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

FORM 10-Q

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

For the quarterly period ended March 31, 2026

☐ 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

SOBR SAFE, 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.)
6400 S. Fiddlers Green Circle, Suite 1400 Greenwood Village, Colorado	**80111**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (844) 762-7723

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00001 par value	SOBR	The Nasdaq Market LLC (Nasdaq Capital Market)

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 30, 2026, there were 2,806,579 shares of common stock, $0.00001 par value, issued and outstanding.

SOBR SAFE, INC.

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PART I – FINANCIAL INFORMATION

Forward-Looking Statement Disclaimer

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 information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operation and events set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies, in which words such as "may," "if," "will," "should," "intend," "expect," "anticipate," "plan," "believe," "estimate," "project," "consider," or similar expressions are used to identify these forward looking statements.

Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause our actual results, performance and achievements to be materially different. Forward-looking statements are not guarantees of future performance, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Readers are cautioned not to put undue reliance on any forward-looking statements. Future actual results, events and stockholder values may differ materially from those expressed or implied in these forward-looking statements. The risks, uncertainties, assumptions and other factors that could cause actual results to differ from the results predicted or implied by forward-looking statements include factors discussed in our filings with the SEC, including those disclosed under captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K and our Quarterly Reports on Form 10-Q (including this Quarterly Report).

ITEM 1 Condensed Consolidated Financial Statements

The unaudited condensed consolidated balance sheets as of March 31, 2026, and December 31, 2025, the unaudited condensed consolidated statements of operations for the three months ended March 31, 2026, and 2025, the unaudited condensed consolidated statements of changes in stockholders' equity for the three months ended March 31, 2026, and 2025, and the unaudited condensed consolidated statements of cash flows for the three months ended March 31, 2026, and 2025, follow. The unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

SOBR SAFE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2026	December 31, 2025
ASSETS	(Unaudited)	
Current assets		
Cash	$ 2,106,473	$ 4,759,370
Accounts receivable, net	22,604	35,907
Inventory	142,222	146,522
Prepaid expenses	207,428	267,766
Other current assets	16,281	21,371
Total current assets	2,495,008	5,230,936
Property and equipment, net	32,447	34,355
Intellectual technology, net	1,175,588	1,246,124
Operating lease right-of-use assets, net	55,244	82,380
Other assets	27,427	27,427
Total Assets	$ 3,785,714	$ 6,621,222
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 493,298	$ 484,731
Accrued expenses	405,081	866,335
Accrued interest payable	116,360	114,901
Operating lease liabilities, current portion	61,656	91,993
Deferred revenue	31,248	6,600
Notes payable - related parties, net	11,810	11,810
Notes payable - non- related parties, net	26,683	119,663
Total current liabilities	1,146,136	1,696,033
Total Liabilities	1,146,136	1,696,033
Stockholders' Equity		
Common stock, $0.00001 par value; 100,000,000 shares authorized, 2,806,562 and 1,886,238 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	28	19
Treasury stock, at cost; 17 shares as of March 31, 2026 and December 31, 2025	(38,015)	(38,015)
Additional paid-in capital	112,354,443	112,347,141
Accumulated deficit	(109,623,170)	(107,330,252)
Total SOBR Safe, Inc. stockholders' equity	2,693,286	4,978,893
Noncontrolling interest	(53,708)	(53,704)
Total Stockholders' Equity	2,639,578	4,925,189
Total Liabilities and Stockholders' Equity	$ 3,785,714	$ 6,621,222

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

SOBR SAFE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Three Months Ended March 31, 2026 (Unaudited)	For The Three Months Ended March 31, 2025 (Unaudited)
Revenues	$ 79,003	$ 86,617
Cost of goods and services	34,085	35,653
Gross profit	44,918	50,964
Operating expenses:		
General and administrative	2,323,989	1,823,469
Stock-based compensation expense	7,243	139,678
Research and development	23,693	40,924
Total operating expenses	2,354,925	2,004,071
Loss from operations	(2,310,007)	(1,953,107)
Other income (expense):		
Interest income	20,551	77,717
Interest expense	(3,466)	(3,665)
Total other income, net	17,085	74,052
Loss before provision for income taxes	(2,292,922)	(1,879,055)
Provision for income taxes	-	-
Net loss	(2,292,922)	(1,879,055)
Net loss attributable to noncontrolling interest	4	4
Net loss attributable to SOBR Safe, Inc.	$ (2,292,918)	$ (1,879,051)
Deemed dividends related to Convertible Debt Warrants down round provision	-	(1,833)
Deemed dividends related to 2022 PIPE Warrants down round provision	-	(1,547)
Deemed dividends related to Original Warrants and New Warrants down round provision	-	-
Deemed dividends related to 2024 PIPE Warrants down round provision	-	(47,373)
Net loss attributable to common stockholders	$ (2,292,918)	$ (1,929,804)
Basic and diluted loss per common share	$ (0.92)	$ (1.46)
Weighted average number of common shares outstanding, basic and diluted	2,496,321	1,320,526

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

SOBR SAFE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Preferred Stock		Treasury Stock						
	Shares	Amount ($0.00001 Par)	Shares	Amount ($0.00001 Par)	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity (Deficit) SOBR Safe, Inc.	Noncontrolling Interest	Total Stockholders' Equity (Deficit)
For the Three Months Ended, March 31, 2025											
Balances at January 1, 2025	**936,926**	**$ 94**	**-**	**$ -**	**(16)**	**$ (38,015)**	**$ 108,222,324**	**$ (98,328,395)**	**$ 9,856,008**	**$ (53,687)**	**$ 9,802,321**
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	-	-	139,678	-	139,678	-	139,678
Deemed dividends related to Convertible Debt Warrants down round provision	-	-	-	-	-	-	1,833	(1,833)	-	-	-
Deemed dividends related to 2022 PIPE Warrants down round provision	-	-	-	-	-	-	1,547	(1,547)	-	-	-
Deemed dividends related to 2024 PIPE Warrants down round provision	-	-	-	-	-	-	47,373	(47,373)	-	-	-
Common stock issued upon exercise of warrants	579,219	58	-	-	(1)	-	3,496,333	-	3,496,391	-	3,496,391
Net Loss	-	-	-	-	-	-	-	(1,879,051)	(1,879,051)	(4)	(1,879,055)
Balances at March 31, 2025	**1,516,145**	**$ 152**	**-**	**$ -**	**(17)**	**$ (38,015)**	**$ 111,909,088**	**$ (100,258,199)**	**$ 11,613,026**	**$ (53,691)**	**$ 11,559,335**
For the Three Months Ended, March 31, 2026											
Balances at January 1, 2026	**1,886,255**	**$ 19**	**-**	**$ -**	**(17)**	**$ (38,015)**	**$ 112,347,141**	**$ (107,330,252)**	**$ 4,978,893**	**$ (53,704)**	**$ 4,925,189**
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	-	-	7,243	-	7,243	-	7,243
Common stock issued upon exercise of warrants	920,324	9	-	-	-	-	59	-	-	-	68
Net Loss	-	-	-	-	-	-	-	(2,292,918)	(2,292,918)	(4)	(2,292,922)
Balances at March 31, 2026	**2,806,579**	**$ 28**	**-**	**$ -**	**(17)**	**$ (38,015)**	**$ 112,354,443**	**$ (109,623,170)**	**$ 2,693,286**	**$ (53,708)**	**$ 2,639,578**

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

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SOBR SAFE, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Three Months Ended March 31, 2026 (Unaudited)	For The Three Months Ended March 31, 2025 (Unaudited)
Operating activities:		
Net loss	$ (2,292,922)	$ (1,879,055)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	72,445	96,366
Non-cash lease expense	27,136	24,314
Non-cash interest expense	1,145	-
Stock-based compensation expense	7,243	139,678
Bad debt expense	9,022	-
Changes in assets and liabilities:		
Accounts receivable	4,281	(4,146)
Inventory	4,300	31,007
Prepaid expenses	60,338	3,155
Other assets	5,090	23,675
Accounts payable	8,567	(10,055)
Accrued expenses	(492,471)	(105,998)
Accrued interest payable	314	2,124
Deferred revenue	24,648	-
Operating lease liabilities	(30,337)	(26,562)
Net cash used in operating activities	(2,591,201)	(1,705,497)
Financing activities:		
Repayments of notes payable – non-related parties	(61,764)	(100,907)
Proceeds from exercise of stock warrants	68	3,680,411
Payment for transaction costs of equity transactions	-	(184,020)
Net cash provided by (used in) financing activities	(61,696)	3,395,484
Net Change In Cash	(2,652,897)	1,689,987
Cash At The Beginning Of The Period	4,759,370	8,384,042
Cash At The End Of The Period	$ 2,106,473	$ 10,074,029
Schedule Of Non-Cash Investing And Financing Activities:		
Deemed dividends related to Convertible Debt Warrants down round provision	$ -	$ 1,833
Deemed dividends related to 2022 PIPE Warrants down round provision	$ -	$ 1,547
Deemed dividends related to 2024 PIPE Warrants down round provision	$ -	$ 47,373
Supplemental Disclosure:		
Cash paid for interest	$ 2,006	$ 1,541
Cash paid for income taxes	$ -	$ -

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

SOBR SAFE, INC.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2026

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

SOBR Safe, Inc., a Delaware corporation, (the "Company", "we", "us", and "our") is a hardware and software company headquartered in Greenwood Village, Colorado. Our Company integrates proprietary software, SOBRsafe™, with our patented touch-based alcohol monitoring and detection products, SOBRcheck™ and SOBRsure®, enabling non-invasive alcohol monitoring and detection, biometric identity verification, and qualified, real-time cloud-based alerts and reporting. We operate as a single segment designed to enable customers to purchase products directly through channel partners, sales agents or through our enterprise and consumer digital channels. Currently our principal markets are located in North America.

Basis of Presentation
The accompanying unaudited condensed consolidated financial statements included herein 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 and the notes thereto should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K filed with the SEC on April 10, 2026.

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 March 31, 2026, and December 31, 2025, and results of operations and cash flows for the three-month periods ended March 31, 2026 and 2025.

Principles of Consolidation
The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its majority owned subsidiary, TransBiotec-CA ("TBT"), of 98.6%. We have eliminated all intercompany transactions and balances between entities consolidated in these unaudited condensed consolidated financial statements.

