

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

IIOT-OXYS, Inc.

Form: 10-Q

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Corporate Issuer CIK: 1290658

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 **September 30, 2017**

Or

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

For the transition period from _____ to _____

Commission File Number: **000-50773**

IIOT-OXYS, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

56-2415252

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

705 Cambridge Street, Cambridge, MA

(Address of principal executive offices)

02141

(Zip Code)

(617) 500-5101

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant 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).

Yes ☒ No ☐

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

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☒

Emerging growth company

☒

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock on November 14, 2017, was 38,453,328.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

IIOT-OXYS, Inc. and Subsidiary
Consolidated Balance Sheets
As of September 30, 2017 and December 31, 2016

	September 30, 2017 <i>(Unaudited)</i>	December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 248,034	\$ 481,841
Cash - Escrow	1,782	52,659
Prepaid Insurance	20,613	—
Inventory	49,604	10,035
Total Current Assets	<u>320,033</u>	<u>544,535</u>
Other Assets		
Other Asset - Licensing Agreement	1,000	—
Total Other Assets	<u>1,000</u>	<u>—</u>
Total Assets	<u>\$ 321,033</u>	<u>\$ 544,535</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts Payable	38,315	—
Credit Card Payable	230	—
Due to stockholder	1,000	1,000
Total Current Liabilities	<u>39,545</u>	<u>1,000</u>
Stockholders' Equity		
Common stock \$0.001 par value, 190,000,000 shares authorized; 38,453,328 issued and outstanding at September 30, 2017; 33,197,769 shares issued and outstanding at December 31, 2016	38,453	33,198
Additional paid in capital	584,431	518,963
Accumulated deficit	<u>(341,396)</u>	<u>(8,626)</u>
Total Stockholders' Equity	<u>281,488</u>	<u>543,535</u>
Total Liabilities and Stockholders' Equity	<u>\$ 321,033</u>	<u>\$ 544,535</u>

See accompanying notes to unaudited financial statements.

IIOT-OXYS, Inc. and Subsidiary
Consolidated Statement of Operations (unaudited)
For the Three and Nine Months Ended September 30, 2017
and the Period from Inception (August 4, 2016) to September 30, 2016

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	For the Period from Inception (August 4, 2016) to September 30, 2016
Revenues			
Sales	\$ —	\$ —	\$ —
Cost of sales	—	—	—
Gross profit	—	—	—
Expenses			
Bank service charges	199	389	—
Office expenses	7,613	9,802	100
Organization costs	8,599	12,334	—
Insurance	2,537	2,537	—
Professional	154,741	295,560	—
Travel	4,081	12,136	—
Total Expenses	177,770	332,758	100
Other Income (Expenses)			
Interest Expense	—	(12)	—
Total Other Income (Expense)	—	(12)	—
Net (loss) Before Income Taxes	(177,770)	(332,770)	(100)
Income Tax Benefit (Expense)	—	—	—
Net Income (Loss)	<u>\$ (177,770)</u>	<u>\$ (332,770)</u>	<u>\$ (100)</u>
Loss per common share	<u>(0.0063)</u>	<u>(0.0255)</u>	<u>(0.0000)</u>
Weighted Average Number of Shares Outstanding - Basic and Diluted	28,352,862	13,046,244	0

See accompanying notes to unaudited financial statements.

IIOT-OXYS, Inc. and Subsidiary
Consolidated Statement of Cash Flows (unaudited)
For the Nine Months Ended September 30, 2017
and the Period from Inception (August 4, 2016) to September 30, 2016

