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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2019

☐ 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: 000-53316

TRANSBIOTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-0731818**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
885 Arapahoe Road **Boulder, CO**	**80302**
(Address of principal executive offices)	(Zip Code)

(303) 443-4430
Registrant's telephone number, including area code

400 N. Tustin Ave., Suite 225
Santa Ana, CA 92705
(Former address, if changed since last report)

____
(Former fiscal year, if changed since last report)

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

Indicate by check mark whether 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	☒
(Do not check if a 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 ☒

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

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

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of January 30, 2020, there were 238,825,917 shares of common stock, $0.00001 par value, issued and outstanding**.**

TRANSBIOTEC, INC.

TABLE OF CONTENTS

[Table of Contents](#)

PART I – FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements are based on management's beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements also include statements in which words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "consider," or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 Condensed Consolidated Financial Statements

The balance sheets as of June 30, 2019 and December 31, 2018, the statements of operations for the three months and six months ended June 30, 2019 and 2018, the statements of changes in stockholders' deficit for the three and the six months ended June 30, 2019 and 2018, and the statements of cash flows for the six months ended June 30, 2019 and 2018, follow. The unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

Table of Contents

TransBiotec, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS		
Current assets		
Cash	$ 4,931	$ 89
Prepaid expenses	10,966	12,991
Total current assets	15,897	13,080
Total Assets	$ 15,897	$ 13,080
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 163,097	$ 191,714
Accrued expenses	419,572	421,000
Accrued interest payable	615,885	537,118
Related party payables	1,454,375	1,423,984
Derivative liabilities	52,900	-
Stock subscriptions payable	2,058	1,271
Notes payable - current - related parties	752,583*	697,770
* Includes unamortized debt discount related to detached warrants of $28,011 and $8,074 at June 30, 2019 and December 31, 2018, respectively		
Notes payable - current - non-related parties	185,317*	163,654
* Includes unamortized discount related to convertible notes of $44,257 and $5,920 at June 30,2019 and December 31, 2018, respectively		
Total current liabilities	3,645,787	3,436,511
Total Liabilities	3,645,787	3,436,511
Stockholders' Deficit		
Preferred stock, $0.00001 par value; 22,000,000 shares authorized, No shares issued or outstanding as of June 30, 2019 and December 31, 2018	-	-
Series A Convertible Preferred stock, $0.00001 par value; 3,000,000 shares authorized, 1,388,575 shares issued and outstanding as of June 30, 2019 and December 31, 2018	14	14
Common stock, $0.00001 par value; 800,000,000 shares authorized; 152,205,625 and 109,409,930 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	1,522	1,172
Additional paid-in capital	14,977,006	14,887,804
Accumulated deficit	(18,556,562)	(18,262,136)
Total Transbiotec, Inc. stockholders' deficit	(3,578,020)	(3,373,146)
Noncontrolling interest	(51,870)	(50,285)
Total Stockholders' Deficit	(3,629,890)	(3,423,431)
Total Liabilities and Stockholders' Deficit	$ 15,897	$ 13,080

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

TransBiotec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For The Three Months Ended		For The Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenues	$ -	$ -	$ -	$ -
Operating expenses:				
General and administrative	81,483	82,925	150,497	162,768
Total operating expenses	81,483	82,925	150,497	162,768
Loss from operations	(81,483)	(82,925)	(150,497)	(162,768)
Other income (expense):				
Gain on fair value adjustment - derivatives	4,000	-	3,200	-
Interest expense	(67,065)	(68,189)	(130,951)	(132,216)
Amortization - debt discount	(12,407)	(500)	(17,763)	(500)
Total other income (expense)	(75,472)	(68,689)	(145,514)	(132,716)
Loss before provision for income taxes	(156,955)	(151,614)	(296,011)	(295,484)
Provision for income tax	-	-	-	-
Net loss	(156,955)	(151,614)	(296,011)	(295,484)
Net loss attributable to noncontrolling interest	818	804	1,585	1,625
Net loss attributable to TranBiotec, Inc.	$ (156,137)	$ (150,810)	$ (294,426)	$ (293,859)
Net loss per share				
(Basic and fully diluted)	$ (0.001)	$ (0.001)	$ (0.002)	$ (0.003)
Weighted average number of common shares outstanding	152,205,625	115,152,177	141,236,262	112,296,916

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

[Table of Contents](#)

TransBiotec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

	Common Stock		Preferred Stock						
	Shares	Amount ($0.00001 Par)	Shares	Amount ($0.00001 Par)	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit - TransBiotec Inc.	Noncontrolling Interest	Total Stockholders' Deficit
Balances at January 1, 2018	**109,409,930**	**$ 1,096**	**1,388,575**	**$ 14**	**$ 14,785,051**	**$ (17,703,171)**	**$ (2,917,010)**	**$ (47,127)**	**$ (2,964,137)**
Common stock issued to settle accounts payable	91,148	1	-	-	427	-	428	-	428
Paid-in capital - relative fair value of stock warrants granted	-	-	-	-	10,958	-	10,958	-	10,958
Paid-in capital - gain on related party debt conversion	-	-	-	-	7,776	-	7,776	-	7,776
Net loss for the period	-	-	-	-	-	(143,049)	(143,049)	(821)	(143,870)
Balances at March 31, 2018	**109,501,078**	**$ 1,097**	**1,388,575**	**$ 14**	**$ 14,804,212**	**$ (17,846,220)**	**$ (3,040,897)**	**$ (47,948)**	**$ (3,088,845)**
Common stock issued for services	6,000,000	61	-	-	25,739	-	25,800	-	25,800
Common stock issued for compensation	800,000	9	-	-	7,991	-	8,000	-	8,000
Common stock issued due to options exercise	450,000	5	-	-	4,495	-	4,500	-	4,500

Paid-in capital - relative fair value of stock warrants granted	-	-	-	-	18,743	-	18,743	-	18,743
Paid-in capital - gain on related party debt conversion	-	-	-	-	7,367	-	7,367	-	7,367
Paid-in capital - beneficial conversion feature	-	-	-	-	6,000	-	6,000	-	6,000
Net loss for the period	-	-	-	-	-	(150,810)	(150,810)	(804)	(151,614)
Balances at June 30, 2018	**116,751,078**	**$ 1,172**	**1,388,575**	**$ 14**	**$ 14,874,547**	**$ (17,997,030)**	**$ (3,121,297)**	**$ (48,752)**	**$ (3,170,049)**
Balances at January 1, 2019	**116,751,078**	**$ 1,172**	**1,388,575**	**$ 14**	**$ 14,887,804**	**$ (18,262,136)**	**$ (3,373,146)**	**$ (50,285)**	**$ (3,423,431)**
Common stock issued for cash	35,454,547	350	-	-	38,650	-	39,000	-	39,000
Paid-in capital - relative fair value of stock warrants granted	-	-	-	-	22,665	-	22,665	-	22,665
Paid-in capital - gain on related party debt conversion	-	-	-	-	8,113	-	8,113	-	8,113
Net loss for the period	-	-	-	-	-	(138,289)	(138,289)	(767)	(139,056)
Balances at March 31, 2019	**152,205,625**	**$ 1,522**	**1,388,575**	**$ 14**	**$ 14,957,232**	**$ (18,400,425)**	**$ (3,441,657)**	**$ (51,052)**	**$ (3,492,709)**
Paid-in capital - relative fair value of stock warrants granted	-	-	-	-	12,365	-	12,365	-	12,365
Paid-in capital - gain on related party debt conversion	-	-	-	-	7,409	-	7,409	-	7,409
Net loss for the period	-	-	-	-	-	(156,137)	(156,137)	(818)	(156,955)
Balances at June 30, 2019	**152,205,625**	**$ 1,522**	**1,388,575**	**$ 14**	**$ 14,977,006**	**$ (18,556,562)**	**$ (3,578,020)**	**$ (51,870)**	**$ (3,629,890)**

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

[Table of Contents](#)

TransBiotec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For The Six Months Ended June 30, 2019	For The Six Months Ended June 30, 2018
Operating Activities:		
Net loss	$ (296,011)	$ (293,859)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	(3,200)	-
Amortization - debt discount	17,763	500
Stock warrants expense	15,093	22,517
Stock options expense	-	4,500
Stock-based compensation expense	-	7,999
Changes in assets and liabilities:		
Prepaid expenses	2,025	5,483
Accounts payable	(28,617)	(116,142)
Accrued expenses	(1,428)	20,925
Accrued interest payable	78,767	81,401
Related party payables	45,913	208,555
Stock subscriptions payable	787	557
Net cash used in operating activities	(168,908)	(57,564)
Financing Activities:		
Proceeds from notes payable - related parties	74,750	55,300
Proceeds from notes payable - non-related parties	60,000	6,000
Proceeds from issuances of common stock - non-related parties	39,000	-
Net cash provided by financing activities	173,750	61,300
Net Change In Cash	4,842	3,736
Cash At The Beginning Of The Period	89	142
Cash At The End Of The Period	$ 4,931	$ 3,878
Schedule Of Non-Cash Investing And Financing Activities:		
Gain on related party payables converted to capital	$ 15,522	$ 15,571
Relative fair value of stock warrants granted	$ 35,030	$ 29,701
Fair value of embedded conversion feature	$ 56,100	$ -
Intrinsic value - beneficial conversion feature	$ -	$ 6,000
Research and development prepaid expenses with commons shares	$ -	$ 25,800
Supplemental Disclosure:		
Cash paid for interest	$ 3,750	$ -
Cash paid for income taxes	$ -	$ -

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

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TransBiotec, Inc. ("TransBiotec – DE"), formerly Imagine Media LTD., was incorporated August, 2007 in the State of Delaware. A corporation also named TransBiotec, Inc. ("TransBiotec – CA") was formed in the state of California July 4, 2004. Effective September 19, 2011 TransBiotec - DE was acquired by TransBiotec - CA in a transaction classified as a reverse acquisition as the shareholders of TransBiotec - CA retained the majority of the outstanding common stock of TransBiotec - DE after the share exchange. The financial statements represent the activity of TransBiotec - CA from July 4, 2004 forward, and the consolidated activity of TransBiotec - DE and TransBiotec - CA from September 19, 2011 forward. TransBiotec - DE and TransBiotec - CA are hereinafter referred to collectively as the "Company" or "We". The Company has developed and plans to market and sell a non-invasive alcohol sensing system which includes an ignition interlock. The Company has not generated any revenues from its operations.

