

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

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)

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

(Address of principal executive offices)

26-0731818

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

92705

(Zip Code)

(949) 285-9454

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input type="checkbox"/>

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 6, 2019, there were 152,205,625 shares of common stock, \$0.00001 par value, issued and outstanding.

TRANSBIOTEC, INC.

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PART I – FINANCIAL INFORMATION

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

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

ITEM 1 Condensed Consolidated Financial Statements

The balance sheets as of June 30, 2018 and December 31, 2017, the statements of operations for the three months and six months ended June 30 2018 and 2017, the statements of changes in stockholders’ deficit for the six months ended June 30, 2018 and 2017, and the statements of cash flows for the six months ended June 30, 2018 and 2017, 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.

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TransBiotech, Inc.
CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	June 30,	December 31,
	2018	2017
ASSETS		
Current assets		
Cash	\$ 3,878	\$ 142
Prepaid expenses	23,323	3,006
Total current assets	<u>27,201</u>	<u>3,148</u>
Total Assets	<u>\$ 27,201</u>	<u>\$ 3,148</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$ 154,709	\$ 270,851
Accrued expenses	515,714	493,164
Accrued interest payable	463,703	382,302
Related party payables	1,219,803	1,026,819
Stock subscriptions payable	557	-
Notes payable - current - related parties		
* Includes unamortized debt issuance costs related to detached warrants of \$27,153 and \$19,969 at June 30, 2018 and December 31, 2017, respectively	678,691*	630,575*
Notes payable - current - non related parties		
* Includes unamortized beneficial conversion features related to convertible notes of \$5,501 and none at June 30, 2018 and December 31, 2017, respectively	164,073*	163,574
Total current liabilities	<u>3,197,250</u>	<u>2,967,285</u>
Total Liabilities	<u>3,197,250</u>	<u>2,967,285</u>
Stockholders' Deficit		
Preferred stock, \$0.00001 par value; 22,000,000 shares authorized, No shares issued or outstanding as of June 30, 2018 and December 31, 2017	-	-
Series A Convertible Preferred stock, \$0.00001 par value; 3,000,000 shares authorized, 1,388,575 shares issued and outstanding as of June 30, 2018 and December 31, 2017	14	14
Common stock, \$0.00001 par value; 800,000,000 shares authorized; 116,751,078 and 109,409,930 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively	1,172	1,096
Additional paid-in capital	14,874,547	14,785,051
Accumulated deficit	(17,997,030)	(17,703,171)
Total Transbiotech, Inc. stockholders' deficit	(3,121,297)	(2,917,010)
Noncontrolling interest	(48,752)	(47,127)
Total Stockholders' Deficit	<u>(3,170,049)</u>	<u>(2,964,137)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 27,201</u>	<u>\$ 3,148</u>

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

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

	For The Three Months Ended		For The Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
General and administrative	82,925	163,103	162,768	294,204
Total operating expenses	<u>82,925</u>	<u>163,103</u>	<u>162,768</u>	<u>294,204</u>
Loss from operations	<u>(82,925)</u>	<u>(163,103)</u>	<u>(162,768)</u>	<u>(294,204)</u>
Other income (expense):				
Gain (loss) on fair value adjustment - derivatives	-	189,113	-	(124,306)
Interest expense	(68,189)	(47,320)	(132,216)	(92,847)
Amortization of interest- beneficial conversion feature	(500)	(25,000)	(500)	(21,500)
Total other income (expense)	<u>(68,689)</u>	<u>116,793</u>	<u>(132,716)</u>	<u>(238,653)</u>
Loss before provision for income taxes	(151,614)	(46,310)	(295,484)	(532,857)
Provision for income tax	-	-	-	-
Net loss	(151,614)	(46,310)	(295,484)	(532,857)
Less: Net loss attributable to noncontrolling interest	804	1,054	1,625	(233)
Net loss attributable to TransBioTec, Inc.	<u>\$ (150,810)</u>	<u>\$ (45,256)</u>	<u>\$ (293,859)</u>	<u>\$ (533,090)</u>
Net loss per share				
(Basic and fully diluted)	<u>\$ (0.001)</u>	<u>\$ (0.000)</u>	<u>\$ (0.003)</u>	<u>\$ (0.006)</u>
Weighted average number of common shares outstanding	<u>115,152,177</u>	<u>102,285,400</u>	<u>112,296,916</u>	<u>88,320,709</u>

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

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

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit - TransBiotec Inc.	Total Stockholders' Deficit	Noncontrolling Interest
	Shares	Amount (\$0.00001 Par)	Shares	Amount (\$0.00001 Par)					
Balances at January 1, 2017	67,751,068	\$ 677	-	\$ -	\$ 14,095,430	\$ (17,064,086)	\$ (2,967,979)	\$ (3,011,880)	\$ (43,901)
Common stock issued for cash	7,171,429	72	-	-	50,128	-	50,200	50,200	-
Common stock issued due to options exercise	32,248,932	323	-	-	112,548	-	112,871	112,871	-
Paid-in capital - fair value of stock warrants granted	-	-	-	-	75,718	-	75,718	75,718	-
Paid-in capital - fair value of stock compensation	-	-	-	-	6,290	-	6,290	6,290	-
Paid-in capital - gain on related party debt conversion	-	-	-	-	164,297	-	164,297	164,297	-
Paid-in capital - beneficial conversion feature	-	-	-	-	21,500	-	21,500	21,500	-
Paid-in capital - reclassification of common share equivalents to derivative liabilities	-	-	-	-	(199,919)	-	(199,919)	(199,919)	-
Paid-in capital - reclassification of derivative liabilities to common share equivalents	-	-	-	-	504,263	-	504,263	504,263	-
Share exchange - noncontrolling interest	-	-	-	-	-	-	-	(2,019)	(2,019)
Net loss for the period	-	-	-	-	-	(533,090)	(533,090)	(533,090)	-
Balances at June 30, 2017	107,171,429	\$ 1,072	-	\$ -	14,830,255	(17,597,176)	(2,765,849)	(2,811,769)	(45,920)
Balances at January 1, 2018	109,409,930	\$ 1,096	1,388,575	\$ 14	\$ 14,785,051	\$ (17,703,171)	\$ (2,917,010)	\$ (2,964,137)	\$ (47,127)
Common stock issued for services	6,000,000	61	-	-	25,739	-	25,800	25,800	-

