SECURITIES & EXCHANGE COMMISSION EDGAR FILING

ENDRA Life Sciences Inc.

Form: 10-Q

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2019

OR

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

COMMISSION FILE NUMBER 001-37969

ENDRA LIFE SCIENCES INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-0579295**
(State of incorporation)	*(I.R.S. Employer Identification No.)*

3600 Green Court, Suite 350, Ann Arbor, MI 48105-1570
(Address of principal executive office) (Zip code)

(734) 335-0468
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	NDRA	The Nasdaq Stock Market LLC
Warrants, each to purchase one share of Common Stock	NDRAW	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of August 8, 2019, there were 7,422,642 shares of our Common Stock, par value $0.0001 per share, outstanding.

ENDRA LIFE SCIENCES INC.
FORM 10-Q
FOR THE SIX MONTHS ENDED JUNE 30, 2019

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ENDRA Life Sciences Inc.
Condensed Consolidated Balance Sheets

Assets	**June 30, 2019**	**December 31, 2018**
Assets	**(Unaudited)**	
Cash	$ 2,267,530	$ 6,471,375
Prepaid expenses	243,782	145,424
Inventory	74,280	59,444
Other current assets	366,390	273,315
Total Current Assets	2,951,982	6,949,558
Other Assets		
Fixed assets, net	238,727	273,233
Total Assets	$ 3,190,709	$ 7,222,791
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 1,366,391	$ 974,583
Total Liabilities	1,366,391	974,583
Stockholders' Equity		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, $0.0001 par value; 50,000,000 shares authorized; 7,422,642 and 7,422,642 shares issued and outstanding	742	742
Additional paid in capital	34,598,379	33,939,162
Accumulated deficit	(32,774,803)	(27,691,696)
Total Stockholders' Equity	1,824,318	6,248,208
Total Liabilities and Stockholders' Equity	$ 3,190,709	$ 7,222,791

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

ENDRA Life Sciences Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenue	$ -	$ -	$ -	$ 6,174
Cost of Goods Sold	-	-	-	-
Gross Profit	$ -	$ -	$ -	$ 6,174
Operating Expenses				
Research and development	1,304,809	839,756	3,078,306	2,508,579
Sales and marketing	88,343	41,357	145,161	148,534
General and administrative	932,021	941,955	1,848,924	2,009,747
Total operating expenses	2,325,173	1,823,068	5,072,391	4,666,860
Operating loss	(2,325,173)	(1,823,068)	(5,072,391)	(4,660,686)
Other Expenses				
Other expense	(9,199)	(23,704)	(10,716)	(11,389)
Total other expenses	(9,199)	(23,704)	(10,716)	(11,389)
Loss from operations before income taxes	(2,334,372)	(1,846,772)	(5,083,107)	(4,672,075)
Provision for income taxes	-	-	-	-
Net Loss	$ (2,334,372)	$ (1,846,772)	$ (5,083,107)	$ (4,672,075)
Net loss per share – basic and diluted	$ (0.31)	$ (0.47)	$ (0.68)	$ (1.19)
Weighted average common shares – basic and diluted	7,422,642	3,923,027	7,422,642	3,923,027

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

ENDRA Life Sciences Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

Six Months Ended June 30, 2018 and 2019

	Common stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of December 31, 2017	3,923,027	$ 392	$ 23,170,531	$ (17,895,435)	$ 5,275,488
Common stock issued for services	-	-	47,865	-	47,865
Warrants issued for services	-	-	61,660	-	61,660
Fair value of vested stock options	-	-	640,224	-	640,224
Debt discount	-	-	587,541	-	587,541
Net loss	-	-	-	(4,672,075)	(4,672,075)
Balance as of June 30, 2018	3,923,027	$ 392	$ 24,507,821	$ (22,567,510)	$ 1,940,703
Balance as of December 31, 2018	7,422,642	742	33,939,162	(27,691,696)	6,248,208
Fair value of vested stock options	-	-	659,217	-	659,217
Net loss	-	-	-	(5,083,107)	(5,083,107)
Balance as of June 30, 2019	7,422,642	$ 742	$ 34,598,379	$ (32,774,803)	$ 1,824,318

Three Months Ended June 30, 2018 and 2019

	Common stock		Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of March 31, 2018	3,923,027	$ 392	$ 23,550,220	$ (20,720,738)	$ 2,829,874
Common stock issued for services	-	-	19,146	-	19,146
Warrants issued for services	-	-	30,049	-	30,049
Fair value of vested stock options	-	-	320,865	-	320,865
Debt discount	-	-	587,541	-	587,541
Net loss	-	-	-	(1,846,772)	(1,846,772)
Balance as of June 30, 2018	3,923,027	$ 392	$ 24,507,821	$ (22,567,510)	$ 1,940,703
Balance as of March 31, 2019	7,422,642	$ 742	$ 34,241,430	$ (30,440,432)	$ 3,801,740
Fair value of vested stock options	-	-	356,949	-	356,949
Net loss	-	-	-	(2,334,372)	(2,334,372)
Balance as of June 30, 2019	7,422,642	$ 742	$ 34,598,379	$ (32,774,804)	$ 1,824,317

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

ENDRA Life Sciences Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash Flows from Operating Activities		
Net loss	$ (5,083,107)	$ (4,672,075)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	39,744	30,204
Common stock, options and warrants issued for services	659,217	749,749
Imputed interest on promissory notes	-	5,822
Changes in operating assets and liabilities:		
Increase in accounts receivable	-	(4,920)
Increase in prepaid expenses	(98,358)	(251,428)
Increase in inventory	(14,837)	(87,530)
Increase in other asset	(93,075)	(4,304)
Increase/decrease in accounts payable and accrued liabilities	391,809	(96,838)
Net cash used in operating activities	(4,198,607)	(4,331,320)
Cash Flows from Investing Activities:		
Purchases of fixed assets	(5,238)	-
Net cash used in investing activities	(5,238)	-
Cash Flows from Financing Activities		
Proceeds from senior secured convertible promissory notes, net of fees	-	935,300
Net cash provided by financing activities	-	935,300
Net Increase/(Decrease) in cash	(4,203,845)	(3,396,020)
Cash, beginning of period	6,471,375	5,601,878
Cash, end of period	$ 2,267,531	$ 2,205,858
Supplemental disclosures:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
Supplemental disclosures of non-cash Items:		
Discount on convertible notes	$ -	$ 587,541

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

Note 1 – Nature of the Business

ENDRA Life Sciences Inc. ("ENDRA" or the "Company") is developing technology for increasing the capabilities of clinical diagnostic ultrasound, to broaden patient access to the safe diagnosis and treatment of a number of significant medical conditions in circumstances where expensive X-ray computed tomography ("CT") and magnetic resonance imaging ("MRI") technology is unavailable or impractical.

ENDRA was incorporated on July 18, 2007 as a Delaware corporation.

ENDRA Life Sciences Canada Inc. was organized under the laws of Ontario, Canada on July 6, 2017, and is wholly owned by the Company.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Management makes estimates that affect certain accounts including deferred income tax assets, accrued expenses, fair value of equity instruments and reserves for any other commitments or contingencies. Any adjustments applied to estimates are recognized in the period in which such adjustments are determined.

Principles of Consolidation

The Company's consolidated financial statements include all accounts of the Company and its consolidated subsidiary and/or entities as of reporting period ending date(s) and for the reporting period(s) then ended. All inter-company balances and transactions have been eliminated.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the year ended December 31, 2019. The balance sheet at December 31, 2018 has been derived from the audited financial statements at that date. For further information, refer to the financial statements and footnotes thereto included in ENDRA Life Sciences Inc. annual financial statements for the twelve months ended December 31, 2018 included in the Company's Annual Report on Form 10-K filed with the SEC on March 11, 2019.

Cash and Cash Equivalents

The Company considers all cash on hand and in banks, including accounts in book overdraft positions, certificates of deposit and other highly-liquid investments with maturities of one year or less, when purchased, to be cash. As of June 30, 2019 and December 31, 2018, the Company had no cash equivalents. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and periodically evaluates the credit worthiness of the financial institutions and has determined the credit exposure to be negligible.

Inventory

The Company's inventory is stated at the lower of cost or estimated net realizable value, with cost primarily determined on a weighted-average cost basis on the first-in, first-out method. The Company periodically determines whether a reserve should be taken for devaluation or obsolescence of inventory.

Capitalization of Fixed Assets

The Company capitalizes expenditures related to property and equipment, subject to a minimum rule, that have a useful life greater than one year for: (1) assets purchased; (2) existing assets that are replaced, improved or the useful lives have been extended; or (3) all land, regardless of cost. Acquisitions of new assets, additions, replacements and improvements (other than land) costing less than the minimum rule in addition to maintenance and repair costs, including any planned major maintenance activities, are expensed as incurred.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" ("ASC Topic 606"). This standard provides a single set of guidelines for revenue recognition to be used across all industries and requires additional disclosures. The updated guidance introduces a five-step model to achieve its core principal of the entity recognizing revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company adopted the updated guidance effective January 1, 2018 using the full retrospective method. The new standard did not have a material impact on its financial position and results of operations, as it did not change the manner or timing of recognizing revenue.

