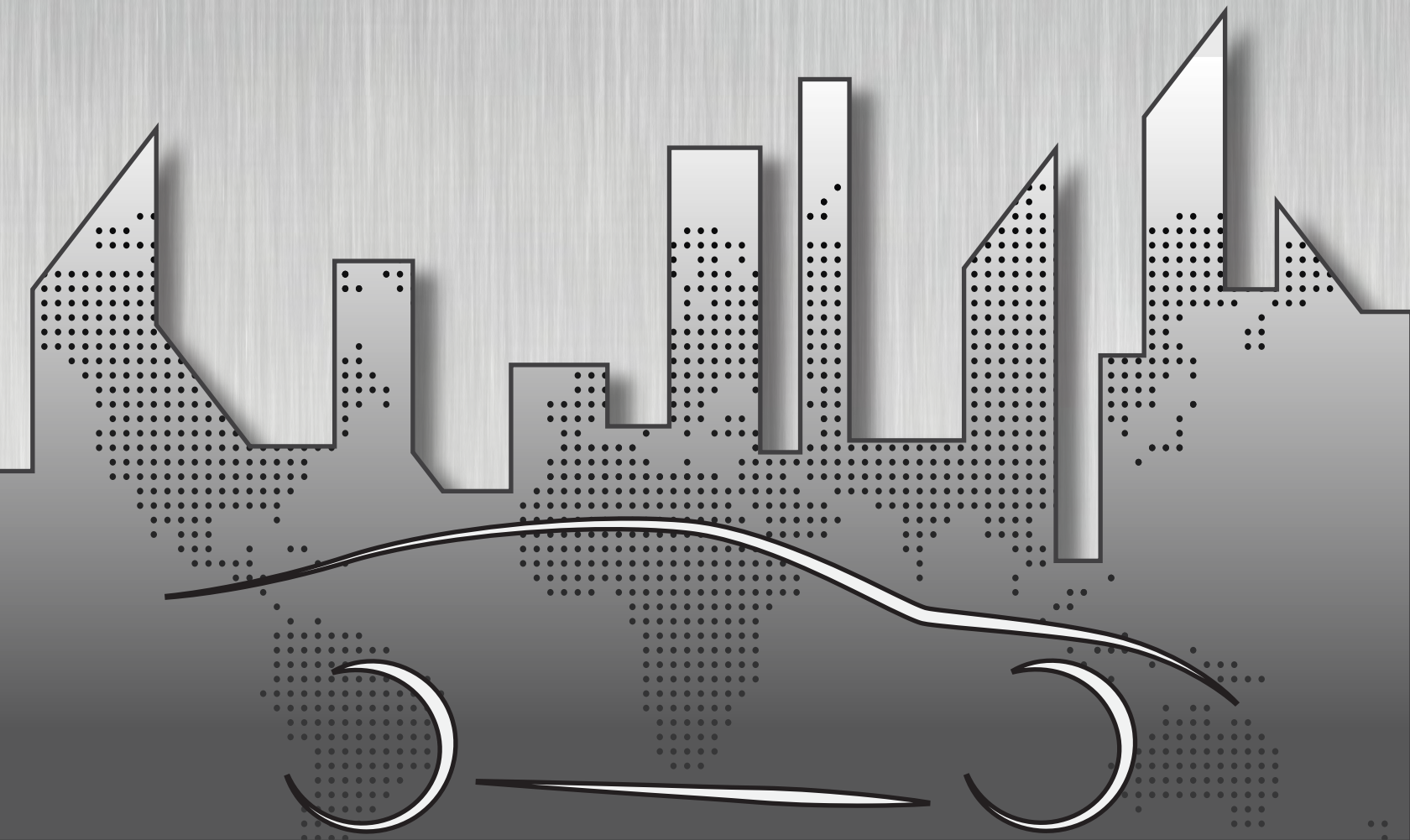




*Technologies Limited*

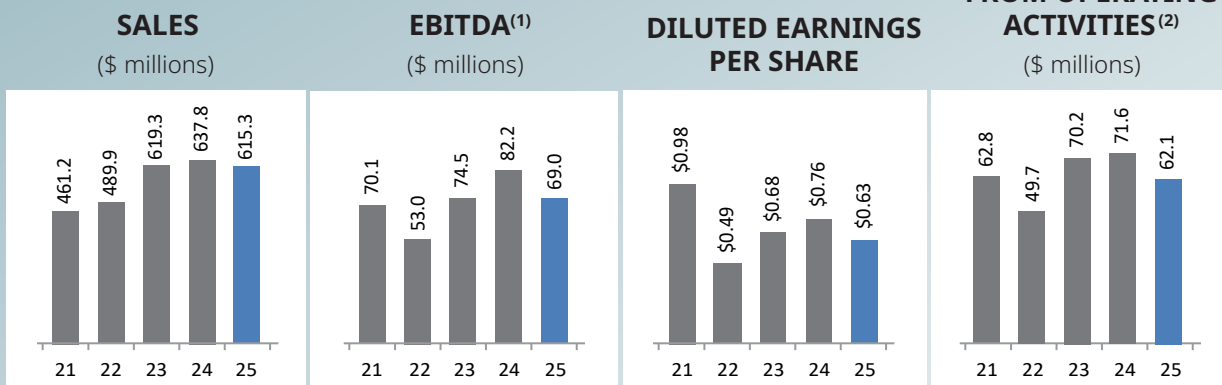
# 2025 Annual Report



# Resilient by Design



Technologies Limited



<sup>(1)</sup> Earnings before interest, taxes, depreciation and amortization.

<sup>(2)</sup> Before net change in non-cash working capital.

**CASTOOL**  
TOOLING SYSTEMS®

**ETS**  
EXCO TOOLING SOLUTIONS®

**AFX**

**EXCO**  
ENGINEERING

**Polydesign**

EXCO® automotive solutions

**Polytech®**

EXCO® automotive solutions

**Neocon**

EXCO® automotive solutions

**HALEX®**  
EXTRUSION DIES

---

## LETTER TO STAKEHOLDERS F2025

### Resilient by Design

Dear Stakeholders,

In F2025, Exco's financial performance reflected both the significant headwinds facing our industry and the underlying resilience of our business model. Sales declined by approximately 4% and overall EBITDA margin ticked down, yet we still generated approximately \$615 million in revenue, nearly \$70 million in EBITDA, and recorded \$0.63 in earnings per share. Free cash flow remained strong at roughly \$41 million, which we used to fund growth and strengthen our balance sheet. We invested approximately \$16 million in growth capital expenditures, returned about \$20 million to shareholders, and reduced net debt to roughly \$67 million.

Our theme, "**Resilient by Design**," reflects how we have embedded resilience into our products, processes, and footprint, enabling us to withstand volatility and capture opportunities for long-term growth.

