

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017

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

For the transition period from _____ to _____.

Commission file number: 000-53316

TRANSBIOTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

26-0731818

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

400 N. Tustin Ave., Suite 225 Santa Ana, CA

(Address of principal executive offices)

92705

(Zip Code)

(562) 280-0483

Registrant's telephone number, including area code

(Former address, if changed since last report)

(Former fiscal year, if changed since last report)

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

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

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

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

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

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 22, 2017, there were 100,000,000 shares of common stock, \$0.00001 par value, issued and outstanding.

TRANSBIOTEC, INC.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

<u>ITEM 1</u>	<u>Condensed Consolidated Financial Statements</u>	3
<u>ITEM 2</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	30
<u>ITEM 3</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	35
<u>ITEM 4</u>	<u>Controls and Procedures</u>	36

PART II – OTHER INFORMATION

<u>ITEM 1</u>	<u>Legal Proceedings</u>	37
<u>ITEM 1A</u>	<u>Risk Factors</u>	37
<u>ITEM 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
<u>ITEM 3</u>	<u>Defaults Upon Senior Securities</u>	37
<u>ITEM 4</u>	<u>Mine Safety Disclosures</u>	37
<u>ITEM 5</u>	<u>Other Information</u>	37
<u>ITEM 6</u>	<u>Exhibits</u>	38

PART I – FINANCIAL INFORMATION

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

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

ITEM 1 Condensed Consolidated Financial Statements

The balance sheets as of March 31, 2017 and December 31, 2016, the statements of operations for the three months ended March 31, 2017 and 2016, statements of cash flows for the three months ending March 31, 2017 and 2016, follow. The unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

[Table of Contents](#)

TransBiotec, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	Mar. 31,	Dec. 31,
	2017	2016
	<u> </u>	<u> </u>
ASSETS		
Current assets		
Cash	\$ 26,407	\$ 14,305
Prepaid expenses	5,964	-
Total current assets	<u>32,371</u>	<u>14,305</u>
Total Assets	<u>\$ 32,371</u>	<u>\$ 14,305</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 352,264	\$ 349,849
Accrued interest payable	293,639	302,834
Notes payable - current - related parties	592,350	627,022
Notes payable - current, net	163,574	163,574
Derivative liability	539,327	180,038
Stock subscription payable	53,081	28,081
Related party payables	1,166,799	1,111,754
Other payables	290,532	263,033
Total current liabilities	<u>3,451,566</u>	<u>3,026,185</u>
Total Liabilities	<u>3,451,566</u>	<u>3,026,185</u>
Stockholders' Deficit		
Preferred stock, \$.00001 par value; 22,000,000 shares authorized, No shares issued or outstanding as of March 31, 2017 and December 31, 2016, respectively	-	-
Series A Convertible Preferred stock, \$.00001 par value; 3,000,000 shares authorized, No shares issued or outstanding as of March 31, 2017 and December 31, 2016, respectively	-	-
Common stock, \$.00001 par value; 100,000,000 shares authorized; 100,000,000 and 67,751,068 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	1,000	677
Additional paid in capital	14,176,591	14,095,430
Accumulated deficit	(17,551,920)	(17,064,086)
Total Transbiotec, Inc. stockholders' deficit	<u>(3,374,329)</u>	<u>(2,967,979)</u>
Noncontrolling interest	(44,866)	(43,901)
Total Stockholders' Deficit	<u>(3,419,195)</u>	<u>(3,011,880)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 32,371</u>	<u>\$ 14,305</u>

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

[Table of Contents](#)

TransBiotech, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For The Three Months Ended	
	Mar. 31, 2017	Mar. 31, 2016
Revenues	\$ -	\$ -
General and administrative expenses	133,353	98,011
	<u>133,353</u>	<u>98,011</u>
Loss from operations	(133,353)	(98,011)
Other income (expense):		
Gain on non-related party share issuances	-	2,250
Gain (Loss) on fair value adjustment - derivatives	(313,419)	-
Interest expense	(45,527)	(64,212)
Interest expense - beneficial conversion feature	3,500	(6,250)
	<u>(355,446)</u>	<u>(68,212)</u>
Loss before provision for income taxes	(488,799)	(166,223)
Net loss	(488,799)	(166,223)
Less: Net loss attributable to noncontrolling interest	965	1,071
Net loss attributable to TranBioTec, Inc.	<u>\$ (487,834)</u>	<u>\$ (165,152)</u>
Net loss per share (Basic and fully diluted)	<u>\$ (0.007)</u>	<u>\$ (0.003)</u>
Weighted average number of common shares outstanding	<u>74,200,854</u>	<u>66,020,299</u>

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

[Table of Contents](#)

TransBiotech, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For The Three Months Ended March 31,	
	2017	2016
Operating Activities:		
Net loss	\$ (487,834)	\$ (165,152)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Gain on non-related party share issuances	-	(2,250)
Change in fair value of derivative liability	313,419	-
Note payable beneficial feature conversion expense	(3,500)	6,250
Stock option expense	17,983	-
Changes in assets and liabilities:		
Prepaid expenses	(5,964)	-
Accounts payable	2,415	61,713
Stock subscription payable	-	(24,299)
Accrued interest payable	29,004	36,432
Related party payable	55,045	27,500
Other payable	26,534	24,445
Net cash used for (provided by) operating activities	(52,898)	(35,361)
Financing Activities:		
Net proceeds from shares issuances	25,000	-
Net proceeds from notes payable - related parties	40,000	30,277
Net cash provided by financing activities	65,000	30,277
Net Change In Cash	12,102	(5,084)
Cash At The Beginning Of The Period	14,305	7,851
Cash At The End Of The Period	\$ 26,407	\$ 2,767
Schedule Of Non-Cash Investing And Financing Activities		
Debt converted to capital	\$ 112,871	\$ 22,936
Reclassification of derivative liabilities to common share equivalents	\$ 154,049	\$ -
Reclassification of common share equivalents to derivative liabilities	\$ 199,919	\$ -
Shares issued for cash received in prior year	\$ -	\$ 25,000
Supplemental Disclosure		

Cash paid for interest	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
Cash paid for income taxes	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>

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

[Table of Contents](#)

TransBiotech, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

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

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

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2016, included in the Company's Annual Report on Form 10-K filed with the SEC on April 17, 2017.

