

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

Form 10-Q

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

For the quarterly period ended **June 30, 2025**

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

For the transition period from _____ to _____.

Commission file number: **000-53316**

SOBR SAFE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0731818

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

**6400 S. Fiddlers Green Circle,
Suite 1400 Greenwood Village, Colorado**

(Address of principal executive offices)

80111

(Zip Code)

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		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 ☒

As of August 7, 2025, there were 1,516,255 shares of common stock, \$0.00001 par value, issued and outstanding.

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This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operation and events set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements include, but are not limited to, statements regarding our outlook, guidance, expectations, beliefs, hopes, intentions and strategies, in which words such as “may,” “if,” “will,” “should,” “intend,” “expect,” “anticipate,” “plan,” “believe,” “estimate,” “project,” “consider,” or similar expressions are used to identify these forward looking statements.

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

Readers are cautioned not to put undue reliance on any forward-looking statements. Future actual results, performance, achievements, events and stockholder values may differ materially from those expressed or implied in these forward-looking statements. The risks, uncertainties, assumptions and other factors that could cause actual results to differ from the results predicted or implied by forward-looking statements include factors discussed in our filings with the SEC, including those disclosed under captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2024 Form 10-K and our Quarterly Reports on Form 10-Q (including this Quarterly Report).

REVERSE STOCK SPLIT

At the open of market on April 4, 2025, our 1-for-10 reverse split of our common stock went effective with Nasdaq Capital Markets. As a result, all common stock share amounts, as well as share amounts and exercise and conversion prices have been adjusted to reflect the reverse stock split.

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PART I – FINANCIAL INFORMATION

ITEM 1 Condensed Consolidated Financial Statements

The condensed consolidated balance sheets as of June 30, 2025, and December 31, 2024, the condensed consolidated statements of operations for the three and six months ended June 30, 2025, and 2024, the condensed consolidated statements of changes in stockholders' equity for the three and six months ended June 30, 2025, and 2024, and the condensed consolidated statements of cash flows for the six months ended June 30, 2025, and 2024, follow. The unaudited condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to present 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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SOBR SAFE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets		
Cash	\$ 8,466,322	\$ 8,384,042
Accounts receivable, net	46,984	24,460
Inventory	189,763	224,875
Prepaid expenses	92,410	192,637
Other current assets	4,142	46,060
Total current assets	<u>8,799,621</u>	<u>8,872,074</u>
Intellectual technology, net	1,895,233	2,087,965
Operating lease right-of-use assets, net	134,439	183,737
Other assets	27,427	27,427
Total Assets	<u><u>\$ 10,856,720</u></u>	<u><u>\$ 11,171,203</u></u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 501,150	\$ 422,557
Accrued expenses	2,005,041	498,128
Accrued interest payable	109,752	105,501
Deferred revenue	13,680	-
Operating lease liabilities, current portion	118,619	111,303
Notes payable - related parties, net	11,810	11,810
Notes payable - non-related parties, net	26,683	127,590
Total current liabilities	<u>2,786,735</u>	<u>1,276,889</u>
Operating lease liabilities, less current portion	30,883	91,993
Total Liabilities	<u>2,817,618</u>	<u>1,368,882</u>
Commitments and contingencies		
Stockholders' Equity		
Common stock, \$0.00001 par value; 100,000,000 shares authorized, 1,516,238 and 936,926 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	15	94
Treasury stock, at cost; 17 and 16 shares as of June 30, 2025 and December 31, 2024, respectively	(38,015)	(38,015)
Additional paid-in capital	110,384,477	108,222,324
Accumulated deficit	(102,253,679)	(98,328,395)
Total SOBR Safe, Inc. stockholders' equity	<u>8,092,798</u>	<u>9,856,008</u>
Noncontrolling interest	(53,696)	(53,687)
Total Stockholders' Equity	<u>8,039,102</u>	<u>9,802,321</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 10,856,720</u></u>	<u><u>\$ 11,171,203</u></u>

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

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SOBR SAFE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$ 104,228	\$ 54,191	\$ 190,845	\$ 102,181
Cost of goods and services	44,344	41,156	79,997	65,937
Gross profit	59,884	13,035	110,848	36,244
Operating expenses:				
General and administrative	1,815,028	1,395,933	3,638,497	2,811,495
Stock-based compensation expense	115,252	185,910	254,930	400,308
Research and development	198,675	308,427	239,599	410,461
Total operating expenses	2,128,955	1,890,270	4,133,026	3,622,264
Loss from operations	(2,069,071)	(1,877,235)	(4,022,178)	(3,586,020)
Other income (expense):				
Other income, net	75,713	13,157	153,430	34,412
Notes payable – conversion expense	-	-	-	(585,875)
Interest expense	(2,127)	(213,296)	(5,792)	(445,812)
Total other income (expense), net	73,586	(200,139)	147,638	(997,275)
Loss before provision for income taxes	(1,995,485)	(2,077,374)	(3,874,540)	(4,583,295)
Provision for income taxes	-	-	-	-
Net loss	(1,995,485)	(2,077,374)	(3,874,540)	(4,583,295)
Net loss attributable to noncontrolling interest	5	4	9	9
Net loss attributable to SOBR Safe, Inc.	\$ (1,995,480)	\$ (2,077,370)	\$ (3,874,531)	\$ (4,583,286)
Deemed dividends related to Convertible Debt Warrants down round provision	-	-	(1,833)	(23,270)
Deemed dividends related to 2024 PIPE Warrants down round provision	-	(4,336)	(1,547)	(46,875)
Deemed dividends related to Original Warrants and New Warrants down round provision	-	-	-	(1,455,805)
Deemed Dividends related to 2024 PIPE Warrants round down provision	-	-	(47,373)	-
Warrant Inducement transactional costs	-	(341,297)	-	(341,297)
Net loss attributable to common stockholders	\$ (1,995,480)	\$ (2,423,003)	\$ (3,925,284)	\$ (6,450,533)
Basic and diluted loss per common share	<u>\$ (1.32)</u>	<u>\$ (113.76)</u>	<u>\$ (2.77)</u>	<u>\$ (333.84)</u>
Weighted average number of common shares outstanding	<u>1,516,202</u>	<u>21,300</u>	<u>1,418,915</u>	<u>19,322</u>

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

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

	<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Stockholders'</u>	<u>Noncontrolling</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u> <u>(\$0.00001</u> <u>Par)</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u> <u>Capital</u>	<u>Deficit</u>	<u>Equity</u> <u>SOBR</u> <u>Safe, Inc.</u>	<u>Interest</u>	<u>Stockholders'</u> <u>Equity</u>
Balance at December 31, 2023	16,905	2	(12)	(38,015)	89,840,201	(87,765,981)	2,036,207	(53,670)	1,982,537
Common stock issued for restricted stock units vested	105	1	-	-	(1)	-	-	-	-
Common stock issued upon conversion of convertible debt	1,180	13	-	-	1,247,909	-	1,247,922	-	1,247,922
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	214,398	-	214,398	-	214,398
Deemed dividends related to Convertible Debt Warrants down round provision	-	-	-	-	23,270	(23,270)	-	-	-
Deemed dividends related to 2022 PIPE Warrants down round provision	-	-	-	-	42,539	(42,539)	-	-	-
Deemed dividends related to Original Warrants and New Warrants down	-	-	-	-	1,455,805	(1,455,805)	-	-	-

round provision									
Net loss	-	-	-	-	-	(2,505,916)	(2,505,916)	(5)	(2,505,921)
Balance at March 31, 2024	18,190	200	(12)	(38,015)	92,824,121	(91,793,511)	992,611	(53,675)	938,936
Common stock issued upon conversion of convertible debt	4,035	44	-	-	2,217,565	-	2,217,609	-	2,217,609
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	185,909	-	185,909	-	185,909
Deemed dividends related to Convertible Debt									
Warrants down round provision	-	-	-	-	-	-	-	-	-
Deemed dividends related to 2022 PIPE Warrants									
down round provision	-	-	-	-	4,336	(4,336)	-	-	-
Common stock issued upon exercise of warrants	9,382	103	-	-	2,766,612	(341,297)	2,425,418	-	2,425,418
Net loss	-	-	-	-	-	(2,077,370)	(2,077,370)	(4)	(2,077,374)
Balance at June 30, 2024	31,607	347	(12)	(38,015)	97,998,543	(94,216,514)	3,744,177	(53,679)	3,690,498

