EXCO TECHNOLOGIES LIMITED
130 Spy Court, 2nd Floor,
Markham, ON, Canada L3R 5H6
T. 905.477.3065 F. 905.477.2449
www.excocorp.com

Unaudited Condensed Interim Report
to the shareholders
for the nine months ended
June 30, 2022

CONTENTS

	Three Months Ended June 30		Nine Months Ended June 30	
(in $ thousands except per share amounts)				
	2022	2021	**2022**	2021
Sales	**$129,250**	$114,967	**$349,532**	$354,729
Net income	**$5,563**	$8,682	**$13,397**	$31,332
Basic earnings per share	**$0.14**	$0.22	**$0.34**	$0.80
Diluted earnings per share	**$0.14**	$0.22	**$0.34**	$0.80
Weighted avg basic common shares o/s (000's)	**39,022**	39,270	**39,085**	39,270

The following management's interim discussion and analysis of operations and financial position are prepared as at July 28, 2022 and should be read in conjunction with the condensed interim consolidated financial statements as at and for the nine months ended June 30, 2022 and 2021 and the consolidated financial statements and Management's Discussion and Analysis ("MD&A") in the Company's 2021 Annual Report.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102") of the Canadian Securities Administrators. Additional information regarding Exco, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.excocorp.com or through the SEDAR website at www.sedar.com.

Use of Non-IFRS Measures

In this MD&A, reference may be made to EBITDA, EBITDA Margin, Pretax Profit, Free Cash Flow and Maintenance Fixed Asset Additions which are not defined measures of financial performance under International Financial Reporting Standards ("IFRS"). Exco calculates EBITDA as earnings before interest, taxes, depreciation and amortization and EBITDA Margin as EBITDA divided by sales. Exco calculates Pretax Profit as segmented earnings before other income/expense, interest and taxes. Free Cash Flow is calculated as cash provided by operating activities less interest paid and Maintenance Fixed Asset Additions. Maintenance Fixed Asset Additions represents investment in fixed assets that are required to continue current capacity levels. EBITDA, EBITDA Margin, Pretax Profit and Free Cash Flow are used by management, from time to time, to facilitate period-to-period operating comparisons and we believe some investors and analysts use these measures as well when evaluating Exco's financial performance. These measures, as calculated by Exco, do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other issuers.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Acquisition

On May 2, 2022, the Company closed the acquisition of the extrusion dies business of Halex Holdings GmbH ("Halex"). Halex was founded in 1997 and operates four key manufacturing locations – two in Germany and two in Italy. Halex is the second largest manufacturer of aluminium extrusion dies in Europe and the continent's leading supplier of complex extrusion dies. Halex complements Exco's six existing extrusion die operations, located in Canada, USA (2), Mexico, Colombia and Brazil. The acquisition provides Exco with well-established and high-quality operations and more extensive opportunities to better support our global customers.

The transaction was valued at €40 million on an enterprise value basis and was funded with a combination of cash on hand, available bank lines and assumed liabilities. The results of Halex are reported within the Casting and Extrusion segment, commencing May 2, 2022.

Consolidated sales for the third quarter ended June 30, 2022 were $129.3 million compared to $115.0 million in the same quarter last year – an increase of $14.3 million, or 12%. Year-to-date sales were $349.5 million compared to $354.7 million the prior year – a decrease of $5.2 million or 1%. Excluding foreign exchange rate movements, consolidated sales in the quarter were higher by 10% compared to the prior year and higher by 1% year-to-date.

Operating Results

The Automotive Solutions segment reported sales of $64.6 million in the third quarter – an increase of $3.6 million, or 6% from the prior year quarter. Year-to-date segment sales totaled $187.9 million – a decrease of $18.5 million, or 9% compared to last year. Excluding foreign exchange rate movements, segment revenues were higher by $2.6 million, or 4% for the quarter and lower by $11.5 million, or 6% year-to-date. Segment sales in the quarter were primarily influenced by vehicle production volumes in North American and Europe. IHS Markit estimates these volumes increased 12% in North America and declined 5% in Europe compared to the prior year quarter. Segment sales were also negatively influenced by unfavorable vehicle mix, partially offset by ongoing key program launches for new and existing products as well as certain pricing actions taken to protect margins. While industry vehicle production volumes have shown some signs of improvement, they remain below the level of consumer demand due to supply chain disruptions (including the global semiconductor shortage), broad labour availability challenges, logistical constraints and ongoing COVID lockdown measures in China. European volumes are incrementally affected by localized supply chain challenges on that continent due to the Russian invasion of Ukraine. Nonetheless, IHS Markit expects North American and European production to grow through the second half of calendar 2022, which is expected to benefit segment results. Quoting opportunities have strengthened across the segment's various businesses, which, together with new and ongoing product launches, are expected to support continued gains in Exco's content per vehicle.

The Casting and Extrusion segment reported sales of $64.7 million for the third quarter – an increase of $10.7 million or 20%, from the same period last year. Year-to-date, the segment reported sales of $161.6 million – an increase of $13.3 million, or 9%. Foreign exchange rate changes increased sales $1.5 million in the quarter and reduced sales $1.7 million year-to-date. The Company's new European facilities (Halex) contributed $9.0 million of sales in the quarter, reflecting two months of activities. Demand for our extrusion tooling (ie dies, dummy blocks, stems, etc) and associated capital equipment (die ovens, containers, etc) remained strong due to both industry growth and ongoing market share gains. Demand for extrusion tools covers many industrial sectors including building and construction, large truck, electric vehicles, and many green energy sectors, all of which are focused on reducing energy intensity and reducing emissions. In anticipation of these trends intensifying, Exco has been increasing its manufacturing footprint in local markets in recent years including the acquisition of Halex in Europe. Management also remains focused on standardizing manufacturing processes, enhancing engineering depth and centralizing support functions across its various plants. These initiatives have reduced lead times, enhanced product quality, expanded product breadth and increased capacity, all of which has supported market share gains.

