

**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 Services Inc.
- Reko International Holdings Inc.
- Concorde USA, LLC

Reko reports sales decline but remains profitable

(Windsor, Ontario – June 4, 2020) - Reko International Group Inc. (TSX-V: REKO) today announced results for its quarter ended April 30, 2020.

Financial Highlights:

(in 000 's except for per share amounts)

	Three Months (unaudited)		Nine Months (unaudited)	
	Fiscal 2020	Fiscal 2019	Fiscal 2020	Fiscal 2019
Sales	\$9,985	\$14,277	\$28,873	\$37,330
Net income	65	610	261	1,052
EPS basic	0.01	0.10	0.04	0.17
Working capital			18,386	16,025
Shareholders' equity			46,454	46,163
Shareholders' Equity per Share			7.42	7.20

Consolidated sales for the third quarter of 2020 were almost \$10.0 million compared to \$14.3 million in the same period last year, a decrease of \$4.3 million, or 30%. The decrease is primarily a result of continued lower volumes in certain sectors, as well as continued challenges with breaking into diversified markets. Sales for the nine months ended April 30, 2020 decreased 23% to \$28.9 million, compared to \$37.3 million in the same period in the prior year.

Gross profit for the quarter ended April 30, 2020 was \$0.7 million compared to \$2.7 million for the same period in fiscal 2019. In the third quarter, gross profit declined to 7% of revenue. The weakness was due to a combination of lower levels of orders from traditional sources, and additional costs associated with more specialized or unique programs. For the nine-month period of the current fiscal year, gross profit as a percentage of sales was 11% compared to 16% in the previous year.

Selling and administrative expenses for the third quarter of fiscal 2020 totaled \$1.2 million compared to \$1.4 million for the same period in fiscal 2019. The company continues to monitor its expenses, with a focus on cost control and reduced spending where possible.

Net income for the three months ended April 30, 2020 was \$0.065 million or \$0.01 per share compared to \$0.6 million or \$0.10 per share for the same period in the prior year. For the nine months ended April 30, 2020, net income was \$0.26 million or \$0.04 per share, compared to \$1.05 million or \$0.17 per share in the same period last year.

Due to a change in strategy, the Company is also reporting the departure of Mark Read, Director, Automation Division on June 3, 2020. We appreciate his contributions and wish him success in his future endeavours. In the interim, the position will be covered by current team members who have proven skills and experience, while the Company actively seeks an individual with strong strategic sales experience.

“The third quarter of fiscal 2020 will always be remembered for the COVID-19 isolation orders which were enacted near its mid-point. Reko was committed to ensuring the safety of its employees and was able to provide a safe work environment for its team.”, stated Diane Reko, CEO. “I am so proud of how our employees were able to adapt to the circumstance. By continuing to operate during the depths of the pandemic, Reko was able to continue essential work on orders which started in the early part of the quarter as well as COVID-related manufacturing needs. While sales and net income were significantly lower than the prior year’s third quarter, we were pleased to improve our working capital and cash position significantly year over year. This will assist us to weather the economic impact of the pandemic and take advantage of opportunities which may present themselves. We will continue to protect our team and adapt the way that we serve our customers to ensure everyone’s safety and the continued satisfaction of our customers.”

REKO INTERNATIONAL GROUP INC.

**Third Quarter Report
And Period Ended
April 30, 2020**

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www.rekointl.com

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.