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	<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Stockholders' Equity SOBR Safe, Inc.</u>		<u>Noncontrolling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount (\$0.00001 Par)</u>	<u>Shares</u>	<u>Amount</u>						
Balance at December 31, 2024	936,926	94	(16)	(38,015)	108,222,324	(98,328,395)	9,856,008		(53,687)	9,802,321
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	139,678	-	139,678	-	-	139,678
Deemed dividends related to 2022 PIPE Warrants down round provision	-	-	-	-	1,547	(1,547)	-	-	-	-
Deemed dividends related to Convertible Debt Warrants down round provision	-	-	-	-	1,833	(1,833)	-	-	-	-
Deemed dividends related to 2024 PIPE Warrants down round provision	-	-	-	-	47,373	(47,373)	-	-	-	-
Common stock issued upon exercise of warrants	579,219	58	(1)	-	3,496,333	-	3,496,391	-	-	3,496,391
Net loss	-	-	-	-	-	(1,879,051)	(1,879,051)	(4)	(1,879,055)	(1,879,055)
Balance at March 31, 2025	1,516,145	152	(17)	(38,015)	111,909,088	(100,258,199)	11,613,026		(53,691)	11,559,335
Paid in capital - fair value of stock options and restricted stock units vested	-	-	-	-	115,252	-	115,252	-	-	115,252

True-up payment related to 2024 PIPE Warrants	-	-	-	-	(1,640,000)	-	(1,640,000)	-	(1,640,000)
Additional common stock issued upon reverse stock split	110	-	-	-	-	-	-	-	-
Adjustment to common stock to \$0.00001 par value upon reverse stock split		(137)			137				
Net loss	-	-	-	-	-	(1,995,480)	(1,995,480)	(5)	(1,995,485)
Balance at June 30, 2025	<u>1,516,255</u>	<u>\$ 15</u>	<u>(17)</u>	<u>\$(38,015)</u>	<u>\$110,384,477</u>	<u>\$(102,253,679)</u>	<u>\$ 8,092,798</u>	<u>\$(53,696)</u>	<u>\$ 8,039,102</u>

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

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SOBR SAFE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Six Months Ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Operating Activities:		
Net loss	\$ (3,874,540)	\$ (4,583,295)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible assets	192,732	192,732
Amortization of debt discounts	-	237,250
Non-cash lease expense	49,298	44,284
Non-cash interest expense	-	336,510
Non-cash conversion expense	-	585,875
Bad debt expense	-	202
Stock-based compensation expense	254,930	400,307
Changes in assets and liabilities:		
Accounts receivable	(22,524)	(9,708)
Inventory	35,112	60,844
Prepaid expenses	115,082	81,051
Other assets	41,918	(6,002)
Accounts payable	63,738	(5,912)
Accrued expenses	(133,086)	(208,213)
Accrued interest payable	4,251	(128,214)
Deferred revenue	13,680	-
Operating lease liabilities	(53,794)	(46,872)
Net cash used in operating activities	(3,313,203)	(3,049,161)
Financing Activities:		
Repayments of notes payable - non-related parties	(100,907)	-
Proceeds from exercise of stock warrants	3,680,411	2,786,174
Payment of transactional costs for exercise of warrants	(184,021)	(360,756)
Net cash provided by financing activities	3,395,483	2,425,418
Net Change In Cash	82,280	(623,743)
Cash At The Beginning Of The Period	8,384,042	2,790,147
Cash At The End Of The Period	\$ 8,466,322	\$ 2,166,404
Schedule Of Non-Cash Investing And Financing Activities:		
True-up payment accrual related to 2024 PIPE Warrants	\$ (1,640,000)	\$ -
Deemed dividends related to Convertible Debt Warrants down round provision	\$ (1,833)	\$ 23,270
Deemed dividends related to 2022 PIPE Warrants down round provision	\$ (1,547)	\$ 46,875
Deemed dividends related to Original Warrants and New Warrants down round provision	\$ -	\$ 1,455,805
Deemed dividends related to 2024 PIPE warrants round down provision	\$ (47,373)	\$ -
Non-related party debt converted to capital	\$ -	\$ 2,879,279
Warrant inducement transactional costs	\$ -	\$ 341,297
Financing of prepaid insurance premiums	\$ -	\$ 37,649
Supplemental Disclosure:		
Cash paid for interest	\$ 1,541	\$ 266
Cash paid for income taxes	\$ -	\$ -

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

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SOBR SAFE, INC.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2025

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

SOBR Safe, Inc., a Delaware corporation, (the “Company,” “we,” “us,” and “our”) is a hardware and software company headquartered in Greenwood Village, Colorado. Our Company integrates proprietary software, SOBRsafeTM, with our patent pending touch-based alcohol detection products, SOBRcheckTM and SOBRsureTM, enabling non-invasive alcohol monitoring and detection, biometric identity verification, and qualified, real-time cloud-based alerts and reporting. Currently our principal markets are located in North America.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles (“GAAP”) as promulgated in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). These unaudited condensed consolidated financial statements and the notes thereto should be read in conjunction with the Company’s audited consolidated financial statements and related notes for the year ended December 31, 2024, included in the Company’s Annual Report on Form 10-K filed with the SEC on April 15, 2025.

In management’s opinion, the unaudited condensed consolidated financial statements reflect all adjustments (including reclassifications and normal recurring adjustments) necessary to present fairly the Company’s financial position as of June 30, 2025, and December 31, 2024, and its results of operations for the three and six-month periods ended June 30, 2025 and 2024, and cash flows for the six-months ended June 30, 2025, and 2024.

Principles of Consolidation

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

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specifically, such estimates were made by the Company for the recoverability and useful lives of long-lived assets, intellectual technology, stock-based compensation and the valuation allowance related to deferred tax assets. Actual results could differ from those estimates.

Financial Instruments

The Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy is based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is broken down into three levels based on reliability of the inputs as follows:

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

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

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

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

At June 30, 2025 and December 31, 2024, the Company did not have financial instruments requiring valuation from observable or unobservable inputs to determine fair value on a recurring basis.

[Table of Contents](#)Cash and Cash Equivalents

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 at June 30, 2025, and December 31, 2024.

Accounts Receivable

Customer accounts are monitored for potential credit losses based upon management's assessment of expected collectability and the allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance. In making this assessment, management takes into consideration any circumstances of which the Company is aware regarding a customer's inability to meet its financial obligations to the Company, and any potential prevailing economic conditions and their impact on the Company's customers. The Company had \$25,000 in allowance for credit losses at June 30, 2025 and December 31, 2024, respectively.

Inventory

Inventory is comprised of component parts and finished product, and is valued at the lower of cost or net realizable value. The cost of substantially all the Company's inventory is determined by the FIFO cost method. The Company evaluates the valuation of inventory and periodically adjusts the value for estimated excess based upon estimates of future demand and market conditions, and obsolete inventory based upon otherwise damaged or impaired goods. The Company had no reserves for obsolescence at June 30, 2025, and December 31, 2024.

Prepaid Expenses

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

Debt Issuance Costs

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

Preferred Stock

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

Noncontrolling Interest

A subsidiary of the Company, TBT, has minority members representing ownership interests of 1.4% at June 30, 2025, and December 31, 2024. The Company accounts for this noncontrolling interest whereby gains and losses in a subsidiary with a noncontrolling interest are allocated to the noncontrolling interest based on the ownership percentage of the noncontrolling interest, even if that allocation results in a deficit noncontrolling interest balance.

Intangible Assets

Intangible asset values are determined where the assets are acquired at fair value on the acquisition date. Relative fair value of the intangible assets acquired are determined where goodwill is not recognized in an intangible asset acquisition and any consideration that exceeds fair value of the net assets acquired are allocated to the identifiable assets based upon relative fair values. Where there is excess of fair value assigned to the intangible assets acquired, recoverability is determined at the acquisition date on an undiscounted cash flow basis. In the event the assessment for recoverability of the intangible asset fair value upon acquisition does not result in an adjustment, an impairment analysis is conducted on the next practicable measurement date, when events or circumstances related to the fair value of the intangible asset change, or at least annually.

