dr. Bonfiglio was granted a three-year stock option to purchase 100,000 shares of common stock at an exercise price of \$2.00 per share, 50,000 of which shares vested upon grant and 25,000 shares will vest on each of July 1, 2020 and July 1, 2021, provided Dr. Bonfiglio is in the employ of the Company on such dates. If the Company raised equity capital of \$1.5 million before December 31, 2019, unvested shares subject to the option will immediately vest and become exercisable, so long as Dr. Bonfiglio is in the Company's employ on such date. Mr. Bonfiglio was terminated as chief operating officer as of November 30, 2019. Accordingly, all unvested stock options terminated on such date.

On December 10, 2019, the Board granted five-year options to each of its two officers for the purchase of 325,000 shares of the common stock of the Company. The options have an exercise price of \$2.00 and are immediately exercisable.

The following table is the recognized compensation in respect of the above stock option compensation, which amounts have been allocated as general and administrative expenses:

	Twelve Months ended December 31,	
	2019	2018
General and administrative expenses	\$ 409,495	\$ 2,673,011

As of December 31, 2019, and 2018, total unrecognized compensation remaining to be recognized in future periods totaled \$0.

The fair value of each option award referenced above is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions at the measurement date(s):

	Measurement date
Dividend yield	0%
Expected volatility	114.69 ~ 165.50%
Risk-free interest rate	1.66% ~ 2.68%
Expected life (years)	3 ~ 5
Stock Price	\$ 0.69 ~ 2.80
Exercise Price	\$ 0.40 ~ 2.00

A summary of the activity for the Company's stock options at December 31, 2019 and December 31, 2018, is as follows:

	December 31, 2019		December 31, 2018	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of period	1,615,000	\$ 1.97	670,000	\$ 1.93
Granted	950,000	\$ 2	945,000	\$ 2.00
Exercised	-	\$ -	-	\$ -
Canceled	(50,000)	\$ 2	-	\$ -
Outstanding, end of period	2,515,000	\$ 1.987	1,615,000	\$ 1.97
Options exercisable, end of period	2,331,669	\$ 1.98	1,486,670	\$ 1.98
Options expected to vest, end of period	183,331	\$ 1.98	128,330	\$ 1.81
Weighted average fair value of options granted		\$ 1.62		\$ 2.19

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 12 - Capital Stock

Authorized:

The Company has authorized 100,000,000 shares of common stock, par value \$0.0001, and 10,000 shares of preferred stock which is designated as Series A Preferred Stock, par value \$0.001.

Series A Preferred Stock:

The Series A Preferred Stock is redeemable at the option of the Company at any time, in whole or in part, upon 10 trading days prior notice, at a price of \$1.00 per share plus 4% per annum from the date of issuance (the "Stated Value"). The holders of the Series A Preferred Stock are entitled to a liquidation preference equal to the Stated Value, prior to the holders of other preferred stock or common stock. The holders of the Series A Preferred Stock have the right to convert such stock into common stock at a conversion rate equal to the Stated Value as of the conversion date divided by the average closing price of the common stock for the five previous trading days. The Company is required to reserve sufficient number of shares for the conversion of the Series A Preferred Stock. The holders of Class A Preferred Stock shall vote together as a single class with the holders of the Company's common stock and the holders of any other class or series of shares entitled to vote with the common stock, with the holders of Class A Preferred Stock being entitled to 66 2/3% of the total votes on all such matters, regardless of the actual number of shares of Class A Preferred Stock then outstanding.

There was a total of 2,000 shares of Series A Preferred Stock issued and outstanding as of December 31, 2019 and December 31, 2018.

Common Stock

Common Stock issuances during the year ended December 31, 2019

During the year ended December 31, 2019, the Company sold an aggregate of 65,000 shares of its common stock to investors and received aggregate proceeds of \$65,000 pursuant to subscription agreements in private offerings. The proceeds will be used for research and general corporate purposes.

On January 28, 2019, the Company issued 30,000 shares for advisory services (Note 10 (4)). The shares were valued at fair market value on the date of issuance for a total of \$37,500 or \$1.25 per share.

On July 1, 2019, the Company issued 37,500 shares to its Chief Operating Officer (Note 10 (3)). The shares were valued at fair market value on the date of issuance for a total of \$49,125 or \$1.31 per share.

On August 8, 2019, the Company issued 50,000 shares for advisory services (Note 10 (7)). The shares were valued at fair market value on the date of issuance for a total of \$74,500 or \$1.49 per share.