### Adapting to Industry Change

F2025 brought several headwinds across our core markets. U.S. tariff actions weighed on demand for foreign-built vehicles and parts, while retaliatory measures from key trading partners added further uncertainty and complexity to global supply chains. Shifting emissions regulations and policy uncertainty slowed the pace of EV adoption, extended the life of internal combustion engine (ICE) platforms, and increased interest in hybrids. As a result, many OEMs delayed or scaled back capital spending on new platforms and major launches. At the same time, recessionary concerns, weaker consumer confidence, and soft economic conditions in Europe further pressured our results.

These factors affected our automotive-related businesses, including interior parts and OEM accessory products, die-cast molds and rebuilds, consumable tooling, and extrusion dies used in automotive applications.

By contrast, we saw strength in several non-automotive end markets. Demand for extrusion tooling increased in

building & construction, machinery & equipment, electrical, AI infrastructure, and sustainable energy as customers invested in new capacity and projects. Our broad exposure to these sectors helped stabilize extrusion tooling sales despite automotive softness. We also benefited from favourable foreign exchange movements.

Taken together, these dynamics demonstrate Exco's resilience by design: our diversified mix of products, end markets, and geographies helped offset industry-specific downturns.

Encouragingly, we are now seeing a robust recovery in the die-cast market as OEMs move ahead with new powertrain programs after a period of reassessment. Greater clarity on tariffs for several export markets into the U.S. is supporting higher vehicle import volumes, particularly for models that feature our accessory content. Reshoring initiatives across many of our industries are gaining momentum and providing additional support.

We also see constructive macro drivers: the potential for lower interest rates, an aging vehicle fleet that will need replacement, and continued adoption of advanced safety and connectivity features. These trends should help revive demand and create new opportunities for value-added content.

Exco is well positioned for this environment. Our operations are designed to support all powertrain types—EV, hybrid, and ICE—without reliance on any single technology. This flexibility allows us to participate in today's mix of ICE and hybrid programs while preparing for the next wave of EV platforms and manufacturing technologies as they scale.

Over time, we expect EV adoption to regain momentum and accelerate the use of transformative manufacturing technologies such as giga-presses, which produce large aluminum structural components as single castings. Giga-presses can significantly improve OEM efficiency, reduce assembly complexity, and support sustainability. Exco is well placed to supply the advanced tooling these technologies require, drawing on both our deep

---

## LETTER TO STAKEHOLDERS F2025

die-cast engineering expertise and our in-house additive manufacturing capabilities to deliver larger, more complex, and higher-performing tooling solutions.

Beyond die casting, the extrusion market is also poised for sustained growth as customers pursue lighter, recyclable materials to meet global sustainability objectives. Aluminum extrusions are increasingly preferred across industries, and extrusion manufacturers are focused on productivity, energy efficiency, and workplace safety. Our products are designed to support these goals, and as profiles and tooling become larger and more complex, our engineering expertise positions us as a trusted partner for creative, high-performance solutions.

Our diversification also includes growing activity in the nuclear energy market. We are increasingly using our high-precision machining and tooling capabilities to produce critical components for nuclear applications, an area where demand is expanding and customers are actively seeking domestic partners with proven quality, reliability, and technical expertise. This work aligns well with our existing competencies and adds another resilient, long-duration end market to Exco's portfolio.

We are confident that structural trends—from policy-driven reshoring and evolving automotive architectures to increased investment in nuclear and other critical energy infrastructure—will continue to play to Exco's strengths and support sustained demand across our businesses.

### **Casting and Extrusion: Investments Delivering Resilient Growth**

In recent years, we have made significant strategic investments in our Casting & Extrusion segment. We have expanded geographically through acquisitions and greenfield projects, added state-of-the-art equipment, and introduced advanced technologies such as highly efficient heat-treatment furnaces. These initiatives have reinforced our position as a global leader in tooling for aluminum applications and improved our ability to serve growing demand for

larger, more sophisticated die-cast and extrusion components.

In F2025, these investments enhanced our resilience by allowing us to capitalize on strength in some markets and offset weakness in others. Expanded extrusion tooling capacity enabled us to win increased orders in sectors that are thriving, including artificial intelligence (AI) infrastructure, electrical, and energy.

While the full financial benefits will continue to build over time, progress is already visible. The Casting & Extrusion segment delivered relatively resilient results supported by improved efficiencies and economies of scale across our enlarged footprint. Looking ahead, we expect further productivity gains and scale benefits as recent investments ramp up. Newer Castool facilities in Morocco and Mexico bring us closer to key customers in Europe and Latin America, and increased automation and innovation in both process and product are providing greater opportunities to enhance quality, improve cost efficiency, and further differentiate our offerings. We expect this segment to remain a significant driver of growth and value creation.

### **Interior Trim and OEM Accessories: Focused on Growing Content and Margins**

Our Automotive Solutions group—providing interior trim and OEM accessory products—remains a cornerstone of our long-term growth strategy. In F2025, the segment was affected by softer vehicle production, delays in new program launches, and trade disruptions related to tariff actions, all of which created top-line pressure. Even so, our low-cost manufacturing base and disciplined operations allowed us to continue serving OEMs effectively, with a clear objective to increase our content per vehicle and steadily improve margins over time.

We provide interior systems and accessories that enhance vehicle appeal and functionality, and our OEM accessory programs are a particular area of strength. These programs are high-growth, value-creating platforms that help automakers differentiate their

---

## LETTER TO STAKEHOLDERS F2025

vehicles, increase customer satisfaction, and capture incremental revenue and mix improvement with relatively modest added complexity. Demand for our accessory solutions—from cargo management systems to premium floor liners and other personalization options—remained strong. We continued to win new programs and secure increased content on future models, reinforcing our leadership in this space. As a Tier-1 supplier, we work closely with OEMs to align our products with consumer trends and preferences.

We have also been actively addressing inflationary pressures on certain legacy interior programs that were priced under different cost conditions. Rising input and labour costs have compressed margins on these programs. In response, we have pursued pricing adjustments where possible, maintained strict cost discipline, and streamlined our operations by managing headcount down as automation and efficiency measures have taken hold. These actions resulted in meaningful severance costs in F2025, but they have left our facilities better aligned with current and expected volumes and structurally more efficient. Newer programs are launching at healthier margin profiles and, combined with these efficiency initiatives—including automation, lean manufacturing, and more flexible staffing models—we expect steady margin improvement in this segment.

