

BOTS, INC./PR

FORM 10-Q (Quarterly Report)

Filed 05/17/21 for the Period Ending 01/31/21

Address	10752 DEERWOOD PARK BLVD, SUITE 100 JACKSONVILLE, FL, 32256
Telephone	570-778-6459
CIK	0001525852
Symbol	BTZI
SIC Code	2111 - Cigarettes
Industry	Tobacco
Sector	Consumer Non-Cyclicals
Fiscal Year	04/30

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

Form 10-Q

(Mark One)

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

For the quarterly period ended **January 31, 2021**

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

For the transition period from _____ to _____.

Commission file number: **000-55986**

BOTS, Inc.

(Exact name of registrant as specified in its charter)

Puerto Rico

(State or other jurisdiction of
incorporation or organization)

27-4439285

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

**1064 Ave Ponce De Leon, Suite 200,
San Juan, PR**

(Address of principal executive offices)

00907

(Zip Code)

(570) 778-6459

Registrant's telephone number, including area code

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if smaller reporting company)

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

As of January 31, 2021, the Company had 775,874,596 shares of common stock, \$0.0001 par value outstanding.

Transitional Small Business Disclosure Format Yes No

BOTS, Inc.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements	3
	Consolidated Balance Sheets as of January 31, 2021 (unaudited) and April 30, 2020	4
	Consolidated Statements of Operations for the three and nine months ended January 31, 2021 and 2020 (unaudited)	5
	Consolidated Statements of Cash Flows for the nine months ended January 31, 2021 and 2020 (unaudited)	6
	Notes to Condensed Consolidated Financial Statements (unaudited)	7
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	24
Item 4.	Controls and Procedures	25

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	26
Item 1A.	Risk Factors	26
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	26
Item 3.	Defaults Upon Senior Securities	27
Item 4.	Mine Safety Disclosures	27
Item 5.	Other Information	27
Item 6.	Exhibits	28
SIGNATURES		29

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Interim Condensed Financial Statements and Notes to Interim Financial Statements

General

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's annual report on Form 10-K for the year ended April 30, 2020. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three and nine months ended January 31, 2021 are not necessarily indicative of the results that can be expected for the year ending April 30, 2021.

BOTS, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

	<u>January 31,</u> <u>2021</u>	<u>April 30,</u> <u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,643	\$ 24,695
Accounts receivable, net	54,839	-
Notes and other receivable	1,191,307	218,257
Total current assets	<u>1,247,789</u>	<u>242,952</u>
Cost basis investment	969,071	272,945
Intangible assets, net	69,458,087	400,037
Total assets	<u>\$ 71,674,947</u>	<u>\$ 915,934</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 12,000	\$ 173,317
Due to shareholder	76,309	110,923
Other current liabilities	335,000	443,706
Reserve for legal settlements	173,317	-
Total current liabilities	<u>596,626</u>	<u>727,946</u>
Total Liabilities	<u>596,626</u>	<u>727,946</u>
Stockholders' equity		
Preferred stock, \$0.0001 par value; 90,000,000 shares authorized; 33,350,000 and 3,350,000 shares issued and outstanding, as of January 31, 2021 and April 30, 2020, respectively.	3,335	335
Common stock, \$0.0001 par value, voting; 2,000,000,000 shares authorized; 775,874,596 and 505,374,596 shares issued, and outstanding, as of January 31, 2021 and April 30, 2020, respectively.	77,587	50,537
Treasury stock	(680,330)	(680,330)
Additional paid in capital	27,947,761	13,981,354
Accumulated deficit	43,729,968	(13,149,659)
Total stockholders' equity	<u>71,078,321</u>	<u>202,237</u>
Non-controlling interest	-	(14,249)
Total equity	71,078,321	187,988
Total liabilities and stockholders' equity	<u>\$ 71,674,947</u>	<u>\$ 915,934</u>

See accompanying notes to unaudited consolidated financial statements.

BOTS, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	For the three months ended		For the nine months ended	
	January 31,		January 31,	
	2021	2020	2021	2020
Sales	\$ -	\$ 33,415	\$ -	\$ 908,871
Total Cost of Sales	-	21,032	-	550,903
Gross Profit	-	12,383	-	357,968
Selling, general, and administrative	2,942	83,716	18,260	379,535
Professional fees	12,000	19,900	15,260	60,023
Stock based compensation	180,000	153,000	3,900,000	261,000
Marketing & advertising	53,663	559	55,246	44,316
Consultant fees	900	36,760	900	207,544
Bad Debts	-	-	-	16,243
Amortization and depreciation	42,987	67,137	142,683	208,741
Total operating expenses	292,492	361,072	4,127,944	1,177,402
Income (Loss) from operations	(292,492)	(348,689)	(4,127,944)	(819,434)
Other income (expense)	(13,492)	(3,414)	61,229,410	1,032,695
Net income (loss) before non-controlling interest	(305,984)	(352,103)	57,101,466	213,261
Loss on discontinued operations	-	(307,468)	(221,840)	(319,052)
Net income(loss) before minority interest	(305,984)	(659,571)	56,879,626	(105,791)
Gain attributable to non-controlling interest	-	14,907	-	33,975
Net income (loss) attributable to controlling interest	\$ (305,984)	\$ (644,664)	\$ 56,879,626	\$ (71,816)
Basic and diluted (Loss) per share:				
Income(Loss) per share from continuing operations	\$ (0.00)	\$ (0.00)	\$ 0.08	\$ 0.00
Income(Loss) per share	\$ (0.00)	\$ (0.00)	\$ 0.08	\$ 0.00
Weighted average shares outstanding - basic and diluted	774,986,335	484,192,531	755,961,553	508,022,241

See accompanying notes to unaudited consolidated financial statements.

