

May 22, 2025



SOBRsafe Reports First Quarter 2025 Results

DENVER, CO / [ACCESS Newswire](#) / May 22, 2025 /SOBR Safe, Inc. (Nasdaq:SOBR) ("SOBRsafe" or the "Company"), the leader in next-generation alcohol monitoring and detection technology, is reporting financial and operating results for the first quarter ended March 31, 2025.

First Quarter 2025 Operational and Financial Highlights

- Achieved an 80.5% increase in total revenue compared to the prior-year quarter, with an improved gross margin of 58.8%.
- Net loss improved significantly to \$1.9 million, compared to \$2.5 million in the first quarter of 2024.
- Annual recurring revenue from software subscription sales increased 109.6% year-over-year, representing 53.8% of total revenue.
- Received approximately \$3.3 million in net proceeds from the exercise of outstanding warrants issued in connection with the October 2024 PIPE financing, bringing the Company's cash balance to \$10.1 million at the end of the first quarter 2025.
- Deployed 148 SOBRsureTM devices in the first quarter, an increase of 41.0% compared to December 31, 2024.
- Appointed Kris Pederson to the Board of Directors, adding deep expertise in governance, digital innovation, and strategic execution to support long-term scalable growth.
- Enhanced SOBRsafe's patent-pending software technology, including updates to the mobile application with streamlined administration, improved notification protocols and Bluetooth connectivity, and a new user interface.
- Added Dr. Benjamin Sanchez as a Scientific Advisor to support non-dilutive federal funding and licensing opportunities, and clinical research partnerships through his expertise in bioimpedance technologies and digital health systems.

"In the first quarter of 2025, we continued to make substantial progress towards sustainable long-term growth, with a marked 80.5% increase in year-over-year revenue and a significant improvement in gross margin to 58.8%," said SOBRsafe Chairman and CEO David Gandini.

"Driving our revenue growth was a 41.0% increase in SOBRsureTM devices deployed compared to fiscal 2024 year-end, reflecting improved brand awareness and a rising demand for our innovative solutions. While we remain in the early stages of commercialization, this strong year-over-year improvement is a testament to our disciplined

strategy focused on technological innovation, targeted deployment, and brand establishment.

"To further capitalize on this increasing momentum, we rolled out updates to our mobile application, including improved administrative tools, upgraded notification protocols, and a redesigned user interface. These improvements, shaped by direct client feedback, are designed to elevate usability and drive stronger engagement. We also completed independent third-party validation of our hardware platform and embedded sensors, a key milestone that enhances our credibility with institutional buyers and will accelerate future adoption.

"The first quarter represents important progress in refining our product, bolstering our go-to-market foundation, broadening awareness of the SOBRsafe brand, and strengthening our leadership, all of which positions us nicely to expand SOBRsafe's global footprint. Our focus on operational execution is laying a solid foundation to accelerate adoption of our innovative solutions and create scalable growth in a critical and underserved category in the years to come."

First Quarter 2025 Financial Results

Revenue in the first quarter of 2025 increased 80.5% to \$86.6 thousand compared to \$48.0 thousand for the same period in 2024 and increased 34.4% compared to the fourth quarter of 2024. The sequential and year-over-year increase was primarily due to the deployment of additional unique devices, including the release of our second generation SOBRsure™ device, and a targeted marketing strategy.

Gross profit in the first quarter of 2025 increased considerably to \$51.0 thousand compared to \$23.2 thousand for the same period in 2024. Gross margin was 58.8% in the first quarter of 2025, up significantly from 48.4% in the first quarter of 2024. The year-over-year margin expansion was driven by an increase in software subscriptions and higher sales for the Company's SOBRsure™ device.

Operating expenses in the first quarter of 2025 were \$2.0 million compared to \$1.7 million for the same period in 2024. The increase was largely due to additional general and administrative expenses from growing the Company's employee headcount and partially offset by a decreased reliance on and in third-party professional service and consulting fees.