On September 18, 2019, the Company issued 25,000 shares for advisory services (Note 10(4)). The shares were valued at fair market value on the date of issuance for a total of \$40,250 or \$1.61 per share.

During the year ended December 31, 2019, the Company received a warrant exercise notice for a warrant to purchase 52,000 shares of common stock from a subscriber and issued 9,980 shares of common stock on a cashless exercise basis as per the cashless exercise formula contained in the warrant.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 12 - Capital Stock (continued)

Common Stock issuances during the year ended December 31, 2018

During the year ended December 31, 2018, the Company sold an aggregate of 380,684 shares of its common stock to investors and received aggregate proceeds of \$575,000 pursuant to subscription agreements in private offerings. The proceeds will be used for research and general corporate purposes.

On January 23, 2018, the Company issued 10,000 shares for advisory services (Note 10(4)). The shares were valued at fair market value on the date of issuance for a total of \$28,000 or \$2.80 per share.

During the year ended December 31, 2018, the Company received a warrant exercise notice for a warrant to purchase 2,000 shares of common stock from a subscriber and issued 1,715 shares of common stock on a cashless exercise basis as per the cashless exercise formula contained in the warrant.

On April 23, 2018, the Company issued 75,000 shares of its common stock pursuant to an investor relations services agreement which was rescinded on June 23, 2018 (Note 10(5)). The shares were valued at the fair market value on the date of issuance for a total of \$150,000, or \$2.00 per share.

There was a total of 13,089,789 and 12,872,309 shares of common stock issued and outstanding as of December 31, 2019 and December 31, 2018, respectively.

Common Stock Purchase Warrants

As of December 31, 2019, and December 31, 2018, the following common stock purchase warrants were outstanding:

	Warrants	Weighted Average Exercise Price
Outstanding - December 31, 2017	54,000 (1)	0.40
Granted	-	-
Forfeited/Canceled	-	-
Exercised	(2,000) (2)	0.40
Outstanding - December 31, 2018	52,000	0.40
Granted	70,000 (4)	1.00
Forfeited/Canceled	-	-
Exercised	(52,000) (3)	0.40
Outstanding - December 31, 2019	70,000	\$ 1.00

(1) Each two shares of common stock purchased in a private placement offering included one warrant to purchase an additional share of common stock at an exercise price of \$0.40.

(2) During the year ended December 31, 2018, investors exercised warrants to purchase an aggregate of 2,000 shares of common stock and received 1,715 shares for exercises on a cashless basis.

(3) During the year ended December 31, 2019, investors exercised warrants to purchase an aggregate of 52,000 shares of common stock and received 9,980 shares for exercises on a cashless basis.

(4) During the year ended December 31, 2019, the Company granted convertible notes holders accumulated 70,000 stock purchase warrants at an exercise price of \$1.00. The fair value of the aforementioned warrants was \$36,410 and recorded as financing cost.

NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 12 - Capital Stock (continued)

Common Stock Purchase Warrants (continued)

In accordance with authoritative accounting guidance, the fair value of the outstanding common stock purchase warrants was calculated using the Black-Scholes option-pricing model with the following assumptions at the measurement date(s):

	Measurement date
Dividend yield	0%
Expected volatility	97.90~140.19%
Risk-free interest rate	1.47~1.72%
Expected life (years)	2.71~5.00
Stock Price	\$0.25 ~ \$0.65
Exercise Price	\$0.40 ~ \$1.00

Note 13 - Income Taxes

On December 22, 2017, the 2017 Tax Cuts and Jobs Act (the "Tax Act") was enacted including a one-time mandatory transition tax on accumulated foreign earnings and a reduction of the corporate income tax rate to 21% effective January 1, 2018. The Company is required to recognize the effect of the tax law changes in the period of enactment, such as determining the transition tax, remeasuring its U.S. deferred tax assets and liabilities as well as reassessing the net realizability of its deferred tax assets and liabilities. The Company has remeasured its U.S. deferred tax assets at a statutory income tax rate of 21% during years ended December 31, 2019 and December 31, 2018.