BOTS, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the Nine Months Ended January 31,

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net Profit (Loss)	56,874,405	\$ (71,816)
<i>Adjustments to reconcile net loss to net Cash provided by (used in) operating activities:</i>		
Depreciation and amortization	142,683	208,741
Common stock issued for services	3,900,000	256,500
Net effect to cash flow from non-consolidation	-	(157,193)
Accrued interest, net	(54,839)	-
Effects of discontinued operations, net	317,530	-
Minority Interest in earnings of subsidiaries, Net	-	153,365
Impairment	62,072	-
Effects of acquisition, net	(61,244,071)	-
<i>Decrease (Increase) in:</i>		
Accounts receivable, net	-	36,928
Other receivable	-	(48,550)
Inventories	-	459,557
Prepaid expenses and other current assets	-	10,100
Accounts payable, accrued expenses and taxes payable	12,000	(91,630)
Deferred revenue	-	(21,257)
Reserve for uncollectable accounts	-	(452)
Total adjustment to reconcile net income to net cash	<u>(56,864,625)</u>	<u>806,109</u>
Net cash provided In operating activities	<u>9,780</u>	<u>734,293</u>
Cash flows from investing activities:		
<i>Increase (Decrease) in:</i>		
Cost basis investments	-	(315,550)
Acquisition of property, plant and equipment	-	(149,874)
Acquisition of intangible assets	(5,000)	1,459
Net cash received in investing activities	<u>(5,000)</u>	<u>(463,965)</u>
Cash Flows From Financing Activities:		
Borrowing from related party, net	2,219	85,695
Notes Payable	(50,000)	(172,225)
Proceeds from Issuance of Stock, Net	19,949	(445,864)
Net Cash Provided By Financing Activities	<u>(27,832)</u>	<u>(532,394)</u>
Net Change in Cash	(23,052)	(262,066)
Cash at Beginning of Year	24,695	281,832
Cash at End of Period	<u>\$ 1,643</u>	<u>\$ 19,766</u>
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	\$ -	\$ 13,481
Cash paid for income taxes	\$ -	\$ -
Non-cash Investing and Financing Activities:		
Intangible Assets exchanges for accounts payable	-	27,930
Notes receivable in exchange for accounts payable	-	100,000
Land transfer in exchange for accounts payable	-	314,105
Settlement of Due to Related Party	-	1,221,871
Joint Venture investment with BRRX Management	(166,675)	166,675
Settlement of CBJ Distributing	-	1,357,473
Purchase of First Bitcoin Capital, LLC	10,027,752	-
Stock issued in settlement of debt	58,706	-
Debt exchange for cryptocurrency	218,257	-

See accompanying notes to unaudited consolidated financial statements.

BOTS, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Organization and Basis of Presentation

The accompanying consolidated audited financial statements of BOTS, Inc., (the “Company”, “we”, “our”), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission (“SEC”).

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). All significant intercompany accounts and transactions have been eliminated.

The consolidated financial statements include the accounts of the Company and its subsidiaries:

- First Bitcoin Capital, LLC

Description of Business

Originally, we were formed to open and operate a full-service day spa in Montrose, California. In October 2013 we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as “eCigs”).

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company’s wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

From 2015 through 2020 the Company was involved in multiple cannabis business entities. We have elected to discontinue all operations in the cannabis markets and e-cig markets while focusing on robotics and blockchain technologies.

We operated multiple websites (which are not incorporated as part of this Form 10Q report). The Company’s primary website is www.BOTS.bz.

Subsidiaries of the Company

The Company currently operates, in addition to BOTS, Inc., the following subsidiaries which are consolidated:

First Bitcoin Capital, LLC

On May 14, 2020 we acquired 100% of First Bitcoin Capital, LLC (“FBC”). FBC was incorporated on December 11, 2017 under the laws of the state of Colorado. FBC works in multiple areas of blockchain development and cryptocurrency.

CoinQX Exchange Limited

On May 14, 2020 we acquired 100% of CoinQX Exchange, Limited (“CoinQX”). CoinQX was incorporated on July 4, 2014 in British Columbia, Canada. CoinQX has not yet begun operations.

420Wifi.com, llc

On May 14, 2020 we acquired 100% of 420wifi.com, llc (“420wifi”). 420wifi was organized on January 18, 2019 under the laws of the state of Wyoming. 420wifi has not yet begun operations.

D’BOT Technology Corp

On May 14, 2020 we acquired 100% of D’BOT Technology Corp (“DBOT”). DBOT was incorporated on March 15, 2019 under the laws of the state of Colorado. DBOT has not yet begun operations.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the wholly owned subsidiaries of FBC. Significant intercompany balances and transactions have been eliminated.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables are limited due to the diverse group of customers to whom the Company sells. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Interests Receivable

The Company's interests receivables are accrued from two convertible promissory noted. The interest will continue to accrue until such time as the debt is paid in full, or the Company elects to convert the promissory note, or a portion thereof, into equity of the debtor.

Intangible Assets

The Company's intangible assets consist of certain website development costs that is amortized over their useful life in accordance with the guidelines of *ASC 350-30 General Intangible Other than Goodwill* and *ASC 350-50 Website Development Costs*. In addition to these finite intangible assets, the Company accounts for its infinite intangible assets without depreciation and/or amortization. These assets are reviewed annually by an independent review to determine if an impairment should be recognized. As the Company owned no infinite intangible assets in the prior fiscal year ending April 30, 2020, no impairment was warranted for the Company's infinite intangible assets.

Basic and Diluted Net Loss Per Share

The Company follows *ASC Topic 260 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* to account for earnings per share. Basic earnings per share ("EPS") calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares consist of Series A convertible preferred stock, convertible debentures, stock options and warrant common stock equivalent shares.

Concentration of Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of cash and trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the clients that comprise our customer base and their dispersion across different business and geographic areas. We estimate and maintain an allowance for potentially uncollectible accounts and such estimates have historically been within management's expectations.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of \$250,000. The risk is managed by maintaining all deposits in high quality financial institutions. The Company had \$0 and \$0 in excess of federally insured limits at January 31, 2021 and April 30, 2020.

Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the periods ended January 31, 2021 and July 31, 2020 have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has an accumulated deficit, which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

Note 4. Interests Receivable

The Company's interests receivable is from a single direct customer.