In the die-cast market, which primarily serves the automotive industry, demand has remained suppressed due to lower vehicle production volumes, which in turn, is due mainly to broader supply chain constraints. These constraints have been amplified by customer inventory destocking activity in recent quarters, particularly in the large mould segment, which has faced significantly lower rebuild work than typical. Demand and order flow for new moulds, associated tooling (shot sleeves, rods, rings, tips, etc) and even rebuild work however has recently picked up as industry vehicle production recovers and new electric vehicles and more efficient internal combustion engine/ transmission platforms are launched. In addition, demand for Exco's industry leading additive (3D printed) tooling has continued to gain significant traction as customers focus on greater efficiency as the size and complexity of die cast tooling continues to increase. Sales in the quarter were also aided by price increases, which were implemented in order to protect margins from higher input costs. With respect to quoting activity, longer lead time items continue to see elevated demand for future activity (particularly large moulds) and inventories and backlog continue to grow which is expected to bode well for sales through the remainder of fiscal 2022 and into fiscal 2023.

Consolidated net income for the third quarter was $5.6 million or basic and diluted earnings of $0.14 per share compared to $8.7 million or $0.22 per share in the same quarter last year – a decrease of net income of $3.1 million. Year-to-date, consolidated net income was $13.4 million or $0.34 per basic share compared to $31.3 million or $0.80 per basic share last year – a decrease in net income of $17.9 million. The consolidated effective income tax rate of 24% in the current quarter increased from 12% from the prior year. Year-to-date, the consolidated effective income tax rate was 24% compared to 19% last year. The change in income tax rate in the quarter and year-to-date periods was impacted by fiscal 2021 SRED tax credits booked in the third quarter last year, nondeductible losses from our Castool Morocco facility in fiscal 2022, geographic distribution, and foreign tax rate differentials.

The Automotive Solutions segment reported pretax profit of $4.8 million in the third quarter a decrease of $0.3 million from the prior year quarter. Year-to-date, the segment reported pretax profit of $14.4 million – a decrease of $11.7 million compared to the prior year period. The segment's lower pretax profit was due to unfavorable market driven product mix changes, higher raw material, logistics and labour costs, the reversal of certain bad debt accruals last year, partially offset by certain pricing actions taken. Reduced industry vehicle production continued to cause inefficiencies within our operations. While customer orders and releases stabilized compared to prior quarters, sporadic and unreliable customer releases continued to impact production, increasing overhead and direct labour costs. These factors were intensified as we retained slack labour in anticipation of higher demand in the quarters ahead. Inflationary pressure continues to be a challenge in this segment particularly on petroleum-based products (resins, plastics, rubber), energy, freight and labour. Management remains focused on improving the efficiency of its operations and reducing its overall cost structure. Pricing discipline remains a focus and actions are being taken on current programs where possible, though there is typically a lag of a few quarters before the impact is realized. As well, new program awards are priced to reflect management's expectations for higher future costs.

The Casting and Extrusion segment reported $4.8 million of pretax profit in the third quarter – a decrease of $3.0 million from the same quarter last year. Year-to-date, the segment reported pretax profit of $9.4 million – a decrease of $10.4 million compared to the prior year period. The lower pretax profit was primarily driven by reduced activity for rebuild work in the Large Mould group coupled with shipments of new moulds. New mould programs can often have low to negative margins at the onset due to front-end inefficiencies that are improved as subsequent moulds are delivered. As well, profitability was negatively impacted by raw material and labour cost inflation, unfavorable market driven product mix shifts, reduced labour availability and higher overtime costs across the three business units. Start-up losses of Castool's plant in Morocco (which opened in November 2021), and new heat treatment operations in Newmarket also negatively impacted profitability, mainly due to non-cash depreciation of plant and equipment. Segment pre-tax profitability however benefited from contributions from the acquisition of Halex and was higher sequentially for the second consecutive quarter. New business awards across the quarter remained very strong, particularly for structural die-cast components and those for electric vehicle platforms. The segment ended the quarter with backlogs approaching historic high levels. Management remains focused on taking pricing action where possible to preserve margins, reducing its overall cost structure and improving manufacturing efficiencies. Such activities together with sales efforts are expected to improve segment profitability in future quarters.

The Corporate segment expenses were $1.5 million in the third quarter compared to $2.8 million in the prior year quarter. Year-to-date, Corporate expenses of $5.1 million were down 24% from the prior year at $6.7 million. The quarterly and year-to-date improvement is mainly due to foreign exchange gains in the current quarter compared to losses in the prior year quarter, partially offset by acquisition related expenses.

Consolidated EBITDA for the third quarter totaled $14.6 million compared to $15.2 million in the same quarter last year – a decrease of $0.6 million. Year-to-date, consolidated EBITDA totaled $36.5 million compared to $54.8 million last year – a decrease of $18.3 million. For the quarter, EBITDA as a percentage of sales decreased to 11.3% in the current period compared to 13.2% the prior year driven by a reduction in segment margins in both the Casting & Extrusion segment (15% compared to 21%) and the Automotive Solutions segment (10% compared to 11%).

Financial Resources, Liquidity and Capital Investments

Operating cash flow before net change in non-cash working capital totaled $12.8 million in the third quarter compared to $13.9 million in the same period last year. Year-to-date, operating cash flow before net change in non-working capital totaled $32.3 million compared to $47.6 million the prior year period. The year over year variance in the respective periods is primarily driven by Net Income, which was lower in the current quarter and year-to-date partially offset by higher depreciation and amortization costs associated with higher capital asset purchases and interest costs. Non-cash working capital increased cash $1.3 million of cash in the current quarter compared to $5.1 million the prior year period. Year-to-date, non-cash working capital consumed $4.8 million of cash compared to $7.1 million the prior year period. The non-cash working capital movements were driven by increased accounts receivable and inventory partially offset by increased accounts payables, accruals, customer advance payments and income taxes. Consequently, net cash provided by operating activities amounted to $14.1 million in the current quarter compared to $19.0 million in the same quarter last year. Year-to-date, net cash provided by operating activities amounted to $27.5 million compared to $40.5 million the prior year period.