The income tax expense (benefit) consisted of the following for the years ended December 31, 2019 and December 31, 2018:

	December 31, 2019	December 31, 2018
Total current	\$ -	\$ -
Total deferred	-	-
	<u>\$ -</u>	<u>\$ -</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The following is a reconciliation of the expected statutory federal income tax and state income tax provisions to the actual income tax benefit for the years ended December 31, 2019 and December 31, 2018:

	December 31, 2019	December 31, 2018
Expected benefit at federal statutory rate	\$ 324,800	825,500
Non-deductible expenses	(179,300)	(724,200)
Change in valuation allowance	(145,500)	(101,300)
	<u>\$ -</u>	<u>\$ -</u>

The Company had deferred income tax assets as of December 31, 2019 and 2018 as follows:

	December 31, 2019	December 31, 2018
Loss carryforwards	\$ 1,462,180	\$ 1,137,380
Less - stock based compensation	(1,115,500)	(933,600)
Less - derivative liabilities	120	(2,480)
Less - valuation allowance	(346,800)	(201,300)
Total net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018**

Note 13 - Income Taxes (continued)

Tax years from inception to the year ended December 31, 2018 have been filed and are open for examination by the taxing authorities. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented above. The Company had no accruals for interest and penalties at December 31, 2019. The Company's utilization of any net operating loss carry-forward may be unlikely as a result of its intended activities.

Note 14 - Subsequent Events

On February 10, 2020 the Company granted three-year options to purchase an aggregate of 50,000 shares of its common stock at an exercise price of \$2.00 per share, to Michael Maizels for serving as a Science Advisor to the Company. 25,000 of such shares subject to the option are immediately exercisable and expire on February 10, 2023, 25,000 shares vest on February 10, 2021 and expire on February 10, 2024.

On February 19, 2020 we issued an 8% convertible promissory note in the principal amount of \$10,000 and a warrant to purchase 10,000 shares of our common stock at an exercise price of \$1.00 per share to an accredited investor in a private offering pursuant to a securities purchase agreement.

Due to the uncertainty caused by the current COVID-19 pandemic, on March 23, 2020, the Company gave 30 days' notice of termination of employment to its employees.

The Company has evaluated events for the period of December 31, 2019 through the date of the issuance of these financial statements and determined that there are no additional events requiring disclosure.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of December 31, 2019, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, based on the material weaknesses discussed below, our disclosure controls and procedures were not effective as of such date to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that our disclosure controls are not effectively designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive, principal operating and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting at December 31, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Based on that assessment under those criteria, management has determined that, as of December 31, 2019, our internal control over financial reporting was not effective.

Our internal controls are not effective for the following reasons: (i) there is an inadequate segregation of duties consistent with control objectives as management is comprised of only two persons, one of which is the Company's principal executive officer and principal financial officer and, (ii) the Company does not have an audit committee with a financial expert, and thus the Company lacks the board oversight role within the financial reporting process.

In order to mitigate the foregoing material weakness, we have engaged an outside accounting consultant with significant experience in the preparation of financial statements in conformity with GAAP to assist us in the preparation of our financial statements to ensure that these financial statements are prepared in conformity with GAAP. We will continue to monitor the effectiveness of this action and make any changes that our management deems appropriate.

We would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will continue to reassess this matter to determine whether improvement in segregation of duty is feasible. In addition, we would need to expand our board to include independent members.

Going forward, we intend to evaluate our processes and procedures and, where practicable and resources permit, implement changes in order to have more effective controls over financial reporting.

This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the exemption provided to issuers that are not "large accelerated filers" nor "accelerated filers" under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth the names, ages and positions of our current board members and executive officers:

Name	Age	Position(s)
Jonah Meer	64	Chief Executive Officer, Chief Financial Officer, Secretary and Director
Ido Merfeld	55	President and Director

Our directors are elected for a term of one year and serve until such director's successor is duly elected and qualified. Each executive officer serves at the pleasure of the Board.

The Company has no nominating, audit or compensation committees at this time. The entire Board participates in the nomination and audit oversight processes and considers executive and director compensation. Given the size of the Company and its stage of development, the entire Board is involved in such decision-making processes. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executive officers or directors.

Jonah Meer, Chief Executive Officer, Chief Financial Officer, Secretary and a Director

Mr. Meer has served as our Chief Executive Officer, Chief Financial Officer, Secretary and a Director since the formation of the Company on September 22, 2016. Mr. Meer is an attorney, accountant and entrepreneur. His career started in 1979 and has been spent both in the financial services industry and in the investment world. He has held many executive and fiduciary roles with numerous private and public companies and entities, including as Chief Operating Officer of a U.S. broker dealer. Separately he has served on numerous public and private company boards of directors. Since 1998 he has been CEO of jTrade Global LLC (formerly known as jBroker Global Inc.), a software marketing company. In 2005 he was appointed by the Equity Committee to serve as a Bankruptcy Trustee in the Southern District of New York to wind down a complex liquidating trust, which was finally terminated in 2015. Mr. Meer has founded private investment companies investing in special situations and alternative investments, , including most recently CubeSquare LLC, a Florida limited liability company ("CubeSquare") which invests in special situations and alternative investments involving public and pre-public companies. CubeSquare does not have a controlling interest in any public company and is not registered as an investment advisor. Mr. Meer received his Master of Law degree from New York University, in addition to holding juris doctor and accounting degrees. As a co-founder and Chief Executive Officer, Mr. Meer is involved with the Company's day to day operations which led to his appointment to the Board.