Under ASC Topic 606, in order to recognize revenue, the Company is required to identify an approved contract with commitments to perform respective obligations, identify rights of each party in the transaction regarding goods to be transferred, identify the payment terms for the goods transferred, verify that the contract has commercial substance and verify that collection of substantially all consideration is probable. The adoption of ASC Topic 606 did not have an impact on the Company's operations or cash flows.

Research and Development Costs

The Company follows ASC Subtopic 730-10, "Research and Development". Research and development costs are charged to the statement of operations as incurred. During the three months ended June 30, 2019 and 2018, the Company incurred $1,304,809 and $839,756 of expenses related to research and development costs, respectively. During the six months ended June 30, 2019 and 2018, the Company incurred $3,078,306 and $2,508,579 of expenses related to research and development costs, respectively.

Net Earnings (Loss) Per Common Share

The Company computes earnings per share under ASC Subtopic 260-10, "Earnings Per Share" ("ASC 260-10"). Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to the common stockholders (the numerator) by the weighted average number of shares of common stock outstanding (the denominator) during the reporting periods. Diluted loss per share is computed by increasing the denominator by the weighted average number of additional shares that could have been outstanding from securities convertible into common stock (using the "treasury stock" method), unless their effect on net loss per share is anti-dilutive. There were 4,167,874 and 3,900,939 potentially dilutive shares, which include outstanding common stock options, warrants, and convertible notes, as of June 30, 2019 and December 31, 2018, respectively.

The potential shares, which are excluded from the determination of basic and diluted net loss per share as their effect is anti-dilutive, are as follows:

	June 30, 2019	December 31, 2018
Options to purchase common stock	1,539,846	1,272,911
Warrants to purchase common stock	2,628,028	2,628,028
Potential equivalent shares excluded	4,167,874	3,900,939

Fair Value Measurements

Disclosures about fair value of financial instruments require disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value.

In accordance with ASC Topic 820, "Fair Value Measurements and Disclosures," the Company measures certain financial instruments at fair value on a recurring basis. ASC Topic 820 defines fair value, established a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

● Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;

● Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

● Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts of the Company's financial assets and liabilities, including cash, accounts receivable, prepaid expenses, accounts payable, accrued expenses, and other current liabilities, approximate their fair values because of the short maturity of these instruments. The fair value of notes payable and convertible notes approximates their fair values since the current interest rates and terms on these obligations are the same as prevailing market rates.

Share-based Compensation

The Company's 2016 Omnibus Incentive Plan (the "Omnibus Plan") permits the grant of stock options and other share-based awards to its employees, consultants and non-employee members of the board of directors. Each January 1 the pool of shares available for issuance under the Omnibus Plan automatically increases by an amount equal to the lesser of (i) the number of shares necessary such that the aggregate number of shares available under the Omnibus Plan equals 25% of the number of fully-diluted outstanding shares on the increase date (assuming the conversion of all outstanding shares of preferred stock and other outstanding convertible securities and exercise of all outstanding options and warrants to purchase shares) and (ii) if the board of directors takes action to set a lower amount, the amount determined by the board. On January 1, 2019, the pool of shares available for issuance under the Omnibus Plan automatically increased from 1,345,074 shares to 2,649,378 shares.

The Company records share-based compensation in accordance with the provisions of the Share-based Compensation Topic of the FASB Codification. The guidance requires the use of option-pricing models that require the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option valuation model, and the resulting charge is expensed using the straight-line attribution method over the vesting period. The Company has elected to use the calculated value method to account for the options it issued in 2017 (prior to commencement on June 28, 2017 of public trading in the Company's common stock). Under the Share-based Compensation Topic of the FASB Codification, a nonpublic entity that is unable to estimate the expected volatility of the price of its underlying shares may measure awards based on a "calculated value," which substitutes the volatility of appropriate public companies (representative of the company's size and industry) as a benchmark for the volatility of the entity's own share price. The Company has used the historical closing values of these companies to estimate volatility, which was calculated to be 90%, for periods prior to June 28, 2017, when there was no active market for the Company's common stock.

Stock compensation expense recognized during the period is based on the value of share-based awards that were expected to vest during the period adjusted for estimated forfeitures. The estimated fair value of grants of stock options and warrants to non-employees of the Company is charged to expense, if applicable, in the financial statements. These options vest in the same manner as the employee options granted under the stock incentive plan as described above.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 is a comprehensive revenue recognition standard that supersedes nearly all existing revenue recognition guidance under current U.S. GAAP and replaces it with a principle based approach for determining revenue recognition. Under ASU 2014-09, revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The FASB has recently issued ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, and ASU 2016-20, all of which clarify certain implementation guidance within ASU 2014-09. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017. The standard can be adopted either retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). The Company has reviewed ASU 2014-09 and using the full retrospective method has determined that its adoption has had no impact on its financial position, results of operations or cash flows. The Company adopted the provisions of this standard in the first quarter of fiscal 2018.

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018. Early adoption is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest period presented in the financial statements. The Company evaluated the impact that the application of the new standard has on its consolidated financial statements and related disclosures, and determined there has been no impact. The Company adopted the provisions of this standard in the first quarter of fiscal 2019.

In May 2017, the FASB issued ASU No. 2017-09, Compensation – Stock Compensation (Topic 718) Scope of Modification Accounting. The amendments in ASU 2017-09 provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The adoption of ASU 2017-09, which is effective for annual periods beginning after December 15, 2017 and for interim periods within those annual periods, did not have any impact on the Company's consolidated financial statement presentation or disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the SEC did not or in management's opinion will not have a material impact on the Company's present or future consolidated financial statements.

Note 3 – Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States ("U.S. GAAP") applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has limited commercial experience and had a cumulative net loss from inception to June 30, 2019 of $32,774,803. The Company had working capital of $1,585,591 as of June 30, 2019. The Company has not established an ongoing source of revenue sufficient to cover its operating costs and to allow it to continue as a going concern. The accompanying financial statements for the period ended June 30, 2019 have been prepared assuming the Company will continue as a going concern. However, the Company's cash resources will likely be insufficient to meet its anticipated needs during the next twelve months. The Company will require additional financing to fund its future planned operations, including research and development and commercialization of its products.

The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it establishes a revenue stream and becomes profitable. Management's plans to continue as a going concern include raising additional capital through sales of equity securities and borrowing. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. If the Company is not able to obtain the necessary additional financing on a timely basis, the Company will be required to delay, reduce the scope of or eliminate one or more of the Company's research and development activities or commercialization efforts or perhaps even cease the operation of its business. The ability of the Company to continue as a going concern is dependent upon its ability to successfully secure other sources of financing and attain profitable operations. There is substantial doubt about the ability of the Company to continue as a going concern for one year from the issuance of the accompanying condensed consolidated financial statements. The accompanying condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4 – Inventory

As of June 30, 2019 and December 31, 2018, inventory consisted of raw materials to be used in the assembly of a TAEUS system. As of June 30, 2019, the Company had no orders pending for the sale of a TAEUS system.

Note 5 – Fixed Assets

As of June 30, 2019 and December 31, 2018, fixed assets consisted of the following:

	June 30, 2019	December 31, 2018
Computer equipment and fixtures	$ 684,418	$ 679,179
Accumulated depreciation	(445,691)	(405,946)
Fixed assets, net	**$ 238,727**	**$ 273,233**

Depreciation expense for the six months ended June 30, 2019 and June 30, 2018 was $39,744 and $30,204, respectively.

Note 6 – Accounts Payable and Accrued Liabilities

As of June 30, 2019 and December 31, 2018, current liabilities consisted of the following:

	June 30, 2019	December 31, 2018
Accounts payable	$ 1,011,324	$ 631,472
Accrued payroll	88,488	29,302
Accrued bonuses	260,829	263,497
Accrued employee benefits	5,750	27,804
Insurance premium financing	-	22,508
Total	**$ 1,366,391**	**$ 974,583**

Note 7 – Capital Stock

At June 30, 2019, the authorized capital of the Company consisted of 60,000,000 shares of capital stock, consisting of 50,000,000 shares of common stock with a par value of $0.0001 per share, and 10,000,000 shares of preferred stock with a par value of $0.0001 per share. As of June 30, 2019 and December 31, 2018, there were 7,422,642 shares of common stock issued and outstanding and no preferred stock outstanding.