Cash provided by financing activities in the current quarter was $59.2 million compared to $5.0 million of cash used in the same quarter last year. Year-to-date, cash provided by financing activities totaled $69.8 million compared to $9.8 million used in the prior year period. Increased proceeds from financing activities in the current year period primarily reflect the use of long-term debt to fund the Halex acquisition, to repurchase shares under the Normal Course Issuer Bid and contribute towards growth capex.

Cash used in investing activities in the second quarter totaled $72.9 million compared to $16.6 million in the same quarter last year. Year-to-date, cash used in investing activities totaled $94.1 million compared to $26.6 million the prior year. The increase in investing activities reflects $57.6 million in cash used for the Halex acquisition and our continued focus on capital asset additions to support our various growth initiatives and market share gains.

Capital asset additions related to growth initiatives totaled $12.0 million for the quarter and $29.3 million year-to-date. The growth initiatives include: a) new Castool production facilities in Morocco and Mexico. The Moroccan facility opened in November 2021 and construction of the Mexican facility started in the second quarter and is progressing well. b) Investment in new heat treatment equipment in the tooling group to increase capacity, reduce emissions and enable us to in-source most of our requirements. c) Investments in the Large Mould group to upgrade its capabilities to handle moulds of extreme sizes which we expect will be increasingly demanded by most traditional and new OEMs. d) Investment in additional 3D printing machinery in our tooling group to meet strong customer demands. e) Expansion of two of our production facilities in the Automotive Solutions group to provide added capacity for awarded programs.

The Company's net indebtedness of $65.0 million as at June 30, 2022 reflects the funding of the Halex acquisition and our continued capital expenditure strategy. The Company generated Free Cash Flow of $9.9 million and paid dividends of $4.1 million in the quarter. Current quarter growth capital expenditures of $12.0 million decreased from $13.2 million in the prior year quarter. Year to date growth capital expenditures of $29.3 million increased from $20.9 million in the prior year. Principal sources of liquidity include generated Free Cash Flow, $26.6 million of balance sheet cash and $33.9 million of unused availability under the $125 million committed credit facility, which matures February 2025. As of June 30, 2022 the Company has drawn $80 million under the facility which is classified as long-term debt. Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants, which the Company was in compliance with as at June 30, 2022.

Exco owns 19 of its manufacturing facilities and essentially all of its production equipment. The Company leases one operating facility in Weissenberg Germany, sales and support centers in Troy, Michigan, Port Huron, Michigan and a warehouse in Brownsville, Texas. The following table summarizes all short-term and long-term commitments Exco has entered.

	June 30, 2022			
	Total	< 1 year	1-3 years	4-5 years
Bank Indebtedness	$11,665	$11,665	$-	$ -
Trade accounts payable	45,659	45,659	-	-
Long term debt	80,000	-	80,000	-
Lease commitments	7,947	820	1,036	6,091
Purchase commitments	45,670	48,670	-	-
Capital expenditures	22,018	22,018	-	-
	$215,959	$128,832	$81,036	$6,091

Quarterly results

The following table sets out financial information for each of the eight quarters through to the third quarter ended June 30, 2022:

($ thousands except per share amounts)	June 30, 2022	March 31,2022	December 31,2021	September 30,2021
Sales	$129,250	$119,303	$100,979	$106,442
Net income	$5,563	$5,098	$2,736	$7,088
Earnings per share				
Basic	$0.14	$0.13	$0.07	$0.18
Diluted	$0.14	$0.13	$0.07	$0.18

($ thousands except per share amounts)	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Sales	$114,967	$118,360	$121,402	$100,680
Net income	$8,682	$11,734	$10,916	$10,719
Earnings per share				

Basic	$0.22	$0.30	$0.28	$0.27
Diluted	$0.22	$0.30	$0.28	$0.27

Exco typically experiences softer sales and profits in the first and fourth fiscal quarters, which coincides with our customers' plant shutdowns during the holiday season and summer months. Quarterly results in the five previous quarters reflect the impact of COVID-19, supply chain disruptions from the global semi-conductor shortages and the Russian invasion of the Ukraine and the current quarter ended June 30, 2022 includes the acquisitions of Halex.

Non-IFRS Measures

The following table provides a reconciliation for the periods from net income to EBITDA, EBITDA margin, and a reconciliation of cash provided by operating activities to free cash flow.

	Three Months ended June 30		Nine Months ended June 30	
	(in $ thousands)			
	2022	2021	**2022**	2021
Net income	**$5,563**	$8,682	**$13,397**	$31,332
Provision for income tax	**1,763**	1,226	**4,268**	7,572
Pretax Profit	**7,326**	9,908	**17,655**	38,904
Depreciation	**5,591**	4,294	**14,999**	12,807
Amortization	**994**	880	**2,761**	2,768
Net interest expense	**755**	139	**1,054**	298
EBITDA	**14,594**	15,221	**36,479**	54,777
Sales	**$129,250**	$114,967	**$349,532**	$354,729
EBITDA margin	**11.3%**	13.2%	**10.4%**	15.4%
Weighted average basic shares outstanding	**39,022**	39,270	**39,085**	39,270
EPS	**$0.14**	$0.22	**$0.34**	$0.80
Cash provided by operating activities	**$14,145**	**$18,998**	**$27,489**	**$40,493**
Interest	**(755)**	(139)	**(1,054)**	(298)
Maintenance fixed asset additions	**(3,450)**	(3,585)	**(7,853)**	(6,058)
Free Cash Flow	**$9,940**	**$15,274**	**$18,582**	**$34,137**

Recent Accounting Changes and Effective Dates

There were no accounting policy changes effective October 1, 2021.

