AXIM BIOTECHNOLOGIES, INC.

A

NEVADA CORPORATION

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ANNUAL REPORT

For the Year Ended December 31, 2024

Outstanding Shares as of December 31, 2024

Common Stock

The number of shares outstanding of our Common Stock was:	318,895,464

Total Preferred Stock

The total number of shares outstanding of our Preferred Stock was:	500,000

Series C Preferred Stock

The total number of shares outstanding of our Series C Preferred Stock was:	500,000

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):	Yes ☐ No ☑
Indicate by check mark whether the company's shell status has changed since the previous reporting period:	Yes ☐ No ☑

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:	Yes ☐ No ☑

FORWARD LOOKING STATEMENTS

This Report contains forward-looking statements. To the extent that any statements made in this Report contain information that is not historical, these statements are essentially forward-looking. Forward-looking statements can be identified by the use of words such as "expects," "plans," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. These statements are subject to risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, marketability of our products; legal and regulatory risks associated with the share exchange our ability to raise additional capital to finance our activities; the effectiveness, profitability and; the future trading of our common stock; our ability to operate as a public company; our ability to protect our proprietary information; general economic and business conditions; the volatility of our operating results and financial condition; our ability to attract or retain qualified senior management personnel and research and development staff; and other risks detailed from time to time in our filings with OTC Markets or otherwise.

Information regarding market and industry statistics contained in this report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not undertake any obligation to publicly update any forward-looking statements. As a result, investors should not place undue reliance on these forward-looking statements.

1. NAME AND ADDRESS(ES) OF THE OF THE ISSUER AND ITS PREDECESSORS

Historical Business Operations

AXIM Biotechnologies, Inc. (the "Company," "we," "our," "us," "AXIM"). We were originally incorporated in the State of Nevada on November 18, 2010, under the name AXIM International, Inc. On July 24, 2014, we changed our name to AXIM Biotechnologies, Inc.

Acquisition of Sapphire Biotech, Inc.

In March 2020, we acquired Sapphire Biotech, Inc. ("Sapphire"), a diagnostic healthcare solutions company, changing our business operations. In exchange for 100% of the issued and outstanding shares of Sapphire, we issued an aggregate of 54,000,000 newly issued shares of Company common stock to Sapphire's existing stockholders (the "Share Exchange"). As a result of the Share Exchange, Sapphire became a wholly owned subsidiary of the Company, which has resulted in consolidated financial reporting by the Company to include the results of Sapphire.

Acquisition of Advanced Tear Diagnostics, LLC Technology

On August 26, 2021, we purchased certain eye disease diagnostic technology from Advanced Tear Diagnostics, LLC, a Delaware Limited Liability Company ("Advanced Tear"), consisting of worldwide exclusive licenses to manufacture, distribute and sell 510(k) cleared medical diagnostic devices already being marketed for Lactoferrin, a biomarker for dry eye disease and a 510(k) license for IgE, a biomarker for allergic ocular reaction and ownership of the two FDA registered 510(k) clearances (collectively, the "DED Licenses"). Pursuant to the agreement, AXIM became the FDA registered owner of the two 510(k)'s.

The purchase price for the technology licenses and the 510(k)'s was $4,270,000, which price was paid by issuing 7,000,000 restricted shares of Company common stock to Advanced Tear.

This asset purchase will prohibit another company from manufacturing the same devices under the 510(k)'s now owned by AXIM. Companies wishing to compete with AXIM by manufacturing the diagnostic devices acquired by AXIM must initiate a new 510(k) application and conduct costly clinical trials in support of the lengthy clearance process.

Also on August 26, 2021, we purchased technology and intellectual property relating to electrochemical impedance spectroscopy which included five pending patent applications, one of which has now been allowed by the US Patent & Trademark Office, from Advanced Tear for $250,000 (included assuming and paying $40,000 of the Advanced Tear liabilities). The bulk of the purchase price ($210,000) was in a note that required seven equal monthly payments of $30,000, which payments started in September 2021. The note has since been repaid in full.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

The Company nor has not been subject to any trading suspension orders issued by the Securities and Exchange Commission.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the last 12 months:

None

Our principal executive office address is:

6048 Cornerstone Court West, Suite E1, San Diego, CA 92121.

Our principal place of business address is:

☑ Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its Predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years:	Yes ☐ No ☑

2. SECURITY INFORMATION

Transfer Agent:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093
Phone (469) 633-0101
info@stctransfer.com

Public Quoted or Traded Securities:

As of Date:	December 31, 2024
Trading Symbol:	AXIM
Exact title and class of securities outstanding:	Common Stock
CUSIP:	05463V100
Par or Stated Value:	$0.0001 per share
Common Stock	
Total shares authorized:	1,000,000,000
Total shares outstanding:	318,895,464
Number of shares in the public float:	168,219,221
Total number of shareholders of record:	109[(1)]
Preferred Stock	
Par or Stated Value:	$0.0001 per share
Total shares Preferred Stock authorized:	5,000,000
Total shares of Series C Preferred Stock authorized:	500,000
Total shares of Series C Preferred Stock outstanding:	500,000

(1) This number is an estimate and does not include all beneficial holders of our common stock because many of our shares of common stock are held by brokers and other institutions on behalf of shareholders, we are unable to estimate the total number of shareholders represented by these record holders.

Securities Description:

General

The Company's authorized capital stock consists of 1,000,000,000 shares of common stock, par value $0.0001 per share ("Common Stock"), and 5,000,000 shares of preferred stock, par value $0.0001.

Common Stock

Trading

Our common stock is traded on OTC Markets under the symbol "AXIM."

Voting Rights

Each stockholder is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Holders of our capital stock representing a majority of the voting power of our capital stock issued and outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of our stockholders.

Except in the case of election of directors, when a quorum is present or represented at any meeting of stockholders, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless otherwise required by applicable law. Directors are elected by a plurality of the votes cast at any meeting of stockholders at which directors are being elected.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to dividends if declared by our Board of Directors ("Board") out of funds legally available for payment of dividends. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Liquidation Rights

Upon the liquidation, dissolution or winding up of the Company, the remaining assets legally available for distribution to stockholders, after payment of claims or creditors and payment of liquidation preferences, if any, on outstanding shares or any class of securities having preference over the common stock, are distributable ratably among the holders of common stock and any participating class of securities having preference over the common stock at that time. Each outstanding share of common stock is fully paid and non-assessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Other Rights

Our common stock is not subject to conversion or redemption rights, and there are no redemption or sinking funds provisions applicable to the common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our Articles of Incorporation, our Board has the authority, without further action by our stockholders, to issue up to 5,000,000 shares of preferred stock, par value of $0.0001 per share, in one or more series, without stockholder approval. Our Board is authorized to establish from time to time the number of shares to be included in each series of preferred stock, and to fix the rights, preferences and privileges of the shares of each series of preferred stock and any of its qualifications, limitations or restrictions. Our Board can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series of preferred stock then outstanding, without any further vote or action by the stockholders.

We have designated 500,000 shares of Series C Preferred Stock, of which 500,000 shares are issued and outstanding.

Series C Preferred Stock

We have designated 500,000 shares of preferred stock as Series C Preferred Stock of which 500,000 are issued and outstanding.

The Series C Preferred shares have the following rights and preferences:

- In any distributions, liquidation, dissolution, winding up, the right to receive assets of the Company pari passu and ratable with the holders of the Series C Preferred Stock, and senior to holders of Company common stock.
- Each Series C Preferred share is convertible into one share of the Company's common stock.
- The right to elect four directors to the Company's Board (each, a "Series C Director"). Any Series C Director seat shall be considered vacant whether such vacancy exists by reason of a Series C director having never been elected to any such authorized seat(s), death, resignation, disqualification, removal or otherwise. In the event that holders of shares of the Series C Preferred elect four Series C Directors, then at least one of the Series C Directors shall be deemed "Independent" (as defined in the Certificate of Designation for the Series C Preferred Stock).
- Each Series C Preferred share shall have 100 votes per share, and will vote as a single class along with the holders of all the Company's voting stock entitled to vote on such matters.

- So long as any of the Series C Preferred shares are outstanding, the Company cannot take the following actions without the consent of the majority vote of the Series C Preferred shares: amend, alter, waive or repeal, whether by merger consolidation, combination, reclassification or otherwise, the Articles of Incorporation or Bylaws; or create, authorize or issue any class, series or shares of any class of capital stock. The rights and preferences of the Series C Preferred stock cannot be amended without the majority vote of the holders of the Series C Preferred shares.

Warrants

There are currently warrants outstanding to acquire an aggregate of 519,247 shares of the Company's common stock at a weighted average exercise price of $0.15 per share.

Options

There are currently options outstanding to acquire an aggregate of 21,860,715 shares of the Company's common stock at a weighted average exercise price of $0.101 per share.

Anti-Takeover Effects of Nevada Law and Our Amended Certificate of Incorporation and Amended and Restated Bylaws

Some provisions of Nevada law, our Articles of Incorporation and our Bylaws contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interests or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Removal of Directors and Board Vacancies

Subject to any limitations imposed by applicable law, our Board is fixed at seven directors which is currently comprised of four Series C directors and one non-Series C Director. Any Series C director seats shall be considered vacant whether such vacancy exists by reason of a Series C director having never been elected to any such authorized seat(s), death, resignation, disqualification, removal or otherwise. Any vacancy in the Series C director seats may only be filled by a majority of the holders of Series C Preferred Stock. There is no requirement to fill any vacant Series C director seat provided, however, that the Board must be comprised of at least one (1) director, whether or not such director is a Series C director.

Stockholders Not Entitled to Cumulative Voting

The holders of common stock are not entitled to cumulative voting rights, unless the Company is subject to Section 2115(b) of the California General Corporation Law ("CGCL"). In the event the Company is or becomes subject to Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (a) the names of such candidate or candidates have been placed in nomination prior to the voting and (b) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

While the foregoing provisions of our Certificate of Incorporation and applicable law may have an anti-takeover effect, these provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board in the policies formulated by our Board, and to discourage certain types of transactions that may involve an actual or threatened change of control. In that regard, these provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management.

Blank Check Preferred Stock

Our Board has the right to issue preferred stock in one or more series and to determine the designations, rights, preferences of such preferred stock without stockholder approval.

Stockholder Meetings

Our Bylaws provide that a special meeting of stockholders may be called only by a majority of our Board, our president, or by one or more stockholders holding shares in the aggregate entitled to cast not less than a majority of the votes at any such meeting, as well as provided by further provided in our Bylaws.

Shareholder Action Without a Meeting

Any action which may be taken at any annual or special meeting of stockholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Nevada Control Share Law

As a Nevada corporation, we are subject to certain provisions of the NRS that have anti-takeover effects and may inhibit a non-negotiated merger or other business combination. These provisions are intended to encourage any person interested in acquiring us to negotiate with, and to obtain the approval of, our Board in connection with such a transaction. However, certain of these provisions may discourage a future acquisition of us, including an acquisition in which the stockholders might otherwise receive a premium for their shares. As a result, stockholders who might desire to participate in such a transaction may not have the opportunity to do so. The NRS provides that specified persons who, with or through their affiliates or associates, own, or affiliates and associates of the subject corporation at any time within two years own or did own, 10% or more of the outstanding voting stock of a corporation cannot engage in specified business combinations with the corporation for a period of two years after the date on which the person became an interested stockholder, unless the combination meets all of the requirements of the articles of incorporation of the company, and: (i) the combination or transaction by which such person first became an interested stockholder was approved by the Board before they first became an interested stockholder; or (ii) such combination is approved by: (x) the Board; and (y) at an annual or special meeting of the stockholders (not by written consent), the affirmative vote of stockholders representing at least 60% of the outstanding voting power not beneficially owned by such interested stockholder. The law defines the term "business combination" to encompass a wide variety of transactions with or caused by an interested stockholder, including mergers, asset sales and other transactions in which the interested stockholder receives or could receive a benefit on other than a pro rata basis with other stockholders.

The provisions of Nevada law and our Articles of Incorporation could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our Board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

The information regarding the Company's securities contained herein does not constitute a complete legal description of the securities and is qualified in all material respects by the provisions of the Company's Certificate of Incorporation (as amended); Bylaws (as amended) and Certificates of Designation for its preferred stock.

Material Modifications to the Rights of the Holders of the Company's Securities

No material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

3. ISSUANCE HISTORY

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed years:;	Yes ☑ No ☐

The Table describing the Changes to the Number of Outstanding Shares is attached as **Exhibit A** to this Disclosure Statement and incorporated herein by reference thereto.

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.	Yes ☑ No ☐

The Table describing the any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments is attached as **Exhibit B** to this Disclosure Statement and incorporated herein by reference thereto.

4. ISSUER'S BUSINESS, PRODUCTS AND SERVICES

A. Summarize the issuer's business operations.

Axim Biotechnologies, Inc., a Nevada corporation, is a leading developer of diagnostic healthcare solutions serving to enhance the health of people. Through the development of diagnostic solutions that quickly and accurately diagnose various diseases, our products allow healthcare workers to quickly test and treat at the point-of-care, which leads to improved patient outcomes and provides numerous economic benefits to the healthcare system.

B. List any subsidiaries, parent company or affiliated companies.

Subsidiaries: Sapphire Biotech, Inc.

Parent Company: None

Affiliated Companies: None

C. Describe the issuers' principal products or services.

Axim's core competencies include development of rapid lateral flow immunoassays, reagents and monoclonal antibody development for such assays. Our current product portfolio falls under the Eye Health sector and consist of the two FDA cleared 510(k) tests we acquired for dry eye disease ("DED") and allergic conjunctivitis, both testing tears for these diseases . We have also internally developed an immunoassay for

a potential third product which would measure MMP-9 in tears. MMP-9 is a biomarker for ocular surface inflammation and is an additional diagnostic tool for DED and other eye diseases.

Historical Business Operations

We were originally incorporated in the State of Nevada on November 18, 2010, under the name AXIM International, Inc. On July 24, 2014, we changed our name to AXIM Biotechnologies, Inc.

Acquisition of Sapphire Biotech, Inc.

On March 17, 2020, we entered into a Share Exchange Agreement with Sapphire Biotech, Inc. ("Sapphire"), and all of its stockholders, pursuant to which, upon closing of the transaction to acquire 100% of Sapphire's outstanding capital. As a result of the Share Exchange, Sapphire became a wholly owned subsidiary of the Company changing our business operations.

Acquisition of Advanced Tear Diagnostics, LLC Technology

On August 26, 2021, we purchased certain eye disease diagnostic technology from Advanced Tear Diagnostics, LLC, a Delaware Limited Liability Company ("Advanced Tear"), consisting of worldwide exclusive licenses to manufacture, distribute and sell 510(k) cleared medical diagnostic devices already being marketed for Lactoferrin, a biomarker for dry eye disease and a 510(k) license for IgE, a biomarker for allergic ocular reaction and ownership of the two FDA registered 510(k) clearances (collectively, the "DED Licenses"). Pursuant to the agreement, AXIM became the FDA registered owner of the two 510(k)'s. The purchase price for the technology licenses and the 510(k)'s was $4,270,000, which price was paid by issuing 7,000,000 restricted shares of Company common stock to Advanced Tear.

This asset purchase will prohibit another company from manufacturing the same devices under the 510(k)'s now owned by AXIM. Companies wishing to compete with AXIM by manufacturing the diagnostic devices acquired by AXIM must initiate a new 510(k) application and request a CLIA classification for IgE or, in the case of Lactoferrin, must at least apply for CLIA classification and possibly file a new 510(K). Both the 510(k) and CLIA classification combined or individually require costly clinical trials in support of a potentially lengthy clearance process.

Also, on August 26, 2021, we purchased technology and intellectual property relating to electrochemical impedance spectroscopy ("EIS") which included five pending patent applications, one of which has now been allowed by the US Patent & Trademark Office, from Advanced Tear for $250,000 This technology may provide a future opportunity to utilize an EIS platform for our products which have the potential to drastically reduce the processing time to obtain results from our eye tests.

Eye Health Overview

On August 26, 2021, we acquired the technology, intellectual property and the exclusive global rights to market two FDA cleared lateral flow assays which utilize a non-invasive, quantitative, point of care human tear test to aid in the diagnosis and selection of therapeutics for the treatment of eye diseases. With the acquisition, the Company became focused on improving the landscape for the diagnosis of ophthalmological conditions such as Dry Eye Disease (DED) through rapid diagnostic tests. The Company owns two of the only five FDA Cleared Diagnostic tests for Dry Eye Disease.

Currently, we have an FDA 510(k) clearance to test Lactoferrin (an aqueous deficiency biomarker) and IgE (a non-specific allergy biomarker). Our objective is to establish point of care testing for dry eye disease and

to establish this modality as the new standard of care. The tests are quick, simple to use, and inexpensive to the clinic.

Low levels of Lactoferrin confirm inadequate glandular tear production (aqueous deficiency) and high levels of IgE indicate an active ocular allergy. If both biomarkers are normal, the cause of a patient's dry eye condition could be attributed to evaporative dry eye. So, by performing these two tests, an eye doctor may now better assess the underlying cause of the tear film disorder, its severity and the appropriate treatment protocol to pursue. In addition, these tests are rapid, accurate, reimbursable, profitable and can be performed by a technician, which allows the physician to be more productive and attend to more patients.