Note 8 – Stock Options and Warrants

Stock options are awarded to the Company's employees, consultants and non-employee members of the board of directors under the 2016 Omnibus Incentive Plan and are generally granted with an exercise price equal to the market price of the Company's common stock at the date of grant. The aggregate fair value of these stock options granted by the Company during the six months ended June 30, 2019 was determined to be $769,451 using the Black-Scholes-Merton option-pricing model based on the following assumptions: (i) volatility rate of 103% to 124%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 7 to 10 years. A summary of option activity under the Company's stock options as of June 30, 2019, and changes during the six months then ended is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Balance outstanding at December 31, 2018	1,272,911	$ 4.56	6.31
Granted	348,000	2.05	7.01
Exercised	-	-	-
Forfeited	-	-	-
Cancelled or expired	(81,065)	-	-
Balance outstanding at June 30, 2019	1,539,846	$ 3.99	6.10
Exercisable at June 30, 2019	660,300	$ 5.41	5.33

The following table summarizes all stock warrant activity of the Company for the six months ended June 30, 2019:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Balance outstanding at December 31, 2018	2,628,028	$ 6.32	3.17
Granted	-	-	-
Exercised	-	-	-
Forfeited		- -	-
Expired	-	-	-
Balance outstanding at June 30, 2019	2,628,028	$ 6.32	2.92
Exercisable at June 30, 2019	2,628,028	$ 6.32	2.92

Note 9 – Commitments & Contingencies

Office Lease

Effective January 1, 2015, the Company entered into an office lease agreement with Green Court, LLC, a Michigan limited liability company, for approximately 3,657 rentable square feet of space, for the initial monthly rent of $5,986, which commenced on January 1, 2015 for an initial term of 60 months. On October 10, 2017 this lease was amended, increasing the rentable square feet of space to 3,950 and the monthly rent to $7,798. Under the terms of the lease the Company has an option on the same space for an additional 60-month term. Future minimum payments under this lease are as follows:

2019		46,788
Total	**$**	**46,788**

For the three and six months ended June 30, 2019 and 2018, the Company incurred rent expenses of $23,188 and $52,507 and $26,104 and $52,248, respectively.

Employment and Consulting Agreements

Francois Michelon – Effective May 12, 2017, the Company entered into an amended and restated employment agreement with Francois Michelon, the Company's Chief Executive Officer and Chairman of the board of directors. The term of the employment agreement runs through December 31, 2019. The employment agreement provides for an annual base salary that is subject to adjustment at the board of directors' discretion. The annual base salary in effect during the period covered by this Form 10-Q was $355,350. Under the employment agreement, Mr. Michelon is eligible for an annual cash bonus based upon achievement of performance-based objectives established by the board of directors. Pursuant to Mr. Michelon's employment agreement, in connection with the closing of the Company's initial public offering he was granted options to purchase an aggregate 339,270 shares of common stock. The options have a weighted average exercise price of $4.96 per share of common stock and vest in three equal annual installments beginning on May 12, 2018. Upon termination without cause, any portion of Mr. Michelon's options scheduled to vest within 12 months will automatically vest, and upon termination without cause within 12 months following a change of control, the entire unvested portion of the options will automatically vest. Upon termination for any other reason, the entire unvested portion of the options will terminate.

If Mr. Michelon's employment is terminated by the Company without cause, Mr. Michelon will be entitled to receive 12 months' continuation of his current base salary and a lump sum payment equal to 12 months of continued healthcare coverage (or 24 months' continuation of his current base salary and a lump sum payment equal to 24 months of continued healthcare coverage if such termination occurs within one year following a change in control).

Under his employment agreement, Mr. Michelon is eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers.

Michael Thornton – Effective May 12, 2017, the Company entered into an amended and restated employment agreement with Michael Thornton, the Company's Chief Technology Officer. The term of the employment agreement runs through December 31, 2019. The employment agreement provides for an annual base salary that is subject to adjustment at the board of directors' discretion. The annual base salary in effect during the period covered by this Form 10-Q was $267,800. Under the employment agreement, Mr. Thornton is eligible for an annual cash bonus based upon achievement of performance-based objectives established by the board of directors. Pursuant to Mr. Thornton's employment agreement, in connection with the closing of the Company's initial public offering he was granted options to purchase an aggregate 345,298 shares of common stock. The options have a weighted average exercise price of $4.96 per share of common stock and vest in three equal annual installments beginning on May 12, 2018. Upon termination without cause, any portion of Mr. Thornton's option scheduled to vest within 12 months will automatically vest, and upon termination without cause within 12 months following a change of control, the entire unvested portion of the options will automatically vest. Upon termination for any other reason, the entire unvested portion of the options will terminate.

If Mr. Thornton's employment is terminated by the Company without cause, Mr. Thornton will be entitled to receive 12 months' continuation of his current base salary and a lump sum payment equal to 12 months of continued healthcare coverage (or 24 months' continuation of his current base salary and a lump sum payment equal to 24 months of continued healthcare coverage if such termination occurs within one year following a change in control).

Under his employment agreement, Mr. Thornton is eligible to receive benefits that are substantially similar to those of the Company's other senior executive officers.

David Wells – On May 12, 2017, the Company entered into a consulting agreement with StoryCorp Consulting ("StoryCorp"), pursuant to which David Wells provides services to the Company as its Chief Financial Officer. Pursuant to the consulting agreement, the Company pays to StoryCorp a monthly fee of $9,000, and in May 2018 this monthly fee was increased to $9,540. Additionally, pursuant to the consulting agreement, the Company granted to Mr. Wells a stock option to purchase 15,000 shares of common stock in connection with the closing of the Company's initial public offering, having an exercise price per share equal to $5.00 and vesting in twelve equal quarterly installments, and, for so long as the consulting agreement is in place, will grant to Mr. Wells a stock option to purchase the same number of shares of common stock with the same terms on each annual anniversary of the date of the consulting agreement. In May 2018, the annual stock option amount was increased and on December 13, 2018, Mr. Wells was granted options to purchase an additional 35,000 shares of common stock.

On May 13, 2019, the Company entered into an employment agreement with David Wells that supersedes the consulting agreement between the Company and StoryCorp. The employment agreement provides for an annual base salary of $230,000 and eligibility for an annual cash bonus to be paid based on attainment of Company and individual performance objectives to be established by the Company's board of directors (in 2019, the amount of such cash bonus if all goals are achieved will be 30% of the base salary plus base fees paid to StoryCorp Consulting under the Consulting Agreement). The Employment Agreement also provides for eligibility to receive benefits substantially similar to those of the Company's other senior executive officers.

Pursuant to the Employment Agreement, on May 13, 2019 Mr. Wells was granted stock options to purchase 56,000 shares of the Company's common stock. The stock options have an exercise price of $1.38 per share, and vest in three equal annual installments beginning on the first anniversary of the grant date.

Litigation

From time to time the Company may become a party to litigation in the normal course of business. There are currently no legal matters that management believes would have a material effect on the Company's financial position or results of operations.

Note 10 – Subsequent Event

On July 26, 2019, the Company conducted a private placement in which the Company sold $2,587,893 aggregate principal amount of senior secured convertible promissory notes (the "Notes") to accredited investors.

The Notes are convertible into common stock at a conversion price per share equal to $1.49 and bear interest at a rate of 10% per annum until maturity on April 26, 2020 (the "Maturity Date"). Interest will be paid in arrears on the outstanding principal amount on the three month anniversary of the issuance of the Notes and each three month period thereafter and on the Maturity Date. The Notes provide for customary events of default. In the case of an event of default with respect to the Notes, each noteholder may declare its Note to be due and payable immediately without further action or notice. If such an event of default occurs and be continuing, interest on the Notes will automatically be increased to 18% until the default is cured.

In addition, the Company issued warrants exercisable for 1,736,855 shares of the Company's common stock to accredited investors and issued to National Securities Corporation, which served as placement agent in the offering, and its designees warrants exercisable for 173,685 shares of common stock. Each warrant entitles the holder to purchase shares of Common Stock for an exercise price per share equal to $1.49. The warrants are exercisable immediately and expire July 26, 2022.

Completion of the offering described above increased the Company's stockholders' equity by approximately $1,274,916. Accordingly, on a pro forma basis after giving effect to the offering, the Company's total stockholders' equity as of June 30, 2019 would have been approximately $3,099,235.