Impairment of Long-Lived Assets

Long-lived assets and identifiable intangibles held for use are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of undiscounted expected future cash flows is less than the carrying amount of the asset or if changes in facts and circumstances indicate, an impairment loss is recognized and measured using the asset's fair value. No impairment loss was recognized during the six-month periods ended June 30, 2025 and 2024, respectively.

[Table of Contents](#)Revenue Recognition

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

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

Contracts with a Single License/Service Performance Obligation

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

Contracts for Purchase of Hardware Devices Only

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

Contracts with Multiple Performance Obligations

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

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

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

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

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

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

[Table of Contents](#)Leases

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

Stock-based Compensation

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

Research and Development

Research and development costs are expensed as incurred. The Company incurs research and development costs as it acquires new knowledge to bring about significant improvements in the functionality and design of its products and software.

Advertising and Marketing Costs

Advertising and marketing costs are charged to operations as incurred. Advertising and marketing costs were \$383,069 and \$62,429 during the three-month periods ended June 30, 2025, and 2024, respectively. Advertising and marketing costs were \$765,379 and \$108,006 during the six-month periods ended June 30, 2025, and 2024, respectively.

Income Tax

Deferred taxes are provided on an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company has not recorded any deferred tax assets or liabilities at June 30, 2025, and December 31, 2024, as these have been offset by a 100% valuation allowance.

[Table of Contents](#)Loss Per Share

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

The following outstanding and potentially issuable shares at June 30, 2025 and 2024, have been excluded from the computation of diluted weighted shares outstanding, as they could have been anti-dilutive:

	June 30, 2025	June 30, 2024
Stock options	1,279	1,454
Restricted stock units	90	90
Warrants	1,340,325	21,440
Convertible instruments	2	1
Total dilutive securities	<u>1,341,696</u>	<u>22,985</u>

Concentration of Credit Risk

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

Concentration of Customers – To date, the Company's sales have been made to a limited number of customers. Should the Company continue to conduct sales to a limited number of customers and remain highly concentrated, revenue may experience significant period to period shifts and may decline if the Company were to lose one or more of its customers, or if the Company were unable to obtain new customers.

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

Related Parties

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

Recently Adopted Accounting Standards

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

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amended guidance enhances income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid information. This guidance requires disclosure of specific categories in the effective tax rate reconciliation and further information on reconciling items meeting a quantitative threshold. In addition, the amended guidance requires disaggregating income taxes paid (net of refunds received) by federal, state, and foreign taxes. It also requires disaggregating individual jurisdictions in which income taxes paid, net of refunds received, is equal to or greater than five percent of total income taxes paid, net of refunds received. The amended guidance was effective for annual periods beginning January 1, 2025. The guidance can be applied either prospectively or retrospectively.

Reclassifications

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

[Table of Contents](#)**NOTE 2. GOING CONCERN**

The Company has incurred recurring losses from operations and has limited cash liquidity and capital resources to meet future capital requirements. The Company's ability to meet future capital requirements will depend on many factors, including the Company's ability to develop and sell products, generate cash flow from operations, and assess competing market developments. The Company may need additional capital resources in the near future. Sources of debt financing may result in additional interest expense. Any financing, if available, may be on unfavorable terms. If adequate funds are not available or obtained, the Company may be required to reduce or curtail operations.

As of June 30, 2025, the Company has an accumulated deficit of approximately \$102,250,000. During the six months ended June 30, 2025, the Company experienced negative cash flows from operating activities of approximately \$3,310,000. These principal conditions and events, when considered in the aggregate, could indicate it is probable that the Company will be unable to meet its obligations as they become due within one year after the date the financial statements are issued. However, the Company has identified factors that may mitigate the probable conditions that have raised substantial doubt about the entity's ability to continue as a going concern.

Management believes that cash balances of approximately \$8,470,000 and positive working capital of approximately \$6,010,000 at June 30, 2025, provide adequate capital for operating activities for the next twelve months after the date these financial statements are issued. Management believes the release of its second generation SOBRsureTM device in the fourth quarter of 2024 and a comprehensive 2025 marketing plan have positioned the Company to generate improvement in the generation of both revenue and positive cash flows from sales. These plans are contingent upon the actions to be performed by the Company, and these conditions have not been met on or before June 30, 2025. Management believes despite limited revenue generation and historical operating cash flows, adequate cash balances and working capital are sufficient to support ongoing operations for the next twelve months and the Company will continue as a going concern as of June 30, 2025.

NOTE 3. INVENTORY

Inventory consists of the following:

	June 30, 2025	December 31, 2024
Component parts	\$ 59,081	\$ 59,081
Finished goods	130,682	165,794
Inventory	<u>\$ 189,763</u>	<u>\$ 224,875</u>

[Table of Contents](#)**NOTE 4. PREPAID EXPENSES**

Prepaid expenses consist of the following:

	June 30, 2025	December 31, 2024
Insurance	\$ 1,664	\$ 165,041
Deposit	40,736	15,736
Other	50,010	11,860
Prepaid expenses	\$ 92,410	\$ 192,637

On July 1, 2024, the Company purchased annual general risk and director and officers' insurance policies prepaying annual premiums of \$330,083 through an eight-month financing arrangement on the same date (see Note 8). The Company recorded \$167,371 and \$199,600 of insurance expense related to the prepaid annual general risk and directors & officers insurance premiums during the six-month periods ended June 30, 2025 and 2024. The Company recorded \$83,519 and \$106,764 of insurance expense related to the prepaid annual general risk and directors & officers insurance premiums during the six-month periods ended June 30, 2025 and 2024.

NOTE 5. LEASES

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

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

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

For the six-month period ended June 30, 2025, total operating lease expense was \$100,531, which included \$38,186 of variable lease expense. For the three-month period ended June 30, 2025, total operating lease expense was \$50,416 which included \$16,996 of variable lease expense. For the six-month period ended June 30, 2024, total operating lease expense was \$97,755, of which \$39,906 was attributable to variable lease expenses. For the three-month period ended June 30, 2024, total operating lease expense was \$47,491, of which \$18,566 was attributable to variable lease expenses.

Operating lease obligations recorded on the condensed consolidated balance sheet at June 30, 2025 are as follows:

Operating lease liabilities, current portion	\$ 118,619
Operating lease liabilities, long-term	30,883
Total operating lease liabilities	\$ 149,502

Future lease payments included in the measurement of operating lease liabilities on the condensed consolidated balance sheet at June 30, 2025 are as follows:

2025	\$ 63,299
2026	95,063
Total undiscounted future minimum lease payments	158,362
Less imputed interest	(8,860)
Total operating lease liabilities	\$ 149,502

The weighted average remaining lease term is 15 months, and the weighted average discount rate is 10%.

[Table of Contents](#)**NOTE 6. INTANGIBLE ASSETS**

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

	June 30, 2025	December 31, 2024
Gross carrying amount	\$ 3,854,675	\$ 3,854,675
Accumulated amortization	(1,959,442)	(1,766,710)
Net intangible asset	\$ 1,895,233	\$ 2,087,965
Amortization period (in years)	10	10

Amortization expense was \$192,732 for each of the six-month periods ended June 30, 2025, and 2024, and was \$96,366 for the three-months ended June 30, 2025 and 2024.

Estimated future amortization expense for SOBRsafe™ Intellectual Technology intangible assets is as follows:

2025	\$ 192,732
2026	385,464
2027	385,464
2028	385,464
2029	385,464
Thereafter	160,645
Total future amortization expense	\$ 1,895,233

NOTE 7. ACCRUED EXPENSES

Accrued expenses consist of the following:

	June 30, 2025	December 31, 2024
Consulting services	\$ 251,266	\$ 293,395
Series A Warrant True-up Payment	1,640,000	-
Other	113,775	204,733
Total accrued expenses	\$ 2,005,041	\$ 498,128

On April 11, 2025, pursuant to the terms and conditions of the Series A Warrants issued on October 9, 2024 in conjunction with the 2024 PIPE Financing, the Company evaluated the impact of the 1-for-10 reverse split of the Company's common stock, or Share Combination Event, completed on the Nasdaq Capital Markets. The Share Combination Event resulted in the determination and accrual of a current liability of \$1,640,000 at June 30, 2025 for a True-up Payment due to investors of the 2024 PIPE Financing as required by the terms and conditions of the Series A Warrants (see Note 11).