Note 5. Intangible Assets:

The following reflects our intangible assets:

Intangible Assets - January 31, 2021

	<u>Weighted Average Useful Life (in years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
<i>Finite lived intangible assets</i>				
Domains	3	\$ 115,848	\$ 106,194	\$ 9,654
Trademarks	3	400,000	366,663	33,337
Patents	15	313,750	13,722	308,028
<i>Infinite lived intangible assets</i>				
California cannabis license		228,085	228,085	-
Noncurrent cryptocurrencies		69,115,068	-	69,115,068
Total intangible assets		\$ 70,172,751	\$ 714,664	\$ 69,458,087

Intangible Assets - April 30, 2020

	<u>Weighted Average Useful Life (in years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
<i>Finite lived intangible assets</i>				
Domains	3	\$ 115,848	\$ 77,232	\$ 38,616
Trademarks	3	400,000	266,664	133,336
<i>Infinite lived intangible assets</i>				
California cannabis license		228,085	-	228,085
Total intangible assets		\$ 743,933	\$ 343,896	\$ 400,037

Note 6. Cost Basis Investments

The Company has invested \$969,071 through January 31, 2021 and \$272,945 through April 30, 2020. A breakdown of these investments includes:

Cost Basis Investments		
	As of January 31, 2021	As of April 30, 2020
Stony Hill Corp, net	\$ 146	\$ 62,218
BRRX Management Joint Venture	-	200,778
Redfern BioSystems, Inc.	-	9,949
SinglePoint, Inc.	24,500	-
Medical Cannabis Payment Solutions, Inc.	11,800	-
Petroteq Energy Inc.	10,125	-
Digital Asset Monetary	500,000	-
Kronos Advanced Technologies, Inc.	422,500	-
Total acquisition cost	<u>\$ 969,071</u>	<u>\$ 272,945</u>

In October 2020 Redfern BioSystems, Inc., was shutdown. The few assets held by Redfern were used to settled debts owed to creditors. We received no compensation for our shares of Redfern BioSystems, Inc., and as such wrote off the asset.

Note 7. Acquisition

On May 15, 2020, the Company acquired First Bitcoin Capital, LLC and all the assets of First Bitcoin Capital Corp. The Company acquired all cash, inventory, prepaid expenses, inventory, fixed assets, and intellectual property for a total purchase price of \$10,120,000. The Company issued 100,000,000 common shares and 30,000,000 Series A Preferred shares at the rate of \$0.0253 per underlying common share. The Company has 60,000,000 Series A Preferred held in reserve for issuance should certain milestones be achieved over the course of three years.

In accordance to rule, the following table reflects the determination of the purchase price of the assets of First Bitcoin Capital Corp and the business entity of First Bitcoin Capital, LLC:

Acquisition of First Bitcoin Capital Corp Assets	
Cash	800
Patent	308,750
Interest receivable	25,058
Notes receivable	1,191,307
Cost basis investments	972,425
Non-current digital assets	214,264,073
Total assets acquired	<u>216,762,413</u>
Reserve for devaluation	145,372,485
Total liabilities assumed	145,372,485
Net acquisition assets	<u>71,389,928</u>
Total Purchase Price	
Common Stock issued as part of acquisition (100,000,000)	2,530,000
Preferred Stock issued as part of acquisition (90,000,000)	22,770,000
Total Purchase Price	<u>25,300,000</u>
Reserve for unissued stock	15,180,000
Stock issued as part of purchase	10,120,000
Net acquisition assets	<u>71,389,928</u>
Gain on Assets	61,269,928

Note 8. Related Parties and Related Party Transactions

Mr. Rosenberg, the Company's CEO/CFO provides funding for the Company. During the nine months ended January 31, 2021 Mr. Rosenberg paid multiple expense on behalf of the Company, and received multiple payments from the Company as payment against the advances made. Mr. Rosenberg was owed \$110,922 as due to related party at the end of the last fiscal year, April 30, 2020, as compared to a balance owed to Mr. Rosenberg of \$76,309 as of January 31, 2021, a reduction of \$34,613 in due to related party.

First Bitcoin Capital Corp, an affiliate shareholder of the Company's provides funding for First Bitcoin Capital, LLC, a wholly owned subsidiary of the Company. During the nine months ended January 31, 2021 First Bitcoin Capital Corp has funded \$6,113 to the Company.

Mr. Rosenberg received 80,000,000 shares of common stock for services provided in the acquisition of First Bitcoin Capital Corp assets and First Bitcoin Capital, LLC.

On April 29, 2020 we converted 5,000,000 of OBITX, Inc., common shares owned by us into 500,000 shares of Series B Preferred stock. The conversion was according to the terms of the Series B Preferred stock and as such there was no gain or loss on the transaction. BOTS may not convert the Series B Preferred shares into common shares until 24 months have expired from the transaction.

Note 9. Cryptocurrency Assets

During the nine months ended January 31, 2021 the Company started transacting business with cryptocurrency assets. The Company records the asset as an Intangible Asset with Infinite Life. We classify cryptocurrency that have a market value and substantial liquidity as Current Intangible Assets. Cryptocurrency that do not trade on a market or have limited liquidity are classified as Non-current Intangible Assets.

BOTS Cryptocurrency Summary

	Digital currencies recorded at cost	Digital currencies measured at fair value
Balance, April 30, 2020	-	-
Additions	69,115,068	119,207,030
Disposals	-	-
Decrease in valuation	-	-
Balance January 31, 2021	<u>69,115,068</u>	<u>119,207,030</u>

[Table of Contents](#)

The following chart shows our cryptocurrency assets held for the nine months ended January 31, 2021:

