

Appliance Recycling Centers of America Announces Sale of Joint Venture in AAP in a Transaction Valued at \$5 Million

Minneapolis, MN (August 16, 2017) -- Appliance Recycling Centers of America, Inc. (Nasdaq: ARCI) ("ARCA" or the "company"), a leading provider of utility appliance recycling programs, announces today that it has completed the sale of its 50 percent joint venture interest in ARCA Advanced Processing, LLC ("AAP").

In a transaction valued at approximately \$5 million, the company received \$800,000 in cash and was released from more than \$4 million in direct and contingent liabilities and guarantees. In addition, the transaction is expected to improve the company's net income moving forward. More importantly, the sale allows ARCA to focus on growing its successful recycling programs nationwide, as well as providing additional support to its retail subsidiary, Appliance Smart.

"The transaction is significant for shareholders, between the cash received from the sale and extinguishment of debt and release of guarantees made by ARCA years ago," says Tony Isaac, ARCA's CEO. "We are elated to have the guarantees and liabilities released from our balance sheet and to be able to focus on executing upon the company's business plans."

About ARCA

ARCA's two business components are uniquely positioned in the industry to work together to provide a full array of appliance-related services. ARCA's regional centers process appliances at end of life to remove environmentally damaging substances and produce material byproducts for recycling for utilities in the U.S. and Canada. Eighteen company-owned stores under the name ApplianceSmart, Inc.[®] sell new appliances directly to consumers and provide affordable ENERGY STAR[®] options for energy efficiency appliance replacement programs.

Forward Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995, including statements regarding ARCA's future success. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made, including the risks associated with the general economic conditions, competition in the retain and recycling industries and regulatory risks. Other factors that could cause operating and financial results to differ are described in ARCA's periodic reports filed with the Securities and Exchange Commission. Other risks may be detailed from time to time in reports to be filed with the SEC.

#

Contact:

Rachel Holmes

Executive Vice President

Appliance Recycling Centers of America, Inc.

Tel: 952-930-9000

Email: rholmes@arcainc.com