While at one time the tests were sold in numerous eye doctors' locations, when the Company acquired the assays, they had been mothballed. The Company has had to redevelop the tests, reagents and select a reader to provide the quantitative results. Since the acquisition of the technology, the Company has been successful in redevelopment and is launching sales.

We have been working with Barcelona-based IUL SA ("IUL") for our iPeak DED readers, which have been deployed for diagnostic testing with a focus on Lactoferrin and IgE levels. This state-of-the-art portable reader is a colorimetric lateral flow reader designed to hold different cassette sizes and can read cassettes of up to five strips and seven lines per strip at a time.

iPeak is equipped with "Flash Eye" technology based on the principles of machine vision illumination. Its camera captures the image of the test illuminated from LED lights situated in the most studied geometry to achieve a precise and uniform illumination and enhance the colors of any lateral flow test. The iPeak technology also allows for more sensitivity, which is the main success of its application.

We evaluated the iPeak readers in our laboratory against several other comparable products before deciding on IUL's state-of-the-art products. The Company's diagnostic testing process for DED, and specifically for Lactoferrin levels as a primary indicator, will include the use of reagent strip samples. The new readers are calibrated with the new test strips and have been distributed to ophthalmologists and optometrists at the point of care. The patients' tear sample will be obtained and applied to the strips and then an ophthalmologist or optometrist will run the strips through a reader to determine Lactoferrin levels and incidence and severity of DED.

On September 19, 2022 the Company entered into an exclusive License and Distribution Agreement (regarding its Lactoferrin, IgE and MMP-9 dry eye tests) with Verséa Ophthalmics, LLC, a business division of Verséa Holdings, Inc. ("Verséa"). AXIM terminated the Agreement in December 9, 2024.The Company is seeking new strategic alliances to distribute its products and going forward will use the "Axim Eye" branding for the Company's products and marketing materials.

In the U.S, the Clinical Laboratory Improvement Amendments ("CLIA) require certification for any facility that performs tests on human specimens for diagnosis, prevention or treatment. Our tests are considered moderately complex by CLIA, and, as such, the user of the test is required to obtain a CLIA certificate of compliance, which impedes growth of our business in the US market due to the fact that the process for obtaining a certificate generally resisted by the practitioner as unduly burdensome on their practice (there are various lab requirements that must be in place first, and there is a considerable amount of ongoing record keeping that is required).The FDA allows for CLIA waivers which would provide substantial relief from the various lab requirements when granted. At this time, we intend to pursue a waiver first for Lactoferrin and subsequently, shortly thereafter, for IgE. Our scientists have been diligently making proprietary improvements to the tests which will simplify use by the clinician and enhance likelihood of CLIA waiver approval. The FDA allows medical device developers to interact with

them early on in the regulatory process via the "Pre-Sub Q" process. Ultimately, this is a way to ask questions, get clarity and reduce risk of delays or rejections later in the waiver application process. Accordingly, prior to filing the waiver application, we plan to file our Pre-Sub Q submission in the second quarter of 2025. The FDA is expected to provide feedback within 60 days. Once we receive the FDA feedback regarding our process, we will conduct a fairly simple comparative clinical study. This study is a key component of the filing process with the FDA for a CLIA Certificate of Waiver. The FDA is expected to complete review of the Waiver Application within 90 days. We believe that a significant market for our Lactoferrin test exists in the US market and that by securing a CLIA waiver our ability to penetrate that market would be greatly enhanced. We believe that the same is true if our IgE test also receives a CLIA waiver.

Dry Eye Market

An estimated 16 million Americans have been diagnosed with DED, but the actual number of Americans suffering from dry eye symptoms is likely much higher. Some reports indicate that nearly half of all U.S. adults experience dry eye signs and symptoms, and 33% of patients in eye care clinics present with complaints about dry eye.

DED, though widespread, is under-diagnosed, in part because symptoms do not always correlate with objective signs. It has a highly variable symptom profile at different stages of the disease, and there is often a discordance between signs and symptoms. A patient can have severe symptoms yet show no sign of ocular surface damage, while others have advanced ocular surface damage, yet report no symptoms. This lack of correlation between clinical signs and symptoms of DED makes diagnosing and treating patients a challenge. Often times, inflammation is present before the clinical signs of DED.

Currently, to date, our eye business has focused exclusively on ophthalmology and optometry, in the United States, where there are 37,000 optometrists and 19,000 ophthalmologists performing approximately 400,000 medical (dilated) eye exams per day. Of this total, we believe that approximately 20% to 30% would present with symptoms where the Company's Lactoferrin and/or IgE tests would be indicated. It is estimated that total US market for our eye care systems could approach 50,000 systems (USA Only). The Company is also now exploring international markets and is in active discussions with potential distributors in Canada, Brazil, South Korea and China. Although each country has a regulatory agency requiring approval before a distributor can sell the Company's products, there is no CLIA designation outside the U.S for diagnostic devices that are waived or moderate complex.. This provides a strategic advantage in pursuing regulatory approval in various countries and adoption of our products by doctors who are not required to satisfy strict lab requirements. It is important to note that the regulatory review for each country may take an indeterminate number of months. However, for devices with lower risk classifications such as those of the Company, the review can be more streamlined. In addition, a 510(K) clearance offers valuable supporting evidence in the regulatory review process by providing robust set of data, including performance and clinical evaluations. While the U.S clearance from the FDA is respected globally, the Company has to file for review and approval with each country's regulatory agency before our products can be commercialized in a particular country.

Studies indicate that in 2021, 16-49 million Americans had DED, representing 32 - 98 million potential use cases for our POC tests. These tests are not limited to DED diagnostics, but can also be used to determine the Lactoferrin and allergic components of tear film prior to:

- Contact lens fitting – approximately 45 million people wear contact lens in the US alone (2021).
- LASIK surgery- approximately 718,000 (2020).

- Cataract surgery with lens exchange - approximately 3.8 million (2018).

Business Model

Our eye business model utilizes a razor/razor blade model with the idea of placing as many readers into the field as possible and selling the disposable tests. It is anticipated that our gross profits will be generated from the manufacturing and sale of tests to our distribution partner who then resells the tests. Discounts will be offered to purchasing groups, corporate accounts, academic institutions engaged in research or training, and others as deemed appropriate. It is anticipated that the average price for the reader will be at our acquisition cost so we can get as many "razors" in the field.

Market demand for the system is expected to be moderate to begin with until we are granted a waiver from CLIA. At which time we expect extremely high demand for our system and tests. We also expect very high demand for our recently developed MMP-9 quantitative test once we obtain a simultaneous FDA 510(k) clearance/CLIA Waiver. While we must compete with other capital equipment expenditures under consideration in any ophthalmic physician's office, we believe that no other ophthalmic device offers the combination of compelling clinical and financial benefits afforded by our system. The clinical utility of the tests offers important diagnostic precision, differentiation and treatment management direction. Inner-office efficiencies significantly improve the patient flow characteristics, reducing patients in office visit time and greatly reducing physicians chair time with each patient.

Dry Eye Disease Market Competition

Currently there are five FDA approved tests for DED:

Biomarker	Company	Type	CLIA status
Lactoferrin	Axim	(quantitative analysis)	moderate complexity
IgE	Axim	(quantitative analysis)	moderate complexity
MMP9	Quidel	(qualitative only)	waived
Osmolarity	TearLab	(quantitative analysis)	waived
Ocular Adenovirus	Quidel	(qualitative only)	waived

The preferred clinical analysis is quantitative, giving us an advantage over the competition. Since our reader can interpret many different analytes other than Lf and IgE, it also opens the possibility of additional quantitative test development.

New Quantitative MMP-9 Test

On March 8, 2022, we announced that we had successfully developed what we believe to be the first-ever rapid quantitative tear test for MMP-9, an inflammatory biomarker for DED. Matrix metalloproteinase-9 (MMP-9), an inflammatory biomarker consistently elevated in the tears of dry eye patients, may accelerate early diagnosis when detected.

Ocular surface disease (OSD) and dry eye syndrome are often mistakenly considered synonymous. OSD occurs when there is damage to the front surface of the eyes, the cornea. The central role of inflammation in OSD is widely recognized, but the ability to measure this in the clinic has been limited to the Quidel InflammaDry test, which measures tear matrix MMP-9 levels and provides a positive/negative result around a threshold of 40ng/ml of MMP-9. This "yes or no" report has clinical value, but it is limited. Currently available MMP-9 testing does not detect a reduction in tear MMP-9 levels until the concentration drops below 40ng/ml and, thus, may miss clinically significant improvement that did not reach that threshold.

The clinical benefits of our quantitative tear MMP-9 testing would be a significant advancement in the ability to measure the degree of inflammation affecting dry eye patients, allowing for more objective classification of their disease. Equally important would be the ability to measure improvement in control of inflammation that is the goal of many therapies for Ocular Surface Disease (OSD), including pharmaceuticals, thermal pulsation treatments and even light-based therapies. We intend to run a clinical study for MMP-9 in 4rd quarter of 2025.

We are also in the process of developing additional biomarker tests that will be used on the existing platform, without the constant need of the clinician to upgrade to a newer platform. The Lateral Flow test reader is software driven and can be programmed to interpret other biomarkers as they are clinically studied and FDA cleared. Our tests use 1.0 microliter for Lactoferrin and 3.0 microliters for IgE of human tear fluid, that is applied to a disposable lateral flow cassette (one cassette tests both patient eyes). We expect the disposable single use cassette model to generate a substantial, recurring revenue stream for our eye business and our stakeholders.

CURRENT OPERATIONS FOLLOWING ACQUISITION OF SAPPHIRE AND ADVANCED TEAR DIAGNOSTICS ASSETS

Summary:

- AXIM's strategic focus is on commercializing FDA-cleared Dry Eye Disease (DED) diagnostic system
- Plans to address largely underserved DED diagnosis market with proprietary tear collection method and approved tests, supported by world-class DED management team
- Supply agreements in place to fulfill demand for DED readers and test strips, creating large revenue opportunity
- Company places emphasis on generating positive cash flow through DED program

The Company has been working diligently to further position AXIM for both immediate and long-term success. Since our acquisition of Sapphire Biotech and with the onset of the COVID-19 pandemic, we have been focused on three key areas specific to the diagnostic area: oncological, COVID-19, and most recently, dry eye disease (DED). Each of these provides strong upside potential for AXIM; however, each comes with its own set of regulatory and scientific hurdles that must be overcome. While the Company remains optimistic about each program, we believe it to be of the utmost importance to focus the most time and resources on the program with the ultimate potential for success, in the nearest term. While these other programs will not be abandoned, the Company recognizes that waiting on the painstakingly slow regulatory approvals needed to generate revenue is not the best strategy to further our mission and unlock shareholder value. As such, following an extensive analysis by our management team, board of directors, and expert consultants with an objective perspective, the Company determined our best path forward lies with DED. The DED initiative is an extremely large opportunity for our Company and has been gaining strong

momentum in recent months. The Company believes it offers the most potential for rapid and immediate growth, which could lead to ultimate profitability for the organization.

Since the third quarter of 2021, we have acquired substantial assets, including already FDA-cleared diagnostic tests, which complement the research we had been conducting to-date. Despite DED being the most common ocular surface disorder, affecting approximately 350 million people worldwide—causing persistent eye irritation, blurred vision, pain and decreased quality of life—the sector has seen little innovation. There remains a desperate demand for better DED testing and diagnosis, especially at the point-of-care, and we believe we are well positioned to dominate this marketplace, while we actively work to develop and bring to market new solutions enabling us to offer comprehensive state-of-the-art suite of DED solutions.

Our next-generation solutions are unique in that they offer patients a fast and reliable answer as to why they are suffering, while offering a solution to physicians who are looking to help patients suffering from this overly common disease.

DED Business

It is important to underscore the rationale supporting the Company's decision to focus on DED. According to the American Academy of Ophthalmology, approximately 20 million people in the U.S. have DED and the number is growing in both young and old adults. It is imperative that clinicians determine how to best diagnose and treat DED.

Diagnosing DED is a particular challenge because of the multifactorial nature of the disease, with symptoms similar to other ocular surface conditions. There is often discordance between signs and symptoms, highlighting the need for more sensitive and accurate diagnostic tools. Figures from the American Journal of Ophthalmology corroborate this. As of July 2017, an estimated six million people reported DED symptoms without receiving a diagnosis.

The DED marketplace is massive, with analysts projecting the global market to grow at a CAGR of 6.6% from 2021 to 2026 and reach $6.1 billion by 2024.

Accordingly, in mid-2021, we started building the infrastructure and foundation needed to engage this large and dynamic market successfully. Our cutting-edge, next-generation solutions provide AXIM with far higher prospects of predictable growing revenue and earnings power.

On August 26, 2021, we signed an agreement to acquire two FDA-cleared 510(k)'s DED diagnostic testing technologies. The tests are part of a highly specialized point-of-care (POC) lab testing system explicitly designed to assist eye care physicians in detecting and quantifying various biomarkers associated with external ocular disorders. Both these tests are non-invasive, Rapid Lateral Flow Assays using tears.

The first is a rapid (10-minute) lateral flow diagnostic assay that tests for exact levels of Lactoferrin through the collection of 1.0 microliter in tears. The benefits of testing Lactoferrin Levels in the tear film include:

- Low Lactoferrin levels directly correlate to DED caused by aqueous deficiency
- The severity of DED can be determined by the Lactoferrin level
- Low Lactoferrin levels may represent increased surgical risk or contact lens intolerance
- Changes in Lactoferrin levels may show the efficacy of the prescribed treatment

The second test is for the measurement of Ocular Immunoglobulin E (IgE), a biomarker for allergies and a key biomarker primarily associated with Dry Eye Disease. The benefits of Testing IgE Levels in the Tear Film include:

- The presence of IgE indicates the diagnosis of allergic conjunctivitis
- Levels of IgE increase with the severity of the allergic response
- IgE testing can help differentiate allergic conjunctivitis from dry eye syndrome
- Allergic conjunctivitis is a contraindication for LASIK and other surgical procedures

Lactoferrin is a tear protein that protects the ocular surface through antimicrobial and anti-inflammatory properties. Lower concentrations of lactoferrin have been demonstrated in patients with dry eye, which is associated with decreased aqueous tear production. Ocular Immunoglobulin E (IgE) is a biomarker for allergies and a key biomarker primarily associated with allergic conjunctivitis. Mild allergic conjunctivitis is frequently challenging to clinically distinguish from dry eye. AXIM's diagnostic technology allows for eye doctors to not only identify and differentiate clinically overlapping conditions but also drive more targeted therapeutic interventions. The tests provide doctors with access to real-time quantitative results at the point-of-care, allowing them to better prescribe a therapy to patients, leading to overall improved personalized patient care.

On March 8, 2022, we announced that we had successfully developed what we believe to be the first-ever rapid quantitative tear test for MMP-9, an inflammatory biomarker for DED. Matrix metalloproteinase-9 (MMP-9) is an inflammatory biomarker consistently elevated in the tears of dry eye patients. The central role of inflammation in Ocular Surface Disease (OSD) is widely recognized, but the ability to measure this in the clinic has been limited to the Quidel InflammaDry test, which provides a positive/negative result. This "yes or no" report has clinical value, but it is limited. OSD occurs when there is damage to the front surface of the eyes, the cornea. OSD includes dry eye syndrome, but also refers to a number of other disorders that affect the surface of the eye and can cause significant issues with vision and quality of life.

The clinical benefits of our quantitative tear MMP-9 testing are a significant advance in the ability to measure the degree of inflammation affecting dry eye patients, allowing for more objective classification of their disease. Equally important would be the ability to measure improvement in control of inflammation that is the goal of many therapies for OSD, including pharmaceuticals, thermal pulsation treatments and even light-based therapies.

On July 12, 2023, AXIM announced that it had begun shipping revenue-generating validation kits for Ocular Immunoglobulin E (IgE), a key biomarker primarily associated with non-specific, allergic conjunctivitis, which often mimics Dry Eye Disease. Since then, the Company has undertaken additional optimization of IgE and is planning a re-release of the product in the 2nd quarter 2025.

Key Diagnostic Device Supply Relationship

In February of 2023, we established a key strategic relationship for the supply of DED test strip readers which will be deployed for diagnostic testing, focusing on lactoferrin levels. The readers, a point of care medical device, will be supplied by Barcelona, Spain-based IUL SA ("IUL"). We will be utilizing state-of-the-art portable iPeak readers that were tested against other comparable products. These readers are designed to hold different cassette sizes and are equipped with connectivity and can read cassettes of up to five strips and seven lines per strip at a time. iPeak is equipped with "Flash Eye" technology based on the principles of machine vision illumination.