Basis of Presentation
The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2018, included in the Company's Annual Report on Form 10-K filed with the SEC on August 8, 2019.

In management's opinion, the unaudited condensed consolidated financial statements reflect all adjustments (including reclassifications and normal recurring adjustments) necessary to present fairly the financial position as of June 30, 2019 and December 31, 2018, and results of operations and cash flows for the three and six month period ended June 30, 2019 and for the year ended December 31, 2018.

Principles of Consolidation
The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its majority owned subsidiary, TransBiotec-CA. We have eliminated all intercompany transactions and balances between entities consolidated in these unaudited condensed financial statements.

Use of Estimates
The preparation of unaudited condensed consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, such estimates were made by the Company for the valuation of derivative liability and beneficial conversion feature expenses. Actual results could differ from those estimates.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

Cash
The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents. The Company does not have any cash equivalents as of June 30, 2019 and December 31, 2018.

Income Tax
The Company accounts for income taxes pursuant to Accounting Standards Codification ("ASC") 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company has not recorded any deferred tax assets or liabilities at June 30, 2019 and December 31, 2018, respectively.

Net Loss Per Share
The basic and fully diluted net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding.

Financial Instruments
Pursuant to ASC Topic 820, *Fair Value Measurements and Disclosures* and ASC 825, *Financial Instruments*, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 and 825 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 and 825 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1
Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2
Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets: quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

Level 3
Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist primarily of cash, accounts payable, accrued expenses, accrued interest payable, notes payable, related party payables, convertible debentures, and other payables. Pursuant to ASC 820 and 825, the fair value of our derivative liabilities is determined based on "Level 3" inputs. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table presents assets and liabilities that are measured and recognized at fair value as of June 30, 2019 and December 31, 2018:

June 30, 2019

	Level 1	Level 2	Level 3
Derivative liabilities	$ -	$ -	$ 52,900
	$ -	$ -	$ 52,900

December 31, 2018

	Level 1	Level 2	Level 3
Derivative liabilities	$ -	$ -	$ -
	$ -	$ -	$ -

Beneficial Conversion Features
From time to time, the Company may issue convertible notes that may contain an embedded beneficial conversion feature. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of the warrants, if related warrants have been granted. The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid-in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

Derivative Instruments
The fair value of derivative instruments is recorded and shown separately under current liabilities. Changes in fair value are recorded in the consolidated statement of operations under other income (expense).

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option at its fair value as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. As a result of entering into warrant agreements, for which such instruments contained a variable conversion feature with no floor, the Company has adopted a sequencing policy in accordance with ASC 815-40-35-12 whereby all future instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors. For stock-based derivative financial instruments, the Company uses a Monte Carlo Simulation model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instruments are initially recorded at their fair values and are then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations.

Stock-based Compensation
Stock-based compensation cost to employees and non-employees is measured by the Company at the grant date based on the fair value of the award and over the requisite service period under ASC 718. For options issued to employees and non-employees, the Company recognizes stock compensation costs utilizing the fair value methodology over the related period of benefit.

Minority Interest (Noncontrolling Interest)
A subsidiary of the Company has minority members representing ownership interests of 1.38% at June 30, 2019 and December 31, 2018. The Company accounts for these minority, or noncontrolling interests, pursuant to ASC 810-10-65 whereby gains and losses in a subsidiary with a noncontrolling interest are allocated to the noncontrolling interest based on the ownership percentage of the noncontrolling interest, even if that allocation results in a deficit noncontrolling interest balance.

Research and Development
The Company accounts for its research and development costs pursuant to ASC 730, whereby it requires the Company to disclose the amounts of costs for company and customer-sponsored research and development activities, if material. Research and development costs are expensed as incurred. The Company incurred research and development costs as it acquired new knowledge to bring about significant improvements in the functionality and design of its SOBR product. Research and development costs were none during the six month period ended June 30, 2019 and $1,347 during the six month period ended June 30, 2018.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

Related Parties
Related parties are any entities or individuals that, through employment, ownership or other means, possess the ability to direct or cause the direction of the management and policies of the Company.

New Pronouncements
In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires a lessee to recognize most leases on its balance sheet. For leases with terms of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. This lease standard was effective for public business entities for periods beginning after December 15, 2018. The standard's modified retrospective transition approach will require entities to reflect the effect to reflect the effect in the earliest year presented in the financial statements. The Company has adopted this standard; however, during the six month period ended June 30, 2019 the Company had one lease identified as an operating lease with a term of less than 12 months, and therefore elected not to recognize the lease on its balance sheet.

In May 2017, the FASB issued ASU 2017-09, *Scope of Modification Accounting, clarifies Topic 718, Compensation – Stock Compensation*, which requires a company to apply modification accounting to changes in the terms or conditions of a share-based payment award unless all of the following criteria are met: (1) the fair value of the modified award is the same as the fair value of the original award immediately before the modification. The ASU indicates that if the modification does not affect any of the inputs to the valuation technique used to value the award, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award immediately before the modification; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award immediately before the modification. The ASU is effective for all entities for fiscal years beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company has decided to adopt this standard; however, during the six month period ended June 30, 2019 the Company currently does not have any modifications to existing stock compensation agreements but will be able to calculate the impact of the ASU, if and when modifications arise.

In July 2017, the FASB issued ASU-2017-11, *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Noncontrolling Interests of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. The first part of this update addresses the complexity of accounting for certain financial instruments with down round features and the second part addresses the complexity of distinguishing equity from liabilities. The guidance is applicable to public business entities for fiscal years beginning after December 15, 2018 and interim periods within those years. The adoption of this standard did not have a material impact on the condensed combined financial statements.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

In March 2018, the FASB issued ASU 2018-05, Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. The amendments in this update provide guidance on when to record and disclose provisional amounts for certain income tax effects of the Tax Cuts and Jobs Act ("Tax Reform Act"). The amendments also require any provisional amounts or subsequent adjustments to be included in net income from continuing operations. Additionally, this ASU discusses required disclosures that an entity must make with regard to the Tax Reform Act. This ASU is effective immediately as new information is available to adjust provisional amounts that were previously recorded. The Company has decided to adopt this new standard; however, the Company currently has no revenue and only net operating loss carryforwards that result in a tax benefit during the six month period ended June 30, 2019. The Company also has no deferred tax assets (offset in full by a valuation allowance) or tax liabilities on its balance sheet as of June 30, 2019 and December 31, 2018.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting*. This update is intended to reduce cost and complexity and to improve financial reporting for share-based payments issued to non-employees (for example, service providers, external legal counsel, suppliers, etc.). The ASU expands the scope of Topic 718, Compensation—Stock Compensation, which currently only includes share-based payments issued to employees, to also include share-based payments issued to non-employees for goods and services. Consequently, the accounting for share-based payments to non-employees and employees will be substantially aligned. The standard will be applied in a retrospective approach for each period presented. The Company has adopted this standard for the year ended December 31, 2018. The Company made no share-based payments to non-employees and did not grant stock warrants or stock options for services rendered or goods received during the six month period ended June 30, 2019.

NOTE 2. GOING CONCERN

The Company has suffered recurring losses from operations and has a working capital deficit and stockholders' deficit, and in all likelihood, will be required to make significant future expenditures in connection with continuing marketing efforts along with general and administrative expenses. As of June 30, 2019, the accumulated deficit is $18,556,562, a cash balance of $4,931, carrying loans of principal and interest in default totaling $1,458,037 and cash outflows from operating activities of $168,908. These principal conditions or events, considered in the aggregate, indicate it is probable that the entity will be unable to meet its obligations as they become due within one year after the date the financial statements are issued. As such, there is substantial doubt about the entity’s ability to continue as a going concern.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

On May 25, 2017, the Company increased their number of unauthorized shares from 100,000,000 to 800,000,000 as they hope to raise additional capital through the sale of its equity securities, through an offering of debt securities, or through borrowings from financial institutions or others, and debt restructure (conversion of debt to equity). By doing so, the Company further hopes to generate revenues from sales of its alcohol sensing and ignition lock systems. The Company is currently engaged in talks with potential sales reps, funding sources, and manufacturers.

The Company is also considering opportunities to create synergy with its SOBR product. On October 29, 2018, the Company entered into a non-binding Letter of Intent ("LOI") with First Capital Holdings, LLC ("FCH"). The LOI sets forth the terms under which the Company could potentially acquire certain assets related to robotics equipment from FCH in exchange for shares of their common stock equal to 60% of our then outstanding common stock on a fully-diluted basis. The LOI is non-binding and subject to various conditions that must be met in order for the parties to close the transaction, including, but not limited to, (i) the Company being current in its reporting requirements under the Securities Exchange Act of 1934, as amended, (ii) the Company completing a reverse stock split of its common stock such that approximately 8,000,000 shares will be outstanding immediately prior to closing the transaction with no convertible instruments other than as set forth herein, (iii) the Company having no more than $125,000 in outstanding debt, all in the form of convertible notes that mature in two years post-closing and are convertible into shares of TransBiotec common stock at $2.00 per share; (iv) FCH completing any necessary audits and reviews of the financial statements related to the assets by a PCAOB-approved independent registered accounting firm, and (v) the parties executing definitive documents related to the potential transaction. On March 6, 2019, the parties entered into an amendment No. 1 to the LOI in order to extend certain dates in the LOI namely : (i) the date for the parties to complete initial due diligence was moved to March 29, 2019 (ii) the date for the parties to execute definitive agreements related to the transaction was moved to May 6, 2019, and (iii) the date to close the transaction was tentatively moved to August 31, 2019 (the "Amendment No.1"). On May 6, 2019, TransBiotec, Inc. ("The Company" or "TransBiotec" and "Buyer") entered into an asset purchase agreement with IDTEC, LLC ("Seller") in which TransBiotec agreed to acquire the Seller's rights, title and interest to and in certain assets. The aggregate purchase price for the purchased assets shall be 12 million (12,000,000) restricted shares of the $0.00001 par value common stock of the Buyer; provided that the total number of shares of TransBiotec's $0.00001 par value common stock issued and outstanding following a tentative closing date of January 31, 2020 shall not exceed 20 million (20,000,000) shares (on a fully dilated basis).