	Nine Months Ended September 30, 2017	For the Period from Inception (August 4, 2016) to September 30, 2016
Cash Flows from Operating Activities:		
Net (loss)	\$ (332,770)	\$ (100)
Adjustments to reconcile net loss to net cash (used) by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Inventory	(39,569)	—
Prepaid Insurance	(20,613)	—
Escrow	50,877	—
Increase (Decrease) in:		
Accounts Payable	38,315	—
Credit Card Payable	230	—
Due to Stockholder	—	1,000
Net Cash (Used) by Operating Activities	<u>(303,530)</u>	<u>900</u>
Cash Flows from Investing Activities:		
Cash Paid in Conjunction with Licensing Agreement	(1,000)	—
Net Cash (Used) by Investing Activities	<u>(1,000)</u>	<u>—</u>
Cash Flows from Financing Activities:		
Issuance of Common Stock	70,723	—
Net Cash Provided by Financing Activities	<u>70,723</u>	<u>—</u>
Net Increase in Cash and Cash Equivalents	(233,807)	900
Cash and Cash Equivalents at Beginning of Period	<u>481,841</u>	<u>—</u>
Cash and Cash Equivalents at End of Period	<u>\$ 248,034</u>	<u>\$ 900</u>
Supplemental Information:		
Interest paid during the period	\$ 12	\$ —
Taxes paid during the period	<u>—</u>	<u>—</u>

See accompanying notes to unaudited financial statements.

1. NATURE OF OPERATIONS

On July 28, 2017, the Company executed and closed the Securities Exchange Agreement dated effective March 16, 2017, between the Company, OXYS, and the shareholders of OXYS and changed its name to IIOT-OXYS, Inc. As a result of the Closing, the Company issued 34,687,244 shares on a pro rata basis to the shareholders of OXYS, and OXYS became a wholly owned subsidiary of the Company. In addition, the Company cancelled 1,500,000 outstanding shares held by principal shareholders of the Company, which resulted in a total of 38,453,328 shares issued and outstanding upon completion of the Closing.

OXYS Corporation was incorporated on August 4, 2016 in Nevada. It maintains its principal office in Massachusetts at 705 Cambridge St., Cambridge, MA 02142.

The Company was only recently formed and is currently devoting substantially all its efforts in identifying, developing and marketing engineered products, software and services for applications in the Industrial Internet which involves collecting and processing data collected from a wide variety of industrial systems and machines.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements are prepared on the accrual method of accounting. The accounting and reporting policies of the Company conform with generally accepted accounting principles (GAAP).

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Fair Value of Financial Instruments

The fair value of certain of our financial instruments including cash and cash equivalents, cash escrow and due to stockholder approximate their carrying amounts because of the short-term maturity of these instruments.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred taxes are recognized for operating losses that are available to offset future taxable income. Valuation allowances are established to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB ASC 740-10-25, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. FASB ASC 740-10-25 also provides guidance on de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions. The Company's tax returns are subject to tax examinations by U.S. federal and state authorities until respective statute of limitation. Currently, the 2016 tax year is open and subject to examination by taxing authorities. However, the Company is not currently under audit nor has the Company been contacted by any of the taxing authorities. The Company does not have any accruals for uncertain tax positions as of September 30, 2017. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of Risk

Financial instruments that potentially expose the Company to concentrations of risk consist primarily of cash and cash equivalents and cash-escrow, which are generally not collateralized. The Company's policy is to place its cash and cash equivalents with high quality financial institutions, in order to limit the amount of credit exposure. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. At September 30, 2017, the Company had \$9,098 in excess of the FDIC insurance limit.

Inventory

Inventory consists primarily of demo equipment and is recorded at the lower of cost (first-in, first out method) or market all work in progress.

Earnings (Loss) Per Share

The Company computes net earnings (loss) per share under Accounting Standards Codification subtopic 260-10, "Earnings Per Share" ("ASC 260-10"). Basic earnings or loss per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred continuing operating losses and has an accumulated deficit of \$341,396 at September 30, 2017. The Company has no operations currently generating revenue and has limited cash resources. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