We are also in the process of developing additional biomarker tests that will be performed on the existing platform, without the constant need of the clinician to upgrade to a newer platform. The Lateral Flow test reader is software-driven and can be programmed to interpret other biomarkers as they are clinically studied and cleared by the FDA. The test uses 1.0 microliter for Lactoferrin or 3.0 microliters for IgE of human tear fluid that are applied to a disposable lateral flow cassette (one cassette tests both patient's eyes). We expect the disposable single use cassette model to generate a substantial, recurring revenue stream for our eye business.

Anticipated Expenses

During the next twelve months we anticipate incurring costs related to: (i) contractual obligations, (ii) clinical trials, (iii) continued research and development, and (iv) inventory for sales of dry eye products.

AXIM INTELLECTUAL PROPERTY

AXIM has been developing a proprietary diagnostic platform that can be adapted to test for a variety of analytes including, for example, SARS-Cov-2, Lactoferrin, IgE, Lacritin, MMP-9. This innovative platform allows clinicians to detect with greater speed and accuracy different conditions that, as an example, allow for point of care testing of viruses, diseases, and conditions such as Dry Eye Disease. The platform capability can also be applied to rapid testing for vaccine candidates, including COVID vaccines. AXIM's proprietary platform can also be used to enable point-of-care detection for one or more cancers using a unique cancer biomarker, QSOX1-L.

<u>New Patent Allowances</u>

AXIM was recently notified by the United States Patent & Trademark Office (USPTO) of three patent allowances. The first patent application relates to COVID and another for the neutralizing antibody (Nab) testing and treatment. The allowance confirms that AXIM was a pioneer in developing a rapid point of care Nab test and its novelty. Additionally, the company was notified by the USPTO of a second patent allowance for systems and methods for rapid diagnostic for various cancers. The invention relates to the discovery by AXIM scientists of a unique biomarker for cancer, QSOX1-L. A third patent allowance was received for a point-of-care apparatus and methods for detecting cancer that uniquely uses electrochemical or impedance spectroscopy (EIS).

These allowances have increased the depth of AXIM'S IP portfolio, including the 3 above allowed patents, that cover AXIM's innovative platforms and technologies. The Company sees a significant value in its IP portfolio whereas it may look to either further develop the covered technologies or license the IP to larger healthcare organizations, both creating significant upside value for the organization. These allowances further validate both the novelty and underlaying science of AXIM's diagnostic technologies.

<u>Innovations in Diagnostics</u>

We continue to ramp up our manufacturing capability to ship our FDA-cleared diagnostic assays to customers. Simultaneously, we have continued to expand our value proposition through innovations in the diagnostics field. We see our growing portfolio of proprietary inventions as a major opportunity for the organization, with an unrealized market value which probably exceeds the company's current market capitalization. For instance, while the original SAR COVID-19 virus which plagued the world in recent years received extensive attention from the medical community, our now protected assay methodology can be applied to any future mutations or new SARS viruses or vaccines. Our intellectual property consists of issued patents as well proprietary inventions that are being maintained and protected as trade secrets. A

trade secret is any commercially valuable information that is kept confidential and provides a business advantage to the Company over its competitors.

Following is an overview of AXIM's intellectual property ("IP") portfolio, those inventions that are not the subject of patents or patent applications are being protected as trade secrets under IP law.

PROPRIETARY INVENTIONS PROTECTED BY ISSUED PATENTS

CANCER DIAGNOSTICS

Systems and Methods for Rapid Diagnostic for Various Cancers. Issued Patent

QSOX1 (Quiescin Sulfhydryl Oxidase 1) is an enzyme that is over-expressed in multiple tumor types. Genetically silencing QSOX1 in tumors has been shown to slow their growth, migration, invasion and metastasis. QSOX1-L, a splice variant of QSOX1, has been identified as a novel biomarker of bladder cancer and possibly other cancers in serum. Proprietary antibodies have been generated that selectively detect only this variant and not others. QSOX1-L has been used to develop a rapid and cost-effective diagnostic test for bladder and possibly other urologic cancers from urine.

SARS-Cov-2

Neutralizing Antibody Testing and Treatment. Issued Patent.

The invention refers to a Rapid Test to measure levels of Neutralizing Antibodies to SARS-CoV2. Unlike currently available serological COVID-19 tests that detect an antibody response to the virus, the rapid 10-minute test measures a specific subpopulation of antibodies that block binding of the virus to host cell receptors. In contrast to current tests using live viruses which are time-consuming, expensive and require trained personnel in a tightly controlled laboratory setting to measure neutralizing antibodies, the rapid test is a portable, low cost, rapid point- of-care test that measures levels of neutralizing antibodies in 10 minutes.

The invention is a diagnostic test intended for semi-quantitative measurement of neutralizing antibodies in plasma, serum or whole blood of persons who have had recent or prior infection with SARS-CoV2 or have received a COVID-19 vaccine.

EIS TECHNOLOGY

Point of Care Apparatus and Methods for Detecting Cancer Using Electrochemical Impedance or Capacitance Spectroscopy (EIS). Issued Patent

These inventions relate to detection tools, diagnostics and related methods involving the use of an electrochemical sensor in conjunction with electrochemical impedance spectroscopy or electrochemical capacitance spectroscopy (EIS). Such detection tools may be utilized to detect cancer via biomarkers contained in bodily fluids. Many different analyte detection devices and systems exist. However, those that can be practically applied in a clinical, point of care or other setting requiring accuracy and reliability are fairly limited and tend to be complex and expensive.

The presence of analytes can be detected in the bodily fluid using Electrochemical Impedance Spectroscopy (EIS) or Electrochemical Capacitance Spectroscopy (ECS) in devices, such as handheld point-of-care devices. The devices, as well as systems and methods, utilize using Electrochemical Impedance Spectroscopy (EIS) or Electrochemical Capacitance Spectroscopy (EIS) in combination with an antibody

or other target-capturing molecule on a working electrode. Imaginary impedance or phase shift, as well as background subtraction

CANNABINOID THERAPEUTICS. Issued Patent

Polyfunctional Cannabinoids

This invention discloses cannabinoids linked with polyethylene glycol chains and methods to develop water soluble polyfunctional cannabinoids. Studies in vitro and in vivo have shown that cannabinoids help slow tumor growth, reduce tumor invasion, and induce tumor cell death in pancreatic cancer; provoke cell death and make glioblastoma cells more sensitive to radiation, but with no effect on healthy cells; in colon cancer, CBD may inhibit the spread of colorectal cancer cells and in breast cancer significantly reduce breast cancer cell proliferation and invasion. The new polyfunctional CBD is 338 X more water-soluble than CBD as illustrated in the following example: if one dissolves 1G of CBD in water-octanol mixture, only 3.9 micrograms of it will end up in water; while for 1G of the new polyfunctional CBD 1,318 micrograms will go into water.

PROPRIETARY INVENTIONS PROTECTED AS TRADE SECRETS

DRY EYE DISEASE

Tests for Human Monomeric Lacritin

The invention relates to a Rapid Point of Care test for Human Monomeric Lacritin. Lacritin is a tear protein that, in its monomeric form, autonomously promotes tearing and ocular surface survival. Lower concentrations of Lacritin may diagnose several eye diseases, including Blepharitis, Sjögren's syndrome, Dry Eye Disease and other inflammatory conditions.

Tear Sample Collectors Systems and Methods

Tear fluid analysis contributes to the greater understanding of various ocular and systemic diseases and obtaining adequate samples for tear analysis requires effective collection methods. Most tear sample collectors on the market use capillary designs as tear sample collectors. These designs are intimidating to the patient when a sharp looking object is approaching the eye, are rather difficult to use by untrained personnel and are expensive to manufacture. Quidel InflammaDry is using a wick type tear sample collector that does not have any fill-up indicator and is rather intricate to produce on mass scale. Other prototype sample collectors employ Q-tip designs, filter paper strips (Schirmer's test) are imprecise, some are difficult to produce en masse. The invention relates to a laminated and looped tear sample collector that addresses these and that is: 1) Cost-effective to produce on mass scale 2) Features a fill-up indicator (in case of laminated version) 3) Easy to use 4) Soft and non-intimidating to user and patient.

PARKINSON'S DISEASE

The invention relates to a point-of-care, non-invasive diagnostic assay for the detection of abnormal alpha-synuclein, a known biomarker for Parkinson's Disease (PD). Evidence has shown that α-synuclein assays have the potential to differentiate people with PD from healthy controls, enabling the potential for early identification of at-risk groups. These findings suggest a crucial role for α-synuclein in therapeutic development, both in identifying pathologically defined subgroups of people with Parkinson's disease and establishing biomarker-defined at-risk cohorts.

DIAGNOSTIC METHODS AND TOOLS

Molecules and Related Assays, Test Kits and Methods.

The invention relates to the use of various recombinant proteins, test kits, test kit components and methods for detecting and measuring “binding antibodies” (for example, non-neutralizing antibodies) as well as “functional antibodies” (for example, neutralizing) in a single test and at the same time. Such test kit and method can advantageously improve the diagnosis and therapy of various diseases.

Use of Micromesh Materials in Diagnostic Devices.

When small sample sizes (0.1-2 microliters) are used, such as tears, there is a need for the sample to be spread out over the application area for a proper flow. The invention allows dispersion of a small sample volume over a wide area controllable by the mesh size. This enables homogeneous sample dispersion over the entire sample application area.

TRADEMARKS

We have two trademarks registered with the United States Patent and Trademark Office: Axim (Registration Date: May 19, 2015; and Axim Biotech (Registration Date: May 31, 2016).

Market, Customers and Distribution Methods

Our focus is on the development of innovative pharmaceutical and diagnostic products. We plan to be an active player in the field of biosciences with our extensive R&D and pipeline of innovative products. Currently, our eye business focuses exclusively on ophthalmology and optometry, in the United States, where there are 37,000 optometrists and 19,000 ophthalmologists performing approximately 400,000 medical (dilated) eye exams per day.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products.

We face competition from many different sources, including commercial pharmaceutical and biotechnology enterprises, academic institutions, government agencies, and private and public research institutions. Our commercial opportunities will be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer side effects or are less expensive than any products that we or our collaborators may develop based on the use of our technologies.

While we believe that the potential advantages of our new technologies will enable us to compete effectively against other providers of technology for Covid-19 NAb product development and manufacturing, many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, clinical trials, regulatory approvals and marketing approved products than we do. Smaller or early stage companies may also prove to be significant competitors, particularly through arrangements with large and established companies, and this may reduce the value of our technologies. In addition, these third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies and technology licenses complementary to our programs or advantageous to our business.

The barrier for entrance into the dry eye space is difficult and requires extensive clinical studies, large capital expense and FDA 510(k) clearance and/or CLIA categorization. This process alone can take several years and substantial investment, with no certainty that the product will receive FDA 510(k) clearance. It is estimated that as of 2021, the total Company funding necessary to develop a Class II 510(k) cleared medical device can range from $200,00 to over $30 million. The development and engineering costs may comprise approximately $2-5 million of this total. There are many factors that influence these costs, including the need for clinical studies, regulatory pathway and technology complexity.

We believe that we are well situated in the Eye Health sector with two 510(k) cleared tests. Additionally, the preferred clinical analysis is quantitative, giving us an advantage over the competition. Since our reader can interpret many different analytes other than Lactoferrin and IgE, it also opens the possibility of additional quantitative test development.

Source and Availability of Raw Materials

In general, there are a limited number of suppliers for raw materials that we use to manufacture our products and product candidates, and there may be a need to access alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for clinical trials, and if approved, ultimately for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by us.

We currently manufacture the majority of our testing materials in-house, and use contract manufacturers for the manufacture of some of our product candidates. We may or may not manufacture the products we develop, if any. Our internal manufacturing and contract manufacturers are subject to extensive governmental regulation. In the dry eye segment, we either make our reagents or they are sourced from select suppliers. We use contract manufacturers for the manufacture of readers.

Government Regulation

Government authorities in the U.S. (including federal, state and local authorities) and in other countries extensively regulate, among other things, the manufacturing, research and clinical development, marketing, labeling and packaging, storage, distribution, post-approval monitoring and reporting, advertising and promotion, export and import of pharmaceutical products, such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Moreover, failure to comply with applicable regulatory requirements may result in, among other things, warning letters, clinical holds, civil or criminal penalties, recall or seizure of products, injunction, disbarment, partial or total suspension of production or withdrawal of the product from the market. Any agency or judicial enforcement action could have a material adverse effect on us.

Many, if not all of our customers, are covered entities under the Health Insurance Portability and Accountability Act of August 1996 or HIPAA. As part of the operation of our business, we provide reimbursement assistance to certain of our customers and as a result we act in the capacity of a business associate with respect to any patient-identifiable medical information, or PHI, we receive in connection with these services. We and our customers must comply with a variety of requirements related to the handling of patient information, including laws and regulations protecting the privacy, confidentiality and security of PHI. The provisions of HIPAA require our customers to have business associate agreements with us under which we are required to appropriately safeguard the PHI we create or receive on their behalf. Further, we and our customers are required to comply with HIPAA security regulations that require us and them to implement certain administrative, physical and technical safeguards to ensure the confidentiality, integrity and availability of electronic PHI, or EPHI. We are required by regulation and contract to protect

the security of EPHI (electronic protected health information) that we create, receive, maintain or transmit for our customers consistent with these regulations. To comply with our regulatory and contractual obligations, we may have to reorganize processes and invest in new technologies. We also are required to train personnel regarding HIPAA requirements. If we, or any of our employees or consultants, are unable to maintain the privacy, confidentiality and security of the PHI that is entrusted to us, we and/or our customers could be subject to civil and criminal fines and sanctions and we could be found to have breached our contracts with our customers. Under the Health Information Technology for Economic and Clinical Health Act, or HITECH Act, and recent omnibus revisions to the HIPAA regulations, we are directly subject to HIPAA's criminal and civil penalties for breaches of our privacy and security obligations and are required to comply with security breach notification requirements. The direct applicability of the HIPAA privacy and security provisions and compliance with the notification requirements requires us to incur additional costs and may restrict our business operations.

U.S. Government Regulation

Government authorities in the United States and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, promotion, advertising, distribution and marketing of our product, which is a medical device. In the United States, the FDA regulates medical devices under the Federal Food, Drug, and Cosmetic Act and implementing regulations. Failure to comply with the applicable FDA requirements, both before and after approval, may subject us to administrative and judicial sanctions, such as a delay in approving or refusal by the FDA to approve pending applications, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, administrative fines or criminal prosecution.

Unless exempted by regulation, medical devices may not be commercially distributed in the United States until they have been registered, cleared or approved by the FDA. Medical devices are classified into one of the three classes, Class I, II or III, on the basis of the controls necessary to reasonably assure their safety and effectiveness. Our tests have been assigned Moderate Complexity by CLIA (Clinical Laboratory Improvement Amendments of 1988). This law requires any facility performing examination of human specimens for diagnosis to be certified by the Department of Health and Human Services to be safe and effective. The assignment of Moderate Complexity to our tests requires laboratories or sites that perform our tests to have a CLIA certificate, to be inspected, and to meet the CLIA quality standards.

After a device receives 510(k) clearance, any modification to the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, would require a new 510(k) clearance or an approval of a Premarket Approval, or PMA. A PMA is the FDA process of scientific or regulatory review to evaluate the safety and effectiveness of Class III medical devices which are those devices which support or sustain human life, are of substantial importance in preventing impairment of human health, or which present a potential, unreasonable risk of illness or injury. Although the FDA requires the manufacturer to make the initial determination regarding the effect of a modification to the device that is subject to 510(k) clearance, the FDA can review the manufacturer's determination at any time and require the manufacturer to seek another 510(k) clearance or an approval of a PMA.

CLIA is intended to ensure the quality and reliability of clinical laboratories in the United States by mandating specific standards in the areas of personnel qualifications, administration, and participation in proficiency testing, patient test management, quality control, quality assurance and inspections. The regulations promulgated under CLIA establish three levels of in vitro diagnostic tests: (1) waived; (2) moderately complex; and (3) highly complex. The standards applicable to a clinical laboratory depend on the level of diagnostic tests it performs. A CLIA waiver is available to clinical laboratory test systems if they meet certain requirements established by the statute. Waived tests are simple laboratory examinations and procedures employing methodologies that are so simple and accurate as to render the likelihood of

erroneous results negligible or to pose no reasonable risk of harm to patients if the examinations or procedures are performed incorrectly. These tests are waived from regulatory oversight of the user other than the requirement to follow the manufacturer's labeling and directions for use. We intend to file waiver applications with the FDA for the individual products comprising the AXIM Eye System.

Regardless of whether a medical device requires FDA clearance or approval, a number of other FDA requirements apply to the device, its manufacturer and those who distribute it. Device manufacturers must be registered and their products listed with the FDA, and certain adverse events and product malfunctions must be reported to the FDA. The FDA also regulates the product labeling, promotion and, in some cases, advertising of medical devices. In addition, manufacturers and their suppliers must comply with the FDA's quality system regulation which establishes extensive requirements for quality and manufacturing procedures. Thus, suppliers, manufacturers and distributors must continue to spend time, money and effort to maintain compliance, and failure to comply can lead to enforcement action. The FDA periodically inspects facilities to ascertain compliance with these and other requirements.