Use of Estimates
The preparation of audited consolidated financial statements in conformity with GAAP 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 recoverability and useful lives of long-lived assets, and our intellectual technology, stock-based compensation and the valuation allowance related to deferred tax assets. Actual results could differ from those estimates.

Financial Instruments
The Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The 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. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

Level I: Inputs that reflect unadjusted quoted prices in active markets that are accessible to SOBRsafe for identical assets or liabilities

Level II: 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.

Level III: 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 receivable, accounts payable, accrued expenses, accrued interest payable, related party payables, notes payable, and other liabilities. The Company believes that the recorded values of our financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

At March 31, 2026 and December 31, 2025, the Company did not have financial instruments requiring valuation from observable or unobservable inputs to determine fair value on a recurring basis.

Cash and Cash Equivalents
The Company considers all highly liquid investments with an original maturity of 90 days or less at the date of purchase as cash equivalents. The Company does not have any cash equivalents at March 31, 2026 and December 31, 2025.

Accounts Receivable
Customer accounts are monitored for potential credit losses based upon management's assessment of expected collectability and the allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance. In making this assessment, management takes into consideration any circumstances of which the Company is aware regarding a customer's inability to meet its financial obligations to the Company, and any potential prevailing economic conditions and their impact on the Company's customers. The Company had $20,000 and $30,000 in allowance for credit losses at March 31, 2026 and December 31, 2025, respectively.

Inventory
Inventory is comprised of component parts and finished product and is valued at the lower of cost or net realizable value. The cost of substantially all the Company's inventory is determined by the FIFO cost method. The Company evaluates the valuation of inventory and periodically adjusts the value for estimated excess based upon estimates of future demand and market conditions, and obsolete inventory based upon otherwise damaged or impaired goods. The Company had no reserves for obsolescence at March 31, 2026 and December 31, 2025.

Prepaid Expenses
Amounts incurred in advance of contractual performance or coverage periods are recorded as prepaid assets and recognized as expense in the period service or coverage is provided.

Debt Issuance Costs
Debt issuance costs incurred in connection with the issuance of debt are capitalized and amortized to interest expense over the term of the debt using the effective interest method. The unamortized amount is presented as a reduction of debt on the unaudited condensed consolidated balance sheet.

Preferred Stock
Preferred shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. The Company classifies conditionally redeemable preferred shares (if any), which includes preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control, as temporary equity. At all other times, the Company classifies preferred shares in stockholders' equity.

Noncontrolling Interest
A subsidiary of the Company, TBT, has minority members representing ownership interests of 1.4% at March 31, 2026 and December 31, 2025. The Company accounts for this noncontrolling interest 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.

Long-Lived Assets
The Company records intangible assets based on estimated fair value on the date of acquisition. Long-lived assets consist of net property and equipment and intangible assets. The finite-lived intangible assets are intellectual property and are amortized on a straight-line basis over the estimated lives of the assets.

The Company assesses impairment of long-lived assets when events or changes in circumstances indicate that their carrying value amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: (i) significant decreases in the market price of the asset; (ii) significant adverse changes in the business climate or legal or regulatory factors; (iii) or, expectations that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

If the estimated future discounted cash flows, excluding interest charges, from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

Impairment of Long-Lived Assets
Long-lived assets and identifiable intangibles held for use are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of undiscounted expected future cash flows is less than the carrying amount of the asset or if changes in facts and circumstances indicate, an impairment loss is recognized and measured using the asset's fair value. No impairment loss was recognized during the three-month periods ended March 31, 2026 and 2025.

Revenue Recognition

The Company enters contracts with customers and generates revenue through various combinations of software products and services which include the sale of cloud-based software solutions, detection and data collection hardware devices, and cloud-based data reporting and analysis services. Depending on the combination of products and services detailed in the respective customer contract, the identifiable components may be highly interdependent and interrelated with each other such that each is required to provide the substance of the value of the Company's offering and accounted for as a combined performance obligation, or the specific components may be generally distinct and accounted for as separate performance obligations. Revenue is recognized when control of these software products and/or services are transferred to the customer in an amount that reflects the consideration the Company expects to be entitled in exchange for respective services and devices.

The Company determines revenue recognition through five steps which include: (1) identification of the contract or contracts with a customer; (2) identification of individual or combined performance obligations contained in the contract; (3) determination of the transaction price detailed within the contract; (4) allocation of the transaction price to the specific performance obligations; (5) recognition of revenue as the Company's performance obligations are satisfied according to the terms of the contract.

Contracts with a Single License/Service Performance Obligation

For contracts with a single performance obligation consisting of a license and/or data services, the entire transaction price is allocated to the single performance obligation. Where the Company provides a performance obligation as licensed software or data services, revenue is recognized upon delivery of the software or services ratably over the respective term of the contract.

Contracts for Purchase of Hardware Devices Only

Where hardware devices are sold separately by the Company, the entire transaction price is allocated to the device as an individual performance obligation and revenue recognized at a point in time when either legal title, physical possession, or the risks and rewards of ownership have transferred to the customer. Generally, these requirements are satisfied at the point in time the Company ships the product, as this is when the customer obtains control of the asset under SOBR's standard terms and conditions of the purchase.

Contracts with Multiple Performance Obligations

Where a Company's contract with a respective customer contains multiple performance obligations and due to the interdependent and interrelated nature of the licensed software, hardware devices and data reporting services, the Company accounts for the individual performance obligations if they are distinct in nature and the transaction price is allocated to each distinct performance obligation(s) on a directly observable standalone sales price basis. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgment. Standalone selling prices are primarily based upon the price at which the performance obligation is sold separately. The Company may be able to establish a standalone sales price based upon observable products or services sold or priced separately in comparable circumstances, competitor pricing or similar customers. Where the performance obligations are either not distinct or directly observable, the Company estimates the standalone sales price of the performance obligations based upon the overall pricing objectives taking into consideration the value of the contract arrangement, number of licenses, number and types of hardware devices and the length of term of the contract. Professional judgement may be required to determine the standalone sales price for each performance obligation where not directly observable. Revenue for contracts with multiple performance obligations is recognized on a ratable basis for each respective performance obligation as allocated under the prescribed Transaction Price identification model applied.

The Company requires customers to make payments related to subscribed software licenses and data services on a monthly basis via authorized bank account ACH withdrawal or an automatic credit card charge during the approved term of the respective agreement. The collectability of future cash flows are reasonably assured with any potential non-payment easily identified with future services being discontinued or suspended due to non-payment.

The Company's contracts are generally three to twelve months in duration, billed monthly, and non-cancelable. The timing of revenue recognition may differ from the timing of invoicing to customers. The Company generally has an unconditional right to consideration when customers are invoiced and a receivable is recorded. A contract asset (unbilled revenue) is recognized when revenue is recognized prior to invoicing, or a contract liability (deferred revenue) when revenue will be recognized subsequent to invoicing.

The Company has elected to charge shipping, freight, and delivery costs to customers who choose expedited shipping options as a source of revenue to offset respective costs when control has transferred to the customer.

The Company reports revenue net of sales and other taxes collected from customers to be remitted to government authorities.

Estimated costs for the Company's standard one-year warranty are charged to cost of goods and services when revenue is recorded for the related product. Royalties are also charged to cost of goods and services.

Leases

The Company determines if an arrangement is or contains a lease at inception. Leases with an initial term of twelve months or less are considered short-term leases and are not recognized on the Company's unaudited condensed consolidated balance sheet. Right-of-use ("ROU") assets and liabilities are recognized on the unaudited condensed consolidated balance sheet for leases with an expected term greater than twelve months. Operating lease ROU assets represent our right to use an underlying asset over the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at inception based on the present value of lease payments over the lease term. When the rate implicit in the lease is not determinable, the Company uses its estimated secured incremental borrowing rate in determining the present value of lease payments. The lease expense for fixed lease payments is recorded on a straight-line basis over the lease term and variable lease payments are included in the lease expense when the obligation for those payments is incurred. The Company has elected not to separate lease and non-lease components.

Stock-based Compensation

The Company uses the fair-value based method to determine compensation for all arrangements under which employees and others receive shares of stock or equity instruments (warrants, options, and restricted stock units). The fair value of each warrant and option is estimated on the date of grant using the Black-Scholes options pricing model that uses assumptions for expected volatility, expected dividends, expected term, and the risk-free interest rate. The Company has not paid dividends historically and does not expect to pay them in the future. Expected volatilities are based on weighted averages of the historical volatility of the Company's common stock estimated over the expected term of the awards. The expected term of options granted is derived using the "simplified method" which computes expected term as the average of the sum of the vesting term plus the contract term as historically the Company had limited activity surrounding its awards. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for the period of the expected term. The grant date fair value of a restricted stock unit equals the closing price of our common stock on the trading day of the grant date.

Research and Development

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 products.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs were $578,460 and $382,310 during the three-month periods ended March 31, 2026, and 2025, respectively.

Income Tax

Deferred taxes are provided on an asset and 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 March 31, 2026 and December 31, 2025, as these have been offset by a 100% valuation allowance.

Loss Per Share

Basic loss per share is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share gives the effect to all dilutive potential common shares outstanding during the period, including stock options, restricted stock units, warrants and convertible instruments. Diluted net loss per share excludes all potentially issuable shares if their effect is anti-dilutive. Because the effect of the Company’s dilutive securities is anti-dilutive, diluted net loss per share is the same as basic loss per share for the periods presented.

The following outstanding and potentially issuable shares at March 31, 2026 and March 31, 2025, have been excluded from the computation of diluted weighted shares outstanding, as they could have been anti-dilutive:

	March 31, 2026	**March 31, 2025**
Stock options	1,210	1,323
Restricted stock units	-	90
Warrants	4,017,738	1,229,924
Convertible instruments	2	2
Total dilutive securities	4,018,950	1,231,339

Concentration of Credit Risk

Credit Risk –Financial instruments that potentially subject the Company to concentration of credit risk consisted primarily of cash. The Company maintains its cash at two domestic financial institutions. The Company is exposed to credit risk in the event of a default by the financial institutions to the extent that cash balances are in excess of the amount insured by the Federal Deposit Insurance Corporation of up to $250,000 per institution. The Company places its cash with high-credit quality financial institutions and managed within established guidelines to mitigate risk. To date, the Company has not experienced any loss on its cash.