Management believes actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern; however, these plans are contingent upon actions to be performed by the Company and this performance has not occurred on or before June 30, 2019. As such, substantial doubt about the entity's ability to continue as a going concern has not been alleviated as of June 30, 2019.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3. RELATED PARTY TRANSACTIONS

In May 2011, the Company entered into an employment agreement with Mr. Bennington which expired on December 31, 2017. The employment agreement provided that the Company would pay Mr. Bennington a salary of $120,000 during the first year of the agreement, $156,000 during the second year of the agreement, $172,000 during the third year of the agreement, $190,000 during the fourth year of the agreement and $208,000 during the fifth year of the agreement. Since the Company was unable to compensate him as stipulated per the agreement, Mr. Bennington agreed to drop his yearly compensation, and resulting yearly accrual, to $120,000 per year with no yearly increases as stipulated in years 2 through 5. In September 2016, before the expiration of Mr. Bennington's contract, the Company appointed Ivan Braiker as its sole CEO, and Mr. Bennington subsequently took a role as a member of the Board of Directors at a monthly rate of $5,000. In connection with his appointment, Mr. Braiker entered into a letter agreement with the Company, under which he accrued a monthly retainer of $7,500, to be paid only if the Company successfully closed financing of at least $200,000. Mr. Braiker was also granted options to purchase 1,500,000 shares of common stock at an exercise price of $0.0045 per share at a fair value of $6,290. In an act of good faith by the Company, Mr. Braiker was paid $15,000 in 2017 in relation to his letter agreement. Effective with his resignation on December 31, 2017, the Company did not owe, accrue for or pay Mr. Braiker any further compensation as he was unable to secure financing of $200,000 for the Company as stipulated per the letter agreement. Mr. Braiker was not compensated for his services as a member of our Board of Directors.

As of June 30, 2019 and December 31, 2018, the Company had payables due to officers for accrued compensation and services of $595,000 and $474,156, respectively, recorded as related party payables on the condensed consolidated balance sheets. Due to cash flow constraints, the Company has experienced difficulty in compensating its directors for their service in their capacity as directors; therefore, such directors may receive stock options to purchase common shares as awarded by its Board of Directors or (as to future stock options) a compensation committee which may be established. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with business related travel and attendance at meetings of its Board of Directors. The Company's Board of Directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director.

On December 3, 2014, Lanphere Law Group, a related party and the Company's largest shareholder, entered into an agreement with the Company to convert 50% of its outstanding accounts payable of $428,668 to a note payable. This note payable represents one half of the balance in the amount of $214,334 of attorney fees and costs owed up until October 31, 2014. This agreement further provided that the remaining 50% of unpaid legal fees in accounts payable were to be paid and retained as a current payable. In addition, 50% of the attorney fees and costs incurred starting from November 1, 2014 are to be converted on a monthly basis to common stock at a price of $0.09 per share until the accounts payable balance for attorney fees is paid current. These payables were for legal expenses recorded to general and administrative expense as incurred. The Company has recorded to equity, a total related party gain connected to these conversions during the six month period ended June 30, 2019 and 2018 of $15,522 and $15,143, respectively. Per this agreement as of June 30, 2019 and December 31, 2018, on a cumulative basis, approximately $201,831 of related party payables was converted into 2,242,565 common shares and $201,831 was converted into 2,242,565 common shares, respectively. The Company has a stock subscription payable due to Lanphere Law Group as of June 30, 2019 of $2,058 convertible into 424,479 of its common shares, and $1,271 convertible into 243,273 of its common shares as of December 31, 2018.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

On July 1, 2015, the Company amended the December 3, 2014 note payable agreement with Lanphere Law Group, a related party and the Company's largest shareholder, which forgave $108,000 of the note payable's principal balance. This debt forgiveness brought down the original principal balance on the note of $214,334 to a new principal balance of $106,335, and a related party gain of $108,000 was recorded to additional paid-in capital. This amendment also extended the note payable's due date to December 2, 2015; however, this note is currently in default.

On March 8, 2017, Lanphere Law Group, a related party and the Company's largest shareholder, irrevocably elected to exercise warrants in order to acquire 32,248,932 shares of the Company's common stock in exchange for an aggregate exercise price of $112,871, which was used for the deduction of $74,672 of principal and $38,199 of accrued interest related to the December 3, 2014 note payable agreement with Lanphere Law Group. The principal balance of the note after the debt deduction was $31,662. At June 30, 2019 and December 31, 2018, the principal balance of this note was $31,662 and $31,662, respectively. At June 30, 2019 and December 31, 2018, the accrued interest on this note was $7,910 and $5,539, respectively. The forgiveness of the note payable principal of $74,672 was recorded to equity and the $38,199 of related accrued interest was recorded to equity. After this exercise, Lanphere Law Group still owns warrants to acquire an additional 27,400,745 shares of our common stock.

The Company entered into a lease agreement with Lanphere Law Group, a related party and the Company's largest shareholder, whereas the Company is the tenant and is paying monthly rent of $4,100. The term of this operating lease runs from July 1, 2015 to June 30, 2019. As of July 1, 2019, the Company leases the same office space on a month to month basis. Rent expense, including CAM charges, for the six month period ended June 30, 2019 and 2018 of $26,210 and $26,210, respectively, was recorded to general and administrative expense.

On April 30, 2018, Daljit Khangura, a related party, irrevocably elected to exercise options in order to acquire 450,000 shares of the Company's common stock in exchange for an aggregate exercise price of $4,500, which was used as stock compensation for consulting services provided as a member of the Board of Directors. Mr. Khangura was issued an additional 50,000 shares of the Company's common stock with a value of $500, which was also used as stock compensation for consulting services provided as a member of the Board of Directors.

On April 30, 2018, the Company converted $7,500 to Nick Noceti, a related party, for executive compensation into 750,000 issued shares of common stock at $0.01 per share.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4. NOTES PAYABLE

RELATED PARTIES

The Company has four convertible notes payable to related parties that have a principal balance of $91,000 and $91,000 as of June 30, 2019 and December 31, 2018, respectively. These notes carry interest rates of 9% and have due dates ranging from 1/23/2014 - 4/8/2015. All four notes are currently in default and carry a default interest rate of 10%. These notes carry conversion prices ranging from $0.0072 - $0.0800 per share. The Company evaluated these convertible notes and determined that, for the embedded conversion option, there was a beneficial conversion value to record. The beneficial conversion feature was amortized over the life of the notes, one year, and was fully amortized at June 30, 2019 and December 31, 2018. No beneficial conversion feature expense was incurred during the six month period ended June 30, 2019 and 2018.

The Company has ten non-convertible notes payable to related parties that have a principal balance of $343,700 and $343,700 as of June 30, 2019 and December 31, 2018, respectively. These notes carry interest rates ranging from 0% - 10% and have due dates ranging from 8/03/2012 - 11/28/2016. Nine of the ten notes are currently in default and carry a default interest rate of 10%.

The Company has thirty notes payable with detached free-standing warrants to related parties that have a principal balance of $345,894 and $271,144 as of June 30, 2019 and December 31, 2018, respectively. These notes carry interest rates ranging from 7% - 10% and have due dates ranging from 8/05/2015 - 03/30/2020. Twenty-eight of the thirty notes, carrying a total principal balance of $336,144, are currently in default and carry a default interest rate of 10%. The exercise price for each note payable detached free-standing warrant ranges from $0.0018664652 - $0.0160. As of June 30, 2019 and December 31, 2018, these notes carried outstanding detached free-standing warrants of 40,535,165 and 23,953,003, respectively. The unamortized discount related to these warrants at June 30, 2019 and December 31, 2018 is $28,011 and $8,074, respectively. During the six month period ended June 30, 2019 and 2018, stock warrants amortization expense recorded to interest expense was $15,093 and $22,517, respectively. The reason for the decrease in stock warrants expense was directly related to the timing of funds borrowed and the related amortization of its stock warrants. The relative fair market value of stock warrants granted during the six month period ended June 30, 2019 and 2018 was $35,030 and $29,701, respectively. The fair market value of the outstanding stock warrants was calculated utilizing the Black-Sholes method using the following assumptions: risk free rates ranging between 2.31% - 2.53%, dividend yield of 0%, expected life of 5 years, volatility between 135% - 138%.

	June 30, 2019	December 31, 2018
Convertible Notes Payable	$ 91,000	$ 91,000
Conventional Non-Convertible Notes Payable	343,700	343,700
Notes Payable with Detached Free-standing Warrants	345,894	271,144
Unamortized Discount	(28,011)	(8,074)
Net Related Party Notes Payable	$ 752,583	$ 697,770

Total interest expense for related party notes was $43,235 and $39,446 for the six month period ended June 30, 2019 and 2018, respectively.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NON- RELATED PARTIES

The Company has eighteen convertible notes payable to non-related parties that have a principal balance of $203,136 and $143,136 as of June 30, 2019 and December 31, 2018, respectively. These notes carry interest rates ranging from 5% - 30% and have due dates ranging from 10/30/2012 - 5/23/2019. Sixteen of the eighteen notes, carrying a total principal balance of $143,136, are currently in default and carry a default interest rate of 10%. These notes carry conversion prices ranging from $0.0017- $0.3235688 per share. On March 1, 2019 and May 3, 2019, the Company entered into convertible note payable agreements that converts to its common stock at a variable conversion price. As further discussed in *Note 5 – Derivative Liability*, the Company analyzed the conversion features of the note agreement for derivative accounting consideration under ASU 2017-11 (ASC 815-15 Derivatives and Hedging), and determined the embedded conversion features should be classified as a derivative because the exercise price of the convertible note is subject to a variable conversion rate. The Company evaluated these convertible notes and determined that an embedded conversion feature was recorded. Unamortized debt discount related to these notes was $44,257 and $5,920 as of June 30, 2019 and December 31, 2018, respectively. Beneficial conversion feature expense incurred was $17,763 and none during the six month period ended June 30, 2019 and 2018, respectively.

The Company has three non-convertible notes payable to non-related parties that have a principal balance of $21,438 and $21,438 as of June 30, 2019 and December 31, 2018, respectively. These notes carry interest rates ranging from 9% - 18% and have due dates ranging from 1/31/2013 - 11/28/2015. All three notes are currently in default and carry a default interest rate of 10%.

The Company has one note payable with detached free-standing warrants to a non-related party that has a principal balance of $5,000 and $5,000 as of June 30, 2019 and December 31, 2018, respectively. This note carries an interest rate of 10% and had a due date of 9/11/2014. This note is currently in default. The exercise price for the attached warrants is $0.019 for a total amount of 50,000 common shares. At June 30, 2019 and December 31, 2018, this note carried outstanding detached free-standing warrants of none and 50,000, respectively. There was no unamortized discount related to these warrants as of June 30, 2019 and December 31, 2018, and no stock warrant amortization expense was recorded to interest expense during the six month period ended June 30, 2019 and 2018.

