



EXCO TECHNOLOGIES LIMITED
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Unaudited Condensed Interim Report
to the shareholders
for the twelve months ended
September 30, 2021

NOTICE TO READER

The attached unaudited condensed interim consolidated financial statements have been prepared by management of the Company. The condensed interim consolidated financial statements for the three-and twelve- month periods ended September 30, 2021 and 2020 have not been reviewed by the auditors of the Company.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
\$ (000)'s

	As at September 30, 2021	As at September 30, 2020
ASSETS		
Current		
Cash and cash equivalents	\$24,098	\$33,124
Accounts receivable	83,130	83,193
Inventories	77,759	60,187
Prepaid expenses and deposits	3,418	2,787
Derivative instruments	546	-
Income taxes recoverable	2,741	2,761
Total current assets	191,692	182,052
Property, plant and equipment, net (note 4)	149,474	131,029
Intangible assets, net (note 5)	25,783	30,535
Goodwill (note 5)	61,861	64,980
Deferred tax assets	1,317	1,184
Total assets	\$430,127	\$409,780
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$5,540	\$3,418
Trade accounts payable	33,793	32,873
Accrued payroll liabilities	13,793	11,391
Other accrued liabilities	11,874	11,381
Derivative instruments	-	1,758
Provisions	3,936	2,902
Customer advance payments	4,814	3,557
Long-term debt - current portion (note 7)	-	93
Total current liabilities	73,750	67,373
Long-term debt - long-term portion (note 7)	-	3,000
Deferred tax liabilities	11,319	8,401
Total liabilities	85,069	78,774
Shareholders' equity		
Share capital (note 8)	48,983	48,968
Contributed surplus	5,087	4,718
Accumulated other comprehensive income (loss)	1,116	10,356
Retained earnings	289,872	266,964
Total shareholders' equity	345,058	331,006
Total liabilities and shareholders' equity	\$430,127	\$409,780

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

\$ (000)'s except for income per common share

	Three months ended		Twelve months ended	
	September 30		September 30	
	2021	2020	2021	2020
Sales	\$106,442	\$100,680	\$461,171	\$412,309
Cost of sales	82,434	78,071	351,960	323,761
Selling, general and administrative expenses (note 12)	8,679	6,932	39,245	35,244
Depreciation (note 4)	4,605	4,337	17,412	17,424
Amortization (note 5)	902	985	3,670	4,032
Loss (gain) on disposal of property, plant and equipment	42	(115)	(98)	(192)
Interest expense, net	107	98	405	617
	96,769	90,308	412,594	380,886
Income before income taxes	9,673	10,372	48,577	31,423
Provision for income taxes (note 11)	2,585	(347)	10,157	3,999
Net income for the period	7,088	10,719	38,420	27,424
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Net unrealized gain (loss) on derivatives designated as cash flow hedges (a)	(705)	709	1,699	(1,091)
Unrealized gain (loss) on foreign currency translation	4,595	(2,722)	(10,939)	1,967
	3,890	(2,013)	(9,240)	876
Comprehensive income	\$10,978	\$8,706	\$29,180	\$28,300
Income per common share				
Basic	\$0.18	\$0.27	\$0.98	\$0.69
Diluted	\$0.18	\$0.27	\$0.98	\$0.69
Weighted average number of common shares outstanding				
Basic	39,270	39,748	39,270	39,943
Diluted	39,326	39,748	39,293	39,943

(a) Net of income tax recoverable of \$252 and income tax payable of \$606 for the three- and twelve- month periods ended September 30, 2021 (2020 - net of income tax payable of \$253 and income tax recoverable of \$389 for the three- and twelve- month periods ended September 30, 2020)

