



REKO INTERNATIONAL GROUP INC.

*First Quarter Report
Three Months Ended
October 31, 2021*

Reko Reports Q1 Profit

REKO INTERNATIONAL GROUP INC.

469 Silver Creek Industrial Drive
Lakeshore, Ontario
N8N 4W2
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

(Windsor, Ontario – December 2, 2021) - Reko International Group Inc. (TSX-V: REKO) today announced results for its first quarter ended October 31, 2021.

Financial Highlights:

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

| | Three Months (unaudited) | |
|--------------------------------|-----------------------------|----------------|
| | Fiscal 2022 | Fiscal 2021 |
| Sales | \$12,106 | \$6,844 |
| Net income | 493 | (896) |
| EPS basic | 0.08 | (0.14) |
| Working capital | 17,398 | 19,490 |
| Shareholders' equity | 47,597 | 45,988 |
| Shareholders' Equity per Share | 7.89 | 7.39 |

Consolidated sales for the quarter ended October 31, 2021, were \$12.1 million, compared to \$6.8 million in the prior year, an increase of \$5.2 million or 76.9%. Sales volumes during the quarter showed a strong improvement, particularly compared to those during the first quarter of the previous fiscal year when the COVID-19 pandemic had a significant negative impact on the Company's ability to secure new sales. The recent opening of the Canada-U.S. border to vaccinated individuals has permitted customers to attend the Company's facilities for buy off of equipment, which has had a positive effect on fiscal Q1 sales.

Gross profit for the quarter ended October 31, 2021 was \$1.8 million compared to a gross profit of \$0.3 million in the prior year. Last year's first quarter was deeply affected by the pandemic, with lower sales volumes and delayed project kick-offs. The improvement in this year's first quarter gross profit was a result of increased sales volumes, operational efficiencies, and a steady flow of project kick-offs.

Selling and administrative expenses for the quarter ended October 31, 2021 were \$1.2 million compared to \$2.0 million in the prior year. The decrease in SG&A results from continuous cost reduction initiatives by the Company and by the fact that the year-ago quarter was impacted by reorganization costs.

Net income for the quarter ended October 31, 2021 was \$0.5 million or \$0.08 per share, compared to net loss of \$0.9 million, or \$0.14 per share in the prior year.

During the quarter, the company re-purchased 29,700 shares under the normal course issuer bid which expires December 30, 2021. Reko also declared a dividend of \$0.25 per share, payable on December 2, 2021.

"Our improved sales level combined with improved efficiency has allowed for the significant improvement year over year in our financial results for the quarter", stated Diane Reko, CEO. "As we see growth opportunities with long term and new customers, we know that we are getting closer to our vision of being the "go to" team for manufacturers and producers. Current supply chain issues are testing our ability to meet delivery times. However, I have faith in our team's ability to continue finding creative solutions to all challenges as we support other manufacturers and producers in their important role in our economy."

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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.

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.