Total interest expense for non-related party notes was $28,762 and $24,371 for the six month period ended June 30, 2019 and 2018, respectively.

	June 30, 2019	**December 31, 2018**
Convertible Notes Payable	$ 203,136	$ 143,136
Conventional Non-Convertible Notes Payable	21,438	21,438
Notes Payable with Detached Free-standing Warrants	5,000	5,000
Unamortized Beneficial Conversion Feature	(44,257)	(5,920)
Net Non-Related Party Notes Payable	$ 185,317	$ 163,654

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5. DERIVATIVE LIABILITY

On March 1, 2019, the Company borrowed $29,000 under a convertible promissory note agreement from an unrelated party that is due upon demand from the investor. On May 3, 2019, the Company borrowed $31,000 under a convertible promissory note agreement from an unrelated party that is due upon demand from the investor. Both notes bear interest at a rate of 10% per annum and are convertible into the Company's common shares at a variable conversion price based on a 50% discount of the market price at an undetermined future date. The Company analyzed the conversion features of the note agreement for derivative accounting consideration under ASU 2017-11 (ASC 815-15 Derivatives and Hedging), and determined the embedded conversion features should be classified as a derivative because the exercise price of the convertible note is subject to a variable conversion rate and should be therefore accounted for at fair value under ASC 820, Fair Value Measurements and Disclosures and ASC 825, Financial Instruments. In accordance with ASC 815-15, the Company has bifurcated the conversion feature of the note and recorded a derivative liability.

The embedded derivative for the notes is carried on the Company's balance sheet at fair value. The derivative liability is marked to market each measurement period and any unrealized change in fair value is recorded as a component of the statement of operations and the associated fair value carrying amount on the balance sheet is adjusted by the change. The Company fair values the embedded derivative using a Monte Carlo simulation model based on the following assumptions: (1) expected volatility from 280% to 350%, (2) risk-free interest rate from 1.96% to 2.55%, and (3) expected life of 1 year. On March 1, 2019, the date of the first note, the fair value of the embedded derivative was $28,000. On May 3, 2019, the date of the second note, the fair value of the embedded derivative was $28,100. The notes carried an embedded conversion feature of $56,100 that is recorded as a discount on the balance sheet that will be amortized over the life of each respective note. Interest amortization expense of the embedded conversion feature for these notes is $13,946 during the six month period ended June 30, 2019. The fair value of the embedded derivative is $52,900 and is recorded on the balance sheet as a derivative liability at June 30, 2019. The note was not converted during the six month period June 30, 2019. Utilizing level 3 inputs, the Company recorded a fair market value gain of $3,200 and none during the six month period ended June 30, 2019 and 2018, respectively.

<u>A summary of the activity of the derivative liability is shown below</u>:

Balance at December 31, 2018	$ -
Fair value of derivatives issued	56,100
Fair market value adjustments	(3,200)
Balance at June 30, 2019	$ 52,900

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6. STOCK WARRANTS AND STOCK OPTIONS

The Company accounts for employee stock options and non-employee stock warrants under ASC 718 and ASC 505, whereby option costs are recorded based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable, utilizing the Black Sholes pricing model. Unless otherwise provided for, the Company covers option exercises by issuing new shares.

Beginning on December 12, 2012, Michael A. Lanphere, a related party and non-employee, loaned the Company money for a variety of purposes, some for working capital and some to allow the Company to pay outstanding obligations. Each of these loans was made pursuant to the terms of a Loan Agreement with Promissory Note and Stock Fee (the "Agreements"). Under the terms of the Agreements, Mr. Lanphere was not only entitled to repayment of the principal amount loaned to us, with interest, but also what was termed in the Agreements as a "Stock Fee" that the parties are interpreting as a stock warrant, which permits Mr. Lanphere to acquire shares of our common stock in exchange for an exercise price that was estimated based on the date of the loan agreement. The number of shares to be issued to Mr. Lanphere as a Stock Fee under each Agreement was an estimate and varied based on the loan amount and the price of our common stock on the day of the loan and was calculated by this formula: sixty percent (60%) or eighty percent (80%) of the loan amount divided by the Company's stock price on the day of the loan, but at a price per share no higher than two and one-half cents ($0.025). Each Stock Fee is fully vested immediately and expires five (5) years from the date of the loan. Although the Stock Fee could be taken by Mr. Lanphere as a stock grant or a stock warrant, due to the fully vested nature of the Stock Fee, Mr. Lanphere is deemed to beneficially own those shares on the date of each Agreement. The number of warrants outstanding to Mr. Lanphere at June 30, 2019 and December 31, 2018 were 27,400,745 and 10,818,583, respectively.

The total outstanding balance of all non-employee stock warrants in TransBiotec, Inc. is 40,535,165 and 24,003,003 at June 30, 2019 and December 31 2018, respectively. There were 16,582,162 non-employee detached free-standing stock warrants granted during the six month period ended June 30, 2019 and 7,882,392 non-employee detached free-standing stock warrants granted during the six month period ended June 30, 2018. The fair value of these non-employee stock warrants granted during the six month period ended June 30, 2019 and 2018 totaled $35,030 and $29,701, respectively, and were determined using the Black-Sholes option pricing model based on the following assumptions:

	June 30, 2019	June 30, 2018
Exercise Price	$ 0.00188664652 - $0.0062	$ 0.0042 - $0.0043
Dividend Yield	0%	0%
Volatility	135% - 138%	141% - 144%
Risk-free Interest Rate	2.31% – 2.53 %	2.65% – 2.68 %
Expected Life of Options	5 Years	5 Years

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

The following table summarizes the changes in the Company's outstanding warrants during the six months ended June 30, 2019 and 2018 and as of June 30, 2019 and December 31, 2018:

	Warrants Outstanding Number of Shares		Exercise Price Per Share	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price Per Share		Aggregate Intrinsic Value
Balance at December 31, 2017	16,120,611	$	0.0042 - 0.0190	4.06 Years	$	0.0066	$	-
Warrants Granted	7,882,392	$	0.0042 - 0.0043	4.75 Years	$	0.0042	$	45,644
Warrants Exercised	-		-					
Warrants Expired	-		-					
Balance at June 30, 2018	24,003,003	$	0.0042 - 0.0190	3.95 Years	$	0.0058	$	100,246

	Warrants Outstanding Number of Shares		Exercise Price Per Share	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price Per Share		Aggregate Intrinsic Value
Balance at December 31, 2018	24,003,003	$	0.0042 - 0.0190	3.45 Years	$	0.0058	$	-
Warrants Granted	16,582,162	$	0.0018664652 - 0.0062	4.72 Years	$	0.0032	$	22,428
Warrants Exercised	-		-					
Warrants Expired	50,000	$	0.019		$	0.019		
Balance at June 30, 2019	40,535,165	$	0.0018664652 - 0.016	3.68 Years	$	0.0048	$	-

Exercisable at December 31, 2018	24,003,003	$	0.0042 - 0.0190	3.45 Years	$	0.0058	$	-
Exercisable at June 30, 2019	40,535,165	$	0.0018664652 - 0.0160	3.68 Years	$	0.0048	$	-

On April 30, 2018, a related party exercised 450,000 stock options at an exercise price of $0.01 per share.

As of June 30, 2019 and December 31, 2018, there were two outstanding stock options to officers, directors, and consultants to purchase 275,000 shares of TransBiotec, Inc. common stock. The first outstanding stock option is dated October 1, 2014 and has an option price on that day of $0.0062, with an option exercise price of $0.25. The second outstanding option is dated October 27, 2014 at an option price on that day of $0.0066 with an option exercise price of $0.007. These stock options vested upon grant. There were no stock options granted during the six months ended June 30, 2019 and 2018.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

The following table summarizes the changes in the Company's outstanding stock options during the six month period ended June 30, 2019 and 2018, and as of June 30, 2019 and December 31, 2018:

	Options Outstanding Number of Shares		Exercise Price Per Share	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price Per Share		Aggregate Intrinsic Value
Balance at December 31, 2017	2,225,000	$	0.0045 - 0.25	3.00 Years	$	0.0204	$	-
Options Granted	-		-					
Options Exercised	450,000	$	0.01					
Options Cancelled	-		-					
Options Expired	-		-					
Balance at June 30, 2018	1,775,000	$	0.0045 - 0.25	3.00 Years	$	0.0083	$	3,000

	Options Outstanding Number of Shares		Exercise PricePer Share	Weighted Average Remaining Contractual Life		Weighted Average Exercise PricePer Share		Aggregate Intrinsic Value
Balance at December 31, 2018	1,775,000	$	0.0045 - 0.25	2.32 Years	$	0.0083	$	-
Options Granted	-		-					
Options Exercised	-		-					
Options Cancelled	1,500,000	$	0.0045		$	0.0045		
Options Expired	-		-					
Balance at June 30, 2019	275,000	$	0.007 - 0.25	0.32 Years	$	0.0291	$	-
Exercisable at December 31, 2018	1,775,000	$	0.0045 - 0.25	2.32 Years	$	0.0083	$	-
Exercisable at June 30, 2019	275,000	$	0.007 - 0.25	0.32 Years	$	0.0291	$	-

Executive Stock Options

The Company had 250,000 outstanding executive stock options exercisable at $0.007 per share as of June 30, 2019 and December 31, 2018.

Stock Subscriptions Payable

The Company had stock subscriptions payable due to a related party of $2,058 convertible into 424,479 of its common shares at June 30, 2019. The Company had stock subscriptions payable due to a related party of $1,271 convertible into 243,273 of its common shares at December 31, 2018. The Company recorded a related party gain of $15,522 and $15,143 related to the outstanding stock subscriptions payable during the six month period ended June 30, 2019 and 2018, respectively.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7. COMMON STOCK

On March 31, 2018, the Company converted $8,204 of its related party payables into 91,148 issued shares of its common stock at $0.09 per share. $7,776 was recorded as a related party gain.

On April 18, 2018, the Company converted $25,800 of prepaid consulting, research and development costs owed to six non-related parties into 6,000,000 issued shares of our common stock at a purchase price of $0.0043 per share.

On April 30, 2018, the Company converted $500 of related party compensation for consulting services into 50,000 issued shares of its common stock at $0.01 per share.

