REKO INTERNATIONAL GROUP INC.

First Quarter Report
Three Months Ended
October 31, 2019

REKO INTERNATIONAL GROUP INC.
469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2

SUBSIDIARIES/DIVISIONS:

Canada:

- *Concorde Precision Machining Inc.*
- *Reko Manufacturing Group Inc.*

United States:

- *Reko International Sales Inc.*
- *Reko International Holdings Inc.*
- *Concorde USA, LLP*

Reko Reports Profitable First Quarter

(Windsor, Ontario – December 5, 2019) - Reko International Group Inc. (TSX-V: REKO) today announced results for its first quarter ended October 31, 2019.

Financial Highlights:

(in 000's, except for per share data)

	Three Months (unaudited)	
	Fiscal 2020	Fiscal 2019
Sales	$9,350	$11,438
Net income	140	170
EPS basic	0.02	0.03
Working capital	17,106	14,542
Shareholders' equity	46,543	45,393
Shareholders' Equity per Share	7.34	7.02

Consolidated sales for the quarter ended October 31, 2019, were $9.4 million, compared to $11.4 million in the prior year, a decrease of $2.1 million or 18.0%. The decrease in sales was largely related to an overall decline in activity in the automotive industry.

Gross profit for the quarter ended October 31, 2019, was $1.5 million compared to a gross profit of $1.8 million in the prior year. The decrease in overall sales had an impact on gross profit. As a percentage of sales, however, gross profit remained relatively unchanged in the current period, compared to the same of last year, at 16% of sales. The decrease in cost of sales as a percentage of sales contributed to the favourable gross profit.

Selling and administrative expenses for the quarter ended October 31, 2019 were $1.2 million compared to $1.3 million in the prior year. The decrease in SG&A results from continuous cost reduction initiatives by the Company.

Net income for the quarter ended October 31, 2019 was $0.14 million or $0.02 per share, compared to net income of $0.17 million, or $0.03 per share in the prior year.

During the quarter, the company re-purchased 7,700 shares under the normal course issuer bid which expires December 30, 2019.

"Although the first quarter was challenging, Reko reported its 33rd consecutive profitable quarter," stated Diane Reko, chief executive officer. "During the past months, we have experienced lower demand in the automotive sector and continue to work at industry diversification. While we worked diligently to improve our sales volume, we were able to maintain gross profit percentage year over year by paying close attention to costs."

About Reko International Group Inc.

Reko International Group Inc. (TSX-V:REKO) is a diversified, technology-driven manufacturing organization located in Southwestern Ontario, just minutes from the U.S. border. Areas of expertise include robotic factory automation solutions, the precision machining of large critical parts, and plastic injection and low compression acoustic tooling. Reko's family-oriented culture embraces past experience, fosters innovation, and always ensures the highest standard of quality. Reko believes in strengthening communities by advancing manufacturing. For more information, visit, or contact Catia Longo, Chief Financial Officer at (519) 727-3287.