

Reko Reports Strong Q4 Growth and Improved Profitability in Fiscal 2025

(Windsor, Ontario – October 9, 2025) - Reko International Group Inc. (TSX-V: REKO) today announced results for the three and twelve months ended July 31, 2025.

FISCAL 2025 HIGHLIGHTS

- Sales declined \$2.1M or 4.8% over the prior year
- Gross profit improved by \$2.9M or 66.8% compared to a year ago
- Earnings per share were \$0.19, compared to a loss per share of (\$0.70) a year ago
- Adjusted earnings per share ⁽²⁾ were \$0.39 compared to a loss per share of (\$0.13) a year ago
- Adjusted EBITDA ⁽³⁾ of \$6.0M improved by \$2.9M or 91.7% over last year

FOURTH QUARTER 2025 HIGHLIGHTS

- Gross profit improved by \$1.1M or 167.7% compared to a year ago
- Earnings per share were \$0.18, compared to a loss per share of (\$0.62) a year ago
- Adjusted earnings per share ⁽²⁾ were \$0.06 compared to a loss per share of (\$0.08) a year ago
- Adjusted EBITDA ⁽³⁾ of \$1.7M improved by \$1.2M or 213.7% over last year

FINANCIAL HIGHLIGHTS

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

	Three months ended				Twelve months ended			
	July 31				July 31			
	(unaudited)				(unaudited)			
	Fiscal 2025	Fiscal 2024	Variance	Variance	Fiscal 2025	Fiscal 2024	Variance	Variance
	\$	\$	\$	%	\$	\$	\$	%
Sales	\$ 10,781	\$ 9,019	\$ 1,762	19.5%	\$ 42,154	\$ 44,277	\$ (2,123)	-4.8%
Earned Revenue ⁽¹⁾	\$ 8,023	\$ 6,835	\$ 1,188	17.4%	\$ 32,001	\$ 30,125	\$ 1,876	6.2%
Earned Revenue Margin ⁽¹⁾	74.4%	75.8%	-	-1.4%	75.9%	68.0%	-	7.9%
Gross Profit	\$ 1,783	\$ 666	\$ 1,117	167.7%	\$ 7,203	\$ 4,319	\$ 2,884	66.8%
Gross Profit Margin	16.5%	7.4%	-	9.2%	17.1%	9.8%	-	7.3%
Net (loss) income	\$ 996	\$ (3,459)	\$ 4,455	128.8%	\$ 1,045	\$ (3,894)	\$ 4,939	126.8%
EPS Basic	\$ 0.18	\$ (0.62)	\$ 0.80	129.0%	\$ 0.19	\$ (0.70)	\$ 0.89	127.1%
Adjusted EPS ⁽²⁾	\$ 0.06	\$ (0.08)	\$ 0.14	175.0%	\$ 0.39	\$ (0.13)	\$ 0.52	400.0%
Adjusted EBITDA ⁽³⁾	\$ 1,700	\$ 542	\$ 1,158	213.7%	\$ 6,049	\$ 3,155	\$ 2,894	91.7%
Working Capital					\$ 22,664	\$ 25,300	\$ (2,636)	-10.4%
Shareholders' Equity					\$ 42,214	\$ 41,381	\$ 833	2.0%
Shareholders' Equity per Share					\$ 7.68	\$ 7.44	\$ 0.24	3.2%

- (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 EPS is a non-IFRS measure and is calculated as basic earnings per share excluding items not considered reflective of ongoing operations. A reconciliation of this non-IFRS measure is included in the MD&A.
- (3) 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 July 31, 2025, were \$10,781, compared to \$9,019 in the same quarter of fiscal 2024, an increase of \$1,762 or 19.5%, due to a higher volume of active projects. Year-to-date sales were \$42,154, down \$2,123 or 4.8% from the prior year, reflecting lower volumes in the first half of the year, weakness in the automotive sector and tariff-related delays in project awards.

Despite the decline in sales, earned revenue for the year improved by \$1,876, or 6.2%, reflecting a more favourable project mix, including a greater proportion of sales from non-automotive customers whose programs typically require fewer material purchases and therefore generate higher earned revenue.

Gross margin as a percentage of sales for the quarter increased to 16.5% from 7.4% in the prior year, supported by stronger earned revenue. On a year-to-date basis, gross profit of \$7,203 was \$2,884 higher, or 66.8% favourable, driven by customer mix, improved execution on fixed-price contracts, and growth in markets with greater pricing resilience. Additionally, fixed labour costs were managed to align with fluctuations in sales levels.

Net income for the quarter ended July 31, 2025, was \$996, or \$0.18 per share, compared to a net loss of (\$3,459), or (\$0.62) per share, in the same quarter last year. Quarterly results included a \$0.13 per share benefit from the re-recognition of deferred tax assets previously derecognized, compared to a (\$0.55) per share charge in the same quarter of 2024. This benefit was partially offset by a (\$0.02) per share charge related to the settlement of an outstanding receivable from a Tier 1 customer of the Company's former Tool and Mould Division, with no comparable item in the prior year and by net foreign exchange gains of \$0.01 per share, consistent with 2024. Excluding these non-recurring items, earnings per share for the quarter would have been \$0.06, compared to a loss of (\$0.08) in the same period last year.

On a year-to-date basis, net income was \$1,045, or \$0.19 per share, compared to a net loss of (\$3,894), or (\$0.70) per share, in the prior year. Results included a \$0.13 per share benefit from the re-recognition of deferred tax assets compared to a (\$0.55) per share charge in the prior year, restructuring costs of (\$0.16) per share compared to (\$0.03) per share last year, net foreign exchange losses of (\$0.12) per share compared to net foreign exchange gains of \$0.02 per share in the prior year and a (\$0.05) per share charge related to the Tier 1 customer settlement and receivable resolution compared to (\$0.01) per share last year. In addition, fiscal 2025 results were impacted by several items not applicable in the prior year, including a (\$0.05) per share impairment charge and a \$0.05 per share benefit from insurance proceeds. Excluding these non-recurring and non-operational items, earnings per share for the year-to-date period would have been \$0.39, compared to (\$0.13) in the prior year, an improvement of \$0.52 per share year over year.

“Macroeconomic conditions and trade uncertainty created a challenging year, contributing to periods of underutilized capacity,” stated Diane Reko, CEO. “Despite these headwinds, our results improved over the prior year. We are investing in initiatives that strengthen our foundation and shape the future today, while delivering value in partnership with our customers. With disciplined execution and a focus on diversification, we are positioning the Company for sustainable growth and long-term success.”

During the fiscal year ended July 31, 2025 the company purchased and subsequently cancelled 69,300 shares under the normal course issuer bid.

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 power generation, automotive, aerospace, rail, mining, 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.