Concentration of Customers – To date, the Company’s sales have been concentrated among a limited number of customers in the business-to-business (“B2B”) segment, while its eCommerce sales are more diversified and do not present the same level of customer concentration risk. As a result, the Company’s overall revenue may experience significant period-to-period fluctuations due to its reliance on a small number of B2B customers. Revenue could decline if the Company loses one or more of these key customers or is unable to secure new customers, even as it maintains a broader, less concentrated presence in the eCommerce market.

Concentration of Suppliers – The Company relies on a limited number of component and contract suppliers to assemble and distribute its product. If supplier shortages occur, or quality problems arise, production and distribution schedules could be significantly delayed or costs significantly increased, which could in turn have a material adverse effect on the Company’s financial condition, results of operations and cash flows.

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 management and policies of the Company.

Recently Adopted Accounting Standards
The Company has reviewed recently issued, but not yet effective, accounting pronouncements and does not believe the future adoptions of any such pronouncements will be expected to have a material impact on its financial condition or the results of operations.

ASU 2024-03 and ASU 2025-01, *Income Statement - Expense Disaggregation Disclosures (Subtopic 220-40)*. These ASUs require additional disclosure of disaggregated income statement expenses in the notes to the financial statements. The standards are effective for annual periods beginning after December 15, 2026, and for interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact of these ASUs on its consolidated financial statements and related disclosures.

ASU 2025-03, *Determining the Accounting Acquirer in a Business Combination Involving a Variable Interest Entity*. This ASU clarifies guidance for identifying the accounting acquirer when the legal acquiree is a variable interest entity. It is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is evaluating the potential impact of this guidance on future business combinations.

ASU 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses. This ASU introduces a practical expedient for credit loss measurement for certain accounts receivable and contract assets. The Company adopted this standard effective January 1, 2026. The adoption of this guidance did not have a material impact on the Company's financial statements.

ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements*. This ASU amends the internal-use software capitalization criteria. It is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the potential impact on its consolidated financial statements.

ASU 2025-11, Interim Reporting (ASC 270). This ASU clarifies guidance on when interim reporting applies and specifies required interim disclosures. The Company adopted this standard effective January 1, 2026. The adoption of this guidance did not have a material impact on the Company's financial statements.

The Company does not expect that the adoption of any of the recently issued, but not yet effective, accounting standards will have a material impact on its consolidated financial statements; however, the full effect will depend on future transactions, guidance, and interpretations.

Reclassifications
Certain prior period amounts have been reclassified to conform with the current period presentation. None of these reclassifications had a material impact on the condensed consolidated financial statements.

NOTE 2. GOING CONCERN

The Company has incurred recurring losses from operations, generated negative cash flows, and has limited liquidity and capital resources to meet its ongoing obligations. As of March 31, 2026, the Company had an accumulated deficit of approximately $109,623,000 and experienced negative cash flows from operating activities of approximately $2,591,000 for the three months then ended. Revenue levels remain insufficient to support operations.

As of March 31, 2026, the Company had cash of approximately $2,106,000 and working capital of approximately $1,349,000. Based on its current operating plan, the Company expects that its existing cash resources will not be sufficient to fund operations for the twelve months following the issuance date of the financial statements, and additional capital will be required.

The Company is also subject to risks related to its Nasdaq listing status, including non-compliance with the minimum bid price requirement. While the Company has appealed the bid price deficiency and intends to pursue a compliance plan, there can be no assurance that it will regain or maintain compliance.

The Company is pursuing a proposed merger with Clean World Ventures, Inc., which may provide future liquidity and strategic support; however, the transaction is subject to significant conditions and uncertainties and may not be completed. The Company is also evaluating additional financing alternatives, including equity and debt financings, but no committed arrangements are currently in place. While management has implemented cost-reduction measures and may take further actions to reduce expenditures, these plans are not considered probable of being effectively implemented within the required timeframe or sufficient to fully mitigate the Company's liquidity challenges.

These conditions and events, when considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of these financial statements. Management has concluded that such substantial doubt has not been alleviated as of March 31, 2026.

NOTE 3. INVENTORY

Inventories consist of the following:

	March 31, 2026	December 31, 2025
Component parts	$ 63,797	$ 65,802
Finished goods	78,425	80,720
Inventory	$ 142,222	$ 146,522

NOTE 4. PREPAID EXPENSES

Prepaid expenses consist of the following:

	March 31, 2026	December 31, 2025
Insurance	$ 87,988	$ 174,313
Deposit	15,736	15,736
Other	103,704	77,717
Prepaid expenses	$ 207,428	$ 267,766

On July 1, 2025, the Company entered into a financing agreement for payment of its annual insurance premiums for coverage from July 2025 through June 2026 totaling $341,306. The financing agreement required an initial down payment of $68,261 with the remaining amount of $273,045 financed for a nine-month period at an annual interest rate of 8.6% with monthly payments of $31,441 beginning August 2025.

On July 1, 2024, the Company entered into a financing agreement for payment of its annual insurance premiums for coverage from July 2024 through June 2025 totaling $330,083. The financing agreement required an initial down payment of $66,017 with the remaining amount of $264,066 financed for an eight-month period at an annual interest rate of 9.1% with monthly payments of $34,150 beginning in July 2024. The principal balance and any accrued interest related to the premium financing note payable was paid in full in March 2025.

NOTE 5. LEASES

The Company leases its corporate headquarters office space and certain office equipment under arrangements classified as operating leases.

The Company entered into a lease agreement to rent office space for atwelve-month period beginning July 1, 2022, with a monthly base rent of $9,744. The lease did not contain renewal options and was considered a short-term lease at inception. In April 2023, the Company executed an amendment to extend the term of the lease from July 1, 2023, through September 30, 2026. The amended lease provides for monthly base rent of $9,310 through September 2024, with fixed escalating monthly base rent for each year thereafter, and no rent due for the months of July through September 2023.

The Company determined that the amendment results in a lease modification that is not accounted for as a separate contract. Further, due to the extension of the lease term beyond the initial twelve months, the office lease can no longer be considered a short-term lease. The Company has recorded a right-of-use asset and lease liability as of April 17, 2023 (the effective date of the amendment) based on the modified terms and conditions of the amended lease.

The Company entered into a lease agreement for copier equipment in June 2023, requiring monthly lease payments of $329 through May 2026.

Total operating lease expense for the three-month period ended March 31, 2026, total operating lease expense was $50,639 which included $18,513 of variable lease expense. Total operating lease expense for the three-month period ended March 31, 2025, total operating lease expense was $50,115, of which $21,190 was attributable to variable lease expense.

Operating lease obligations recorded on the unaudited condensed consolidated balance sheet at March 31, 2026 are as follows:

Operating lease liabilities – current portion	$ 61,656
Operating lease liabilities – less current portion	-
Total operating lease liabilities	$ 61,656

Future lease payments included in the measurement of operating lease liabilities on the unaudited condensed consolidated balance sheet at March 31, 2026 are as follows:

2026	62,937
Total future minimum lease payments	62,937
Less imputed interest	(1,281)
Total operating lease liabilities	$ 61,656

The weighted average remaining lease term is 6 months, and the weighted average discount rate is 10%.

NOTE 6. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	March 31, 2026	December 31, 2025
Leasehold improvements	$ 8,462	$ 8,462
Furniture and fixtures	29,710	29,710
Total property and equipment	38,172	38,172
Accumulated depreciation	(5,725)	(3,817)
Net property and equipment	$ 32,447	$ 34,355

Total depreciation expense was $1,909 and zero for the three months ended March 31, 20262025, respectively..

NOTE 7. INTANGIBLE ASSETS

Intangible assets are comprised of SOBRsafe Intellectual Technology and consist of the following:

	March 31, 2026	December 31, 2025
Gross carrying amount	$ 3,398,298	$ 3,854,675
Accumulated amortization	(2,222,710)	(2,152,174)
Asset impairment loss	-	(456,377)
Net intangible asset	$ 1,175,588	$ 1,246,124
Amortization period (in years)	10	10

Amortization expense was $70,536 and $96,366 for the three-month periods ended March 31, 2026, and 2025, respectively.

Estimated future amortization expense for device technology intangible assets is as follows:

2026	$ 211,608
2027	282,144
2028	282,144
2029	282,144
2030	117,548
Thereafter	-
Total future amortization expense	**$ 1,175,588**

NOTE 8. ACCRUED EXPENSES

Accrued expenses consist of the following:

	March 31, 2026	December 31, 2025
Professional consulting services	$ 212,231	$ 199,507
Franchise taxes	-	392,639
Employee benefits	48,323	109,137
Other	144,527	165,052
Total accrued expenses	$ 405,081	$ 866,335

NOTE 9. NOTES PAYABLE

RELATED PARTIES

Notes payable to related parties consist of the following:

	March 31, 2026	December 31, 2025
Non-convertible note payable	$ 11,810	$ 11,810
Less current portion	(11,810)	(11,810)
Net long-term portion	**$ -**	**$ -**

The Company has one related party note payable that has an interest rate of 0%. The note payable had a due date of December 31, 2012, and is currently in default. Total interest expense for the related party notes was none for both three-month periods ended March 31, 2026 and 2025.

NON-RELATED PARTIES

Notes payable to non-related parties consist of the following:

	March 31, 2026	December 31, 2025
Convertible notes payable	$ 9,183	$ 9,183
Non-convertible notes payable	17,500	17,500
Premium financing note payable	-	92,980
Net non-related party notes payable	26,683	119,663
Current portion	(26,683)	(119,663)
Net long-term portion	**$ -**	**$ -**

Total interest expense for non-related party notes was $2,006 and $3,665 for the three-month periods ended March 31, 2026 and 2025, respectively.

Convertible Notes Payable with Warrants - 2023 Debt Offering

On March 7, 2023, the Company entered into a Debt Offering (the "2023 Debt Offering") pursuant to a Purchase Agreement (the "Agreement") and Registration Rights Agreement with institutional investors. The 2023 Debt Offering closed on March 9, 2023. The 2023 Debt Offering includes 15% Original Issue Discount Convertible Notes (the "Notes") and Common Stock Purchase Warrants (the "Warrants"). Under the terms of the Agreement, the Company received $ 3,000,001 from the Purchasers and in exchange issued the Notes in principal amounts of $3,529,412 and Warrants to purchase up to 352 shares of the Company's common stock. The Notes may be converted voluntarily by the Purchaser at any time the principal amounts are outstanding into shares of our common stock at a conversion price of $2,508. The Notes are due March 10, 2025, and accrue interest quarterly at 5% per annum. The accrued interest is compounded quarterly, payable on the maturity date, if not sooner converted. The Warrants are exercisable at any time through March 9, 2028, into shares of the Company's common stock at an exercise price of $2,772 per share. The Company received approximately $2,500,000 of net proceeds from the 2023 Debt Offering after offering-related costs.