Common stock issued for compensation	800,000	9	-	-	7,991	-	8,000	8,000	-
Common stock issued due to options exercise	450,000	5	-	-	4,495	-	4,500	4,500	-
Common stock issued to settle accounts payable	91,148	1	-	-	427	-	428	428	-
Paid-in capital - fair value of stock warrants granted	-	-	-	-	29,701	-	29,701	29,701	-
Paid-in capital - gain on related party debt conversion	-	-	-	-	15,143	-	15,143	15,143	-
Paid-in capital - beneficial conversion feature	-	-	-	-	6,000	-	6,000	6,000	-
Share exchange - noncontrolling interest	-	-	-	-	-	-	-	(1,625)	(1,625)
Net loss for the period	-	-	-	-	-	(293,859)	(293,859)	(293,859)	-
Balances at June 30, 2018	<u>116,751,078</u>	<u>\$ 1,172</u>	<u>1,388,575</u>	<u>\$ 14</u>	<u>\$14,874,547</u>	<u>\$ (17,997,030)</u>	<u>\$ (3,121,297)</u>	<u>\$ (3,170,049)</u>	<u>\$ (48,752)</u>

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

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

For The Six Months Ended
June 30,

	<u>2018</u>	<u>2017</u>
Operating Activities:		
Net loss	\$ (293,859)	\$ (533,090)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Change in fair value of derivative liability	-	124,306
Amortization of interest - beneficial conversion feature	500	21,500
Stock warrants expense	22,517	75,718
Stock options expense	4,500	-
Stock-based compensation	7,999	6,290
Changes in assets and liabilities:		
Prepaid expenses	5,483	(7,619)
Accounts payable	(116,142)	172,089
Accrued expenses	20,925	28,310
Accrued interest payable	81,401	58,874
Related party payables	208,555	(70,320)
Stock subscriptions payable	557	10,320
Net cash used in operating activities	<u>(57,564)</u>	<u>(113,622)</u>

Financing Activities:		
Proceeds from shares issuances - related parties	-	25,000
Proceeds from shares issuances - non-related parties	-	25,200
Proceeds from notes payable - related parties	55,300	-
Proceeds from notes payable - non-related parties	6,000	50,000
Net cash provided by financing activities	<u>61,300</u>	<u>100,200</u>
Net Change In Cash	3,736	(13,422)
Cash At The Beginning Of The Period	<u>142</u>	<u>14,305</u>
Cash At The End Of The Period	<u>\$ 3,878</u>	<u>\$ 883</u>
Schedule Of Non-Cash Investing And Financing Activities:		
Debt converted to capital	<u>\$ -</u>	<u>\$ 112,871</u>
Related party payables converted to capital	<u>\$ 15,571</u>	<u>\$ 164,297</u>
Reclassification of derivative liabilities to paid-in capital	<u>\$ -</u>	<u>\$ 504,263</u>
Reclassification of paid-in capital to derivative liabilities	<u>\$ -</u>	<u>\$ 199,919</u>
Intrinsic value - beneficial conversion feature	<u>\$ 6,000</u>	<u>\$ -</u>
Fair value of stock warrants granted	<u>\$ 29,701</u>	<u>\$ -</u>
Research and development prepaid expenses with common shares	<u>\$ 25,800</u>	<u>\$ -</u>
Supplemental Disclosure:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

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

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TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") as promulgated in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2017, included in the Company's Annual Report on Form 10-K filed with the SEC on February 6, 2019.

Principles of Consolidation

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

Use of Estimates

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

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TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

Cash

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents. The Company does not have any cash equivalents as of June 30, 2018 and December 31, 2017.

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 June 30, 2018 and December 31, 2017, respectively.

Net Loss Per Share

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

Financial Instruments

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

Level 1

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

Level 2

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

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.

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TransBiotec, Inc.
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The Company's financial instruments consist primarily of cash, accounts payable, accrued expenses, accrued interest payable, notes payable, related party payables, and convertible debentures. 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 Company had no assets and liabilities that were measured and recognized at fair value on a recurring basis as of June 30, 2018 and December 31, 2017, respectively.

Beneficial Conversion Features

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

Derivative Instruments

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

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

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

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TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

During the year ended December 31, 2016, the Company determined approximately 11,127,182 stock warrants and 2,225,000 stock options granted for common shares, notes convertible into 22,137,880 common shares, and a shares purchase of 3,571,429 common shares, that totaled 38,455,430 common shares were in excess of the Company's authorized shares amount of 100,000,000 and was therefore accounted for at fair value under ASC 820, Fair Value Measurements and Disclosures and ASC 825, Financial Instruments. 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%. Utilizing Level 3 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. 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. 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). To complete the action, the Company filed an amendment to its Certificate of Incorporation with the State of Delaware on May 25, 2017, which increased the Company's authorized shares from 100,000,000 shares to 800,000,000 shares. The Company then reduced this derivative liability to zero and recorded a fair value adjustment loss on derivatives of \$12,023 during the year ended December 31, 2017.

Stock-based Compensation

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 ASC 718. 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 505-50 "Equity-Based Payments to Non-Employees".

Minority Interest (Noncontrolling Interest)

A subsidiary of the Company has minority members, representing ownership interests of 1.38% at June 30, 2018 and December 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.

Research and Development

The Company accounts for its research and development costs pursuant to ASC 730, whereby it requires the Company to disclose the amounts of costs for company and customer-sponsored research and development activities, if material. Research and development costs are expensed as incurred. The Company incurred research and development costs as it acquired new knowledge to bring about significant improvements in the functionality and design of its SOBR product. Research and development costs were \$1,347 and none for the six month period ended June 30, 2018 and June 30, 2017, respectively.

Related Parties

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

New Pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases, which establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. We are currently evaluating the impact of our pending adoption of the new standard on the consolidated financial statements.