Schedule of Digital Currencies - Non-current

		Cost per Currency	Total Cost
First Bitcoin (BIT)	17,120,497,315	\$ 0.004029	\$ 69,114,447
President Trump (PRES)	55,869,517,129	-	145,372,484
KiloCoin (KLC)	998,560,007	-	-
TeslaCoilCoin (TESLA) *	3,988,609	-	622
Siacoin (SC)	342,348	-	-
Alphabit (ABC)	199,999,982	-	-
Perkscoin	2,083,333	-	-
OTC Coin	19,996,895,800	-	-
President Johnson (GARY)	54,987,192,536	-	-
Hillary (HILL)	55,967,772,167	-	-
BURN	55,968,072,167	-	-
Bitcoin Futures (XBU)	8,977,777	-	-
Altcoin (ALT)	10,888	-	-
BPU	8,999,000	-	-
BPL	8,999,000	-	-
BCN	8,999,000	-	-
BXT	8,999,000	-	-
XBC	8,999,000	-	-
XOM	4,090,505	-	-
WEED	77,141,332	-	-
Fly (LOYAL)	2,254,750,118	-	-
Catalan Coin	92,233,720,368	-	-
OPRAH	1,266,805,361	-	-
HERB	888,888,888	-	-
MoshiachCoin	379,164	-	-
HEMP	100,000,000	-	-
MaidSafeCoin (MAID)	71	-	-
AFG	100,000,000,000	-	-
AAL	91,818,181,818	-	-
UAL	91,818,181,818	-	-
FFT	91,818,181,818	-	-
HAL	91,818,181,818	-	-
SWA	91,818,181,818	-	-
PURPOSE	92,000,000,000	-	-
UAE	1,000,000,000	-	-
QTR	1,000,000,000	-	-
SIA	1,000,000,000	-	-
CPA	1,000,000,000	-	-
ANA	1,000,000,000	-	-
KZR	1,000,000,000	-	-
HVN	1,000,000,000	-	-
LAN	1,000,000,000	-	-
OMA	1,000,000,000	-	-
JST	1,000,000,000	-	-
POE	1,000,000,000	-	-
XAX	1,000,000,000	-	-
EIN	1,000,000,000	-	-
WJA	1,000,000,000	-	-

[Table of Contents](#)

IGO	1,000,000,000	-	-
IBE	1,000,000,000	-	-
JBU	92,818,181,818	-	-
JSA	1,000,000,000	-	-
AZU	1,000,000,000	-	-
AVA	1,000,000,000	-	-
TAM	1,000,000,000	-	-
AZA	1,000,000,000	-	-
DAT	1,000,000,000	-	-
ASA	1,000,000,000	-	-
SCO	1,000,000,000	-	-
SAS	1,000,000,000	-	-
SEY	1,000,000,000	-	-
TAP	1,000,000,000	-	-
TOM	1,000,000,000	-	-
ALK	1,000,000,000	-	-
CMP	1,000,000,000	-	-
AHY	1,000,000,000	-	-
JAI	1,000,000,000	-	-
MAU	1,000,000,000	-	-
BER	1,000,000,000	-	-
EWG	1,000,000,000	-	-
EYH	1,000,000,000	-	-
APJ	1,000,000,000	-	-
ETD	1,000,000,000	-	-
THY	1,000,000,000	-	-
EVA	1,000,000,000	-	-
QFA	1,000,000,000	-	-
DLH	1,000,000,000	-	-
GIA	1,000,000,000	-	-
CHH	92,818,181,818	-	-
THA	1,000,000,000	-	-
AFR	1,000,000,000	-	-
SWR	1,000,000,000	-	-
AAR	1,000,000,000	-	-
ANZ	1,000,000,000	-	-
VOZ	1,000,000,000	-	-
AUA	1,000,000,000	-	-
BKP	1,000,000,000	-	-
JAL	1,000,000,000	-	-

Table of Contents

JAA	1,000,000,000	-	-
JAT	1,000,000,000	-	-
HAD	1,000,000,000	-	-
AXM	1,000,000,000	-	-
KLM	1,000,000,000	-	-
VRD	1,000,000,000	-	-
BAW	92,818,181,818	-	-
FIN	1,000,000,000	-	-
VIR	1,000,000,000	-	-
CRK	1,000,000,000	-	-
NAX	1,000,000,000	-	-
ACA	1,000,000,000	-	-
CSN	1,000,000,000	-	-
AEE	1,000,000,000	-	-
MAS	1,000,000,000	-	-
DAL	92,818,181,818	-	-
KAL	1,000,000,000	-	-
CAL	1,000,000,000	-	-
EZY	1,000,000,000	-	-
SLK	1,000,000,000	-	-
AFL	1,000,000,000	-	-
SAA	1,000,000,000	-	-
CES	1,000,000,000	-	-
GFA	1,000,000,000	-	-
ICE	1,000,000,000	-	-
SVA	1,000,000,000	-	-
PAL	1,000,000,000	-	-
EGF	1,000,000,000	-	-
KQA	1,000,000,000	-	-
DTA	1,000,000,000	-	-
CCA	1,000,000,000	-	-
TSC	1,000,000,000	-	-
ANE	1,000,000,000	-	-
DKH	1,000,000,000	-	-
FJI	1,000,000,000	-	-
LOTP	1,000,000,000	-	-
CAW	1,000,000,000	-	-
AMX	1,000,000,000	-	-
RBA	1,000,000,000	-	-
GCRC	1,000,000,000	-	-
TGW	1,000,000,000	-	-
MNO	1,000,000,000	-	-
RJA	1,000,000,000	-	-
SEJ	1,000,000,000	-	-
WOWN	1,000,000,000	-	-
SW	1,000,000,000	-	-
FS	1,000,000,000	-	-
RT	1,000,000,000	-	-
BW	1,000,000,000	-	-
JJ	1,000,000,000	-	-
MC	1,000,000,000	-	-
HH	1,000,000,000	-	-
IC	1,000,000,000	-	-
CH	92,818,181,818	-	-
WY	1,000,000,000	-	-
Total			\$ 214,487,552
Reserve			145,372,484
Carrying Value			\$ 69,115,068

Note 10. Discontinued Operations

During the nine months ended January 31, 2020 the company wrote-off its investments into BRRX Management joint venture and eliminated the value of its California City cannabis license.

The Company recognized no expense for the three months ended January 31, 2021; however, the Company recognized the following (expense) from its discontinued operations for nine months ended January 31:

	<u>2021</u>	<u>2020</u>
Other income (loss)	\$ (221,840)	\$ (319,052)
Total income (expense) from discontinued operations	<u>\$ (221,840)</u>	<u>\$ (319,052)</u>

Note 11. Non-GAAP Accounting and GAAP Reconciliation – Net Income and EBITDA

The Company reports all financial information required in accordance with generally accepted accounting principles (GAAP). The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information because it is useful to understand the Company's performance that many investors believe may obscure the Company's ongoing operational results.