On May 10, 2023, noteholders elected to convert a total of $341,998 (the "Conversion Amount") pertaining to the 2023 Debt Offering into 137 shares of the Company's common stock at $2,508 per share. As provided for in the Agreement, the Conversion Amount included original note principal of $309,688, as well as accrued interest of $32,311.

On March 4, 2024, the Company entered into inducement offer letter agreements (the "Inducement Letters") with each holder (collectively, the "Holders", and individually, a "Holder") of the Notes issued on March 9, 2023. Pursuant to the Inducement Letters, the Holders agreed to convert some or all of the Applicable Notes at a reduced conversion price equal to $682 per share (such reduced conversion price, the "Notes Conversion Price"). Simultaneously with the execution of the Inducement Letters, the Company received conversion notices from such Holders for the conversion of approximately $804,000 aggregate principal amount of the Applicable Notes, representing approximately 25% of the aggregate principal amount of the Applicable Notes. In connection with such conversion, the Notes Conversion Price was permanently reduced to $682. The Company recognized conversion expense of $585,875 for the induced conversion.

In March, May, and June 2024 noteholders elected to convert an aggregate total of $3,556,234 (the "Conversion Amount") pertaining to the 2023 Debt Offering into 5,214 shares of the Company's common stock at $682 per share. As provided for in the Agreement, the Conversion Amount included original Convertible Note principal of $3,219,724, as well as $336,510 of accrued interest incurred in both fiscal 2023 and 2024.

Convertible Notes Payable

The Company has two convertible notes payable to a non-related entity with principal balances totaling $9,183 as of March 31, 2026, and December 31, 2025. The notes bear interest at 12% and are convertible into shares of the Company's common stock at $35,519 per share. The notes were due in 2013 and are currently in default.

Non-Convertible Notes Payable

The Company has two non-convertible notes payable to non-related parties with principal balances totaling $17,500 as of March 31, 2026, and December 31, 2025. These notes carry interest rates ranging from 9% - 10% and have due dates ranging from December 2013 to November 2015. The notes are currently in default.

Premium Financing Note Payable

On July 1, 2025, the Company entered into a financing agreement for payment of its annual insurance premiums for coverage from July 2025 through June 2026 totaling $341,306. The financing agreement required an initial down payment of $68,261 with the remaining amount of $273,045 financed for a nine-month period at an annual interest rate of 8.6% with monthly payments of $31,441 beginning August 2025.

On July 1, 2024, the Company entered into a financing agreement for payment of its annual insurance premiums for coverage from July 2024 through June 2025 totaling $330,083. The financing agreement required an initial down payment of $66,017 with the remaining amount of $264,066 financed for an eight-month period at an annual interest rate of 9.1% with monthly payments of $34,150 beginning in July 2024. The principal balance and any accrued interest related to the premium financing note payable was paid in full in March 2025.

NOTE 10. COMMON STOCK

The Company's common stock transactions for the three months ended March 31, 2026, consist of the following:

The Company issued 920,324 shares of common stock upon exercise of warrants.

The Company's common stock transactions for the three months ended March 31, 2025, consist of the following:

The Company issued 579,219 shares of common stock upon exercise of warrants.

NOTE 11. 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, from which the Board of Director created a class of Preferred Stock designated as Series A Convertible Preferred Stock comprising 3,000,000 shares. As of March 31, 2026 and 2025, the Company did not have any Series A Convertible Preferred Stock issued or outstanding.

On December 19, 2019, the Company's Board of Directors created a class of Preferred Stock designated as 8% Series A-1 Convertible Preferred Stock comprising 2,000,000 shares. During 2020, the authorized shares were increased to 2,700,000 shares. As of March 31, 2026 and 2025, the Company did not have any Series A-1 Convertible Preferred Stock issued or outstanding.

On March 1, 2022, the Company's Board of Directors created a class of shares of Preferred Stock designated as Series B Convertible Preferred Stock comprising 3,000,000 shares. As of March 31, 2026 and 2025, the Company did not have any Series B Convertible Preferred Stock issued or outstanding.

As of March 31, 2026 and 2025, the remaining 16,300,000 of unclassified Preferred Stock did not have any units issued or outstanding.

NOTE 12. STOCK WARRANTS, STOCK OPTIONS AND RESTRICTED STOCK UNITS

The Company accounts for share-based compensation stock options and restricted stock units, and non-employee stock warrants 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-Scholes pricing model for stock options and warrants, and the closing price of our common stock on the grant date for restricted stock units. Unless otherwise provided for, the Company covers equity instrument exercises by issuing new shares.

Stock Warrants

On March 6, 2024, pursuant to the Adjustment terms of the September 2021 and the March 2022 Armistice Warrants as a result of the Inducement Letters, the Company issued an aggregate 2,418 warrants (the "Armistice Warrants") consisting of (i) 1,934 warrants pursuant to the Adjustment terms under the September 2021 Armistice Warrant, and (ii) 484 warrants pursuant to the Adjustment terms of the March 2022 Armistice warrant. In addition, the Armistice Warrants include conditions where the warrant exercise price may be adjusted downward in the event securities instruments or exercise prices are subsequently issued or reduced, respectively, below the then current exercise prices of $1,485 per unit of the Armistice Warrants. Where the Inducement Letters stipulate a reduction in the warrant securities exercise prices below the Armistice Warrant exercise price of $1,485 per unit, the conditions of a downward adjustment were met reducing the Armistice Warrants exercise price permanently to $682 per unit. The additional issuance of the Armistice Warrants expire seven years from the date of the original issuance on September 28, 2021, and March 30, 2022, respectively. The difference with respect to the adjusted additional warrants is treated as a deemed dividend and a reduction in net income available to common stockholders of $23,270.

On March 6, 2024, pursuant to the Inducement letters, the exercise price for Common Stock Purchase Warrants issued on September 30, 2022, in relation to the PIPE Offering were permanently reduced to $682 per share. The difference with respect to the adjusted warrant exercise price is treated as a deemed dividend and a reduction in net income available to common stockholders.

In June 2024, the Company entered into a Warrant Inducement with a certain holder of its existing warrants to exercise for cash an aggregate of 9,382 shares of the Company's common stock at a reduced exercise price of $297 per share. The value of the adjusted warrant exercise price of $341,297 was recorded as a reduction to Retained Earnings in conjunction with a deemed dividend of $1,455,805. The exercised warrants included warrants issued in the Amended and Restated common stock Purchase Warrants, with an initial exercise date of September 27, 2021, dated September 2022, the Amended and Restated Common Stock Purchase Warrants, with an initial exercise date of March 30, 2022, dated September 2022, and warrants issued under the Waiver agreement dated March 30, 2022. As part of the Warrant Inducement, the Company agreed to issue new unregistered warrants to purchase up to 18,763 shares of common stock. The warrants are exercisable upon the Company obtaining stockholder approval for purposes of complying with applicable Nasdaq rules with an exercise price of $297 per share. The warrants will expire five years following the issuance date. The total gross proceeds from the Warrant Inducement was $2,786,174 with net proceeds of $2,425,418 after deducting $360,756 in commissions and transaction costs.

Upon the close of the transaction, the Company issued the holder 5,184 of the 9,382 shares of common stock that were issuable upon exercise of the existing warrants. Due to the beneficial ownership limitation provisions in the inducement offer letter agreement, the remaining 4,198 shares were initially unissued, and reserved in abeyance with the Company's transfer agent for the benefit of the holder until notice from the holder that the shares may be issued in compliance with the agreement. Upon notice from the holder on June 24, 2024, the Company issued 4,198 shares of common stock previously held in abeyance.

On June 4, 2024, pursuant to the Warrant Inducement, the exercise price for Common Stock Purchase Warrants issued on September 30, 2022, in relation to the 2022 PIPE Offering were permanently reduced to $297 per share. The difference with respect to the adjusted warrant exercise price is treated as a deemed dividend of $42,539 and a reduction in net income available to common stockholders.

In October 2024, the Company entered into a private investment in public equity offering (the "2024 PIPE Offering") pursuant to a securities purchase agreement and registration rights agreement where the Company agreed to issue an aggregate of 202,470 units (the "Units") at a purchase price of $40.50 per unit, each Unit consisting of one share of common stock, par value $0.00001 per share, of the Company, or one pre-funded warrant in lieu thereof, two Series A Warrants, each to purchase one share of common stock at an initial exercise price of $38 per share, and one Series B Warrant to purchase such number of common stock as will be determined on the Reset Date. The Series A Warrants also include a reset feature, where, on the Reset Date, the exercise price shall be adjusted to equal the lower of (i) the exercise price then in effect and (ii) the Reset Price determined as of the date of determination. Upon such reset of the exercise price pursuant to the Series A Warrant, the number of warrant shares issuable upon exercise of the Series A Warrant shall be increased such that the aggregate exercise price payable thereunder, after taking into account the decrease in the exercise price, shall be equal to the aggregate exercise price on the issuance date for the warrant shares then outstanding. In accordance with the terms of the Series A and Series B Warrant Agreements and determination of the Reset Exercise Price in effect at December 31, 2025, the issuance of 1,603,370 Series A Warrants and 640,864 Series B Warrants. Under the terms of the Warrant Agreements, at the conclusion of the Reset Period and final determination of the Reset Exercise Price on the Reset Date, January 15, 2025, additional Series A and Series B Warrants may be issued.

On October 18, 2024, the Company received exercise notices from various institutional investors at a weighted-average exercise price of approximately $47.30. In exchange for the issuance of 19,110 shares of common stock the Company received net proceeds of $902,541.

During December 2024, the Company received exercise notices from various institutional investors at a weighted-average exercise price of approximately $9.60. In exchange for the issuance of 162,129 shares of common stock the Company received net proceeds of $1,652,034.

On January 15, 2025, the Reset Date for the Series A Warrants issued in the 2024 PIPE Offering, the final determination of the Reset Exercise Price was determined to be $8.29 per share. Pursuant to the Reset Date and Reset Exercise Price, the exercise price for Series A Warrants in relation to the 2024 PIPE Offering, and the Common Stock Purchase Warrants issued on September 30, 2022, in relation to the 2022 PIPE Offering, were permanently reduced to $8.29 per share resulting in an additional225,450 warrants issued to the remaining warrant holders. The difference with respect to the adjusted warrant exercise prices is treated as a deemed dividend and a reduction in net income available to common stockholders.

