



## Speedemissions, Inc. Announces Third Quarter 2018 Financial Results

### Company's Financial Operating Metrics Continue to Improve

ATLANTA, Nov. 05, 2018 -- Speedemissions, Inc. (OTCPK: SPMI, the "Company"), a brand offering consumers quick, efficient emissions testing and safety inspections, and now used/salvaged OEM auto parts through its Auto Recycling of Montgomery subsidiary, today announced its financial results for its fiscal quarter ended September 30, 2018.

"The continued effort of improving our operating performance and reducing costs has yielded solid results. This marks ten consecutive quarters that we're able to report positive EBITDA<sup>(1)</sup>. What makes these last two quarters significant is that same-store growth has occurred while having lost a store lease in April 2018 due to the property being sold to a major restaurant chain," stated Rich Parlontieri, CEO of Speedemissions.

"In 2018, it was announced that we had identified the automobile salvage yard as a strategic opportunity for diversified expansion and supplemental revenue channels in several different markets. Restarting a salvage yard that had been shuttered for over three years became quite a challenge and one that provided many valuable lessons. To that end, we became fully-operational during the first quarter of 2018. With our core business on a steady track and our new salvage yard business opportunity, we'll continue to focus on achieving sustainable profitability and creating equity value for our shareholders," added Parlontieri.

### Select Financial Data for Quarter End September 30, 2018

- Total revenue increased 3.69%, to \$860,259 for the quarter ended September 30, 2018, as compared to revenue of \$829,668 for the quarter ended September 30, 2017. Third quarter revenue was positively impacted by an increase in emission tests and the steady growth of the recycling operation.
- The Company reported a 251% increase in its adjusted EBITDA<sup>1</sup> to \$72,889 for the quarter ended September 30, 2018, as compared to adjusted EBITDA of \$20,745 for the quarter ended September 30, 2017.
- Net Income of \$40,882 for quarter ended September 30, 2018 compared to a net loss of (\$20,317) for the same period in 2017.
- Total business operating expenses decreased by approximately 4.5% from \$661,697 for the quarter ended September 30, 2017 to \$632,230 for the quarter ended September 30, 2018.
- General and Administrative expenses decreased \$9,565 for the quarter ended September 30, 2018, compared to the same period in 2017.
- Consolidated revenue for the nine months ended September 30th, increased 2.6% or \$64,365 to \$2,570,707.
- During the past nine months, total liabilities have been reduced by \$131,862, and total current liabilities decreased \$115,538.

<sup>(1)</sup>EBITDA - the Company uses Adjusted EBITDA as a non-GAAP financial performance measurement. The Company calculates Adjusted EBITDA by adding back to net income (loss): interest, income taxes, depreciation and amortization expense, and impairment charges as further adjusted to add back stock-based compensation expense and non-recurring items. Adjusted EBITDA is provided to investors to supplement the results of operations reported in accordance with GAAP. By excluding non-cash charges such as amortization, depreciation, stock-based compensation and impairment charges, as well as non-operating charges for interest and income taxes, investors can evaluate the Company's operations and its ability to generate cash flows from operations and can compare its results on a more consistent basis to the results of other companies

in the industry. The Company considers Adjusted EBITDA to be an important indicator of the Company's operational strength and performance of its business and a useful measure of the Company's historical and prospective operating trends. However, there are significant limitations to the use of Adjusted EBITDA since it excludes interest income and expense and income taxes and non-recurring items such as goodwill impairments, each of which impact the Company's profitability and operating cash flows, as well as depreciation, amortization, impairment charges and stock-based compensation. The Company believes that these limitations are compensated by clearly identifying the difference between the two measures. Consequently, Adjusted EBITDA should not be considered in isolation or as a substitute for net income and loss presented in accordance with GAAP. Adjusted EBITDA as defined by the Company may not be comparable with similarly named measures provided by other entities.

#### **ABOUT SPEEDEMISSIONS, INC.**

Speedemissions, Inc., based in Atlanta, Georgia, is a national brand offering our customers quick and efficient emissions testing and safety inspections as required by law. The Company is in the, Atlanta, GA. and St. Louis, MO. markets. Speedemissions intends to offer its customers quick and efficient vehicle emissions testing and repair services in convenient locations.

For more information visit: [www.speedemissions.com](http://www.speedemissions.com).

#### **AUTO RECYCLING OF MONTGOMERY**

The Auto Recycling of Montgomery is a full-service salvage yard and offers OEM automobile parts to the general public, auto repair garages and body shops. In addition, Auto Recycling of Montgomery expects to build and develop an e-commerce channel for the selling of its recycled parts.

For more information visit: [www.autorecyclingofmontgomery.com](http://www.autorecyclingofmontgomery.com).

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#### **FORWARD LOOKING STATEMENTS**

Certain statements contained in this news release regarding matters that are not historical facts may be forward-looking statements. Because such forward-looking statements include risks and uncertainties, actual results may differ materially from those expressed in or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, uncertainties pertaining to continued market acceptance for Speedemissions' products and services, its ability to increase revenues in the near term to attain profitable operations and generate sufficient cash flow from operations, the effect of new competitors in its market, integration of acquired businesses. Other factors not currently anticipated may also materially and adversely affect Speedemissions results of operations, financial position and cash flows. There can be no assurance that future results will meet expectation. While Speedemissions believes that the forward-looking statements in this news release are reasonable, the reader should not place undue reliance on any forward-looking statement. In addition, these statements speak only as of the date made. Speedemissions does not undertake, and expressly disclaims any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.