For example, the Company uses non-GAAP net income (Adjusted Net Income), which excludes stock-based compensation, amortization of acquired intangible assets, impairment of intangible assets, costs from acquisitions, restructurings and other infrequently occurring items, non-cash deferred tax provision and litigation and related settlement costs. The Company uses EBITDA and Adjusted Net Income, which adjusts net income (loss) for amortization of intangible assets, impairment of intangible assets, stock-based compensation, costs related to acquisitions, restructuring and other infrequently occurring items, settlement of litigation, gains or losses on dispositions, pro forma adjustments to exclude lines of business that have been acquired during the periods presented, current cash tax provision, depreciation, and interest expense (income), and revenue as appreciation (loss as depreciation) of the value of its cryptocurrencies and equity investments, net.

The company believes that excluding certain costs from Adjusted Net Income and EBITDA provides a meaningful indication to investors of the expected on-going operating performance of the company. Whenever the Company uses such historical non-GAAP financial measures, it provides a reconciliation of historical non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measure.

The following table is a reconciliation of the EBITDA and Adjusted Net Income (non-GAAP measures) to the Net Income with the GAAP Consolidated Statements of Operation for the three months and nine months ended January 31, 2021 and 2020, respectively.

EBITDA

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	For the three months ended		For the nine months ended	
	January 31,		January 31,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net Income	\$ (305,984)	\$ (644,664)	\$ 56,879,626	\$ (71,816)
Depreciation & Amortization	42,987	67,137	142,683	208,741
EBITDA	<u>\$ (262,997)</u>	<u>\$ (577,527)</u>	<u>\$ 57,022,309</u>	<u>\$ 136,925</u>

Adjusted Net Income

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	For the three months ended		For the nine months ended	
	January 31,		January 31,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
EBITDA	\$ (262,997)	\$ (577,527)	\$ 57,022,309	\$ 136,925
Stock based compensation	180,000	153,000	3,900,000	261,000
Extraordinary gains and (losses)	-	3,414	(61,181,833)	(1,032,695)
Adjusted Net Income	<u>\$ (82,997)</u>	<u>\$ (421,113)</u>	<u>\$ (259,524)</u>	<u>\$ (634,770)</u>

Note 12. Stockholders' Equity

Common Stock

As of July 31, 2020, the Company was authorized to issue 2,000,000,000 common shares at a par value of \$0.0001. As of January 31, 2021, the Company had issued and outstanding 775,874,596 common shares.

On May 14, 2020, the Company issued 50,000,000 shares of common stock to Overwatch Partners, Inc., as part of payment for services provided as part of the acquisition of First Bitcoin Capital Corp assets and First Bitcoin Capital, LLC.

On May 14, 2020 issued 80,000,000 shares of common stock as stock-based compensation to Paul Rosenberg for services provided as the CEO of the Company.

The Company issued 10,000,000 shares of common stock to Carl G. Hawkins for legal services provided through May 14, 2020. The Law Offices of Carl G Hawkins provided legal services to the Company.

The Company issued 10,000,000 shares of common stock to Law Offices of Thomas G Amon for legal services provided through May 14, 2020 for legal services to the Company.

On May 15, 2020 we issued 100,000,000 common shares to First Bitcoin Capital Corp in an asset purchase.

On July 20, 2020 we issued 15,000,000 shares of common stock to APO Holdings, LLC as payment for our outstanding debt of \$58,706.

On July 20, 2020 we 1,000,000 shares of common stock to Andrus Nomm and 500,000 shares of common stock to Levent Can Ersoydan for consulting services provided through July 20, 2020.

On December 23, 2020 we issued 4,000,000 shares of common stock to four different shareholders for services provided.

Preferred Stock

The Company has authorized 100,000,000 shares of preferred stock, of which it has designated 100,000,000 as Series A Preferred, at \$0.0001 par value. The Company has 33,350,000 issued and outstanding as of January 31, 2021. Each share of the Preferred Stock has 10 votes on all matters presented to be voted by the holders of the Company's common stock.

On May 15, 2020 we issued 30,000,000 Series A Preferred to First Bitcoin Capital Corp in an asset purchase.

Note 13. Subsequent Events

There are no subsequent events that would have a material effect on the Company.

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

The following discussion should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and related notes thereto in our Annual Report on Form 10-K for the year ended April 30, 2020.

Certain statements in this section contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report and not clearly historical in nature are forward-looking, and the words "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "intends," "potential," and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) generally are intended to identify forward-looking statements. Any statements in this report that are not historical facts are forward-looking statements. Actual results may differ materially from those discussed from time to time in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.

HISTORY AND BACKGROUND

We were incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. All agreements related to the Lifetech business were terminated and closed as of April 30, 2014. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." The Company redomiciled to Puerto Rico on April 17, 2020. Effective April 17, 2020, the name was changed from "MCIG, Inc.," to "BOTS, Inc." The Company's common stock is traded under the symbol "BOTS." The Company is headquartered in San Juan, Puerto Rico.

GENERAL

Originally, we were formed to open and operate a full-service day spa in Montrose, California. In October 2013 we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as "eCigs").

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.BOTS.org, as well as through the company's wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

From 2015 through 2020 the Company was involved in multiple cannabis business entities. We have elected to discontinue all operations in the cannabis markets and focus on robotics.

We operated multiple websites (which are not incorporated as part of this Form 10Q report). The Company's primary website is www.BOTS.bz.

INDUSTRY OVERVIEW

Robotics

The global robotics technology market size was valued at \$62.75 billion in 2019, and is projected to reach \$189.36 billion by 2027, growing at a CAGR of 13.5% from 2020 to 2027. Robotics technology is the intersection of technology, engineering, and science for producing machines called robots, which are used to replicate human actions. The key objective of the robotics technology is to enhance the performance of an organization and to produce better outcome. Robotics technology finds its wide range of applications in various industry verticals, which include healthcare, domestic, agriculture, technology, automotive, and manufacturing.