Controls and Procedures

Based on the current Canadian Securities Administrators (the "CSA") rules under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer (or individuals performing similar functions as a chief executive officer or chief financial officer) are required to certify as at June 30, 2022 that they are responsible for establishing and maintaining disclosure controls and procedure and internal control over financial reporting.

No changes were made in the Corporation's internal control over financial reporting during the Corporation's most recent interim period, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

The scope of design of internal controls over financial reporting and disclosure controls and procedures excluded the controls, policies, and procedures of Halex, which was acquired on May 2, 2022. Halex's contribution to our consolidated statements of operations for the three months ended June 30, 2022, was less than 10% of total revenues and less than 10% of total net income. Additionally, as at June 30, 2022, Halex current assets and current liabilities were between 10-15% of consolidated current assets and current liabilities, The amounts recognized for the assets acquired and liabilities assumed at the date of acquisition Halex are described in note 13 of the condensed consolidated interim financial statements for the three months ended June 30, 2022.

Outstanding Share Capital

As at June 30, 2022 Exco had 38,912,464 common shares issued and outstanding and stock options outstanding to purchase up to 1,221,500 common shares at exercise prices ranging from $8.29 to $10.48.

Outlook

Despite current macro-economic challenges, including tightening monetary conditions, the overall outlook is very favorable across Exco's segments into the medium term. Consumer demand for automotive vehicles is currently outstripping supply in most markets, which are constrained by a shortage of semiconductor chips and, to a lesser extent, other raw materials, components and availability of labour. Dealer inventory levels are near record lows, while average transaction prices for both new and used vehicles are at record highs and the average age of the broader fleet has continued to increase to an all-time high. This bodes well for higher levels of future vehicle production and the sales opportunity of Exco's various automotive components and accessories once supply chains normalize. In addition, OEM's are increasingly looking to the sale of higher margin accessory products as a means to enhance their own levels of profitability. Exco's Automotive Solutions segment derives a significant amount of activity from such products and is a leader in the prototyping, development and marketing of the same. Moreover, the rapid movement towards an electrified fleet for both passenger and commercial vehicles is enticing new market entrants into the automotive market while causing traditional OEM incumbents to further differentiate their product offerings, all of which is driving above average opportunities for Exco.

With respect to Exco's Casting and Extrusion segment, the intensifying global focus on environmental sustainability is creating significant growth drivers that are expected to persist through at least the next decade. Automotive OEMs are looking to light-weight metals such as aluminum to reduce vehicle weight and reduce carbon dioxide emissions. This trend is evident regardless of powertrain design - whether internal combustion engines, electric vehicles or hybrids. As well, a renewed focus on the efficiency of OEMs in their own manufacturing process is creating higher demand for advanced tooling that can contribute towards their profitability and sustainability goals. Certain new EV manufacturers have adopted the approach of utilizing much larger die cast machines to cast entire sub-frames of vehicles out of an aluminum based alloy rather than assemble numerous pieces of separately stamped and welded pieces of ferrous metal. Exco expects traditional OEMs will ultimately follow this trend and is positioning its operations to capitalize accordingly. Beyond the automotive industry, Exco's extrusion tooling supports diverse end markets which are also seeing increased demand for aluminum driven by environmental trends, including energy efficient buildings, solar panels, etc.

On the cost side, inflationary pressures have intensified in recent quarters while prompt availability of various input materials, components and labour has become more challenging. We are offsetting these dynamics through various efficiency initiatives and taking pricing action where possible although there is typically several quarters of lag before the counter measures are evident.

The Russian invasion of Ukraine has added additional uncertainty to the global economy in recent months. And while Exco has essentially no direct exposure to either of these countries, Ukraine does feed into the European automotive markets and Europe has significant dependence on Russia for its energy needs.

Exco itself is also looking inwards with respect to ESG and sustainability trends to ensure its own operations are sustainable. We are investing significant capital to improve the efficiency and capacity of our own operations while lowering our own carbon footprint. In the first quarter we released our first Sustainability Report on our corporate website which is available at: www.excocorp.com/leadership/sustainability/.

Exco is currently targeting a compounded average annual growth rate (excluding acquisitions) of approximately 10% for revenues and slightly higher levels for EBITDA and Net Income through fiscal 2026, which is expected to produce an annual EPS of roughly $1.90 by the end of this timeframe. This target is expected to be achieved through the launch of new programs, general market growth, and also market share gains consistent with the Company's operating history. Capital investments will remain elevated in the balance of the fiscal year in order to position the Company for the significant growth opportunities we see. Capital expenditures are expected to exceed $55 million for fiscal 2022.

Forward-looking information

This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We may use words such as "anticipate", "may", "will", "should", "expect", "believe", "estimate", "5-year target" and similar expressions to identify forward-looking information and statements especially with respect to growth, outlook and financial performance of the Company's business units, contribution of our start-up business units, contribution of awarded programs yet to be launched, margin performance, financial performance of acquisitions, liquidity, operating efficiencies, improvements in, expansion of and/or guidance or outlook as to future revenue, sales, production sales, margin, earnings, earnings per share, including the outlook for 2026, are forward-looking statements. 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. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, the current improving global economic recovery from the COVID-19 pandemic and containment of any future or similar outbreak of epidemic, pandemic, or contagious diseases that may emerge in the human population, which may have a material effect on how we and our customers operate our businesses and the duration and extent to which this will impact our future operating results, the impact of the Russian invasion of Ukraine on the global financial, energy and automotive markets, including increased supply chain risks, assumptions about the number of automobiles produced in North America and Europe, production mix between passenger cars and trucks, the number of extrusion dies required in North America and South America, the rate of economic growth in North America, Europe and emerging market countries, investment by OEMs in drivetrain architecture and other initiatives intended to reduce fuel consumption and/or the weight of automobiles in response to rising climate risks, raw material prices, supply disruptions, economic conditions, inflation, currency fluctuations, trade restrictions, energy rationing in Europe, our ability to integrate acquisitions, our ability to continue increasing market share, or launch of new programs and the *rate at which our current and future greenfield operations in Mexico and Morocco achieve sustained profitability. 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. 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 latest Annual Report, Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at* www.sedar.com *or* www.excocorp.com.