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TransBiotec, Inc.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

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

In July 2017, the FASB issued ASU-2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Noncontrolling Interests of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception. The first part of this update addresses the complexity of accounting for certain financial instruments with down round features and the second part addresses the complexity of distinguishing equity from liabilities. The guidance is applicable to public business entities for fiscal years beginning after December 15, 2018 and interim periods within those years. We are currently evaluating the potential impact of the adoption of this standard on our consolidated results of operations, financial position and cash flows, and related disclosures.

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 June 30, 2018, the accumulated deficit is \$17,997,030, a \$3,878 cash balance, carrying loans of principal and interest in default totaling \$1,147,590, current notes payable and interest of \$1,279,545 and cash outflows from operating activities of \$57,564. These principal conditions or events, considered in the aggregate, indicates it is probable that the entity will be unable to meet its obligations as they become due within one year after the date the financial statements are issued. As such, there is substantial doubt about the entity's ability to continue as a going concern.

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

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TransBiotec, Inc.
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The Company is also considering opportunities to create synergy with its SOBR product. On October 29, 2018, The Company entered into a non-binding Letter of Intent (“LOI”) with First Capital Holdings, LLC (“FCH”). The LOI sets forth the terms under which the Company could potentially acquire certain assets related to robotics equipment from FCH in exchange for shares of their common stock equal to 60% of our then outstanding common stock on a fully-diluted basis. The LOI is non-binding and subject to various conditions that must be met in order for the parties to close the transaction, including, but not limited to, (i) the Company being current in its reporting requirements under the Securities Exchange Act of 1934, as amended, (ii) the Company completing a reverse stock split of its common stock such that approximately 8,000,000 shares will be outstanding immediately prior to closing the transaction with no convertible instruments other than as set forth herein, (iii) the Company having no more than \$125,000 in outstanding debt, all in the form of convertible notes that mature in two years post-closing and are convertible into shares of TransBiotec common stock at \$2.00 per share; (iv) FCH completing any necessary audits and reviews of the financial statements related to the assets by a PCAOB-approved independent registered accounting firm, and (v) the parties executing definitive documents related to the potential transaction.

Management believes actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a going concern; however, these plans are speculative at this time, and no formal documentation of these plans, nor approvals of such plans, have occurred on or before June 30, 2018. As such, substantial doubt about the entity’s ability to continue as a going concern has not been alleviated as of June 30, 2018.

NOTE 3. RELATED PARTY TRANSACTIONS

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

As of June 30, 2018, and December 31, 2017, the Company had payables due to officers for accrued compensation and services of \$474,156 and \$474,156, respectively, recorded as related party payables on the condensed consolidated balance sheets. We have no formal plan for compensating our directors for their service in their capacity as directors, although such directors may receive stock options to purchase common shares as awarded by our board of directors or (as to future stock options) a compensation committee which may be established. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. Our board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director.

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On December 3, 2014, Lanphere Law Group, a related party and the Company's largest shareholder, entered into an agreement with the Company to convert 50% of its outstanding accounts payable of \$428,668 to a note payable. This note payable represents the one half balance in the amount of \$214,334 of attorney fees and costs owed up until October 31, 2014. This agreement further provided that the remaining 50% of unpaid legal fees in accounts payable were to be paid and retained as a current payable. In addition, 50% of the attorney fees and costs incurred starting from November 1, 2014 are to be converted on a monthly basis to common stock at a price of \$0.09 per share until the accounts payable balance for attorney fees is paid current. These payables were for legal expenses and were previously recorded to general and administrative expense as incurred. The Company has recorded to equity a total related party gain related to these conversions as of June 30, 2018 and December 31, 2017 of \$197,254 and \$182,111, respectively. Per this agreement as of June 30, 2018 and the year ended December 31, 2017, on a cumulative basis, approximately \$201,831 of related party payables was converted into 2,242,565 common shares and \$193,627 was converted into 2,151,417 legally issued common shares, respectively. The Company has stock subscriptions payable due to this related party of \$557 convertible into 88,046 of its common shares for the six month period ended June 30, 2018.

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

On March 8, 2017, Lanphere Law Group, a related party and the Company's largest shareholder, irrevocably elected to exercise warrants in order to acquire 32,248,932 shares of the Company's common stock in exchange for an aggregate exercise price of \$112,871, which was used for the deduction of \$74,672 of principal and \$38,199 of accrued interest related to the December 3, 2014 note payable agreement with Lanphere Law Group. The principal balance of the note after the debt deduction was \$31,662. At June 30, 2018 and December 31, 2017, the principal balance of this note was \$31,662 and \$31,662, respectively. At June 30, 2018 and December 31, 2017, the accrued interest on this note was \$4,740 and \$3,168, respectively. The forgiveness of the note payable principal of \$74,672 was recorded to equity and the \$38,199 of related accrued interest was recorded to equity. After this exercise, Lanphere Law Group still owns warrants to acquire an additional 10,818,583 shares of our common stock.

The Company entered into a lease agreement with Lanphere Law Group, a related party and the Company's largest shareholder, whereas the Company is the tenant and is paying monthly rent of \$4,100. The term of this operating lease runs from July 1, 2015 to June 30, 2019. Rent expense for the six month period ended June 30, 2018 and June 30, 2017 of \$24,600 and \$24,600, was recorded to general and administrative expense, respectively.

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

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

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NOTE 4. NOTES PAYABLE

RELATED PARTIES

The Company has certain convertible notes payable to related parties that have a principal balance of \$91,000 and \$91,000 as of June 30, 2018 and December 31, 2017, respectively. These notes carry interest rates ranging from 7% - 9% and have due dates ranging from 1/23/2014 - 4/8/2015. All notes are currently in default and carry a default interest rate of 10%. These notes carry conversion prices ranging from \$0.0072 - \$0.0800 per share. The Company evaluated these convertible notes and determined that, for the embedded conversion option, there was a beneficial conversion value to record. The beneficial conversion feature was amortized over the life of the notes, one year, and was fully amortized at June 30, 2018 and December 31, 2017. No beneficial conversion feature expense was incurred during the six month period ended June 30, 2018 and June 30, 2017.

