



**Source:** Exco Technologies Ltd.

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## Exco Technologies Announcement Re: ALC Bulgaria

TORONTO, Jan. 21, 2019 (GLOBE NEWSWIRE) -- **Exco Technologies Limited (TSX-XTC)** today announced that its indirect, wholly-owned subsidiary, ALC Bulgaria EOOD ("ALC", or the company) has voluntarily filed a liquidation petition in Bulgaria. Consequently, all seat cover production at ALC has now ceased and a trustee is expected to be appointed within the next 14 days to liquidate the company.

The liquidation filing was prompted by ongoing operating losses at ALC driven by its failure to reach an agreement with its primary customer for continued price support. Given the increase in local operating costs and change in labor conditions over the last several years, ALC's operations had become unviable without improved pricing. As previously indicated, Exco would not provide ALC with additional financial support unless it could demonstrate a path to sustained profitability.

"The liquidity filing of ALC is disappointing, however it was the only alternative given the company's weak liquidity and poor financial prospects," said Brian Robbins, Exco's President and CEO. "On the positive side, the elimination of ALC's loss-making operations will immediately improve our go forward results and free up management time for more productive activities," added Robbins.

The impact of ALC's insolvency filing on Exco's results will be absorbed in its first quarter of fiscal 2019, ended December 31, 2018. This impact is expected to include a non-cash charge of approximately \$6.1 million (\$0.15 per share) related to the write-off of ALC's remaining equity and operating losses during the quarter of approximately \$2.2 million (\$0.05 per share). Exco expects to de-consolidate ALC from its financial statements beginning with its second quarter fiscal 2019 results and does not expect ALC will have a further material impact on its net income, earnings per share, or equity position beyond December 31, 2018. The deconsolidation of ALC will eliminate approximately \$23.1 million of total assets and \$23.1 million of total liabilities from Exco's balance sheet, including \$4.2 million in net debt. ALC generated revenues of approximately \$20 million in the first quarter of fiscal 2019 with 1,439 employees.

Exco will provide additional information with respect to the above in its first quarter results, which will be released after the close of financial markets on Wednesday January 30, 2019.

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### About Exco Technologies Limited:

*Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 15 strategic locations in 7 countries, we employ 5,350 people and service a diverse and broad customer base.*

### Notice To Reader: Forward Looking Statements

*This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "may", "will", "should", "expect", "believe", "estimates" and similar expressions to identify forward-looking information and statements. Information in this document relating to financial performance of the Company's business units and the projected impact of the liquidation of ALC on Exco's consolidated results, are forward-looking statements. Readers are*

*cautioned not to place undue reliance on forward-looking statements throughout this document and are also cautioned that the foregoing list of important factors is not exhaustive. These forward-looking statements are based on our plans, intentions or expectations. These forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results or achievements to be materially different from those expressed or implied. The Company will update its disclosure upon publication of each fiscal quarter's financial results and otherwise disclaims any obligations to update publicly or otherwise revise any such factors or any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in our 2018 Annual Report, our 2018 Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at [www.sedar.com](http://www.sedar.com).*