Ido Merfeld, President and a Director

Mr. Merfeld has served as our President and a Director since the formation of the Company on September 22, 2016. In October 1991, Mr. Merfeld co-founded Ivory Software Systems based in Tel Aviv Israel, a start-up company specializing in servicing the financial services industry both in Israel and abroad ("Ivory"). Ivory developed and maintains software, infrastructure and products that allow large financial institutions to trade in the global securities markets on a real time basis. In the last 10 years, he has also been involved in the establishment of several startup companies including the establishment of a new Art Exchange in Luxemburg and a financial education internet company in the UK. In 2014 Mr. Merfeld, resigned as CEO of Ivory to become its Chairman. He now spends time enrolled in the molecular biology department at Ariel University. He previously received his B.A. in Computer Science, Statistics & Economics from Bar-Ilan University in Israel. As a co-founder and President, Mr. Merfeld is involved with the Company's day to day operations which led to his appointment to the Board.

Board of Advisors

The Company has a Board of Advisors which currently consists of the following eight members.

Scientific Advisors

Professor Danny Baranes is Head of the Department of Molecular Biology at Ariel University, and the Principal Investigator for research in connection with the License Agreement. Professor Baranes did his post-doctoral fellowship in neuroscience in the lab of the Nobel laureate Dr. Eric Kandel at Columbia University. Professor Baranes continued on to McGill University, and returned to Israel in 2000 where he has held several positions at Ben Gurion University before joining Ariel University in 2009. He has received numerous international awards, published dozens of articles in leading international scientific journals as well having given numerous lectures and presentations. Professor Baranes received his PhD. in Biochemistry from Hebrew University.

Dr. Albert Pinhasov is Vice-President and Dean for Research and Development at Ariel University. He is a molecular biologist specializing in the neurobiology of social behavior. In addition, Dr. Pinhasov was a Postdoctoral Fellow on the Drug Discovery CNS Research Team at Johnson and Johnson Pharmaceutical. He received his PhD in Molecular Biology and Clinical Biochemistry from Tel Aviv University in Israel.

Dr. Motti Ratmansky is the head of the Pain Rehabilitation Clinic at the Lowenstein Rehabilitation Hospital in Israel. He was the former head of the Israeli National Instruction Unit for combat medics and medical field units, supervising and training combat medics. Dr. Ratmansky received his Medical Degree from the Technion Medical School in Israel.

Professor Chenfeng Ke is Assistant Professor of Chemistry at Dartmouth. Professor Ke received a PhD in Supramolecular Chemistry from Nankai University in 2009 and a BSc in Chemistry from Nankai University in 2004. He was a Newton Fellow (The Royal Society, UK) at the University of Bristol, from 2009 to 2011 and a Postdoctoral Fellow at Northwestern University from 2011 to 2015.

Dr. Igor Korman is a molecular biologist who holds a medical degree, and a PhD and Doctor of Science degrees in Clinical Pharmacology. Since 2016, Dr. Korman has headed The Institute for Translational Research at Ariel where he has assembled a team of scientists and started a number of projects in the field of anticancer drug discovery, 3D tissue fabrication for drug development and personalized diagnostics and data analysis for drug repurposing etc. In 2007, Dr Korman was part of the research team of Cleveland Biolabs, Inc. (NASDAQ: CBLI), a biotech drug development company, and a research leader in the department of Cell Stress Biology at Roswell Park Comprehensive Cancer Center. He began his academic career in 1998 when he joined the research lab in the Department of Molecular Biology in the University of Illinois at Chicago as a visiting scientist.

Business Advisor

Pavel Hilman is Chairman of HIG Capital AG, a Swiss holding company, Mr. Hilman has extensive experience in the financial industry and private venture investments in the areas of bio-tech, agri-tech, med-tech, nano-tech and IT. Mr. Hilman currently serves on various executive and advisory Boards and supervisory committees of private and public corporations in the United Kingdom, USA, Switzerland, Israel, Luxemburg, Poland, Russian Federation and the Ukraine.