NOTE 8. NOTES PAYABLE**RELATED PARTIES**

Related party notes payable consist of the following:

	June 30, 2025	December 31, 2024
Non-convertible note payable	\$ 11,810	\$ 11,810
Less current portion	(11,810)	(11,810)
Net long-term portion	\$ -	\$ -

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The Company has one related party note payable that has an interest rate of 0%. The note payable had a due date of December 31, 2012, and is currently in default. Total interest expense for the related party notes was none for both three and six-month periods ended June 30, 2025 and 2024.

NON-RELATED PARTIES

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

	June 30, 2025	December 31, 2024
Convertible notes payable	\$ 9,183	\$ 9,183
Non-convertible notes payable	17,500	17,500
Premium financing note payable	-	100,907
Net non-related party notes payable	26,683	127,590
Current portion	(26,683)	(127,590)
Net long-term portion	\$ -	\$ -

Total interest expense for non-related party notes was \$5,792 and \$64,219 for the six-month periods ended June 30, 2025, and 2024, respectively. Total interest expense for non-related party notes was \$2,127 and \$23,299 for the three-month periods ended June 30, 2025, and 2024, respectively.

Convertible Notes Payable with Warrants - 2023 Debt Offering

On March 7, 2023, the Company entered into a Debt Offering (the “2023 Debt Offering”) pursuant to a Purchase Agreement (the “Agreement”) and Registration Rights Agreement with institutional investors (the “Purchasers”). The 2023 Debt Offering closed on March 9, 2023. The 2023 Debt Offering includes 15% Original Issue Discount Convertible Notes (the “Notes”) and Common Stock Purchase Warrants (the “Warrants”). Under the terms of the Agreement, the Company received \$3,000,001 from the Purchasers and in exchange issued the Notes in principal amounts of \$3,529,412 and Warrants to purchase up to 352 shares of the Company’s common stock. The Notes are convertible voluntarily by the Purchaser at any time. The principal amounts are convertible into shares of our common stock at a conversion price of \$2,508. The Notes are due March 10, 2025, and accrue interest quarterly at 5% per annum. The accrued interest is payable by way of inclusion in the convertible amount and is compounded quarterly. The Warrants are exercisable at any time through March 9, 2028, into shares of the Company’s common stock at an exercise price of \$2,772 per share. The Company received approximately \$2,500,000 of net proceeds from the 2023 Debt Offering after offering-related costs.

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

On March 4, 2024, the Company entered into inducement offer letter agreements (the “Inducement Letters”) with each holder (collectively, the “Holders”, and individually, a “Holder”) of the Notes issued on March 9, 2023. Pursuant to the Inducement Letters, the Holders agreed to convert some or all of the Applicable Notes at a reduced conversion price equal to \$682.00 per share (such reduced conversion price, the “Notes Conversion Price”). Simultaneously with the execution of the Inducement Letters, the Company received conversion notices from such Holders for the conversion of approximately \$804,000 aggregate principal amount of the Applicable Notes, representing approximately 25% of the aggregate principal amount of the Applicable Notes. In connection with such conversion, the Notes Conversion Price was permanently reduced to \$682.00. The Company recognized conversion expense of \$585,875 for the induced conversion.

In addition, pursuant to the Inducement Letters, the exercise price in the Common Stock Purchase Warrants issued on March 9, 2023 (the “Applicable Warrants”) currently held by Holders was permanently reduced to \$682.00 per share (such reduced exercise price, the “Warrants Exercise Price”).

In March, May, and June 2024 noteholders elected to convert an aggregate total of \$3,556,234 (the “Conversion Amount”) pertaining to the 2023 Debt Offering into 5,215 shares of the Company’s common stock at \$682 per share. As provided for in the Agreement, the Conversion Amount included original Note principal of \$3,219,724, as well as \$336,510 of accrued interest incurred in both fiscal 2023 and 2024.

On January 15, 2025, the Reset Date for the Series A Warrants issued in conjunction with the 2024 PIPE Offering, the final determination of the Reset Exercise Price was determined to be \$8.29 per share (Note 11). Pursuant to the Reset Date and Reset Exercise Price for the Series A Warrants, and the terms and condition of the for the remaining outstanding Warrants, the exercise price for the Warrants was reduced to \$8.29 per share. The differences with respect to the adjusted warrant exercise prices is treated as a deemed dividend and a reduction in net income available to common stockholders.

[Table of Contents](#)Convertible Notes Payable

The Company has two convertible notes payable to a non-related entity with principal balances totaling \$9,183 as of June 30, 2025, and December 31, 2024. The notes bear interest at 12% and are convertible into shares of the Company's common stock at \$35,519 per share. The notes were due in 2013 and are currently in default.

Non-Convertible Notes Payable

The Company has two non-convertible notes payable to non-related parties with principal balances totaling \$17,500 as of June 30, 2025, and December 31, 2024. These notes carry interest rates ranging from 9% - 10% and have due dates ranging from December 2013 to November 2015. The notes are currently in default.

Premium Financing Notes Payable

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

NOTE 9. COMMON STOCK

The Company's common stock transactions for the six-months ended June 30, 2025, consist of the following:

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

The Company issued an additional 110 shares of common stock in connection with rounding provisions of the 1-for-10 reverse stock split effective on the Nasdaq Capital Markets, April 4, 2025.

The Company's common stock transactions for the six-months ended June 30, 2024, consist of the following:

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The Company issued 105 shares of common stock for RSUs vested during 2024.

The Company issued 5,215 shares of common stock upon conversion of a portion of the Convertible Notes issued in the 2023 Debt Offering.

The Company issued 9,382 shares of common stock upon exercise of warrants.

NOTE 10. PREFERRED STOCK

On November 20, 2015, the Company's Board of Directors authorized a class of stock designated as Preferred Stock with a par value of \$0.00001 per share comprising 25,000,000, from which the Board of Director created a class of Preferred Stock designated as Series A Convertible Preferred Stock comprising 3,000,000 shares. As of June 30, 2025 and December 31, 2024, the Company did not have any Series A Convertible Preferred Stock issued or outstanding.

On December 19, 2019, the Company's Board of Directors created a class of Preferred Stock designated as 8% Series A-1 Convertible Preferred Stock comprising 2,000,000 shares. During 2020, the authorized shares were increased to 2,700,000 shares. As of June 30, 2025 and December 31, 2024, the Company did not have any Series A-1 Convertible Preferred Stock issued or outstanding.

On March 1, 2022, the Company's Board of Directors created a class of shares of Preferred Stock designated as Series B Convertible Preferred Stock comprising 3,000,000 shares. As of June 30, 2025 and December 31, 2024, the Company did not have any Series B Convertible Preferred Stock issued or outstanding.

As of June 30, 2025 and December 31, 2024, the remaining 16,300,000 of unclassified Preferred Stock did not have any units issued or outstanding.

[Table of Contents](#)**NOTE 11. STOCK WARRANTS, STOCK OPTIONS AND RESTRICTED STOCK UNITS**

The Company accounts for share-based compensation stock options and restricted stock units, and non-employee stock warrants based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable, utilizing the Black-Scholes pricing model for stock options and warrants, and the closing price of our common stock on the grant date for restricted stock units. Unless otherwise provided for, the Company covers equity instrument exercises by issuing new shares.

Stock Warrants

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

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

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

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

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

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

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

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

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

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

During the six months ended June 30, 2025, the Company received exercise notices from various institutional investors at a weighted average exercise price of approximately \$8.39. In exchange for the issuance of 579,219 shares of common stock, the Company received net proceeds of \$3,680,411.