### **Innovation and Sustainability: Resilience in Action**

Innovation is central to our strategy and underpins our resilience. We are a leader in 3D printing (additive manufacturing) of tool steel components, enabling us to produce highly complex, custom tooling inserts with speed and precision. This capability supports design features—such as optimized cooling channels—that would be impractical with conventional methods, resulting in better-performing, longer-lasting tooling with less material waste. These advantages are particularly important as the industry moves to larger, more complex components, including tooling for giga-press applications.

We also continue to embrace AI and machine-learning

tools across more of our operations, and we are increasingly confident in their potential. In our CAD functions, AI-assisted design and automated checks can help engineers explore more options faster, catch issues earlier, and reduce rework. In our CAM environments, smarter toolpath generation and setup recommendations can shorten programming time, improve machine utilization, and reduce scrap. Data-driven models can optimize production parameters in real time, predict maintenance needs, improve quality control, and streamline decision-making. Taken together, these capabilities can reduce variability, improve cycle times and yields, and enhance efficiency, flexibility, and precision—key attributes in a dynamic operating environment.

In parallel, we are digitizing more of our workflows and leveraging common systems to centralize select functions in lower-cost jurisdictions. This is making our operations more integrated and creating better opportunities to share best practices, improve consistency, and reduce our structural cost base over time.

Our innovation efforts extend to materials and sustainability. We are exploring more sustainable raw materials and processes that lower environmental impact while maintaining performance. Some divisions have introduced recycled or bio-based content without compromising durability, and we are designing products with end-of-life recyclability in mind. We continue to improve energy efficiency in our operations and to reduce waste. These initiatives support customer and community expectations and reinforce Exco's reputation as a responsible manufacturing partner. Together, these efforts demonstrate that being **"Resilient by Design"** also means being sustainable by design.

### **Path Forward and Outlook**

We enter the coming year navigating an environment of elevated uncertainty, particularly around global trade policy and macroeconomic conditions. In light of growing unpredictability around tariffs, we made the

---

## LETTER TO STAKEHOLDERS F2025

difficult decision in Q2 F2025 to withdraw our previously announced Fiscal 2026 financial targets. Those targets, set in 2021, contemplated reaching \$750 million in revenue, \$120 million in EBITDA, and approximately \$1.50 in EPS by the end of 2026. Although we have made meaningful progress towards these objectives, the current volatility in trade policy—especially in the United States—makes it impractical to reaffirm specific timelines.

This decision does not reflect a lack of confidence in our strategy or long-term potential. The strategic initiatives underpinning those original targets remain intact and, in our view, achievable over a longer horizon. The core drivers of our outlook—recent greenfield investments and expansions, a robust pipeline of new program launches, organic market growth, and a strong record of market share gains—continue to support our expectations for growth and margin expansion, even if the exact timing is less certain.

A key advantage for Exco is that nearly all of our products sold in North America comply with United States-Mexico-Canada Agreement (USMCA) rules of origin. We expect USMCA-compliant products to remain exempt from tariffs at least over the next several years, which positions us favourably amid ongoing trade developments. In Casting & Extrusion, for example, we maintain substantial manufacturing capacity within the United States for both extrusion dies and die-cast moulds. If tariffs expand beyond current expectations, our domestic footprint means a significant portion of our North American sales would be largely insulated.

If elevated tariffs on imports from non-compliant jurisdictions—particularly China—persist, Exco could see a further competitive advantage. Many global competitors would face higher costs or restricted access to the North American market, while our USMCA-compliant operations would allow us to continue serving customers with limited disruption. Our footprint and trade compliance therefore provide a strong buffer against policy uncertainty.

We are also encouraged by broader reshoring trends in

North American manufacturing. Government incentives and corporate efforts to secure supply chains are driving renewed investment in domestic production, which should increase demand for tooling, especially in extrusion and high-pressure die casting. As manufacturers expand or bring production closer to home, they will require local sources of dies, molds, and related equipment—areas where Exco is well established. We are already seeing evidence of this in quoting activity, customer discussions, and order flow.

Meanwhile, long-term automotive trends—lightweighting, increased use of aluminum and other advanced materials, the gradual ramp-up of EV and hybrid platforms, and ongoing vehicle model refreshes—remain intact and supportive of our business.

While we cannot control the macro environment, we have taken prudent steps to ensure Exco can manage short-term headwinds and emerge stronger. Our balance sheet is solid, our operations are becoming more efficient through innovation and scale, and our team remains focused on execution.

We enter the next year with cautious optimism: fully aware of the challenges, but confident in Exco's long-term trajectory. We believe the combination of policy driven reshoring, structural industry change, and our own strategic initiatives provides a clear path to value creation as volatility recedes.

In closing, we thank you for your ongoing support and trust. Despite the headwinds of the past year, Exco has proven it is truly **"Resilient by Design."** We remain committed to our strategy, to disciplined execution, and to delivering sustainable growth and value in the years ahead.

Sincerely,



**Darren M. Kirk, MBA, CFA**  
President and CEO

## CONTENTS

|    |                                            |
|----|--------------------------------------------|
| 6  | Management's Discussion and Analysis       |
| 24 | Independent Auditor's Report               |
| 28 | Consolidated Financial Statements          |
| 32 | Notes to Consolidated Financial Statements |

*This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the consolidated financial statements and related notes of Exco Technologies Limited ("Exco", or "Company") for the year ended September 30, 2025. This MD&A has been prepared as of November 26, 2025.*

*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](http://www.excocorp.com) or through the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca).*

*In this MD&A, reference may be made to EBITDA, EBITDA Margin, Pretax Profit, Net Debt, Free Cash Flow and Maintenance Fixed Asset Additions which are not defined measures of financial performance under International Financial Reporting Standards ("IFRS"). A reconciliation to these non-GAAP measures is provided within this MD&A. 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. **Net Debt** represents the Company's consolidated net indebtedness position offsetting cash from bank indebtedness, current and long-term debt. It is calculated as Long-term debt plus Current portion of Long-term debt plus Bank indebtedness less Cash and cash equivalents. **Free Cash Flow** is calculated as cash provided by operating activities less interest paid and **Maintenance Fixed Asset Additions**. Maintenance Fixed Asset Additions represent management's estimate of the investment in fixed assets that is required for the Company to continue operating at current capacity levels. Given the Company's elevated planned capital spending on fixed assets for growth initiatives (including additional Greenfield locations, energy efficient heat treatment equipment and increased capacity) in recent years, the Company has modified its calculation of Free Cash Flow to include Maintenance Fixed Asset Additions and not total fixed asset purchases. This change is meant to enable investors to better gauge the amount of generated cash flow that is available for these investments as well as acquisitions and/or returns to shareholders in the form of dividends or share buyback programs. 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.*

## **CAUTIONARY STATEMENT**

Information in this document relating to: projected light vehicle sales and production, original equipment manufacturer's (OEM) capital investment levels, the rate and intensity of OEM development of all-electric or hybrid powertrain systems, the level of order backlog 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 and operating efficiencies are forward-looking statements. We 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 the year ending fiscal 2026.