On April 30, 2018, the Company converted $4,500 of stock options exercised by a related party into 450,000 issued shares of its common stock at $0.01 per share.

On April 30, 2018, the Company converted $7,500 owed to a related party for executive compensation into 750,000 shares of its common stock at $0.01 per share.

On February 25, 2019, the Company issued 35,454,547 shares of its common stock to non-related parties for $39,000 in cash.

NOTE 8. PREFERRED STOCK

On November 20, 2015, the Company's Board of Directors authorized a class of stock designated as preferred stock with a par value of $0.00001 per share comprising 25,000,000 shares, 3,000,000 shares of which were classified as Series A Convertible Preferred stock. In each calendar year, the holders of the Series A Convertible Preferred stock are entitled to receive, when, as and if, declared by the Board of Directors, out of any funds and assets of the Company legally available, non-cumulative dividends, in an amount equal to any dividends or other Distribution on the common stock in such calendar year (other than a Common Stock Dividend). No dividends (other than a Common Stock Dividend) shall be paid and no distribution shall be made with respect to the common stock unless dividends shall have been paid or declared and set apart for payment to the holders of the Series A Convertible Preferred stock simultaneously. Dividends on the Series A Convertible Preferred stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Series A Convertible Preferred stock by reason of the fact that the Company shall fail to declare or pay dividends on the Series A Convertible Preferred stock, except for such rights or interest that may arise as a result of the Company paying a dividend or making a distribution on the common stock in violation of the terms. The holders of each share of Series A Convertible Preferred stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or Distribution (or any setting part of any payment or Distribution) of any Available Funds and Assets on any shares of common stock, and equal in preference to any payment or Distribution (or any setting part of any payment or Distribution) of any Available Funds and Assets on any shares of any other series of preferred stock that have liquidation preference, an amount per share equal to the Original Issue Price of the Series A Convertible Preferred stock plus all declared but unpaid dividends on the Series A Convertible Preferred stock. A reorganization, or any other consolidation or merger of the Company with or into any other corporation, or any other sale of all or substantially all of the assets of the Company, shall not be deemed a liquidation, dissolution, or winding up of the Company. Shares of the Series A Convertible Preferred stock are convertible at a 35% discount rate to the average closing price per share of the Company's common stock (either as listed on a national exchange or as quoted over-the-market) for the last fifteen (15) trading days immediately prior to conversion. However, no conversions of the Series A Convertible Preferred stock to shares of common stock can occur unless the average closing price per share of the Corporation's common stock (either as listed on a national exchange or as quoted over-the-market) for the last fifteen (15) trading days immediately prior to conversion is at least five cents ($0.05). The shares of Series A Convertible Preferred stock vote on an "as converted" basis. The right of conversion is limited by the fact the holder of the Series A Convertible Preferred stock may not convert if such conversion would cause the holder to beneficially own more than 4.9% of the Company's common stock after giving effect to such conversion.

As of June 30, 2019 and December 31, 2018, the Company has 1,388,575 issued shares of its Series A Convertible Preferred stock.

During the six month ended June 30, 2019 and 2018, no dividends have been declared for holders of the Series A Convertible Preferred stock.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leased office space under a long-term operating lease that expired in June 2019. As of July 1, 2019, the Company leases the same office space on a month to month basis. Rent expense under this lease, including CAM charges, was $26,210 and $26,210 for the six month period ended June 30, 2019 and June 30, 2018, respectively.

Legal Proceedings
On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against us in Orange County California State Superior Court for Breach of Contract in the amount of $11,164. A default judgment was taken against us in this matter. In mid-2013 we learned the Plaintiff's perfected the judgment against us, but we have not heard from the Plaintiffs as of January 2020.

We currently have one outstanding judgment against us involving a past employee of the Company. The matter is under the purview of the State of California, Franchise Tax Board, Industrial Health and Safety Collections. We currently owe approximately $28,786, plus accrued interest, to our ex-employee for unpaid wages under these Orders and are working to get this amount paid off.

NOTE 10. SUBSEQUENT EVENTS

On July 18, 2019, the Company borrowed $41,375 from a related party. The note payable carries an interest rate of 7%, matures on July 17, 2020, and contains a conversion feature that allows the Company to convert all principal and interest due under note into 9,103,261 shares of the Company's common stock.

On August 8, 2019, the Company entered into an 8% Series A-1 Convertible Preferred Stock Investment Agreement with First Capital Ventures, LLC ("FCV"), and its assignee. The Company desires to raise between $1,000,000 and $2,000,000 from the sale of its 8% Series A-1 Convertible Preferred Stock and FCV intends to raise between $1,000,000 and $2,000,000 (net after offering expenses) in a special purchase vehicle ("SPV") created by FCV to purchase the 8% Series A-1 Convertible Preferred Stock. The Company granted FCV and its assigns, the exclusive right to purchase the 8% Series A-1 Convertible Preferred Stock. The Company agreed to pay certain legal and other expenses of the SPV subsequent to the day in which the Company receives a minimum of $1,000,000 from the sale of 1,000,000 shares of the 8% Series A-1 Convertible Preferred Stock. The Company also agreed to cancel all shares of its issued and outstanding Series A Preferred Stock, immediately following the closing date and to pay $15,000 to the SPV for its legal costs and expenses and to pay or reimburse for any other costs or expenses related to the offering and sale of the interests in the SPV, including but not limited to, any sales commissions or other offering and organization expenses. The Company further agreed to issue FCV a three-year stock warrant to purchase 150,000 (post-split) shares of its Common Stock at an exercise price of $1.00 per share immediately following the closing date. The Company agreed to enter into a "business development" agreement with FCV, or its assignee, on the sale of the first $1,000,000 of 8% Series A-1 Convertible Preferred Stock and also granted FCV and its assigns, the right to use the name "SOBR SAFE" and any related intellectual property in connection with the SPV, and the offering of the Interests in the SPV.

On August 23, 2019, the Company entered into a Common Stock Purchase Agreement (the "Bennington" SPA) with Charles Bennington, one of the Company's officers and directors, under which the Company agreed to issue 14,000,000 shares of its common stock in exchange for Mr. Bennington forgiving $595,000 in accrued compensation due. The common shares were issued on or about August 28, 2019 at a per-share purchase price of $0.0425 per share.

On August 23, 2019, the Company entered into a Share Exchange Agreement (the "Lanphere" SEA) with Michael Lanphere, one of the Company's officers, under which the Company agreed to issue 5,206,430 shares of its common stock in exchange for 520,643 shares of the Company's Series A Preferred Stock owned by Mr. Lanphere. The Series A Preferred stock were exchanged for the Company's common shares at a price of $0.10 per share and were issued on or about August 28, 2019.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

On August 23, 2019, the Company entered into a Share Exchange Agreement (the "Justus" SEA) with Vernon Justus, an individual, under which the Company agreed to issue 8,679,320 shares of its common stock in exchange for 867,932 shares of the Company's Series A Preferred Stock owned by Mr. Justus. The Series A Preferred stock were exchanged for the Company's common shares at a price of $0.10 per share and were issued on or about August 28, 2019.

On August 23, 2019, the Company entered into a Debt Conversion and Common Stock Purchase Plan (the "Lanphere" SPA) with Michael Lanphere, one of the Company's officers, under which the Company agreed to issue 21,400,745 shares of its common stock in exchange for a reduction in the amounts owed to Mr. Lanphere under numerous promissory notes. Mr. Lanphere's option to acquire the shares was under the terms of certain Loan Agreement with Promissory Note and Stock Fees agreements entered into with the Company and Mr. Lanphere. The amount of the debt reduction and, therefore the purchase price of the shares was $96,303.35. The common shares were issued on or about August 28, 2019 at an effective conversion price of $0.0045 per share.

On August 23, 2019, the Company entered into a Debt Conversion and Common Stock Purchase Plan (the "Mishal" SPA) with Devadatt Mishal, one of the Company's directors, under which the Company agreed to issue 13,134,420 shares of its common stock in exchange for a reduction in the amounts owed to Mr. Mishal under numerous promissory notes. Mr. Mishal's option to acquire the shares was under the terms of certain Loan Agreement with Promissory Note and Stock Fees agreements entered into with the Company and Mr. Mishal. The amount of the debt reduction and, therefore the purchase price of the shares was $58,478.01. The common shares were issued on or about August 28, 2019 at an effective conversion price of $0.0043 per share. After the acquisition of the 13,134,420 shares under the Mishal SPA, the reporting person owned 20,534,857 shares of the Company's common stock equal to approximately 9.5% of the Company's outstanding common stock.

On September 9, 2019, the Company's Board of Directors approved the TransBiotec, Inc. 2019 Equity Incentive Plan, and authorized an aggregate of 128,000,000 shares of the Company's common stock, subject to stock splits, recapitalizations, and other adjustments, for issuance to all employees of the Company, or any Subsidiary of the Company, to any non-employee director, consultants, and to independent contractors of the Company, or any Subsidiary and any joint venture partners of the Company or any Subsidiary. The Plan will be administered by the Compensation Committee of the Board of Directors (or the entire Board of Directors if the Company does not have a Compensation Committee). Under the Plan, the Committee may award Eligible Recipients with shares of its Common Stock in the form of Incentive Awards, Restricted Stock Awards, SARs, RSUs, Performance Awards, and Other Awards as defined in the Plan. The Common Stock under the Plan will come from authorized but unissued shares of the Company's Common Stock. The Plan is intended to advance the interest of the Company and its stockholders by enabling the Company and its Subsidiaries to attract and retain persons of ability to perform services for the Company and its Subsidiaries by providing an incentive to such individuals through equity participation in the Company and by rewarding those individuals who contribute to the achievement of the Company's operational and financial objectives. This Plan went effective on October 24, 2019 and allows our Board of Directors to issue stock grants, stock options and other equity incentive awards to our officers, directors, employees and consultants.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

On October 17, 2019 and October 28, 2019, Daljit Khangura and Devadatt Mishal, respectively, submitted their resignations from the Company's Board of Directors. According to their resignation letters, there are no disagreements with either Mr. Khangura or Dr. Mishal.

On October 25, 2019, Charles Bennington submitted his resignation as the Company's Chief Executive Officer, effective with the appointment of his replacement. Mr. Bennington is continuing on as the Company's President (our principal executive officer), our Secretary, and as a member of our Board of Directors. According to Mr. Bennington's resignation letter, there are no disagreements with Mr. Bennington.