We believe that in the wake of COVID-19, demand for robotics is expected to increase among several industries such as supply chain, manufacturing, and healthcare, due to growing adoption of robots in place of humans to reduce the impact of the virus and to enhance market share.

Rise in need for automation and safety in organizations and availability of affordable, energy-efficient robots drive the growth of the global robotics market. In addition, increase in labor & energy costs and upsurge in usage of robotics technology in different industry verticals fuel the growth of the market. However, high initial cost of robots and lack of awareness among SMEs hamper the growth of the market. On the contrary, surge in adoption of robotics technology in emerging economies and increase in use in diverse applications are the factors expected to provide lucrative opportunities for the growth of the market.

Earlier, use of robots was limited to the automotive and manufacturing sectors. However, with the availability of customized solutions, industries such as healthcare, defense & security, aerospace, education, food & beverage, domestic, and electronics are adopting robotics technology to enhance their efficiency. In the coming years, robotics technology is expected to be used for different applications, which is expected to augment the growth of the market.

Blockchain and Digital Data

A Blockchain is a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network. The blockchain system has been designed to use nodes agreement to order transactions and prevent fraud so that records cannot be altered retroactively. The network orders transaction by putting them together into groups called blocks, each block contains a definite amount of transactions and a link to the previous block. Bitcoin, which is the name of the best-known cryptocurrency, is the one for which blockchain technology was invented. Blockchain is, quite simply, a digital, decentralized ledger that keeps a record of all transactions that take place across a peer-to-peer network.

Bitcoins are not the only type of Digital Assets founded on math-based algorithms and cryptographic security, although it is considered the most prominent as of the date of the filing of this Registration Statement. Over 2,000 other Digital Assets, (commonly referred to as “altcoins”, “tokens”, “protocol tokens”, or “digital assets”), have been developed since the Bitcoin Network’s inception, including Ethereum, Ripple, Litecoin, Dash, and HEX.

Cryptocurrencies

Cryptocurrency is an encrypted decentralized digital currency transferred between peers and confirmed in a public ledger via a process known as mining. As of January 31, 2020, there are over 2,000 digital currencies in existence.

Blockchain Value

Cryptocurrencies are Digital Asset that is not a fiat currency (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization) and is not backed by hard assets or other credit. As a result, the value of cryptocurrencies is determined by the value that various market participants place on them through their transactions.

Exchange Valuation

Due to the peer-to-peer framework of cryptocurrencies, transferors and recipients of cryptocurrencies are able to determine the value of the cryptocurrency transferred by mutual agreement or barter with respect to their transactions. As a result, the most common means of determining the value of a cryptocurrency is by surveying one or more Exchanges where the cryptocurrency is publicly bought, sold and traded.

Uses of Cryptocurrencies

Global trade in cryptocurrencies consists of individual end-user-to-end-user transactions, together with facilitated exchange-based trading. There is currently no reliable data on the total number or demographic composition of users on the global exchanges.

Cryptocurrencies can be used to purchase goods and services, either online or at physical locations, although reliable data is not readily available about the retail and commercial market penetration of the various cryptocurrencies. To date, the rate of consumer adoption and use of cryptocurrencies for paying merchants has trailed the broad expansion of retail and commercial acceptance of cryptocurrency. Other markets, such as credit card companies and certain financial institutions are not accepting such digital assets. It is likely that there will be a strong correlation between the continued expansion of the Cryptocurrency Network and its retail and commercial market penetration.

The Blockchain Network was not designed to ensure the anonymity of users, despite a common misperception to the contrary. All transactions are logged on the Blockchain and any individual or government can trace the flow of cryptocurrencies from one address to another. Off-Blockchain transactions occurring off the Network are not recorded and do not represent actual transactions or the transfer of cryptocurrencies from one digital wallet address to another, though information regarding participants in an Off-Blockchain transaction may be recorded by the parties facilitating such Off-Blockchain transactions. Digital wallet addresses are randomized sequences of 27-34 alphanumeric characters that, standing alone, do not provide sufficient information to identify users; however, various methods may be used to connect an address to a particular user's identity, including, among other things, simple Internet searching, electronic surveillance and statistical network analysis and data mining. Anonymity is also reduced to the extent that certain Exchanges and other service providers collect users' personal information, because such Exchanges and service providers may be required to produce users' information in order to comply with legal requirements. In many cases, a user's own activity on the Blockchain Network or on Internet forums may reveal information about the user's identity.

Users may take certain precautions to enhance the likelihood that they and their transactions will remain anonymous. For instance, a user may send its cryptocurrencies to different addresses multiple times to make tracking the cryptocurrencies through the Blockchain more difficult or, more simply, engage a so-called "mixing" or "tumbling" service to switch its cryptocurrencies with those of other users. However, these precautions do not guarantee anonymity and are illegal to the extent that they constitute money laundering or otherwise violate the law.

As with any other asset or medium of exchange, cryptocurrencies can be used to purchase illegal goods or fund illicit activities. The use of cryptocurrencies for illicit purposes, however, is not promoted by the Blockchain Network or the user community as a whole. Furthermore, we do not believe our advertising, marketing, and consulting services has exposure to such uses because the services we provide are curated by our management and team.

DESCRIPTION OF SUBSIDIARIES

First Bitcoin Capital, LLC

On May 14, 2020 we acquired 100% of First Bitcoin Capital, LLC (“FBC”). FBC was incorporated on December 11, 2017 under the laws of the state of Colorado. FBC works in multiple areas of blockchain development and cryptocurrency.

CoinQX Exchange Limited

On May 14, 2020 we acquired 100% of CoinQX Exchange, Limited (“CoinQX”). CoinQX was incorporated on July 4, 2014 in British Columbia, Canada. CoinQX has not yet begun operations.

420Wifi.com, llc

On May 14, 2020 we acquired 100% of 420wifi.com, llc (“420wifi”). 420wifi was organized on January 18, 2019 under the laws of the state of Wyoming. 420wifi has not yet begun operations.