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

Forward-Looking Statements

As used in this Quarterly Report on Form 10-Q (this "Form 10-Q"), unless the context otherwise requires, the terms "we," "us," "our," "ENDRA" and the "Company" refer to ENDRA Life Sciences Inc., a Delaware corporation, and its wholly-owned subsidiary. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our historical financial statements and related notes thereto in this Form 10-Q. This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "anticipate" or other comparable terms. All statements other than statements of historical facts included in this Form 10-Q regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding expectations for revenues, cash flows and financial performance, the anticipated results of our development efforts and the timing for receipt of required regulatory approvals and product launches. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our limited commercial experience, limited cash and history of losses; our ability to obtain adequate financing to fund our business operations in the future; our ability to achieve profitability; our ability to develop a commercially feasible application based on our Thermo-Acoustic Enhanced Ultrasound ("TAEUS") technology; market acceptance of our technology; results of our human studies, which may be negative or inconclusive; our ability to find and maintain development partners; our reliance on collaborations and strategic alliances and licensing arrangements; the amount and nature of competition in our industry; our ability to protect our intellectual property; potential changes in the healthcare industry or third-party reimbursement practices; delays and changes in regulatory requirements, policy and guidelines including potential delays in submitting required regulatory applications for CE mark certification or Food and Drug Administration ("FDA") approval; our ability to obtain CE mark certification and secure required FDA and other governmental approvals for our TAEUS applications; our ability to comply with regulation by various federal, state, local and foreign governmental agencies and to maintain necessary regulatory clearances or approvals; and the other risks and uncertainties described in the Risk Factors section of our Annual Report on Form 10-K for the period ended December 31, 2018, as filed with the SEC on March 11, 2019, and in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this Form 10-Q. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Overview

We are leveraging experience with pre-clinical enhanced ultrasound devices to develop technology for increasing the capabilities of clinical diagnostic ultrasound, to broaden patient access to the safe diagnosis and treatment of a number of significant medical conditions in circumstances where expensive X-ray computed tomography ("CT") and magnetic resonance imaging ("MRI") technology is unavailable or impractical.

In 2010, we began marketing and selling our Nexus 128 system, which combined light-based thermoacoustics and ultrasound to address the imaging needs of researchers studying disease models in pre-clinical applications. Building on this expertise in thermoacoustics, we have developed a next-generation technology platform — Thermo Acoustic Enhanced Ultrasound, or TAEUS — which is intended to enhance the capability of clinical ultrasound technology and support the diagnosis and treatment of a number of significant medical conditions that currently require the use of expensive CT or MRI imaging or where imaging is not practical using existing technology. We ceased production of our Nexus 128 system as of January 1, 2019 and stopped providing service support and parts for all existing Nexus 128 systems as of July 1, 2019 in order to focus our resources on the development of our TAEUS technology.

Unlike the near-infrared light pulses used in our legacy Nexus 128 system, our TAEUS technology uses radio frequency ("RF") pulses to stimulate tissues, using a small fraction of the energy that would be transmitted into the body during an MRI scan. The use of RF energy allows our TAEUS technology to penetrate deep into tissue, enabling the imaging of human anatomy at depths equivalent to those of conventional ultrasound. The RF pulses are absorbed by tissue and converted into ultrasound signals, which are detected by an external ultrasound receiver and a digital acquisition system that is part of the TAEUS system. The detected ultrasound is processed into images using our proprietary algorithms and displayed to complement conventional gray-scale ultrasound images.

We expect that the first-generation TAEUS application will be a standalone ultrasound accessory designed to cost-effectively quantify fat in the liver and stage progression of nonalcoholic fatty liver disease ("NAFLD"), which can only be achieved today with impractical surgical biopsies or MRI scans. Subsequent TAEUS offerings are expected to be implemented via a second generation hardware platform that can run multiple clinical software applications that we will offer TAEUS users for a one-time licensing fee – adding ongoing customer value to the TAEUS platform and a growing software revenue stream for our Company.

In April 2016, we entered into a Collaborative Research Agreement with General Electric Company, acting through its GE Healthcare business unit and the GE Global Research Center (collectively, "GE Healthcare"). Under the terms of the agreement, GE Healthcare has agreed to assist us in our efforts to commercialize our TAEUS technology for use in a fatty liver application by, among other things, providing equipment and technical advice, and facilitating introductions to GE Healthcare clinical ultrasound customers. In return for this assistance, we have agreed to afford GE Healthcare certain rights of first offer with respect to manufacturing and licensing rights for the target application. More specifically, we have agreed that, prior to commercially releasing our NAFLD TAEUS application, we will offer to negotiate an exclusive ultrasound manufacturer relationship with GE Healthcare for a period of at least one year of commercial sales. The commercial sales would involve, within our sole discretion, either our Company commercially selling GE Healthcare ultrasound systems as the exclusive ultrasound system with our TAEUS fatty liver application embedded, or GE Healthcare being the exclusive ultrasound manufacturer to sell ultrasound systems with our TAEUS fatty liver application embedded. The agreement is subject to termination by either party upon not less than 60 days' notice. On January 30, 2018, we and GE Healthcare entered into an amendment to our agreement, extending its term by 21 months to January 22, 2020.

In November 2017, we contracted with the Centre for Imaging Technology Commercialization ("CIMTEC") to initiate human studies, through Canada-based Robarts Research Institute, with our TAEUS device targeting NAFLD. In October 2018, we received an Investigational Testing Authorization from Health Canada to commence the first human studies with our TAEUS clinical system targeting NAFLD, guiding our algorithm development, and comparing our technology to MRI. The feasibility study, the first of several planned human studies, is being conducted in collaboration with Robarts Research Institute in London, Canada. We reported our initial study results in March 2019. The data collected from the study, including additional usability inputs, will be included in our TAEUS liver device technical file submission for device CE Mark, which we anticipate in the second half of 2019.

Each of our TAEUS platform applications will require regulatory approvals before we are able to sell or license the application. Based on certain factors, such as the installed base of ultrasound systems, availability of other imaging technologies, such as CT and MRI, economic strength and applicable regulatory requirements, we intend to seek initial approval of our applications for sale in the European Union, followed by the United States and China.

Financial Operations Overview

Revenue

To date our revenue has been generated by the placement and sale of our discontinued Nexus 128 thermoacoustic imaging systems for use in pre-clinical applications, and related service revenue. No revenue has been generated by our TAEUS technology, which is currently in the product development stage.

Cost of Goods Sold

Our cost of goods sold is related to our direct costs associated with the development and shipment of our discontinued Nexus 128 systems placed in pre-clinical settings, and costs associated with service provided for these systems.

Research and Development Expenses

Our research and development expenses primarily include wages, fees and equipment for the development of our TAEUS technology platform and the proposed applications. Additionally, we incur certain costs associated with the protection of our products and inventions through a combination of patents, licenses, applications and disclosures.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of headcount and consulting costs, and marketing and tradeshow expenses. Currently, our marketing efforts are through our website and attendance of key industry meetings and conferences. In connection with the commercialization of our TAEUS applications, we expect to build a small sales and marketing team to train and support global ultrasound distributors, as well as execute traditional marketing activities such as promotional materials, electronic media and participation in industry events and conferences.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related expenses for our management and personnel, and professional fees, such as accounting, consulting and legal.

Critical Accounting Policies and Estimates

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Management makes estimates that affect certain accounts including deferred income tax assets, accrued expenses, fair value of equity instruments and reserves for any other commitments or contingencies. Any adjustments applied to estimates are recognized in the period in which such adjustments are determined.

Share-based Compensation

Our 2016 Omnibus Incentive Plan (the "Omnibus Plan") permits the grant of share options and shares to our employees, consultants and non-employee members of our board of directors. Each January 1 the pool of shares available for issuance under the Omnibus Plan automatically increases by an amount equal to the lesser of (i) the number of shares necessary such that the aggregate number of shares available under the Omnibus Plan equals 25% of the number of fully-diluted outstanding shares on the increase date (assuming the conversion of all outstanding shares of preferred stock and other outstanding convertible securities and exercise of all outstanding options and warrants to purchase shares) and (ii) if the board of directors takes action to set a lower amount, the amount determined by the board. On January 1, 2019, the pool of shares available for issuance under the Omnibus Plan automatically increased from 1,345,074 shares to 2,649,378 shares.

We record share-based compensation in accordance with the provisions of the Share-based Compensation Topic of the FASB Codification. The guidance requires the use of option-pricing models that require the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option valuation model which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends, and the resulting charge is expensed using the straight-line attribution method over the vesting period.

Stock compensation expense recognized during the period is based on the value of share-based awards that were expected to vest during the period adjusted for estimated forfeitures. The estimated fair value of grants of stock options and warrants to non-employees is charged to expense, if applicable, in the financial statements.

Recent Accounting Pronouncements

See Note 2 of the accompanying financial statements for a discussion of recently issued accounting standards.

Results of Operations

Three Months Ended June 30, 2019 and 2018

Revenue

We had no revenue during the three months ended June 30, 2019 and 2018.

Cost of Goods Sold

There was no cost of goods sold for each of the three months ended June 30, 2019 and 2018.

Research and Development

Research and development expenses were $1,304,809 for the three months ended June 30, 2019, as compared to $839,756 for the three months ended June 30, 2018, an increase of $465,053, or 55%. The costs include primarily wages, fees and equipment for the development of our TAEUS product line. Research and development expenses increased from the same period for the prior year due primarily to increased spending to develop TAEUS applications, which included expenses for our contracted development vendors.