Derrick Chambers played in the National Football League (the “NFL”) for three years, from 2000 to 2003 with the Carolina Panthers and Jacksonville Jaguars. Mr. Chambers also served with the Jaguars for Children at the Burn unit at Baptist Medical Center. After his time in the NFL, Derrick studied at the University of Oxford in England and was a member of the Oxford Rugby team at St. Peter’s college. Mr. Chambers is a member of the All Souls Codrington Library, a private college at Oxford for scholars from around the world and studied at Oriel College Oxford. Mr. Chambers then studied at the Princeton Theological Seminary where he served as a Academic-Athletic fellow, which consists of faculty and administrators who mentor student athletes. As a member of the National Football League Players Association, Mr. Chambers is focused on financial literacy and advisory services for professional athletes and entertainers. Mr. Chambers is a Board member of the Youth Leadership foundation of Washington, D.C.

Michael Maizels for the last 15 years through his consulting firm has provided business development and market strategy services domestically and internationally including assisting clients with product promotion and differentiation and market positioning. Services include preparing business plans, determining financial requirements, securing licenses and approvals, and coordinating product launches. In 2016, Mr. Maizels was the vice president and then from 2017 to 2018, chief executive officer of Smartex Inc., a global software consultancy firm, prior thereto he has held senior positions in project management and sales and account management and founded a wholesale telecommunication services company. Mr. Maizels has a PhD in philosophy from the University of Cincinnati and various masters degrees in music from the St. Petersburg State Conservatory.

Involvement in legal proceedings

There are no legal proceedings that have occurred within the past ten years concerning our directors, or control persons which involved a criminal conviction, a criminal proceeding, an administrative or civil proceeding limiting one’s participation in the securities or banking industries, or a finding of securities or commodities law violations.

Family relationships

There are no family relationships among any of our officers or directors.

Committees of the Board of Directors

The Company does not have an audit committee. We are not a “listed company” under SEC rules and are therefore not required to have an audit committee comprised of independent directors.

We do not currently have a “financial expert” within the meaning of the rules and regulations of the SEC.

The Company has no nominating or compensation committees at this time. The entire Board participates in the nomination and audit oversight processes and considers executive and director compensation. Given the size of the Company and its stage of development, the entire Board is involved in such decision-making processes. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executive officers or directors.

Code of Ethics

The Company has not as yet adopted a code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions as required by the Sarbanes-Oxley Act of 2002 due to our small size and limited resources and because management’s attention has been focused on matters pertaining to raising capital and the operation of the business.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who beneficially own more than 10% percent of our equity securities ("Reporting Persons") to file reports of ownership and changes in ownership with the SEC. Based solely on our review of copies of such reports and representations from the Reporting Persons, we believe that during the fiscal year ended December 31, 2019, the Reporting Persons timely filed all such reports.

Changes in Nominating Process

There are no material changes to the procedures by which security holders may recommend nominees to our Board.

Item 11. Executive Compensation.

Summary Compensation Table

The following table provides certain information regarding compensation awarded to, earned by or paid to our Chief Executive Officer and the other executive officer with compensation exceeding \$100,000 during fiscal 2019 and 2018 (each a "Named Executive Officer").

Name and Principal Position	Fiscal Year Ended 12/31	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	All Other (\$)	Total (\$)
Jonah Meer, Chief Executive Officer, Chief Financial Officer, Secretary and Director	2019	-	-	-	182,660 (1)	-	182,660 (1)
	2018	-	-	-	1,336,506 (2)	-	1,336,506 (2)
Ido Merfeld, President and Director	2019	-	-	-	182,660 (1)	-	182,660 (1)
	2018	-	-	-	1,336,505 (2)	-	1,336,505 (2)

(1) Represents a five-year option to purchase 325,000 shares of common stock at an exercise price of \$2.00 per share, exercisable on December 17, 2019 and the grant date fair value computed in accordance with FASB ASC Topic 718 as described in Note 11 to the financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2019.

(2) Represents a five-year option to purchase 325,000 shares of common stock at an exercise price of \$2.00 per share, exercisable on December 10, 2018 and the grant date fair value computed in accordance with FASB ASC Topic 718 as described in Note 11 to the financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2018.

2016 Stock Option and Stock Award Plan

On December 14, 2016, the Board adopted the Company's 2016 Stock Option and Stock Award Plan (the "Plan"). The Plan provides for the award of stock options (incentive and non-qualified), stock awards and stock appreciation rights to officers, directors, employees and consultants who provide services to the Company. The terms of awards under the Plan are made by the Administrator of the Plan appointed by the Company's Board of Directors, or in the absence of an Administrator, by the Board. The Company has reserved 10 million shares for issuance under the Plan.