Principles of consolidation

The accompanying unaudited consolidated financial statements include the accounts of the Company and its majority owned subsidiary, Transbiotech-CA. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents. The Company does not have any cash equivalents as of March 31, 2017 and December 31, 2016.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company has not recorded any deferred tax assets or liabilities at March 31, 2017.

Net loss per share

The net loss per share is computed by dividing the net loss by the weighted average number of shares of common outstanding. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that would then share in the income of the Company, subject to anti-dilution limitations. The Company has 12,746,121 stock options that can be converted to common stock if exercised.

Financial Instruments

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

Level 1

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

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Level 2

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

Level 3

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

The Company's financial instruments consist primarily of cash, accounts payable, accrued expenses, notes payable, related party payables, convertible debentures, and other payable. Pursuant to ASC 820 and 825, the fair value of our cash and cash equivalents is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table presents assets and liabilities that are measured and recognized at fair value as of March 31, 2017 and December 2016 on a recurring basis:

March 31, 2017

	Level 1 \$	Level 2 \$	Level 3 \$
Derivative liabilities	-	(539,327)	-
	-	(539,327)	-

December 31, 2016

	Level 1 \$	Level 2 \$	Level 3 \$
Derivative liabilities	-	(180,038)	-
	-	(180,038)	-

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Beneficial Conversion Features

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

Derivative Instruments

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

The accounting treatment of derivative financial instruments requires that the Company record the embedded conversion option and warrants at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. As a result of entering into warrant agreements, for which such instruments contained a variable conversion feature with no floor, the Company has adopted a sequencing policy in accordance with ASC 815-40-35-12 whereby all future instruments may be classified as a derivative liability with the exception of instruments related to share-based compensation issued to employees or directors.

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instruments are initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Sholes-Merton option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Stock based compensation

The Company has share-based compensation plans under which employees, consultants, suppliers and directors may be granted restricted stock, as well as options and warrants to purchase shares of Company common stock at the fair market value at the time of the grant. Stock-based compensation cost to employees is measured by the Company at the grant date, based on the fair value of the award, over the requisite service period under ASC718. For options issued to employees, the Company recognizes stock compensation costs utilizing the fair value methodology over the related period of benefit. Grants of stock to non-employees and other parties are accounted for in accordance with the ASC 505.

Minority interest (Noncontrolling interest)

A subsidiary of the Company has minority members, representing ownership interests of 1.38% at March 31, 2017. The Company accounts for these minority, or noncontrolling interests pursuant to ASC 810-10-65 whereby gains and losses in a subsidiary with a noncontrolling interest are allocated to the noncontrolling interest based on the ownership percentage of the noncontrolling interest, even if that allocation results in a deficit noncontrolling interest balance.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 2. GOING CONCERN

The Company has suffered recurring losses from operations and has a working capital deficit and stockholders' deficit, and in all likelihood, will be required to make significant future expenditures in connection with continuing marketing efforts along with general administrative expenses. As of March 31, 2017, the accumulated deficit is \$17,551,920. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company may raise additional capital through the sale of its equity securities, through an offering of debt securities, or through borrowings from financial institutions or others. By doing so, the Company hopes to generate revenues from sales of its alcohol sensing and ignition lock systems. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern.

NOTE 3. RELATED PARTY TRANSACTIONS

As of March 31, 2017 and December 31, 2016, the Company had payables due to officers, for accrued compensation and services of \$1,166,799 and \$1,111,754 respectively.

On December 3, 2014, as part of a related party note payable agreement, the company agreed to convert 50% of certain outstanding accounts payable to common stock at a price of .09 per share. Per this agreement as of March 31, 2017 and the year ended December 31, 2016, approximately \$164,044 of accounts payable is convertible into 1,822,707 shares and \$147,633 is convertible into 1,640,365 shares, respectively.

On July 1, 2015, the Company amended a note payable agreement with Lanphere Law Group, the company's largest shareholder, which forgave \$108,000 of the principal balance. The original principal balance on the note was \$214,335 and the new principal balance on the note after the debt forgiveness is \$106,335.

On February 10, 2017, a related party irrevocably elected to exercise options in order to acquire 32,248,932 shares of the Company's common stock in exchange for an aggregate exercise price of \$112,871 which was used for the deduction of the principal and accrued interest of a related party note payable. The balance of the note after the debt deduction is \$31,661.76.