Net loss in the first quarter of 2025 improved substantially to \$(1.9) million, or \$(0.66) per diluted share, compared to a net loss of \$(2.5) million, or \$(70.06) per diluted share, for the same period in 2024. The improvement reflects the higher level of gross profit generated during the quarter. Note, the earnings per diluted share in prior year period has been adjusted for the 1-for-110 and 1-for-10 reverse split of the Company's common stock on the Nasdaq Capital Markets effected October 2, 2024 and April 4, 2025, respectively.

Cash and cash equivalents were \$10.1 million at March 31, 2025, compared to \$8.4 million at December 31, 2024. The Company received proceeds of approximately \$3.3 million, from the exercise of outstanding warrants during the first quarter of 2025 which were issued in conjunction with 2024 PIPE financing completed in October 2024.

About SOBRsafe™

Through next-generation alcohol detection technology, we enable trust and empower recovery ... with a human touch. SOBRsafe's advanced transdermal (touch-based) technology detects and reports in real-time the presence of alcohol as emitted through a user's skin - no breath, blood, or urine samples are required. With a powerful backend data platform, SOBRsafe provides passive, dignified screening and monitoring solutions for the behavioral health, family law and consumer markets, and for licensing and integration. To learn more, visit www.sobrsafe.com.

Safe Harbor Statement

Our prospects here at SOBRsafe are subject to uncertainties and risks. This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. The Company intends that such forward-looking statements be subject to the safe harbor provided by the foregoing Sections. These forward-looking statements are based largely on the expectations or forecasts of future events, can be affected by inaccurate assumptions, and are subject to various business risks and known and unknown uncertainties, a number of which are beyond the control of management. Therefore, actual results could differ materially from the forward-looking statements contained in this presentation. The Company cannot predict or determine after the fact what factors would cause actual results to differ materially from those indicated by the forward-looking statements or other statements. The reader should consider statements that include the words "believes", "expects", "anticipates", "intends", "estimates", "plans", "projects", "should", or other expressions that are predictions of or indicate future events or trends, to be uncertain and forward-looking. We caution readers not to place undue reliance upon any such forward-looking statements. The Company does not undertake to publicly update or revise forward-looking statements, whether because of new information, future events or otherwise. Additional information respecting factors that could materially affect the Company and its operations are contained in the Company's filings with the SEC which can be found on the SEC's website at www.sec.gov.

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SOBR SAFE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31,	December
		31,
	2025	2024

ASSETS	(Unaudited)	(Unaudited)
Current assets		
Cash	\$ 10,074,029	\$ 8,384,042
Accounts receivable, net	28,606	24,460
Inventory	193,868	224,875
Prepaid expenses	189,482	192,637
Other current assets	<u>22,385</u>	<u>46,060</u>
Total current assets	10,508,370	8,872,074
Intellectual technology, net	1,991,599	2,087,965
Operating lease right-of-use assets, net	159,423	183,737
Other assets	<u>27,427</u>	<u>27,427</u>
Total Assets	<u>\$ 12,686,819</u>	<u>\$ 11,171,203</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 412,502	\$ 422,557
Accrued expenses	392,130	498,128
Accrued interest payable	107,625	105,501
Operating lease liabilities, current portion	115,078	111,303
Notes payable - related parties, net	11,810	11,810
Notes payable - non-related parties, net	<u>26,683</u>	<u>127,590</u>
Total current liabilities	1,065,828	1,276,889
Operating lease liabilities, less current portion	<u>61,656</u>	<u>91,993</u>
Total Liabilities	1,127,484	1,368,882

Stockholders' Equity

Common stock, \$0.00001 par value; 100,000,000 shares authorized, 1,516,128 and 936,926 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively

152

94

Treasury stock, at cost; 17 and 16 shares as of March 31, 2025 and December 31, 2024, respectively

(38,015)