Sales and Marketing

Sales and marketing expenses were $88,343 for the three months ended June 30, 2019, as compared to $41,357 for the three months ended June 30, 2018, an increase of $46,986, or 114%. The increase was primarily due additional headcount and pre-selling activities for our TAEUS product line. Currently, our marketing efforts are through our website and attendance of key industry meetings. Our future clinical business will involve hiring and training additional staff to support our sales efforts. As we seek to complete the development and commercialization of our TAEUS applications, subject to available funds, we intend to build a small sales and marketing team to train and support global ultrasound distributors, as well as execute traditional marketing activities such as promotional materials, electronic media and participation in industry conferences.

General and Administrative

Our general and administrative expenses for the three months ended June 30, 2019 were $932,021, compared to $941,955 for the three months ended June 30, 2018, a decrease of $9,934, or 1%. Our wage and related expenses for the three months ended June 30, 2019 were $501,850, compared to $440,449 for the three months ended June 30, 2018. Wage and related expenses in the three months ended June 30, 2019, included $58,731 for bonuses and $178,905 of stock compensation expense related to the issuance and vesting of options, compared to $40,800 for bonuses and $163,371 of stock compensation expense for the same period in 2018. Our professional fees for the three months ended June 30, 2019 were $334,468, compared to $438,402 for the three months ended June 30, 2018.

Net Loss

As a result of the foregoing, for the three months ended June 30, 2019, we recorded a net loss of $2,334,372 compared to a net loss of $1,846,772 for the three months ended June 30, 2018.

Six months Ended June 30, 2019 and 2018

Revenue

We had no revenue during the six months ended June 30, 2019, as compared to $6,174 for the six months ended June 30, 2018. The revenue was a result of service activity on our installed base of Nexus 128 pre-clinical systems. During the six months ended June 30, 2019, we ceased production of our Nexus 128 system and announced our plan to stop providing service support and parts for all existing systems as of July 1, 2019, in order to focus our resources on the development of our TAEUS technology.

Cost of Goods Sold

There was no cost of goods sold for each of the six months ended June 30, 2019 and 2018.

Research and Development

Research and development expenses were $3,078,306 for the six months ended June 30, 2019, as compared to $2,508,579 for the six months ended June 30, 2018, an increase of $569,727, or 23%. The costs include primarily wages, fees and equipment for the development of our TAEUS product line. Research and development expenses increased from the same period for the prior year due primarily to increased spending to develop TAEUS applications, which included expenses for our contracted development vendors.

Sales and Marketing

Sales and marketing expenses were $145,161 for the six months ended June 30, 2019, as compared to $148,534 for the six months ended June 30, 2018, a decrease of $3,373, or 2%. The decrease was primarily due to reduced costs associated with commercialization of the TAEUS product line. Currently, our marketing efforts are through our website and attendance of key industry meetings. Our future clinical business will involve hiring and training additional staff to support our sales efforts. As we seek to complete the development and commercialization of our TAEUS applications, we intend to build a small sales and marketing team to train and support global ultrasound distributors, as well as execute traditional marketing activities such as promotional materials, electronic media and participation in industry conferences.

General and Administrative

Our general and administrative expenses for the six months ended June 30, 2019 were $1,848,924, compared to $2,009,747 for the six months ended June 30, 2018, a decrease of $160,823, or 8%. Our wage and related expenses for the six months ended June 30, 2019 were $910,194, compared to $916,703 for the six months ended June 30, 2018. Wage and related expenses in the six months ended June 30, 2019, included $93,102 for bonuses and $350,742 of stock compensation expense related to the issuance and vesting of options, compared to $177,950 for bonuses and $327,042 of stock compensation expense for the same period in 2018. Our professional fees for the six months ended June 30, 2019 were $692,305, compared to $853,139 for the six months ended June 30, 2018.

Net Loss

As a result of the foregoing, for the six months ended June 30, 2019, we recorded a net loss of $5,083,107 compared to a net loss of $4,672,075 for the six months ended June 30, 2018.

Liquidity and Capital Resources

To date we have funded our operations through private and public sales of our securities. As of June 30, 2019, we had $2,267,530 in cash. In May 2017, we completed our initial public offering, raising net proceeds of approximately $8.6 million after deducting offering expenses of approximately $0.8 million in underwriting discounts, commissions and expenses and approximately $0.3 million in offering expenses payable by us. In June 2018, we completed the placement of senior secured convertible promissory notes and warrants, raising net proceeds of approximately $935,000 after deducting offering expenses of approximately $142,000 payable by us. On October 15, 2018, we completed an underwritten public offering of 1,477,750 shares of our common stock. The net proceeds from this offering were approximately $2.7 million, after deducting underwriting discounts and commissions and other offering expenses. On November 13, 2018, we completed an underwritten public offering of 1,385,750 shares of our common stock. The net proceeds from this offering were approximately $4.9 million, after deducting underwriting discounts and commissions and other offering expenses. In connection with these underwritten public offerings, the promissory notes issued in June 2018 converted into common stock pursuant to their terms. In July 2019, we completed a private placement of senior secured convertible promissory notes and warrants, raising net proceeds of approximately $2,490,500 after deducting offering expenses of approximately $314,500 payable by us. The promissory notes bear interest at a rate of 10% per annum until maturity on April 26, 2020.

We believe that cash on hand at June 30, 2019, together with the proceeds from our July 2019 convertible note financing, will be sufficient to fund our current operations into the fourth quarter of 2019. However, we still need additional capital to execute our commercialization plan and if we do not raise additional capital in the next several months we will need to significantly slow or pause our business activities until such time as we are able to raise additional capital. We continue to evaluate and manage our capital needs to support our clinical, regulatory and operational activities and prepare for the results of our human studies data and EU commercialization. We are currently exploring potential financing options that may be available to us, including additional sales of our common stock. However, we have no commitments to obtain any additional funds, and there can be no assurance such funds will be available on acceptable terms or at all. If we are unable to obtain additional financing in a timely fashion and on terms acceptable to us, our financial condition and results of operations may be materially adversely affected and we may not be able to continue operations or execute our stated commercialization plan.

The financial statements included in this Form 10-Q have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. As reflected in the accompanying financial statements, during the six months ended June 30, 2019, we incurred net losses of $5,083,107 and used cash in operations of $4,198,607. These and other factors raise substantial doubt about our ability to continue as a going concern for one year from the issuance of the accompanying financial statements. The financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern.

Operating Activities

During the six months ended June 30, 2019, we used $4,198,607 of cash in operating activities primarily as a result of our net loss of $5,083,107, which included non-cash charges for share-based compensation of $659,217, depreciation expenses of $39,744, and net changes in operating assets and liabilities of $(185,539).

During the six months ended June 30, 2018, we used $4,331,320 of cash in operating activities primarily as a result of our net loss of $4,672,075, which included non-cash charges for share-based compensation of $749,749, $30,204 in depreciation expenses, $5,822 in imputed interest on promissory notes, and net changes in operating assets and liabilities of $(445,020).

Investing Activities

During the six months ended June 30, 2019, the Company used $5,238 in investing activities related to purchase of equipment.

During the six months ended June 30, 2018, the Company had no cash flows from investing activities.

Financing Activities

During the six months ended June 30, 2019, there were no cash flows from financing activities.

During the six months ended June 30, 2018, the Company received $935,300 in financing activities in proceeds from convertible notes.

Funding Requirements

We have not completed development of our TAEUS technology platform applications. We expect to continue to incur significant expenses for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- advance the engineering design and development of our NAFLD TAEUS application;
- prepare regulatory filings required for marketing approval of our NAFLD TAEUS application in the European Union and the United States;
- seek to hire a small internal marketing team to engage and support channel partners and clinical customers for our NAFLD TAEUS application;
- commence marketing of our NAFLD TAEUS application;
- advance development of our other TAEUS applications; and
- add operational, financial and management information systems and personnel, including personnel to support our product development, planned commercialization efforts and our operation as a public company.

It is possible that we will not achieve the progress that we expect because the actual costs and timing of completing the development and regulatory approvals for a new medical device are difficult to predict and are subject to substantial risks and delays. We have no committed external sources of funds. We do not expect that our existing cash will be sufficient for us to complete the commercialization of our NAFLD TAEUS application or to complete the development of any other TAEUS application and we will need to raise substantial additional capital for those purposes. As a result, we will need to finance our future cash needs through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed in the section of our Annual Report on Form 10-K for the year ended December 31, 2018, entitled “Risk Factors” . We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect.

Until we can generate a sufficient amount of revenue from our TAEUS platform applications, if ever, we expect to finance future cash needs through public or private equity offerings, debt financings or corporate collaborations and licensing arrangements. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available, we may be required to delay, reduce the scope of or eliminate one or more of our research or development programs or our commercialization efforts or perhaps even cease the operation of our business. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience additional dilution, and debt financing, if available, may involve restrictive covenants. To the extent that we raise additional funds through collaborations and licensing arrangements, it may be necessary to relinquish some rights to our technologies or applications or grant licenses on terms that may not be favorable to us. We may seek to access the public or private capital markets whenever conditions are favorable, even if we do not have an immediate need for additional capital at that time.