D’BOT Technology Corp

On May 14, 2020 we acquired 100% of D’BOT Technology Corp (“DBOT”). DBOT was incorporated on March 15, 2019 under the laws of the state of Colorado. DBOT has not yet begun operations.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Our operating results for the three months ended January 31, 2021 and 2020 are summarized as follows:

	For the three months ended	
	January 31,	
	2021	2020
Sales	\$ -	\$ 33,415
Total Cost of Sales	-	21,032
Gross Profit	-	12,383
Total operating expenses	292,492	361,072
Income (Loss) from operations	\$ (292,492)	\$ (348,689)

Results of Operations

Revenue

Our revenue from operations for the three months ended January 31, 2021 was \$0 compared to \$33,415, a decrease of \$33,415 from the three months ended January 31, 2020. This decrease is primarily a result of the elimination of retail sales of CBD products, as the Company moves to robotics and blockchain.

Cost of Goods Sold

Our cost of goods sold for the three months ended January 31, 2021 was \$0 compared to \$21,032 for the three months ended January 31, 2020. The decrease is primarily elimination of retail sales from CBD products.

Gross Profit

Our gross profit for the three months ended January 31, 2021 was \$0 compared to \$12,383 for the three months ended January 31, 2020. The gross profit of \$12,383 for the three months ended January 31, 2020 represents approximately 37% as a percentage of total revenue.

Operating Expenses

Our operating expenses decreased by \$68,580 to \$292,492 for the three months ended January 31, 2021, from \$361,072 for the three months ended January 31, 2020.

The decrease was primarily due to the decrease in professional fees of \$7,900, consulting fees of \$35,860, amortization and depreciation of \$24,150, and selling, general, and administration of \$80,774 offset by an increase in marketing fees of \$53,104 and stock based compensation of \$27,000.

Our total operating expenses for the three months ended January 31, 2021 of \$292,492 consisted of \$2,942 of selling, general and administrative expenses, marketing expense of \$53,663, stock based compensation of \$180,000, professional fees of \$12,000, consulting fees of \$900, and \$42,987 of amortization and depreciation expenses.

Our total operating expenses for the three months ended January 31, 2020 of \$361,072 consisted of \$83,716 of selling, general and administrative expenses, \$19,900 of professional fees, consulting expense of \$36,760, marketing expense of \$559, stock based compensation of \$153,000 and \$67,137 of amortization and depreciation expenses.

Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Operation

Our operation loss of \$292,492 for the three months ended January 31, 2021 from a net loss of \$348,689 for the three months ending January 31, 2020 represents a decrease of net loss of \$56,197. The decrease in net loss compared to the prior period net loss is primarily a result of the gross profit decrease of \$12,383 and a decrease in operating expenses of \$68,580.

[Table of Contents](#)

Our operating results for the nine months ended January 31, 2021 and 2020 are summarized as follows:

	For the nine months ended January 31,	
	2021	2020
Sales	\$ -	\$ 908,871
Total Cost of Sales	-	550,903
Gross Profit	-	357,968
Total operating expenses	4,127,944	1,177,402
Income (Loss) from operations	(4,127,944)	(819,434)

Results of Operations

Revenue

Our revenue from operations for the nine months ended January 31, 2021 was \$0 compared to \$908,871, a decrease of \$908,871 from the nine months ended January 31, 2020. This decrease is primarily a result of the elimination of retail sales of CBD products, as the Company moves to robotics and blockchain.

Cost of Goods Sold

Our cost of goods sold for the nine months ended January 31, 2021 was \$0 compared to \$550,903 for the nine months ended January 31, 2020. The decrease is primarily elimination of retail sales from CBD products.

Gross Profit

Our gross profit for the nine months ended January 31, 2021 was \$0 compared to \$357,968 for the nine months ended January 31, 2020. The gross profit of \$357,968 for the nine months ended January 31, 2020 represents approximately 39% as a percentage of total revenue.

Operating Expenses

Our operating expenses increased by \$2,950,542 to \$4,127,944 for the nine months ended January 31, 2021, from \$1,177,402 for the nine months ended January 31, 2020.

The increase was primarily due to the increase in, marketing fees of \$10,930, and stock based compensation of \$3,639,000 offset by decrease in professional fees of \$44,763, consulting fees of \$206,644, amortization and depreciation of \$66,058, bad debts of \$16,243, and selling, general, and administration of \$361,275.

Our total operating expenses for the nine months ended January 31, 2021 of \$4,127,944 consisted of \$18,260 of selling, general and administrative expenses, \$3,900,000 in stock based compensation, \$15,260 of professional fees, marketing expense of \$55,246, consulting fees of \$900, and \$142,683 of amortization and depreciation expenses.

Our total operating expenses for the nine months ended January 31, 2020 of \$1,177,402 consisted of \$379,535 of selling, general and administrative expenses, \$261,000 in stock based compensation, \$60,023 of professional fees, consulting expense of \$207,544, marketing expense of \$44,316, bad debts of \$16,243 and \$208,741 of amortization and depreciation expenses.

Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Operation Loss

Our operation loss of \$4,127,944 for the nine months ended January 31, 2021 from an operation loss of \$819,434 for the nine months ending January 31, 2020 represents an increase of an operation loss of \$3,308,510. The increase in operation loss compared to the prior period net loss is primarily a result of the gross profit decrease of \$357,968 and an increase in operating expenses of \$2,950,542.

Liquidity and Capital Resources

Introduction

During the nine months ended January 31, 2021 we utilized \$23,052 in cash. Our cash on hand as of January 31, 2021 was \$1,643.

Cash Requirements

We had cash available of \$1,643 as of January 31, 2021. Based on our revenues, cash on hand and current monthly burn rate, around break-even, we believe that our operations will require additional capital or loans to fund operations through April 2021.

Sources and Uses of Cash

Operations

We gained \$9,780 in cash by operating activities for the nine months ended January 31, 2021, as compared to gaining \$32,106 for the nine months ended January 31, 2020.