(38,015)

Additional paid-in capital

111,909,088

108,222,324

Accumulated deficit

~~— (100,258,199)~~~~— (98,328,395)~~

Total SOBR Safe, Inc. stockholders' equity

11,613,026

9,856,008

Noncontrolling interest

(53,691)(53,687)**Total Stockholders' Equity**11,559,3359,802,321**Total Liabilities and Stockholders' Equity**\$ 12,686,819\$ 11,171,203**SOBR SAFE, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**For The Three Months
Ended
March 31,**

2025**2024**

(Unaudited)

(Unaudited)

Revenues

\$ 86,617

\$ 47,990

Cost of goods and services

35,65324,781

Gross profit

50,964

23,209

Operating expenses:

General and administrative

1,823,469

1,415,562

Stock-based compensation expense

139,678

214,398

Research and development	<u>40,924</u>	<u>102,034</u>
Total operating expenses	2,004,071	1,731,994
Loss from operations	<u>(1,953,107)</u>	<u>(1,708,785)</u>
Other income (expense):		
Other income	77,717	21,255
Notes payable - conversion expense	-	(585,875)
Interest expense	<u>(3,665)</u>	<u>(232,516)</u>
Total other income (expense), net	74,052	(797,136)
Loss before provision for income taxes	(1,879,055)	(2,505,921)
Provision for income taxes	<u>-</u>	<u>-</u>
Net loss	(1,879,055)	(2,505,921)
Net loss attributable to noncontrolling interest	<u>4</u>	<u>5</u>
Net loss attributable to SOBR Safe, Inc.	\$ (1,879,051)	\$ (2,505,916)
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)	(42,539)
Deemed dividends related to Original Warrants and New Warrants down round provision	-	(1,455,805)
Deemed dividends related to 2024 PIPE Warrants down round provision	<u>(47,373)</u>	<u>-</u>
Net loss attributable to common stockholders	\$ <u>(1,929,804)</u>	\$ <u>(4,027,530)</u>
Basic and diluted loss per common share	\$ <u><u>(1.46)</u></u>	\$ <u><u>(232.21)</u></u>
Weighted average number of common shares outstanding, basic and diluted	<u><u>1,320,526</u></u>	<u><u>17,344</u></u>

SOBR SAFE, INC.**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For The Three Months
Ended****March 31,****2025****2024**

(Unaudited)

(Unaudited)

Operating activities:

Net loss \$ (1,879,055) \$ (2,505,921)

Adjustments to reconcile net loss to net cash used in
operating activities:

Amortization of intangible assets 96,366 96,366

Amortization of debt discounts - 149,295

Non-cash lease expense 24,314 21,850

Non-cash interest expense - 80,784

Non-cash conversion expense - 585,875

Stock-based compensation expense 139,678 214,398

Bad debt expense - 202

Changes in assets and liabilities:

Accounts receivable (4,146) (47)

Inventory 31,007 22,179

Prepaid expenses 3,155 14,808

Other assets 23,675 (15,300)

Accounts payable (10,055) 107,073

Accrued expenses (105,998) (204,486)

Accrued interest payable 2,124 2,171

Operating lease liabilities	<u>(26,562)</u>	<u>(23,144)</u>
Net cash used in operating activities	(1,705,497)	(1,453,897)
Financing activities:		
Repayments of notes payable - non-related parties	(100,907)	-
Proceeds from exercise of stock warrants	3,680,411	-
Payment for transaction costs of equity transactions	<u>(184,020)</u>	<u>-</u>
Net cash provided by financing activities	3,395,484	-
Net Change In Cash	1,689,987	(1,453,897)
Cash At The Beginning Of The Period	<u>8,384,042</u>	<u>2,790,147</u>
Cash At The End Of The Period	<u><u>\$ 10,074,029</u></u>	<u><u>\$ 1,336,250</u></u>

SOURCE: SOBR Safe, Inc.

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