Environmental Matters

No significant pollution or other types of hazardous emission result from our current operations, and we do not anticipate that our operations will be materially affected by federal, state or local provisions concerning environmental controls. Our costs of complying with environmental, health and safety requirements have not been material. Furthermore, compliance with federal, state and local requirements regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have not had, nor are they expected to have, any material effect on the capital expenditures, earnings or competitive position of the Company. However, we will continue to monitor emerging developments in this area.

Employees

As of December 31, 2024, we had six full-time employees and one part-time employee. We also allow and utilize the services of independent contractors. Management believes that we have a good relationship with our employees.

Company Website

We maintain a corporate Internet website at: www.aximbiotech.com. The contents of our website are not incorporated into or otherwise are to be regarded as part of this Report.

5. ISSUER'S FACILITIES

We lease approximately 1,908 square feet of mixed industrial space in San Diego, California. The mixed space includes office, labs, warehouse, manufacturing and distribution facilities. The lease commenced on March 29, 2023, and extends through until March 31, 3026, with monthly base rent in the 1st year $8,014, 2nd year $8,335 and 3rd year $8,668 and a final payment of $9,014 at implicit interest rate of 6%.

6. OFFICERS, DIRECTORS, AND CONTROL PERSONS OF THE COMPANY

The following table indicates the Beneficial Ownership of our Officers, Directors and Shareholders of 5% or more our common stock based upon 302,895,464 shares outstanding as of December 31, 2024.

Name	Affiliation	Address	# Shares	Type	%
John W. Huemoeller II (2)	[Former] President CEO Director	(1)	6,000,000	Common	1.6%
Catalina Valencia (2)(3)	CEO Director	(1)	21,256,586	Common	7%
Robert Malasek	CFO	(1)	0	Common	**
Timothy R. Scott, PhD	Director	(1)	0	Common	**
Robert L. Cunningham	Director	(1)	0	Common	**
Peter O'Rourke	Director	(1)	0	Common	**
Blake N. Schroeder	Director	(1)	9,000	Common	**
Glycodots, LLC (4)	5% Holder	(1)	19,800,000	Common	6.2%

** Less than 1%.

(1) The address is: 6191 Cornerstone Court West, Suite E1, San Diego, CA 92121.

(2) Because Company President and CEO, John W. Huemoeller II, was unable to serve as an officer of the Company as a result of serious illness, on October 9, 2024, the Company's board of directors appointed Catalina Valencia as the Company's new President. On October 12, 2024, John W. Huemoeller II died as a result of his illness.

(3) Acting by written consent in lieu of a meeting, effective October 14, 2024, Juniper, the record holder of all 500,000 shares of Series C Preferred Stock issued and outstanding, which shares are exclusively entitled to fill any vacancy of a Series C Director seat, appointed Catalina Valencia to fill the Series C Director vacancy that existed as a result of the death of John W. Huemoeller II.

(4) Controlled by Maria J. Gonzalez Moa.

Catalina Valencia – President and Director

Ms. Catalina Valencia, 75, is a serial entrepreneur with extensive management experience in biotechnology, telecommunications and hi-tech industries. Ms. Valencia's legal career began at a prestigious Wall Street law firm followed by a series of senior in-house counsel positions for several fast-growth companies including early stage Genentech. She subsequently focused on managing start-ups and small businesses and supporting them in the development of their businesses and products. She is fluent in Spanish, Italian and Portuguese.

Highlights of Ms. Valencia's legal experience include working in Rio de Janeiro Brazil for Cleary Gottlieb Steen & Hamilton, structuring joint ventures between American and Brazilian companies, at Genentech, Inc., the biotech pioneer and the first company to commercialize pharmaceutical products made using genetic engineering techniques and at Pacific Bell, now SBC Telecom, during its transition from telecommunications monopoly and the launch of Internet services.

In 2018, Ms. Valencia formed Sapphire Biotech, Inc. whose mission was the detection of early stage breast cancer. In 2020, Sapphire was acquired by AXIM Biotechnologies, Inc. and Ms. Valencia began, and continues, to operate AXIM's research and development arm. Sapphire subsequently developed for commercial launch the two ophthalmic diagnostics products acquired by AXIM in 2021 for the diagnosis of dry eye disease and allergic conjunctivitis.

Ms. Valencia attended college at UCLA where she graduated Magna Cum Laude, Highest Department Honors and obtained her law degree from the University of California, Berkeley Law School. She is the recipient of a Fulbright Fellowship to conduct research in Brazil. Her community service includes serving on the Boards of the California Hispanic Chambers of Commerce, the Mexican and American Solidarity Foundation, the Spanish Speaking Unity Council and the San Ysidro Health Board of Trustees.

There are no arrangements or understandings between Ms. Valencia and any other person pursuant to which Ms. Valencia was appointed as a director of the Company. Ms. Valencia is not a participant in, nor is he to be a participant in, any related-person transaction or proposed related-person transaction required to be disclosed by Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934, as amended. There are no familial relationships between Ms. Valencia and any of the Company's directors, executive officers or persons nominated or chosen by the Company to become a director or executive officer.

Robert Malasek – Chief Financial Officer

Robert Malasek, 56. His experience includes serving as the Assistant Controller for Starwood Hotel & Resorts Worldwide, Inc., Controller for Pacific Crest Equity Partners (a private equity company), and Chief Financial Officer for NatureWell, Inc. From 2011 to 2015, Robert served as the Chief Financial Officer, Secretary, Treasurer and a Director of Liberty Coal Energy Corp. Since 2015, Robert has served as the Chief Financial Officer of Cannalink, Inc. Robert received his Bachelor of Science in Accountancy from San Diego State University.

Timothy R. Scott, PhD – Director

Timothy R. Scott, 72. From September 2001 to May 2008, Dr. Scott served on the Board of Directors of Naturewell, Incorporated, a publicly traded company engaged in the nutraceutical and homeopathic drug business. From April 1998 to September 2000, Dr. Scott served as a member of the Board of Directors of ICH Corporation, an American Stock Exchange listed company which owned 265 fast food and family dining restaurants having approximately $265 million in revenues and 7,800 employees, and as a member of ICH's compensation committee. Dr. Scott currently serves as Chairman of the Board of Directors and

President of Hope Rescue a charitable organization involved in community development. Dr. Scott received his Ph.D. in theology from Christian University in 1981 and served as a professor of philosophy and religion at Pacific International College from 1981 to 1985.

Robert L. Cunningham – Director

Robert Cunningham, 77. Has served as a Director since May 18, 2017. Mr. Cunningham has over 40 years of executive management in financial services and venture capital. From 1985 to the present Mr. Cunningham has been the Founder/CEO of Placer Financial, a nationwide mortgage and real estate development firm. He has served as Receiver/Trustee for the U.S. Department of Justice, and board member for numerous firms including Allied Commercial Corporation, Vermillion Development, Pacific Building Industries, and Bond Hospitality Group. From March 2015 to present Mr. Cunningham has served on the Board of Directors of Medical Marijuana, Inc.

Peter O'Rourke – Director

Mr. O'Rourke's, 58, background includes holding leadership roles in management consulting, private equity, aerospace and operations companies. Mr. O'Rourke's experience includes leadership in sales, marketing, operations, finance and performance improvement. In 2018, Mr. O'Rourke was appointed Acting Secretary of the U.S. Department of Veterans Affairs after serving as the Chief of Staff and Executive Director for the Office of Accountability and Whistleblower Protection. Before joining the Department of Veterans Affairs, Mr. O'Rouke honorably served as a U.S. Navy enlisted Airman and an Air Force Officer and Logistician. Mr. O'Rourke received a Bachelor of Arts in Political Science from the University of Tennessee in Knoxville as well as a Master of Science in Logistics and Supply Chain Management from the United States Air Force's Institute of Technology.

Blake N. Schroeder – Director

Mr. Blake N. Schroeder, 46, began his career with a commercial litigation law firm in Salt Lake City, Utah. Beginning in 2008, Schroeder focused on the sale and marketing of natural products and opening international marketplaces to those products. From 2008 to 2014 Mr. Schroeder served in various capacities at MonaVie, LLC developing international business plans and growing international businesses. From August 2014 to February 2016, Mr. Schroeder served as the Chief Operating Officer of Forevergreen International, where he was responsible for global operation and sales of the multinational organization, including oversight of a global supply chain. From 2021 to the present, Mr. Schroeder has served as the Chief Executive Officer and Chairman of the Board of Medical Marijuana, Inc. Mr. Schroeder holds a B.S. in Finance from Utah State University and a law degree from Syracuse University College of Law.

7. LEGAL/DISCIPLINARY HISTORY

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, <u>in the past 10 years</u>:

None of the individuals identified in Section 6 above have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities,

financial- or investment-related, insurance or banking activities;

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

4. Been named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

In the ordinary course of business, we vigorously defend against and prosecute various legal actions. We consider all current pending legal proceedings to be ordinary routine litigation incidental to the operation of our business.

8. THIRD PARTY SERVICE PROVIDERS

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel:	**Investor Relations:**	**Transfer Agent:**
Procopio Cory Hargreaves & Savitch LLP 12544 High Bluff Dr #400 San Diego, CA 92130 (858) 720-6300 info@procopio.com Phillip E. Koehnke Phillip E. Koehnke APC PO Box 2025 (858) 229-8116 pek@peklaw.com	Kyle Porter 610 W Ash St Ste 701 San Diego, CA 92101 (602) 40205628 knporter@me.com	Securities Transfer Corporation 2901 N. Dallas Parkway Suite 380 Plano, TX 75093 (469) 633-0101 info@stctransfer.com www.stctransfer.com
Other means of Investor Communication: Linkedin: https://www.linkedin.com/company/axim-biotechnologies/ Facebook: https://www.facebook.com/aximbiotech/		

9. DISCLOSURE & FINANCIAL STATEMENTS.

A. This Disclosure Statement was prepared by Robert Malasek, the Company's Chief Financial Officer.

B. The financial statements presented with this Disclosure Statement were prepared in accordance with:

☑ U.S. GAAP
☐ IFRS

C. The financial statements presented with this Disclosure Statement were prepared by Robert Malasek, the Company's Chief Financial Officer.

D. Describe the qualifications of the person or persons who prepared the financial statements:

Robert Malasek's qualifications are described in Section 6 above and incorporated herein by reference thereto.

E. AXIM's Balance Sheet; Statement of Income; Statement of Cash Flows; and Statement of Retained Earnings (Statement of Changes in Stockholders' Equity) for the period ended December 31, 2024, are attached hereto as Exhibit C.

10. ISSUER CERTIFICATION

Principal Executive Officer and Principal Financial Officer

I, certify that:

1. I have reviewed this Disclosure Statement of AXIM Biotechnologies, Inc.

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, which have been prepared by the Company's financial and accounting personnel and advisors, present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 15, 2025

/s/ Catalina Valencia

By: Catalina Valencia
Its: Chief Executive Officer

/s/ Robert Malasek

By: Robert Malasek
Its: Chief Financial Officer

EXHIBIT A

Shares Outstanding as of the Second Most Recent Fiscal Year End

Date: 9/30/2022 **Opening Balance:**

Commmon: 138,099,981

Preferred (C): 500,000

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type
1/5/2022	New	500,000	C	0.1700	Y	Cross & Company	Purchase	No	S-1
1/11/2022	New	302,115	C	0.3300	Y	North Equities USA	Purchase	R	4(a)(2)
1/13/2022	New	7,000,000	C	0.5980	Y	Advanced Tear Diagnostics	Purchase	R	4(a)(2)
1/14/2022	New	282,759	C	0.1260	Y	Mauricio Bellora	Compensation	No	4(a)(2)
1/18/2022	New	500,000	C	0.2040	Y	Cross & Company	Purchase	No	S-2
1/31/2022	New	166,667	C	0.1500	Y	Brian Herman	Purchase	No	4(a)(2)
1/31/2022	New	352,580	C	0.1550	Y	Blank Slate Group LLC	Purchase	R	4(a)(2)
2/3/2022	New	500,000	C	0.1709	Y	Cross & Company	Purchase	No	S-1
2/11/2022	New	500,000	C	0.1445	Y	Cross & Company	Purchase	No	S-1
2/23/2022	New	500,000	C	0.1618	Y	Cross & Company	Purchase	No	S-1
2/23/2022	New	173,390	C	0.1260	Y	GS Capital Partners	Purchase	R	4(a)(2)
3/3/2022	New	500,000	C	0.1185	Y	Cross & Company	Purchase	No	S-1
3/11/2022	New	500,000	C	0.1182	Y	Cross & Company	Purchase	No	S-1
3/15/2022	New	624,290	C	0.0881	Y	Steve Simon	Purchase	No	S-1
3/15/2022	New	500,000	C	0.0152		Lyons Capital	Purchase	R	4(a)(2)
3/23/2022	New	500,000	C	0.1185	Y	Cross & Company	Purchase	No	S-1
4/1/2022	New	500,000	C	0.0922	Y	Cross & Company	Purchase	No	S-1
4/20/2022	New	500,000	C	0.0425	Y	Cross & Company	Purchase	No	S-1
5/3/2022	New	750,000	C	0.0592	Y	Cross & Company	Purchase	No	S-1
5/13/2022	New	1,000,000	C	0.0469	Y	Cross & Company	Purchase	No	S-1
5/24/2022	New	1,000,000	C	0.0484	Y	Cross & Company	Purchase	No	S-1
5/26/2022	New	285,867	C	0.0699	Y	Lekhram Changoer	Compensation	R	4(a)(2)
5/26/2022	New	605,743	C	0.0699	Y	George Anastassov	Purchase	No	S-1
6/2/2022	New	357,143	C	0.0131	Y	Ellis International	Compensation	R	4(a)(2)
6/7/2022	New	1,000,000	C	0.0684	Y	Cross & Company	Purchase	No	S-1
6/17/2022	New	1,000,000	C	0.0525	Y	Cross & Company	Purchase	No	S-1
6/20/2022	New	571,428	C	0.0135	Y	Lyons Capital	Purchase	R	4(a)(2)
6/20/2022	New	400,000	C	0.0135	Y	Lyons Capital	Purchase	R	4(a)(2)
6/27/2022	New	89,286	C	0.0134	Y	Mayer & Associates	Purchase	R	4(a)(2)
6/29/2022	New	909,723	C	0.0131	Y	Blank Slate Group LLC	Compensation	R	4(a)(2)
6/29/2022	New	166,667	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	175,000	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	175,000	C	0.0131	Y	Brian Herman	Purchase	R	4(a)(2)
6/29/2022	New	700,000	C	0.0131	Y	Congregation Boro Minyan	Purchase	R	4(a)(2)
6/30/2022	New	1,000,000	C	0.0397	Y	Cross & Company	Purchase	No	S-1
7/11/2022	New	1,000,000	C	0.0361	Y	Cross & Company	Purchase	No	S-3
7/22/2022	New	1,000,000	C	0.0346	Y	Cross & Company	Purchase	No	S-1
8/2/2022	New	227,638	C	0.0357	Y	Cross & Company	Purchase	R	4(a)(2)
8/23/2022	New	854,012	C	0.0290	Y	Blake Schroeder	Purchase	R	4(a)(2)
8/23/2022	New	3,298,888	C	0.0300	Y	Stuart Titus	Purchase	R	4(a)(2)
8/25/2022	New	1,000,000	C	0.0600	Y	Cross & Company	Purchase	No	S-1
8/29/2022	New	3,861,004	C	0.0259	Y	Catalina Valencia	Purchase	R	4(a)(2)
8/29/2022	New	10,000,000	C	0.0250	Y	Versa Holdings	Purchase	R	4(a)(2)
9/8/2022	New	756,368	C	0.0336	Y	Todd Morrow	Purchase	R	4(a)(2)
9/8/2022	New	756,368	C	0.0336	Y	Michelle Sides	Purchase	R	4(a)(2)
10/28/2022	New	1,000,000	C	0.0475	Y	Cross & Company	Purchase	No	S-1
11/16/2022	New	1,000,000	C	0.0350	Y	Cross & Company	Purchase	No	S-1
12/1/2022	New	1,500,000	C	0.0349	Y	Cross & Company	Purchase	No	S-1
12/14/2022	New	1,500,000	C	0.0267	Y	Cross & Company	Purchase	No	S-1
12/28/2022	New	2,000,000	C	0.0225	Y	Cross & Company	Purchase	No	S-1
1/9/2023	New	2,000,000	C	0.0245	Y	Cross & Company	Purchase	No	S-1
1/23/2023	New	8,070,943	C	0.0200	Y	Kettner Investments, Inc	Conversion of Note	R	4(a)(2)
1/23/2023	New	9,528,671	C	0.0200	Y	In Christ Foundation	Conversion of Note	R	4(a)(2)
1/23/2023	New	4,607,872	C	0.0200	Y	TL 66	Conversion of Note	R	4(a)(2)
1/24/2023	New	2,000,000	C	0.0230	Y	Cross & Company	Purchase	No	S-1
2/17/2023	New	2,000,000	C	0.0175	Y	Cross & Company	Purchase	No	S-1
3/22/2023	New	1,000,000	C	0.1000	Y	TL 66	Note Purchase	R	4(a)(2)
3/24/2023	New	2,000,000	C	0.0200	Y	Cross & Company	Purchase	No	S-1
4/26/2023	New	2,000,000	C	0.0200	Y	Cross & Company	Purchase	No	S-1