The Company entered into a lease agreement with Lanphere Law Group, whereas the Company is the tenant and is paying monthly rent of \$4,100.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 4. NOTES PAYABLE

	December 31, 2016	March 31, 2017
Note payable to related party, unsecured, due 8/3/2012, interest rate 0%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 1,950	\$ 1,950
Notes payable to related party, unsecured, due 12/31/2012, interest rate 0%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 11,810	\$ 11,810
Note payable to related party, unsecured, \$731,763, 5-years at 0% simple interest, due 7/1/2016, payment amounts vary each month, various late penalties. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$ 180,001	\$ 180,001

Note payable to non-related party, unsecured, due 2/8/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	10,000	\$	10,000
---	----	--------	----	--------

Note payable to non-related party, unsecured, due 11/8/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	25,000	\$	25,000
--	----	--------	----	--------

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to non-related party, unsecured, due 2/17/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	25,000	\$	25,000
--	----	--------	----	--------

Note payable to non-related party, unsecured, due 2/18/12, quarterly interest due, convertible at holder's option at \$0.3235688 per TBT - DE share, interest rate 30%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	10,000	\$	10,000
Note payable to non-related party, unsecured, due 2/8/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	750	\$	750
Note payable to non-related party, unsecured, due 2/8/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	6,875	\$	6,875
Note payable to non-related party, unsecured, due 2/15/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,500	\$	2,500

[Table of Contents](#)

TransBiotech, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to non-related party, unsecured, due 2/20/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,750	\$	3,750
Note payable to non-related party, unsecured, due 2/21/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,625	\$	2,625
Note payable to non-related party, unsecured, due 3/20/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	5,433	\$	5,433

TransBiotech, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to non-related party, unsecured, due 3/22/13, annual interest due, convertible at holder's option at \$0.3235688 per TBT-DE share, interest rate 12%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,203	\$	3,203
Note payable to non-related party, unsecured, due 08/29/2013, simple interest 8% convertible at holder's option at \$.249 per TBT-CA share. Currently in default. Principal balance including interest to be paid upon receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to related party, unsecured, due 03/01/2013, simple interest 9%. Currently in default. Principal balance including interest to be paid upon receipt of equity funding and/or sales revenue.	\$	5,000	\$	5,000
Note payable to non-related party, unsecured, due 01/31/2013, simple interest 18%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	3,938	\$	3,938
Note payable to related party, unsecured, due 01/23/2014, simple interest 9% convertible at holder's option at \$.08 per TBT-DE share. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	50,000	\$	50,000

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to related party, unsecured, due 07/02/2014, simple interest 9% convertible at holder's option at \$.04 per TBT-DE share. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 10/25/2013, simple interest 18% convertible at holder's option at \$.016 per TBT-DE share. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	2,000	\$	2,000
Note payable to non-related party, unsecured, due 12/27/2013, simple interest 9% quarterly, Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to non-related party, unsecured, due 9/11/2014, simple interest 10% yearly. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	5,000	\$	5,000

Note payable to related party, unsecured, due 11/12/2014, simple interest 9% convertible at holder's option at \$0.04 per TBT-DE share, currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	11,000	\$	11,000
--	----	--------	----	--------

[Table of Contents](#)

Note payable to related party, unsecured, due 4/08/2015, simple interest 7% convertible at holder's option at \$0.0072 per TBT-DE share. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000
Note payable to related party, unsecured, due 8/05/2015, simple interest 7%, default interest 10%. Currently in default. Note contains a stock option.	\$	10,000	\$	10,000
Note payable to related party unsecured, due 12/02/2015, simple interest 7%, default interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	106,334	\$	31,662
Note payable to non-related party, unsecured, due 3/26/2016, simple interest 8%, convertible at holder's option at \$0.0017 per TBT-DE share. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	25,000	\$	25,000

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to related party, unsecured, due 4/11/2016, simple interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	13,000	\$	13,000
Note payable to related party, unsecured, due 11/11/2015, simple interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	45,000	\$	45,000
Note payable to non-related party, unsecured, due 11/11/2015, simple interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	2,500	\$	2,500

Note payable to related party, unsecured, due 12/26/2015, simple interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Currently in default.	\$	25,000	\$	25,000
Note payable to related party, unsecured, due on demand, simple interest 10%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,277	\$	15,277
Note payable to related party, unsecured, due 7/23/2016, simple interest 10%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue.	\$	15,000	\$	15,000

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to related party, unsecured, due 5/1/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	3,750	\$	3,750
--	----	-------	----	-------

Note payable to related party, unsecured, due 11/9/2016, simple interest 7%. Currently in default. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	15,000	\$	15,000
Note payable to related party, unsecured, due 7/26/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	3,900	\$	3,900
Note payable to related party, unsecured, due 8/03/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	20,000	\$	20,000
Note payable to related party, unsecured, due 9/28/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	20,000	\$	20,000

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Note payable to related party, unsecured, due 10/05/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	20,000	\$	20,000
Note payable to related party, unsecured, due 11/15/2017, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	25,000	\$	25,000

Note payable to related party, unsecured, due 01/16/2018, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	-	\$	25,000
Note payable to related party, unsecured, due 02/06/2018, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	-	\$	10,000
Note payable to related party, unsecured, due 03/12/2018, simple interest 7%. Principal balance including interest to be paid upon the receipt of equity funding and/or sales revenue. Note contains a stock option.	\$	-	\$	5,000
	\$	790,596	\$	755,924
Less current - related parties		(627,022)		(592,350)
Less current – non-related parties		<u>(163,574)</u>		<u>(163,574)</u>
Long-term – related parties	\$	<u>-</u>	\$	<u>-</u>

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Required principal payments from March 31, 2017 forward are as follows:

2017	\$ 715,924
2018	\$ 40,000
2019	\$ -
2020	\$ -
2021	\$ -
	<u>\$ 755,924</u>

Interest expense under notes payable for the years ended March 31, 2017 and March 31, 2016 was \$23,568 and \$28,490 respectively.