Readers are cautioned not to place undue reliance on forward-looking statements found mainly in the MD&A section but also elsewhere throughout this document. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, the global economic recovery from any future 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 impacts of international conflicts 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, the potential for overseas automotive OEMs to make inroads in North America and Europe, including the implementation of tariffs that Governments may use to protect domestic OEMs, production mix between passenger cars and trucks, the number of extrusion dies required in North America, South America, and Europe, 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 and elsewhere, our ability to integrate acquisitions, our ability to continue increasing market share, or launch of new programs and the rate at which our current greenfield operations in Mexico and Morocco achieve sustained profitability, recoverability of capital assets, goodwill and intangibles (based on numerous assumptions inherently uncertain), and cyber security and its impact on Exco's operations. 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. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in this Annual Report and other reports and securities filings made by the Company. This information is available at [www.sedarplus.ca](http://www.sedarplus.ca).

While Exco believes that the expectations expressed by such forward-looking statements are reasonable, we cannot assure that they will be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors which could cause actual results or events to differ materially from those indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, 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.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **CORE BUSINESSES**

Exco is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. The Company reports in two reportable segments.

The Casting and Extrusion segment designs, develops and manufactures tooling and consumable parts for both aluminum die-casting and aluminum extrusion machines. Operations are based in North America, South America,

Europe, Thailand and Morocco and serve automotive and industrial markets around the world. Exco is a leader in most of its markets which principally consist of North America for die-cast tooling, Europe, North, Central and South America for extrusion tooling and globally for consumable tooling parts and related equipment. Across its markets, Exco is focused on further entrenching itself by reducing lead times and manufacturing costs through design and process enhancements. Major capital projects have been implemented in recent years to increase capacity, reduce lead times, further improve quality and reduce costs while pushing the envelope on innovation. Exco's expansion into 3D printing tooling components in recent years is a good example of this. The Company has established a strong competitive position in the design, engineering and manufacturing of 3D printed tooling components, supported by recent investments and growing customer adoption. In the machine consumables market, Exco is leveraging its long tradition as a reliable, high-quality supplier of consumable components for the injection system of die-cast machines and aluminum extrusion presses by evaluating, coordinating and ultimately maximizing customers' overall equipment performance and longevity.

The Automotive Solutions segment designs, develops and manufactures automotive interior trim components and assemblies primarily for passenger and light truck vehicles. The Polytech and Polydesign businesses manufacture synthetic net and other cargo restraint products, injection-moulded components, shift/ brake boots, related interior trim components and assemblies. Polydesign is also a manufacturer and/or finisher of injection moulded interior trim and instrument panel components, sun visors, seat covers, head rests and other cut and sew products. Neocon is a supplier of soft plastic trunk trays, rigid plastic trunk organizer systems, floor mats and bumper covers. AFX Industries is a tier 2 supplier of leather and leather-like interior trim components to the North American automotive market. AFX also supplies die cut leather sets for seating and many other interior trim applications as well as injection-molded, hand-sewn, machine-sewn and hand-wrapped interior trim components of all sorts. Automotive Solutions manufacturing facilities are located in Canada, the United States, Mexico, and Morocco supplying the automotive markets in North America, Europe and to a lesser extent, Asia.

## VISION AND STRATEGY

The Company's vision is "to be the benchmark for innovation, efficiency and quality in the industries we serve." The Company's mission is to "enhance the look and functionality of passenger vehicles and tool up light metal industries for superior performance." Exco has pursued several key strategies to achieve sustainable revenue and earnings growth. These include: (1) strengthening our leadership and competitive position in our chosen markets through automation and technology, (2) minimizing our cost structure, (3) maintaining the bulk of our productive capacity in lower-cost jurisdictions and/or in close proximity to our customers' operations, (4) diversifying our revenue base with new products and services that leverage our competitive strengths, and (5) capitalizing on organic and inorganic growth opportunities in both our existing and select developing markets – see "Marketplace opportunities and efficiency initiatives", below.

Exco was founded on a commitment to excellence and a culture of entrepreneurship and dedication to ethical business practices. We encourage continuance of these traits by providing incentives for our managers to grow their business and giving our employees the latitude to push the envelope on innovation while adhering to our Code of Conduct.

## MARKETPLACE OPPORTUNITIES AND EFFICIENCY INITIATIVES

In the automotive sector, Original Equipment Manufacturers (OEMs) continue to move towards electric or hybrid vehicles and to reduce vehicle weight and/or improve powertrain efficiency in all passenger vehicles to boost fuel economy. Exco's products form an integral part of this industry transformation.

Lightweight metals such as aluminum are increasingly displacing steel in order to make conventional (internal combustion engine) vehicles more environmentally friendly. As well, electric and hybrid vehicles make extensive use of aluminum components to reduce weight and therefore maximize battery range and performance. Exco's Casting and Extrusion segment, which comprises 49% of total revenues, is especially well positioned to benefit from this ongoing transition.

Die-cast aluminum components and associated tooling are increasing significantly in both size and complexity. Tesla has pushed the envelope in this regard, using die-casting machines that are much larger than those used previously. This enables Tesla to cast entire subframes of the vehicle rather than assembling numerous stamped metal components in the body shop, creating significant manufacturing efficiency gains. Other traditional OEMs and tier foundries are following Tesla's lead in using these larger die-cast machines (giga presses), although the pace of adoption in North America has slowed as OEMs defer EV platforms as consumer adoption has slowed. Nonetheless, Exco expects there will be meaningful growth in this part of the market over the next several years and has made sizeable investments in our people, equipment and processes to be a leading supplier in this part of the market.

Our customers are also increasingly focused on improving their own productivity and our products are actively helping in this regard. For example, we design and incorporate 3D printed components into our moulds which greatly enhances the overall quality and performance of the die-cast process while reducing the use of steel, energy and transportation costs. Similarly, Castool has evolved their products and systems to provide less expensive, longer lasting, more energy efficient and safer products. The group focuses on making components and accessories that will increase the customers' tooling life while ensuring less scrap and energy consumption. In doing so, we promote a higher energy and material efficiency in the value chain of production, while better service is being delivered to the end-consumer.

Our Automotive Solutions group, which manufactures various products for the interior passenger compartments and trunks of vehicles, is also a contributor to vehicle lightweighting trends. Exco's Automotive Solutions segment typically makes products that are lighter in weight than competing products. For example, Neocon offers lightweight material options that are an ideal fit for vehicles regardless of powertrain. By incorporating a foaming additive during the extrusion process and creating air voids in the base layer, Neocon created a thermoplastic rubber (TPR) product that is 45% lighter than a traditional thermoplastic elastomer (TPE) injection molded alternative.