Management believes that it will be able to achieve a satisfactory level of liquidity to meet the Company's obligations through December 31, 2018 by generating revenues. However, there can be no assurance that the Company will be able to generate sufficient liquidity to maintain its operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2016, accounting guidance was issued to clarify the not yet effective revenue recognition guidance issued in May 2014. This additional guidance does not change the core principle of the revenue recognition guidance issued in May 2014, rather, it provides clarification of accounting for collections of sales taxes as well as recognition of revenue (i) associated with contract modifications, (ii) for noncash consideration, and (iii) based on the collectability of the consideration from the customer. The guidance also specifies when a contract should be considered "completed" for purposes of applying the transition guidance. The effective date and transition requirements for this guidance are the same as the effective date and transition requirements for the guidance previously issued in 2014, which is effective for interim and annual periods beginning on or after December 15, 2017. The Company has not yet determined the impact that this new guidance will have on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the consolidated balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated income statement. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods, with early adoption permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the potential impact of the adoption of this standard.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update revise the accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. The amendments are effective for annual reporting periods after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the potential impact of the adoption of this standard.

Other Accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

4. STOCKHOLDERS' EQUITY

Common Stock

The Company has authorized 190,000,000 shares of \$.001 par value common stock and 10,000,000 shares of \$.001 par value preferred stock. At September 30, 2017 the Company has 38,453,328 share of common stock and no shares of preferred stock issued and outstanding.

Holders of shares of common stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to share ratable in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefore. In the event of liquidation, dissolution, or winding up of the Company, the holders of common stock are entitled to share pro rata in all assets remaining after payment in full of all liabilities. All of the outstanding shares of common stock are fully paid and non-assessable. Holders of common stock have no preemptive rights to purchase the Company's common stock. There are no conversion or redemption rights or sinking fund provisions with respect to the common stock.

On March 16, 2017, the Board of Directors and Majority Shareholders approved the IIOT-OXYS, Inc. 2017 Stock Awards Plan, (the "Plan"). The Plan provides for granted incentive stock options, options that do not constitute incentive stock options, stock appreciation rights, restricted stock awards, phantom stock awards, or any combination of the foregoing, as is best suited to the particular circumstances. The Plan shall be effective upon its adoption by the Board. The aggregate number of common shares that may be issued under the Plan shall be 7,000,000 common shares. No further awards may be granted under the Plan after ten years following the effective date. The Plan shall remain in effect until all awards granted under the Plan have been satisfied or expired.

On July 28, 2017, the Company executed and closed the Securities Exchange Agreement dated effective March 16, 2017, between the Company, OXYS, and the shareholders of OXYS and changed its name to IIOT-OXYS, Inc. As a result of the closing, the Company issued 34,687,244 shares on a pro rata basis to the shareholders of OXYS, and OXYS became a wholly owned subsidiary of the Company. In addition, the Company cancelled 1,500,000 outstanding shares held by principal shareholders of the Company, which resulted in a total of 38,453,328 shares issued and outstanding upon completion of the Closing.

5. EARNINGS PER SHARE

The following table sets forth the composition of the weighted average shares (denominator) used in the basic per share computation for the nine months ended September 30, 2017 and for the period from inception (August 4, 2016) to September 30, 2016.

	For the three months ended September 30, 2017	For the nine months ended September 30, 2017	For the period from inception (August 4, 2016) to September 30, 2016
Net Loss	\$ (177,770)	\$ (332,770)	\$ (100)
Weighted average share outstanding basic	28,352,862	13,046,244	0
Basic loss per share	\$ 0.0063	\$ 0.0255	\$ 0.0000

6. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued and determined there are the following items to disclose:

On October 26, 2017, pursuant to the Agreement and Plan of Merger dated July 10, 2017, the change of domicile from the State of New Jersey to the State of Nevada became effective in accordance with Articles of Merger filed with the State of Nevada and the Certificate of Merger filed with the State of New Jersey.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations analyzes the major elements of our balance sheets and statements of income. This section should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2016, and our interim financial statements and accompanying notes to these financial statements. All amounts are in U.S. dollars.

Forward-Looking Statements

Statements in this management's discussion and analysis of financial condition and results of operations contain certain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. To the extent that such statements are not recitations of historical fact, such statements constitute forward looking statements which, by definition involve risks and uncertainties. Where in any forward looking statements, if we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the cost and effects of legal proceedings.