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
\$ (000)'s

	Accumulated other comprehensive income						Total shareholders' equity
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income (loss)	
Balance, October 1, 2020	\$48,968	\$4,718	\$266,964	(\$1,298)	\$11,654	\$10,356	\$331,006
Net income for the period	-	-	10,916	-	-	-	10,916
Dividend paid (note 3)	-	-	(3,731)	-	-	-	(3,731)
Stock option expense	-	88	-	-	-	-	88
Other comprehensive income (loss)	-	-	-	2,669	(6,177)	(3,508)	(3,508)
Balance, December 31, 2020	\$48,968	\$4,806	\$274,149	\$1,371	\$5,477	\$6,848	\$334,771
Net income for the period	-	-	11,734	-	-	-	11,734
Dividend paid (note 3)	-	-	(3,927)	-	-	-	(3,927)
Stock option expense	-	93	-	-	-	-	93
Exercise of stock options	15	(2)	-	-	-	-	13
Other comprehensive income (loss)	-	-	-	(579)	(7,215)	(7,794)	(7,794)
Balance, March 31, 2021	\$48,983	\$4,897	\$281,956	\$792	(\$1,738)	(\$946)	\$334,890
Net loss for the period	-	-	8,682	-	-	-	8,682
Dividends paid (note 3)	-	-	(3,927)	-	-	-	(3,927)
Stock option expense	-	94	-	-	-	-	94
Other comprehensive income (loss)	-	-	-	314	(2,142)	(1,828)	(1,828)
Balance, June 30, 2021	\$48,983	\$4,991	\$286,711	\$1,106	(\$3,880)	(\$2,774)	\$337,911
Net income for the period	-	-	7,088	-	-	-	7,088
Dividends (note 3)	-	-	(3,927)	-	-	-	(3,927)
Stock option expense	-	96	-	-	-	-	96
Other comprehensive income (loss)	-	-	-	(705)	4,595	3,890	3,890
Balance, September 30, 2021	\$48,983	\$5,087	\$289,872	\$401	\$715	\$1,116	\$345,058

	Accumulated other comprehensive income						Total shareholders' equity
	Share capital	Contributed surplus	Retained earnings	Net unrealized gain (loss) on derivatives designated as cash flow hedges	Unrealized gain (loss) on foreign currency translation	Total accumulated other comprehensive income (loss)	
Balance, October 1, 2019	\$50,538	\$4,349	\$262,120	(\$207)	\$9,687	\$9,480	\$326,487
Net income for the period	-	-	8,058	-	-	-	8,058
Dividend paid (note 3)	-	-	(3,617)	-	-	-	(3,617)
Stock option expense	-	86	-	-	-	-	86
Repurchase of Share Capital (note 8)	(421)	-	(2,230)	-	-	-	(2,651)
Other comprehensive income (loss)	-	-	-	1,121	(1,818)	(697)	(697)
Balance, December 31, 2019	\$50,117	\$4,435	\$264,331	\$914	\$7,869	\$8,783	\$327,666
Net income for the period	-	-	9,495	-	-	-	9,495
Dividend paid (note 3)	-	-	(3,777)	-	-	-	(3,777)
Stock option expense	-	94	-	-	-	-	94
Repurchase of Share Capital (note 8)	(548)	-	(2,801)	-	-	-	(3,349)
Other comprehensive income (loss)	-	-	-	(4,182)	15,054	10,872	10,872
Balance, March 31, 2020	\$49,569	\$4,529	\$267,248	(\$3,268)	\$22,923	\$19,655	\$341,001
Net income for the period	-	-	(848)	-	-	-	(848)
Dividends paid (note 3)	-	-	(3,776)	-	-	-	(3,776)
Stock option expense	-	95	-	-	-	-	95
Other comprehensive income (loss)	-	-	-	1,261	(8,547)	(7,286)	(7,286)
Balance, June 30, 2020	\$49,569	\$4,624	\$262,624	(\$2,007)	\$14,376	\$12,369	\$329,186
Net income for the period	-	-	10,719	-	-	-	10,719
Dividends (note 3)	-	-	(3,776)	-	-	-	(3,776)
Stock option expense	-	94	-	-	-	-	94
Repurchase of Share Capital (note 8)	(601)	-	(2,603)	-	-	-	(3,204)
Other comprehensive income (loss)	-	-	-	709	(2,722)	(2,013)	(2,013)
Balance, September 30, 2020	\$48,968	\$4,718	\$266,964	(\$1,298)	\$11,654	\$10,356	\$331,006