The fair values of stock warrants granted during the six months ended June 30, 2025, were determined using the Monte Carlo simulation and Black-Scholes option pricing models based on the following assumptions:

	June 30, 2025	June 30, 2024
Exercise price	\$ 7.60 - 8.29	\$ 297.00 – 682.00
Dividend yield	0%	0%
Volatility	164%	147–173%
Risk-free interest rate	3.68-3.79%	4.13–4.50%
Expected life (years)	4.3	2.3 – 5.3

The following tables summarize the changes in the Company's outstanding warrants during the six-month periods ended June 30, 2025:

	Warrants Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2024	1,563,182	\$ 9.60 – 4,675.00	4.8	\$ 10.40	\$ -
Warrants granted	356,405	\$ 7.60 – 8.29	4.3	\$ 8.07	\$ -
Warrants exercised	(579,218)	\$ 8.29 – 9.60	4.3	\$ 8.39	\$ -
Warrants expired	(44)	\$ 1,650.00	-	\$ 1,650.00	\$ -
Balance at June 30, 2025	<u>1,340,325</u>	\$ 7.60 – 4,675.00	4.3	\$ 8.59	\$ -

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The following tables summarize the changes in the Company's outstanding warrants during the six-month periods ended June 30, 2024:

	Warrants Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Balance at December 31, 2023	9,642	\$1,485.00-5,841.00	4.6	\$ 1,870.00	\$ -
Warrants granted	21,180	\$ 297.00-682.00	4.9	\$ 297.00	\$ -
Warrants exercised	(9,382)	\$ 297.00	-	\$ 297.00	\$ -
Warrants expired	-	\$ -	-	\$ -	\$ -
Balance at June 30, 2024	<u>21,440</u>	<u>\$ 297.00-5,841.00</u>	<u>4.7</u>	<u>\$ 484.00</u>	<u>\$ -</u>

Share-Based Compensation

On October 24, 2019, the Company's 2019 Equity Incentive Plan (the "Plan") went effective authorizing 1,167 shares of Company common stock for issuance as stock options and restricted stock units ("RSUs") to employees, directors or consultants. The Plan was approved by the Company's Board of Directors and the holders of a majority of the Company's voting stock on September 9, 2019. In January 2022, the stockholders approved and ratified an amendment to increase the shares authorized under the Plan to 1,576. In June 2024, the stockholders approved and ratified an amendment to increase the shares authorized under the Plan to 3,182.

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

Stock Options

As of June 30, 2025, and December 31, 2024, the Company had granted stock options to acquire 1,279 and 1,323 shares of common stock under the Plan, respectively. As of June 30, 2025, the Plan had 1,135 vested options and 144 non-vested options. As of December 31, 2024, the Plan had 1,048 vested options and 275 non-vested options. The stock options are held by our officers, directors, employees, and certain key consultants.

For the six months ended June 30, 2025, and 2024, the Company recorded \$254,930 and \$400,308, respectively, of share-based compensation expense related to stock options. For the three months ended June 30, 2025, and 2024, the Company recorded \$115,252 and \$185,910, respectively, of share-based compensation expense related to stock options. Unrecognized compensation expense as of June 30, 2025, was \$218,870 which will be recognized over a weighted average period of 7.3 months.

During the six-month period ended June 30, 2025, the Company did not grant any stock options to directors, officers, employees or other third parties.

The following table summarizes the changes in the Company's outstanding stock options during the six-month period ended June 30, 2025:

	Options Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2024	1,323	\$528.00-10,230.00	4.9	\$ 2,178.70	\$ -
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Expired/forfeited	(44)	748.00-2,376.00	3.0	1,562.00	-
Balance at June 30, 2025	<u>1,279</u>	<u>\$528.00-10,230.00</u>	<u>4.8</u>	<u>\$ 2,165.95</u>	<u>\$ -</u>
Exercisable at June 30, 2025	<u>1,135</u>	<u>\$528.00-10,230.00</u>	<u>4.7</u>	<u>\$ 2,217.49</u>	<u>\$ -</u>

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The following table summarizes the changes in the Company's outstanding stock options during the six-month period ended June 30, 2024:

	Options Outstanding Number of Shares	Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2023	1,541	\$528.00-10,230.00	5.7	\$ 2,211.00	\$ -
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Expired/forfeited		2,321.00 -			
	(86)	2,629.00-	-	\$ 2,552.00	-
Balance at June 30, 2024	1,455	\$528.00-10,230.00	5.3	\$ 2,189.00	\$ -
Exercisable at June 30, 2024	1,008	\$528.00-10,230.00	4.8	\$ 2,299.00	\$ -

Restricted Stock Units

The Plan provides for the grant of RSUs. RSUs are settled in shares of the Company's common stock as the RSUs become vested. During the six months ended June 30, 2025 and 2024, the Company granted no service based RSU's to directors, executive officers or employees. During the six months ended June 30, 2024, 105 shares of the Company's common stock were vested and common shares issued. Unvested RSUs granted in 2023 vest in January 2026.

The following tables summarize RSU activity under the Plan for the six-month period ended June 30, 2025:

	RSUs	Weighted Average Grant Date Fair Value Per Share	Weighted Average Vesting Period (Years)
Unvested at December 31, 2024	90	\$ 1,683.00	1.0
Granted	-	-	-
Cancelled	-	-	-
Vested	-	-	-
Unvested at June 30, 2025	90	\$ 1,683.00	0.50

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For both the six months ended June 30, 2025, and 2024, the Company recorded \$31,048, in stock-based compensation expense related to RSUs. For both the three months ended June 30, 2025, and 2024, the Company recorded \$15,524 in stock-based compensation expense related to RSUs. As of June 30, 2025, total unrecognized compensation cost related to RSUs was \$31,048 which will be recognized over a period of six months.

Executive Officer Stock Options and RSUs

The Company has 816 vested and 137 unvested outstanding executive officer stock options exercisable at \$528 to \$2,552 per share with a weighted average remaining contractual life of 5.7 years as of June 30, 2025, and 702 vested and 251 unvested outstanding executive stock options exercisable at \$528 to \$2,552 per share with a weighted average remaining contractual life of 6.2 years as of December 31, 2024. The Company had no vested and 90 unvested RSUs granted to executive officers as of June 30, 2025, and December 31, 2024, respectively.

NOTE 12. COMMITMENTS AND CONTINGENCIESLegal Proceedings

On December 6, 2006, Orange County Valet and Security Patrol, Inc. filed a lawsuit against the Company in Orange County California State Superior Court for Breach of Contract in the amount of \$11,164. A default judgment was taken against the Company in this matter. In mid-2013 we learned the Plaintiff's perfected the judgment against the Company, but we have not heard from the Plaintiffs. As of June 30, 2025, the Company has accrued \$11,164 plus accrued interest of approximately \$21,000. In the event we pay any money related to this lawsuit, IDTEC agreed, in connection with closing a 2020 asset purchase transaction with IDTEC, to pay the amount for us in exchange for shares of our common stock.

NOTE 13. SEGMENT REPORTING

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

NOTE 14. SUBSEQUENT EVENTS

In July 2025, the Company remitted payments in the aggregate amount of \$1,640,000 to remaining holders of the Series A Warrants issued on October 9, 2024 in conjunction with the 2024 PIPE Financing. The payments were made to satisfy the determined True-Up Payment obligation accrued as of June 30, 2025 and will not have an impact on the Company's ability to continue as a going concern.

On July 17, 2025, the Company's stockholders approved and ratified an amendment to increase the number of shares authorized under the 2019 Equity Incentive Plan to 350,000 shares.

[Table of Contents](#)**ITEM 2 Management's Discussion and Analysis of Financial Condition and Results of Operations****Disclaimer Regarding Forward Looking Statements**

Our Management's Discussion and Analysis or Plan of Operations contains not only statements that are historical facts, but also forward-looking statements within the meaning of the Exchange Act. Forward-looking statements include statements in which words such as "may," "if," "will," "should," "intend," "expect," "anticipate," "plan," "believe," "estimate," "project," "consider," or similar expressions are used. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national and local general economic and market conditions; demographic changes; our access to capital to fund our continuing operations, our ability to sell our products and services and to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; raw material costs and availability; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; changes in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; and other risks that might be detailed from time to time in our filings with the Securities and Exchange Commission ("SEC").

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

Reverse Stock Split

At the open of the market on April 4, 2025, our 1-for-10 reverse split of our common stock went effective with Nasdaq Capital Markets ("Nasdaq"). As a result, all common stock share amounts, as well as share amounts and exercise and conversion prices have been adjusted to reflect the reverse stock split.

Corporate Overview

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

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

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

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

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The following discussion:

- o summarizes our plan of operation; and
- o analyzes our financial condition and the results of our operations for the six months ended June 30, 2025.

