

Reko Reports Results for First Quarter of Fiscal 2026

(Windsor, Ontario – December 4, 2025) - Reko International Group Inc. (TSX-V: REKO) today announced results for its first quarter ended October 31, 2025.

First Quarter Highlights:

- Sales declined \$1.2M or 11.6% over the prior year
- Quarterly net income of \$384 improved by \$296 or 336.4% compared to prior year
- Earnings per share were \$0.07, compared to earnings per share of \$0.02 a year ago
- Strong cash position maintained following a \$2.7M mortgage repayment and \$2.2M in growth-related capital equipment progress payments

Financial Highlights:

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

	Three months ended October 31 (unaudited)			
	Fiscal 2026	Fiscal 2025	Variance	Variance
	\$	\$	\$	%
Sales	\$ 9,052	\$ 10,238	\$ (1,186)	-11.6%
Earned Revenue ⁽¹⁾	\$ 7,313	\$ 8,156	\$ (843)	-10.3%
Earned Revenue Margin ⁽¹⁾	80.8%	79.7%	-	1.1%
Gross Profit	\$ 1,530	\$ 1,998	\$ (468)	-23.4%
Gross Profit Margin	16.9%	19.5%	-	-2.6%
Net income	\$ 384	\$ 88	\$ 296	336.4%
EPS Basic	\$ 0.07	\$ 0.02	\$ 0.05	250.0%
Adjusted EPS ⁽²⁾	\$ 0.06	\$ 0.09	\$ (0.03)	-33.3%
Adjusted EBITDA ⁽³⁾	\$ 1,383	\$ 1,526	\$ (143)	-9.4%
Working Capital	\$ 20,984	\$ 25,925		
Shareholders' Equity	\$ 42,487	\$ 41,509		
Shareholders' Equity per Share	\$ 7.75	\$ 7.47		

(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 October 31, 2025 were \$9,052, compared to \$10,238 in the same quarter last year, a decrease of \$1,186 or 11.6%. This change reflects lower volumes in certain areas of the business and the timing of project activity, as a higher proportion of projects were in earlier stages of completion during the quarter, resulting in lower revenue being recognized when compared to the prior year.

Gross profit of \$1,530 declined by \$468, or 23.4% versus the prior year, with the impact of lower sales partially offset by a favourable project mix and \$362 of labour cost reductions from prior year initiatives taken to align fixed labour with sales levels. The shift in project mix, which required fewer material inputs, supported a stronger earned revenue percentage and helped mitigate the decline in gross profit. Gross margin decreased to 16.9%, compared to 19.5% in the prior year, reflecting \$133 of non-recurring, timing-related maintenance costs incurred during the quarter that were not present in the prior year.

Net earnings for the quarter ended October 31, 2025 were \$384, or \$0.07 per share, compared to \$88, or \$0.02 per share, in the same quarter last year. The year-over-year increase includes a \$359 improvement in net foreign exchange losses, driven by a more favourable non-cash mark-to-market position on foreign exchange contracts held at quarter-end. Included in current year earnings is a \$0.01 per share benefit from the recognition of certain deferred tax assets, not applicable to the prior year. Excluding this tax item and the improvement in foreign exchange losses, earnings of \$0.06 per share were \$0.03 lower than in the first quarter of fiscal 2025.

“Macroeconomic conditions continue to present some challenges, but our team remains focused and disciplined in managing the business,” stated Diane Reko, CEO. “We are navigating softer demand in certain markets while advancing initiatives that strengthen our operations and support long-term growth, including strategic capital investments that expand our capabilities and enhance our competitiveness. With measured execution and a strong commitment to our customers, we remain confident in our ability to deliver steady performance as conditions evolve.”

During the quarter, the Company purchased and subsequently cancelled 24,200 shares under its normal course issuer bid at a net cost of \$94. The Company also repaid a mortgage in the amount of \$2,721 and made \$2,152 in progress payments on capital equipment which the Company expects to finance ahead of installation in the fourth quarter of fiscal 2026.

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 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.