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 nine- month periods ended June 30, 2022 and 2021 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 June 30, 2022	As at September 30, 2021
ASSETS		
Current		
Cash and cash equivalents	**$26,638**	$24,098
Accounts receivable	**93,982**	83,130
Inventories	**90,739**	77,759
Prepaid expenses and deposits	**4,985**	3,418
Derivative instruments	**1,410**	546
Income taxes recoverable	**5,406**	2,741
Total current assets	**223,160**	191,692
Property, plant and equipment, net (notes 4 and 13)	**194,663**	149,474
Intangible assets, net (notes 5 and 13)	**33,914**	25,783
Goodwill (notes 5 and 13)	**86,479**	61,861
Deferred tax assets	**1,528**	1,317
Total assets	**$539,744**	$430,127
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**11,665**	$5,540
Trade accounts payable	**45,659**	33,793
Accrued payroll liabilities	**17,830**	13,793
Other accrued liabilities	**22,984**	11,874
Provisions	**5,897**	3,936
Customer advance payments	**4,333**	4,814
Total current liabilities	**108,368**	73,750
Long-term debt (note 7)	**80,000**	-
Deferred tax liabilities	**15,023**	11,319
Total liabilities	**203,391**	85,069
Shareholders' equity		
Share capital (note 8)	**48,767**	48,983
Contributed surplus	**5,330**	5,087
Accumulated other comprehensive income (loss)	**(5,954)**	1,116
Retained earnings	**288,210**	289,872
Total shareholders' equity	**336,353**	345,058
Total liabilities and shareholders' equity	**$539,744**	$430,127

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 June 30		Nine months ended June 30	
	2022	2021	**2022**	2021
Sales	**$129,250**	$114,967	**$349,532**	$354,729
Cost of sales	**102,956**	89,613	**280,344**	269,526
Selling, general and administrative expenses (notes 12 and 13)	**11,801**	10,218	**32,898**	30,566
Depreciation (note 4)	**5,519**	4,294	**14,999**	12,807
Amortization (note 5)	**994**	880	**2,761**	2,768
Loss (gain) on disposal of property, plant and equipment	**(101)**	(85)	**(189)**	(140)
Interest expense, net	**755**	139	**1,054**	298
	121,924	105,059	**331,867**	315,825
Income before income taxes	**7,326**	9,908	**17,665**	38,904
Provision for income taxes (note 11)	**1,763**	1,226	**4,268**	7,572
Net income for the period	**5,563**	8,682	**13,397**	31,332
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)	**1,512**	314	**636**	2,404
Unrealized gain (loss) on foreign currency translation	**(1,063)**	(2,142)	**(7,706)**	(15,534)
	449	(1,828)	**(7,070)**	(13,130)
Comprehensive income	**$6,012**	$6,854	**$6,327**	$18,202
Income per common share				
Basic	**$0.14**	$0.22	**$0.34**	$0.80
Diluted	**$0.14**	$0.22	**$0.34**	$0.80
Weighted average number of common shares outstanding				
Basic	**39,022**	39,270	**39,085**	39,270
Diluted	**39,022**	39,348	**39,101**	39,282

(a) Net of income tax payable of $539 and $227 for the three- and nine- month periods ended June 30, 2022 (2021 - net of income tax payable of $112 and $858 for the three- and nine - month periods ended June 30, 2021)

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			
	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)**	**Total shareholders' equity**
Balance, October 1, 2021	**$48,983**	**$5,087**	**$289,872**	**$401**	**$715**	**$1,116**	**$345,058**
Net income for the period	**-**	**-**	**2,736**	**-**	**-**	**-**	**2,736**
Dividend paid (note 3)	**-**	**-**	**(3,927)**	**-**	**-**	**-**	**(3,927)**
Stock option expense	**-**	**98**	**-**	**-**	**-**	**-**	**98**
Other comprehensive income (loss)	**-**	**-**	**-**	**(331)**	**(3,483)**	**(3,814)**	**(3,814)**
Balance, December 31, 2021	**$48,983**	**$5,185**	**$288,681**	**$70**	**($2,768)**	**($2,698)**	**$340,151**
Net income for the period	**-**	**-**	**5,098**	**-**	**-**	**-**	**5,098**
Dividend paid (note 3)	**-**	**-**	**(4,105)**	**-**	**-**	**-**	**(4,105)**
Stock option expense	**-**	**84**	**-**	**-**	**-**	**-**	**84**
Exercise of stock options	**264**	**(40)**	**-**	**-**	**-**	**-**	**224**
Repurchase of share capital (note 8)	**(249)**		**(1,577)**				**(1,826)**
Other comprehensive income (loss)	**-**	**-**	**-**	**(545)**	**(3,160)**	**(3,705)**	**(3,705)**
Balance, March 31, 2022	**$48,998**	**$5,229**	**$288,097**	**($475)**	**($5,928)**	**($6,403)**	**$335,921**
Net loss for the period	**-**	**-**	**5,563**	**-**	**-**	**-**	**5,563**
Dividends paid (note 3)	**-**	**-**	**(4,086)**	**-**	**-**	**-**	**(4,086)**
Stock option expense	**-**	**101**	**-**	**-**	**-**	**-**	**101**
Exercise of stock options				**-**	**-**	**-**	**-**
Repurchase of share capital (note 8)	**(231)**		**(1,364)**	**-**	**-**	**-**	**(1,595)**
Other comprehensive income (loss)	**-**	**-**	**-**	**1,512**	**(1,063)**	**449**	**449**
Balance, June 30, 2022	**$48,767**	**$5,330**	**$288,210**	**$1,037**	**($6,991)**	**($5,954)**	**$336,353**

