

AXIM BIOTECHNOLOGIES, INC.
Form 10-Q
May 15, 2018

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2018

OR

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

For the transition period from _____ to _____

Commission file number 000-54296

AXIM Biotechnologies, Inc.

(Exact name of registrant as specified in its charter)

Nevada

27-4029386

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

45 Rockefeller Plaza, 20th Floor, Suite 83

New York, NY 10111

(Address of principal executive offices)

(212) 751-0001

(Registrant's telephone number, including area code)

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "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

(Do not check if smaller reporting company)

reporting company)

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

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APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Exchange Act of 1934 after the distribution of securities under a plan confirmed by a court. Yes [] No []

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 56,736,450 of common stock, par value \$0.0001 per share, outstanding as of May 13, 2018.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AXIM BIOTECHNOLOGIES, INC.

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AXIM BIOTECHNOLOGIES, INC.
Condensed Consolidated Balance Sheets

	March 31, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash	\$ 725,593	\$ 2,057,843
Inventory	7,778	8,765
Reservation fee deposit	0	0
Prepaid expenses	26,769	40,986
Loan receivable	5,000	5,000
Total current assets	765,140	2,112,594
Property and equipment, net of accumulated depreciation of \$8,670 and \$7,831, respectively.	8,110	8,949
Other Assets:		
Acquired intangible asset - intellectual property licensing agreement, net	53,691	63,167
Security deposits	7,440	7,440
Total other assets	61,131	70,607
TOTAL ASSETS	\$ 834,381	\$ 2,192,150
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 690,688	\$ 441,753
Due to shareholder	5,000	5,000
Due to first insurance funding	-	22,807
Due to related party	1,605,520	1,605,520
Promissory note - related party (including accrued interest of \$120,636 and \$114,126 respectively)	1,000,636	994,126
Convertible note payable (including accrued interest of \$8,157 and \$90,487 respectively) net of unamortized debt discount of \$482,072 and \$714,573, respectively (see note 9)	4,617,198	4,635,914
Total current liabilities	7,919,042	7,705,120
Long-term liabilities:		
Convertible note payable (including accrued interest of \$78,618 and \$84,041 respectively) net of unamortized debt discount of \$875,554 and \$1,224,117, respectively (see note 9)	732,542	771,523
Total long-term liabilities	732,542	771,523
TOTAL LIABILITIES	8,651,584	8,476,643
STOCKHOLDERS' DEFICIT		

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Preferred stock, \$0.0001 par value, 5,000,000 shares authorized;		
Series B Convertible Preferred Stock, \$0.0001 par value 500,000 shares designated, 500,000 and 500,000 shares issued and outstanding, respectively	50	50
Series C Convertible Preferred Stock, \$0.0001 par value 500,000 shares designated, 500,000 and 500,000 shares issued and outstanding, respectively	50	50
Common stock, \$0.0001 par value, 300,000,000 shares authorized		
56,666,450 and 54,564,441 shares issued and outstanding, respectively;	5,667	5,457
Additional paid in capital	17,159,861	15,923,789
Common stock to be issued	18,500	24,000
Accumulated deficit	(25,001,331)	(22,237,839)
TOTAL STOCKHOLDERS' DEFICIT	(7,817,203)	(6,284,493)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 834,381	\$ 2,192,150

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

AXIM BIOTECHNOLOGIES, INC.
Condensed Consolidated Statement of Operations
(Unaudited)

	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2017
Revenues	\$ 14,248	\$ 18,620
Cost of goods sold	1,708	38,930
Gross (loss) profit	12,540	(20,310)
Operating Expenses:		
Research and development expenses	678,655	140,365
Selling, general and administrative	1,369,243	314,812
Depreciation	839	839
Total operating expenses	2,048,737	456,016
Loss from operations	(2,036,197)	(476,326)
Other (Income) expenses:		
Interest Income	-	(1,598)
Amortization of Debt Discount	580,663	24,872
Interest expense	146,632	24,560
Total other (income) expenses	727,295	47,834
Loss before provision of income tax	(2,763,492)	(524,160)
Provision for income tax	-	-
NET LOSS	\$ (2,763,492)	\$ (524,160)
Less: Dividend on preferred stocks	-	-
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ (2,763,492)	\$ (524,160)
Loss per common share - basic and diluted	\$ (0.05)	\$ (0.01)

Weighted average common shares outstanding - basic and diluted	55,020,430	52,515,879
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AXIM BIOTECHNOLOGIES, INC.
Condensed Consolidated Statement of Stockholders' Deficit
For the Three Months Ended March 31, 2018
(Unaudited)

	Common Stock		Preferred Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Series C Convertible Preferred Stock		Common Stock to be Issued	Additional Paid In Capital
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Balance at December 31, 2017	54,564,441	\$ 5,457	-	\$ -	-	\$ -	500,000	\$ 50	500,000	\$ 50	24,000	\$15,923,789
Common stock issued against common stock to be issued	2,179	-	-	-	-	-	-	-	-	-	(15,000)	15,000
Common shares issued in redemption of note	1,925,830	193	-	-	-	-	-	-	-	-	-	403,289
Common stock issued for consulting services	174,000	17	-	-	-	-	-	-	-	-	-	817,783
Common stock to be issued for consulting services	-	-	-	-	-	-	-	-	-	-	9,500	-
Net loss	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2018	56,666,450	\$ 5,667	-	\$ -	-	\$ -	500,000	\$ 50	500,000	\$ 50	18,500	\$17,159,861

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

**AXIM
BIOTECHNOLOGIES,
INC.
Condensed Consolidated
Statements of Cash Flows
(Unaudited)**

For the For the