On April 11, 2024, pursuant to the terms and conditions of the Series A Warrants issued on October 9, 2024 in conjunction with the 2024 PIPE Offering, the Company evaluated the impact of the 1-for-10 reverse split of the Company's common stock, or Share Combination Event, on Nasdaq. The terms of the Series A Warrant Agreement stipulate in the event of Share Combination Event, or reverse split, where the resulting closing share price is lower than the then Exercise Price, the Exercise Price will be reduced to the Floor Price determined in the Warrant Agreement of $7.60 per warrant. Following the Share Combination Event, the Exercise Price of the Series A Warrants was reduced to the Floor Price prescribed in the terms of the respective Warrant Agreement at $7.60 per share resulting in an additional 110,273 warrants issued to the remaining warrant holders. Further, should the resulting closing share price be below the Floor Price during a period of five trading days after the Share Combination Event, the calculated difference between the lowest volume-weighted-average price ("VWAP") of the Company's stock during the five-trading day period and the Floor Price of the then outstanding Series A Warrants outstanding shall be paid pro rata to the remaining holders of the warrants (the "True-up Payment"), not to exceed $ 1,640,000. The lowest VWAP during the trading period of $4.71 was determined to be below the Floor Price resulting in a True-up Payment due to the remaining holders of $1,640,000. The True-up Payment balance due was paid in full to the remaining holders in July 2025.

During the year ended December 31, 2025, the Company received exercise notices from various institutional investors at a weighted average exercise price of approximately $8.39. In exchange for the issuance of 579,219 shares of common stock, the Company received net proceeds of $3,680,411.

On December 29, 2025, the Company entered into a private investment in public equity offering (the "2025 PIPE Offering") pursuant to a securities purchase agreement and registration rights agreement where the Company agreed to issue an aggregate of 370,000 share of common stock at a purchase price of $1.55 per share, 920,324 pre-funded warrants to purchase shares of its common stock at $1.55 per share, 1,290,324 Series C Warrants, each to purchase one share of common stock at an initial exercise price of $1.30 per share, and 1,290,324 Series D Warrants to purchase one share of common stock at $1.30. The Company also issued 96,774 Placement Agent Warrants, each to purchase one share of common stock at $1.94. The aggregate net proceeds received by the Company from the offering were $1.7 million, net of commissions and offering expenses.

The rights and privileges of the 2025 PIPE Offering Pre-funded Warrants are set forth in the warrant agreement between the Company and each of the respective warrant holders. The 2025 PIPE Offering Pre-funded Warrants are exercisable at the option of the warrant holder at any time and do not expire. However, as set forth in the warrant agreements with each holder, the number of pre-funded warrants that may be exercised at any given time may be limited if, upon exercise, the warrant holder and any of its affiliates would beneficially own more than 9.99% of the Company's common stock, or have voting power of more than 9.99% of the Company's common stock. The 2025 PIPE Offering Pre-funded Warrants do not provide any of the rights or privileges provided by the Company's common stock, including any voting rights, until the pre-funded warrants are exercised and settled in underlying shares of common stock.

The Company evaluated the 2025 PIPE Offering Pre-funded Warrants and concluded the warrants are indexed to the Company's common stock, meet the criteria to be classified as equity and are not subject to remeasurement. The proceeds received from the issuance of the pre-funded warrants were recorded as additional paid-in capital. The Company issued 920,324 shares of common stock upon the exercise of 2025 PIPE Offering Pre-funded Warrants during the three months ended March 31, 2026. As of March 31, 2026, 96,774 of the 2025 PIPE Offering Placement Agent Warrants remained outstanding.

The fair values of stock warrants granted during the three months ended March 31, 2026 and 2025, were determined using the Monte Carlo simulation and Black-Scholes option pricing models based on the following assumptions:

	March 31, 2026	March 31, 2025
Exercise price	$ 1.30 - 8.29	$ 8.29
Dividend yield	0%	0%
Volatility	143 - 207%	146%
Risk-free interest rate	4.09 - 5.04%	4.45%
Expected life (years)	1.9 - 5.8	4.5

The following table summarizes the changes in the Company's outstanding warrants during the three-month period ended March 31, 2026:

	Warrants Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2025	4,938,062	$ 1.30-1,485.00	3.9	$ 3.30	$ -
Warrants granted	-	-	-	-	-
Warrants exercised	(920,324)	1.55	4.8	1.55	-
Warrants expired	-	-	-	2,163.68	-
Balance at March 31, 2026	4,017,738	$ 1.30 - 1,485.00	3.4	$ 3.70	$ -

The following table summarizes the changes in the Company's outstanding warrants during the three-month period ended March 31, 2025:

	Warrants Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2024	1,563,182	$ 9.60 – 4,675.00	4.8	$ 10.40	$ -
Warrants granted	245,960	8.29	4.5	8.29	-
Warrants exercised	(579,219)	8.29-9.60	4.5	8.39	-
Warrants expired	-	-	-	-	-
Balance at March 31, 2025	1,229,923	$ 8.29-4,675.00	4.5	$ 9.31	$ -

Share-Based Compensation

On October 24, 2019, the Company's 2019 Equity Incentive Plan (the *"Plan")* went effective authorizing 1,167 shares of Company common stock for equity awards to employees, directors or consultants. The Plan was approved by the Company's Board of Directors and the holders of a majority of the Company's voting stock on September 9, 2019. In January 2022, the stockholders approved and ratified an amendment to increase the shares authorized under the Plan to 1,576. In June 2024, the stockholders approved and ratified an amendment to increase the shares authorized under the Plan to 3,182. On July 17, 2025, the Company's stockholders approved and ratified an amendment to increase the number of shares authorized under the 2019 Equity Incentive Plan to 350,000 shares. On February 1, 2026, the number of shares authorized under the 2019 Equity Incentive Plan increased by 94,312 shares, or 5% of the outstanding shares of the Company on December 31, 2025, for a total of 444,312 shares authorized.

The Company generally recognizes share-based compensation expense on the grant date or over the period of vesting or period that services will be provided.

Stock Options

As of March 31, 2026, and December 31, 2025, the Company had granted stock options to acquire 1,210 shares of common stock under the Plan. As of March 31, 2026, the Plan had 1,190 vested options and 20 non-vested options. As of December 31, 2025, the Plan had 1,176 vested options and 34 non-vested options. The stock options are held by our officers, directors, employees, and certain key consultants.

For the three months ended March 31, 2026, and 2025, the Company recorded $7,243 and $124,154, respectively, of share-based compensation expense related to stock options. Unrecognized compensation expense as of March 31, 2026, was $12,172 which will be recognized over a weighted average period of 6.0 months.

During the three-month period ended March 31, 2026, the Company did not grant any stock options to directors, officers, employees or other third-parties.

The following table summarizes the changes in the Company's outstanding stock options during the three-month period ended March 31, 2026:

	Options Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2025	1,210	$ 528.00-10,230.00	4.6	$ 2,170.91	$ -
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Expired/Forfeited	-	-	-	-	-
Balance at March 31, 2026	1,210	$ 528.00-10,230.00	4.2	$ 2,170.91	$ -
Exercisable at March 31, 2026	1,190	$ 528.00-10,230.00	4.6	$ 2,145.34	$ -

The following table summarizes the changes in the Company's outstanding stock options during the three-month period ended March 31, 2025:

	Options Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2024	1,323	$ 528.00-10,230.00	4.9	$ 2,178.70	$ -
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Expired/Forfeited					
Balance at March 31, 2025	1,323	$ 528.00-10,230.00	4.7	$ 2,178.70	-
Exercisable at March 31, 2025	1,120	$ 528.00-10,230.00	4.8	2,204.13	-

Restricted Stock Units

The Plan provides for the grant of RSUs. RSUs are settled in shares of the Company's common stock as the RSUs become vested. During the three months ended March 31, 2026 and 2025, the Company granted no service based RSUs to directors, executive officers or employees. During the three months ended March 31, 2024, 105 shares of the Company's common stock were vested and common shares issued. Unvested RSUs granted in 2023 vest in January 2026.

For both the three months ended March 31, 2026, and 2025, the Company recorded zero and $15,524 in stock-based compensation expense related to RSUs, respectively.

Executive Officers Stock Options and RSUs

The Company had 934 vested and 19 unvested outstanding executive officer stock options exercisable at $528 to $2,552 per share with a weighted average remaining contractual life of 4.95 years as of March 31, 2026, and 953 vested and 31 unvested outstanding executive stock options exercisable at $528 to $2,552 per share with a weighted average remaining contractual life of 5.2 years as of December 31, 2025. The Company had no vested or unvested RSUs granted to executive officers as of March 31, 2026, and December 31, 2025, respectively.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against the Company in Orange County California State Superior Court for Breach of Contract in the amount of $11,164. A default judgment was taken against the Company in this matter. In mid-2013 we learned the Plaintiff's perfected the judgment against the Company, but we have not heard from the Plaintiffs as of March 2024. As of March 31, 2026, the Company has accrued $ 11,164 plus accrued interest of approximately $22,768. In the event we pay any money related to this lawsuit, IDTEC agreed, in connection with closing a 2020 asset purchase transaction with IDTEC, to pay the amount for us in exchange for shares of our common stock.

NOTE 14. SEGMENT REPORTING

The Company is managed as one reportable operating segment, which includes all of our operations primarily designed to enable customers to purchase products and services through channel partners, sales agents or enterprise and consumer digital channels. Substantially all of our consolidated revenues and cash flows are generated in the United States. The segment information aligns with how the Company's Chief Operating Decision Maker ("CODM"), designated as the Company's Chief Financial Officer, reviews and manages the Company's business. The Company's CODM monitors our consolidated operating income and net earnings/(loss) to evaluate performance and make operating decisions.

Financial information and annual operating plans and forecasts are prepared and reviewed by the CODM at a consolidated level. The CODM assesses performance for the single operating segment and decides how to better allocate resources based on revenues, gross profit/(loss), net income/(loss) and other applicable benchmarks that are reported on the Consolidated Statement of Operations and Consolidated Statement of Cash Flows. The Company's objective in making resource allocation decisions is to optimize the Company's operating financial results and financial position. The accounting policies of our single operating segment are the same as those described in the Summary of Significant Accounting Policies herein. For additional reportable single operating segment level financial information, see the Consolidated Financial Statements.