				Accumulated other comprehensive income			
	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)**	**Total shareholders' equity**
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 income for the period	**-**	**-**	**8,682**	**-**	**-**	**-**	**8,682**
Dividends paid (note 3)	**-**	**-**	**(3,927)**	**-**	**-**	**-**	**(3,927)**
Stock option expense	**-**	**94**	**-**	**-**	**-**	**-**	**94**
Exercise of stock options				**-**	**-**	**-**	**-**
Repurchase of share capital (note 8)				**-**	**-**	**-**	**0**
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**

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 June 30		Nine months ended June 30	
	2022	2021	**2022**	2021
OPERATING ACTIVITIES:				
Net income for the period	**$5,563**	$8,682	**$13,397**	$31,332
Add non-operating and items not involving a current outlay of cash				
Depreciation (note 4)	**5,519**	4,294	**14,999**	12,807
Amortization (note 5)	**994**	880	**2,761**	2,768
Stock-based compensation expense	**94**	109	**269**	706
Deferred income taxes	**(13)**	(92)	**(29)**	(189)
Net interest expense	**755**	139	**1,054**	298
Gain on disposal of property, plant and equipment	**(101)**	(85)	**(189)**	(140)
	12,811	13,927	**32,262**	47,582
Net change in non-cash working capital (note 10)	**1,334**	5,071	**(4,773)**	(7,089)
Cash provided by operating activities	**14,145**	18,998	**27,489**	40,493
FINANCING ACTIVITIES:				
Increase (decrease) in bank indebtedness	**659**	(928)	**6,125**	5,127
Financing from long-term debt	**65,000**	-	**80,000**	**-**
Repayment of long-term debt	**-**	-	**-**	(3,093)
Interest paid, net	**(755)**	(139)	**(1,054)**	(298)
Dividends paid (note 3)	**(4,086)**	(3,927)	**(12,118)**	(11,585)
Repurchase of share capital	**(1,595)**	-	**(3,421)**	**-**
Issuance of share capital	**-**	-	**224**	13
Cash provided by (used in) financing activities	**59,223**	(4,994)	**69,756**	(9,836)
INVESTING ACTIVITIES:				
Business acquisition, net of cash acquired (notes 4, 5 and 12)	**(57,616)**	-	**(57,616)**	-
Purchase of property, plant and equipment (note 4)	**(15,255)**	(16,655)	**(36,012)**	(26,676)
Purchase of intangible assets (note 5)	**(170)**	(110)	**(1,105)**	(239)
Proceeds from disposal of property, plant and equipment	**147**	151	**649**	334
Cash used in investing activities	**(72,894)**	(16,614)	**(94,084)**	(26,581)
Effect of exchange rate changes on cash and cash equivalents	**(102)**	(394)	**(621)**	(2,319)
Net increase (decrease) in cash during the period	**372**	(3,004)	**2,540**	1,757
Cash, beginning of period	**26,266**	37,885	**24,098**	33,124
Cash, end of period	**$26,638**	$34,881	**$26,638**	$34,881

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

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 20 strategic locations in 9 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 nine- month periods ended June 30, 2022 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 2021 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, 2021. 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 2021 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 nine- month periods ended June 30, 2022 were authorized for issue by the Board of Directors on July 28, 2022.

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.

Accounting standards issued but not yet adopted

All pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments and interpretations to existing standards may have been issued but are not expected to have a material impact to the Company's financial statements.

$(000)'s except per share amounts

IAS 37 *Provisions, Contingent Liabilities, and Contingent Assets*
Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2022 the IASB issued amendments to IAS 37 to clarify costs to be included when determining if a contract is onerous. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

IFRS 1 *Presentation of Financial Statements*, IFRS 8 *Definition of Accounting Estimates*
Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2023 the IASB issued amendments to IFRS 1 to allow a more general approach in classification of liabilities as current and non current and IFRS 8 to distinguish between accounting policies and accounting estimates. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
The amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on its consolidated financial statements.

Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
The amendment narrowed the scope of certain recognition exemptions so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendment is effective for annual periods beginning on or after January 1, 2023 with early application permitted. The Company is currently evaluating the potential impact of these amendments on the Company's Financial Statements.

3. CASH DIVIDEND

During the three - and nine - month periods ended June 30, 2022, the Company paid quarterly cash dividends totaling $4,086 and $12,118 respectively (2021 -$3,927 and $11,585). The quarterly dividend rate in the second quarter of 2022 was $0.105 per common share (2021 - $0.10).

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, 2021	$216,433	$23,181	$79,073	$12,385	$22,004	$1,600	$354,676
Additions	3,229	753	467	186	31,132	245	36,012
Acquisition (note 13)	10,615	606	5,938	1,678		6,892	25,729
Less: disposals	(3,126)	(120)	-	-	-	(151)	(3,397)
Reclassification	19,463	464	5,336	-	(25,263)	-	-
Foreign exchange movement	(119)	(1)	(431)	(48)	(862)	(12)	(1,473)
Balance as at June 30, 2022	**$246,495**	**$24,883**	**$90,383**	**$14,201**	**$27,011**	**$8,574**	**$411,547**

$(000)'s except per share amounts

	Machinery ad Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
Accumulated depreciation and impairment losses							
Balance as at September 30, 2021	$145,441	$17,230	$41,744	$0	$0	$787	$205,202
Depreciation	10,654	1,615	2,350	-	-	380	14,999
Less: disposals	(2,769)	(99)	-	-	-	(69)	(2,937)
Foreign exchange movement	(225)	41	(194)	-	-	(2)	(380)
Balance as at June 30, 2022	**$153,101**	**$18,787**	**$43,900**	**$-**	**$-**	**$1,096**	**$216,884**