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
\$ (000)'s

	Three months ended September 30		Twelve months ended September 30	
	2021	2020	2021	2020
OPERATING ACTIVITIES:				
Net income for the period	\$7,088	\$10,719	\$38,420	\$27,424
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	4,605	4,337	17,412	17,424
Amortization (note 5)	902	985	3,670	4,032
Stock-based compensation expense	67	121	773	453
Deferred income taxes	2,446	(149)	2,257	(221)
Net interest expense	107	98	405	617
Loss (gain) on disposal of property, plant and equipment	42	(115)	(98)	(192)
	15,257	15,996	62,839	49,537
Net change in non-cash working capital (note 10)	(7,960)	(514)	(15,049)	14,881
Cash provided by operating activities	7,297	15,482	47,790	64,418
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	(3,005)	2,806	2,122	2,840
Financing from long-term debt	-	-	-	20,000
Repayment of long-term debt	-	(20,002)	(3,093)	(34,093)
Interest paid, net	(107)	(98)	(405)	(617)
Dividends paid (note 3)	(3,927)	(3,776)	(15,512)	(14,946)
Repurchase of share capital	-	(3,204)	-	(9,204)
Issuance of Share Capital	-	-	13	-
Cash used in financing activities	(7,039)	(24,274)	(16,875)	(36,020)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (note 4)	(11,750)	(5,422)	(38,426)	(23,092)
Purchase of intangible assets (note 5)	(48)	(125)	(287)	(403)
Proceeds from disposal of property, plant and equipment	47	133	381	1,386
Cash used in investing activities	(11,751)	(5,414)	(38,332)	(22,109)
Effect of exchange rate changes on cash and cash equivalents	710	(112)	(1,609)	347
Net increase in cash during the period	(10,783)	(14,318)	(9,026)	6,636
Cash, beginning of period	34,881	47,442	33,124	26,488
Cash, end of period	\$24,098	\$33,124	\$24,098	\$33,124

The accompanying notes are an integral part of these condensed unaudited interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

1. CORPORATE INFORMATION

Exco Technologies Limited (the “Company”) is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. Through 16 strategic locations in 7 countries, the Company services a diverse and broad customer base. The Company is incorporated and domiciled in Canada. The registered office is located at 130 Spy Court, Markham, Ontario, Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These unaudited condensed interim consolidated financial statements present the Company’s financial results of operations and financial position as at and for the three- and twelve- month periods ended September 30, 2021 and have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in the preparation of the 2020 audited annual consolidated financial statements.

The Company’s preparation of unaudited condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the application of the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements were the same as those that applied to the Company’s consolidated financial statements as at and for the year ended September 30, 2020. These areas of critical accounting estimates were impacted when the World Health Organization characterized the COVID-19 virus as a global pandemic in March 2020. There continues to be significant uncertainty as to the likely effects of this outbreak which may, among other things, impact our suppliers and customers. It is not possible to predict the impact COVID-19 will have on the Company, its financial position, and the results of operations in the future. The Company is monitoring the impact of the pandemic on all aspects of its business.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s 2020 audited annual consolidated financial statements, which are available at www.sedar.com and on the Corporation’s website at www.excocorp.com. The unaudited condensed interim consolidated financial statements and accompanying notes for the three- and twelve- month periods ended September 30, 2021 were authorized for issue by the Board of Directors on December 1, 2021.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, its subsidiaries. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all of the following: power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

The Company has an interest in a joint operation, whereby the joint operators have a contractual arrangement that establishes joint control over the economic activities of the individual entity. The Company recognized its share of the joint operation’s assets, liabilities, revenues and expenses in the condensed interim consolidated financial statements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

3. CASH DIVIDEND

During the three- and twelve- month periods ended September 30, 2021, the Company paid quarterly cash dividends totaling \$3,927 and \$15,512 (2020 -\$3,776 and \$14,946). The quarterly dividend rate in the fourth quarter of 2021 was \$0.10 per common share (2020 - \$0.095).