On October 25, 2019, the Company entered into an Employment Agreement with Mr. Kevin Moore to serve as the Company's Chief Executive Officer (the "Moore Agreement"). Under the terms of the Moore Agreement, Mr. Moore will serve as our Chief Executive Officer until October 24, 2022, unless either (i) the transaction that is the subject of that certain Asset Purchase Agreement with IDTEC, LLC, a Colorado limited liability company (the "IDTEC Transaction"), has not closed by January 31, 2020, in which case Mr. Moore's employment will terminate immediately, or (ii) he is terminated pursuant to the other termination provisions set forth in the Moore Agreement. Under the terms of the Moore Agreement, Mr. Moore will perform services for the Company that are customary and usual for a chief executive officer of a company, in exchange for: (i) 800,000 shares of our common stock per month until the IDTEC Transaction closes, (ii) thereafter, an annual base salary of $213,000, (iii) sales bonuses based on the Company's sales, and (iv) incentive stock options under our 2019 Equity Compensation Plan to acquire 35,200,000 shares of our common stock, at an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with the stock options to vest in 36 equal monthly installments of 977,777 shares during the three-year term of the Moore Agreement. The stock options have a ten year term. The Company will be issuing Mr. Moore a stock option agreement for the options he was issued under the Moore Agreement. No shares were issued to Mr. Moore.

On October 25, 2019, the Company entered into an Employment Agreement with Mr. David Gandini to serve as our Chief Revenue Officer (the "Gandini Agreement"). Under the terms of the Gandini Agreement, Mr. Gandini will serve as the Company's Chief Revenue Officer until October 24, 2022, unless either (i) the transaction that is the subject of that certain Asset Purchase Agreement with IDTEC, LLC, a Colorado limited liability company (the "IDTEC Transaction"), has not closed by January 31, 2020, in which case Mr. Gandini's employment will terminate immediately, or (ii) he is terminated pursuant to the other termination provisions set forth in the Gandini Agreement. Under the terms of the Gandini Agreement, Mr. Gandini will perform services for us that are customary and usual for a chief revenue officer of a company, in exchange for: (i) an annual base salary of $185,000, (ii) sales bonuses based on the Company's sales, (iii) incentive stock options under our 2019 Equity Compensation Plan to acquire 24,000,000 shares of our common stock, at an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with the stock options to vest in 36 equal monthly installments of 666,666 shares during the three-year term of the Gandini Agreement, and (iv) an aggregate of 8,000,000 additional option shares (the "Pre-Vesting Option Shares") to vest as follows: (i) 6,666,600 Pre-Vesting Option Shares representing the monthly vesting option shares for the ten months ended October 31, 2019 to vest on November 1, 2019; and (ii) the remaining 1,333,400 Pre-Vesting Option Shares representing the monthly vesting option shares for the two months ended December 31, 2019 shall vest on January 1, 2020. The stock options have a ten year term. The Company will be issuing Mr. Gandini a stock option agreement for the options he was issued under the Gandini Agreement. No shares were issued to Mr. Gandini.

On October 25, 2019, the Company granted Charles Bennington, one of the Company's officers and directors, an option to acquire 800,000 shares of our common stock under the Company's 2019 Equity Incentive Plan. The stock option has an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with option vesting quarterly over a one year period commencing January 1, 2020. The stock option has a five year term. The issuance of the stock option was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact Mr. Bennington is one of our officers and directors, is a sophisticated investor and familiar with our operations. No shares were issued to Mr. Bennington.

TransBiotec, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

On October 25, 2019, the Company granted Nick Noceti, the Company's Chief Financial Officer, an option to acquire 800,000 shares of our common stock under our 2019 Equity Incentive Plan. The stock option has an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with option vesting quarterly over a two year period commencing January 1, 2020. The stock option has a five year term. The issuance of the stock option was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact Mr. Noceti is the Company's Chief Financial Officer, is a sophisticated investor and familiar with our operations. No shares were issued to Mr. Noceti.

On October 25, 2019, the Company granted Gary Graham, one of the Company's directors, an option to acquire 800,000 shares of our common stock under our 2019 Equity Incentive Plan. The stock option has an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with option vesting quarterly over a one year period commencing January 1, 2020. The stock option has a five year term. The issuance of the stock option was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact Mr. Graham had been consulting with the Company for more than one year at the time of grant, is a sophisticated investor and familiar with our operations. No shares were issued to Mr. Graham.

On October 25, 2019, the Company issued stock options to acquire an aggregate of 6,400,000 shares of our common stock to four non-affiliated individuals and entities that have been working with the Company for over the last year. The stock options were issued under our 2019 Equity Incentive Plan at an exercise price of $0.00792, which is equal to 110% of the fair market value of our common stock on October 25, 2019, with the options vesting quarterly over a two year period commencing January 1, 2020. The stock options have either a two year or five year term. The issuance of the stock option was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact the individuals and entities have been consulting with the Company for months, are sophisticated investors and familiar with our operations.

On November 7, 2019, the Company's Board of Directors appointed Gary Graham to its Board of Directors. Mr. Graham will serve in this capacity until the next meeting of stockholders or until his successor has been duly elected and qualified, or until the earlier of his death, resignation or removal.

On November 22, 2019, the Company's Board of Directors approved the appointment of Kevin Moore and David Gandini, Chief Executive Officer and Chief Revenue Officer, respectively, to the Company's Board of Directors, effective December 2, 2019. They will serve in this capacity until the next meeting of stockholders or until their successor has been duly elected and qualified, or until the earlier of their death, resignation or removal.

On December 12, 2019, the Company entered into a Series A-1 Preferred Stock Purchase Agreement (the "SPA") with SOBR SAFE, LLC, a Delaware limited liability company and an entity controlled by Gary Graham, one of the Company's Directors ("SOBR SAFE"), under which (i) the Company agreed to create a new series of convertible preferred stock entitled "Series A-1 Convertible Preferred Stock," with Two Million (2,000,000) shares authorized and the following rights: (a) dividend rights of 8% per annum based on the original issuance price of $1 per share, (b) liquidation preference over the Company's common stock, (c) conversion rights into shares of our common stock at $1 per share, (d) redemption rights such that the Company has the right, upon thirty (30) days written notice, at any time after one year from the date of issuance, to redeem the all or part of the Series A-1 Preferred Stock for 150% of the original issuance price, (e) no call rights by the Company, and (f) each share of Series A Convertible Preferred stock will vote on an "as converted" basis; and (ii) SOBR SAFE agreed to acquire One Million (1,000,000) shares of the Company's Series A-1 Convertible Preferred Stock (the "Preferred Shares"), once created, in exchange for One Million Dollars ($1,000,000) (the "Purchase Price"). The Company received the Purchase Price on December 12, 2019 and will issue the Preferred Shares as soon as the Company receives confirmation from the State of Delaware that the Series A-1 Preferred Stock has been created. In connection with the closing of the SPA, holders of our common stock representing approximately 52% of the Company's outstanding common stock and voting rights signed irrevocable proxies to Gary Graham and/or Paul Spieker for the purpose of allowing Mr. Graham and/or Mr. Spieker to vote those shares on any matters necessary to close the transaction that is the subject of the certain Asset Purchase Agreement May 6, 2019, as amended. The issuance of the Preferred Shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact the principal of the manager of SOBR SAFE is one of our directors, and SOBR SAFE is an accredited investor and familiar with our operations.

On January 3, 2020, the Company issued 2,102,854 shares of its common stock to Michael Lanphere, a related party ("Lanphere"), in exchange for his agreement to convert $210,285.44 in debt owed to him under numerous promissory notes. The shares were issued at a value of $0.10 per share pursuant to the terms of a Common Stock Purchase Agreement. The conversion was in full satisfaction of all amounts due to Lanphere under the notes.

On January 3, 2020, the Company issued 6,000,000 shares of its common stock to Lanphere in exchange for his agreement to convert $24,000 in debt owed to him under a promissory note dated April 17, 2019. The shares were issued at a value of $0.004 per share pursuant to the terms of the convertible note, and were issued pursuant to the terms of a Common Stock Purchase Agreement. The conversion was in full satisfaction of all amounts due to Lanphere under the note.

On January 3, 2020, the Company issued 9,103,261 shares of its common stock to Lanphere in exchange for his agreement to convert $41,875 in debt owed to him under a promissory note dated July 17, 2019. The shares were issued at a value of $0.0046 per share pursuant to the terms of the convertible note, and were issued pursuant to the terms of a Common Stock Purchase Agreement. The conversion was in full satisfaction of all amounts due to Lanphere under the note.

On January 3, 2020, the Company issued an aggregate of 4,605,847 shares of its common stock to five non-affiliate investors in exchange for their agreement to convert $460,585 in debt owed to them under numerous promissory notes. The shares were issued at a value of $0.10 per share and pursuant to the terms of Common Stock Purchase Agreements. The conversion was in full satisfaction of all amounts due under the notes.

On January 16, 2020, the Company issued 1,274,636 shares of its common stock to with two non-related parties in exchange for their agreement to settle an accounts payable of $127,463.59 owed to them. The shares were issued at a value of $0.10 per share and were issued pursuant to the terms of Common Stock Purchase Agreements. The conversion was in full satisfaction of all amounts due to them.

On January 16, 2020, the Company issued 874,636 shares of its common stock to Lanphere in exchange for his agreement to convert $87,463.59 in accounts payable owed to him. The shares were issued at a value of $0.10 per share and were issued pursuant to the terms of a Common Stock Purchase Agreement. The conversion was in full satisfaction of all amounts due to Lanphere for the accounts payable.

On January 22, 2020, the Company issued 238,143 shares of its common stock to a non-related party in exchange for their agreement to settle an accounts payable of $23,814.30 owed to them. The shares were issued at a value of $0.10 per share and were issued pursuant to the terms of a Common Stock Purchase Agreement. The conversion was in full satisfaction of the all amounts owed to them.

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

Disclaimer Regarding Forward Looking Statements

Our Management's Discussion and Analysis or Plan of Operations contains not only statements that are historical facts, but also statements that are forward-looking. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission ("SEC").

Although the forward-looking statements in this Quarterly Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by them. Consequently, and because forward-looking statements are inherently subject to risks and uncertainties, the actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. You are urged to carefully review and consider the various disclosures made by us in this report and in our other reports as we attempt to advise interested parties of the risks and factors that may affect our business, financial condition, and results of operations and prospects.