This discussion and analysis should be read in conjunction with our financial statements included as part of this Quarterly Report on Form 10-Q, as well as our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Business Operations, Outlook and Challenges

We provide non-invasive technology to quickly and discreetly monitor, detect and identify the presence of alcohol in individuals. Our mission is to save lives, positively impact behavioral outcomes and individual wellness, increase workplace safety and productivity, and create significant economic benefits. Our non-invasive technologies are integrated within our scalable and patent-pending software platform, SOBRsafe™, producing statistical, measurable business and user data. We operate as a single segment designed to enable customers to purchase products directly through channel partners, sales agents or through our digital enterprise and consumer channels. To that end, our SOBRsafe software platform, along with our integrated hardware devices, SOBRcheck™ and SOBRsure™, used to provide non-invasive alcohol monitoring, detection and identity verification, combine to create a robust solution that has current and potential applications in:

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

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

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

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

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

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

Our brand, products and software services continue to gain awareness and recognition through a robust marketing platform, trade shows, media exposure, social media and product demonstrations. To generate sales, we have a three-part strategy: 1) direct sales to enterprise businesses and consumers, 2) enter into agreements with channel partners and 3) enter into licensing and integration agreements. We currently employ four highly experienced sales professionals facilitating direct sales and channel partner relationships. Licensing and integration opportunities with third parties continue in preliminary stages.

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

Alcohol Use Disorder and Its Effects

SOBR Safe is committed to addressing the increasing diagnosis of Alcohol Use Disorder (“AUD”) which is a medical condition characterized by an inability to control or stop the use of alcohol despite the adverse effects and consequences. Approximately 29 million individuals in the United States and 283 million globally suffer from this diagnosis where the problematic use of alcohol can result in both short- and long-term health issues including effects on behavioral wellness and overall physical health. According to the National Institute on Alcohol Abuse and Alcoholism, AUD increased by 38% during the COVID pandemic creating a surge in diagnoses and untreated cases.

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

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

Marketing

We have developed a marketing plan that includes:

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

As of June 30, 2025, we have retained six channel partners to augment our sales and marketing efforts, serving business customers with SOBRsafe technology solutions, including the SOBRcheck and SOBRsure devices.

Recent Developments

During the six-months ended June 30, 2025, the following developments occurred:

- Achieved an increase in revenue of 87% from the prior year six-month period coupled with an improving gross margin of 58%.
- Net proceeds of approximately \$3.3M were received from the exercise of outstanding warrants during the quarter ended March 31, 2025, which were issued in conjunction with the 2024 PIPE Financing completed in October 2024.
- We effected and completed a 1-for-10 reverse stock split of the Company's common stock on April 4, 2025, a Share Combination Event, reducing the total number of outstanding shares from approximately 15.2 million to 1.5 million. Fractional shares as a result of the reverse stock split were rounded up to one full share of common stock. Following the reverse stock split, the exercise price of the Series A Warrants issued in conjunction with the 2024 PIPE Financing was reduced to the Floor Price of \$7.60 per common share. Further, the Share Combination Event resulted in the calculation of a True-up Payment due to the remaining holders limited to a ceiling of \$1,640,000.
- Enhanced SOBRsafe's patent-pending software technology solutions with improvements to the mobile application including streamlined administration application and notification protocols and introduced new user interface elements.
- Completed third-party hardware product validation tests in the first quarter of 2025 and a corresponding third-party product sensor validation test.
- Collaborated with a national marketing firm providing solutions to and for the largest U.S. newspaper publisher and the largest local-to-national publishing and digital media organization in the United States, launching both business-to-consumer and business-to-business marketing initiatives building brand recognition and support 2025 sales efforts. The effort has generated improved brand awareness and stimulated market adoption through the multi-channel, multi-disciplined national marketing campaigns.
- Initiated a robust marketing campaign in March 2025 which was executed in April 2025 to correspond with the National Council on Alcohol and Drug Dependence Alcohol Awareness Month.
- Broadened the global reach of SOBRsafe users and subscribers across 43 U.S. states, Canada, Australia, and New Zealand, while launching an alcohol detection and testing program for airport personnel and pilots outside of the U.S., building upon the Company's global footprint.

- Expanded business-to-business sales in the first quarter of 2025 into the family law market to address the approximate 450,000 individuals undergoing domestic monitoring.
- Converted the Company's website presence to an ecommerce platform supporting both business to business and business to consumer channels facilitating hardware and software subscription sales creating a scalable mechanism for future sale growth.
- Launched a comprehensive customer service support center to provide broader range of service including inbound and outbound communication capabilities.
- Partnering with a leading university in the United States to support their research and development of a transdermal alcohol analytics platform utilizing SOBRsure devices for essential data acquisition.

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Subsequent to the six-months ended June 30, 2025, the following developments occurred as detailed below:

➤ In July 2025, the Company remitted payments in the aggregate amount of \$1,640,000 to remaining holders of the Series A Warrants issued on October 9, 2024 in conjunction with the 2024 PIPE Financing. The payments were made to satisfy the determined True-Up Payment obligation accrued as of June 30, 2025 and will not have an impact on the Company's ability to continue as a going concern.

➤ On July 17, 2025, the Company's stockholders approved and ratified an amendment to increase the number of shares authorized under the 2019 Equity Incentive Plan to 350,000 shares.

Summary of Results of Operations***Results of Operations for Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024***

	Three Months Ended June 30,	
	2025	2024
Revenues	\$ 104,228	\$ 54,191
Cost of goods and services	44,344	41,156
Gross profit	59,844	13,035
Operating expenses:		
General and administrative	1,815,028	1,395,933
Stock-based compensation expense	115,252	185,910
Research and development	198,675	308,427
Total operating expenses	2,128,955	1,890,270
Loss from operations	(2,069,071)	(1,877,235)
Other income (expense):		
Other income, net	75,713	13,157
Interest expense	(2,127)	(213,296)
Total other income (expense), net	73,586	(200,139)
Net loss	<u>\$ (1,995,485)</u>	<u>\$ (2,077,374)</u>

Revenue

Revenues of \$104,228 for the three-month period ended June 30, 2025, have increased by \$50,037, or an increase of 92.3%, as compared to the prior year period of \$54,191. This increase is primarily driven by increased sales of our SOBRsure device of \$29,244, or 133.0%; an increase in sales of our SOBRsure software subscriptions of \$25,177, or 342.7%; and an increase in our SOBRcheck software subscriptions of \$5,009. These increases have been offset by decreased sales of our SOBRcheck device of \$7,365 and an increase in sales discounts of \$2,312. During the three months ended June 30, 2025, the Company sold 161 unique SOBRsure 2nd generation devices after being launched in the fourth quarter of 2024. This represents an increase of 8.8% from the prior quarter unique sales of 148 SOBRsure 2nd generation devices.

Gross Profit

The cost of goods and services for the three months ended June 30, 2025, was \$44,344 resulting in a gross profit of \$59,884 and a gross margin of 57.5%. The cost of goods and services for the three months ended June 30, 2024 was \$41,156 resulting in a gross profit of \$13,035. The prior period cost of goods and services included an inventory cost adjustment of \$17,434 for SOBRcheck inventory resulting in an adjusted gross margin of 53.7%.

General and Administrative Expenses

General and administrative expenses increased by \$419,095, from \$1,395,933 for the three-month period ended June 30, 2024, to \$1,815,028 for the three-month period ended June 30, 2025. This increase is primarily attributable to an increase in professional

services spend of \$376,204, an increase in payroll costs of \$130,938, offset by a decrease in business development expense of \$60,380 and insurance spend of \$23,244.

[Table of Contents](#)Stock-Based Compensation Expense

The Company had stock-based compensation expense of \$115,252 for the three months ended June 30, 2025, compared to \$185,910 for the three months ended June 30, 2024. The reduction in stock-based compensation expense is due to previously issued equity compensation awards becoming fully vested and no issuance of new awards in 2025.

Research and Development

Research and development expenses decreased by \$109,752, or 35.6%, to \$198,675 for the three months ended June 30, 2025, compared to \$308,427 for the three months ended June 30, 2024. The decrease in research and development is due to the Company's making improvements to its existing SOBRsafe software platform and enhancements to its mobile application, whereas the prior year spend was primarily driven by more expensive hardware development initiatives including the second generation of the SOBRsure device.