5/11/2023	New	2,000,000	C	0.0163	Y	Cross & Company	Purchase	No	S-1
7/7/2023	New	2,000,000	C	0.0237	Y	Cross & Company	Purchase	No	S-1
7/27/2023	New	2,000,000	C	0.0175	Y	Cross & Company	Purchase	No	S-1
8/18/2023	New	2,000,000	C	0.0173	Y	Cross & Company	Purchase	No	S-1
8/29/2023	New	2,000,000	C	0.0165	Y	Cross & Company	Purchase	No	S-1
9/25/2023	New	2,000,000	C	0.0150	Y	Cross & Company	Purchase	No	S-1
12/27/2023	New	7,280,000	C	0.0100	Y	Auer Medical	Compensation	R	4(a)(2)
12/27/2023	New	1,000,000	C	0.0137	Y	Cross & Company	Purchase	No	S-1
1/2/2024	New	2,000,000	C	0.0117	Y	Cross & Company	Purchase	No	S-1
2/14/2024	New	2,000,000	C	0.0094	Y	Cross & Company	Purchase	No	S-1
2/15/2024	New	20,000,000	C	1.0000	Y	Innovtive Medical Supplies Inc	Settlement	R	4(a)(2)
2/22/2024	New	3,000,000	C	0.0094	Y	Cross & Company	Purchase	No	S-1
3/5/2024	New	3,000,000	C	0.0031	Y	Cross & Company	Purchase	No	S-1
3/19/2024	New	2,500,000	C	0.0074	Y	Cross & Company	Purchase	No	S-1
3/25/2024	retired	-500,003	C	0.0023	Y	Echo	Forfeiture	No	4(a)(2)
4/17/2024	New	3,000,000	C	0.0067	Y	Cross & Company	Purchase	No	S-1
4/29/2024	New	6,000,000	C	0.0100	N	Barish Friedman Fiedburg & Adasco	Compensation	R	4(a)(2)
4/29/2024	New	1,100,000	C	0.0100	N	Bijan Pedram	Compensation	R	4(a)(2)
4/29/2024	New	429,424	C	0.0100	N	Bijan Pedram	Compensation	R	4(a)(2)
5/1/2024	New	3,000,000	C	0.0065	Y	Cross & Company	Purchase	No	S-1
5/21/2024	New	3,000,000	C	0.0043	Y	Cross & Company	Purchase	No	S-1
8/5/2024	New	7,500,000	C	0.0044	Y	Cross & Company	Purchase	No	S-1
8/27/2024	New	936,640	C	0.0100	Y	Bijan Pedram	Compensation	R	4(a)(2)
10/1/2024	New	10,000,000	C	0.0012	Y	Cross & Company	Purchase	No	S-1
10/29/2024	New	6,000,000	C	0.0018	Y	Cross & Company	Purchase	No	S-1

Shares Outstanding on Date of This Report:

12/31/2024 **Ending Balance:**

Common: **318,895,464**

Preferred (C): **500,000**

EXHIBIT B

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining Conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
9/1/2016	$519,145	$484,478	$34,667	10/1/2029	Conversion price fixed at $0.04	TL-66 LLC / James Arabia	Sale in exchange for $484,478 cash (senior secured note)
10/20/2016	$267,889	$250,000	$17,889	10/1/2029	Conversion price fixed at $0.04	TL-66 LLC / James Arabia	Sale in exchange for $250,000 cash (senior secured note)
10/20/2016	$267,889	$250,000	$17,889	10/1/2029	Conversion price fixed at $0.04	TL-66 LLC / James Arabia	Sale in exchange for $250,000 cash (senior secured note)
11/17/2018	$4,284,293	$4,000,000	$284,293	1/11/2026	Conversion price fixed at $0.075	Medical Marijuana Inc./ Public Company	Sale in exchange for $4 million promissory note
12/31/2019	$201,401	$190,000	$11,401	12/31/2029	Conversion price fixed at $0.0316666	TL-66 LLC / James Arabia	Sale in exchange for $190,000 Sapphire senior secured note
1/27/2022	$391,132	$365,931	$25,201	1/27/1932	Conversion price fixed at $0.10	TL-66 LLC / James Arabia	Sale in exchange for $365,931 Sapphire senior secured note
2/10/2022	$370,866	$350,000	$20,866	2/10/2032	Conversion price equal to the lesser of $0.08125 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	In Christ Foundation / Jonathan L. Bryant	Sale in exchange for $350,000 cash
2/10/2022	$397,395	$375,000	$22,395	2/10/2032	Conversion price equal to the lesser of $0.08125 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Kettner Investments, LLC / Robert Malasek	Sale in exchange for $375,000 cash
2/10/2022	$79,702	$75,000	$4,702	2/10/2032	Conversion price equal to the lesser of $0.08125 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL-66 LLC / James Arabia	Sale in exchange for $75,000 cash
1/23/2023	$269,333	$250,000	$19,333	1/24/1933	Conversion price fixed at $0.01	Estate of John W. Huemoeller II	Sale in Exchange for Past Due Compesnation
5/23/2023	$265,286	$250,000	$15,286	5/23/2033	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	TL-66 LLC / James Arabia	Sale in exchange for payment of $250,000 in cash advances
5/23/2023	$162,967	$150,000	$12,967	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Vincent Curran	Sale in exchange for $150,000 cash
5/23/2023	$79,500	$75,000	$4,500	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	David A. Arabia	Sale in exchange for $75,000 cash
5/23/2023	$79,500	$75,000	$4,500	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Phillip J. Arabia	Sale in exchange for $75,000 cash
5/23/2023	$26,505	$25,000	$1,505	5/23/1933	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Aaron Musgrove	Sale in exchange for $25,000 cash
12/26/2023	$105,430	$100,000	$5,430	12/26/2033	Conversion price equal to the lesser of $0.01 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $100,000 cash
3/15/2024	$55,238	$53,500	$1,738	3/1/1934	Conversion price fixed at $0.02	Robert T. Malasek	Sale in Exchange for Past Due Consulting Fees
3/15/2024	$29,616	$28,430	$1,186	3/1/1934	Conversion price fixed at $0.02	Phillip E. Koehnke	Sale in Exchange for Past Due Consulting Fees
3/15/2024	$51,918	$50,250	$1,668	3/1/1934	Conversion price fixed at $0.02	Alim Seit-Nebi	Sale in Exchange for Past Due Compesnation
3/15/2024	$161,970	$156,750	$5,220	3/1/1934	Conversion price fixed at $0.02	Catalina Valencia	Sale in Exchange for Past Due Compesnation
3/15/2024	$54,014	$52,250	$1,764	3/1/1934	Conversion price fixed at $0.02	Maria J. Gonzalez Moa	Sale in Exchange for Past Due Consulting Fees
3/15/2024	$86,161	$83,375	$2,786	3/1/1934	Conversion price fixed at $0.02	Sergie A. Svarovsky	Sale in Exchange for Past Due Consulting Fees
3/15/2024	$258,411	$250,000	$8,411	3/1/1934	Conversion price fixed at $0.02	Estate of John W. Huemoeller II	Sale in Exchange for Past Due Compesnation
3/15/2024	$36,161	$35,000	$1,161	3/15/1934	Conversion price fixed at $0.01	Blake Schroeder	Sale in Exchange for Past Due Director Fees
3/15/2024	$36,161	$35,000	$1,161	3/15/1934	Conversion price fixed at $0.01	Robert Cunningham	Sale in Exchange for Past Due Director Fees

3/15/2024	$36,161	$35,000	$1,161	3/15/1934	Conversion price fixed at $0.01	Timothy Scott	Sale in Exchange for Past Due Director Fees
3/15/2024	$36,161	$35,000	$1,161	3/15/1934	Conversion price fixed at $0.01	Peter O'Rourke	Sale in Exchange for Past Due Director Fees
3/28/2024	$104,054	$100,000	$4,054	3/28/2034	Conversion price equal to the lesser of $0.00805 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $100,000 cash
5/17/2024	$51,663	$50,000	$1,663	5/17/2034	Conversion price equal to the lesser of $0.007 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50,000 cash
6/24/2024	$51,385	$50,000	$1,385	6/24/2034	Conversion price equal to the lesser of $0.00511 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50,000 cash
7/3/2024	$18,463	$18,000	$463	on demand	none	Catalina Valencia	Sale in exchange for $18,000 cash
7/15/2024	$51,203	$50,000	$1,203	7/15/2034	Conversion price equal to the lesser of $0.00938 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50,000 cash
7/30/2024	$25,551	$25,000	$551	7/30/2044	Conversion price equal to the lesser of $0.00945 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $25,000 cash
8/6/2024	$51,050	$50,000	$1,050	8/6/2034	Conversion price equal to the lesser of $0.00602 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50,000 cash
8/28/2024	$20,112	$20,000	$112	8/28/2034	Conversion price equal to the lesser of $0.0063 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Robert Wells / Assignee of Medical Marijuana, Inc.	Sale in exchange for $20,000 cash
8/28/2024	$20,112	$20,000	$112	8/28/2034	Conversion price equal to the lesser of $0.0063 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Chris Prine / Assignee of Medical Marijuana, Inc.	Sale in exchange for $20,000 cash
8/28/2024	$10,055	$10,000	$55	8/28/2034	Conversion price equal to the lesser of $0.0063 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $10,000 cash
10/1/2024	$55,722	$55,000	$722	10/1/2034	Conversion price equal to the lesser of $0.00364 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $55,000 cash
12/1/2024	$50,219	$50,000	$219	12/1/2034	Conversion price equal to the lesser of $0.00189 or 70% of the average of the 2 lowest closing prices in the 10 trading days prior to Conversion	Medical Marijuana Inc./ Public Company	Sale in exchange for $50,000 cash

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED BALANCE SHEETS

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
ASSETS		
Current assets:		
Cash	245	156,457
Supplies	510	-
Total current assets	755	156,457
Property and equipment, net of accumulated depreciation	98,958	134,067
Other Assets:		
Intangible Asset 510k License and Patents-Eye Care Division, net	3,200,535	3,594,981
Security deposit	9,014	9,014
Operating lease right-of-use asset	138,034	227,029
Total other assets	3,347,583	3,831,024
TOTAL ASSETS	$ 3,447,296	$ 4,121,548
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,785,952	$ 2,781,068
Lease liability obligations (see Note 13) current portion	77,441	94,829
Due to related parties	51,155	21,500
Advances from shareholders	499,209	295,170
Deferred Revenue	232,669	303,127
Derivative Liability Conversion feature	4,115,975	2,482,723
Total current liabilities	$ 6,762,401	5,978,417
Long-term liabilities:		
Convertible notes payable (including accrued interest of $99,787 and $40,944 respectively) net of unamortized debt discount of $736,023 and $744,035, respectively (see note 8)	948,125	854,840
Senior Secured Convertible notes payable (including accrued interest of $70,445 and $35,219 respectively) net of unamortized debt discount of $396,320 and $465,771, respectively (see	658,603	553,926
Convertible notes payable - related parties (including accrued interest of $371,135 and $160,091, respectively)(Net of unamortized debt discount of $927,889 and $631,123,	5,434,371	4,253,968
Lease liability obligations (see note 13)	63,361	137,044
Total long-term liabilities	$ 7,104,460	5,799,778
TOTAL LIABILITIES	13,866,861	11,778,195
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized; 1,000,000 shares designated		
Series B Convertible Preferred Stock, $0.0001 par value 500,000 shares designated, 500,000 and 500,000 shares issued, 0 and 0 outstanding, respectively	-	-
Series C Convertible Preferred Stock, $0.0001 par value 500,000 shares designated, 500,000	50	50
Common stock, $0.0001 par value, 1,000,000,000 shares authorized 318,895,464 and 245,929,403 shares issued and outstanding respectively	31,890	24,593
Stock subscription receivable	-	(24,475)
Additional paid in capital	65,245,819	64,528,043
Accumulated deficit	(75,697,324)	(72,184,858)
TOTAL STOCKHOLDERS' DEFICIT	(10,419,565)	(7,656,647)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 3,447,296	$ 4,121,548

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

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Revenues	$ 70,458	$ 39,518
Cost of Goods Sold	7,337	-
Gross Profit	63,121	39,518
Operating Expenses:		
Research and development expenses	39,823	125,496
Selling, general and administrative	1,353,983	2,237,842
Depreciation and amortization. (394,446. + 37948 depreciation)	432,394	427,019
Total operating expenses from continuing operations	1,826,200	2,790,357
Loss from continuing operations	(1,755,742)	(2,750,839)
Other (income) expenses:		
Loss on issuance of shares for Equipment	-	80,080
Loss (Gain) on settlement of litigation	(5,000)	955,000
Derivative liability insufficient shares	-	3,238,429
Gain on change in value of derivative liability	1,089,883	(6,619)
Amortization of debt discount. 114,228 axim 12,934 sapphire	127,168	176,428
Loss (Gain) on extinguishment of debt	43,688	(162,811)
Interest expense	508,990	1,028,336
Total other (income) expenses	1,764,729	5,308,843
Loss before provision of income tax	(3,520,471)	(8,059,682)
Provision for income tax	-	-
NET INCOME (LOSS)	$ (3,520,471)	$ (8,059,682)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (3,520,471)	$ (8,059,682)

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

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

	For the Year Ending December 31, 2024	For the Year Ending December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,512,466)	$ (8,059,682)
Depreciation	37,948	32,573
Derivative Liability insufficient Shares	28,592	3,238,429
Stock based compensation	-	197,727
Amortization of prepaid insurance/expense	-	42,858
Amortization of debt discount	127,168	176,428
amortization of deferred rent	(2,076)	(1,211)
Common stock issued for services/equipment	-	80,080
Common stock issued in settlement of an obligation	-	-
loss on conversion of convertible note	-	-
Amortization of intangible assets	394,446	394,446
Loss (gain) on extinguishment of debt	(80,976)	(162,811)
Changes in operating assets & liabilities:		
Change in fair value of derivative liability	1,089,883	(6,619)
Non-cash interest expense	279,353	790,000
Proceeds from convertible notes	-	-
Increase (decrease) in due to related parties	11,655	
Changes in operating assets & liabilities:		
(Increase) decrease in other assets	-	-
Increase in shareholder advances	204,039	9,825
Loss on Settlement of litigation	-	955,000
(Increase) decrease to related parties	-	21,500
Increase in due to first insurance funding	-	-
Increase in hareholder advances	-	521,925
Decrease in deferred revenue	(70,458)	(29,998)
Increase (decrease) in accounts payable and accrued expenses	637,834	769,030
Net cash provided by (used in) operating activities from continuing operatic	$ (855,058)	$ (1,030,500)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,839)	-
Net cash provided by (used in) investing activities	(2,839)	-
CASH FLOW FROM FINANCING ACTIVITIES:		
Common stock issued under registration statement on Form S-1	221,685	491,456
Common stock issued under SPA	-	-
Repayment of first insurance funding	-	(26,781)
Proceeds from convertible notes	480,000	675,000
Repayment of convertible notes	-	-
Repayment of promissory note	-	-
Net cash provided by (used in) continuing financing activities	$ 701,685	$ 1,139,675
Net (decrease) increase in cash and cash equivalents	(156,212)	109,175
Cash and cash equivalents at beginning of period	156,457	47,282
Cash and cash equivalents at end of period	245	156,457
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
CASH PAID DURING THE PERIOD FOR:		
Interest	$ -	$ -
Income taxes - net of tax refund	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Common stock issued against common stock to be issued	$ 15,400	$ 135,000
Common stock issued against settlment of debt	$ 15,400	$ 250,000
Initial derivative liability at issuance of notes	$ 543,369	$ 1,465,000
Initial debt discount at issuance of notes	$ 23,475	$ 250,000
Convertible note converted to common stock	$ 688,432	$ 669,044
Convertible note issued against settlement of liabilities	$ 1,194,555	$ 250,000
Accrued interest converted to Common Stock	-	30,859
Initial debt discount on extinguishment of notes	$ 340,000	$ 459,522
Common stock issued against stock subscription receivable	$ -	$ 40,000
Reversal of dervicative liability on short shares	-	$ 3,238,430