Overview

We have developed an alcohol detection device called "SOBR", for which we are still performing beta testing. The device is a patented system for use in detecting alcohol in a person's system by measuring the ethanol content in their perspiration. Once SOBR is developed and tested, we plan to market the device to four primary business segments: (i) as an aftermarket-installed device to companies and institutions that employ or contract with vehicle drivers, such as trucking companies, limousine companies, and taxi cab companies, where the system will be marketed as a preventative drunk driving detection system, with a possible ignition locking device, (ii) the original equipment manufacturing (OEM) market, where the device would be installed in new vehicles during the original building of a vehicle, (iii) companies and institutions that have an interest in monitoring their employees' or contractors' alcohol level due to their job responsibilities, such as surgeons prior to entering surgery, pilots prior to flying aircraft, mineworkers prior to entering a mine, or the military for personnel returning to a military base from off-base leave or prior to leaving for a mission, and (iv) companies that would want to provide knowledge to their customers of their current alcohol level, such as lounge and bar owners, or customers attending a golfing event.

We believe SOBR offers a unique solution to the national alcohol abuse problem.

We have developed a marketing plan that our management believes will gain market recognition for the SOBR device, primarily through trade shows, industry publications, general solicitation, social media, and public relations, as well as hopefully generating the demand for the SOBR device through the use of selling groups, such as channel sales, distributors, and independent sales contractors. We believe the primary market for the in-vehicle SOBR device initially is the commercial vehicle market, such as trucking companies, taxi cab companies, limousine companies, and bus companies. Many of these companies have a significant financial interest in eliminating drunk drivers from their operations. Secondarily, individuals may desire to monitor a family member's vehicle, such as an automobile operated by a minor or a family member with a past alcohol issue.

We believe the primarily market for the portable SOBR device is its use by companies and institutions that have an interest in monitoring their employees' or contractors' alcohol level due to their job responsibilities, such as surgeons prior to entering surgery, pilots prior to flying aircraft, mineworkers prior to entering a mine, or the military for personnel returning to a military base from off-base leave.

On May 6, 2019, we signed a definitive Asset Purchase Agreement (the "APA") with IDTEC, LLC, to acquire certain assets related to robotics equipment, which our management believes is synergistic with our current assets, from IDTEC in exchange for shares of our common stock equal to 60% of our then outstanding common stock. The APA is subject to several conditions precedent, primarily: (i) we must be current in our reporting requirements under the Securities Exchange Act of 1934, as amended, (ii) we must complete a reverse stock split of our common stock such that approximately 8,000,000 shares will be outstanding immediately prior to closing the transaction with no convertible instruments other than as set forth in the APA and our authorized common stock must be reduced to 100,000,000 shares, and (iii) we must not have more than approximately $150,000 in current liabilities. We do not believe we will close this transaction until early 2020. At the time of the closing of the transaction we estimate we will have approximately 257,000,000 shares of our common stock outstanding before factoring in any reverse stock split.

In advance of closing the transaction, IDTEC and a few other affiliated parties have been advancing funds to us and/or on our behalf for the costs related to the transaction, as well as for further developing and enhancing our current SOBR product. The funds advanced will be turned into promissory notes at the closing of the APA and are expected to be around $1 million by the time we close the transaction.

The description of the APA set forth in this Quarterly Report is qualified in its entirety by reference to the full text of that document, which is attached as Exhibit 10.6 to this Current Report on Form 8-K and is incorporated herein by reference.

If the closing occurs, the assets being acquired under the APA are the same assets that were subject to the Letter of Intent with First Capital Holdings, LLC we previously announced in our Current Report on Form 8-K filed on November 6, 2018.

Corporate Overview

We were formed in August 2007 to publish and distribute Image Magazine, a monthly guide and entertainment source for the Denver, Colorado area. We generated only limited revenue and essentially abandoned the business plan in January 2009.

On September 19, 2011, we, Imagine Media, Ltd., a Delaware corporation, acquired approximately 52% of the outstanding shares of TransBiotec, Inc. ("TBT") from TBT's directors in exchange for 12,416,462 shares of our common stock. The accounting for this transaction was identical to that resulting from a reverse acquisition, except that no goodwill or other intangibles were recorded, as our shareholders retained the majority of the outstanding common stock of Imagine Media, Ltd. after the share exchange. At the time, these shares represented approximately 52% of our outstanding common stock. TBT was a California corporation.

On January 17, 2012, our Board of Directors amended our Certificate of Incorporation changing our name from Imagine Media, Ltd. to TransBiotec, Inc.

On January 31, 2012, we acquired approximately 45% of the remaining outstanding shares of TBT in exchange for 10,973,678 shares of our common stock. Because of the September 2011 and January 2012 acquisitions of TBT common stock, we currently own approximately 98.62% of the outstanding shares of TBT, and we control its board of directors and officer positions. The remaining 1.38% is owned by non-affiliated individuals that did not participate in the share exchange.

As a result of the acquisition, TBT's business is our business, and, unless otherwise indicated, any references to "we" or "us" include the business and operations of TBT.

We have developed and patented a high technology, state-of-the-art transdermal sensing system that detects blood alcohol levels through a person's skin.

The following discussion:

- summarizes our plan of operation; and
- analyzes our financial condition and the results of our operations for the three months and six months ended June 30, 2019 and 2018.

This discussion and analysis should be read in conjunction with TBT's financial statements included as part of this Quarterly Report on Form 10-Q, as well as TBT's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2018.

Results of Operations for Three Months Ended June 30, 2019 Compared to Three Months Ended June 30, 2018

Summary of Results of Operations

	Three Months Ended June 30,	
	2019	**2018**
Revenue	$ -	$ -
Operating expenses:		
General and administrative	81,483	82,925
Total operating expenses	81,483	82,925
Operating loss	(81,483)	(82,925)
Other income (expense):		
Gain on fair value adjustment-derivatives	4,000	-
Interest expense	(67,065)	(68,189)
Amortization – debt discount	(12,407)	(500)
Total other income (expense)	(75,472)	(68,689)
Net loss	$ (156,955)	$ (151,614)

Operating Loss; Net Loss

Our net loss increased by $5,341 from $151,614 to $156,955, from the three month period ended June 30, 2018 compared to the three month period ended June 30, 2019. Our operating loss decreased by $1,442, from $82,925 to $81,483 for the same periods. The change in our net loss for the three months ended June 30, 2019, compared to the prior year period, is primarily a result of us having a $2,300 gain on fair value adjustment from derivatives in 2019 compared to none in 2018, partially offset by a decrease in interest expense due to the full amortization of debt issuance costs, an increase in amortization-debt discount, and a slight decrease in general and administrative expenses in 2019 compared to 2018. The changes are detailed below.

Revenue

We have not had any revenues since our inception. Since September 2011, we have been involved in the development, testing and marketing of SOBR, our unique alcohol sensor technology. Although we have not had any sales to date, we believe we are close to our first sales and revenue, but that will be dependent upon our ability to raise sufficient funds to bring the SOBR device to market.

General and Administrative Expenses

General and administrative expenses decreased by $1,442, from $82,925 for the three month period ended June 30, 2018 to $81,483 for the three month period ended June 30, 2019, primarily due to a decrease in insurance and consulting expenses.

Gain on Fair Value Adjustment - Derivatives

Gain on fair value adjustment - derivatives was $4,000 for the three month period ended June 30, 2019, compared to $0 for the three month period ended June 30, 2018. This increase was due to us not having a financial instrument that contained an embedded derivative liability at June 30, 2018, but having one at June 30, 2019.The gain on fair value adjustment - derivative liability we recorded during the three month period ended June 30, 2019 was an adjustment due to us having a convertible note payable that contains an embedded derivative.

[Table of Contents](#)

Interest Expense

Interest expense decreased by $1,124, from $68,189 for the three month period ended June 30, 2018 to $67,065 for the three month period ended June 30, 2019. For both periods these amounts are largely due to the amortization of debt issuance costs and the interest on outstanding debt.

Amortization – Debt Discount

During the three month period ended June 30, 2019, our amortization – debt discount was $12,407 compared to $500 during the three month period ended June 30, 2018. The expense is due to the unamortized discount on convertible non-related party notes payable. The increase is due to the addition of two convertible non-related party notes payable with beneficial conversion features in 2019.

Results of Operations for Six Months Ended June 30, 2019 Compared to Six Months Ended June 30, 2018

Summary of Results of Operations

	Six Months Ended June 30,	
	2019	**2018**
Revenue	$ -	$ -
Operating expenses:		
General and administrative	150,497	162,768
Total operating expenses	150,497	162,768
Operating loss	(150,497)	(162,768)
Other income (expense):		
Gain on fair value adjustment-derivatives	3,200	-
Interest expense	(130,951)	(132,216)
Amortization – debt discount	(17,763)	(500)
Total other income (expense)	(145,514)	(132,716)
Net loss	$ (296,011)	$ (295,484)

Operating Loss; Net Loss

Our net loss increased by $527 from $295,484 to $296,011, from the six-month period ended June 30, 2018 compared to the six-month period ended June 30, 2019. Our operating loss decreased by $12,271, from $162,768 to $150,497 for the same periods. The change in our net loss for the six months ended June 30, 2019, compared to the prior year period, is primarily a result of us having a $3,200 gain on fair value adjustment from derivatives in 2019 compared to none in 2018, a decrease in interest expense related to an increase in borrowings, an increase in amortization – debt discount, and a decrease in general and administrative expenses in 2019 compared to 2018. The changes are detailed below.

Revenue

We have not had any revenues since our inception. Since September 2011, we have been involved in the development, testing and marketing of SOBR, our unique alcohol sensor technology. Although we have not had any sales to date, we believe we are close to our first sales and revenue, but that will be dependent upon our ability to raise sufficient funds to bring the SOBR device to market.

General and Administrative Expenses

General and administrative expenses decreased by $12,271, from $162,768 for the six-month period ended June 30, 2018 to $150,497 for the six-month period ended June 30, 2019, primarily due to a decrease in insurance and consulting expenses.

Gain on Fair Value Adjustment - Derivatives

Gain on fair value adjustment - derivatives was $3,200 for the six-month period ended June 30, 2019, compared to $0 for the six-month period ended June 30, 2018. This increase was due to us not having a financial instrument that contained an embedded derivative liability at June 30, 2018, but having one at June 30, 2019. The gain on fair value adjustment - derivative liability we recorded during the six month period ended June 30, 2019 was an adjustment due to us having a convertible note payable that contains an embedded derivative.