During the years ended March 31, 2017 and March 31, 2016 the Company recognized a beneficial conversion feature expense on borrowing from

convertible notes of \$(3,500) and \$6,250, respectively.

Interest payments of \$234,592 on the Company's borrowings with a principal amount of \$592,792 was overdue as of March 31, 2017. The principal and interest balances on the notes in default are expected to be settled/paid upon the receipt of funds from operating or financial activities.

NOTE 5. DERIVATIVE LIABILITY

The Company determined approximately 12,746,121 stock options for common shares that were granted, notes convertible of 22,137,880 common shares, and a share purchase for 3,571,429 common shares totaling 38,455,430 common shares at March 31, 2017 were in excess of the Company's authorized shares amount of 100,000,000 which carries an embedded derivative and are therefore accounted for at fair value under ASC 820, Fair Value Measurements and Disclosures and ASC 825, Financial Instruments. Utilizing Level 1 Inputs, the Company recorded fair market value adjustments for the 38,455,430 common shares over the Company's 100,000,000 authorized shares amount for year ended March 31, 2017 and December 31, 2016 of \$539,327 and \$180,038, respectively. The fair market value adjustments were calculated utilizing the Black-Sholes method using the following assumptions: risk free rates ranging between 0.10% - 1.06%, dividend yield of 0%, expected life of 1 year, volatility between 134% - 408%.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

A summary of the activity of the derivative liability is shown below:

Balance at December 31, 2015	-
Derivative loss due to new issuances	(113,180)
Derivative loss due to mark to market adjustments	(66,858)
Balance at December 31, 2016	(180,038)
Derivative change due to reclassifications to equity	154,049
Derivative change due to new issuances	(199,919)
Derivative loss due to mark to market adjustment	(313,419)

NOTE 6. INCOME TAXES

Deferred income taxes arise from the temporary differences between financial statement and income tax recognition of net operating losses. These loss carryovers are limited under the Internal Revenue Code should a significant change in ownership occur. The balance of deferred tax assets and deferred tax liabilities are none and none, respectively at March 31, 2017.

NOTE 7. STOCK OPTIONS AND SUBSCRIPTIONS PAYABLE

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

The Company's stock option activity is described below.

Non-employee stock options

At the beginning of 2012, the Company had 22,500 options outstanding for shares in Transbiotec – CA. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 2.67%, dividend yield of 0%, expected life of five years, volatility of 100%. During the year ended December 31, 2012 no options were exercised or expired, leaving a December 31, 2012 outstanding balance of 22,500 non-employee stock options, exercisable at prices from \$0.10 - \$0.15 per share with the option terms expiring from January 2012 through January 2015. All of these options are for the stock of TransBiotec - CA. During the year ended December 31, 2014, 20,000 options were exercised, leaving a December 31, 2014 outstanding balance of 2,500 non-employee stock options, exercisable at \$0.10 per share with the option terms expiring in January 2015. During the year ended December 31, 2015, none of these options were exercised as all outstanding options expired in January 2015 leaving no outstanding balance of non-employee stock options in the stock of Transbiotec-CA at December 31, 2015. During the three months ended March 31, 2017, no options were exercised as all outstanding options expired in January 2015 leaving no outstanding balance of non-employee stock options in the stock of Transbiotec-CA at March 31, 2017.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

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

During 2012 the Company granted 29,678 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0.8%, dividend yield of 0%, expected life of five years, volatility of 189%. None of these options were exercised or expired, leaving a December 31, 2012 outstanding balance of 29,678 options for Transbiotec - DE. The Company incurred and recorded compensation expense under these stock option grants of \$4,042 in 2012. During the three months ended March 31, 2017, 29,678 options were exercised leaving no outstanding balance of non-employee stock options in the stock of Transbiotec-DE granted in 2012 at March 31, 2017.

During 2013 the Company granted 5,321,735 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rates between 7% - 14%, dividend yield of 0%, expected life of five years, volatility between 179% - 186%. None of these options were exercised or expired, leaving a December 31, 2013 outstanding balance of 5,351,413 options for Transbiotec - DE. The Company incurred and recorded compensation expense under these stock option grants of \$145,997 in 2013. During the three months ended March 31, 2017, 5,321,735 options were exercised leaving no outstanding balance of non-employee stock options in the stock of Transbiotec-DE granted in 2013 at March 31, 2017.

TransBiotech, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

During 2014 the Company granted 8,403,633 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rates between 1.55% - 1.77%, dividend yield of 0%, expected life of five years, volatility between 147% - 178%. No options were exercised or expired, leaving a December 31, 2014 outstanding balance of 13,755,046 options for Transbiotec - DE. The Company incurred and recorded compensation expense under these stock option grants of \$69,886 in 2014. During the three months ended March 31, 2017, 7,016,388 of these options were exercised leaving an outstanding balance of non-employee stock options in the stock of Transbiotec - DE granted in 2014 of 1,387,245 at March 31, 2017.

During the year ended December 31, 2015, the Company granted 16,282,995 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate between 1.37% - 1.68%, dividend yield of 0%, expected life of five years, a volatility range of 172% - 174%. No options were exercised or expired, leaving a December 31, 2015 outstanding balance of 30,038,041 options for Transbiotec - DE. The Company incurred and recorded compensation expense under these stock option grants of \$27,731 during the year ended December 31, 2015. During the three months ended March 31, 2017, all of the 16,282,995 options were exercised leaving no outstanding balance of non-employee stock options in the stock of Transbiotec - DE granted in 2015 at March 31, 2017.