Exco is committed to running its facilities as efficiently as possible, delivering the same innovative, high-quality products to our customers with less energy, fewer materials and lower waste. In this regard, several of our businesses have achieved ISO 14001 certification, the international standard that specifies requirements for an effective environmental management system. More broadly, we remain focused on employing lean manufacturing principles to reduce and eliminate waste while also making substantial investments in new, energy efficient equipment. As well, our multi-plant footprint with standardized manufacturing processes provides superior capacity utilization and gives proximity to market which reduces carbon emissions through reduced transportation requirements. Several other innovative technological advancements and initiatives are being employed throughout the organization to help achieve our goals.

Reshoring and regionalization of manufacturing in North America continue to offer compelling benefits, including shorter lead times, reduced logistics and currency risk, tighter quality control and IP protection, and lower exposure to tariff volatility as U.S. trade actions expand. Over the past decade, parts of the industry's value chain—particularly complex tooling and select die-casting capabilities—shifted to China; rebuilding these capabilities domestically and within the USMCA region presents a multi-year opportunity. Exco is actively reducing its China exposure by increasing sourcing and production in Canada, the United States, and Mexico, qualifying alternate suppliers, and investing in local talent and processes. Looking ahead to F26 and beyond, the scheduled USMCA six-year joint review in 2026 introduces the risk of changes to rules of origin and tariff treatment that could influence customer network

design. Our diversified multi-plant footprint across Canada, the U.S., and Mexico, coupled with standardized manufacturing processes, provides flexibility to rebalance volume within the region and mitigate these risks.

## FISCAL 2025 OVERVIEW

### Sales, Earnings and Strategic Investments

Fiscal 2025 consolidated sales were down 3% compared to the prior year driven by a 2% decrease in the Casting and Extrusion segment and a 5% decrease in the Automotive Solutions segment. Fiscal 2025 results were pressured by US tariff actions that dampened demand for foreign-built vehicles and parts, shifting emissions regulations and policy uncertainty that slowed EV adoption, and OEM decisions to slow or defer capital programs tied to new platforms and large launch initiatives. Broader recessionary concerns further weighed on consumer sentiment while Europe continued to exhibit weak economic conditions. These factors impacted the Company's Automotive Solutions segment as well as demand for die-cast moulds, rebuilds, consumables and extrusion tooling used in automotive applications. Partially offsetting these headwinds were higher extrusion tooling volumes in non-automotive end markets – such as building and construction, machinery and equipment, electrical, and sustainable energy – along with favorable foreign currency movements.

Earnings per share were \$0.63 in fiscal 2025 compared to \$0.76 in fiscal 2024. Pre-tax profits declined in both the Casting and Extrusion segment and Automotive Solutions segments. The year over year decrease primarily reflected lower sales, severance costs, adverse foreign exchange impacts from a stronger Euro and Mexican peso; higher subcontracting costs, ongoing losses at newer operations, temporary disruption to existing operations from equipment installations and capability upgrades, and continued wage inflation.

During the year, the Company invested \$36.1 million in capital assets and devoted significant management attention to newer facilities and recent acquisitions. Capital spending was deliberately below the year's initial plan as management prioritized critical projects and completion of major growth initiatives. While these investments continue to weigh on near-term margins and profitability, Exco expects meaningful earnings contributions over a multi-year horizon as operations mature and scale benefits are realized. Key projects include:

- **Castool Mexico Greenfield Facility** – Opened in October 2023 with production commencing immediately. This facility expands capacity and improves access to Latin America and U.S. Sun -belt markets. Depreciation and start-up costs elevated expenses in F2024; performance improved in fiscal 2025;
- **Large Mould Group Fixed Asset Additions** – All equipment to support Giga-sized moulds is installed and operational including a new large 5 axis boring mill. Continued growth in our leading additive manufacturing (3D printing) operations are supported by the addition of a seventh 3D printer;
- **Halex operations** – Ongoing equipment installations across locations, with integration into the broader Extrusion Group to capture best practice synergies;
- **Extrusion Group Heat Treatment (Michigan)**– New equipment installation completed at the end of Q3 fiscal 2025;
- **Automotive Solutions Group** – Continued deployment of equipment to support program launches and expand automation in production.

### Outlook

In light of the growing uncertainty surrounding global trade policy—particularly regarding tariffs—we withdrew our Fiscal 2026 revenue, EBITDA, and EPS targets in Q2 Fiscal 2025. Although Exco had made meaningful progress toward these targets since their initial announcement in Fiscal 2021, the heightened unpredictability around tariff

implementation and scope, particularly involving key jurisdictions such as the United States, made it impractical to reaffirm those financial objectives. Nonetheless, we continue to believe that the underlying strategic initiatives that supported our original targets remain intact and will be achievable over the longer term. Our greenfield investments, new program launches, organic market growth, and consistent track record of gaining market share are all expected to contribute significantly to future growth and margin expansion as conditions stabilize.

Importantly, we expect products compliant with the United States-Mexico-Canada Agreement (USMCA) rules of origin to remain exempt from tariffs in the long term. As nearly all of Exco's products sold within North America comply with USMCA requirements, we are well-positioned to navigate ongoing trade policy developments. Within our Casting and Extrusion segment, we maintain a substantial manufacturing footprint in the U.S. market for extrusion dies and large mould products, further ensuring preparedness should tariffs extend beyond current expectations. Moreover, should elevated tariffs on imports from non-compliant jurisdictions—particularly China—persist, Exco stands to benefit from a more advantageous competitive positioning relative to global peers.

We are also encouraged by broader macroeconomic trends in North America, notably increasing initiatives to reshore industrial manufacturing. These reshoring efforts are expected to boost demand for extrusion and high-pressure die-cast (HPDC) tooling, areas where Exco maintains considerable strength. The combination of policy-driven reshoring, structural automotive trends, and our strong product positioning reinforces confidence in Exco's long-term outlook despite near-term headwinds.

## RESULTS

### Consolidated Results - Sales

Annual sales totalled \$615.3 million compared to \$637.8 million last year – a decrease of \$22.5 million or 3%. The Casting and Extrusion segment experienced strong demand for its extrusion tooling products in both North America and Europe, however demand for die-cast tooling softened due to adoption delays in EVs, OEM decisions to slow or defer capital programs tied to new platforms and uncertainty related to global tariff risks. The Automotive Solutions segment sales decreased as ongoing global challenges surrounding US tariffs weakened the demand of foreign built automobiles where Exco has meaningful content. The US dollar strengthened 4% year over year (\$1.40 versus \$1.36) against the Canadian dollar increasing sales by \$13.2 million. The Euro averaged 5% higher (\$1.55 versus \$1.48) against the Canadian dollar over the year increasing sales by \$7.0 million. Excluding the impact of foreign exchange gains, consolidated sales decreased \$42.7 million or 7%.