Outstanding Equity Awards

The table below reflects all outstanding equity awards made to each Named Executive Officer that were outstanding at December 31, 2019.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2019

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Jonah Meer	12/4/17	300,000	0	2.00	12/4/22
	12/10/18	325,000	0	2.00	12/10/23
	12/19/19	325,000	0	2.00	12/19/24
Ido Merfeld	12/4/17	300,000	0	2.00	12/4/22
	12/10/18	325,000	0	2.00	12/10/23
	12/19/19	325,000	0	2.00	12/19/24

Compensation of Directors

During the year ended December 31, 2019, no compensation has been paid to our directors in consideration for their services rendered in their capacities as directors.

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists, as of March 27, 2020, the number of shares of common stock beneficially owned by (i) each person, entity or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) known to the Company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each of our Named Executive Officers and (iii) all officers and directors as a group. Information relating to beneficial ownership of common stock by our principal stockholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person directly or indirectly has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to dispose or direct the disposition of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary interest. Except as noted below, each person has sole voting and investment power with respect to the shares beneficially owned and each stockholder's address is c/o Qrons Inc., 50 Battery Place, #7T, New York, New York 10280.

The percentages below are calculated based on 13,089,789 issued and outstanding shares of common stock outstanding as of March 27, 2020.

Name and Address of Beneficial Owner	Amount and Percentage of Beneficial Ownership	
	Shares	%
Directors and Executive Officers:		
Jonah Meer		
Chief Executive Officer, Chief Financial Officer, Secretary and Director	6,010,000 ⁽²⁾	42.8% ⁽¹⁾
Ido Merfeld		
President and Director	6,010,000 ⁽²⁾	42.8% ⁽¹⁾
All officers and directors as a group (2 persons):	12,020,000 ⁽³⁾	80.2%

(1) Messrs. Meer and Merfeld are the holders of the Company's issued and outstanding Series A preferred stock. For so long as the Class A preferred stock is issued and outstanding, the holders of Class A Preferred Stock shall vote together as a single class with the holders of the Company's common stock and the holders of any other class or series of shares entitled to vote with the common stock, with the holders of Class A Preferred Stock being entitled to 66 2/3% of the total votes on all such matters.

(2) Includes currently exercisable options to purchase an aggregate of 950,000 shares of common stock.

(3) Includes currently exercisable options to purchase an aggregate of 1,900,000 shares of common stock.

Change-in-Control Agreements

The Company does not have any change-in-control agreements with any of its executive officers.

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

Certain Relationships and Related Transactions

On September 1, 2016, the Company entered into a convertible debenture agreement with CubeSquare (the “\$10,000 Debenture”). Jonah Meer, our Chief Executive Officer is the managing member of CubeSquare. Ido Merfeld, our President, is a 25% owner of CubeSquare. Under the debenture agreement, CubeSquare loaned \$10,000 to the Company. Cube Square had agreed to loan the Company an additional \$15,000 on the same terms and conditions if requested by the Company. The loan bears interest at 8% per annum (which will increase to 12% if an event of default as described in the debenture agreement occurs) and was due on September 1, 2017, or immediately upon an event of default. Interest is payable, at CubeSquare’s option, in cash or common stock. Any portion of the loan and unpaid interest are convertible at any time at the option of CubeSquare into shares of common stock of the Company at a conversion price per share of the greater of (i) \$0.0625, if the Company’s shares are not trading on a public market, and (ii) if the Company’s shares are listed for trading on a public market, an amount equal to a 50% discount to the average of the five lowest trading prices during the previous twenty trading days. So long as the loan is outstanding, the Company may not merge, reorganize, restructure, reverse split its stock, consolidate or sell all or substantially all of its assets without giving seven days prior written notice to CubeSquare, in which case, CubeSquare can put the note to the Company at 125% of the then outstanding principal and interest. The debenture agreement also provides for anti-dilution protection (with certain exceptions) if the Company engages in other transactions at a lower price per share. The Company has the right to redeem the loan for 6 months, in whole or in part, at 125% of the principal amount being redeemed and accrued interest thereon. The Company must reserve 150% of the number of shares issuable upon conversion of the loan. The Company may not engage in short sales. Except upon 61 days prior written notice to the Company, CubeSquare may not convert the loan if as a result of such conversion, CubeSquare and its affiliates would own in excess of 9.9% of the total issued and outstanding shares of the Company.

On September 27, 2017, the Company entered into an 8% convertible debenture in the amount of \$15,000 with CubeSquare (the “\$15,000 Debenture”), with the same terms as the \$10,000 Debenture described above, due September 27, 2018. The maturity date of the \$15,000 Debenture was extended to September 27, 2019 pursuant to a First Amendment to 8% Convertible Debenture, dated September 9, 2018 and further extended to September 27, 2020 pursuant to a Second Amendment to 8% Convertible Debenture, dated September 27, 2019.