Off-Balance Sheet Transactions

At June 30, 2019, the Company did not have any transactions, obligations or relationships that could be considered off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item 3.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Form 10-Q, management performed, with the participation of our principal executive officer and principal financial officer, an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures. Based on the evaluation, our principal executive officer and principal financial officer concluded that, as of June 30, 2019, our disclosure controls and procedures were not effective.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We identified the following material weakness as of June 30, 2019: insufficient personnel resources within the accounting function to segregate the duties over financial transaction processing and reporting.

To remediate our internal control weaknesses, management intends to implement the following measures, as finances allow:

- Adding sufficient accounting personnel or outside consultants to properly segregate duties and to effect a timely, accurate preparation of the financial statements.

- Developing and maintaining adequate written accounting policies and procedures, once we hire additional accounting personnel or outside consultants.

The additional hiring is contingent upon our efforts to obtain additional funding and the results of our operations. Management expects to secure funds in the coming fiscal year but provides no assurances that it will be able to do so.

Changes in Internal Control over Financial Reporting

There was no change to our internal controls or in other factors that could affect these controls during the three months ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. However, our management is currently seeking to improve our controls and procedures in an effort to remediate the deficiency described above.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any pending legal proceedings that we believe will have a material adverse effect on our business or financial condition. We may, however, be subject to various claims and legal actions arising in the ordinary course of business from time to time.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed under “Risk Factors” in our Annual Report on Form 10-K for the period ended December 31, 2018, as filed with the Securities and Exchange Commission on March 11, 2019. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this report.

Item 2. Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On August 8, 2019, we issued an earnings release reporting our results of operations for the three months ended June 30, 2019. A copy of that earnings release is furnished herewith as Exhibit 99.1 pursuant to Item 2.02 of Form 8-K. This information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act

Item 6. Exhibits

Exhibit Number	Description
3.1	Fourth Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on May 12, 2017)
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.4 to the Company's Registration Statement on Form S-1 (File No. 333-214724), as amended, originally filed on November 21, 2016)
4.1	Specimen Certificate representing shares of common stock of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-214724), as amended, originally filed on November 21, 2016)
10.1	Employment Agreement, dated May 13, 2019, by and between the Company and David Wells* (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 14, 2019)
10.2	Employment Agreement, dated April 20, 2019, by and between the Company and Renaud Maloberti* (filed herewith)
31.1	Certification of Periodic Report by Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14a and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Periodic Report by Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14a and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Periodic Report by Chief Executive Officer and Chief Financial Officer pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
99.1	Earnings release issued August 8, 2019 (furnished herewith)
101.INS	XBRL Instance Document (filed herewith)
101.SCH	XBRL Taxonomy Schema (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase (filed herewith)

* Indicates management compensatory plan, contract or arrangement.

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.

ENDRA LIFE SCIENCES INC.
(Registrant)

Date: August 8, 2019

By: /s/ Francois Michelon
Name: Francois Michelon
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: August 8, 2019

By: /s/ David Wells
Name: David Wells
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

April 15, 2019

Dear Renaud:

ENDRA Life Sciences Inc. (the "Company") is pleased to offer you employment on the following terms:

1. **Position**. Your title will be Chief Commercial Officer of the Company, and you will report directly to the Chief Executive Officer of the Company. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company, and that on the Effective Date you will have relinquished control of and involvement in any other business operations.

2. Term. Subject to the remaining provisions of this paragraph, this letter agreement will be for an initial term that begins as of May 28, 2019 (the "Effective Date") and continues in effect through the second (2nd) anniversary of the Effective Date (the "Initial Term") and, unless terminated sooner, will continue on a year-to-year basis after the Initial Term (each year, a "Renewal Term"). If either party elects not to renew this letter agreement, that party must give a written notice of termination to the other party at least 180 days before the expiration of the then-current Initial Term or Renewal Term. If one party provides the other with a notice of termination, no further automatic extensions will occur and this letter agreement will terminate at the end of the then-existing Initial Term or Renewal Term, and such termination will not result in any entitlement to compensation pursuant to Section 9 below or otherwise.

3. **Cash Compensation**.

(a) On or prior to the first Company payroll date following the Effective Date, the Company will pay you a one-time signing bonus of $10,000 in cash, subject to applicable deductions and withholdings. You acknowledge and agree that the payment of this signing bonus serves as consideration for the noncompetition covenant in Section 3.3.1 of the Confidential Information, Assignment of Inventions, Non-Competition and Non-Solicitation Agreement between you and the Company set forth at **Exhibit A**.

(b) The Company will pay you a base salary at an initial monthly rate of 20,833.33 (which equates to an annual rate of $250,000), in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. This salary will be subject to periodic review and adjustments at the Board's discretion. In addition, you will be eligible to receive an annual bonus to be paid based on attainment of Company and individual performance objectives to be established annually by the Board. With respect to 2019, the annual bonus target to be paid if all goals are achieved will be a cash payment equal to 30% of your base salary earned in 2019 and will be based on the realization of milestones determined and approved by the Board.

4. **Employee Benefits**. As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits. You will receive 15 days of paid time off (PTO) per calendar year, in accordance with Company policy in effect from time to time and in compliance with applicable state law. Without limiting the generality of the foregoing, while you are an employee of the Company, the Company will provide you life insurance, with you to designate the beneficiary thereunder, in an amount equal to your base salary as in effect on the Effective Date and as in effect on the first business day of each calendar year thereafter. You will also be eligible to participate in a long-term disability insurance plan sponsored by the Company.

5. **Stock Option**.

(a) **Number of Shares**. On your first date of employment with the Company, you will be granted an Option to purchase 35,000 shares of the Company's common stock (the "Stock Option").

(b) **Plan Terms Control**. The Stock Option will be subject to the terms and conditions applicable to Options granted under the Plan, as described in the Plan and the applicable Award Agreement.

(c) **Scheduled Vesting**. The Stock Option will vest as described in the applicable Award Agreement.

(d) **Accelerated Vesting**. If your Separation from Service is the result of an involuntary discharge by the Company that is without Cause and is not the result of your death or Disability, then any unvested shares subject to the Stock Option will vest immediately upon such Separation from Service; provided you agree that you will not sell more than one-third of such shares in any 90 day period.

(e) **Accelerated Vesting upon Change in Control** . If your Separation from Service is the result of an involuntary discharge by the Company that is without Cause, and is not the result of your death or Disability, and is within 12 months following a Change in Control, then the Stock Option will vest immediately upon such Separation from Service.

(f) **Forfeiture of Unvested Options**. If your Separation from Service is for any reason other than an involuntary discharge by the Company that is without Cause, the unvested portion of the Stock Option will immediately terminate.

(g) **Separation from Service for Cause**. If your Separation from Service is for Cause, the unvested and vested portion of the Stock Option will immediately terminate.

(h) **Exercise Period following Separation from Service.** Following your Separation from Service for any reason other than Cause, the vested potion of the Stock Option will remain exercisable for one year (by you or your beneficiaries in the event of your death), subject to any outer limits contained in the Company's 2016 Omnibus Stock Incentive Plan, as amended (the "Plan") or the applicable Award Agreement.

6. **Confidential Information, Assignment of Inventions, and Non-Solicitation Agreement** . You will be required, as a condition of your employment with the Company, to sign (or re-sign) the Company's Confidential Information, Assignment of Inventions, Non-Competition and Non-Solicitation Agreement, a copy of which is attached hereto as **Exhibit A**.

7. **Time and Place of Employment; Travel**. It is acknowledged that your regular workplace will not be the Company's offices in Ann Arbor, Michigan and instead will be in the state of Massachusetts; however, the Company requires that you work at least five business days per month out of the Company's offices in Ann Arbor, Michigan; provided that this requirement may be waived for any given month by the CEO in writing (email acceptable) should other Company business travel interfere with your ability to be present in Ann Arbor. The Company will pay or reimburse your reasonable travel for business on the Company's behalf from your home in Massachusetts, lodging, meal and related incidental costs, consistent with the Company's travel policies in effect from time to time. The Company requires presentation of receipts or an itemized accounting prior to making any reimbursements under this paragraph.