Carrying amounts	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
As at September 30, 2021	$70,992	$5,951	$37,329	$12,385	$22,004	$812	$149,474
As at June 30, 2022	**$93,394**	**$6,096**	**$46,483**	**$14,201**	**$27,011**	**$7,478**	**$194,663**

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, 2021	$8,238	$45,573	$10	$53,821	$61,861
Additions	333	-	772	1,105	-
Acquisition (note 13)	1,515	8,134	-	9,649	29,773
Less: disposals	(262)	-	-	(262)	-
Reclassifications	5	-	(5)	-	-
Foreign exchange movement	(87)	442	(1)	354	(5,155)
Balance as at June 30, 2022	**$9,742**	**$54,149**	**$776**	**$64,667**	**$86,479**

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2021	7,464	20,574	-	28,038	-
Amortization for the period	354	2,407	-	2,761	-
Less: disposals	(261)	-	-	(261)	-
Foreign exchange movement	(24)	239	-	215	-
Balance as at June 30, 2022	**$7,533**	**$23,220**	**$-**	**$30,753**	**$-**

$(000)'s except per share amounts

Carrying amounts					
As at September 30, 2021	$774	$24,999	$10	$25,783	$61,861
As at June 30, 2022	**$2,209**	**$30,929**	**$776**	**$33,914**	**$86,479**

*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 three- and nine - month periods ended June 30, 2022 there were no transfers between Level 1 and Level 2 fair value measurements.
The carrying value and fair value of all financial instruments are as follows:

	June 30, 2022		September 30, 2021	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	**$26,638**	**$26,638**	$24,098	$24,098
Accounts receivable	**93,982**	**93,982**	83,130	83,130
Trade accounts payable	**(45,659)**	**(45,659)**	(33,793)	(33,793)
Bank indebtedness	**(11,665)**	**(11,665)**	(5,540)	(5,540)
Customer advance payments	**(4,333)**	**(4,333)**	(4,814)	(4,814)
Accrued liabilities	**(40,814)**	**(40,814)**	(25,667)	(25,667)
Derivative instruments	**1,410**	**1,410**	546	546
Long-term debt	**(80,000)**	**(80,000)**	-	-

7. LONG-TERM DEBT

On February 23, 2022, the Company renewed the Committed Revolving Credit Facility increasing amount to $125,000 and to extend the maturity date to February 28, 2025. As at June 30, 2022 $80,000 was utilized (September 30, 2021 - $nil). 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 Credit Facility is available to fund working capital, capital expenditures and other general corporate purposes of the Company and its subsidiaries, including acquisitions. Interest rates vary based on prime, bankers' acceptance or CDOR base rates plus a relevant margin depending on the level of the Company's net leverage ratio.

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 June 30, 2022.

8. SHARE CAPITAL

In each of February 2022 and 2021 the Company received approval from the Toronto Stock Exchange for a normal course issuer bid for the following 12-month period. The Company's Board of Directors authorized the purchase of up to 1,955,000 and 1,960,000 common shares under each of these normal course issuer bids, respectively, which represented approximately 5% of the Company's outstanding common shares at each approval date. During the third quarter and year- to- date 185,033 and 285,033 common shares were repurchased respectively (2021- nil, nil).

As at June 30, 2022 the Company had 38,912,464 common shares issued and outstanding.

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 and Europe.

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).

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.

$(000)'s except per share amounts

	Three Months Ended June 30, 2022			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$69,883**	**$65,008**	**$-**	**$134,891**
Intercompany sales	**(5,197)**	**(444)**	**-**	**(5,641)**
Net sales	**64,686**	**64,564**	**-**	**129,250**
Depreciation	**4,659**	**836**	**24**	**5,519**
Amortization	**193**	**801**	**-**	**994**
Segment pre-tax income (loss) before interest	**4,761**	**4,809**	**(1,489)**	**8,081**
Net interest expense				**(755)**
Income (loss) before income taxes				**7,326**
Property, plant and equipment additions	**12,869**	**2,386**	**-**	**15,255**
Property, plant and equipment additions from business acquisition	**25,729**	**-**	**-**	**25,729**
Property, plant and equipment, net	**165,802**	**27,632**	**1,229**	**194,663**
Intangible asset additions	**139**	**31**	**-**	**170**
Intangible asset additions from business acquisition	**9,649**	**-**	**-**	**9,649**
Intangible assets, net	**10,809**	**23,105**	**-**	**33,914**
Goodwill	**26,215**	**60,264**	**-**	**86,479**
Total assets	**343,651**	**212,548**	**(16,455)**	**539,744**
Total liabilities	**70,053**	**49,234**	**84,104**	**203,391**

	Three Months Ended June 30, 2021			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$55,918	$61,412	$-	$117,330
Intercompany sales	(1,977)	(386)	-	(2,363)
Net sales	53,941	61,026	-	114,967
Depreciation	3,427	845	22	4,294
Amortization	116	764	-	880
Segment pre-tax income (loss) before interest	7,783	5,110	(2,846)	10,047
Net interest expense				(139)
Income (loss) before income taxes				9,908
Property, plant and equipment additions	16,431	224	-	16,655
Property, plant and equipment, net	116,819	23,261	1,275	141,355
Intangible asset additions	91	19	-	110
Intangible assets, net	739	25,197	-	25,936
Goodwill	-	60,631	-	60,631
Total assets	225,536	210,835	(10,867)	425,504
Total liabilities	37,608	45,936	4,049	87,593