The Company has certain non-convertible notes payable to related parties that have a principal balance of \$343,700 and \$343,700 as of June 30, 2018 and December 31, 2017, respectively. These notes carry interest rates ranging from 0% - 10% and have due dates ranging from 8/03/2012 - 7/23/2016. All notes are currently in default and carry a default interest rate of 10%.

The Company has certain notes payable with detached free-standing warrants to related parties that have a principal balance of \$271,144 and \$215,844 as of June 30, 2018 and December 31, 2017, respectively. These notes carry interest rates ranging from 7% - 10% and have due dates ranging from 8/05/2015 - 04/17/2019. Twelve of these notes, carrying a total principal balance of \$167,650, are currently in default and carry a default interest rate of 10%. The exercise price for each note payable detached free-standing warrant ranges from \$0.0042 - \$0.0160. As of June 30, 2018 and December 31, 2017, these notes carried outstanding detached free-standing warrants of 24,003,003 and 16,070,611, respectively. The unamortized discount related to these warrants at June 30, 2018 and December 31, 2017 was \$27,153 and \$19,969, respectively. During the six month period ended June 30, 2018 and June 30, 2017, stock warrants amortization expense recorded to interest expense was \$22,517 and \$75,718, respectively. The reason for the decrease in stock warrants amortization expense was directly related to a decrease in funds borrowed. The fair market value of warrants granted during the six month period ended June 30, 2018 was \$29,701. The fair market value of the outstanding warrants was calculated utilizing the Black-Sholes method using the following assumptions: risk free rates ranging between 0.23% - 0.85%, dividend yield of 0%, expected life of 1 year, volatility between 141% - 375%.

Total interest expense for related party notes was \$39,446 and \$34,493 for the six month period ended June 30, 2018 and June 30, 2017, respectively.

	June 30, 2018	December 31, 2017
Convertible Notes Payable	\$ 91,000	\$ 91,000
Conventional Non-Convertible Notes Payable	343,700	343,700
Notes Payable with Detached Free-standing Warrants	271,144	215,844
Unamortized Discount	(27,153)	(19,969)
Net Related Party Notes Payable	<u>\$ 678,691</u>	<u>\$ 630,575</u>

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NON-RELATED PARTIES

The Company has certain convertible notes payable to non-related parties that have a principal balance of \$143,136 and \$137,136 as of June 30, 2018 and December 31, 2017, respectively. These notes carry interest rates ranging from 5% - 30% and have due dates ranging from 2/08/2012 - 5/23/2019. 14 of these notes are currently in default and carry a default interest rate of 10%. These notes carry conversion prices ranging from \$0.0017- \$0.3235688 per share. The Company evaluated these convertible notes and determined that, for the embedded conversion option, there was a beneficial conversion value to record. Unamortized beneficial conversion feature related to these notes was \$5,500 and none as of June 30, 2018 and December 31, 2017, respectively. Beneficial conversion feature expense incurred was \$500 and \$25,000 during the six month period ended June 30, 2018 and June 30, 2017, respectively.

The Company has certain non-convertible notes payable to non-related parties that have a principal balance of \$21,438 and \$21,438 as of June 30, 2018 and December 31, 2017, respectively. These notes carry interest rates ranging from 9% - 18% and have due dates ranging from 1/31/2013 - 11/11/2015. All notes are currently in default and carry a default interest rate of 10%.

The Company has certain notes payable with detached free-standing warrants to a non-related party that has a principal balance of \$5,000 and \$5,000 as of June 30, 2018 and December 31, 2017, respectively. This note carries an interest rate of 10% and had a due date of 9/11/2014. This note is currently in default. The exercise price for the attached warrant is \$0.019 for a total amount of 50,000 common shares. At June 30, 2018 and December 31, 2017, this note carried outstanding detached free-standing warrants of 50,000 and 50,000, respectively. There was no unamortized discount related to these warrants as of June 30, 2018 and December 31, 2017 and no stock warrants amortization expense was recorded to interest expense during the six month period ended June 30, 2018 and June 30, 2017.

Total interest expense for non-related party notes was \$24,371 and \$22,383 for the six month period ended June 30, 2018 and June 30, 2017, respectively.

	June 30, 2018	December 31, 2017
Convertible Notes Payable	\$ 143,136	\$ 137,136
Conventional Non-Convertible Notes Payable	21,438	21,438
Notes Payable with Detached Free-standing Warrants	5,000	5,000
Unamortized Beneficial Conversion Feature	(5,501)	-
Net Non-Related Party Notes Payable	<u>\$ 164,073</u>	<u>\$ 163,574</u>

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TransBiotech, Inc.
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NOTE 5. STOCK WARRANTS, STOCK OPTIONS AND STOCK SUBSCRIPTIONS PAYABLE

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

Beginning on December 12, 2012, Michael A. Lanphere, a related party and non-employee, loaned the Company money for a variety of purposes, some for working capital and some to allow the Company to pay outstanding obligations. Each of these loans was made pursuant to the terms of a Loan Agreement with Promissory Note and Stock Fee (the "Agreements"). Under the terms of the Agreements, Mr. Lanphere was not only entitled to repayment of the principal amount loaned to us, with interest, but also what was termed in the Agreements as a "Stock Fee" that the parties are interpreting as a stock warrant, which permits Mr. Lanphere to acquire shares of our common stock in exchange for an exercise price that was estimated based on the date of the loan agreement. The number of shares to be issued to Mr. Lanphere as a Stock Fee under each Agreement was an estimate and varied based on the loan amount and the price of our common stock on the day of the loan and was calculated by this formula: sixty percent (60%) of the loan amount divided by the Company's stock price on the day of the loan, but at a price per share no higher than two and one-half cents (\$0.025). Each Stock Fee is fully vested immediately and expires five (5) years from the date of the loan. Although the Stock Fee could be taken by Mr. Lanphere as a stock grant or a stock warrant, due to the fully vested nature of the Stock Fee, Mr. Lanphere is deemed to beneficially own those shares on the date of each Agreement. The number of warrants outstanding to Mr. Lanphere at June 30, 2018 and December 31, 2017 were 10,818,583 and 10,818,583, respectively.