Interest Expense

Interest expense decreased by $1,265, from $132,216 for the six-month period ended June 30, 2018 to $130,951 for the six-month period ended June 30, 2019. For both periods these amounts are largely due to the amortization of debt issuance costs and interest on outstanding debt.

Amortization – Debt DIscount

During the six-month period ended June 30, 2019, our amortization – debt discount was $17,763, compared to $500 during the six-month period ended June 30, 2018. The expense is related to the unamortized discount on convertible non-related party notes payable. The increase is due to the addition of two convertible non-related party notes payable with beneficial conversion features in 2019.

Liquidity and Capital Resources for Six Months Ended June 30, 2019 Compared to Six Months Ended June 30, 2018

Introduction

During the six months ended June 30, 2019 and 2018, because of our operating losses, we did not generate positive operating cash flows. Our cash on hand as of June 30, 2019 was $4,931 and our monthly cash flow burn rate is approximately $25,000. As a result, we have significant short term cash needs. These needs are being satisfied through proceeds from the sales of our securities and loans from both related parties and third parties. We currently do not believe we will be able to satisfy our cash needs from our revenues for some time, and there is no guarantee we will be successful in the future satisfying these needs through the proceeds generated from the sales of our securities.

Our cash, current assets, total assets, current liabilities, and total liabilities as of June 30, 2019 and as of December 31, 2018, respectively, are as follows:

	June 30, 2019	December 31, 2018	Change
Cash	$ 4,931	$ 89	$ 4,842
Total Current Assets	$ 15,897	$ 13,080	$ 2,817
Total Assets	$ 15,897	$ 13,080	$ 2,817
Total Current Liabilities	$ 3,645,787	$ 3,436,511	$ 209,276
Total Liabilities	$ 3,645,787	$ 3,436,511	$ 209,276

Our current assets increased slightly as of June 30, 2019, as compared to December 31, 2018, due to us having more cash on hand, offset by slightly less prepaid expenses at June 30, 2019. The increase in our total assets between the two periods was also related to the increased cash on hand as of June 30, 2019, offset by the slightly less prepaid expenses.

Our current liabilities increased by $209,276 as of June 30, 2019 as compared to December 31, 2018. This increase was primarily due to increases in notes payable – related parties, notes payable - non-related parties, derivative liabilities, accrued interest payable, and related party payables, offset by decreases in accounts payable and accrued expenses.

In order to repay our obligations in full or in part when due, we will be required to raise significant capital from other sources. There is no assurance, however, that we will be successful in these efforts.

<u>Sources and Uses of Cash</u>

Operations

We had net cash used for operating activities of $168,908 for the six-month period ended June 30, 2019, as compared to net cash used for operating activities of $57,564 for the six-month period ended June 30, 2018. For the period in 2019, the net cash used in operating activities consisted primarily of our net loss of $296,011 and change in fair value of derivative liability of $3,200, offset by stock warrants expense of $15,093, amortization – debt discount of $17,763, and changes in our accounts payable of $28,617, accrued expenses of $1,428, accrued interest payable of $78,767, related party payables of $45,913, stock subscriptions payable of $787, and prepaid expenses of $2,025. For the period in 2018, the net cash used in operating activities consisted primarily of our net loss of $293,859, offset by stock warrants expense of $22,517, stock options expense of $4,500, stock-based compensation expense of $7,999, amortization – debt discount of $500, and changes in our accounts payable of $116,142, accrued expenses of $20,925, accrued interest payable of \$81,401, related party payables of \$208,555, stock subscriptions payable of \$557, and prepaid expenses of \$5,483.

Investments

We had no cash provided by or used for investing activities during the six-month period ended June 30, 2019 or June 30, 2018.

Financing

Our net cash provided by financing activities for the six-month period ended June 30, 2019 was $173,750, compared to $61,300 for the six-month period ended June 30, 2018. For the six-month period ended June 30, 2019, our net cash from financing activities consisted of proceeds from notes payable – related parties of $74,750, proceeds from notes payable – non-related parties of $60,000, and proceeds from issuances of common stock – non-related parties of $39,000. For the six month period ended June 30, 2018, our net cash from financing activities consisted of proceeds from notes payable – related parties of $55,300 and proceeds from notes payable – non related parties of $6,000.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements as of June 30, 2019 and December 31, 2018.

ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

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

ITEM 4 Controls and Procedures

(a) Evaluation of Disclosure and Controls 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 and control procedures are also designed to ensure that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures.

As of June 30, 2019, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer (our Principal Executive Officer) and chief financial officer (our Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures. 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. We also do not have an audit committee. Based on the evaluation described above, and as a result, in part, of not having an audit committee and having one individual serve as our chief executive officer and another individual serve as our chief financial officer, management has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to the same extent as reported in our Annual Report on Form 10-K for the year ended December 31, 2018.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures.

(b) Changes in Internal Controls over Financial Reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

(c) Officer's Certifications

Appearing as an exhibit to this quarterly report on Form 10-Q are "Certifications" of our Chief Executive and Financial Officer. The Certifications are required pursuant to Sections 302 of the Sarbanes-Oxley Act of 2002 (the "Section 302 Certifications"). This section of the quarterly report on Form 10-Q contains information concerning the Controls Evaluation referred to in the Section 302 Certifications. This information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Table of Contents

PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against us in Orange County California State Superior Court for Breach of Contract in the amount of $11,164. A default judgment was taken against us in this matter. In mid-2013 we learned the Plaintiff's perfected the judgment against us, but we have not heard from the Plaintiffs as of December 2019.

We currently have one outstanding judgment against us involving a past employee of the Company. The matter is under the purview of the State of California, Franchise Tax Board, Industrial Health and Safety Collections. We currently owe approximately $28,786 plus accrued interest, to our ex-employee for unpaid wages under these Orders and are working to get this amount paid off.

In the ordinary course of business, we are from time to time involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, other than as set forth herein, matters currently pending or threatened against us are not expected to have a material adverse effect on our financial position or results of operations.

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

During the three months ended June 30, 2019 we did not issue any unregistered securities.

ITEM 3 Defaults Upon Senior Securities

On April 17, 2019, the Company borrowed $30,000 from a related party. The note payable carries an interest rate of 7% and matured on May 30, 2019. This note also contained a stock fee of 6,000,000 shares which will be used to pay down 80% of the note principal balance. This note is currently in default.

ITEM 4 Mine Safety Disclosures

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

ITEM 5 Other Information

On May 6, 2019, we signed a definitive Asset Purchase Agreement (the "APA") with IDTEC, LLC, to acquire certain assets related to robotics equipment, which our management believes is synergistic with our current assets, from IDTEC in exchange for shares of our common stock equal to 60% of our then outstanding common stock. The APA is subject to several conditions precedent, primarily: (i) we must be current in our reporting requirements under the Securities Exchange Act of 1934, as amended, (ii) we must complete a reverse stock split of our common stock such that approximately 8,000,000 shares will be outstanding immediately prior to closing the transaction with no convertible instruments other than as set forth in the APA and our authorized common stock must be reduced to 100,000,000 shares, (iii) we must not have more than approximately $150,000 in current liabilities, and (iv) IDTEC must complete any necessary audits and reviews of the financial statements related to the assets by a PCAOB-approved independent registered accounting firm.

The description of the APA set forth in this report is qualified in its entirety by reference to the full text of that document, which is attached as Exhibit 10.6 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

The assets being acquired, if the closing occurs, under the APA are the same assets that were subject to the Letter of Intent with First Capital Holdings, LLC we previously announced in our Current Report on Form 8-K filed on November 6, 2018.

Table of Contents

ITEM 6 Exhibits

Item No.	Description
3.1 (1)	Articles of Incorporation of Imagine Media, Ltd.
3.2 (2)	Articles of Amendment to Articles of Incorporation to TransBiotec, Inc.
3.3 (4)	Certificate of Amendment to Certificate of Incorporation filed with the State of Delaware on May 25, 2017
3.3 (1)	Bylaws of Imagine Media, Ltd.
10.1 (1)	Spin-off Trust Agreement by and between Gregory A. Bloom and Imagine Holding Corp. dated August 10, 2007
10.2 (1)	Form of Work For Hire Agreement
10.3 (1)	Assignment and Assumption Agreement by and between Imagine Holding Corp. and Imagine Media, Ltd. dated August 23, 2007
10.4 (3)	Form of Series A Stock Purchase Agreement
10.5 (3)	Form of Amendment No. 1 to Series A Preferred Stock Purchase Agreement
10.6 (5)	Asset Purchase Agreement dated May 6, 2019 between IDTEC, LLC and TransBiotec, Inc.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith)
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Accounting Officer (filed herewith)
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith).
32.2	Section 1350 Certification of Chief Accounting Officer (filed herewith).
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

* Filed herewith.

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registrati0n statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

(1) Incorporated by reference from our Registration Statement on Form SB-2, filed with the Commission on January 31, 2008

(2) Incorporated by reference from our Registration Statement on Form S-1, filed with the Commission on November 6, 2012

(3) Incorporated by reference from our Quarterly Report on Form 10-Q for the period ended June 30, 2017, filed with the Commission on August 21, 2017

(4) Incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Commission on February 6, 2019

(5) Incorporated by referenced from our Current Report on Form 8-K, filed with the Commission on May 14, 2019.

[Table of Contents](#)

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.

TransBiotec, Inc.

Dated: January 31, 2020

By: */s/ Charles Bennington*
Charles Bennington
Chief Executive Officer

EXHIBIT 31.1

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

I, Charles Bennington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotec, 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 Exhibit 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: January 31, 2020

By: *_/s/ Charles Bennington_*
Charles Bennington
Chief Executive Officer

EXHIBIT 31.2

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

I, Nick Noceti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotec, 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 Exhibit 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: January 31, 2020

By: */s/ Nick Noceti*
Nick Noceti
Chief Financial Officer and Chief Accounting Officer

EXHIBIT 32.1

**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 of TransBiotec, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Charles Bennington, President of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 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: January 31, 2020

By: */s/ Charles Bennington*
Charles Bennington
Chief Executive Officer

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

EXHIBIT 32.2

**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 of TransBiotec, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, Nick Noceti, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 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: January 31, 2020

By: */s/ Nick Noceti*
Nick Noceti
Chief Financial Officer and Chief Accounting Officer

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