Other Income, net

Other income, net increased by \$62,556 from \$13,157 for the three months ended June 30, 2024, to \$75,713 for the three months ended June 30, 2025. Other income consists primarily of interest income earned on cash deposits. The increase is due to more cash on hand during 2025 when compared to the same period in 2024 as a result of cash proceeds from the 2024 PIPE Financing in October 2024, and the Series A Warrant exercises completed in the fourth quarter of 2024 and the first quarter of 2025.

Interest Expense

Interest expense decreased by \$211,169 from \$213,296 for the three-month periods ended June 30, 2024, to \$2,127 for the three months ended June 30, 2025. This decrease was due to make-whole interest related to outstanding convertible debt as the conversion of debt to common stock was completed in the prior year.

Operating Loss; Net Loss

Our operating loss increased by \$191,836 from \$1,877,235 for the three-month period ended June 30, 2024, compared to \$2,069,071 for the three-month period ended June 30, 2025. The change in our operating loss for the three months ended June 30, 2024, compared to the same prior year period, is primarily a result in an increase in general and administrative expense as detailed above, offset by decreases in stock-based compensation and research and development expenses.

Our net loss decreased by \$81,890 from \$2,077,374 for the three-month period ended June 30, 2024, to \$1,995,480 for the three-month period ended June 30, 2025. The change in our net loss for the three months ended June 30, 2024, compared to the same prior year period, is primarily a result in an increase our operating loss as detailed above, offset by an increase in interest income and a decrease in interest expense.

[Table of Contents](#)**Results of Operations for Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024**

	Six Months Ended June 30,	
	2025	2024
Revenues	\$ 190,845	\$ 102,181
Cost of goods and services	79,997	65,937
Gross profit	110,848	36,244
Operating expenses:		
General and administrative	3,638,497	2,811,495
Stock-based compensation expense	254,930	400,308
Research and development	239,599	410,461
Total operating expenses	4,133,026	3,622,264
Loss from operations	(4,022,178)	(3,586,020)
Other income (expense):		
Other income, net	153,430	34,412
Notes payable – conversion expense	-	(585,875)
Interest expense	(5,792)	(445,812)
Total other income (expense), net	147,638	(997,275)
Net loss	<u>\$ (3,874,540)</u>	<u>\$ (4,583,295)</u>

Revenue

Revenues of \$190,845 for the six-month period ended June 30, 2025, have increased by \$88,664, or 86.8%, as compared to the prior year period of \$102,181. This increase from the prior year period is primarily driven by increased sales of our SOBRsure device of \$53,045, or 150.5%; an increase in sales of our SOBRsure subscriptions of \$47,534, or 468.8%; an increase in our SOBRcheck subscriptions of \$7,035, or 17.8%. These increases are offset by decreased sales of our SOBRcheck device of \$16,787 and an increase in discounts of \$2,312. During the first six-months of 2025, the Company sold 309 unique SOBRsure 2nd generation devices after being launched in the fourth quarter of 2024.

Gross Profit

The cost of goods and services for the six months ended June 30, 2025 was \$79,997 resulting in a gross profit of \$110,848 and a gross margin of 58.1%. The cost of goods and services for the six months ended June 30, 2024 was \$65,937 resulting in a gross profit of \$36,244. The prior period cost of goods and services included an inventory cost adjustment of \$23,410 resulting in an adjusted gross margin of 58.4%.

General and Administrative Expenses

General and administrative expenses increased by \$827,002, or 29.4%, from \$2,811,495 for the six-month period ended June 30, 2024, to \$3,638,497 for the six-month period ended June 30, 2025. This increase is primarily attributable to an increase in professional services spend of \$696,752 principally in marketing efforts, an increase in payroll costs of \$261,095, offset by a decrease in business development expense of \$75,509 and related travel spend of \$11,545 which is delayed to the second half of 2025, and decrease in insurance spend of \$32,229.

[Table of Contents](#)**Stock-Based Compensation Expense**

The Company had stock-based compensation expense of \$254,930 for the six months ended June 30, 2025, compared to \$400,308 for the six months ended June 30, 2024. The reduction in stock-based compensation expense is due to previously issued equity compensation awards becoming fully vested and no issuance of new awards in 2025.

Research and Development

Research and development expenses for the six months ended June 30, 2025, and 2024, decreased by \$170,862, or 41.6%, from \$410,461 for the six months ended June 30, 2024, to \$239,599 for the six months ended June 30, 2025. The decrease in research and development is due to the Company's making improvements to its existing SOBRsafe software platform and enhancements to its mobile application, whereas the prior year spend was primarily driven by more expensive hardware development initiatives including the second generation of the SOBRsure device.

Other Income, net

Other income, net increased by \$119,018 from \$34,412 for the six months ended June 30, 2024 to \$153,430 for the six months ended June 30, 2025. Other income consists primarily of interest income earned on cash deposits. The increase is due to more cash on hand during 2025 when compared to the same period in 2024 as a result of cash proceeds from the 2024 PIPE Financing in October 2024, and the Series A Warrant exercises completed in the fourth quarter of 2024 and the first quarter of 2025.

Interest Expense

Interest expense decreased by \$440,020 from \$445,812 for the six months ended June 30, 2024, to \$5,792 for the six months ended June 30, 2025. This decrease was due to make-whole interest related to outstanding convertible debt as the conversion of debt to common stock was completed in the prior year.

Operating Loss; Net Loss

Our operating loss increased by \$436,158, from \$3,586,020 for the six-month period ended June 30, 2024, compared to \$4,022,178 for the six-month period ended June 30, 2025. The change in our operating loss for the three months ended June 30, 2025, compared to the same prior year period, is primarily a result in an increase in general and administrative expense as detailed above offset by decreases in stock-based compensation and research and development expenses.

Our net loss decreased by \$708,755 from \$4,583,295 for the six-month period ended June 30, 2024, compared to \$3,874,540 for the six-month period ended June 30, 2025. The change in our net loss for the three months ended June 30, 2025, compared to the same prior year period, is primarily a result of notes payable conversion expense not experienced in 2025 and a decrease in interest expense for make-whole interest, and an increase in interest income. These decreases were offset by the increase in our operating loss as compared to the prior period detailed above.

Liquidity and Capital Resources for Six Months Ended June 30, 2025, Compared to December 31, 2024**Introduction**

During the six-months ended June 30, 2025, and 2024, the Company has incurred recurring losses from operations. Future capital requirements will depend on many factors including the Company's ability to sell and develop products, generate cash flow from operations, and assess competing market developments. The Company will need additional capital in the near term. Our cash on hand as of June 30, 2025, was \$8,466,322 and our current normalized operating cash flow burn rate is approximately \$550,000 per month.

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Management believes that cash balances and positive working capital at June 30, 2025 provide adequate operating capital for operating activities for the next twelve months after the date these financial statements are issued. Management anticipates additional revenue generation with the release of its second generation SOBRsure device and a comprehensive marketing plan. These plans are contingent upon the actions to be performed by the Company which have been implemented through the quarter and will continue into future periods, however, these conditions have not been met on or before June 30, 2025. The Company has acquired additional proceeds net of transactional costs from the exercise of outstanding warrants, net of transactional costs, of approximately \$3,395,021 during the first quarter of 2025, increasing the Company's cash balances. As such, Management believes despite limited revenue generation and positive operating cash flows being generated in the past, adequate cash balances and working capital are available to support ongoing operations for the next twelve months and the Company will continue as a going concern at June 30, 2026.

Our cash, current assets, total assets, current liabilities, and total liabilities as of June 30, 2025, and as of December 31, 2024, respectively, are as follows:

	June 30, 2025	December 31, 2024	Change
Cash	\$ 8,466,322	\$ 8,384,042	\$ 82,280
Total current assets	8,799,621	8,872,074	(72,453)
Total assets	10,856,720	11,171,203	(314,483)
Total current liabilities	2,786,735	1,276,889	1,509,846
Total liabilities	2,817,618	1,368,882	1,448,736

Our total current assets and total assets decreased as of June 30, 2025, as compared to December 31, 2024, primarily due to a decrease in prepaid expenses of approximately \$100,000, amortization of SOBRsafe Intellectual Technology and Right-of-Use assets of approximately \$242,000, lower inventory on hand of approximately \$35,000, and collection of receivables of approximately \$19,000, offset by an increase in cash on hand of approximately \$82,000.