### Selected Annual Information

The following table sets out selected financial data relating to the Company's years ended September 30, 2025 and 2024. This financial data should be read in conjunction with the Company's audited consolidated financial statements for these years:

| <i>(in \$ millions except per share amounts)</i> | <b>2025</b>    | 2024    |
|--------------------------------------------------|----------------|---------|
| Sales                                            | <b>\$615.3</b> | \$637.8 |
| Net income for the year                          | <b>\$24.3</b>  | \$29.6  |
| Earnings per share from net income               |                |         |
| Basic and diluted                                | <b>\$0.63</b>  | \$0.76  |
| Purchase Capital Assets                          | <b>\$36.1</b>  | \$33.9  |
| Total assets                                     | <b>\$614.2</b> | \$607.0 |
| Cash dividend paid per share                     | <b>\$0.42</b>  | \$0.42  |
| EBITDA <sup>1</sup>                              | <b>\$69.0</b>  | \$82.2  |

<sup>1</sup> Refer to reconciliation of this non-GAAP measure in the 'Non-IFRS measures' table below.

## Segment Sales

### • *Automotive Solutions Segment*

Sales in this segment were \$313.8 million – a decrease of \$17.1 million or 5% from the prior year. The impact of currency exchange movements (Euro, US, and Canadian dollar) added \$10.7 million to sales compared with the prior year. The decline primarily reflected U.S. tariffs that reduced shipments of foreign-built vehicles—platforms on which Exco has meaningful content—along with delays on certain program launches, an unfavourable vehicle mix, and persistent weakness in the European market.

Looking forward, the segment is constrained in the near term by reduced consumer confidence, relatively high average transaction prices for vehicles, rising dealer inventories, and softening global economic conditions. Notwithstanding these headwinds, interest rates have begun to decline, vehicle-sales remain encouraging, the average vehicle fleet continues to age, and OEM incentives are increasing. Our volumes will benefit from recent program awards and launches, which are expected to increase content per vehicle. Quoting activity also remains strong, and we believe there is ample opportunity to achieve our targeted growth objectives. Some foreign OEMs are reshoring or reallocating production to the United States, which should benefit future volumes, and tariff rates for certain markets were recently reduced meaningfully, providing additional relief.

The segment's four businesses continue to prioritise new program launches and quoting significant new opportunities across all vehicle types (EV, hybrid and ICE) from both traditional OEMs and new market entrants, further broadening customer diversification and targeting higher margin activity. Management sees significant opportunity for future growth supported by strong quoting activity in both North America and Europe and remains focused on pricing discipline to protect margins.

### • *Casting and Extrusion Segment*

Sales in this segment were \$301.4 million – a decrease of \$5.5 million or 2% from the prior year. Excluding the impact of foreign exchange, segment sales decreased \$14.9 million or 5% compared to fiscal 2024. Demand for our extrusion tooling remained firm in both North America and Europe. Although the extrusion automotive market weakened during the year, slowdowns in that end-market were offset by strength in the construction, machinery & equipment, electrical and sustainable-energy markets. Within our European operations, we remain focused on standardizing manufacturing processes, enhancing engineering depth and centralizing critical support functions across our plants. These initiatives have reduced lead times, improved product quality, expanded product breadth and increased capacity, contributing to share gains in our core markets. Management also continues to develop the Castool locations in Morocco and Mexico which provide opportunities to capture market share in Europe, Latin America and the U.S. Sun-belt through improved proximity to local customers.

In the die-cast tooling market (which primarily serves the automotive industry), demand for new moulds, associated consumable tooling and rebuild work was down compared to the prior year. This weakness is attributed in part to U.S. tariffs and slower adoption of EVs and was compounded by regulatory uncertainty (e.g. evolving emissions and fuel economy standards) that led some OEMs to defer or re-sequence new vehicle platforms and related tooling awards. More recently, however, quoting and award activity has rebounded across customers and platforms, translating into very healthy backlog levels. We expect this momentum to carry through, with more efficient ICE/transmission platforms (including expanded hybrid offerings) moving ahead and EV programs advancing at a more measured, but steadier, pace. Demand for associated giga-sized tooling has similarly pulled back, although management continues to expect this market segment to see growth in coming years. We have re-engineered our plants and installed new equipment to accommodate this larger tooling and believe we have the most advanced capabilities among our competitors. We also continue to invest heavily to bolster our market leading position in 3D printing – with a new additive printer installed in the fourth quarter, we now have seven additive printers. As our pace of innovation gains momentum, we are yielding more applications for our additively printed tooling components. Consequently, robust demand for Exco's 3D printed tooling continues as customers focus on greater efficiency across all large mould size segments – i.e. for both giga and non-giga sized die-cast machines. As indicated, quoting remains very active and our backlog for die-cast moulds exceeded historic norms in the final months of the fiscal year.

### **Cost of Sales**

On a consolidated basis, cost of sales totalled \$492.2 million – a decrease of \$10.5 million or 2% from the prior year. Cost of sales as a percentage of sales of 80.0% compared to 78.8% in the prior year. Raw material costs in the Casting and Extrusion segment (primarily tool grade steel) was generally down across all divisions, although this benefit was somewhat offset by increased steel tariffs in the US. Exco mitigates steel price volatility through steel-surcharge pass-throughs and generally passes applicable tariff costs to customers, where possible. Raw material costs for the Automotive Solutions segment (primarily petroleum/natural gas-based resins, leather goods, plastic products) were consistent with the prior year. Labour costs across both segments were up which included direct, indirect, supervisory salaries and employee benefit costs. Management worked to improve productivity to offset these higher costs through workforce reductions and other manufacturing efficiencies. Overhead costs increased compared to the prior year due to inflationary pressures and lower absorption from reduced sales volumes.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expense of \$53.8 million in the current year increased 2% from \$52.9 million last year. As a percentage of sales, selling, general and administrative costs increased from 8% to 9% year over year. Current year selling, general and administrative expenses increased due to \$3.1 million incremental severance costs and \$1.8 million lower foreign exchange gains compared to the prior year. Excluding the impact of the severance and foreign exchange changes, selling, general and administrative expenses decreased \$4.0 million reflecting lower salary and related compensation expenses, lower commissions and selling costs related to reduced sales, and management's focus to contain costs in a challenging environment.