The total outstanding balance of all non-employee stock warrants in TransBiotech, Inc. is 24,003,003 and 16,120,611 at June 30, 2018 and December 31 2017, respectively. There were 7,882,392 additional non-employee stock warrants granted during the six month period ended June 30, 2018. The fair value of these additional non-employee stock warrants granted during the six month period ended June 30, 2018 were determined using the Black-Scholes option pricing model based on the following assumptions: m

Exercise Price	\$0.0042 - \$0.0043
Dividend Yield	0%
Volatility	141% - 144%
Risk-free Interest Rate	2.65% - 2.68%
Expected Life of Options	5 Years

The following table summarizes the changes in the Company's outstanding warrants during the six month period ended June 30, 2018:

	Warrants Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2017	16,120,611	\$0.0042 - 0.0190	4.06 Years	\$ 0.0066	(51,586)
Warrants Granted	7,882,392	\$0.0042 - 0.0043	4.75 Years	\$ 0.0042	45,644
Warrants Exercised	-	-	-	-	-
Warrants Expired	-	-	-	-	-
Balance at June 30, 2018	<u>24,003,003</u>	\$0.0042 - 0.0190	3.95 Years	\$ 0.0058	100,246
Exercisable at December 31, 2017	16,120,611	\$0.0042 - 0.0190	4.06 Years	\$ 0.0066	(51,586)
Exercisable at June 30, 2018	24,003,003	\$0.0042 - 0.0190	3.95 Years	\$ 0.0058	100,246

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On April 30, 2018, Daljit Khangura, a related party, exercised 450,000 of his stock options at an exercise price of \$0.01 per share. As of June 30, 2018, there were three outstanding stock options to officers, directors, and consultants to purchase 1,775,000 shares of TransBiotec, Inc. common stock. One of the outstanding stock options is dated October 1, 2014 at an option price on that day of \$0.0062, with an option exercise price of \$0.25. The second outstanding option is dated October 27, 2014 at an option price on that day of \$0.0066 with an option exercise price of \$0.007, and the third outstanding option is dated August 15, 2016 at an option price on that day of \$0.0045 with an option exercise price of \$0.0045. Approximately, \$6,750 of accounts payable will be converted if the options are exercised. These stock options vested upon grant. There were no options granted during the six month period June 30, 2018.

The following table summarizes the changes in the Company's outstanding stock options during the six month period ended June 30, 2018:

	Options Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2017	2,225,000	\$0.0045 - 0.250	3.00 Years	\$ 0.0204	(37,825)
Options Granted	-	-			
Options Exercised	450,000	\$0.01			
Options Cancelled	-	-			
Options Expired	-	-			
Balance at June 30, 2018	<u>1,775,000</u>	\$0.0045 - 0.250	3.00 Years	\$ 0.0083	3,000
Exercisable at December 31, 2017	2,225,000	\$0.0045 - 0.250	3.00 Years	\$ 0.0204	(37,825)
Exercisable at June 30, 2018	1,775,000	\$0.0045 - 0.250	2.83 Years	\$ 0.0083	3,000

Employee Stock Options

The Company had no outstanding employee stock options as of June 30, 2018 and December 31, 2017.

Stock Subscriptions Payable

The Company had stock subscriptions payable due to a related party of \$557 convertible into 88,046 of its common shares at June 30, 2018. The Company had stock subscriptions payable of \$0 at December 31, 2017.

NOTE 6. COMMON STOCK

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.

On June 1, 2017, the Company issued for \$50,200 cash 7,171,429 shares of its common stock with a purchase price of \$0.0070 per share.

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On March 31, 2018, the Company converted \$8,204 of its related party payable into 91,148 issued shares of its common stock, with a purchase price of \$0.09 per share.

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

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

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

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

NOTE 7. PREFERRED STOCK

As of June 30, 2018 and December 31, 2017, the Company has 1,388,575 issued shares of their Series A Preferred Stock payable to two related parties. Shares of the Series A Preferred Stock are convertible at a 35% discount rate to the average closing price per share of the Company's common stock (either as listed on a national exchange or as quoted over-the-market) for the last fifteen (15) trading days immediately prior to conversion. However, no conversions of the Series A Preferred Stock to shares of common stock can occur unless the average closing price per share of the Corporation's common stock (either as listed on a national exchange or as quoted over-the-market) for the last fifteen (15) trading days immediately prior to conversion is at least five cents (\$0.05). The shares of Series A Preferred Stock vote on an "as converted" basis.

NOTE 8. 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, including CAM charges, was \$26,210 and \$26,210 for the six month period ended June 30, 2018 and June 30, 2017, respectively.

As of June 30, 2018, future minimum annual payments under operating lease agreements for years ending December 31 are as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Operating Leases	\$ 24,600	\$ 24,600	\$ -	\$ -	\$ -	\$ 49,200
	<u>\$ 24,600</u>	<u>\$ 24,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,200</u>

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 April 2019.

We currently have one outstanding judgment against us involving a past employee of the Company. The matter is under the purview of the State of California, Franchise Tax Board, Industrial Health and Safety Collections. We currently owe approximately \$28,786, plus accrued interest, to our ex-

employee for unpaid wages under these Orders and are working to get this amount paid off.