During the year ended December 31, 2016, the Company granted 11,346,435 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate between 1.03% - 1.30%, dividend yield of 0%, expected life of five at a December 31, 2016. None of these options were exercised or expired at December 31, 2016 leaving an outstanding balance of 41,384,476 options for Transbiotec - DE. The Company incurred and recorded compensation expense under these stock option grants of \$17,983 and \$3,603 during the three months ended March 31, 2017 and during the year ended December 31, 2016, respectively. During the three months ended March 31, 2017, 3,598,136 options were exercised leaving a stock options outstanding balance of non-employee stock options in the stock of Transbiotec - DE granted in 2016 of 6,429,110 at March 31, 2017.

During the three months ended March 31, 2017, the Company granted 3,610,577 stock options, that were vested immediately, for shares in Transbiotec - DE. The fair value of the option grants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate between .08% - 1.30%, dividend yield of 0%, expected life of five years, a volatility rate between 321% - 362%. None of these options were exercised or expired at March 31, 2017. Since these stock options if exercised would be in excess of the 100,000,000 authorized shares, no stock compensation expense was recorded as the options were treated as a derivative liability at March 31, 2017.

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

The total outstanding balance of all non-employee stock options in Transbiotec – DE is 12,746,121 at March 31, 2017.

A summary of stock option activity for California is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2016	-	\$ -
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding at March 31, 2017	<u>-</u>	<u>\$ -</u>

A summary of stock option activity for Delaware is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2016	41,384,476	\$.0119
Granted	3,610,577	.0066
Exercised	32,248,932	.0035

Forfeited	-	-
Outstanding at March 31, 2017	<u>12,746,121</u>	<u>\$.0092</u>

[Table of Contents](#)

Following is a summary of the status of options for Delaware outstanding at March 31, 2017:

Exercise Price	Number of Shares	Remaining Contractual Life	Weighted Average Exercise Price	Exercised at March 31, 2017
\$ 0.0035	29,678	1 year	0.0035	29,678
\$ 0.0035	83,333	2 years	0.0035	83,333
\$ 0.0035	27,778	2 years	0.0035	27,778
\$ 0.0035	362,624	2 years	0.0035	362,624
\$ 0.0035	80,914	2 years	0.0035	80,914
\$ 0.0035	429,086	2 years	0.0035	429,086
\$ 0.0035	38,000	2 years	0.0035	38,000
\$ 0.0035	250,000	2 years	0.0035	250,000
\$ 0.0035	1,625,000	2 years	0.0035	1,625,000
\$ 0.0035	400,000	2 years	0.0035	400,000
\$ 0.0035	75,000	2 years	0.0035	75,000
\$ 0.0035	300,000	2 years	0.0035	300,000
\$ 0.0035	300,000	2 years	0.0035	300,000
\$ 0.0035	1,200,000	2 years	0.0035	1,200,000
\$ 0.0035	150,000	2 years	0.0035	150,000
\$ 0.0035	1,200,000	3 years	0.0035	1,200,000
\$ 0.0035	50,137	3 years	0.0035	50,137
\$ 0.0035	140,000	3 years	0.0035	140,000
\$ 0.0035	31,256	3 years	0.0035	31,256
\$ 0.0035	167,702	3 years	0.0035	167,702
\$ 0.0035	204,082	3 years	0.0035	204,082
\$ 0.0035	75,000	3 years	0.0035	75,000
\$ 0.0035	75,758	3 years	0.0035	75,758
\$ 0.0035	165,915	3 years	0.0035	165,915
\$ 0.0035	133,262	3 years	0.0035	133,262
\$ 0.0035	79,787	3 years	0.0035	79,787
\$ 0.0035	229,714	3 years	0.0035	229,714
\$ 0.0190	50,000	3 years	0.0190	-
\$ 0.0035	42,283	3 years	0.0035	42,283
\$ 0.0035	213,833	3 years	0.0035	213,833
\$ 0.0035	48,649	3 years	0.0035	48,649
\$ 0.0035	375,000	3 years	0.0035	375,000
\$ 0.0098	612,245	3 years	0.0098	-
\$ 0.0035	61,224	3 years	0.0035	61,224
\$ 0.2500	25,000	3 years	0.2500	-
\$ 0.0680	450,000	3 years	0.0680	-

[Table of Contents](#)

TransBiotech, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

\$	0.0035	123,828	3 years	0.0035	123,828
\$	0.0035	375,000	3 years	0.0035	375,000
\$	0.0070	250,000	3 years	0.0070	-
\$	0.0035	373,714	3 years	0.0035	373,714
\$	0.0035	850,244	3 years	0.0035	850,244
\$	0.0035	2,000,000	3 years	0.0035	2,000,000
\$	0.0035	150,000	4 years	0.0035	150,000
\$	0.0035	7,625,544	4 years	0.0035	7,625,544
\$	0.0035	1,770,000	4 years	0.0035	1,770,000
\$	0.0035	400,782	4 years	0.0035	400,782
\$	0.0035	275,000	4 years	0.0035	275,000
\$	0.0035	1,764,706	4 years	0.0035	1,764,706
\$	0.0035	2,463,333	4 years	0.0035	2,463,333
\$	0.0035	285,714	4 years	0.0035	285,714
\$	0.0035	333,333	4 years	0.0035	333,333
\$	0.0035	1,083,333	4 years	0.0035	1,083,333
\$	0.0035	131,250	4 years	0.0035	131,250
\$	0.0035	2,250,000	5 years	0.0035	2,250,000
\$	0.0035	562,500	5 years	0.0035	562,500
\$	0.0035	390,000	5 years	0.0035	390,000
\$	0.0035	1,714,825	5 years	0.0035	395,636
\$	0.0045	1,500,000	5 years	0.0045	-
\$	0.0070	1,714,825	5 years	0.0070	-
\$	0.0070	1,714,285	5 years	0.0070	
\$	0.0050	1,500,000	5 years	0.0050	
\$	0.0060	2,500,000	5 years	0.0060	
\$	0.0065	923,077	5 years	0.0065	-
\$	0.0050	187,500	5 years	0.0050	-
	Total	44,995,053		0.0092	32,248,932

Employee stock options

The parent company had no outstanding employee stock options.