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

AXIM BIOTECHNOLOGIES, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Series C Convertible Preferred Stock		Common Stock to be	Additional Paid In	Subscription receivable	Accumulated	
	Shares	Amount	Shares	Amount	Issued	Capital		Deficit	Total
Balance at December 31, 2021	138,099,981	13,811	500,000 -	50	4,530,000	51,000,166		-57,882,227	-2,338,200
Common stock issued under s-1	4,000,000	400				594,470			594,870
Common stock issued against common stock to be issued purchase of atd	7,000,000	700			-4,270,000	4,269,300			-
Common stock issued against common stock to be issued received in PY	166,667	17			-25,000	24,983			-
Common stock issued stock purchase agreements	976,870	98				104,902			105,000
Common stock issued for services	802,115	80			-100,000	179,420			79,500
Cashless exercise stock options	282,759	28				-28		-	
Stock issued on settlement of debt	173,390	17				32,927			32,944
Stock based compensation - stock options						188,917			188,917
Net loss								-2,086,714	-2,086,714
Balance at March 31, 2022	151,501,782	15,151			135,000	56,395,057		-59,968,941	-3,423,683
stock issued on settlement of debt	891,610	89				64,107			64,196
Stock based compensation - stock options						182,215			182,215
common stock issued under s-1	6,750,000	675				377,950	(92,240)		286,385
stock issued settlement of claim	3,544,247	354				225,817			226,171
benficial conversion refinance of debt				30,290		154,292			154,292
Net loss								(1,222,638)	(1,222,638)
Balance June 30, 2022	162,687,639	16,269	500,000	50	135,000	57,399,438	(92,240)	(61,191,579)	(3,733,062)
Stock issued in settlement of debt	5,665,636	567				348,309			348,876
Stock based compensation stock options						517,180			517,180
Common stock issued under s-1	3,227,638	323				138,668	32,176		171,167
Common stock issuedstock purchase agreements	13,861,004	1,386				348,614			350,000
Net loss								(2,034,547)	(2,034,547)
Balance at September 30, 2022	185,441,917	18,545	500,000	50	135,000	58,752,209	(60,064)	(63,226,126)	(4,380,386)
Balance at December 31, 2022	192,441,917	19,245	500,000	50	135,000	59,191,469	(46,000)	(64,125,176)	(4,825,412)
Common stock issued under s-1	8,000,000	800				169,200	5,000		175,000
Common stock issued against common stock to be issued	1,000,000	100			-135,000	134,900			-
Shares issued extinguishment of debt Beneficial conversion payment of interest	22,207,486	2,220				686,212			688,432
Debt modifications / conversions						459,522			459,522
Stock based compensation - stock options						103,822			103,822
Net loss								(2,762,628)	(2,762,628)
Balance at March 31, 2023	223,649,403	22,365	500,000	50	-	60,745,125	(41,000)	(66,887,804)	(6,161,264)
common stock issued under s-1	4,000,000	400				72,150	40,000		112,550
stock based compensation- stock options						21,404			21,404
Net Loss								(3,723,295)	(3,723,295)
Balance June 30,2023	227,649,403	22,765	- 500,000	50	-	60,838,679	(1,000)	(70,611,099)	(9,750,605)
common stock issued under s-1	10,000,000	1,000				189,225			190,225

stock based compensation- stock options							38,415			38,415
Satisfaction of Short Share liability							3,238,429			3,238,429
Net Loss									-3,520,471	-3,520,471
Balance September 30,2023	237,649,403	23,765	-	500,000	50	-	64,304,748	(1,000)	(74,131,570)	(9,804,007)
Balance December 31, 2023	245,929,403	24,593	-	500,000	50	-	64,528,043	(24,475)	(72,184,858)	(7,656,647)
Stock issud in settlement of Claim	20,000,000	2,000					378,000			380,000
Common stock issued under s-1	12,500,000	1,250					89,417	4,932		95,599
stock based compensation							9,613			9,613
Common stock to be issued pursuent to stock purchase agreement						15,400				15,400
Net loss									(292,299)	(292,299)
Balance March 31, 2024	278,429,403	27,843	-	500,000	50	15,400	65,005,073	(19,543)	(72,477,157)	(7,448,334)
Stock issud in settlement of Debt	6,000,000	600					95,400			96,000
Common stock issued under s-1	9,000,000	900					51,432	19,543		70,875
stock based compensation							9,613			9,613
Common stock to be issued pursuent to stock purchase agreement	1,100,000	110				(15,400)	15290			-
Stock issued for services	429,424	43					6828			6,871
echo connections shares canceled	(500,003)	(50.00)					50			-
Net loss									(2,269,815)	(2,269,815)
Balance June 30, 2024	294,458,824	29,446	-	500,000	50	-	65,183,686	-	(74,746,972)	(9,534,790)
Common stock issued under s-1	7,500,000	750					31,889			32,639
Stock issued for services	936,640	94					9,272			9,366
Net loss									(533,768)	(533,768)
Balance September 30, 2024	302,895,464	30,290	-	500,000	50	-	65,224,847	-	(75,280,740)	(10,025,553)
Common stock issued under s-1	16,000,000	1,600					20,972	-		22,572
Net loss									(416,584)	(416,584)
Balance Decmber 31, 2024	318,895,464	31,890	-	500,000	50	-	65,245,819	-	(75,697,324)	(10,419,565)

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

AXIM BIOTECHNOLOGIES, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: ORGANIZATION

AXIM Biotechnologies, Inc. (the "Company") was originally incorporated in Nevada on November 18, 2010, as Axim International Inc. On July 24, 2014, the Company changed its name to AXIM Biotechnologies, Inc. to better reflect its business operations. The Company's principal executive office is located at 6191 Cornerstone Court E Suite 114 San Diego, California 92121.

The Company has two wholly-owned subsidiaries; Sapphire Biotech, Inc. ("Sapphire"), a diagnostic healthcare solutions company acquired in March 2020, through which the Company conducts its research & development and current ophthalmology operations, and Marina Street, LLC, formed in October 2018 for the purpose of providing improved internal controls over cash management and bank activities.

NOTE 2: ACQUISITION OF INTELLECTUAL PROPERTY OF ADVANCED TEAR DIAGNOSTIC, LLC

AXIM entered into two substantially contemporaneous transactions to acquire patents and 510(K) Licenses from Advance Tear Diagnostics, LLC (the "Seller") (collectively, the "Asset Acquisition") for a total amount of $4,520,000.

The first transaction occurred on July 29, 2021, in which AXIM purchased five patents (the "Patents") from the Seller for $250,000 (which included assuming and paying $30,000 of the Seller's liabilities). Of the total purchase price, $210,000 was paid by the issuance of a promissory note in September of 2021, which has been paid in full.

The second transaction occurred on August 26, 2021, in which AXIM purchased certain eye disease diagnostic technology, which consisted of a 510(K) license for Lactoferrin, a biomarker for dry eye disease and a 510(K) license for IgE, a biomarker for allergic ocular reaction (collectively, the "510(K) Licenses"). The purchase price for the 510(K) Licenses was $4,270,000, which price was paid by issuing to the Seller 7 million shares of AXIM restricted common stock.

Together, the Patents and the 510(K) Licenses constitute the acquired technology asset (the "Technology Asset"), which for accounting purposes, are considered one unit of account. We are amortizing the Technology Asset ratably over the 9.1 years average remaining life of the Patents. The net value of these intangibles as of December 31, 2024 and December 31, 2023 is $3,200,535 and $3,594,981 respectively.

In accordance with FASB's requirements for accounting for business combinations (FASB Accounting Standards Codification, Topic 805, *Business Combinations* ("Topic 805")), since all of the value of this acquisition resides in one asset, the Technology Asset, we have accounted for this transaction as the acquisition of an asset. The seller had not been able to commercialize or complete development of the Technology Asset prior to the asset acquisition and AXIM's wholly-owned subsidiary, Sapphire, operates as its ophthalmology division to commercialize and

market the diagnostic technology. In an asset acquisition, the total purchase price of the transaction, including transaction expenses, is allocated to the assets acquired based on the fair value of the assets acquired. In our acquisition of the Technology Asset, the total amount of the purchase price was allocated to the Technology Asset.

NOTE 3: BASIS OF PRESENTATION:

The unaudited condensed consolidated financial statements of AXIM Biotechnologies, Inc. (formerly Axim International, Inc.) have prepared in accordance with United States generally accepted accounting principles ("US GAAP").

These unaudited condensed consolidated financial statements reflect all adjustments including normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the periods presented in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). These unaudited condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022, respectively, which are included in the Company's Form 10-K, filed with the United States Securities and Exchange Commission (the "Commission") on April 16, 2024.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Axim Biotechnologies, Inc. and its wholly owned subsidiaries Sapphire Biotech, Inc. and Marina Street LLC. All significant inter-company balances and transactions have been eliminated upon consolidation.

NOTE 4: GOING CONCERN

The Company's unaudited condensed consolidated financial statements have been presented assuming that the Company will continue as a going concern. As shown in the unaudited condensed consolidated financial statements, at December 31, 2024 the Company has negative working capital of $6,761,646 and has an accumulated deficit of $75,697,324 has cash used in its financing activities of $700,085. The Company intends to raise additional capital through private placements of debt and equity securities to finance its research & development and operations, but there can be no assurance that these funds will be available on terms acceptable to the Company or will be sufficient to enable the Company to fully complete its development activities or sustain operations. If the Company is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables, reduce overhead, or scale back its current business plan until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. That will raise a doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue in operation.

NOTE 5: SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during reporting periods. Actual results could differ from these estimates. Significant estimates are assumptions about collection of accounts receivable, useful life of intangible assets, impairment analysis, derivative liability and assumptions used in Black-Scholes-Merton, or BSM, valuation methods, such as expected volatility, risk-free interest rate and expected dividend rate, for leases weighted number of life and discount rate.

Operating lease

We lease property under various operating leases which are disclosed on our Balance sheet in accordance with ASC 842.

Risks and uncertainties

The Company operates in a dynamic and highly competitive industry and is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, contract manufacturer and contract research organizations, compliance with government regulations and the need to obtain additional financing to fund operations. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical studies and clinical trials and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance and reporting. The Company believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows; ability to obtain future financing; advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval and market acceptance of the Company's products; development of sales channels; certain strategic relationships; litigation or claims against the Company based on intellectual property, patent, product, regulatory, or other factors; and the Company's ability to attract and retain employees necessary to support its growth.

Products developed by the Company require approvals from the U.S. Food and Drug Administration ("FDA") or other international regulatory agencies prior to commercial sales. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that the products will receive the necessary approvals, or that any approved products will be commercially viable. If the Company was denied approval, approval was delayed or the Company was unable to maintain approval, it could have a materially adverse impact on the Company. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate revenue from product sales. The Company operates in an environment of rapid change in technology and substantial competition from other

pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees, consultants and other third parties.

The Company has expended and will continue to expend substantial funds to complete the research, development and clinical testing of product candidates. The Company also will be required to expend additional funds to establish commercial-scale manufacturing arrangements and to provide for the marketing and distribution of products that receive regulatory approval. The Company may require additional funds to commercialize its products. The Company is unable to entirely fund these efforts with its current financial resources. If adequate funds are unavailable on a timely basis from operations or additional sources of financing, the Company may have to delay, reduce the scope of or eliminate one or more of its research or development programs which would materially and adversely affect its business, financial condition and operations.

There have been no material changes in the accounting policies from those disclosed in the financial statements and the related notes included in the Form 10-K.

Cash and Cash equivalents

The Company includes cash equivalents in its stated cash balances. All highly liquid investments with original maturities of six months or less at the time of purchase are considered cash equivalents. As of December 31, 2024 and December 31, 2023, the Company had cash of $245 and $156,487, respectively. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Company had no uninsured balances at December 31, 2024 and December 31, 2023. The Company has never experienced any losses related to these balances.

Accounts Receivable

It is the Company's policy to review accounts receivable at least on a monthly basis for collectability and to follow up with customers accordingly.

At December 31, 2024 and December 31, 2023, there was no accounts receivable.

Concentrations

For the year ended December 31, 2024 and 2023, one customer accounted for 100% of total revenue. Revenue was all generated from normal operations for the year ending December 31, 2024.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using straight-line method over the estimated useful life. New assets and expenditures that extend the useful life of property or equipment are capitalized and depreciated. Expenditures for ordinary repairs and maintenance are charged to operations as incurred. The Company's property and equipment relating to operations consisted of the following at December 31, 2024 and December 31, 2023, respectively.

	December 31, 2024	December 31, 2023
Equipment of operations	$ 259,631	$ 256,792
Less: accumulated depreciation	160,673	122,725
	$ 98,958	$ 134,067

For the years ending December 31, 2024 and December 31, 2023 depreciation expense was $37,948 and $32,573, respectively.

Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. We conduct an impairment analysis for goodwill annually in the fourth quarter or more frequently if indicators of impairment exist or if a decision is made to sell or exit a business. Significant judgments are involved in determining if an indicator of impairment has occurred. Such indicators may include deterioration in general economic conditions, negative developments in equity and credit markets, adverse changes in the markets in which an entity operates, increases in input costs that have a negative effect on earnings and cash flows, or a trend of negative or declining cash flows over multiple periods, among others. The fair value that could be realized in an actual transaction may differ from that used to evaluate the impairment of goodwill. There is no goodwill balance as of December 31, 2024 or December 31, 2023.

Impairment of Indefinite-Lived Intangible Assets

For indefinite-lived intangible assets such as in-process research and development (IPRD), we conduct an impairment analysis annually in the fourth quarter or more frequently if indicators of impairment exist. We first perform a qualitative assessment to determine if it is more likely than not that the carrying amount of each of the in-process research and development assets exceeds its fair value. The qualitative assessment requires the consideration of factors such as recent market transactions, macroeconomic conditions, and changes in projected future cash flows. If we determine it is more likely than not that the fair value is less than its carrying amount of the in-process research and development assets, a quantitative assessment is performed. The quantitative assessment compares the fair value of the in-process research and development assets to its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized for the excess. There are no Indefinite-Lived Intangible Assets balance as of December 31, 2024 and December 31, 2023.

Long-Lived Assets

The Company regularly reviews the carrying value and estimated lives of all of its long-lived assets, including property and equipment and definite-lived intangible assets, to determine whether indicators of impairment exist that warrant adjustments to carrying values or estimated useful lives. The determinants used for this evaluation include management's estimate of the asset's ability to generate positive income from operations and positive cash flow in future periods as well as the strategic significance of the assets to the Company's business objectives. If the Company determines that events or changes in circumstances indicate that the carrying

amount of the asset group may not be recoverable, the Company evaluates the realizability of its long-lived assets (asset group) based on a comparison of projected undiscounted cash flows from use and eventual disposition with the carrying value of the related asset. Any write-downs (which are measured based on the difference between the fair value and the carrying value of the asset) are treated as permanent reductions in the carrying amount of the assets (asset group).

As of December 31, 2024 and December 31, 2023, none of the Company's long-lived assets were deemed impaired.

The Company's intangible assets relating to operations consisted of the following:

	December 31, 2024	December 31, 2023
Patents	$ 250,000	$ 250,000
Licenses	4,270,000	4,270,000
	4,520,000	4,520,000
Less: accumulated amortization	1,319,465	925,019
	$ 3,200,535	$ 3,594,981

Estimated aggregate amortization expense for each of the five succeeding years ending December 31 is as follows:

	2024	2025	2026	2027	2028	2029 and onwards
Amortization expense	$ 394,446	$ 391,230	$ 391,230	$ 391,230	$ 391,230	$ 1,635,615

Amortization expense recorded for the year ended December 31, 2024 and 2023 was $394,446 and $394,446, respectively.

Revenue Recognition

The Company follows the guidance contained in Topic 606 (FASB ASC 606). The core principle of Topic 606 (FASB ASC 606) is that an entity should recognize revenue to depict the transfer of goods of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The revenue recognition guidance contained in Topic 606, to follow the five-step revenue recognition model along with other guidance impacted by this standard: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transportation price; (4) allocate the transportation price; (5) recognize revenue when or as the entity satisfies a performance obligation. All revenue was from operations that were divested.

Revenues are recognized when title for goods is transferred; non-refundable fees and proceeds from irrevocable agreements recognized when inflows or other enhancements of assets of the Company are received.

Revenues from operations recognized for the periods ended December 31, 2024 and December 31, 2023 amounted to $70,458 and $39,518, respectively.

Deferred Revenue

Contract liabilities consist of deferred revenue and include payments received in advance of performance under the contract and are reported separately as current liabilities in the condensed Consolidated Balance Sheets. Such amounts consist of extended prepaid services and are generally recognized as the respective performance obligations are satisfied. Deferred revenue is recognized as earned by shipping of tests or as initial 60 month advance royalty is earned by passage of time. During the year ended December 31, 2024 and 2023, the Company recognized revenue of 70,458, and $9,929, respectively, related to its contract liabilities.

Cost of Sales

Cost of sales includes the purchase cost of products sold and all costs associated with getting the products to the customers including buying and transportation costs.

Shipping Costs

Shipping and handling costs billed to customers are recorded in sales. Shipping costs incurred by the company are recorded in general and administrative expenses.

Fair Value Measurements

The Company applies the guidance that is codified under ASC 820-10 related to assets and liabilities recognized or disclosed in the financial statements at fair value on a recurring basis. ASC 820-10 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The Company's financial instruments are cash and cash equivalents, accounts receivable, accounts payable, notes payable, and long-term debt. The recorded values of cash and cash equivalents and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable and long-term debt approximate their fair values, as interest approximates market rates.

