

**Reconditioned Systems, Inc.**  
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**News Release**

**Contact: Investor Relations**

**“RSI reports First Quarter 2021 results”**

**August 28, 2020**

Dear Fellow Shareholders:

I regret to report that Reconditioned Systems, Inc. (“RSI”) lost money this quarter. The plant was shut down for several days while we dealt with limited orders and issues related to the pandemic. It continues to be a very difficult situation for us and many other small businesses.

For the three months ending June 30, 2020, RSI had a loss of \$79.7 thousand on sales of \$2.4 million. This compares to a loss of \$59.6 thousand on sales of \$2.4 million for the quarter ending June 30, 2019. We are starting to see a return of orders and I am hopeful that the worst of this pandemic is behind us. Unfortunately, as I write this, we have seen a dramatic increase in the new cases of Covid-19 in Arizona. We are taking all possible precautions to keep our people safe and to stay in business.

As I reported earlier, we were able to secure a Payroll Protection Plan loan which has enabled us to deal with the financial strains we are dealing with. The economy has been basically shut down and is only now starting to reopen. We have introduced a new add-on product to our panel height to enhance social distancing which has gained some acceptance.

As you know, we have been a non-reporting public company for many years, and have had no benefit for being a public company. It actually has been an unneeded expense and burden. We were able to monetize the public shell, which was acquired by Maxx Sports TV, Inc. We are now a private company and you retain the same ownership in RSI that you had prior to the sale. In addition, you now own shares in the new company which is in addition to your ownership in Reconditioned Systems, Inc. You will be receiving a proxy statement from the new company which will explain the transaction in greater detail. We felt this transaction was in the best interests of our company and provided us with some much-needed cash.

We are working very hard to make our new line, EZCube, a success. Hopefully our business reputation will help the new line gain acceptance. Meanwhile we continue to try to control our costs to maintain our margins.

/S/ Scott W. Ryan  
Scott W. Ryan  
Chairman of the Board

	For The Three Months Ended	
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Sales	\$1,196,078	\$2,369,866
Gross profit	\$102,320	\$280,023
Selling and administrative expenses	\$(219,440)	\$(343,638)
Other	\$(15,835)	\$(16,077)
Net income (loss) before provision for income taxes	\$(132,955)	\$(79,692)
Net income (loss)	\$(98,386)	\$(59,577)
Basic earnings (loss) per share	\$(.10)	\$(.06)
Basic weighted average number of common shares outstanding	954,877	955,148
Diluted earnings (loss) per common and equivalent share	\$(.10)	\$(.06)
Diluted weighted average number of common and equivalent shares outstanding	954,877	955,148

Summary Balance Sheet as of					
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)		June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
Assets			Liabilities and Equity		
Cash & cash equivalents	\$1,090,394	\$471,410	Accounts payable	\$348,641	\$410,138
Accounts receivable	501,146	756,229	Customer deposits	16,726	150,370
Inventory	2,421,762	2,463,970	Accrued compensation & benefits	129,109	173,251
Property & equipment	3,996,955	4,145,991	Current note payable and other current liabilities	1,128,227	314,805
Other assets	211,718	263,194	Other liabilities	993,213	1,307,187
			Stockholders' equity	5,606,059	5,745,043
Total	\$8,221,975	\$8,100,794	Total	8,221,975	\$8,100,794

\* 2021 Income taxes have been accrued at the maximum corporate rate of 26% of pretax income and may be revised upon completion of the company's tax returns. The net income could change materially as a result.

**Note:** The Company's quarterly press releases are available on our website [rsisystemsurniture.com](http://rsisystemsurniture.com) under About Us/ Investor Relations. Any shareholder who would like to sell shares back to the Company should contact the Investor Relations Department at 800-280-5000.

