

**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, LLC

Reko reports profitable quarter while diversification strategy unfolds

(Windsor, Ontario – March 7, 2019) - Reko International Group Inc. (TSX-V: REKO) today announced results for its quarter ended January 31, 2019.

Financial Highlights:

(in 000 's except for per share amounts)

	Three Months (unaudited)		Six Months (unaudited)	
	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018
Sales	\$11,615	\$11,529	\$23,053	\$20,290
Net income	272	420	442	675
EPS basic	0.04	0.07	0.07	0.11
Working capital			14,773	13,982*
Shareholders' equity			45,617	43,802
Shareholders' Equity per Share			7.09	6.80

(*Calculation amended as a result of reclassification previously discussed in July 31, 2018 financial statements.)

Consolidated sales for the second quarter of 2019 were \$11.6 million compared to \$11.5 million in the same period last year, an increase of \$0.1 million or 0.1%. Unfortunately, the impact of the expansion of manufacturing capacity in the automation division and higher average exchange was offset by lower volumes in certain sectors.

Gross profit for the quarter ended January 31, 2019 was \$1.6 million compared to \$1.5 million for the same period in the prior year. Consistent with sales, this was due to the expansion in manufacturing capacity in automation and a more favourable foreign exchange compared to the prior year. However, the improvement was offset by ongoing additional ramp up costs associated with new projects and lower volumes in certain sectors.

Selling and administrative expenses for the second quarter of fiscal 2019 totaled \$1.4 million compared to \$1.1 million for the same period in fiscal 2018 – an increase of \$0.3 million or 27.3%. The increase in S&A relates primarily to the addition of staff to create the infrastructure to support future growth opportunities and diversification as well as increased commissions due to the higher sales level within the automation division.

Net income for the three months ended January 31, 2019 was \$0.3 million or \$0.04 per share compared to \$0.4 million or \$0.07 per share for the same period in the prior year.

“While we are pleased with the year over year quarterly sales increase achieved again this quarter, we are disappointed that transitional costs related to new projects and customer diversification exceeded budget.” noted CEO Diane Reko. “We have implemented a number of initiatives which should positively impact the remainder of fiscal 2019.”

REKO INTERNATIONAL GROUP INC.

**Second Quarter Report
And Period Ended
January 31, 2019**

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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 Marilyn Crowley, Chief Financial Officer at (519) 727-3287.