ASC 820-10 clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. ASC 820-10 requires valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

Fair Value Hierarchy	Inputs to Fair Value Methodology
Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Quoted prices for similar assets or liabilities; quoted markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the financial instrument; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market information
Level 3	Pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption is unobservable or when the estimation of fair value requires significant management judgment

All items required to be recorded or measured on a recurring basis are based upon Level 3 inputs.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

The Company recognizes its derivative liabilities as Level 3 and values its derivatives using the methods discussed below. While the Company believes that its valuation methods are appropriate and consistent with other market participants, it recognizes that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The primary assumptions that would significantly affect the fair values using the methods discussed are that of volatility and market price of the underlying common stock of the Company.

Items recorded or measured at fair value on a recurring basis in the accompanying consolidated financial statements consisted of the following items as of December 31, 2024

	Total	Level 1	Level 2	Level 3
Derivative liabilities	$ 4,115,975	$ -	$ -	$ 4,115,975

December 31, 2023:

	Total	Level 1	Level 2	Level 3
Derivative liabilities	$ 2,482,723	$ -	$ -	$ 2,482,723

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities."

Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instruments are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of "Conventional Convertible Debt Instrument."

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the contract shall be classified as an asset or a liability.

Income Taxes

The Company follows Section 740-10, Income tax ("ASC 740-10") Fair Value Measurements and Disclosures of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax Bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Operations in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including reversals of any existing taxable temporary differences, projected future taxable income, tax planning strategies, and the results of recent operations. If the Company determines that it would be able to realize a deferred tax asset in the future in excess of any recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

No amounts were accrued for the payment of interest and penalties as of December 31, 2024 and December 31, 2023. The Company is not aware of any uncertain tax positions that could result in significant additional payments, accruals, or other material deviation for the year ended December 31, 2024 and 2023.

Stock Based Compensation

All stock-based payments to employees and to nonemployee directors for their services as directors, including any grants of restricted stock and stock options, are measured at fair value on the grant date and recognized in the statements of operations as compensation or other expense over the relevant service period. Stock-based payments to nonemployees are recognized as an expense over the period of performance. Such payments are measured at fair value at the earlier of the date a performance commitment is reached, or the date performance

is completed. In addition, for awards that vest immediately and are non-forfeitable the measurement date is the date the award is issued. The Company accounts for stock options issued to non-employees based on the estimated fair value of the awards using the Black-Scholes option pricing model in accordance with ASC 505-50, *Equity-Based Payment to Non-employees*. Stock-based compensation expense related to stock options granted to non-employees is recognized as the stock options vest. The Company believes that the fair value of the stock options is more reliably measurable than the fair value of the services received. Stock options granted to non-employees are recorded at their fair value on the measurement date and are subject to periodic adjustments as such options vest and at the end of each reporting period, and the resulting change in value, if any, is recognized in the Company's statements of operations and comprehensive loss during the period the related services are rendered.

Research and Development

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third- party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. For the three months ended December 31, 2024 and 2023, the Company incurred research and development expenses of $39,823 and $125,496, respectively. The Company has entered into various agreements with CROs. The Company's research and development accruals are estimated based on the level of services performed, progress of the studies, including the phase or completion of events, and contracted costs. The estimated costs of research and development provided, but not yet invoiced, are included in accrued liabilities on the balance sheet. If the actual timing of the performance of services or the level of effort varies from the original estimates, the Company will adjust the accrual accordingly. Payments made to CROs under these arrangements in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered.

In November 2021, the FASB issued a new accounting standard around the recognition and measurement of contract assets and contract liabilities from revenue contracts with customers acquired in a business combination. The new standard clarifies that contract assets and contract liabilities acquired in a business combination from an acquiree should initially be recognized by applying revenue recognition principles and not at fair value. The standard is effective for interim and annual periods beginning on January 1, 2023, and early adoption is permitted. The impact of this standard will depend on the facts and circumstances of future transactions.

In August 2020, the FASB issued ASC Update No. 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The amendments in Update No. 2020-06 simplify the complexity associated with applying U.S. GAAP for certain financial instruments with characteristics of liabilities and equity. More specifically, the amendments focus on the guidance for convertible instruments and derivative scope exception for contracts in an entity's own equity. The provisions of these standards have not had and are not expected to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The main objective of the standard is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this standard replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The update is effective for the Company beginning January 1, 2023 with early adoption permitted. The Company adopted the standard on January 1, 2023. The adoption of this standard did not have a material effect on the Company's audited consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The main objective of the amendment is to modify the disclosure or presentation requirements of various Topics in the Codification. Certain amendments represent clarifications to or technical corrections of the current requirements. to eliminate disclosure requirements that were redundant, duplicative, overlapping, outdated, or superseded. The effective date for each amendment will be when the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is still evaluating the impact of the adoption of this standard.

Other recent accounting pronouncements issued by the FASB and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

NOTE 6: OFFICER AND SHAREHOLDER LOANS / ADVANCES

On July 3, 2024 the Company borrowed $18,000 from its President, Catalina Valencia, pursuant to a promissory note which is (i) unsecured; (ii) bears interest at a rate of 5.25% per annum; (iii) payable on demand. As of December, 31, 2024 the balance of the note was $18,463, including $463 of accrued interest (see also Footnote 8 - "Related Party Transactions").

At December 31, 2024 the Company had received advances totaling $499,209 from Cross & Company ("Crossco") against proceeds from future "Puts" under an Equity Purchase Agreement ("EPA") of registered S-1 shares dated June 1, 2023 (see also Footnote 11 - "Stockholder Deficit" for a discussion of the EPA). S-1 registration is not available to the Company at this time due to its unaudited Pink Sheet listing status. Accordingly, the Company is unable to Put additional shares to Crossco in order to repay the advances owed. The Company is in negotiations with Crossco to repay the debt and will likely have to issue convertible debt to Crossco in order to satisfy the advances owed, although there can be no assurance that a resolution acceptable to both parties can be reached.

NOTE 7: RELATED PARTY TRANSACTIONS

In December of 2023, the Company entered into a Convertible Note Purchase Agreement (the "CVNP Agreement") with Medical Marijuana, Inc. {"MJNA") whereby MJNA is entitled (but not required) to acquire up to $750,000 face value of convertible notes from the Company having an initial conversion price equal to the lesser of $0.01 or 70% of the closing of the Company's common stock as of the date of any purchase of a convertible note under the CVNP Agreement. Notes issued pursuant to the CVNP Agreement bear interest at a rate of at least 5.25% per annum, are unsecured and generally mature within 10-years of the date of issuance. As of December 31,2024, the Company has issued twelve (12) convertible notes, $580,000 face value, pursuant to the CVNP Agreement, in exchange for cash. (see also Footnote 8 - "Convertible Notes Payable" for a description of convertible notes issued under the CVNP Agreement and Footnote 14 - "Subsequent Events" for issuances of additional convertible notes after December 31, 2024).

On July 3, 2024 the Company borrowed $18,000 from a its President, Catalina Valencia, pursuant to a promissory note which is (i) unsecured; (ii) bears interest at a rate of 5.25% per annum; (iii) payable on demand. As of December, 31, 2024 the balance of the note was $18,463, including $463 of accrued interest.

NOTE 8: CONVERTIBLE NOTES PAYABLE

Convertible Notes Payable, Related Party - Long Term

At December 31, 2024 long term related-party convertible notes payable of $5,434,371 consists of aggregate face value of $5,991,125, plus accrued interest of $371,135, less unamortized debt discount of $927,889. At December 31, 2023, long term related-party convertible notes payable of $4,253,968 consisted of aggregate face value of $4,725,000, plus accrued interest of $160.091, less unamortized debt discount of $631,123.

The following is a description of long term related-party convertible notes payable outstanding as of December 31, 2024 (see also Footnote 14 - "Subsequent Events" for issuances of additional convertible notes after December 31, 2024):

(i) A convertible note payable to Medical Marijuana, Inc. ("MJNA") issued in November 2018, face value $4,000,000 (the "Note"), having a balance due of $4,284,293 at December 31, 2024, including interest accrued thereon of $284,293. The Note was issued as part of an exchange of a promissory note obligation the Company had to a third-party investor. In January 2023, the Company entered into a Modification and Default Waiver Agreement (the “Agreement”) regarding the Note. Under the terms of the Agreement the MJNA agreed to waive and forfeit all interest accrued on the Note through December 31, 2022, in the aggregate amount of $261,537, and to waive all prior defaults on the Note through the Effective Date of January 23, 2023. Interest shall accrue on the Note beginning January 1, 2023 at the original rate of 3.5% per annum through June 30, 2023, and shall be payable on that date. Thereafter, interest will be payable on a monthly basis beginning on August 1, 2023 until maturity of November 1, 2026. In addition, the Conversion Price for the Note was reduced from $0.25 to $0.075.

(ii) A convertible note payable to Kettner Investments, LLC ("Kettner"), issued in February 2022 in exchange for cash, face value $375,000 (the "Note"), having a balance due of $397,185 at December 31, 2024, including interest accrued thereon of $22,185. The Note: (a) bears an annual interest rate of 3.0%, compounded annually, (b) matures on February 10, 2032, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion equal to the lesser of $.08125 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

(iii) A convertible note payable to the Estate of John W. Huemoeller II (Mr. Huemoeller was the Company's former CEO and is now deceased), issued in January 2023, face value $250,000 (the "Note"), having a balance due of $269,333 at December 31, 2024, including interest accrued thereon of $19,333. The Note: (a) bears an annual interest rate of 4.0%, compounded annually, (b) matures on January 23, 2033, and (c) is convertible into the Company's common stock at a conversion price of $0.01 subject to a 4.9% blocking provision and a restriction on conversion as follows: the Note shall not be permitted to convert into the Company's common stock prior to January 23, 2026 at which time the holder may convert one-quarter of the Note (and the interest accrued on that portion of the Note) and one-quarter of the original face value of the Note each year thereafter, provided however, if at any time after the 6-month anniversary of the Note the Company's common stock trades at or above $0.20 for thirty (30) consecutive trading days, restrictions on conversion shall end.

(iv) On December 26, 2023 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $100,000 (the "Note"), having a balance due of $105,430 at December 31, 2024, including interest accrued thereon of $5,430. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on December 26, 2033, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion equal to the lesser of $.01 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(v) On March 15, 2024, the Company issued Convertible Notes, having an aggregate face value of $786,125, and a balance due of $812,356 at December 31, 2024, including interest accrued thereon of $26,231 (the "Notes"), to (i) its independent directors for past due director fees, (ii) certain officers and contractors of the Company for past due salaries and fees for services rendered, and (iii) employees of and consultants to its wholly-owned subsidiary, Sapphire Biotech, Inc. ("Sapphire"), for past due salaries and fees. The Notes pay annual interest at the rate of 4.25% annually which shall accrue until the maturity date of March 1, 2034 (“Maturity Date”), at which time all principal and interest accrued thereon shall be due and payable. Two of the Notes, aggregate face value $135,625, require a 25% payment of principal on each annual anniversary of the Notes, The four Notes issued to the independent directors, aggregate face value of $140,000, are convertible into common stock of the Company at a conversion price of $0.01. The remaining Notes, aggregate face value $646,125, are convertible into common stock of the Company at a conversion price of $0.02. All of the Notes shall not be permitted to convert into the Company's common stock until the earlier of the two-year anniversary of the Notes or at any time after the six-month anniversary of the Notes if the Company's common stock closes at or above $.20 for 30 consecutive days. In addition, the Notes. may not be sold, transferred, pledged or hypothecated by the holder at any time.

(vi) On March 28, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $100,000 (the "Note"), having a balance due of $104,054 on December 31, 2024, including interest accrued thereon of $4,054. The Company issued the note pursuant to the CVNP Agreement. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on March 28, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00805 or 70% of the average of the two lowest closing prices of Debtor's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(vii) On May 17, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $50,000 (the "Note"), having a balance due of $51,663 on December 31, 2024, including interest accrued thereon of $1,663. The Company issued the Note pursuant to the CVNP Agreement. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on May 17, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.007 or 70% of the average of the two lowest closing prices of Debtor's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(viii) On June 24, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $50,000 (the "Note"), having a balance due of $51,385 on December 31, 2024, including interest accrued thereon of $1,385. The Company issued the Note pursuant to the CVNP Agreement. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on June 24, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00511 or 70% of the average of the two lowest closing prices of Debtor's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(ix) On July 15, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $50,000 (the "Note"), having a balance due of $51,203 on December 31, 2024, including interest accrued thereon of $1,203. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on July 15, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00938 or 70% of the average of the two lowest closing prices of Debtor's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(x) On July 30, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $25,000 (the "Note"), having a balance due of $25,551 on December 31, 2024, including interest accrued thereon of $551. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on July 30, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00945 or 70% of the average of the two lowest closing prices of

Debtor’s common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(xi) On August 6, 2024 the Company issued a convertible note to MJNA pursuant to the CVNP Agreement, in exchange for cash, face value $50,000 (the "Note"), having a balance due of $51,050 on December 31, 2024, including interest accrued thereon of $1,050. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on August 6, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00602 or 70% of the average of the two lowest closing prices of Debtor’s common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(xii) On August 28 2024 the Company issued three (3) convertible notes to MJNA pursuant to the CVNP Agreement, in exchange for cash, aggregate face value $50,000 ($20,000, $20,000 and $10,000) (the "Notes"), having a aggregate balance due of $50,279 on December 31, 2024, including interest accrued thereon of $279 (MJNA assigned one of the two $20,000 Notes to an officer of MJNA and the other $20,000 Note to one of its directors). The Notes each: (a) bear an annual interest rate of 5.25%, compounded annually, (b) mature on August 28, 2034, and (c) are convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.0063 or 70% of the average of the two lowest closing prices of Debtor’s common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(xiii) A convertible note payable to MJNA, issued on October 1, 2024, pursuant to the CVNP Agreement, in exchange for cash, face value $55,000 (the "Note"), having a balance due of $55,722 on December 31, 2024, including interest accrued thereon of $722. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on September 30, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00364 or 70% of the average of the two lowest closing prices of Debtor’s common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

(xiv) A convertible note payable to MJNA, issued on December 1, 2024, pursuant to the CVNP Agreement, in exchange for cash, face value $50,000 (the "Note"), having a balance due of $50,219 on December 31, 2024, including interest accrued thereon of $219. The Note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on November 30, 2034, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.00189 or 70% of the average of the two lowest closing prices of Debtor’s common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision. (see also Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement).

Convertible Notes Payable - Long Term

At December 31, 2024 long term convertible notes payable of $948,125 consists of aggregate face value of $1,584,361, plus accrued interest of $99,787, less unamortized debt discount of $736,023. At December 31, 2023, long term related-party convertible notes payable of $854,480 consisted of aggregate face value of $1,557,931, plus accrued interest of $40,944, less unamortized debt discount of $744,035.

The following is a description of long term convertible notes payable outstanding as of December 31, 2024:

(xv) A convertible note payable to TL-66 LLC ("TL-66"), issued on December 31, 2019, face value $190,000 (the "Note"), having a balance due of $201,401 on December 31, 2024, including interest accrued thereon of $11,401. The Note: (a) bears an annual interest rate of 3.0%, compounded annually, (b) matures on December 31, 2029, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price of $0.0316666, subject to a 4.9% blocking provision. The Note was issued in exchange for $190,000 of senior secured debt owed by Sapphire to TL-66.

(xvi) A convertible note payable to TL-66, issued on January 27, 2022, face value $365,931 (the "Note"), having a balance due of $391,192 on December 31, 2024, including interest accrued thereon of $25,201. The Note: (a) bears an annual interest rate of 3.0%, compounded annually, (b) matures on January 27, 2032, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price of $0.10, subject to a 4.9% blocking provision. The Note was issued in exchange for $365,931 of senior secured debt owed by Sapphire to TL-66.

(xvii) A convertible note payable to In Christ Foundation, Inc. issued on February 10, 2022, in exchange for cash, remaining face value (original face value of $500,000) of $350,000 (the "Note"), having a balance due of $370,866 on December 31, 2024, including interest accrued thereon of $20,866. The Note: (a) bears an annual interest rate of 3.0%, compounded annually, (b) matures on February 10, 2032, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.08125 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

(xviii) A convertible note payable to TL-66 issued on February 10, 2022, in exchange for cash, remaining face value (original face value of $150,000) of $75,000 (the "Note"), having a balance due of $79,702 on December 31, 2024, including interest accrued thereon of $4,702. The Note: (a) bears an annual interest rate of 3.0%, compounded annually, (b) matures on February 10, 2032, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.08125 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

(xix) A convertible note payable to TL-66 issued on May 23, 2023, in exchange for payment of cash advances made by TL-66 to the Company and its subsidiaries, face value $250,000 (the "Note"), having a balance due of $265,286 on December 31, 2024, including interest accrued thereon of $15,286. The Note: (a) bears an annual interest rate of 3.75%, compounded annually,

(b) matures on May 23, 2033, and (c) is convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.01 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

(xx) Four (4) convertible notes payable to private third-party investors issued on May 23, 2023, in exchange for cash, aggregate face value $325,000 ($150,000, $75,000, $75,000 and $25,000) (the "Notes"), having a aggregate balance due of $348,472 on December 31, 2024, including interest accrued thereon of $23,472. The Notes each: (a) bear an annual interest rate of 3.75%, compounded annually, (b) mature on May 23, 2033, and (c) are convertible at any time at the option of the holder into AXIM's common stock at a conversion price equal to the lesser of $.01 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

Senior Secured Convertible Notes Payable - Long Term

At December 31, 2024 senior secured long term convertible notes payable of $658,603 consists of aggregate face value of $984,478, plus accrued interest of $70,445, less unamortized debt discount of $396,320. At December 31, 2023, senior secured long term convertible notes payable of $553,926 consisted of aggregate face value of $984,478, plus accrued interest of $35,219, less unamortized debt discount of $465,771.