On October 29, 2018, TransBiotech, Inc. (“The Company” or “TransBiotech”) entered into a non-binding Letter of Intent (“LOI”) with First Capital Holdings, LLC (“FCH”). The LOI sets forth the terms under which The Company could potentially acquire certain assets related to robotics equipment from FCH in exchange for shares of our common stock equal to 60% of our then outstanding common stock on a fully-diluted basis. The LOI is non-binding and subject to various conditions that must be met in order for the parties to close the transaction, including, but not limited to, (i) TransBiotech being current in its reporting requirements under the Securities Exchange Act of 1934, as amended, (ii) TransBiotech completing a reverse stock split of its common stock such that approximately 8,000,000 shares will be outstanding immediately prior to closing the transaction with no convertible instruments other than as set forth herein, (iii) TransBiotech having no more than \$125,000 in outstanding debt, all in the form of convertible notes that mature in two years post-closing and are convertible into shares of TransBiotech common stock at \$2.00 per share; (iv) FCH completing any necessary audits and reviews of the financial statements related to the assets by a PCAOB-approved independent registered accounting firm, and (v) the parties executing definitive documents related to the potential transaction. On March 6, 2019, the parties entered into an amendment No. 1 to the LOI in order to extend certain dates in the LOI namely : (i) the date for the parties to complete initial due diligence was moved to March 29, 2018 (ii) the date for the parties to execute definitive agreements related to the transaction was moved to March 22, 2019, and (iii) the date to close the transaction was moved to May 31, 2019 (the “Amendment No.1”).

On January 11, 2019, the Company borrowed \$6,000 from a related party. The note payable carries an interest rate of 7% and matures on January 10, 2020. This note also contained a stock fee.

On February 24, 2019, the Company converted \$29,000 of non-related party debt into 26,363,636 issued shares of our common stock at \$0.0011 per share.

On February 24, 2019, the Company converted \$10,000 of non-related party debt into 9,090,911 issued shares of our common stock at \$0.0011 per share.

On March 1, 2019, the Company borrowed \$29,000 from a non-related party. The note payable carries an interest rate of 10% and is due upon demand.

On March 6, 2019, the Company borrowed \$10,000 from a related party. The note payable carries an interest rate of 7% and matures on April 19, 2019. This note also contained a stock fee.

On March 12, 2019, the Company borrowed \$15,000 from a related party. The note payable carries an interest rate of 7% and matures on April 27, 2019. This note also contained a stock fee.

On March 20, 2019, the Company borrowed \$10,000 from a related party. The note payable carries an interest rate of 7% and matures on May 5, 2019. This note also contained a stock fee.

On March 31, 2019, the Company borrowed \$3,750 from a related party. The note payable carries an interest rate of 7% and matures on March 30, 2020. This note also contained a stock fee.

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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. Currently, we have several "prototype" units that are fully-developed, however we believe they are not ready for use and are currently undergoing improvements.

Regarding the use in vehicles, we believe SOBR offers a unique solution to the national drunk driving problem and are currently performing beta testing of SOBR for this use. Our objective is to grow our sales and manufacturing of SOBR by aggressively pursuing the original equipment market

("OEM") once final beta testing is completed. We intend to seek an experienced OEM partner to introduce SOBR to the new automotive market. We believe that an increase in public awareness and consumer interest will generate a demand for alcohol sensing technology and we hope that auto manufactures will begin installing SOBR as a factory installed option. We will also market SOBR to international car manufacturers which may want to gain a market advantage over domestic auto manufacturers. We will seek to enter other markets as well, such as commercial trucking, as well as seek to have included in federal legislation a requirement that a alcohol sensing devices with ignition locking systems be retrofitted in all vehicles in the U.S.

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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.

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

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 develop. In 2017, the purchase order was terminated due to the unrest in that region of the world.

Corporate Overview

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

On September 19, 2011, we, Imagine Media, Ltd., a Delaware corporation, acquired approximately 52% of the outstanding shares of TransBiotech, Inc., ("TBT") from TBT's directors in exchange for 12,416,462 shares of our common stock. The accounting for this transaction was identical to that resulting from a reverse acquisition, except that no goodwill, or other intangibles were recorded, as our shareholders retained the majority of the outstanding common stock of Imagine Media LTD after the share exchange. The directors of TBT were Charles Bennington, Devadatt Mishal, Nicholas Limer, and Sam Satyanarayana. At the time, these shares represented approximately 52% of our outstanding common stock. TBT was a California corporation. In connection with this transaction, two of our officers resigned and Charles Bennington and Nicholas Limer were appointed as directors and as our President, Chief Executive Officer, and Chief Financial Officer, and our Secretary, respectively, and Ronald Williams was appointed as our Chief Technology Officer.

On January 17, 2012, our Board of Directors amended our Certificate of Incorporation changing our name from Imagine Media, Ltd. to TransBiotech, Inc. On January 31, 2012, we acquired approximately 45% of the remaining outstanding shares of TBT in exchange for 10,973,678 shares of our common stock. In connection with this transaction, two of our directors resigned and Sam Satyanarayana, Ronald Williams and Devadatt Mishal were appointed directors. Because of the September 2011 and January 2012 acquisitions of TBT common stock, we currently own approximately 98.62% of the outstanding shares of TBT, and we control its board of directors and officer positions. The remaining 3% are owned by non-affiliated individuals that did not participate in the share exchange.

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As a result of the acquisition, TBT's business is our business and, unless otherwise indicated, any references to "us" or "we" includes the business and operations of TBT. Due to our 98.62% ownership of TBT, its operations are combined with ours in the attached financial statements.

On May 25, 2017, we filed a Certificate of Amendment to our Certificate of Incorporation increasing our authorized common stock from 100,000,000 shares to 800,000,000 shares.

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

The following discussion analyzes our financial condition and the results of our operations for the six month and three month periods ended June 30, 2018.

This discussion and analysis should be read in conjunction with TBT's financial statements included as part of this Quarterly Report on Form 10-Q, as well as TBT's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2017.

Results of Operations for Three Months Ended June 30, 2018 Compared to Three Months Ended June 30, 2017

Summary of Results of Operations

	<u>Three Months Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Revenue	\$ -	\$ -
Operating expenses:		
General and administrative	82,925	163,103
Total operating expenses	82,925	163,103
Operating loss	(82,925)	(163,103)
Other income (expense):		

Gain on fair value adjustment-derivatives	-	189,113
Interest expense	(68,189)	(47,320)
Amortization of interest – beneficial conversion feature	(500)	(25,000)
Total other income (expense)	<u>(68,689)</u>	<u>116,793</u>
Net loss	<u>\$ (151,614)</u>	<u>\$ (46,310)</u>

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Operating Loss: Net Loss

Our net loss increased by \$105,304 from \$46,310 to \$151,614, from the three month period ended June 30, 2017 compared to the three month period ended June 30, 2018. Our operating loss decreased by \$80,178, from \$163,103 to \$82,925 for the same periods. The change in our net loss for the three months ended June 30, 2018, compared to the prior year period, is primarily a result of us having a \$189,113 gain on fair value adjustment from derivatives in 2017 compared to none in 2018, and decreased general and administrative expenses in 2018 compared to 2017, partially offset by an

increase in interest expense in 2018 compared to 2017 and a decrease in amortization of interest – beneficial conversion feature in 2018 compared to 2017. The changes are detailed below.