Our total current liabilities and total liabilities increased as of June 30, 2025, as compared to December 31, 2024. The increase was primarily due to the accrual for the Series A Warrant True-up Payment obligation of \$1,640,000 during the period, offset by the decrease in accounts payable and accrued expenses of approximately \$54,000, and payment of the balance of the insurance premium note payable and operating lease liabilities of approximately \$155,000.

Sources and Uses of Cash

Operations

We had net cash used in operating activities of \$3,313,203 for the six-month period ended June 30, 2025, as compared to net cash used in operating activities of \$3,049,161 for the six-month period ended June 30, 2024. For the period in 2025, the net cash used in operating activities consisted primarily of our net loss of \$3,874,540, offset by non-cash expense items including amortization of \$192,732, stock-based compensation expense of \$254,930, non-cash lease expense of \$49,298, and changes in our assets and liabilities for accounts receivable of (\$22,524), inventory of \$35,112, prepaid expenses of \$115,082, other assets of \$41,918, accounts payable of \$63,738, accrued expenses of (\$133,086), and operating lease liabilities of (\$53,794).

For the period in 2024, the net cash used in operating activities of \$3,049,161 consisted primarily of our net loss of \$4,583,295, offset by non-cash expense items including amortization of \$192,732, amortization of debt discounts of \$237,250, stock-based compensation expense of \$400,307, non-cash interest expense of \$336,510, non-cash lease expense of \$44,284, non-cash conversion expense of \$585,875 and changes in our assets and liabilities for accounts receivable of (\$9,708), inventory of \$60,844, prepaid expenses of \$81,051, accrued expenses of (\$208,212), accrued interest payable of (\$128,214), and operating lease liabilities of (\$46,872).

Investments

We had no cash provided by or used in investing activities during the six-month periods ended June 30, 2025, or June 30, 2024.

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Financing

Our net cash provided by financing activities for the six-months ended June 30, 2025, was \$3,395,483. For the six-months ended June 30, 2025, our net cash from financing activities consisted of proceeds from the exercise of warrants of \$3,680,411, offset by issuance costs of \$184,021 and financing payments of \$100,907 for annual insurance premiums.

Our net cash provided by financing activities for the six-months ended June 30, 2024, was \$2,425,418. During the six-month period ended June 30, 2024, we received gross proceeds from the exercise of warrants of \$2,786,174 which was offset by transactional costs of \$360,756.

Contractual Obligations and Commitments

At June 30, 2025, the Company had contractual commitments to make payments under operating leases. Payments due under these commitments are as follows:

	Total	Due Within 1 Year
Operating lease obligations	\$ 149,502	\$ 118,619
Total contractual cash obligations	<u>\$ 149,502</u>	<u>\$ 118,619</u>

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

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements as of June 30, 2025, and December 31, 2024.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenue or operating results during the periods presented. However, continued increases in inflation could have an adverse effect on our results of future operations, financial position, and liquidity in 2025.

Recent Accounting Pronouncements

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

[Table of Contents](#)**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**

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our Principal Executive Officer) and Chief Financial Officer (our Principal Accounting Officer), of the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rules 13a – 15(c) and 15d – 15(e)). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer, who are our Principal Executive Officer and Principal Financial Officer, respectively, concluded that, as of the quarter ended June 30, 2025, our disclosure controls and procedures were effective.

In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment.

(b) Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures and the remediation of any deficiencies, which may be identified during this process.

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

(c) Officer's Certifications

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

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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 June 30, 2025. In the event we pay any money related to this lawsuit, IDTEC, LLC agreed, in connection with us closing the asset purchase transaction with IDTEC, to pay the amount for us in exchange for shares of our common stock.

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

ITEM 1A Risk Factors

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item. However, our current risk factors are set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the SEC on April 15, 2025.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during the six-month period ended June 30, 2025, that were not previously reported in a Current Report on Form 8K.

ITEM 3 Defaults Upon Senior Securities

On December 28, 2010, we borrowed \$11,810 from a related party. The note payable carries an interest rate of 0% and matured on December 31, 2012. As of June 30, 2025, this note was in default.

On February 20, 2012, we borrowed \$3,750 from a non-related party. The note payable carries an interest rate of 12% and matured on February 19, 2013. As of June 30, 2025, this note was in default.

On March 20, 2012, we borrowed \$5,433 from a non-related party. The note payable carries an interest rate of 12% and matured on March 19, 2013. As of June 30, 2025, this note was in default.

On September 27, 2013, we borrowed \$15,000 from a non-related party. The note payable carries an interest rate of 9% and matured on December 25, 2013. As of June 30, 2025, this note was in default.

On July 31, 2015, we borrowed \$2,500 from a non-related party. The note payable carries an interest rate of 10% and matured on November 28, 2015. As of June 30, 2025, this note was in default.

ITEM 4 Mine Safety Disclosures

Not applicable.

ITEM 5 Other Information

On April 21, 2025, Ms. Noreen Butler notified the Board of her resignation as a director from the Board effective immediately. Her decision to resign from the Board was not related to any disagreement with the Company on any matter relating to its operations, policies or practices.

Effective May 1, 2025, Ms. Kris Pederson was appointed a director of the Company by the Board to fill a vacancy created by the departure of Noreen Butler as a director of the Company on April 21, 2025. In addition to serving on the Board, Ms. Pederson has also been appointed as chairperson of the Company's Nominating and Corporate Governance Committee.

On May 1, 2025, the Company and Christopher Whitaker, its Chief Financial Officer, Treasurer, and Executive Vice-President of Business Operation and Marketing, entered into an employment agreement to continue to serve as the Company's Chief Financial Officer, effective March 1, 2025 for a one-year term, subject to automatic renewal of successive one-year periods (the "Employment Agreement"). Pursuant to the Employment Agreement, Mr. Whitaker will receive a base salary of \$255,000 for the first calendar year of the term, which may be adjusted as recommended by the Company's Chief Executive Officer and the Compensation Committee of the Board (the "Compensation Committee"). In addition, Mr. Whitaker is entitled to participate in the Company's annual bonus plan and may receive no less than 25% of his base salary for the calendar year, subject to the target goals and criteria set by the CEO and approved by the Compensation Committee and Board.

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Item No.	Description
3.1 (1)	Certificate of Incorporation of Imagine Media, Ltd.
3.2 (2)	Certificate of Amendment to Certificate of Incorporation to TransBiotech, Inc.
3.3 (3)	Certificate of Amendment to Certificate of Incorporation filed with the State of Delaware on May 25, 2017
3.4 (4)	Amended and Restated Bylaws of SOBR Safe, Inc. dated July 17, 2025
3.5 (5)	Certificate of Amendment to Certificate of Incorporation of TransBiotech, Inc. changing name to SOBR Safe, Inc., effecting 1-for-33.26 reverse stock split and decreasing authorized common stock to 100M shares
3.6 (6)	Certificate of Amendment to Certificate of Incorporation dated September 25, 2024
3.7 (7)	Certificate of Amendment to Certificate of Incorporation dated March 31, 2025
10.1 (8)	Employment Agreement between the Company and CFO effective March 31, 2025
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Accounting Officer
32.1*	Section 1350 Certification of Chief Executive Officer (furnished not filed herewith)
32.2*	Section 1350 Certification of Chief Accounting Officer (furnished not filed herewith)
101.INS **	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH **	Inline XBRL Taxonomy Extension Schema Document
101.CAL **	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL 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.

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- (1) Incorporated by reference from our Registration Statement on Form SB-2, filed with the Commission on January 31, 2008
- (2) Incorporated by reference from our Registration Statement on Form S-1, filed with the Commission on November 6, 2012
- (3) Incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Commission on February 6, 2019
- (4) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on July 18, 2025
- (5) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on June 11, 2020
- (6) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on October 1, 2024
- (7) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on April 4, 2025
- (8) Incorporated by reference from our Current Report on Form 8-K, filed with the Commission on May 13, 2025

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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.

SOBR Safe, Inc.

Dated: August 7, 2025

/s/ David Gandini

By: David Gandini
Its: Chief Executive Officer and Principal
Executive Officer