For the nine months ending January 31, 2021, our net cash gained by operations consisted primarily of the net profit of \$56,874,405, \$3,900,000 in stock based compensation, \$142,683 in depreciation and amortization of intangible assets, the effects of discontinued operations of \$317,530 and an increase in accounts payable of \$12,000 offset by non-cash expenses of accrued interest of \$54,839, the effects of acquisition of \$61,244,071.

For the nine months ending January 31, 2020, our net cash gained through operations consisted primarily of non-cash expenses of \$208,741 in depreciation and amortization of intangible assets, \$256,500 in stock based compensation and minority interest in earnings of subsidiaries, net of \$156,698. Additionally, changes in assets and liabilities consisted of an increase of \$76,928 in accounts receivable, an increase of \$402,552 in other receivable, prepaid expenses of \$10,100, reserve for uncollectable accounts of \$1,357,473 and a decrease in inventory of \$459,557. Offset primarily by the net loss of \$2,785,368 a non-cash expenses of accrued interest, net of \$ 157,193. Additionally, changes in assets and liabilities consisted of a decrease in account payable of \$99,130 and deferred revenue of \$21,257.

Investments

For the nine months ending January 31, 2021, we spent \$5,000 in investing activities as compared to the nine months ended January 31, 2020 earn \$173,723. For the nine months ending January 31, 2021 our intangible assets reflects the payment of \$5,000 for patent development. For the nine months ending January 31, 2020 we earn \$36,085 in cost basis investments and we used \$147,656 of property, plant and equipment. The remaining amount of \$285,294 is a gain in intangible assets.

Financing

For the nine months ending January 31, 2021, we had net cash used in financing activities of \$27,832. Our financing activities consisted of receiving \$2,219 for net payments made to by related party, and \$19,949 in net proceeds from the issuance of stock, offset by the payment of \$50,000 in payments on our notes payable.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we consider material.

Going Concern

Our financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a short history and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the three months ended July 31, 2020 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has an accumulated deficit, which raises substantial doubt about its ability to continue as a going concern

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of July 31, 2020. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting during the quarter ended January 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The Company's management, including its Principal Executive Officer and its Principal Financial Officer, do not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth below we are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

The Company subsidiary, Grow Contractors, Inc., along with the Company and its officers was sued by APEX Management, LLC and Apex Operations, LLC (the “Solaris” project) for the return of approximately \$600,000 in cash paid for services they allege were never provided. We have countersued for the payment of approximately \$425,000 in services provided that have not yet been paid for. In addition, we have sued both Michael Sassano and Ronald Sassano individually for their roles in the alleged actions. The cases were settled in August 2019, which results have been reflected in this annual filing. The case files were sealed by the state and federal courts for the protection of all parties.

The Company subsidiary, Grow Contractors, Inc., was sued for alleged faulty services provided in the state of Oregon. Grow Contractors alleges it has outstanding, unpaid invoices and services were stopped for lack of payment. The case has been sent to arbitration which is expected to be conducted within the next calendar year.

Item 1A. Risk Factors

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company issued 1,500,000 shares of common stock to Carl G. Hawkins for legal services provided through May 8, 2019. The Law Offices of Carl G Hawkins provided legal services to the Company.

On November 26, 2019 the Company issued 2,000,000 shares of common stock to Michael W. Aertker who was co-CEO of the Company through March 2020.

On January 6, 2020 we issued 500,000 shares to ZOHA Development as part of the settlement in the lawsuit.

On January 17, 2020 we issued 2,000,000 shares of common stock to Dale I. Hipes as part of the joint venture with BRRX Management, Inc. Subsequently the joint venture was terminated and a stipulation of that termination was the cancellation of the 2,000,000 common share issuance.

On January 21, 2020 we issued 1,750,000 shares of common stock to Matthew Finocchiaro, a creditor of BRRX Management, Inc., as an investment into the joint venture project.

[Table of Contents](#)

On February 4, 2020 we issued 500,000 shares of common stock to Leslie Mezei for consulting services provided.

On March 27, 2020 we issued 2,000,000 shares of common stock to VODXS for consulting services and use of office space in Puerto Rico.

On May 14, 2020, the Company issued 50,000,000 shares of common stock to Overwatch Partners, Inc., as part of payment for services provided as part of the acquisition of First Bitcoin Capital Corp assets and First Bitcoin Capital, LLC.

On May 14, 2020 issued 80,000,000 shares of common stock as stock-based compensation to Paul Rosenberg for services provided as the CEO of the Company.

The Company issued 10,000,000 shares of common stock to Carl G. Hawkins for legal services provided through May 14, 2020. The Law Offices of Carl G Hawkins provided legal services to the Company.

The Company issued 10,000,000 shares of common stock to Law Offices of Thomas G Amon for legal services provided through May 14, 2020 for legal services to the Company.

On May 15, 2020 we issued 100,000,000 common shares and 30,000,000 Series A Preferred to First Bitcoin Capital Corp in a asset purchase.

On July 20, 2020 we issued 15,000,000 shares of common stock to APO Holdings, LLC as payment for our outstanding debt of \$58,706.

On July 20, 2020 we 1,000,000 shares of common stock to Andrus Nomm and 500,000 shares of common stock to Levent Can Ersoydan for consulting services provided through July 20, 2020.

On December 23, 2020 we issued 4,000,000 shares of common stock to one person and three companies for services rendered.

Item 3. Defaults Upon Senior Securities

There have been no events that are required to be reported under this Item.

Item 4. Mine Safety Disclosures

There have been no events that are required to be reported under this Item.

Item 5. Other Information

There have been no events that are required to be reported under this Item.

Item 6. Exhibits

31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

BOTS, Inc.

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Executive Officer
(Principal Executive Officer)

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

I, Paul Rosenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BOTS, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Executive Officer
(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer

I, Paul Rosenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BOTS, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended January 31, 2021 of BOTS, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Paul Rosenberg, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended January 31, 2021 of BOTS, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Paul Rosenberg, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 17, 2021

/s/ Paul Rosenberg

By: Paul Rosenberg
Its: Chief Financial Officer
(Principal Financial Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.