NOTE 15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for recognition and disclosure through April 30, 2026, which is the date the consolidated financial statements were available to be issued and has determined that there are no material subsequent events that require recognition or disclosure in the accompanying consolidated financial statements other than those following.

On April 24, 2026, the Company entered into an Agreement and Plan of Merger with Clean World Ventures, Inc. ("CWV") and its wholly owned subsidiary, pursuant to which the subsidiary will merge with and into CWV, with CWV surviving as a wholly owned subsidiary of the Company. The transaction is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. Upon completion of the merger, CWV equity holders will receive shares of the Company's common stock in exchange for their CWV shares, and CWV equity awards will be converted into comparable Company awards. On a pro forma basis, CWV stockholders are expected to own approximately 98% of the combined company, with existing Company stockholders owning approximately 2%. The transaction is subject to customary closing conditions, including approval by the stockholders of both companies, Nasdaq approval, and the effectiveness of a registration statement on Form S-4, as well as approval of certain related matters by the Company's stockholders. The merger has been approved by the board of directors of both companies and is expected to close in the third quarter of 2026. Upon closing, CWV is expected to designate the board of directors and management of the combined company.

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 forward-looking statements within the meaning of the Exchange Act. Forward-looking statements include statements in which words such as "may," "if," "will," "should," "intend," "expect," "anticipate," "plan," "believe," "estimate," "project," "consider," or similar expressions are used. 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 access to capital to fund our continuing operations, our ability to sell our products and services and 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.

Corporate Overview

On September 19, 2011, we, as Imagine Media, Ltd., a Delaware corporation, acquired approximately 52% of the outstanding shares of TransBiotec, Inc. ("TBT"), a California corporation, from TBT's directors in exchange for 124,439 shares of our common stock. In January 2012, our Board of Directors (the "Board") amended our Certificate of Incorporation, changing our name from Imagine Media, Ltd. to TransBiotec, Inc., and we acquired approximately 45% of the remaining outstanding shares of TBT in exchange for 109,979 shares of our common stock. With the acquisitions in September 2011 and January 2012 of TBT common stock, we own approximately 99% of the outstanding shares of TBT. As a result of the acquisitions, TBT's business is our business, and, unless otherwise indicated, any references to "we" or "us" include the business and operations of TBT.

On March 9, 2020, our Board of Directors approved the amendment to our Certificate of Incorporation and stockholders holding 52% of our then outstanding voting stock approved an amendment to our Certificate of Incorporation. The Certificate of Amendment to our Certificate of Incorporation was for the purpose of, among other things, changing our name from "TransBiotec, Inc." to "SOBR Safe, Inc." The Certificate of Amendment to our Certificate of Incorporation became effective with the State of Delaware on April 24, 2020.

Pursuant to approval of an application with the Nasdaq Capital Market ("Nasdaq") to uplist our common stock to their exchange under the ticker symbol "SOBR," our common stock began trading and quoted on the Nasdaq on May 16, 2022. Prior to this uplist to the Nasdaq exchange, our common stock was quoted on the "OTCQB" tier of the OTC Markets under the ticker symbol "SOBR."

Our corporate offices are located at 6400 South Fiddlers Green Circle, Suite 1400, Greenwood Village, Colorado 80111, telephone number (844) 762-7723.

The following discussion:

- o summarizes our plan of operation; and
- o analyzes our financial condition and the results of our operations for the three months ended March 31, 2026.

This discussion and analysis should be read in conjunction with our financial statements included as part of this Quarterly Report on Form 10-Q, as well as our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Business Operations, Outlook and Challenges

We provide non-invasive technologies to quickly and discretely track and identify the presence of alcohol in individuals. Our mission is to deliver reliable, near real-time alcohol tracking solutions that support informed decision-making, promote accountability, and provide measurable value for organizations and individuals. Our non-invasive technologies are integrated within our scalable and patent-pending software platform, SOBRsafe, producing statistical, measurable business and user data. We operate as a single segment designed to enable customers to purchase products directly through channel partners, sales agents or through our enterprise and consumer digital marketing channels. To that end, our SOBRsafe™ software solution, along with our patent-pending integrated hardware devices, SOBRcheck™ and SOBRsure®, used to provide non-invasive alcohol tracking and identity verification, combine to create a robust solution that has current and potential applications in:

- ➢ Behavioral wellness
- ➢ Licensing and integration
- ➢ Commercial environments, including but not limited to oil and gas, fleet management, telematics, ride share programs, and general workplace safety
- ➢ Individual consumer use, including co-parenting trust and personal accountability

Our SOBRcheck device is a patent-pending, touch-based identity verification and alcohol tracking solution. Users place two fingers on the device sensors, one compares biometric data points from the finger to confirm identity, while the other senses alcohol contained in perspiration emitted through the pores of the fingertip. The touch-based device connects to the SOBRsafe software solution to collect, present and communicate data collected to subscribed parties.

Our SOBRsure device is a patent-pending, fitness-style wearable band with a personal alcohol awareness tracking solution intended for discrete, low-profile and voluntary use providing qualified, real-time alcohol tracking and GPS tracking. The wearable band is a device which includes a contained sensor which senses alcohol contained in perspiration released through the pores of the skin. The wearable band connects to a mobile device via Bluetooth communication where the SOBRsafe mobile application collects and transmits data to the SOBRsafe software solution. The SOBRsure device provides passive, qualified, real-time alcohol insights to administrators, parents and more, and also includes device removal and service interruption notifications.

Our SOBRsafe technology can also be deployed across numerous additional devices for various uses. We are currently exploring possible integrations with existing systems and licensing by third parties.

We believe our device portfolio approach could yield a substantial repository of user data – a potentially monetizable asset for statistical analytics. The opportunity to collect data points over time could enable the development of business and insurance liability benchmarking, through artificial intelligence (“AI”), powerful guidance for perpetual safety improvement and associated economic cost savings capture. By demonstrating substance-free environments, organizations could deliver a data-driven argument for a reduction in annual insurance premiums. We could potentially partner with insurance providers to mandate use of the SOBRsafe devices and/or technology.

During fiscal 2025 and as in prior years, design, manufacturing, quality testing and distribution for all SOBRsafe integrated devices take place in the United States.

Our brand, products and software services continue to gain awareness and recognition through a robust marketing platform, trade shows, media exposure, social media and product demonstrations. We currently employ four highly experienced sales professionals facilitating direct sales and channel partner relationships. Licensing and integration opportunities with third parties continue in preliminary stages.

Since inception we have generated significant losses from operations and anticipate that we will continue to generate significant losses for the foreseeable future. Our success is dependent on our ability to access additional capital. Additional capital will be required under the following circumstances: 1) to offset negative cash flows from operations, 2) to accelerate customer acquisition, thereby increasing capital outlay, 3) for advanced purchasing of materials, 4) for the development and acquisition of new technology, 5) for potential acquisition of a key asset, and 6) for sales expansion.

Alcohol Use Disorder and Its Effects

SOBRsafe is committed to supporting individuals and organizations seeking tools to increase awareness of alcohol use behaviors and patterns. In the context of rising alcohol consumption trends, many individuals are seeking greater visibility into their habits to support personal wellness goals and informed decision-making. According to the National Institute on Alcohol Abuse and Alcoholism (NIAAA), alcohol use remains widespread, with millions of individuals reporting patterns of consumption that may impact overall well-being. Increased awareness of these patterns can play an important role in supporting behavioral wellness and healthier lifestyle choices. Alcohol use can influence both short- and long-term aspects of general health and well-being, including sleep, mood, and daily functioning. As awareness grows, there is an increasing need for tools that support individuals in understanding their behaviors and making self-directed lifestyle decisions.

In the United States, alcohol consumption and AUD can be linked to more than 200 diseases including 50% of all liver disease and 25% of pancreatitis cases and contributes to 5% of cancer related deaths. Approximately 178,000 alcohol related deaths occurred in the United States during 2022 and continue to increase annually.

Further attributing to the ongoing and ever-increasing AUD epidemic, less than 10% of those affected have available or receive treatment leaving approximately 26 million in the United States without traditional medical treatment options. The demographics of the 26 million untreated individuals cover a wide range including 17 million men and 12 million women with 1.5 million under the age of 21. Those who cannot receive medications or clinical behavioral treatments must work to find alternative support to address and recover from AUD such as the SOBR Safe personal alcohol awareness tracking solutions. We continue ongoing efforts to identify the wide-ranging demographics of the AUD epidemic in an effort to provide solutions defined for each group according to their treatment needs and journeys.

We have begun executing a strategic initiative to expand beyond our core cloud-based personal alcohol awareness tracking solutions to establish a broader presence within the health and wellness ecosystem. This evolution reflects SOBR's commitment to supporting users not only in maintaining sobriety but also in achieving overall physical and mental well-being. Approximately 40% of Americans who experience AUD each year also experience depression, and around 35% live with anxiety. This overlap highlights a sizable total addressable market that spans behavioral health providers including sober living facilities, intensive outpatient programs, and residential treatment centers as well as retail consumers managing recovery for themselves or supporting a loved one. We believe this expansion will strengthen user engagement, diversify revenue streams, and position the Company as a comprehensive wellness technology provider in the future. Our ongoing focus will be placed on product innovation, providing data-driven user insights, and ensuring that new offerings remain consistent with our mission to promote a healthier, safer world free from the impacts of alcohol with balanced lifestyles.

Marketing

We have developed a marketing plan that includes:

- consumer and enterprise e-commerce web-solutions,
- search engine optimization (SEO) and search engine marketing (SEM),
- integrated digital and traditional media campaigns,
- brand ambassadors, affiliate partners and social media influencers,
- public relations initiatives and trade shows,
- business to business targeted digital campaigns,
- marketing automation,
- alcohol tracking channel partners,
- territorial sales agents,
- advocacy group alignment,
- ongoing brand development, and
- continuous pursuit of cutting-edge technologies for future integration.