The maturity date of the \$10,000 Debenture was extended to September 1, 2018 pursuant to a First Amendment to 8% Convertible Debenture, dated September 28, 2017, was further extended to September 1, 2019 pursuant to a Second Amendment to 8% Convertible Debenture, dated September 9, 2018 and was further extended to September 1, 2020 pursuant to a Third Amendment to 8% Convertible Debenture dated September 1, 2019.

On December 10, 2018, we granted an immediately exercisable five-year option to purchase 325,000 shares of common stock at an exercise price of \$2.00 per share to each of Jonah Meer and Ido Merfeld.

On May 1, 2019, we issued a promissory note to CubeSquare in the principal amount of \$50,000. The Note bears interest at the rate of 8% per annum and is due and payable by the Company upon demand from CubeSquare. The Note will become immediately due and payable, upon the occurrence of an event of default, which includes (i) failure to pay any obligation under the Note within two business days of demand therefor (ii) the Company filing a petition or answer or consent seeking relief under any federal or state bankruptcy law or other similar law, or its consent to such proceedings and the appointment of a receiver or liquidator or similar entity of a substantial part of the Company’s assets, or the Company making a general assignment for the benefit of creditors. Interest on the Note upon an event of default will be 13% per annum. The Note may be prepaid, at the option of the Company, in whole or in part, at any time, without premium or penalty.

On August 8, 2019 and August 20, 2019, Jonah Meer and Ido Merfeld each made a \$50,000 advance to the Company, respectively.

On December 19, 2019, we granted an immediately exercisable five-year option to purchase 325,000 shares of common stock at an exercise price of \$2.00 per share to each of Jonah Meer and Ido Merfeld.

Between October 20, 2019 and December 9, 2019, Jonah Meer made an aggregate of \$85,000 unsecured, non-interest bearing advances to the Company.

Jonah Meer currently provides the Company with space for its principal executive office at 50 Battery Place, #7T, New York, New York 10280 at no cost.

Insider Transactions Policies and Procedures

The Company does not currently have an insider transaction policy.

Director Independence

Our Board of Directors does not include any independent directors.

Item 14. Principal Accounting Fees and Services.

Audit Fees

Audit fees consist of fees for professional services rendered for the audit of the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K and the review of financial statements included in the Company's Quarterly Reports on Form 10-Q. The aggregate fees billed for professional services rendered by our principal accountant, Heaton & Company, PLLC (doing business as Pinnacle Accountancy Group of Utah), for audit and review services for the years ended December 31, 2019 and December 31, 2018 were \$14,250 and \$10,750, respectively.

We incurred no non-audit related fees, tax fees or other fees for professional services rendered by our principal accountant for the years ended December 31, 2019 and 2018.

Administration of the Engagement; Pre-Approval of Audit and Permissible Non-Audit Services

