

**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 quarter to begin the new fiscal year

(Windsor, Ontario – December 6, 2018) - Reko International Group Inc. (TSX-V: REKO) today announced results for its quarter ended October 31, 2018.

Financial Highlights:

(in 000's except for per share amounts)	Three Months ended October 31, 2018 (unaudited)	
	Fiscal 2019	Fiscal 2018
Sales	\$ 11,438	\$ 8,761
Net income	170	255
EPS basic	0.03	0.04
Working capital	14,542	4,971*
Shareholders' equity	45,392	43,370
Shareholders' Equity per Share	7.02	6.74

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

Consolidated sales for the first quarter of 2019 were \$11.4 million compared to \$8.8 million in the same period last year, an increase of \$2.6 million or 29.5%. This was largely due to the number of projects completed during the quarter and an increase in the average foreign exchange rate compared to the same period in the prior year.

Gross profit for the quarter ended October 31, 2018 was \$1.8 million compared to \$1.3 million for the same period in the prior year. Consistent with sales, this was due to the timing of completion of a number of successful projects. However, the improvement was offset by additional ramp up costs associated with new projects. These issues are now behind us.

Selling and administrative expenses for the first quarter of fiscal 2019 totaled \$1.3 million compared to \$1.0 million for the same period in fiscal 2018 – an increase of \$0.3 million or 30.0%. The increase in S&A relates primarily to the addition of staff including a director of business development and additional sales people as well as increased commissions due to the higher sales level, offset by decreases in certain group costs.

Net income for the three months ended October 31, 2018 was \$0.2 million or \$0.03 per share compared to \$0.3 million or \$0.04 per share for the same period in the prior year. Losses from foreign exchange impacts in the quarter reduced earnings per share by almost 2 cents compared to the same period in the prior year.

“We are pleased with the year over year quarterly sales increase and have taken steps to reduce the costs associated with some new projects.” noted CEO Diane Reko. “Investment in the sales team should lead to improvement in the quarterly awards and translate to increasing profitability during the fiscal year.”

REKO INTERNATIONAL GROUP INC.

***First Quarter Report
And Period Ended
October 31, 2018***

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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.