Our marketing strategy continues to evolve as we continue our focus across business-to-business ("B2B") and consumer markets. An Account-Based Marketing (ABM) program is in development, and we have strengthened our marketing automation infrastructure to enable scalable outreach, improve lead management, and support data-driven decision-making. These efforts aim to increase awareness of our solutions among organizations that support wellness amongst the estimated 27.9 million Americans aged 12 or older who experienced AUD in the past year. In addition, we engaged a nationally recognized independent research firm to conduct in-depth qualitative and quantitative market research in the fourth quarter of 2025. The research included consumer insights and market demand assessment. The findings confirm demand for our flagship product, SOBRsure, and validate that it addresses a gap in the alcohol tracking market, as no other wearable devices offer alcohol tracking capabilities. The research indicates that the strongest demand for SOBRsure, as currently designed, is among individuals engaging in regular or above-average alcohol use. It also identified key demographic segments within this population, enabling more targeted and efficient marketing through our selected media channels. Further research revealed that approximately half of the potential market is unaware of wearable alcohol tracking technology, representing a significant opportunity for market expansion through continued education and awareness-building initiatives. These insights directly inform our product positioning, pricing strategy, and future go-to-market efforts. Our SOBRsure wristband is designed to address the limitations of traditional alcohol tracking solutions, such as breathalyzers, which provide only point-in-time readings. SOBRsure offers discreet, continuous alcohol tracking that supports sustained accountability while prioritizing user privacy and convenience. This combination of features differentiates our product within the growing alcohol tracking technology ecosystem and underpins our ongoing marketing and commercialization strategy.

As of March 31, 2026, we have retained six channel partners to augment our sales and marketing efforts, serving business customers with SOBRsafe technology solutions, including the SOBRcheck and SOBRsure devices.

Recent Developments

During the quarter ended March 31, 2026, the following developments occurred:

- ➢ Conducted a pricing analysis across priority customer segments with the highest purchase propensity to optimize hardware and software pricing strategy and support margin expansion.
- ➢ Refined core marketing campaigns based on targeted market research insights to improve customer acquisition efficiency and conversion within high-intent segments.
- ➢ Updated marketing and sales materials to align with applicable U.S. Food and Drug Administration ("FDA") general wellness guidance and conducted compliance training for employees and external partners, reducing regulatory risk and supporting scalable commercialization.
- ➢ Executed integrated marketing initiatives in connection with Alcohol Awareness Month, including paid and organic channels and a branded event, to increase brand awareness, drive demand generation, and enhance customer engagement.

Subsequent to the three-months ended March 31, 2026, the following developments occurred:

- ➢ On April 24, 2026, the Company entered into an Agreement and Plan of Merger with Clean World Ventures, Inc. ("CWV") and its wholly owned subsidiary, pursuant to which the subsidiary will merge with and into CWV, with CWV surviving as a wholly owned subsidiary of the Company. The transaction is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code. Upon completion of the merger, CWV equity holders will receive shares of the Company's common stock in exchange for their CWV shares, and CWV equity awards will be converted into comparable Company awards. On a pro forma basis, CWV stockholders are expected to own approximately 98% of the combined company, with existing Company stockholders owning approximately 2%. The transaction is subject to customary closing conditions, including approval by the stockholders of both companies, Nasdaq approval, and the effectiveness of a registration statement on Form S-4, as well as approval of certain related matters by the Company's stockholders. The merger has been approved by the board of directors of both companies and is expected to close in the third quarter of 2026. Upon closing, CWV is expected to designate the board of directors and management of the combined company.

Results of Operations for Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Summary of Results of Operations

	Three Months Ended March 31,	
	2026	**2025**
Revenue	$ 79,003	$ 86,617
Cost of goods and services	34,085	35,653
Gross profit	44,918	50,964
Operating expenses:		
General and administrative	2,323,989	1,823,469
Stock-based compensation expense	7,243	139,678
Research and development	23,693	40,924
Total operating expenses	2,354,925	2,004,071
Operating loss	(2,310,007)	(1,953,107)
Other income (expense):		
Interest income	20,551	77,717
Interest expense	(3,466)	(3,665)
Total other income, net	17,085	74,052
Net loss	$ (2,292,922)	$ (1,879,055)

Revenue

Both the SOBRcheck and SOBRsure devices are used in conjunction with our SOBRsafe software solution to generate sales and revenue. Revenue is primarily generated through our business-to-consumer eCommerce platform and business-to-business sales channels including the execution of customer agreements. Revenues of $79,003 for three months ended March 31, 2026 have decreased by $7,614, or a decrease of 8.8%, as compared to the prior period of $86,617. This decrease is primarily due to backorders resulting from inventory constraints for our SOBRsure device leading to approximately $31,000 in deferred revenue, offset by an increase in sales of our SOBRsure software subscriptions of $21,156. During the three months ended March 31, 2026, the Company sold 198 unique SOBRsure devices, representing an increase of 88.6% from 105 unique sales of SOBRsure devices during the three months ended March 31, 2025.

Gross Profit

The cost of sales for the three months ended March 31, 2026, was $34,085 resulting in a gross profit of $44,918 and a gross margin of 56.9%. The cost of sales for the three months ended March 31, 2025, was $35,563 resulting in a gross profit of $50,964 and a gross margin of 58.8%. The decrease in gross margin is primarily driven by strategic price reductions to the SOBRsure devices and software subscription. The pricing adjustments reflect a proactive approach to enhancing market competitiveness and expanding our customer base.

General and Administrative Expenses

General and administrative expenses increased by $500,520 or 27.4%, from $1,823,469 for the three months ended March 31, 2025, to $2,323,989 for the three months ended March 31, 2026, primarily due to the comprehensive marketing plan implemented in order to position the Company to generate improvements in the generation of both revenues and positive cash flows. Total increase in marketing and advertising spend was $196,150. Additional increases are due to increase in employee headcount, employee payroll and benefits expense of $110,645, legal and investor relation expenses of $125,500, and other consulting fees of $76,753.

Stock-Based Compensation Expense

Stock-based compensation expense was $7,243 for the three months ended March 31, 2026, compared to $139,678 for the three months ended March 31, 2025. The decrease from the prior year in expense of $132,435 is from the completed vesting, forfeitures and cancelations of previous grants. The stock-based compensation expense for both respective periods was related to the issuance of our stock options as compensation to certain consultants and employees that is recognized over the period of service. During 2025 and through the three months ended March 31, 2026, we have not granted additional stock-based compensation units.

Research and Development
Research and development expenses decreased by $17,231, or 42.1% to $23,693 for the three months ended March 31, 2026, compared to $40,924 for the three months ended March 31, 2025. The decrease in research and development is driven by focusing on improvements to its existing SOBRsafe software platform and enhancements to its mobile application, whereas the prior year spend was primarily driven by more expensive hardware development initiatives including the completion of the second generation of the SOBRsure device and software platform.

Other Income, net
Other income, net of $17,085 for the three months ended March 31, 2026 is comprised primarily of interest income derived from invested cash balances, as compared to $74,052 for the three months ended March 31, 2025 which was generated from higher cash balances during the prior-year period.

Operating Loss; Net Loss
Our net loss increased by $413,867 from $1,879,055 to $2,292,922, from the three months ended March 31, 2025, compared to the three months ended March 31, 2026. The change in our net loss and operating loss for the three months ended March 31, 2026, compared to the same prior year period, primarily a result in an increase in selling, general and administrative expenses, offset by decreases in stock-based compensation, research and development expenses and interest income.

Liquidity and Capital Resources for Three Months Ended March 31, 2026 Compared to December 31, 2025

Introduction

During the three months ended March 31, 2026 and 2025, the Company has incurred recurring losses from operations. Future capital requirements will depend on many factors including the Company's ability to sell and develop products, generate cash flow from operations, and assess competing market developments. The Company may need additional capital in the near term. Our cash on hand as of March 31, 2026, was $2,106,413 and our current normalized operating cash flow burn rate is approximately $700,000 per month.

Management believes that cash balances and positive working capital at March 31, 2026 do not provide adequate operating capital for operating activities for the next twelve months after the date these financial statements are issued. Management anticipates additional revenue generation with the release of its second-generation SOBRsure device and a comprehensive marketing plan. In addition, the Company's plans and ability to access capital sources and implement expense reduction tactics to preserve working capital provide the opportunity for the Company to continue as a going concern. These plans are contingent upon the actions to be performed by the Company which have been implemented through the quarter and will continue into future periods, however, these conditions have not been met on or before April 30, 2026. As such, substantial doubt about the Company's ability to continue as a going concern has not been alleviated at March 31, 2026.

Our cash, total current assets, total assets, total current liabilities, and total liabilities as of March 31, 2026, and as of December 31, 2025, respectively, are as follows:

	March 31, 2026	December 31, 2025	Change
Cash	$ 2,106,473	$ 4,759,370	$ (2,652,897)
Total current assets	2,495,008	5,230,936	(2,735,928)
Total assets	3,785,714	6,621,222	(2,835,508)
Total current liabilities	1,146,136	1,696,033	(549,897)
Total liabilities	1,146,136	1,696,033	(549,897)

Our total current assets and total assets decreased as of March 31, 2026, as compared to December 31, 2025, primarily due to normal business operations and the payment of the Delaware franchise tax payable and employee benefit payables.

Our total current liabilities decreased as of March 31, 2026, as compared to December 31, 2025. The decrease is primarily due to the payment of accrued expenses related to the Delaware franchise tax payable and employee benefit payables.

Sources and Uses of Cash

Operations
Our net cash used in operating activities increased by $885,704 from $1,705,497 for the three months ended March 31, 2025, to net cash used in operating activities of $2,591,201 for the three months ended March 31, 2026. For the three months ended March 31, 2026, the net cash used in operating activities consisted primarily of our net loss of $2,292,922 offset by non-cash items including amortization and depreciation of $72,445, stock-based compensation expense of $7,243, non-cash lease expense of $27,136 and bad debt expense of $9,022. The net loss and non-cash items have been offset by changes in our assets and liabilities primarily from sources of cash from prepaid expenses of $60,338, other assets of 13,671, accounts payable of $8,567, and deferred revenue of $24,648, balanced by uses of cash for accrued expenses of $492,471 and operating lease liability of $30,337. For the three months ended March 31, 2025, the net cash used in operating activities consisted primarily of our net loss of $1,879,055, offset by non-cash expense items including amortization of $96,366, stock-based compensation expense of $139,678, lease expense of $24,314. The net loss and non-cash items have been offset by changes in our assets and liabilities primarily from sources of cash from inventory of $31,007, other assets of $23,675, balanced by uses of cash for accounts payable of 10,055, accrued expenses of $105,998, and operating lease liabilities of $26,562.