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
Cost							
Balance as at September 30, 2020	\$205,844	\$22,541	\$79,363	\$12,584	\$8,956	\$1,785	\$331,073
Additions	3,608	1,077	843	-	32,749	149	38,426
Less: disposals	(7,380)	(959)	(251)	-	-	(263)	(8,853)
Reclassification	17,909	954	744	-	(19,607)	-	-
Foreign exchange movement	(3,548)	(432)	(1,626)	(199)	(94)	(71)	(5,970)
Balance as at September 30, 2021	\$216,433	\$23,181	\$79,073	\$12,385	\$22,004	\$1,600	\$354,676

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
Accumulated depreciation and impairment losses							
Balance as at September 30, 2020	\$143,235	\$16,546	\$39,732	\$0	\$0	\$531	\$200,044
Depreciation	11,849	2,029	3,061	-	-	473	17,412
Less: disposals	(7,172)	(954)	(251)	-	-	(197)	(8,574)
Reclassification	62	-	(62)	-	-	-	-
Foreign exchange movement	(2,533)	(391)	(736)	-	-	(20)	(3,680)
Balance as at September 30, 2021	\$145,441	\$17,230	\$41,744	\$-	\$-	\$787	\$205,202

Carrying amounts	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
As at September 30, 2020	\$62,609	\$5,995	\$39,631	\$12,584	\$8,956	\$1,254	\$131,029
As at September 30, 2021	\$70,992	\$5,951	\$37,329	\$12,385	\$22,004	\$813	\$149,474

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Cost					
Balance as at September 30, 2020	\$8,290	\$47,554	\$46	\$55,890	\$64,980
Additions	216	-	71	287	-
Less: disposals	(202)	-	-	(202)	-
Reclassifications	104	-	(104)	-	-
Foreign exchange movement	(170)	(1,981)	(3)	(2,154)	(3,119)
Balance as at September 30, 2021	\$8,238	\$45,573	\$10	\$53,821	\$61,861

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2020	7,228	18,127	-	25,355	-
Amortization for the period	591	3,079	-	3,670	-
Less: disposals	(198)	-	-	(198)	-
Foreign exchange movement	(157)	(632)	-	(789)	-
Balance as at September 30, 2021	\$7,464	\$20,574	\$-	\$28,038	\$-

Carrying amounts

As at September 30, 2020	\$1,062	\$29,427	\$46	\$30,535	\$64,980
As at September 30, 2021	\$774	\$24,999	\$10	\$25,783	\$61,861

*Acquisition intangibles are comprised primarily of customer relationships and trade names resulting from business acquisitions.

6. FINANCIAL INSTRUMENTS

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Presented below is a comparison of the fair value of each financial instrument to its carrying value.

The fair value of cash and cash equivalents, bank indebtedness, trade and other receivables and trade and other payables approximates their carrying amounts due to the short-term maturities of these instruments. The estimated fair value of long-term debt approximates its carrying value since debt is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are variable and a reflection of market-based rates.

The fair value of derivative instruments that are not traded in an active market such as over-the-counter foreign exchange options and collars is determined using quoted forward exchange rates at the consolidated statement of financial position dates and are Level 2 instruments.

During the twelve-month period ended September 30, 2021 there were no transfers between Level 1 and Level 2 fair value measurements.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

The carrying value and fair value of all financial instruments are as follows:

	September 30, 2021		September 30, 2020	
	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	\$24,098	\$24,098	\$33,124	\$33,124
Accounts receivable	83,130	83,130	82,222	82,222
Trade accounts payable	(33,793)	(33,793)	(32,873)	(32,873)
Bank indebtedness	(5,540)	(5,540)	(3,418)	(3,418)
Customer advance payments	(4,814)	(4,814)	(3,557)	(3,557)
Accrued liabilities	(25,667)	(25,667)	(22,772)	(22,772)
Derivative instruments	546	546	(1,758)	(1,758)
Long-term debt	\$-	\$-	(\$3,093)	(\$3,093)

7. LONG-TERM DEBT

On February 7, 2020, the Company renewed the \$50,000 Committed Revolving Credit Facility to extend the maturity date to February 28, 2023. As at September 30, 2021 \$nil was utilized (September 30, 2020 - \$3,000). The facility is collateralized by a general security agreement covering all assets of the Company's subsidiaries located in Canada and the US, with the exception of real property.