The following is a description of long term senior secured convertible notes payable outstanding as of December 31, 2024:

(xxi) Three (3) convertible notes payable to TL-66 issued on September 16, 2016, in exchange for cash, aggregate face value $484,478 (the "Secured Notes"), having a balance due of $519,145 on December 31, 2024, including interest accrued thereon of $34,667. The Secured Notes each: (a) bear an annual interest rate of 3.50%, compounded annually, (b) mature on October 1, 2029, (c) are convertible at any time at the option of the holder into AXIM's common stock at a conversion price of $.04, subject to a 4.9% blocking provision, and (d) are secured by all of the Company's assets.

(xxii) Two (2) convertible notes payable to TL-66 issued on October 20, 2016, in exchange for cash, aggregate face value $500,000 (the "Secured Notes"), having a balance due of $535,778 on December 31, 2024, including interest accrued thereon of $35,778. The Secured Notes each: (a) bear an annual interest rate of 3.50%, compounded annually, (b) mature on October 1, 2029, (c) are convertible at any time at the option of the holder into AXIM's common stock at a conversion price of $.04, subject to a 4.9% blocking provision, and (d) are secured by all of the Company's assets.

On January 23, 2023, TL-66 agreed to waive and forfeit all interest accrued on the Secured Notes through December 31, 2023, in the aggregate amount of $216,572 and to wave all prior defualts on the Notes through the Effective Date, and the next interest payments due on each of the Secured Notes was extended from April 1, 2023, to July 1, 2023. In addition, the Conversion Price for each of the Secured Notes was reduced from $0.2201 to $0.04. The Agreement served to modify and amend each of the Secured Notes as set forth above, in all other respects the terms of the Secured Notes remained in full force and effect. The Secured Notes are currently in default under the modified terms. The Company intends to attempt to reach an arrangement or

agreement regarding past due payments, although there can be no assurance that an arrangement acceptable to both parties can be reached.,

NOTE 9: DERIVATIVE LIABILITIES

Upon the issuance of certain convertible notes payable having a variable conversion rate, the Company determined that the features associated with the embedded conversion option embedded in the debt, should be accounted for at fair value, as a derivative liability.

On December 31, 2024, the Company estimated the fair value of the embedded derivatives of $4,115,975 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 152.15%, (3) risk-free interest rate of 4.43% and (4) expected life of 9.5 years.

On December 31, 2023, the Company estimated the fair value of the embedded derivatives of $2,482,723 using the Black-Scholes Pricing Model based on the following assumptions: (1) dividend yield of 0%, (2) expected volatility of 150.19%, (3) risk-free interest rate of 3.88%, and (4) expected life of 9.86 years.

The following table provides a summary of changes in fair value of the Company's Level 3 financial liabilities for the Year ended December 31, 2024.

Balance, December 31, 2023	$	2,482,723
Issuance of convertible note payable		480,000
Issuance of shares in exchange for convertible note payable		
Mark to market		1,153,252
Balance, December 31, 2024	$	4,115,975

NOTE 10: STOCK INCENTIVE PLAN

On May 29, 2015 the Company adopted its 2015 Stock Incentive Plan. Under the Plan the Company may issue up to 10,000,000 S-8 shares to officers, employees, directors or consultants for services rendered to the Company or its affiliates or to incentivize such parties to continue to render services. S-8 shares are registered immediately upon the filing of the Plan and are unrestricted shares that are free-trading upon issuance. On May 20, 2021 the board consent increased the issue up to 20,000,000 shares. Subsequently that amount was raised to 40,000,000 shares As of December 31, 2024 and December 31, 2023, there were 15,881,671 and 9,806,000 shares available for issuance under the Plan.

On May 9, 2023 2,000,000 in options were issued with a strike price of $0.21 per share vesting over 6 months.

On September 1, 2023, 1,000,000 in options were issued with a strike price of $0.023 per share vesting over 3 months.

For the Year ended December 31, 2024 and 2023, the Company recorded compensation expense of $9,272 and -0- .

NOTE 11: STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has authorized 5,000,000 shares of preferred stock, with a par value of $0.0001 per share. Of the 5,000,000 authorized preferred shares, as of December 31, 2024 there are 500,000 shares of Series C Convertible Preferred Stock issued and outstanding and 4,500,000 preferred shares of undesignated and unissued "blank check" preferred stock. The Company may issue such preferred shares and designate the rights, privileges and preferences of such shares at the time of designation and issuance. As of December 31, 2024 and December 31, 2023 there are 500,000 and 500,000 shares of Series C Convertible Preferred Stock issued and outstanding, respectively.

Series C Convertible Preferred Stock

The holders of the Series C Preferred are entitled to elect four members to the Company's board of directors and are entitled to cast 100 votes per share on all other matters presented to the shareholders for a vote. Each share of Series C Convertible Preferred is convertible into one share of the Company's common stock. The Series C Convertible Preferred designation contains a number of protective and restrictive covenants that restrict the Company from taking a number of actions without the prior approval of the holders of the Series C Preferred or the unanimous vote of all four Series C Directors.

On August 18, 2016 the Company issued all 500,000 shares of its newly designated Series C Preferred Stock to MJNA Investment Holdings, LLC in exchange for cash of $65,000. As the holders of the Series C Preferred Stock, MJNA Investment Holdings, LLC designated Dr. Timothy R. Scott, John W. Huemoeller II, Robert Cunningham and Blake Schroeder as their four Series C Directors.

On February 20, 2019, MJNA Investment Holdings LLC ("Seller") sold its 500,000 shares of Series C Preferred Stock to Juniper & Ivy Corporation, a Nevada corporation ("Juniper") for a purchase price of $500,000 in a combination of cash ($65,000) and a $435,000 promissory note that had no recourse against the Series C Preferred Stock or assets of Juniper and was guaranteed by the Company's former Chief Executive Officer John W. Huemoeller II (deceased). Juniper was one-third owned by Mr. Huemoeller, the Company and Neuropathix, Inc., and Mr. Huemoeller served as Juniper's sole officer and director.

On October 14, 2024, Juniper, the record holder of all 500,000 shares of Series C Preferred Stock issued and outstanding on that date, which shares are exclusively entitled to fill any vacancy of a Series C Director seat, appointed Catalina Valencia to fill the Series C Director vacancy that existed as a result of the death of John W. Huemoeller II.

Effective October 15, 2024, Juniper entered into an agreement with Medical Marijuana, Inc. ("MJNA") and Kettner Investments, LLC ("Kettner") regarding the transfer and assignment of all 500,000 shares of the Series C Preferred Stock (the "Agreement"). Under the Agreement, Juniper first assigned and transferred the Series C Preferred Stock to MJNA as full satisfaction of the $435,000 promissory note it had issued to MJNA having a balance due of approximately $515,000 (the terms of the promissory note permitted Juniper to convey the Series C Preferred

Stock to MJNA as payment in full of the note). Immediately thereafter, pursuant to the Agreement, MJNA assigned and transferred the Series C Preferred Stock to Kettner in exchange for Kettner's agreement to waive all defaults under two senior secured convertible notes issued by MJNA to Kettner, having an aggregate face value of $1,090,000, and also waived all accrued interest owed on the convertible notes, which totaled approximately $66,000.

The holders of a majority of the Series C Preferred Stock are entitled to appoint four (4) Series C Directors to the Board of Directors of the Company (which is a majority of the Board) and have the exclusive right to fill any Series C Director vacancies, as well as a number of other preferential rights granted to the holders of the Series C Preferred Stock, as a result of the transfer of the Series C Preferred Stock to Kettner, a change of control of the Company occurred.

Kettner is managed by a three-member Executive Committee, of which the Company's CFO, Robert Malasek, is a member and Chairman. Kettner is 99.8% owned by an Irrevocable Trust (the "Trust") that has no affiliation with the Company. The sole trustee of the Trust is a member of Kettner's Executive Committee along with a third member. Other than Mr. Malasek, none of the members of Kettner's Executive Committee has any affiliation with the Company and neither Kettner nor any of its members or members of Kettner's Executive Committee are affiliates of MJNA or Juniper.

Common Stock

The Company has authorized 1,000,000,000 shares of common stock, with a par value of $0.0001 per share. As of December 31, 2024 and December 31, 2023, the Company had 318,895,464 and 245,929,403 shares of common stock issued and outstanding, respectively.

2024 Transactions:

The Company issued 20,000,000 shares of restricted common stock as settlement of litigation and recorded a charge of $380,000.

The Company issued 45,000,000 S-1 shares of common stock for cash of $221,685 pursuant to the Equity Purchase Agreement described below.

The Company issued 2,466,064 restricted shares of common stock as payment for $28,497 of services.

The Company issued 6,000,000 restricted shares of common stock as payment for $96,000 of vendor payables.

The Company cancelled 500,003 shares of common stock accounted for at par value by debiting common stock and crediting additional paid in capital account.

On June 1, 2023, the Company entered into the Equity Purchase Agreement with Cross & Company, pursuant to which we have the right to “put,” or sell, up to $20,000,000 worth of shares of our common stock to Cross. As provided in the Equity Purchase Agreement, we may require Cross to purchase shares of our common stock from time to time by delivering a put notice to Cross specifying the total number of shares to be purchased (such number of shares multiplied by the purchase price described below, the “Investment Amount”); provided there must be a

minimum of ten trading days between delivery of each put notice. We may determine the Investment Amount, provided that such amount may not be more than 300% of the average daily trading volume in dollar amount for our common stock during the five trading days preceding the date on which we deliver the applicable put notice, unless waived by Cross in its sole discretion. Additionally, such amount may not be lower than $10,000 or higher than $250,000. Cross will have no obligation to purchase shares under the Equity Line to the extent that such purchase would cause Cross to own more than 4.99% of our issued and outstanding shares of common stock.

NOTE 12: STOCK OPTIONS AND WARRANTS

Options to purchase common stock are granted at the discretion of the Board of Directors, a committee thereof or, subject to defined limitations, an executive officer of the Company to whom such authority has been delegated. Options granted to date generally have a contractual life of ten years.

The stock option activity for the years ending December 31, 2024 and 2023 is as follows:

	Options Outstanding	Weighted Average Exercise Price
Outstanding at December 31, 2022	21,860,715	$ 0.13
Granted	3,000,000	0.02
Exercised		
Expired or canceled	(742,386)	0.057
Outstanding at December 31, 2023	24,118,329	$ 0.15
Granted		
Exercised		
Expired or Cancelled		
Outstanding December 31, 2024	24,118,329	$ 0.15

The following table summarizes the changes in options outstanding, option exercisability and the related prices for the shares of the Company's common stock issued to employees and consultants under a stock option plan at December 31, 2024 and December 31, 2023:

As of December 31, 2024

	Options Outstanding			Options Exercisable	
Weighted Average Exercise Price ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 0.15	24,118,329	7.25	$ 0.15	24,028,072	$ 0.15

As of December 31, 2023

Options Outstanding				Options Exercisable	
Weighted Average Exercise Price ($)	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($)	Number Exercisable	Weighted Average Exercise Price ($)
$ 0.15	24,118,329	8.0	$ 0.13	22,313,683	$ 0.13

The Company determined the value of share-based compensation for options vested using the Black-Scholes fair value option-pricing model with the following weighted average assumptions

	December 31, 2024	December 31, 2023
Expected life (years)	10	10
Risk-free interest rate (%)	3.53	3.53
Expected volatility (%)	224	224
Dividend yield (%)	-	-
Weighted average fair value of shares at grant date	$ 0.15	$ 0.15

Warrants

The following table summarizes warrant activity during the period ended December 31, 2024 and for the year ended December 31,2023:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2022	3,025,000	$ 0.71
Granted	519,247	0.31
Exercised		
Outstanding at December 31, 2023	3,544,247	$ 0.65
Forfeited/Cancelled	(1,789,285)	(0.09)
Outstanding at December 31, 2024	1,754,962	$ 0.56

All outstanding warrants are exercisable at December 31, 2024 and there was no unrecognized stock-based compensation expense related to warrants.

NOTE 13: COMMITMENT AND CONTINGENCIES

On February 7, 2024, the Company entered into a confidential Settlement Agreement and Mutual Release (the “Settlement Agreement”) settling litigation with Innovative Medical Supplies, LLC ("IMS"). Pursuant to the Settlement, the Company agreed to pay the following compensation to IMS: a total cash payment of $100,000 payable in various payments over a 24 month period; a $0.35 cassette sales participation payment on all single dry eye lateral flow test cassettes sold by the Company up to a total of $475,000, with such payments having no limit as to the time it takes to reach $475,000; and the issuance of 20,000,000 restricted shares of Company common stock. At December 31, 2024, the balance owed on cash portion is $54,000, the 20,000,000 shares have been issued, and participation payments on the sale of cassettes have not begun as a result of no current sales and will be effective upon cassette sales of the Company's DED tests until $475,000 has been paid.

On September 15, 2022, the company entered into an exclusive license and distribution agreement for its Lactoferrin dry eye test, Ige allergy test for allergic conjunctivitis and quantitative MMp-9 test to identify ocular surface inflammation. The licensee was Versea Ophthalmics, LLC, a Delaware limited liability Company. In December of 2024 the Company terminated the License and Distribution Agreement with Versea and is currently negotiating with Versea the terms of such termination.

Supply agreement

In February 2024, the Company entered into a key supply agreement for DED test strip readers which will be deployed for diagnostic testing, focusing on lactoferrin levels. The readers, a point of care medical device, will be supplied by Barcelona, Spain-based IUL SA (“IUL”). The Company will be utilizing state-of-the-art portable iPeak readers that were tested against other comparable products. These readers are designed to hold different cassette sizes and are equipped with connectivity and can read cassettes of up to five strips and seven lines per strip at a time. iPeak is equipped with “Flash Eye” technology based on the principles of machine vision illumination.

Operating Lease

Lease Agreement: On March 29, 2023, Sapphire entered into a 3-year lease agreement (“Lease”) renewal to stay in the same space, with monthly base rent in the 1st year of $8,014, 2nd year $8,335 and 3rd year $8,668 and a final payment of $9,014 at implicit interest rate of 6%. The lease expires on May 31, 2026.

Operating Leases - Right of Use Assets and Purchase Commitments Right of Use Assets

We have operating leases for office space that expire through 2026. Below is a summary of our right of use assets and liabilities as of December 31, 2024.

Right-of-use assets	$	138,034
Lease liability obligations, current	$	63,361
Lease liability obligations, noncurrent		74,673
Total lease liability obligations	$	138,034
Weighted-average remaining lease term		1.42 years
Weighted-average discount rate		6 %

The following table summarizes the lease expense for the year ended December 31, 2024 and 2023:

	Year Ending December 31, 2024		Year Ending December 31, 2023
Operating lease expense	$ 58,171	*	$ 44,232
Short-term lease expense	-		23,274
Total lease expense	$ 58,171		$ 67,506

We recorded $29,301 of operating lease expense this includes $5,136 of maintenance charges

Approximate future minimum lease payments for our lease liability over the remaining lease periods as of December 31, 2024, are as follows:

2025	$	102,684
2026		43,686
Total minimum payments		
Total minimum payments		146,350
Add: deferred rent		-
Less: amount representing interest		(5,548)
Total	$	140,802

Litigation

In the ordinary course of business, we vigorously defend against and prosecute various legal actions. We consider all current pending legal proceedings to be ordinary routine litigation incidental to the operation of our business.

NOTE 14: SUBSEQUENT EVENTS

On February 5, 2025, the Company issued a $50,000 convertible Note to MJNA pursuant to the CVNP Agreement (see Footnote 7 - "Related Party Transactions" for a description of the CVNP Agreement). The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on March 1, 2035, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00238 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On February 14, 2025, the Company issued a $35,000 convertible Note to MJNA pursuant to the CVNP Agreement. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on March 1, 2035, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.00196 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision.

On March 13, 2025, the Company issued a $55,000 convertible Note to MJNA pursuant to the CVNP Agreement. The convertible note: (a) bears an annual interest rate of 5.25%, compounded annually, (b) matures on April 1, 2035, and (c) is convertible at any time at the option of the holder into the Company's common stock at a conversion price equal to the lesser of $.0021 or 70% of the average of the two lowest closing prices of the Company's common stock in the ten (10) trading days prior to any particular conversion, subject to a 4.9% blocking provision