8. **Employment Relationship**. Your employment with the Company is "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. **Certain Payments upon Termination**. If you are terminated by the Company without Cause, then, contingent upon your execution, delivery and non-revocation of a release in form and substance satisfactory to the Company and consistent with the Company's standard release agreement, which contains a full release of all claims against the Company and certain other provisions (the "Release Agreement"), including a reaffirmation of the covenants in your Confidential Information, Assignment of Inventions, and Non-Solicitation Agreement, you will be entitled to (i) 8 months' (or 24 months' if such termination occurs within one year following a Change in Control) continuation of your current base salary and (ii) a lump sum payment equal to 8 months (or 24 months if such termination occurs within one year following a Change in Control) of COBRA premiums based on the terms of Company's group health plan and your coverage under such plan as of the date of your Separation from Service (regardless of any COBRA election actually made by you or the actual COBRA coverage period under the Company's group health plan). The Company's obligations under this paragraph are subject to the requirements and time periods set forth in this paragraph and in the Release Agreement. Prior to receiving the payments described in this paragraph, you must execute the Release Agreement on or before the date 21 days (or such longer period to the extent required by law) after your Separation from Service. If you fail to timely execute and remit the Release Agreement, you waive any right to the payments provided under this paragraph. Payments under this paragraph will commence within 15 days of your execution and delivery of the Release Agreement, provided that you do not revoke the Release Agreement and allow it to become effective in accordance with its terms. Your rights following a Separation from Service under the terms of any Company plan, whether tax-qualified or not, that are not specifically addressed in this letter agreement, will be subject to the terms of such plan, and this letter agreement will have no effect upon such terms except as specifically provided herein. Except as specifically provided in this paragraph, you will not have any further rights to compensation under this letter agreement following your Separation from Service.

10. **Removal from any Boards and Positions**. Unless you and the Company agree otherwise at the time of your Separation from Service, upon your Separation from Service, you will be deemed to resign (a) if a member, from the Board and the board of directors of any affiliate and any other board to which you have been appointed or nominated by or on behalf of the Company or an affiliate, (b) from each position with the Company and any affiliate, including as an officer of the Company or an affiliate and (c) as a fiduciary of any employee benefit plan of the Company and any affiliate.

11. **Tax Matters**.

(a) **Withholding**. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) **Tax Advice**. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities.

12. **Confidentiality**. You and the Company have entered into a Confidential Information, Assignment of Inventions, and Non-Solicitation Agreement. In addition to the terms of that agreement, you agree that the terms and conditions of this letter agreement are strictly confidential and, with the exception of your legal counsel, tax advisor, immediate family or as required by applicable law, have not and will not be disclosed, discussed or revealed to any other persons, entities or organizations, whether within or outside the Company, without prior written approval of the Company. For avoidance of doubt, you may not utilize the terms of this letter agreement to seek employment with another party.

13. **Interpretation, Amendment and Enforcement**. This letter agreement and **Exhibit A** hereto constitute the complete agreement between you and the Company, contain all of the terms of your continued employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company will be governed by Massachusetts law, excluding laws relating to conflicts or choice of law. Capitalized terms used and not defined herein have the meanings ascribed thereto in the Plan.

14. **Section 409A**. It is intended that this letter agreement comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), to the extent applicable. This letter agreement will be administered in a manner consistent with this intent, and any provision that would cause this letter agreement to fail to satisfy Section 409A will have no force or effect until amended to comply with Section 409A. Notwithstanding anything in this letter agreement to the contrary, in the event any payment or benefit hereunder is determined to constitute nonqualified deferred compensation subject to Section 409A, then to the extent necessary to comply with Section 409A, such payment or benefit will not be made, provided or commenced until six months after your Separation from Service. For purposes of Section 409A, the right to a series of installment payments will be treated as a right to a series of separate payments. Notwithstanding anything in this letter agreement to the contrary, to the extent required in order to avoid accelerated taxation and/or additional taxes under Section 409A, amounts reimbursable to you under this letter agreement will be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not effect amounts reimbursable or provided in any subsequent year.

* * * * *

You may indicate your agreement with the terms of this letter agreement by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Confidential Information, Assignment of Inventions, and Non-Solicitation Agreement and returning them to me.

Very truly yours,

ENDRA LIFE SCIENCES INC.

/s/ Francois Michelon
By: Francois Michelon, Chief Executive Officer

I have read and accept this employment letter agreement:

/s/ Renaud Maloberti

Signature of Renaud Maloberti

Dated: April 20, 2019

Attachment

Exhibit A: Confidential Information, Assignment of Inventions, Non-Competition and Non-Solicitation Agreement

EXHIBIT 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Francois Michelon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ENDRA Life Sciences Inc. :

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

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

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

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

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

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

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

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

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

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

Date: August 8, 2019

/s/ Francois Michelon
Name: Francois Michelon
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Wells, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ENDRA Life Sciences Inc.:

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

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

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

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

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

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

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

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

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

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

Date: August 8, 2019

/s/ David R. Wells
Name: David R. Wells
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ENDRA Life Sciences Inc. (the "Company") on Form 10-Q for the period June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Francois Michelon, Chief Executive Officer and Chairman of the Company, and David Wells, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to ENDRA Life Sciences Inc. and will be retained by ENDRA Life Sciences Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Francois Michelon
Name: Francois Michelon
Title: Chief Executive Officer and Chairman
Date: August 8, 2019

/s/ David R. Wells
Name: David R. Wells
Title: Chief Financial Officer
Date: August 8, 2019

ENDRA Life Sciences Reports Second Quarter 2019 Financial & Operational Results

Management to Host Second Quarter 2019 Conference Call Today at 4:30 p.m. ET

ANN ARBOR, MI / **ACCESSWIRE** / **August 8, 2019** / ENDRA Life Sciences Inc. ("ENDRA") (NASDAQ:NDRA), a pioneer of Thermo Acoustic Enhanced UltraSound (TAEUS™), reported its financial and operational results for the second quarter ended June 30, 2019 and provided a business update.

Business Highlights

- Received ISO 13485 certification from British Standards Institute, indicating the company's Quality Management System meets the current regulatory requirements for upcoming regulatory filings.
- Appointed 20-year global commercial medical imaging veteran Renaud Maloberti as Chief Commercial Officer to lead rollout of ENDRA technology in European and U.S. markets.
- Showcased TAEUS technology at the 2nd International Conference on Fatty Liver (ICFL 2019) in Berlin and developed relationships and discussed initial findings with attending clinicians, researchers and healthcare professionals in the fields of Hepatology, Gastroenterology, as well as Diabetology, Nutrition, Radiology and Cardiology.
- Expanded the subject pool of the feasibility study at Robarts Research Institute with individuals more likely to have liver fat fractions >5% incorporating a revised scanning workflow and device improvements to yield higher quality measurements.
- Announced a new clinical study in conjunction with the Rocky Vista University College of Osteopathic Medicine to further build the clinical evidence base to support initial commercialization efforts in Europe.
- Increased patent portfolio, with an additional U.S. patent issued in the second quarter of 2019 for determining fractional fat content of tissue, growing intellectual property (IP) portfolio to 52 assets defined, filed and issued.
- Strengthened balance sheet with a private placement of $2.8 million of convertible secured notes and warrants in July, extending the company's operational runway.

Management Commentary

"We made great progress during the second quarter of 2019 on key technical, regulatory, operational and pre-commercial initiatives, bringing us closer to our goal of advancing TAEUS towards commercialization in 2020," said Francois Michelon, CEO of ENDRA Life Sciences. "Importantly, we appointed widely respected medical imaging veteran Renaud Maloberti as Chief Commercial Officer. I am happy to report that Renaud's integration with the ENDRA team is off to a strong start as evidenced by his success at the ICFL Conference in Berlin, Germany in June 2019.

“Another exciting milestone achievement during the second quarter was the initiation of our clinical study partnership with the Rocky Vista University College of Osteopathic Medicine, which will study the TAEUS system in a patient population. This study will add significantly to the diversity and volume of patient data generated to date, and will be used to further understand the clinical utility of TAEUS clinical system as compared to an MRI scan. This, as well as soon-to-be announced additional studies, will further strengthen our base of clinical data and support our commercial efforts next year,” stated Michelon.

Update from Robarts Research Institute Feasibility Study

“The purpose of the feasibility study at Robarts Research Institute as designed was to collect first human data, and to inform improvements to the TAEUS platform,” said Michael Thornton, CTO of ENDRA Life Sciences. “Findings from healthy volunteers, utilizing a prototype of the TAEUS device, were reported in the first quarter of 2019 and demonstrated that TAEUS measurements of liver fat did correlate successfully to those of the reference MRI findings. Data collected as part of this feasibility study also informed modifications which were subsequently made to the TAEUS device to optimize scanning processes, eliminate sources of device error, advance probe design and improve measurement, data quality and performance. We have now largely automated the analysis procedure in the second phase of our feasibility study,” continued Thornton.

“In partnership with Robarts, a second phase of feasibility testing was initiated and continues to progress. The revised scanning workflow and device improvements were incorporated, providing higher quality measurements, and additional volunteers were recruited with an effort to broaden the distribution of subjects to include individuals more likely to have liver fat fractions >5%. In some cases we decided to re-scan patients from the first study using our improved techniques.

