

Reconditioned Systems, Inc.
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News Release

Contact: Investor Relations

“RSI reports Second Quarter 2021 results”

November 20, 2020

Dear Fellow Shareholders:

Reconditioned Systems, Inc. (“RSI”) lost money this quarter. Given the state of the economy and the level of sales, it is amazing that we did as well as we have.

For the three months ending September 30, 2020, RSI had a loss of \$108.2 thousand on sales of \$1.43 million. This compares to a profit of \$4.05 thousand on sales of \$2.39 million for the quarter ending September 30, 2019.

As you might imagine, the pandemic and the work from home trend has resulted in lower demand for office furniture. Sales for our industry have suffered greatly, and we are no exception.

We expect to file to have our PPP loan forgiven, which will help us immensely. Meanwhile we are trying to keep us afloat until this pandemic is over.

Our sales of EZCube have expanded somewhat as a percentage of sales because of the broader offerings. Given our capital constraints and lower sales we will put further expansion of EZCube on hold.

As you learned from our last quarterly report, RSI sold our public shell to MAXX Sports TV, Inc (“AMXX” on NASDAQ). We are now a private company without SEC reporting requirements; this will save us a lot of money going forward. You still hold your position in RSI, but you also own an equivalent number of shares in AMXX, and should receive a proxy statement from them in the near future. If you have any questions, or if your shares are not registered in your name, please contact the company so we can maintain an accurate mailing list of our shareholders.

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

Summary Statement of Operations				
	For the Three Months Ended		For the Six Months Ended	
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
Sales	\$1,428,944	\$2,392,752	\$2,625,022	\$4,762,620
Gross profit	\$107,998	\$362,844	\$210,320	\$642,865
Selling and administrative expenses	\$(200,213)	\$(343,213)	\$(419,655)	\$(686,858)
Income from operations	\$(92,215)	\$19,631	\$(209,335)	\$(43,993)
Other income (expenses)	\$(15,935)	\$(14,984)	\$(31,770)	\$(31,060)
Net income before provision for income taxes	\$(108,150)	\$4,647	\$(241,105)	\$(75,053)
Net income	\$(80,030)	\$4,050	\$(178,418)	\$(55,535)
Basic earnings per share	\$(0.08)	\$0	\$(0.19)	\$(0.06)
Basic weighted average number of common shares outstanding	954,877	954,878	954,877	955,028
Diluted earnings per common and equivalent share	\$(0.08)	\$0	\$(0.19)	\$(0.06)
Diluted weighted average number of common and equivalent shares outstanding	954,877	954,878	954,877	955,028

Summary Balance Sheet					
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
Assets			Liabilities and Equity		
Cash & cash equivalents	\$1,185,152	\$489,058	Accounts payable	\$315,725	\$495,873
Accounts receivable	413,286	836,549	Customer deposits	71,048	73,349
Inventory	2,366,630	2,351,385	Accrued compensation & benefits	145,768	214,665
Property & Equipment	3,952,130	4,148,211	Short term notes payable	332,684	318,208
Other assets	170,797	247,141	Other liabilities *	1,696,739	1,221,158
			Stockholders' equity *	5,526,031	5,749,091
Total	\$8,087,995	\$8,072,344	Total	\$8,087,995	\$8,072,344

* 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 under Contact/ Investor/ Investor Relations. Any shareholder who would like to sell shares back to the Company should contact the Investor Relations Department at 800-280-5000.