Revenue

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

General and Administrative Expenses

General and administrative expenses decreased by \$80,178, from \$163,103 for the three month period ended June 30, 2017 to \$82,925 for the three month period ended June 30, 2018, primarily due to a decrease in legal expenses and officer wages.

Fair Value Adjustment - Derivatives

Gain on fair value adjustment - derivatives was \$0 for the three month period ended June 30, 2018, compared to \$189,113 for the three month period ended June 30, 2017. This decrease was due to the us not having a derivative liability at June 30, 2018. The derivative liability we recorded during the three month period ended June 30, 2017 was due to us having convertible instruments that, if converted into shares of our common stock and added to our then outstanding common stock, would have caused us to have more shares outstanding than we had authorized.

Interest Expense

Interest expense increased by \$20,869, from \$47,320 for the three month period ended June 30, 2017 to \$68,189 for the three month period ended June 30, 2018. For both periods these amounts are largely due to the interest we owe on outstanding debt.

Amortization of Interest – Beneficial Conversion Feature

During the three month period ended June 30, 2018, our amortization of interest – beneficial conversion feature was \$500, compared to \$25,000 during the three month period ended June 30, 2017. The expense in 2017 was related to an unamortized discount on a convertible non-related party note payable that contained a beneficial conversion feature.

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Results of Operations for Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

Summary of Results of Operations

	Six Months Ended June 30,	
	2018	2017
Revenue	\$ -	\$ -
Operating expenses:		
General and administrative	162,768	294,204
Total operating expenses	<u>162,768</u>	<u>294,204</u>
Operating loss	<u>(162,768)</u>	<u>(294,204)</u>
Other income (expense):		
Loss on fair value adjustment-derivatives	-	(124,306)
Interest expense	(132,216)	(92,847)
Amortization of interest – beneficial conversion feature	<u>(500)</u>	<u>(21,500)</u>
Total other expenses	<u>(132,716)</u>	<u>(238,653)</u>
Net Loss	<u>\$ (295,484)</u>	<u>\$ (532,857)</u>

Operating Loss: Net Loss

Our net loss decreased by \$237,373, from \$532,857 to \$295,484, from the six month period ended June 30, 2017 compared to the six month period ended June 30, 2018. Our operating loss decreased by \$131,436, from \$294,204 to \$162,768 for the same periods. The change in our net loss for the six months ended June 30, 2018, compared to the prior year period, is primarily a result of us having a \$124,306 loss on fair value adjustment from derivatives in 2017 compared to none in 2018, and decreased general and administrative expenses in 2018 compared to 2017, partially offset by an

increase in interest expense in 2018 compared to 2017 and a decrease in amortization of interest – beneficial conversion feature in 2018 compared to 2017. The changes are detailed below.

Revenue

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

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General and Administrative Expenses

General and administrative expenses decreased by \$131,436, from \$294,204 for the six month period ended June 30, 2017 to \$162,768 for the six month period ended June 30, 2018, primarily due to a decrease in legal expenses and officer wages.

Fair Value Adjustment - Derivatives

Loss on fair value adjustment - derivatives was \$0 for the six month period ended June 30, 2018, compared to \$124,306 for the six month period

ended June 30, 2017. This decrease was due to the us not having a derivative liability at June 30, 2018. The derivative liability we recorded during the six month period ended June 30, 2017 was due to us having convertible instruments that, if converted into shares of our common stock and added to our then outstanding common stock, would have caused us to have more shares outstanding than we had authorized.

Interest Expense

Interest expense increased by \$39,369, from \$92,847 for the six month period ended June 30, 2017 to \$132,216 for the six month period ended June 30, 2018. For both periods these amounts are largely due to the interest we owe on outstanding debt.

Amortization of Interest – Beneficial Conversion Feature

During the six month period ended June 30, 2018, our amortization of interest – beneficial conversion feature was \$500, compared to \$21,500 during the six month period ended June 30, 2017. The expense in 2017 was related to an unamortized discount on a larger convertible non-related party note payable that contained a beneficial conversion feature.

Liquidity and Capital Resources for Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

Introduction

During the six month period ended June 30, 2018 and 2017, because of our operating losses, we did not generate positive operating cash flows. Our cash on hand as of June 30, 2018 was \$3,878 and our monthly cash flow burn rate is approximately \$25,000. As a result, we have significant short term cash needs. These needs are being satisfied through proceeds from the sales of our securities and loans from both related parties and third parties. We currently do not believe we will be able to satisfy our cash needs from our revenues for some time, and there is no guarantee we will be successful in the future satisfying these needs through the proceeds generated from the sales of our securities.

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Our cash, current assets, total assets, current liabilities, and total liabilities as of June 30, 2018 and as of December 31, 2017, respectively, are as follows:

	June 30, 2018	December 31, 2017	Change
Cash	\$ 3,878	\$ 142	\$ 3,736
Total Current Assets	\$ 27,201	\$ 3,148	\$ 24,053
Total Assets	\$ 27,201	\$ 3,148	\$ 24,053
Total Current Liabilities	\$ 3,197,250	\$ 2,967,285	\$ 229,965
Total Liabilities	\$ 3,197,250	\$ 2,967,285	\$ 229,965

Our current assets increased slightly as of June 30, 2018, as compared to December 31, 2017, due to us having more prepaid expenses at June 30, 2018, as well as slightly more cash on hand. The increase in our total assets between the two periods was also related to the increased prepaid expenses and cash on hand as of June 30, 2018.