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

Stock subscriptions received

At December 31, 2016 and March 31, 2017, the Company converted certain accounts payable into common shares which amounts to \$28,067 for 87,084 common shares to be issued, and \$53,067 for 3,658,513 common shares to be issued, respectively.

At December 31, 2016 and March 31, 2017, the Company converted certain notes payable into preferred shares which amounts to \$14 for 1,388,575 preferred shares to be issued, and \$14 for 1,388,575, respectively.

NOTE 8. COMMON STOCK

On January 21, 2016, the Company issued for \$25,000 cash, 5,000,000 shares of its common stock, with a purchase price of \$0.0050 per share.

On January 21, 2016, the Company converted \$9,750 of its account payable into 2,500,000 issued shares of its common stock, with a purchase price of \$0.0039 per share.

On March 13, 2017, the Company converted \$112,871 of a related party note payable into 32,248,932 issued shares of its common stock at \$0.0035 per share.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases its office space under a long-term operating lease expiring in June 2019. Rent expense under this lease was \$12,300 and \$13,105 for the three months ended March 31, 2017 and March 31, 2016, respectively.

As of December 31, 2016, future minimum annual payments under operating lease agreements for years ending December 31 are as follows.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Operating leases	36,900	49,200	24,600	-	-	110,700
	<u>\$ 36,900</u>	<u>\$ 49,200</u>	<u>\$ 24,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,700</u>

[Table of Contents](#)

TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 10. SUBSEQUENT EVENTS

On March 28, 2017, the Company filed a preliminary information statement (Schedule PRE 14C) with the SEC, reporting that stockholders of the Company owning a majority of the Company's outstanding voting securities have approved the following action (The "Action") by written consent dated March 10, 2017, in lieu of a special meeting of a stockholders.

- (1) To elect (4) directors to serve until the next Annual Meeting of Shareholders and thereafter until their successors are elected and qualified.
- (2) To approve an amendment to the Company's Articles of Incorporation to increase the authorized common stock from 100,000,000 shares, par value \$0.00001 to 800,000,000 shares of common stock, par value of \$0.00001.
- (3) Approval of the 2017 TransBiotec, Inc. Omnibus Stock Grant and Option Plan (the "Plan") which authorized 10,000,000 shares of the Company's common stock, a number equal to ten percent (10%) of the Company's outstanding common stock on the date the Plan was approved by a majority of the Company's stockholders, for issuance to Eligible Recipients.

The stockholders of the Company owning a majority of the Company's outstanding voting securities believe this action will help increase the likelihood of raising funds for the Company, although there is no assurance this will occur.

The SEC had 10 days from the March 28, 2017 filing date to comment on the Information Statement. The Company did not receive any comments on the Information Statement from the SEC within the 10-day period; filed a definitive information statement (Schedule DEF 14C) with the SEC on April 21, 2017 and mailed on April 26, 2017 to all shareholders of record as of March 27, 2017 (as identified in the certified shareholders list received from the Company's transfer agent). The action will go into effect 20 days from the April 26, 2017 mailing date or on May 16, 2017. To complete the action, after May 16, 2017, the Company will file its amendment to the Articles of Incorporation with the State of Delaware.

[Table of Contents](#)

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

Disclaimer Regarding Forward Looking Statements

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

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

Overview

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

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

[Table of Contents](#)

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

Although we are still performing beta testing of SOBR, on January 15, 2016, we received a purchase order from our distributor, AG Global Capital, for 250 of our SOBR Ignition Interlock devices. These devices were for a trucking company located in Turkey. Under the terms of the purchase order we would receive \$35,000 as payment for the devices once the devices are delivered. However, during 2016, the purchaser notified our distributor that they wish to put the purchase order on hold due to the political and social unrest in Turkey in order to see how things play out. In connection with the purchase order we produced ten prototype units that we have now circulated to other potential interested parties and those devices are currently being used in trial test runs by several potential purchasers.

Corporate Overview

We were formed in August 2007 to publish and distribute Image Magazine, a monthly guide and entertainment source for the Denver, Colorado area. We generated only limited revenue and essentially abandoned its business plan in January 2009. On September 19, 2011 we acquired approximately 52% of the outstanding shares of TBT from TBT's directors, in exchange for 12,416,462 shares of our common stock.

On January 31, 2012, we acquired approximately 45% of the remaining outstanding shares of TBT in exchange for 10,973,678 shares of our common stock.

Between the acquisitions in September 2011 and January 2012 we own approximately 97% of the outstanding shares of TBT.

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

TBT as the accounting acquirer in the transaction recorded the acquisition as the issuance of stock for our net monetary assets accompanied by a recapitalization. This accounting for the transaction was identical to that resulting from a reverse acquisition, except that no goodwill or other intangible assets were recorded.

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

The following discussion analyzes our financial condition and the results of our operations for the three months ended March 31, 2017.

This discussion and analysis should be read in conjunction with TBT's financial statements included as part of this Quarterly Report on Form 10-Q, as well as TBT's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2016.