Investments
We had no cash provided by or used in investing activities during the three-month periods ended March 31, 2026 or March 31, 2025.

Financing
Our net cash used by financing activities decreased by $3,457,180 from $3,395,484 for the three months ended March 31, 2025, to $61,696 for the three months ended March 31, 2026. For the three months ended March 31, 2026, our net cash from financing activities consisted of financing payments of $61,674 for annual insurance premiums. For the three months ended March 31, 2025, our net cash from financing activities consisted of proceeds from the exercise of warrants of $3,680,411, offset by payments for transaction costs of equity transactions of $184,020 and financing payments of $100,907 for annual insurance premiums.

Contractual Obligations and Commitments

At March 31, 2026, the Company had contractual commitments to make payments under operating leases. Payments due under these commitments are as follows:

		Total	Due Within 1 Year
Operating lease obligations	$	61,656	61,656
Total contractual cash obligations	$	61,656	61,656

For additional information about our contractual commitments for these leases, see "Note 5 – Leases" included in our Notes to the Condensed Consolidated Financial Statements.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements as of March 31, 2026, and December 31, 2025.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenue or operating results during the periods presented. However, continued increases in inflation could have an adverse effect on our results of future operations, financial position, and liquidity in 2026.

Recent Accounting Pronouncements

New pronouncements issued for future implementation are discussed in Note 1 to the financial statements.

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

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our Principal Executive Officer) and Chief Financial Officer (our Principal Accounting Officer), of the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rules 13a – 15(c) and 15d – 15(e)). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer, who are our Principal Executive Officer and Principal Financial Officer, respectively, concluded that, as of the quarter ended March 31, 2026, our disclosure controls and procedures were effective.

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.

(b) Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures and the remediation of any deficiencies, which may be identified during this process.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(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.

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 March 31, 2026. In the event we pay any money related to this lawsuit, IDTEC, LLC agreed, in connection with us closing the asset purchase transaction with IDTEC, to pay the amount for us in exchange for shares of our common stock.

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" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item. However, our current risk factors are set forth in our Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the SEC on April 10, 2026.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during the three-month period ended March 31, 2026, that were not previously reported in a Current Report on Form 8-K.

ITEM 3 Defaults Upon Senior Securities

On December 28, 2010, we borrowed $11,810 from a related party. The note payable carries an interest rate of 0% and matured on December 31, 2012. As of March 31, 2026, this note was in default.

On February 20, 2012, we borrowed $3,750 from a non-related party. The note payable carries an interest rate of 12% and matured on February 19, 2013. As of March 31, 2026, this note was in default.

On March 20, 2012, we borrowed $5,433 from a non-related party. The note payable carries an interest rate of 12% and matured on March 19, 2013. As of March 31, 2026, this note was in default.

On September 27, 2013, we borrowed $15,000 from a non-related party. The note payable carries an interest rate of 9% and matured on December 25, 2013. As of March 31, 2026, this note was in default.

On July 31, 2015, we borrowed $2,500 from a non-related party. The note payable carries an interest rate of 10% and matured on November 28, 2015. As of March 31, 2026, this note was 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

As set forth in our Current Report on Form 8-K as filed on April 30, 2026, on April 24, 2026, the Company entered into a Agreement and Plan of Merger and Reorganization (the “Merger Agreement”) with Clean World Ventures, Inc., a Nevada corporation (“CWV”), and SOBR Safe Merger Sub, Inc., a Nevada corporation and wholly owned subsidiary of the Company (“Merger Sub”), pursuant to which, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will merge with and into CWV, with CWV continuing as a wholly owned subsidiary of the Company and the surviving corporation of the merger (the “Merger”). The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

ITEM 6 Exhibits

Exhibit Number	Exhibit Description	Reference Form	Reference Exhibit	Filed or Furnished Filing Date	Herewith
3.1	Certificate of Incorporation of Imagine Media, Ltd.	SB-2	3.1	01/31/2008	
3.2	Certificate of Amendment to Articles of Incorporation to TransBiotec, Inc.	S-1	3.2	11/06/2012	
3.3	Certificate of Amendment to Certificate of Incorporation filed with the State of Delaware on May 25, 2017	10-K	3.3	02/06/2019	
3.4	Amended and Restated Bylaws of SOBR Safe, Inc.	8-K	3.2	07/18/2025	
3.5	Certificate of Amendment to Certificate of Incorporation of TransBiotec, Inc. changing name to SOBR Safe, Inc., effecting 1-for-33.26 reverse stock split and decreasing authorized common stock to 100M shares	8-K	3.1	06/11/2020	
3.6	Certificate of Amendment to Certificate of Incorporation of SOBR Safe, Inc. dated September 25, 2024	8-K	3.1	10/01/2024	
3.7	Certificate of Amendment to Certificate of Incorporation of SOBR Safe, Inc. dated March 30, 2025	8-K	3.1	04/04/2025	
4.1	Form of Representative's Warrant between SOBR Safe, Inc. and Aegis Capital Corp.	8-K	4.1	05/19/2022	
4.2	Warrant Agency Agreement between SOBR Safe, Inc. and Equiniti Trust Company dated May 17, 2022	8-K	4.2	05/19/2022	
4.3	Form of Unit Warrant, issued May 18, 2022	8-K	4.3	05/19/2022	
4.4	Warrant to Purchase Common Stock dated June 5, 2020 issued to IDTEC, LLC	8-K	10.5	06/11/2020	
4.5	Warrant to Purchase Common Stock issued by SOBR Safe, Inc. to Armistice Capital Master Fund Ltd. dated September 27, 2021	8-K	10.2	10/01/2021	
4.6	Form of Warrant issued by SOBR Safe, Inc. in Regulation D Offering	S-1/A	10.22	12/01/2021	
4.7	Common Stock Purchase Warrant issued by SOBR Safe, Inc. to Armistice Capital Master Fund Ltd dated March 30, 2022	S-1	10.30	09/16/2022	
4.8	Form of Senior Convertible Note between SOBR Safe, Inc. and Holders dated March 9, 2023	8-K	10.3	03/13/2023	
4.9	Common Stock Purchase Warrant between SOBR Safe, Inc. and Holders dated March 9, 2023	8-K	10.4	03/13/2023	
4.10	Amended and Restated Common Stock Purchase Warrant dated September 30, 2022 issued by SOBR Safe, Inc. to Armistice Capital Master Fund Ltd. amending the original warrant dated March 30, 2022	S-1	10.35	10/14/2022	
4.11	Amended and Restated Common Stock Purchase Warrant dated September 30, 2022 issued by SOBR Safe, Inc. to Armistice Capital Master Fund Ltd. amending the original warrant dated September 27, 2021	S-1	10.36	10/14/2022	
4.12	Form of New Warrant	8-K	10.2	06/04/2024	
4.13	Form of Series A Warrant	8-K	10.2	10/10/2024	
4.14	Form of Series B Warrant	8-K	10.3	10/10/2024	
4.15	Form of Prefunded Warrant	8-K	10.5	10/10/2024	
4.16	Description of Securities	10-K	4.18	04/15/2025	
4.17	Form of Pre-Funded Warrant	8-K	10.2	12/30/2025	
4.18	Form of Series C Warrant	8-K	10.3	12/30/2025	
4.19	Form of Series D Warrant	8-K	10.4	12/30/2025	
10.1	TransBiotec, Inc. 2019 Equity Incentive Plan	8-K	10.1	11/19/2019	
10.2	Form of Warrant Agreement by and between SOBR Safe, Inc. and Purchasers dated September 30, 2022	8-K/A	10.4	10/14/2022	
10.3	Executive Employment Agreement with David Gandini dated January 30th, 2023	8-K	10.1	02/03/2023	
10.4	Form of Inducement Letter	8-K	10.1	03/05/2024	
10.5	Form of Inducement Letter	8-K	10.1	06/04/2024	
10.6	Form of Securities Purchase Agreement	8-K	10.1	10/10/2024	
10.7	Form of Registration Rights Agreement	8-K	10.4	10/10/2024	
10.8	Placement Agent Agreement	8-K	10.6	10/10/2024	
10.9	Employment Agreement between the Company and CFO effective March 1, 2025	8-K	10.1	05/13/2025	
10.10	Form of Securities Purchase Agreement	8-K	10.1	12/30/2025	
10.11	Form of Registration Rights Agreement	8-K	10.5	12/30/2025	
10.12	Placement Agent Agreement	8-K	10.6	12/30/2025	
10.13	Form of Placement Agent Warrant	8-K	10.7	12/30/2025	
10.14	Amendment No. 1 to Executive Employment Agreement dated December 30, 2025	8-K	10.1	01/02/2026	
10.15	Amendment No. 1 to SOBR Safe, Inc. Executive Employment Agreement dated December 30, 2025	8-K	10.2	01/02/2026	
31.1	Principal Executive Officer Certification Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				☒
31.2	Principal Financial Officer Certification Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				☒
32.1*	Principal Executive Officer Certification Pursuant to Item 601(b)(32) of Regulation S-K, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				☒
32.2*	Principal Financial Officer Certification Pursuant to Item 601(b)(32) of Regulation S-K, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				☒
101	The following materials from the SOBR Safe, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Earnings (Loss); (iv) the Consolidated Statements of Stockholders' Equity; (v) the Consolidated Statements of Cash Flows and (vi) related notes.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

* This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

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.

SOBR Safe, Inc.

Dated: April 30, 2026

By: */s/ David Gandini*
Its: David Gandini
Chief Executive Officer and Principal Executive Officer

EXHIBIT 31.1

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

I, David Gandini, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SOBR Safe, 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: April 30, 2026

By: */s/ David Gandini*
David Gandini
Chief Executive Officer and Principal Executive Officer

EXHIBIT 31.2

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

I, Christopher Whitaker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SOBR Safe, 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: April 30, 2026

By: */s/ Christopher Whitaker*
Christopher Whitaker
Chief Financial Officer and Principal 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 SOBR Safe, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, David Gandini, Chief Executive 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: April 30, 2026

By: */s/ David Gandini*
David Gandini
Chief Executive Officer and Principal Executive Officer

A signed original of this written statement required by Section 906 has been provided to SOBR Safe, Inc. and will be retained by SOBR Safe, 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 SOBR Safe, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Christopher Whitaker, 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: April 30, 2026

By: */s/ Christopher Whitaker*
Christopher Whitaker
Chief Financial Officer and Principal Accounting Officer

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