The components of long-term debt are as follows:

	September 30, 2021	September 30, 2020
Bank debt	\$0	\$3,000
Term notes	-	-
Promissory note	-	93
Subtotal	-	3,093
Less: current portion	-	(93)
Long-term debt, long-term portion	\$0	\$3,000

Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at September 30, 2021.

8. SHARE CAPITAL

The Company received approval from the Toronto Stock Exchange for a normal course issuer bid for a 12-month period beginning February 18, 2021. The Company's Board of Directors authorized the purchase of up to 1,960,000 common shares representing approximately 5% of the Company's outstanding common shares. During the quarter and year-to-date no common shares were repurchased (2020 – 481,600 and 1,258,666) for a total cost of \$nil (2020 - \$3,203 and \$9,203). The cost to repurchase the common shares in the year exceeded their stated value by \$nil (2020 - \$7,634) which was recorded against retained earnings.

As at September 30, 2021 the Company had 39,270,497 common shares issued and outstanding.

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

9. SEGMENTED INFORMATION

Business segments

The Company operates in two business segments: Casting and Extrusion Technology (“Casting and Extrusion”) and Automotive Solutions. The accounting policies followed in the operating segments are consistent with those outlined in note 2 to the consolidated financial statements.

The Casting and Extrusion segment designs and engineers tooling and other manufacturing equipment. Its operations are substantially for automotive and other industrial markets in North America.

The Automotive Solutions segment produces automotive interior components and assemblies primarily for seating, cargo storage and restraint for sale to automotive manufacturers and Tier 1 suppliers (suppliers to automakers). (See Note 12)

The Company evaluates the performance of its operating segments primarily based on pre-tax income before interest and other expense.

The Corporate segment involves administrative expenses that are not directly related to the business activities of the above two operating segments.

Three Months Ended September 30, 2021				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$51,958	\$56,988	\$-	\$108,946
Intercompany sales	(2,330)	(174)	-	(2,504)
Net sales	49,628	56,814	-	106,442
Depreciation	3,732	851	22	4,605
Amortization	116	786	-	902
Segment pre-tax income (loss) before interest	5,937	4,546	(703)	9,780
Net interest expense				(107)
Income (loss) before income taxes				9,673
Property, plant and equipment additions	10,560	1,190	-	11,750
Property, plant and equipment, net	124,322	23,899	1,253	149,474
Intangible asset additions	39	9	-	48
Intangible assets, net	664	25,119	-	25,783
Goodwill	-	61,861	-	61,861
Total assets	233,089	208,070	(11,032)	430,127
Total liabilities	36,030	44,246	4,793	85,069

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

Three Months Ended September 30, 2020				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$42,502	\$61,390	\$-	\$103,892
Intercompany sales	(3,030)	(182)	-	(3,212)
Net sales	39,472	61,208	-	100,680
Depreciation	3,482	827	28	4,337
Amortization	142	844	(1)	985
Segment pre-tax income (loss) before interest	4,247	7,317	(1,094)	10,470
Net interest expense				(98)
Income (loss) before income taxes				10,372
Property, plant and equipment additions	4,575	847	-	5,422
Property, plant and equipment, net	104,498	25,189	1,342	131,029
Intangible asset additions	124	1	-	125
Intangible assets, net	933	29,602	-	30,535
Goodwill	-	64,980	-	64,980
Total assets	200,228	219,600	(10,048)	409,780
Total liabilities	28,809	41,034	8,931	78,774