[Table of Contents](#)

Results of Operations for Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Summary of Results of Operations

	Three Months Ended	
	March 31,	
	2017	2016
Revenue	\$ -	\$ -
Operating expenses:		
General and administrative	133,353	98,011
Total operating expenses	133,353	98,011
Operating loss	(133,353)	(98,011)
Gain (Loss) on fair value adjustment-derivatives	(313,419)	-
Gain on non-related party share issuances	-	2,250
Interest expense	(45,527)	(64,212)
Interest expense – beneficial conversion feature	3,500	(6,250)
Net income (loss)	\$ (488,799)	\$ (166,223)

Operating Loss: Net Income (Loss)

Our net loss increased by \$322,576, from (\$166,223) to (\$488,799), from the three months ended March 31, 2016 compared to March 31, 2017. Our operating loss increased by \$35,342, from \$98,011 to \$133,353 for the same periods. The change in our net loss for the three months ended March 31, 2017, compared to the prior year period, is primarily a result of us having a \$313,419 loss on fair value adjustment from derivatives in 2017 compared to none in 2016 and increased general and administrative expenses in 2017 compared to 2016, offset by a decrease in our interest for the same periods. The changes are detailed below.

Revenue

We have not had any revenues since our inception. Since September 2011, we have been involved in the development, testing and marketing SOBR, our unique alcohol sensor technology on January 15, 2016, we received a purchase order from our distributor, AG Global Capital, for 250 of our SOBR Ignition Interlock devices. These devices were for a trucking company located in Turkey. Under the terms of the purchase order we would receive \$35,000 as payment for the devices once the devices are delivered. However, during 2016, the purchaser notified our distributor that they wish to put the purchase order on hold due to the political and social unrest in Turkey in order to see how things play out. In connection with the purchaser order we produced ten prototype units that we have now circulated to other potential interested parties and those devices are currently being used in trial test runs by several potential purchasers.

[Table of Contents](#)

General and Administrative Expenses

General and administrative expenses increased by \$35,342, from \$98,011 for the three months ended March 31, 2016 to \$133,353 for the three months ended March 31, 2017, primarily due to an increase in legal and consulting fees.

Fair Value Adjustment - Derivatives

Loss on Fair Value Adjustment -Derivatives from \$0 for the three months ended March 31, 2016 to (\$313,419) for the three months ended March 31, 2017. For these amounts are largely due to a derivative liability calculated in March 2017 for all stock options, warrants and convertible shares related to notes payable that if converted or exercised would be in excess of the Company's authorized shares amount of 100,000,000.

Interest Expense

Interest expense decreased by \$18,685, from \$64,212 for the three months ended March 31, 2016 to \$45,527 for the three months ended March 31, 2017. For both periods these amounts are largely due to the interest we owe on outstanding debt.

Interest Expense – Beneficial Conversion Feature

In the three months ended March 31, 2017 our interest expense - beneficial conversion feature was \$3,500, compared to (\$6,250) for the three months ended March 31, 2016, related to a convertible debenture with a beneficial conversion feature that had to be reclassified from common share equivalents to a derivative liability.

Gain on Non-Related Party Share Issuances

For the three months ended March 31, 2016, we had a gain on non-related party share issuances of \$2,250 as a result of shares convertible from a related party accounts payable. We did not have a gain on non-related party share issuances during the three months ended March 31, 2017.

[Table of Contents](#)

Liquidity and Capital Resources for Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Introduction

During the three months ended March 31, 2017 and 2016, because of our operating losses, we did not generate positive operating cash flows. Our cash on hand as of March 31, 2017 was \$26,407 and our monthly cash flow burn rate is approximately \$25,000. As a result, we have significant short term cash needs. These needs are being satisfied through proceeds from the sales of our securities and loans from both related parties and third parties. We currently do not believe we will be able to satisfy our cash needs from our revenues for some time.

Our cash, current assets, total assets, current liabilities, and total liabilities as of March 31, 2017 and as of December 31, 2016, respectively, are as follows:

	March 31,	December	
	2017	31,	Change
	2017	2016	
Cash	\$ 26,407	\$ 14,305	\$ 12,102
Total Current Assets	32,371	14,305	18,066
Total Assets	32,371	14,305	18,066
Total Current Liabilities	3,451,566	3,026,185	425,381
Total Liabilities	\$ 3,451,566	\$ 3,026,185	\$ 425,381

Our current assets increased as of March 31, 2017 as compared to December 31, 2016, due to us having more cash on hand, as well having \$5,964 in prepaid expenses, as of March 31, 2017. The increase in our total assets between the two periods was also related to the increased cash on hand and prepaid expenses we had as of March 31, 2017.

Our current liabilities increased by \$425,381, as of March 31, 2017 as compared to December 31, 2016. This increase was primarily due to an increase in our in our derivative liability payable \$359,289, and an increase in our stock subscriptions payable of \$25,000.

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

[Table of Contents](#)

Sources and Uses of Cash

Operations

We had net cash provided by operating activities of \$52,898 for the three months ended March 31, 2017, as compared to net cash provided by operating activities of \$35,361 for the three months ended March 31, 2016. For the period in 2017, the net cash used in operating activities consisted primarily of our net income (loss) of (\$487,834), note payable beneficial conversion expense of (\$3,500), offset by change in fair value of derivative liability of \$313,419 and stock option expense of \$17,983, and changes in our accounts payable of \$2,415, accrued interest payables of \$29,004, related party payable of \$55,045, other payable of \$26,534, and prepaid expenses of (\$5,964). For the period in 2016, the net cash provided by operating activities consisted primarily of our net income (loss) of (\$165,152), a gain on non-related party share issuances of (\$2,250), offset by note payable beneficial conversion expense of \$6,250, and a change in stock subscription payable of (\$24,299), accounts payable of \$61,713, accrued interest payables of \$36,432, and related party payable of \$27,500, and other payable of \$24,445.