You should not rely on forward looking statements in this document. This management's discussion contains forward looking statements that involve risks and uncertainties. We use words such as "anticipates," "believes," "plans," "expects," "future," "intends," and similar expressions to identify these forward-looking statements. Prospective investors should not place undue reliance on these forward looking statements, which apply only as of the date of this document. Our actual results could differ materially from those anticipated in these forward-looking statements.

Critical Accounting Policies

The following discussions are based upon our unaudited financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. These financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States.

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingencies. We continually evaluate the accounting policies and estimates used to prepare the financial statements. We base our estimates on historical experiences and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management.

Trends and Uncertainties

On July 28, 2017, we closed the reverse acquisition transaction under the Securities Exchange Agreement dated March 16, 2017, as reported in the Company's report on 8-K filed with the Commission on August 3, 2017. Following the closing, the business of the Company will be that of OXYS, Inc., our wholly owned subsidiary. We anticipate that the operations of the Company will vary significantly following the closing since prior to that time, the Company was an inactive shell company. Subsequent periodic reports will reflect the operations of the consolidated entities.

Overview

Following the closing of the reverse acquisition, we are now a development stage technology company that is engaged in the following business areas:

1. Providing engineering consulting services on a time and materials basis to various companies engaged in advanced manufacturing technology as well as implementing new technology in the Industrial Internet of Things – IIoT; and
2. Working with companies, we provide custom engineered solutions for IIoT implementations that involve the deployment of sensors, other hardware, and the development of software that analyzes the data.

In support of these activities, there are several specific tasks that we execute on behalf of our clients:

1. Development of Statements of Work for specific consulting services to be provided;
2. Execution of these technical consulting services on a time and materials contract (i.e. actual billable hours plus material and other incidental costs incurred);
3. Development of technical specifications for products;
4. Building prototypes of IIoT products for clients and as determined by our technical personnel to meet general industry needs; and
5. Working with outside manufacturers to produce aforementioned products in larger quantities as required.

The different sources of revenue that will result from these operations fall into the following categories.

1. Consulting income based on time and materials contracts;
2. Product revenue resulting from sale of product; and
3. Software licensing revenue resulting from recurring licenses of software.

We are in the process of quoting work for several clients. This work consists both of consulting revenues (Time and Material) as well as product revenues (sales of products). Non-disclosure agreements prevent mentioning specific client names, but they fall into the following categories:

1. Large aerospace company;
2. Large overseas automotive manufacturer with extensive plants across North America; and
3. State Government.

Part of our technology development and product development strategy is to license technology from universities and research centers such as National Labs. At the present time, we have negotiated a technology licensing option agreement with the Massachusetts Institute of Technology (MIT) for technology, means and methods for the monitoring of current, voltage and power as it relates to IIoT. This agreement was executed on May 17, 2017. Additionally we will generate revenue through partnerships with other companies. At the present time, we have one joint technology development agreement – that was executed on June 13 2017. The client is Sigma Labs Inc. based in Santa Fe, NM. Under this agreement we will provide time and materials consulting services to Sigma Labs Inc. and will investigate the potential for future joint product development opportunities.

Liquidity and Capital Resources

At September 30, 2017, the Company had a cash balance of \$248,034, which represents a \$233,807 decrease from the \$481,841 balance at December 31, 2016. This decrease was primarily the result of cash used to satisfy the requirements of a reporting company and due to acceleration in product development activities. The Company's working surplus at September 30, 2017 was \$280,488, as compared to a December 31, 2016 surplus of \$543,535.

For the nine months ended September 30, 2017, we incurred a net loss of \$332,770. Net cash used in operating activities was \$303,530 for the nine months ended September 30, 2017.

For the period from inception (August 4, 2016) to September 30, 2016, we incurred a net loss of \$100. Net cash provided by operating activities was \$900 for the period from inception (August 4, 2016) to September 30, 2016.

For the nine months ended September 30, 2017, investing activities consisted of \$1,000 of cash paid in conjunction with a licensing agreement. During the same period, financing activities consisted of cash received totaling \$70,723 from issuance of common stock.

For the period from inception (August 4, 2016) to September 30, 2016, there were no investing or financing activities.