Our current liabilities increased by \$229,965 as of June 30, 2018 as compared to December 31, 2017. This increase was primarily due to an increase in interest expense on outstanding accounts payable and notes payable coupled with an increase in notes payable.

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.

[Sources and Uses of Cash](#)

Operations

We had net cash used for operating activities of \$57,564 for the six month period ended June 30, 2018, as compared to net cash used for operating activities of \$113,622 for the six month period ended June 30, 2017. For the period in 2018, the net cash used in operating activities consisted primarily of our net loss of \$293,859, offset by stock warrant expense of \$22,517, stock option expense of \$4,500, stock based compensation of \$7,999, amortization of interest - beneficial conversion expense of \$500, and changes in our accounts payable of \$116,142, accrued expenses of \$20,925, accrued interest payable of \$81,401, related party payables of \$208,555, stock subscriptions payable of \$557, and prepaid expenses of \$5,483. For the six month period ended in 2017, the net cash used in operating activities consisted primarily of our net loss of \$533,090, offset by note payable beneficial conversion expense of \$21,500, change in fair value of derivative liability of \$124,306, and stock warrant expense of \$75,718, and stock based compensation of \$6,290, and changes in our accounts payable of \$172,089, accrued expenses of \$28,310, accrued interest payables of \$58,874, related party payables of \$70,320, stock subscriptions payable of \$10,320, and prepaid expenses of \$7,619.

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Investments

We had no cash provided by or used for investing activities during the six month period ended June 30, 2018 or June 30, 2017.

Financing

Our net cash provided by financing activities for the six month period ended June 30, 2018 was \$61,300, compared to \$100,200 for the six month period ended June 30, 2017. For the six month period ended June 30, 2018, our net cash from financing activities consisted of proceeds from notes payable – related party of \$55,300 and proceeds from notes payable – non related parties of \$6,000. For the six month period ended June 30, 2017, our net cash from financing activities consisted of proceeds from notes payable – related party of \$50,000, proceeds from share issuances – related party of \$25,000, and proceeds from shares issuances – non-related parties \$25,200.

Off Balance Sheet Arrangements

We have no off balance sheet arrangements as of June 30, 2018 and December 31, 2017.

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 Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure 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.

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As of June 30, 2018, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer (our Principal Executive Officer) and chief financial officer (our Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. We also do not have an audit committee. Based on the evaluation described above, and as a result, in part, of not having an audit committee and having one individual serve as our chief executive officer and another individual serve as our chief financial officer, management has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective to the same extent as reported in our Annual Report on Form 10-K for the year ended December 31, 2017.

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.

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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 April 2019.

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

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

ITEM 1A Risk Factors

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

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

During the three month period ended June 30, 2018 we issued the following unregistered securities:

On April 18, 2018, we converted \$25,800 of prepaid consulting, research and development costs owed to six non-related parties into 6,000,000 issued shares of our common stock at a purchase price of \$0.0043 per share. The issuance of the commons shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933. The investor was sophisticated, familiar with our operations, and there was no solicitation.

On April 30, 2018, a related party exercised \$4,500 of stock options into 450,000 issued shares of our commons stock at \$0.01 per share. The issuance of the commons shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933. The investor was sophisticated, familiar with our operations, and there was no solicitation.

On April 30, 2018, we converted \$500 of related party compensation for consulting services into 50,000 issued shares of our common stock at \$0.01 per share. The issuance of the commons shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933. The investor was sophisticated, familiar with our operations, and there was no solicitation.

On April 30, 2018, we converted \$7,500 owed to a related party for executive compensation into 750,000 issued shares of our common stock at \$0.01 per share. The issuance of the commons shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933. The investor was sophisticated, familiar with our operations, and there was no solicitation.

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

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

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ITEM 6 Exhibits

Item No.	Description
<u>3.1 (1)</u>	<u>Articles of Incorporation of Imagine Media, Ltd.</u>
<u>3.2 (3)</u>	<u>Articles of Amendment to Articles of Incorporation to TransBiotech, Inc.</u>
<u>3.3 (5)</u>	<u>Certificate of Amendment to Certificate of Incorporation filed with the State of Delaware on May 25, 2017</u>
<u>3.3 (1)</u>	<u>Bylaws of Imagine Media, Ltd.</u>
<u>10.1 (1)</u>	<u>Spin-of Trust Agreement by and between Gregory A. Bloom and Imagine Holding Corp. dated August 10, 2007</u>
<u>10.2 (1)</u>	<u>Form of Work For Hire Agreement</u>
<u>10.3 (1)</u>	<u>Assignment and Assumption Agreement by and between Imagine Holding Corp. and Imagine Media, Ltd. dated August 23, 2007</u>
<u>10.4 (4)</u>	<u>Form of Series A Stock Purchase Agreement</u>
<u>10.5 (4)</u>	<u>Form of Amendment No. 1 to Series A Preferred Stock Purchase Agreement</u>
<u>31.1</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer (filed herewith)</u>
<u>31.2</u>	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Accounting Officer (filed herewith)</u>
<u>32.1</u>	<u>Section 1350 Certification of Chief Executive Officer (filed herewith).</u>
<u>32.2</u>	<u>Section 1350 Certification of Chief Accounting Officer (filed herewith).</u>
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a 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
- (4) Incorporated by reference from our Quarterly Report on Form 10-Q for the period ended June 30, 2017, filed with the Commission on August 21, 2017.
- (5) Incorporated by reference from our Quarterly Report on Form 10-Q for the period ended March 31, 2018, filed with the Commission on April 17, 2019.

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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 6, 2019

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

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

I, Charles Bennington, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of 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 6, 2019

By: /s/ Charles Bennington

Charles Bennington
Chief Executive Officer

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

I, Nick Noceti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of 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 6, 2019

By: /s/ Nick Noceti
Nick Noceti
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 June 30, 2018, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Charles Bennington, President of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated: May 6, 2019

By: /s/ Charles Bennington

Charles Bennington
Chief Executive 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.

**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 June 30, 2018, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Nick Noceti, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

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

Dated: May 6, 2019

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

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