

**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 Profitable Second Quarter**

(Windsor, Ontario – March 11, 2021) - Reko International Group Inc. (TSX-V: REKO) today announced results for its quarter ended January 31, 2021.

Financial Highlights:  
(in 000 's except for per share amounts)

|                                | Three Months   |                | Six Months     |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | (unaudited)    |                | (unaudited)    |                |
|                                | Fiscal<br>2021 | Fiscal<br>2020 | Fiscal<br>2021 | Fiscal<br>2020 |
| Sales                          | \$10,982       | \$9,538        | \$17,825       | \$18,888       |
| Net income                     | 468            | 57             | (428)          | 197            |
| EPS basic                      | 0.07           | 0.01           | (0.07)         | 0.03           |
| Working capital                |                |                | 19,890         | 17,286         |
| Shareholders' equity           |                |                | 46,031         | 46,501         |
| Shareholders' Equity per Share |                |                | 7.57           | 7.37           |

Consolidated sales for the second quarter of 2021 were \$11.0 million compared to \$9.5 million in the same period last year, an increase of \$1.4 million or 15%. The increase in sales volumes was a result of companies being more willing to kick off new awards. While the pandemic will continue to present challenges, the improvement in sales is a positive sign.

Gross profit for the quarter ended January 31, 2021 was \$1.1 million compared to \$1.0 million for the same period in the prior year. Gross profit as a percentage of sales of 9.8% for the quarter is an improvement from the first quarter's gross profit of 5%. An increase in sales volumes has helped improve operational efficiencies, which in turn positively impact gross margin.

Selling and administrative expenses for the second quarter of fiscal 2021 totalled \$1.0 million compared to \$1.2 million for the same period in fiscal 2020. The Company continues to diligently control discretionary spending.

Net income for the three months ended January 31, 2021 was \$0.5 million or \$0.07 per share compared to \$0.05 million or \$0.01 per share for the same period in the prior year. For the six months ended January 31, 2021, net loss was \$0.4 million or \$0.07 per share, compared to \$0.2 million or \$0.03 per share in the same period last year.

During the quarter ended January 31, 2021, Reko purchased and subsequently cancelled 137,800 shares under the provision of the normal course issuer bid. A total of 158,900 common shares have been purchased and cancelled during the fiscal year at a cost of \$0.5 million.

"The quarter included a long-awaited improvement in workload consistent with the increasing demand seen in some of our markets", noted Diane Reko, CEO. "We continue to focus on operational efficiencies as we step up to assist our customers in capturing their share of this pent-up demand."

# **REKO INTERNATIONAL GROUP INC.**

**Second Quarter Report  
And Period Ended  
January 31, 2021**

---

---

## **REKO INTERNATIONAL GROUP INC.**

469 Silver Creek Industrial Drive  
Lakeshore, Ontario  
N8N 4W2  
[www.rekointl.com](http://www.rekointl.com)

### **SUBSIDIARIES/DIVISIONS:**

#### Canada:

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

#### United States:

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

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.*