The focus of the Company's efforts is to acquire or develop an operating business. The Company presently owns no real property and at this time has no intention of acquiring any such property. The Company's sole expected expenses are comprised of professional fees primarily incident to its reporting requirements.

The accompanying financial statement has been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred losses from operations of \$332,770 for the nine months ended September 30, 2017 and \$100 for the period from inception (August 4, 2016) to September 30, 2016, and has an accumulated deficiency which raises substantial doubt about the Company's ability to continue as a going concern.

Management believes the Company will continue to incur losses and negative cash flows from operating activities for the foreseeable future and will need additional equity or debt financing to sustain its operations until it can achieve profitability and positive cash flows, if ever. Management plans to seek additional debt and/or equity financing for the Company, but cannot assure that such financing will be available on acceptable terms.

The Company's continuation as a going concern is dependent upon its ability to ultimately attain profitable operations, generate sufficient cash flow to meet its obligations, and obtain additional financing as may be required. Our auditors have included a going concern qualification in their auditors' report dated April 27, 2017. Such a going concern qualification may make it more difficult for us to raise funds when needed. The outcome of this uncertainty cannot be assured.

The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. There can be no assurance that management will be successful in implementing its business plan or that the successful implementation of such business plan will actually improve the Company's operating results.

Results of Operations for the Three Months Ended September 30, 2017 compared to the period from inception (August 4, 2016) to September 30, 2016

For the three months ended September 30, 2017, we did not earn any revenues. We incurred professional fees of \$154,741 and other general and administrative expenses of \$23,029. As a result we incurred a net loss of \$177,770 for the three months ended September 30, 2017.

Comparatively, for the period from inception (August 4, 2016) to September 30, 2016, we did not earn any revenues. We incurred other general and administrative expenses of \$100. As a result, we incurred a net loss of \$100 for the period from inception (August 4, 2016) to September 30, 2016.

During the current and prior period, the Company did not record an income tax benefit due to the uncertainty associated with the Company's ability to utilize the deferred tax assets.

Results of Operations for the Nine Months Ended September 30, 2017 compared to the period from inception (August 4, 2016) to September 30, 2016

For the nine months ended September 30, 2017, we did not earn any revenues. We incurred professional fees of \$295,560 and other general and administrative expenses of \$37,198. We incurred interest expense of \$12. As a result we incurred a net loss of \$332,770 for the nine months ended September 30, 2017.

Comparatively, for the period from inception (August 4, 2016) to September 30, 2016, we did not earn any revenues. We incurred other general and administrative expenses of \$100. As a result, we incurred a net loss of \$100 for the period from inception (August 4, 2016) to September 30, 2016.

Recently Issued Accounting Standards

Management does not believe that any other recently issued, but not yet effective, accounting standard if currently adopted would have a material effect on the accompanying financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer who is also our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 15(d)-15(e) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and (ii) is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

There has been no change in our internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during our most recent fiscal quarter ended September 30, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 6. Exhibits

SEC Ref. No.	Title of Document
31.1	Rule 15d-14(a) Certification by Principal Executive and Financial Officer
32.1	Section 1350 Certification of Principal Executive and Financial Officer
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.

IIOT-OXYS, Inc.

Date: November 14, 2017

By /s/ Giro DiBiase
Giro DiBiase, Chief Executive Officer
(Principal Executive Officer and Principal
Financial Officer)

CERTIFICATIONS

I, Giro DiBiase, certify that:

1. I have reviewed this Form 10-Q quarterly report of IIOT-OXYS, Inc. for the quarter ended September 30, 2017;
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. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ Giro DiBiase

Giro DiBiase, Chief Executive Officer
(Principal Executive & Financial Officer)

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

In connection with the quarterly report of IIOT-OXYS, Inc. (the "Company") on Form 10- Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission (the "Report"), the undersigned principal executive and principal financial officer of the Company, hereby certifies 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 Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

/s/ Giro DiBiase

Giro DiBiase, Chief Executive Officer
(Principal Executive and Financial Officer)