$(000)'s except per share amounts

	Nine Months Ended June 30, 2022			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$172,378**	**$189,232**	**$-**	**$361,610**
Intercompany sales	**(10,737)**	**(1,341)**	**-**	**(12,078)**
Net sales	**161,641**	**187,891**	**-**	**349,532**
Depreciation	**12,538**	**2,392**	**69**	**14,999**
Amortization	**384**	**2,377**	**-**	**2,761**
Pre-tax income (loss) before interest	**9,412**	**14,426**	**(5,119)**	**18,719**
Net interest expense				**(1,054)**
Income before income taxes				**17,665**
Property, plant and equipment additions	**29,174**	**6,785**	**53**	**36,012**
Property, plant and equipment additions from business acquisition	**25,729**	**-**	**-**	**25,729**
Property, plant and equipment, net	**165,802**	**27,632**	**1,229**	**194,663**
Intangible asset additions	**990**	**115**	**-**	**1,105**
Intangible asset additions from business acquisition	**9,649**	**-**	**-**	**9,649**
Intangible assets, net	**10,809**	**23,105**	**-**	**33,914**
Goodwill	**26,215**	**60,264**	**-**	**86,479**
Total assets	**343,651**	**212,548**	**(16,455)**	**539,744**
Total liabilities	**70,053**	**49,234**	**84,104**	**203,391**

$(000)'s except per share amounts

	Nine Months Ended June 30, 2021			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$155,491	$208,097	$-	$363,588
Intercompany sales	(7,149)	(1,710)	-	(8,859)
Net sales	148,342	206,387	-	354,729
Depreciation	10,232	2,508	67	12,807
Amortization	371	2,397	-	2,768
Pre-tax income (loss) before interest	19,797	26,136	(6,731)	39,202
Net interest expense				(298)
Income before income taxes				38,904
Property, plant and equipment additions	24,740	1,936	-	26,676
Property, plant and equipment, net	116,819	23,261	1,275	141,355
Intangible asset additions	189	50	-	239
Intangible assets, net	739	25,197	-	25,936
Goodwill	-	60,631	-	60,631
Total assets	225,536	210,835	(10,867)	425,504
Total liabilities	37,608	45,936	4,049	87,593

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	Nine months ended June 30	
	2022	2021
Accounts receivable	**($923)**	($5,059)
Inventories	**(8,573)**	(11,765)
Prepaid expenses and deposits	**(1,440)**	(858)
Trade accounts payable	**5,679**	6,142
Accrued payroll liabilities	**1,458**	2,069
Other accrued liabilities	**2,431**	(608)
Provisions	**(339)**	2
Customer advance payments	**(490)**	2,177
Income taxes payable	**(2,576)**	811
	($4,773)	($7,089)

11. INCOME TAXES

The consolidated effective income tax rates for the three- and nine- month periods ended June 30, 2022 were 24.1% and 24.2% respectively (three- and nine- month periods ended June 30, 2021 – 12.4% and 19.5%). The higher income tax rate for three- and nine- month periods ended June 30, 2022 was negatively impacted by losses in jurisdictions not tax effected. The income tax rate for the three- and nine- month periods ended June 30, 2021 was favourably impacted by research and development credits.

$(000)'s except per share amounts

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 nine- month periods ended June 30, 2022 the Company recorded nil assistance - (2021 – $13 and $493). This assistance was recorded as a reduction of selling, general and administrative expense.

13. ACQUISITION

On May 2, 2022 the Company completed the acquisition of 100% of the ownership interest in Halex Holding GmbH ("Halex") for consideration of $60.2 million. Halex Extrusion Dies operates four key manufacturing locations – two in Germany and two in Italy.

Management determined that the assets and processes comprised a business and therefore accounted for the transaction as a business combination using the acquisition method of accounting with the results of operations included in the Company's consolidated financial statements from the date of acquisition. The results of Halex are reported within the Casting and Extrusion segment.

Assets acquired and liabilities assumed have been recorded at their preliminary estimates of fair value at the date of acquisition as follows:

Cash and cash equivalents	$ 2,592
Accounts receivable	10,750
Inventories	5,198
Other current assets	153
Property, plant and equipment	25,729
Intangible assets	9,649
Current liabilities	(20,372)
Deferred tax liability	(3,264)
Net identifiable assets	30,435
Residual purchase price allocated to goodwill	29,773
	$60,208

Acquisition funded as follows:	
Cash	$ 56,158
Holdback and adjustments outstanding	4,050
	$ 60,208

The fair values allocated to assets acquired and liabilities assumed are preliminary and are subject to adjustment based on further analysis and evaluation over the course of the measurement period which will not exceed twelve months from the acquisition date. Where preliminary values are used in accounting for a business combination, they may be materially adjusted retrospectively in subsequent periods. In particular, the Company will continue to evaluate new information about the facts and circumstances that existed as of the acquisition date pertaining to the fair value of acquired intangible assets, property, plant and equipment and deferred tax liability.

The Company incurred acquisition related costs of $584 were expensed under selling, general and administrative expenses on the condensed interim consolidated statements of income and comprehensive income (loss).

The fair value of trade accounts receivable equals the gross amount of the trade accounts receivable less allowance for bad debts and amounts to $9,871. The net contractual amount was considered collectible at the date of acquisition.

The primary factors that contributed to the residual purchase price allocation and resulted in the recognition of goodwill are: the existing Halex business; the acquired workforce; and the combined strategic value to the Company's growth plan.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 20 strategic locations in 9 countries, we employ approximately 5,000 people and service a diverse and broad customer base.

Telephone: 905-477-3065
Fax: 905-477-2449
Web: www.excocorp.com

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

TRANSFER AGENT

TSX Trust Company
301-100 Adelaide Street West
Toronto, Ontario
M5H 4H1

Shareholder Inquiries:
Telephone: 1-866-600-5869
Email: tmxeinvestorservices@tmx.com
Web: www.tsxtrust.com