### **Depreciation and Amortization**

Consolidated depreciation expense was \$31.1 million compared to \$30.2 million the prior year. Depreciation expense within the Casting and Extrusion segment totalled \$26.2 million in fiscal 2025 versus \$25.8 million in fiscal 2024 and depreciation expense within the Automotive Solutions segment totalled \$4.8 million versus \$4.3 million last year. Amortization expense of \$4.3 million in fiscal 2025 increased from \$4.1 million from 2024. The carrying value of total intangible assets amounted to \$25.3 million as at September 30, 2025 – down from \$27.8 million a year ago. Additions to intangible assets of \$0.5 million in fiscal 2025 represent software and IT related assets. The Company

expects the annual amortization and depreciation expense will total approximately \$4.5 million and \$30.4 million respectively in fiscal 2026. Management anticipates that depreciation expense has largely plateaued and these costs will decrease in the years beyond fiscal 2025.

## **Interest**

Net interest expense in the current year totalled \$5.1 million compared to \$8.3 million in fiscal 2024. The decrease is due to lower interest rates combined with reductions to the Company's long-term debt during the year. With continued lower interest rates expected during fiscal 2026 and a further anticipated reduction to net debt, the Company anticipates lower interest costs in fiscal 2026.

## **Income Taxes**

Exco's effective income tax rate was 15.0% in fiscal 2025 compared to an effective income tax rate of 25.1% in fiscal 2024. The lower income tax rate is due to the reversal of provisions reducing the value of future tax assets that can now be recognized due to improved profitability in foreign jurisdictions. After adjusting for these items, the effective income tax rate is closer to 22.5%. Other items that affect the income tax rate include geographic distribution, foreign tax rate differentials, a shift in the proportion of earnings from jurisdictions with higher tax rates, and losses that cannot be tax affected for accounting purposes.

## **Net Income**

- *Consolidated*

The Company reported consolidated net income of \$24.3 million or basic and diluted earnings of \$0.63 per share in fiscal 2025, compared to consolidated net income of \$29.6 million or basic and diluted earnings of \$0.76 per share the prior year.

- *Automotive Solutions Segment - Pretax profit*

The Automotive Solutions segment reported Pretax profit of \$25.1 million, compared with \$32.5 million in the prior year — a decrease of \$7.4 million or 23%. The decline primarily reflects lower gross profit from reduced sales volumes, weaker gross margins resulting from lower overhead absorption and unfavorable product mix, incremental severance costs of \$1.2 million, lower foreign-exchange gains of \$1.4 million, and higher depreciation expense of \$0.5 million. Management expects the segment's cost structure to improve over time as global trade and geopolitical conditions stabilize, vehicle production volumes and model mix revert toward historical norms, and efficiency initiatives and new product launches contribute incremental benefits. Pricing discipline remains a key operational focus, and adjustments are being implemented on current programs where possible, although such measures typically take several quarters to be fully reflected in results. New program awards are being priced to account for anticipated increases in future cost levels.

- *Casting and Extrusion Segment - Pretax profit*

The Casting and Extrusion segment reported Pretax profit of \$15.3 million, compared with \$22.5 million in the prior year — a decrease of \$7.2 million or 32%. The reduction primarily reflects lower gross profit due to reduced sales volumes and weaker gross margins resulting from lower overhead absorption, partially offset by lower raw material costs. Additional factors included temporary heat-treat subcontracting costs of \$2.5 million incurred during the Michigan facility's equipment upgrade, incremental severance costs of \$2.0 million, higher depreciation expense of \$0.4 million, and foreign-exchange losses of \$0.3 million. Looking ahead, profitability is expected to improve as sales volumes increase and temporary subcontracting costs are eliminated following completion of the heat-treat upgrade. Margins are also projected to strengthen as newer operations mature, production scales up, and utilization of advanced

equipment for large-scale die-cast tooling expands. Management remains focused on streamlining its cost structure, enhancing manufacturing efficiencies, and improving operational performance. These initiatives, together with anticipated sales growth and improved capacity utilization, are expected to support sustained improvement in segment profitability over time.

- *Corporate Segment – Pretax loss*

Corporate expense in the current year amounted to \$6.7 million compared to \$7.2 million in the prior year. The year over year decrease was primarily driven by lower incentive and stock-based compensation expenses.

## EBITDA

EBITDA for the year was \$69.0 million, compared with \$82.2 million in the prior year — a decrease of \$13.2 million. The EBITDA margin declined from 12.9% in fiscal 2024 to 11.2% in fiscal 2025. The year’s results include \$7.4 million in incremental costs previously discussed, comprising \$3.1 million of severance expenses, \$2.5 million of temporary outsourced heat-treat costs associated with the Michigan equipment upgrade, and \$1.8 million from adverse foreign-exchange movements. Excluding these items, underlying EBITDA was relatively stable, reflecting the Company’s ongoing efforts to mitigate the impact of softer sales and maintain cost discipline. Within the segments, Casting and Extrusion generated EBITDA of \$42.9 million, down \$6.7 million from fiscal 2024, with EBITDA margin decreasing from 16.2% to 14.2%. The Automotive Solutions segment reported EBITDA of \$32.7 million, a reduction of \$6.9 million, and margin of 10.4%, compared with 12.0% in the prior year.

## Quarterly Results

The following table sets out financial information for each of the eight fiscal quarters through to the fiscal year ended September 30, 2025:

| (\$ thousands except per share amounts) | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 |
|-----------------------------------------|--------------------|---------------|----------------|-------------------|
| Sales                                   | \$150,696          | \$154,882     | \$166,117      | \$143,568         |
| Net income                              | \$8,227            | \$5,399       | \$6,421        | \$4,245           |
| Earnings per share                      |                    |               |                |                   |
| Basic                                   | \$0.22             | \$0.14        | \$0.17         | \$0.11            |
| Diluted                                 | \$0.22             | \$0.14        | \$0.17         | \$0.11            |

| (\$ thousands except per share amounts) | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
|-----------------------------------------|--------------------|---------------|----------------|-------------------|
| Sales                                   | \$155,447          | \$161,809     | \$163,825      | \$156,710         |
| Net income                              | \$7,734            | \$8,176       | \$8,066        | \$5,642           |
| Earnings per share                      |                    |               |                |                   |
| Basic                                   | \$0.20             | \$0.21        | \$0.21         | \$0.15            |
| Diluted                                 | \$0.20             | \$0.21        | \$0.21         | \$0.15            |

Exco typically experiences softer sales and profits in the first fiscal quarter, which coincides with our customers’ plant shutdown during the Christmas season. Exco also experiences a slowdown in the fourth fiscal quarter as customers typically schedule summer plant shutdowns and European customers typically curtail releases during the month of August to accommodate vacations. The third and fourth quarters of Fiscal 2025 results were negatively impacted by the effect of US tariffs and weaker demand for die cast products partially offset by a tax credits booked in the fourth quarter.

