

Reko Reports Continued Profitability in Second Quarter of Fiscal 2025

(Windsor, Ontario – March 6, 2025) - Reko International Group Inc. (TSX-V: REKO) today announced results for its second quarter ended January 31, 2025.

Second Quarter Highlights:

- Quarterly net income of \$313 and EPS of \$0.05 improved by \$225 and \$0.03 per share over the first quarter of fiscal 2025
- Sales increase of \$548 over the prior quarter and \$1,767 over the fourth quarter of fiscal 2024
- Improved cash position of \$4.3M over the previous quarter

Financial Highlights:

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

	Three months ended				Six months ended			
	January 31				January 31			
	(unaudited)				(unaudited)			
	Fiscal 2025	Fiscal 2024	Variance	Variance	Fiscal 2025	Fiscal 2024	Variance	Variance
	\$	\$	\$	%	\$	\$	\$	%
Sales	\$ 10,786	\$ 11,948	\$ (1,162)	-9.7%	\$ 21,025	\$ 25,651	\$ (4,626)	-18.0%
Earned Revenue ⁽¹⁾	\$ 7,790	\$ 7,864	\$ (74)	-0.9%	\$ 15,947	\$ 16,201	\$ (254)	-1.6%
Earned Revenue Margin ⁽¹⁾	72.2%	65.8%	-	6.4%	75.8%	63.2%	-	12.7%
Net Income	\$ 313	\$ 102	\$ 211	206.9%	\$ 400	\$ 414	\$ (14)	-3.4%
EPS Basic	\$ 0.05	\$ 0.02	\$ 0.03	150.0%	\$ 0.07	\$ 0.07	\$ -	0.0%
Adjusted EBITDA ⁽²⁾	\$ 1,213	\$ 1,035	\$ 178	17.2%	\$ 2,741	\$ 2,389	\$ 352	14.7%
Working Capital					\$ 26,264	\$ 23,168	\$ 3,096	13.4%
Shareholders' Equity					\$ 41,641	\$ 45,654	\$ (4,013)	-8.8%
Shareholders' Equity per Share					\$ 7.52	\$ 7.97	\$ (0.45)	-5.6%

- (1) Earned revenue is a non-IFRS measure and is calculated as sales less costs associated with purchased material and subcontracting. Earned revenue margin is an expression of earned revenue as a percentage of sales. A reconciliation of this non-IFRS measure is included in the MD&A.
- (2) Adjusted EBITDA is a non-IFRS measure and is defined as adjusted earnings from operations excluding depreciation and amortization. A reconciliation of this non-IFRS measure is included in the MD&A.

Consolidated sales for the quarter ended January 31, 2025, decreased by 9.7%, or \$1,162, compared to the same period last year. Sales in certain areas of the business are influenced by the number of active projects, the value of awards, and the timing of project milestones, all of which can vary significantly by job, sector, and customer. During the second quarter, lower project volumes—primarily in the automotive sector, combined with a higher proportion of projects in earlier stages of completion contributed to lower sales recognition relative to the previous year. During the quarter, approximately \$6,000 in contracts were awarded, with 70% secured from non-automotive customers, reflecting progress in our diversification strategy.

Gross profit improved by 10.1%, reaching 15.3% of sales in the second quarter, despite a year-over-year sales decline. A lower volume of projects and their stage of completion positively impacted direct project costs including materials and sub-contracting expenses compared to the prior year. Additionally, the company has implemented various strategies to manage fixed labour costs during periods of lower sales.

Net earnings for the quarter ended January 31, 2025, were \$313, or \$0.05 per share, compared to \$102, or \$0.02 per share, in same period last year. Included in net earnings is a net foreign exchange loss of \$338 or \$0.06 per share, compared to a net foreign exchange loss of \$68 or \$0.01 per share in the second quarter of fiscal 2024. Also included in net earnings is the recognition of deferred tax assets of \$456 or \$0.08 per share, compared to \$232 or \$0.04 per share in the prior year resulting from Scientific Research and Experimental Development (“SRED”) tax credits.

“Despite challenging market conditions, the team’s dedication, focus, and disciplined cost management are allowing us to overcome obstacles and drive our strategic priorities forward. This quarter’s results reflect ongoing progress in our diversification efforts, and we remain committed to expanding into high-opportunity markets while strengthening our operational foundation for long-term success,” stated Diane Reko, CEO.

During the quarter, the company purchased and subsequently cancelled 47,100 under the normal course issuer bid that expired on January 8, 2025 and 2,800 shares under the renewed bid announced on January 6, 2025 at a combined net cost of \$160.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the 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 company located in Southwestern Ontario, just minutes from the U.S. border. With expertise in robotic automation equipment and precision machining services, Reko is a “go-to” supplier for companies in the automotive, aerospace, rail, power generation, offsite construction, infrastructure and capital equipment industries. Reko strives to be a pillar and protector of sustainable North American manufacturing and production. For more information, contact Kim Marks, Chief Financial Officer at (519) 727-3287.