Twelve Months Ended September 30, 2021				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$207,449	\$265,085	\$-	\$472,534
Intercompany sales	(9,479)	(1,884)	-	(11,363)
Net sales	197,970	263,201	-	461,171
Depreciation	13,964	3,359	89	17,412
Amortization	487	3,183	-	3,670
Segment pre-tax income (loss) before interest	25,734	30,682	(7,434)	48,982
Net interest expense				(405)
Income before income taxes				48,577
Property, plant and equipment additions	35,300	3,126	-	38,426
Property, plant and equipment, net	124,322	23,899	1,253	149,474
Intangible asset additions	228	59	-	287
Intangible assets, net	664	25,119	-	25,783
Goodwill	-	61,861	-	61,861
Total assets	233,089	208,070	(11,032)	430,127
Total liabilities	36,030	44,246	4,793	85,069

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

\$(000)'s except per share amounts

Twelve Months Ended September 30, 2020				
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	\$189,489	\$231,613	\$-	\$421,102
Intercompany sales	(8,274)	(519)	-	(8,793)
Net sales	181,215	231,094	-	412,309
Depreciation	13,834	3,478	112	17,424
Amortization	607	3,424	1	4,032
Segment pre-tax income (loss) before interest	17,998	20,970	(6,928)	32,040
Net interest expense				(617)
Income before income taxes				31,423
Initial recognition of right of use assets	389	1,266	32	1,687
Property, plant and equipment additions	20,371	2,721	-	23,092
Property, plant and equipment, net	104,498	25,189	1,342	131,029
Intangible asset additions	397	6	-	403
Intangible assets, net	933	29,602	-	30,535
Goodwill	-	64,980	-	64,980
Total assets	200,228	219,600	(10,048)	409,780
Total liabilities	28,809	41,034	8,931	78,774

10. NET CHANGE IN NON-CASH WORKING CAPITAL

Twelve months ended September 30		
	2021	2020
Accounts receivable	(\$3,519)	\$12,287
Inventories	(18,191)	12,894
Prepaid expenses and deposits	(668)	85
Trade accounts payable	1,795	(11,686)
Accrued payroll liabilities	2,742	(1,350)
Other accrued liabilities	482	1,453
Provisions	1,034	230
Customer advance payments	1,317	1,854
Income taxes payable	(41)	(886)
	(\$15,049)	\$14,881

EXCO TECHNOLOGIES LIMITED
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

\$(000)'s except per share amounts

11. INCOME TAXES

The consolidated effective income tax rate for the three- and twelve-month periods ended September 30, 2021 was 26.7% and 20.9% (three- and twelve-month periods ended September 30, 2020 – (3.3%) and 12.7%). The lower income tax rate in 2020 was favourably impacted by the reversal of a \$2,311 deferred tax liability relating to ALC as a result of a resolved tax exposure in the fourth quarter and the recognition of research and development tax credits.

12. GOVERNMENT ASSISTANCE

As a result of the impact of COVID-19, the Company has applied to multiple government assistance programs. During the three and twelve - month periods ended September 30, 2021 the Company recorded assistance of \$6 and \$500 (2020 – \$4,040 and \$7,003). This assistance was recorded as a reduction of selling, general and administrative expense.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 16 strategic locations in 7 countries, we employ approximately 4,900 people and service a diverse and broad customer base.

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TORONTO STOCK EXCHANGE LISTING

TSX:XTC, OTCQX:EXCOF

DIRECTORS

Edward H. Kernaghan

Darren M. Kirk, President and CEO

Robert B. Magee, Lead Director

Colleen M. McMorrow

Paul E. Riganelli

Brian A. Robbins, Executive Chairman

Anne Marie Turnbull

CORPORATE OFFICERS

Brian A. Robbins, PEng

Executive Chairman

Darren M. Kirk, CFA, MBA

President and CEO

Matthew Posno, CPA, CA, MBA

Vice President Finance, CFO and Secretary

Paul E. Riganelli, MA, MBA, LLB

Executive Vice President

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