We have not yet established an audit committee. Until then, there are no formal pre-approval policies and procedures. Nonetheless, the auditors engaged for these services are required to provide and uphold estimates for the cost of services to be rendered. The percentage of hours expended on Heaton & Company, PLLC's respective engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Exhibit Number	Exhibit
3.1	<u>Articles of Incorporation of the Company (1)</u>
3.2	<u>Certificate of Designation of Series A Preferred Stock (1)</u>
3.3	<u>Bylaws of the Company (1)</u>
3.4	<u>Amendment to Articles of Incorporation (2)</u>
4.1	<u>2016 Stock Option and Stock Award Plan (1)</u>
4.2*	<u>Description of Securities</u>
10.1	<u>\$10,000 8% Convertible Debenture Agreement, dated September 1, 2016, between the Company and CubeSquare LLC (1)</u>
10.2	<u>License and Research Funding Agreement, dated December 14, 2016, between the Company and Ariel University R&D Co., Ltd. (1)</u>
10.3	<u>Form of Subscription Agreement for the Company's Regulation D private offering which closed January 27, 2017 (1)</u>
10.4	<u>Form of Common Stock Purchase Warrant for the Company's Regulation D private offering which closed January 27, 2017 (1)</u>
10.5	<u>Option Agreement between Trustees of Dartmouth College and the Company (3) **</u>
10.6	<u>Addendum #1 to License and Research Funding Agreement, effective December 13, 2017, between the Company and Ariel Scientific Innovations Ltd. (4)</u>
10.7	<u>Services Agreement, dated December 14, 2017, between Ariel Scientific Innovations Ltd., Ariel, Israel and the Company (4)</u>
10.8	<u>Subscription Agreement, dated January 23, 2017, between the Company and Coventus Holdings SA (4) (5)</u>
10.9	<u>Advisory Board Consulting Agreement, dated January 23, 2017, between the Company and Pavel Hilman (5)</u>
10.10	<u>First Amendment to \$10,000 8% Convertible Debenture, dated September 28, 2017, between the Company and CubeSquare LLC (6)</u>
10.11	<u>\$15,000 8% Convertible Debenture, dated September 27, 2017, between the Company and CubeSquare LLC (6)</u>
10.12	<u>Form of Advisory Board Member Consulting Agreement (6)</u>
10.13	<u>First Amendment to Services Agreement, dated April 12, 2018, between the Company and Ariel Scientific Innovations Ltd. (7)</u>
10.14	<u>Sponsored Research Agreement, made as of July 12, 2018, between the Company and Trustees of Dartmouth College (8)</u>
10.15	<u>Second Amendment to Services Agreement, dated December 12, 2018, between the Company and Ariel Scientific Innovations Ltd. (9)</u>
10.16	<u>First Amendment to \$15,000 8% Convertible Debenture, dated September 9, 2018 (10)</u>
10.17	<u>Second Amendment to the \$10,000 8% Convertible Debenture, dated September 9, 2018 (10)</u>
10.18	<u>Services Agreement, dated March 6, 2018, between the Company and Ariel Scientific Innovations Ltd. (11)</u>
10.19	<u>First Amendment to Services Agreement, dated April 11, 2019 between the Company and Ariel Scientific Innovations Ltd. (11)</u>
10.20	<u>\$50,000 8% Demand Promissory Note, dated May 1, 2019 issued to CubeSquare, LLC (12)</u>
10.21	<u>Term Sheet, effective July 1, 2019, between the Company and John Bonfiglio (13)</u>
10.22	<u>Services Agreement, dated August 8, 2019, between the Company and PCG Advisory, Inc. (14)</u>
10.23	<u>Intellectual Property License Agreement, entered into on October 2, 2019, between the Company and Trustees of Dartmouth College (15)</u>
10.24	<u>First Amendment to Sponsored Research Agreement, dated November 4, 2019, between the Company and Trustees of Dartmouth College (16)</u>
10.25	<u>Royalty and License Fee Sharing Agreement, dated November 30, 2019, between the Company and Ariel Scientific Innovations Ltd. (17)</u>
10.26*	<u>Third Amendment to Services Agreement, dated December 8, 2019, between the Company and Ariel Scientific Innovations Ltd.</u>
10.27*	<u>Form of Securities Purchase Agreement for 8% Convertible Promissory Notes</u>
10.28*	<u>Form of 8% Convertible Promissory Note</u>
31*	<u>Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer and Chief Financial Officer</u>
32*	<u>Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer</u>
101*	<u>Interactive Data Files</u>

* Filed herewith

**Portions of Exhibit 10.5 have been omitted pursuant to a confidential treatment request granted by the SEC.

- (1) Incorporated by reference to the corresponding exhibit to the Company's Registration Statement on Form S-1 filed with the SEC on March 13, 2017
- (2) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on August 11, 2017
- (3) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on October 20, 2017
- (4) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 15, 2017
- (5) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on February 12, 2017
- (6) Incorporated by reference to the corresponding exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 2, 2018
- (7) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on April 16, 2018
- (8) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on July 18, 2018
- (9) Incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K filed with the SEC on December 14, 2018
- (10) Incorporated by reference to the corresponding exhibit to the Company's Annual Report on Form 10-K filed with the SEC on March 25, 2019
- (11) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on April 16, 2019
- (12) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on May 3, 2019
- (13) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on June 27, 2019
- (14) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2019
- (15) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on October 8, 2019
- (16) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on November 6, 2019
- (17) Incorporated by reference to the corresponding exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 3, 2019

Item 16. Form 10-K Summary

None.

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.

Qrons Inc.

Date: March 30, 2020

By: /s/ Jonah Meer
Jonah Meer
Chief Executive Officer, Chief
Financial Officer and Secretary
(Principal Executive Officer and
Principal Financial and Accounting
Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jonah Meer</u> Jonah Meer	Chief Executive Officer, Chief Financial Officer, Secretary and a Director (Principal Executive Officer and Principal Financial and Accounting Officer)	March 30, 2020
<u>/s/ Ido Merfeld</u> Ido Merfeld	President and a Director	March 30, 2020