“We are encouraged by the progress and plan to share the final results of the Robarts study in conjunction with the upcoming EASL-NAFLD Summit in Seville, Spain, in September,” concluded Thornton.

Upcoming Milestones

“Key milestones for the TAEUS liver application include:

- Application for CE Mark in Europe in the second half of 2019;
- File for 510(k) clearance by year-end;
- Report final results from TAEUS feasibility study of liver fat on 50 subjects at the Robarts Research Institute in September 2019; and
- Initiate additional clinical studies,” continued Michelon.

“This is a particularly exciting time for the entire team at ENDRA Life Sciences as we make great progress on our goal to address a significant unmet clinical need in the management of patients with serious chronic liver conditions, like NAFLD and NASH. We are pleased with the continued advances we are making to refine the features and benefits of the TAEUS liver application, and to optimize its utility for clinicians and patients. With growing clinical momentum, increased pre-commercial activity, a reinforced balance sheet and line of sight towards upcoming regulatory filing milestones, I remain enthusiastic about the opportunity ahead for the TAEUS system and ENDRA, and our ability to deliver notable value for our shareholders,” concluded Michelon.

Second Quarter 2019 Financial Results

Operating expenses increased to $2.3 million in Q2 2019 from $1.8 million in Q2 2018. The increase in operating expenses in Q2 2019 as compared to Q2 2018 was primarily due to increased wages and costs related to the development of our TAEUS product.

Net loss in Q2 2019 totaled $2.3 million, or ($0.31) per basic and diluted share, as compared to a net loss of $1.8 million, or ($0.47) per basic and diluted share in Q2 2018.

Cash at June 30, 2019 totaled $2.3 million, as compared to $6.5 million at December 31, 2018 with no long-term debt outstanding. Subsequent to the closing of the second quarter of 2019, we completed a $2.8 million financing of convertible secured notes and warrants.

Conference Call

ENDRA CEO Francois Michelon, CFO David Wells, CCO Renaud Maloberti and CTO Michael Thornton will host the conference call, followed by a question and answer period.

To access the call, please use the following information:

Date: Thursday, August 8, 2019

Time: 4:30 p.m. ET, 1:30 p.m. PT

Toll-free dial-in number: 844-602-0380

International dial-in number: 862-298-0970

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact MZ Group at 1-949-491-8235.

The conference call will be broadcast live and available for replay at https://www.investornetwork.com/event/presentation/51307 and via the investor relations section of the Company's website at www.endrainc.com.

A replay of the conference call will be available after 7:30 p.m. Eastern time through August 22, 2019.

Toll-free replay number: 877-481-4010

International replay number: 919-882-2331

Replay ID: 51307

About ENDRA Life Sciences Inc.

ENDRA Life Sciences is the pioneer of Thermo Acoustic Enhanced UltraSound (TAEUS™), a ground-breaking technology that visualizes tissue like CT or MRI, but at $50X^2$ lower cost, at the point of patient care. TAEUS is designed to work in concert with over one million ultrasound systems in global use today. TAEUS is initially focused on the measurement of fat in the liver, as a means to assess and monitor NAFLD and NASH, chronic liver conditions that affect over 1 billion people globally, and for which there are no practical diagnostic tools. Beyond the liver, ENDRA is exploring several other clinical applications of TAEUS, including visualization of tissue temperature during energy-based surgical procedures.www.endrainc.com

About Non-Alcoholic Fatty Liver Disease (NAFLD)

NAFLD is a condition closely associated with obesity, diabetes, hepatitis-C and certain genetic predispositions in which fat accumulates in the liver. NAFLD affects over 1 billion people globally and is estimated to cost the U.S healthcare system over $100 billion annually. NAFLD is often asymptomatic and if left untreated, NAFLD can progress to inflammation (NASH), tissue scarring (fibrosis), cell death (cirrhosis) and liver cancer. By 2025, NAFLD is forecast to be the greatest root cause of liver transplants. The only tools currently available for diagnosing and monitoring NAFLD are impractical: expensive Magnetic Resonance Imaging (MRI) or an invasive surgical biopsy.

Forward-Looking Statements

All statements in this release that are not based on historical fact are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "goal," "estimate," "anticipate" or other comparable terms. Examples of forward-looking statements include, among others, statements we make regarding expectations concerning the anticipated design and timing of a clinical study conducted through RVUCOM, including the number of patients included in such study; estimates of the timing of future events and achievements, including obtaining a CE Mark and commercializing the TAEUS device; and expectations concerning ENDRA's business strategy. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including, among others, the following: our entry into a definitive clinical study agreement with RVUCOM on acceptable terms prior to initiating the clinical study; our ability to develop a commercially feasible technology; receipt of necessary regulatory approvals; our ability to find and maintain development partners, market acceptance of our technology, the amount and nature of competition in our industry; our ability to protect our intellectual property; and the other risks and uncertainties described in ENDRA's filings with the Securities and Exchange Commission. The forward-looking statements made in this release speak only as of the date of this release, and ENDRA assumes no obligation to update any such forward-looking statements to reflect actual results or changes in expectations, except as otherwise required by law.

Company Contact:
David Wells
Chief Financial Officer
(734) 997-0464
investors@endrainc.com
www.endrainc.com

Investor Relations Contact:
MZ North America
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ENDRA Life Sciences Inc.
Consolidated Balance Sheets

Assets	June 30, 2019	December 31, 2018
Assets	**(Unaudited)**	
Cash	$ 2,267,530	$ 6,471,375
Prepaid expenses	243,782	145,424
Inventory	74,280	59,444
Other current assets	366,390	273,315
Total Current Assets	2,951,982	6,949,558
Other Assets		
Fixed assets, net	238,727	273,233
Total Assets	$ 3,190,709	$ 7,222,791
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 1,366,391	$ 974,583
Total Liabilities	1,366,391	974,583
Stockholders' Equity		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, $0.0001 par value; 50,000,000 shares authorized; 7,422,642 and 7,422,642 shares issued and outstanding	742	742
Additional paid in capital	34,598,379	33,939,162
Accumulated deficit	(32,774,803)	(27,691,696)
Total Stockholders' Equity	1,824,318	6,248,208
Total Liabilities and Stockholders' Equity	$ 3,190,709	$ 7,222,791

ENDRA Life Sciences Inc.

Condensed Consolidated Statements of Operations

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenue	$ -	$ -	$ -	$ 6,174
Cost of Goods Sold	-	-	-	-
Gross Profit	$ -	$ -	$ -	$ 6,174
Operating Expenses				
Research and development	1,304,809	839,756	3,078,306	2,508,579
Sales and marketing	88,343	41,357	145,161	148,534
General and administrative	932,021	941,955	1,848,924	2,009,747
Total operating expenses	2,325,173	1,823,068	5,072,391	4,666,860
Operating loss	(2,325,173)	(1,823,068)	(5,072,391)	(4,660,686)
Other Expenses				
Other expense	(9,199)	(23,704)	(10,716)	(11,389)
Total other expenses	(9,199)	(23,704)	(10,716)	(11,389)
Loss from operations before income taxes	(2,334,372)	(1,846,772)	(5,083,107)	(4,672,075)
Provision for income taxes	-	-	-	-
Net Loss	$ (2,334,372)	$ (1,846,772)	$ (5,083,107)	$ (4,672,075)
Net loss per share - basic and diluted	$ (0.31)	$ (0.47)	$ (0.68)	$ (1.19)
Weighted average common shares - basic and diluted	7,422,642	3,923,027	7,422,642	3,923,027

ENDRA Life Sciences Inc.
Consolidated Statements of Cash Flows

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash Flows from Operating Activities		
Net loss	$ (5,083,107)	$ (4,672,075)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	39,744	30,204
Common stock, options and warrants issued for services	659,217	749,749
Imputed interest on promissory notes	-	5,822
Changes in operating assets and liabilities:		
Increase in accounts receivable	-	(4,920)
Increase in prepaid expenses	(98,358)	(251,428)
Increase in inventory	(14,837)	(87,530)
Increase in other asset	(93,075)	(4,304)
Increase/decrease in accounts payable and accrued liabilities	391,809	(96,838)
Net cash used in operating activities	(4,198,607)	(4,331,320)
Cash Flows from Investing Activities:		
Purchases of fixed assets	(5,238)	-
Net cash used in investing activities	(5,238)	-
Cash Flows from Financing Activities		
Proceeds from senior secured convertible promissory notes, net of fees	-	935,300
Net cash provided by financing activities	-	935,300
Net Increase/(Decrease) in cash	(4,203,845)	(3,396,020)
Cash, beginning of period	6,471,375	5,601,878
Cash, end of period	$ 2,267,531	$ 2,205,858
Supplemental disclosures:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
Supplemental disclosures of non-cash Items:		
Discount on convertible notes	$ -	$ 587,541

SOURCE: ENDRA Life Sciences Inc.