

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Speedemissions, Inc. and Subsidiaries

Consolidated Balance Sheets

June 30, 2022 (unaudited)

December 31, 2021 (audited)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash.....	\$ 680,913	\$ 445,809
Certificate and merchandise inventory.....	9,456	10,582
Other current assets.....	81,663	54,205
Total current assets.....	<u>772,032</u>	<u>510,596</u>
Property and equipment, net.....	20,181	26,553
Goodwill.....	210,884	210,884
Deferred tax asset, net.....	495,337	495,337
Other assets.....	28,637	28,636
Total assets.....	<u>\$ 1,527,071</u>	<u>\$ 1,272,006</u>
Liabilities and Shareholders' Deficit		
Current liabilities:		
Notes payable.....	\$ 55,993	\$ 87,870
Accounts payable.....	14,033	14,499
Accrued liabilities.....	207,980	174,298
Current portion – deferred rent.....	14,295	14,295
Total current liabilities.....	<u>292,301</u>	<u>290,962</u>
Notes payable, net of current portion.....	149,539	176,281
Deferred rent.....	7,555	6,495
Total liabilities.....	<u>449,395</u>	<u>473,738</u>
Commitments and contingencies		
Series A convertible, redeemable preferred stock, \$.001 par value, 5,000,000 shares authorized, 4,918 shares issued and outstanding; liquidation preference: \$4,918,000	4,387,536	4,387,536
Shareholders' deficit:		
Common stock, \$.001 par value, 250,000,000 shares authorized, 127,663,528 issued with 125,588,839 shares outstanding on June 30, 2022 and December 31, 2021...	127,664	127,664
Additional paid-in capital.....	16,462,436	16,462,436
Treasury stock at cost (2,074,689 shares).....	(100,000)	(100,000)
Accumulated deficit.....	(19,799,960)	(20,079,368)
Total shareholders' deficit.....	<u>(3,309,860)</u>	<u>(3,589,268)</u>
Total liabilities and shareholders' deficit.....	<u>\$ 1,527,071</u>	<u>\$ 1,272,006</u>

Speedemissions, Inc. and Subsidiaries
Consolidated Statements of Operations
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Revenue	\$ 909,379	\$ 752,354	\$ 1,864,674	\$ 1,594,746
Costs of revenue:				
Cost of revenue	169,057	139,699	348,850	296,002
Station operating expenses	466,043	418,282	951,055	850,186
General and administrative expenses	152,004	125,101	284,516	257,577
Gain from disposal of non-strategic assets	-	-	-	(350)
Operating profit	<u>122,275</u>	<u>69,272</u>	<u>280,253</u>	<u>191,331</u>
Other income (expense)				
Other income	-	-	-	246,403
Interest expense	-	(7,533)	(848)	(14,936)
Other income (expense), net	<u>-</u>	<u>(7,533)</u>	<u>(848)</u>	<u>231,467</u>
Net income	<u>\$ 122,275</u>	<u>\$ 61,739</u>	<u>\$ 279,405</u>	<u>\$ 422,798</u>
Basic and diluted net income per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted average common shares outstanding, basic and diluted	<u>125,588,839</u>	<u>125,588,839</u>	<u>125,588,839</u>	<u>125,588,839</u>

Speedemissions, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended	
	June 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 279,405	\$ 422,798
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	6,372	7,037
Gain from debt forgiveness	-	(246,403)
Gain from disposal of non-strategic assets	-	(350)
Changes in operating assets and liabilities:		
Inventory.....	1,126	171
Other current assets.....	(27,459)	(2,845)
Other assets	-	1,500
Accounts payable and accrued liabilities	33,217	5,784
Other liabilities	1,062	(410)
Net cash provided by operating activities	<u>293,723</u>	<u>187,282</u>
Cash flows from investing activities:		
Purchases of property and equipment.....	-	(7,250)
Proceeds from asset sales	-	350
Net cash used in investing activities	<u>-</u>	<u>(6,900)</u>
Cash flows from financing activities:		
Proceeds from notes payable	742	2,775
Payments on notes payable.....	(59,361)	(138,035)
Net cash used in financing activities.....	<u>(58,619)</u>	<u>(135,260)</u>
Net increase in cash	235,104	45,122
Cash at beginning of period	445,809	253,316
Cash at end of period	<u>\$ 680,913</u>	<u>\$ 298,438</u>
Supplemental Information:		
Cash paid during the period for interest.....	<u>\$ 848</u>	<u>\$ 14,936</u>