Investments

We had no cash provided (used) by investing activities in the three months ended March 31, 2017 or March 31, 2016.

Financing

Our net cash provided by financing activities for the three months ended March 31, 2017 was \$65,000, compared to \$30,277 for the three months ended March 31, 2016. For the three months ended March 31, 2017, our net cash from financing activities consisted of net proceeds from notes payable of \$40,000 and net proceeds from share issuances of \$25,000. For the three months ended March 31, 2016, our net cash from financing activities consisted entirely of net proceeds from notes payable.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements.

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.

[Table of Contents](#)

ITEM 4 Controls and Procedures

(a) Evaluation of Disclosure Controls Procedures

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

As of March 31, 2017, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer (our Principal Executive Officer) and chief financial officer (our Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. We also do not have an audit committee. Based on the evaluation described above, and as a result, in part, of not having an audit committee and having one individual serve as our chief executive officer and chief financial officer has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to the same extent as reported in our Annual Report on Form 10-K for the year ended December 31, 2016.

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

(b) Changes in Internal Controls over Financial Reporting

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

(c) Officer's Certifications

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

[Table of Contents](#)

PART II – OTHER INFORMATION

ITEM 1 Legal Proceedings

On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against us in Orange County California State Superior Court for Breach of Contract in the amount of \$9,720.00. 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 for a long period time.

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

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

ITEM 1A Risk Factors

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

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2017, we issued the following unregistered securities:

On March 13, 2017, we issued 32,248,932 shares of our common stock to Michael Lanphere, one of our executive officers, pursuant to a Notice of Exercise evidencing Mr. Lanphere's desire to exercise certain stock options owned by him. The exercise price for the stock options was paid through the extinguishment of \$112,871.26 in debt we owed to him under certain promissory notes. The issuance was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, due to the fact that Mr. Lanphere is a sophisticated investor, one of our management team and familiar with our operations.

ITEM 3 Defaults Upon Senior Securities

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

ITEM 4 Mine Safety Disclosures

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

ITEM 5 Other Information

On March 10, 2017, our Board of Directors and the holders of a majority of the Company's voting stock, dated as of March 10, 2017, approved the following items by written consent:

1. To elect four (4) directors to serve until the next Annual Meeting of Shareholders and thereafter until their successors are elected and qualified;
2. To approve an amendment to the Company's Articles of Incorporation to increase the authorized common stock from 100,000,000 shares, par value \$0.00001, to 800,000,000 shares of common stock, par value \$0.00001; and
3. Approval of the 2017 TransBiotech, Inc. Omnibus Stock Grant and Option Plan (the "Plan"), which authorizes 10,000,000 shares of the Company's common stock, a number equal to ten percent (10%) of the Company's outstanding common stock on the date the Plan was approved by a majority of the Company's stockholders, for issuance to Eligible Recipients, as such term is defined in the following Information Statement.

These actions are the subject of that certain Information Statement mailed to our shareholder beginning on April 25, 2017. As a result, the above-actions will take effect on or about May 22, 2017.

[Table of Contents](#)

ITEM 6 Exhibits

Item No.	Description
3.1 (1)	Articles of Incorporation of Imagine Media, Ltd.
3.2 (3)	Articles of Amendment to Articles of Incorporation to TransBiotech, Inc.
3.3 (1)	Bylaws of Imagine Media, Ltd.
10.1 (1)	Spin-of Trust Agreement by and between Gregory A. Bloom and Imagine Holding Corp. dated August 10, 2007
10.2 (1)	Form of Work For Hire Agreement
10.3 (1)	Assignment and Assumption Agreement by and between Imagine Holding Corp. and Imagine Media, Ltd. dated August 23, 2007
10.4 (2)	Investment Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated August 15, 2012
10.5 (3)	Amendment No. 1 to Investment Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated October 18, 2012
10.6 (2)	Registration Rights Agreement by and between TransBiotech, Inc. and Kodiak Capital Group, LLC dated August 15, 2012
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith).
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Accounting Officer (filed herewith).
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith).
32.2	Section 1350 Certification of Chief Accounting Officer (filed herewith).
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

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

- (1) Incorporated by reference from our Registration Statement on Form SB-2, filed with the Commission on January 31, 2008.
- (2) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on September 11, 2012.
- (3) Incorporated by reference from our Registration Statement on Form S-1, filed with the Commission on November 6, 2012.

[Table of Contents](#)

SIGNATURES

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

TransBiotech, Inc.

Dated: May 22, 2017

By: /s/ Ivan Braiker
Ivan Braiker
President

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

I, Ivan Braiker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotech, 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: May 22, 2017

By: /s/ Ivan Braiker

Ivan Braiker
President

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

I, Charles Bennington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransBiotech, 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: May 22, 2017

By: /s/ Charles Bennington
Charles Bennington
Chief Financial Officer and Chief Accounting
Officer

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

In connection with the Quarterly Report of TransBiotech, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Ivan Braiker, President of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated: May 22, 2017

By: /s/ Ivan Braiker
Ivan Braiker
President

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

**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 TransBiotech, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Charles Bennington, 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: May 22, 2017

By: /s/ Charles Bennington
Charles Bennington
Chief Financial Officer and Chief Accounting
Officer

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