## Fourth Quarter

In the fourth quarter, consolidated sales were \$150.7 million – a decrease of \$4.8 million or 3% from the prior year. Foreign exchange rate movements increased sales by \$4.1 million in the quarter.

Fourth quarter sales in the Automotive Solutions segment were \$77.9 million, a decrease of 2% from the prior-year quarter. Excluding the impact of foreign exchange, segment sales decreased \$3.3 million, or 4%. The reduction primarily reflects customer-driven delays in program launches and an unfavorable vehicle mix. Broader industry conditions continue to be challenging, with ongoing uncertainty related to import tariffs, moderating consumer demand, and vehicle affordability pressures contributing to a cautious market environment. At the same time, potential tailwinds—including prospective interest-rate reductions, an aging vehicle fleet, increased OEM incentives and relatively steady North American and European production volumes—are expected to support industry demand over the medium term.

The Company anticipates benefiting from recent and upcoming program launches, which are expected to increase content per vehicle and support sales and margin recovery. While tariff-related developments continue to present near-term uncertainty, quoting activity remains encouraging, and management believes the segment is well positioned to capture new opportunities as market conditions stabilize. Also, some foreign OEMs are reshoring or reallocating production to the United States, which should benefit future activity, and tariff rates for certain markets were recently reduced meaningfully, providing additional relief.

The Casting and Extrusion segment reported fourth quarter sales of \$72.7 million, a decrease of \$3.5 million, or 5%, from the same period last year. Foreign-exchange movements favorably impacted sales by \$2.0 million for the quarter. Extrusion-tooling sales grew during the quarter, supported by diversified end markets including building and construction, transportation, sustainable energy, and electrical components. Management continues to execute on initiatives to standardize manufacturing processes, enhance engineering depth, and centralize key support functions across facilities. These actions have improved lead times, product quality, product breadth, and capacity, contributing to share gains in core markets.

In contrast, demand in the die-cast-tooling market, which primarily serves the automotive market, moderated as manufacturers delayed new program launches amid slower EV demand, policy uncertainty, and tariff-related risks. Many OEMs have shifted focus toward hybrid and smaller internal-combustion-engine platforms, extending the life cycle of existing vehicle programs and temporarily reducing tooling requirements.

Looking ahead, Exco is well positioned to benefit as non-USMCA die-cast suppliers face competitive pressures from tariff changes, creating opportunities for domestic and near-shore production. Die cast quoting activity was strong in the fourth quarter, and demand for Exco's additive (3D-printed) tooling continues to strengthen as customers pursue greater manufacturing efficiency and accommodate larger, more complex tooling requirements, including giga-press applications. Management remains focused on the Company's new businesses in Morocco, Mexico, and Europe which are anticipated to enhance Exco's market reach and performance.

Consolidated net income for the fourth quarter was \$8.2 million (\$0.22 per share), compared with \$7.7 million (\$0.20 per share) in the same quarter last year. The effective income tax rate was a credit of 9%, compared with an expense of 26% in the prior-year quarter. The favourable rate this quarter reflects the reversal of prior tax provisions and the recognition of previously unrecorded tax assets resulting from improved profitability in foreign operations and the realization of other tax credits. After adjusting for these items, the normalized effective tax rate was approximately 24.2%. Variations in the tax rate also reflect differences in geographic earnings mix, foreign tax rate differentials, and losses that are not tax affected for accounting purposes.

Fourth quarter Pretax profit in the Automotive Solutions segment were \$5.1 million, a decrease of \$2.7 million, or 35%, from the same quarter last year. The decline primarily reflects lower sales volumes, an unfavourable product mix, and higher labour costs across all jurisdictions. Labour costs in Mexico have been particularly challenging, with significant wage increases in fiscal 2025 adding further pressure. In response to these increased labour costs, the Company incurred restructuring costs of \$0.3 million during the quarter, implementing actions consistent with its lean manufacturing principles and ongoing automation initiatives. These measures are expected to enhance operational efficiency at current production levels and position the segment for stronger profitability as market conditions improve. Management remains cautiously optimistic that the segment's cost structure and margins will improve as volumes recover and new program launches ramp up. Pricing discipline also remains a key focus, with adjustments being made where feasible—particularly on new program awards that are priced to reflect anticipated future cost increases.

Fourth quarter Pretax profit in the Casting and Extrusion segment was \$4.5 million, a decrease of \$1.8 million or 29%, from the same quarter last year. The decline primarily reflects lower sales volumes, product mix shifts, and higher direct labour and overhead costs, including the impact of under-absorbed fixed costs during the quarter. Management continues to pursue strategic pricing initiatives and efficiency improvements across the segment, with ongoing adoption of lean manufacturing principles and expanded automation aimed at increasing productivity through process standardization and waste reduction. Castool's heat treatment operations continue to develop new third-party customer opportunities, generate cost savings, and enhanced production quality. These gains were partly offset by ongoing challenges at Castool's greenfield facilities, though performance continues to improve steadily, particularly at the Mexican operation. Management remains focused on standardizing manufacturing processes, strengthening engineering capabilities, and centralizing key support functions across all locations. These initiatives have delivered shorter lead times, improved product quality, broader product offerings, and greater production capacity. With continued emphasis on cost reduction, operational efficiency, and strategic sales initiatives, management expects sustained improvement in segment profitability over time.

The Corporate segment in the fourth quarter recorded expenses of \$0.9 million compared to \$2.0 million last year was primarily due mainly to foreign exchange gains and lower compensation and stock option expense. As a result of the foregoing, consolidated EBITDA in the quarter was \$18.0 million (12% of sales) compared to \$20.6 million (13 % of sales) last year.

## **FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL RESOURCES**

### **Cash Flows from Operating Activities**

Operating cash flow before net changes in non-cash working capital was \$61.6 million in fiscal 2025 compared to \$71.6 million in the prior year. The \$10.0 million year-over-year decrease was driven by \$5.3 million lower net income, \$2.2 million change in deferred income taxes, and a \$3.2 million reduction in interest expense partially offset by \$1 million increase in depreciation expense. Net change in non-cash working capital provided \$4.3 million cash in fiscal 2025 compared to \$10.1 million last year. Cash generated from working capital is driven primarily from reductions to inventory, increased accruals and provisions partially offset by lower accounts payables, advance payments and taxes payable balances. After adjusting for non-cash working capital, cash provided by operating activities was \$65.8 million in fiscal 2025, which compared to \$81.7 million in the prior year.

### **Cash Flows from Financing Activities**

Cash used in financing activities amounted to \$39.6 million compared to \$32.2 million in fiscal 2024. The Company paid \$5.1 million in interest, \$16.1 million in dividends, repurchased shares through the normal course issuer bid of

\$3.5 million and decreased borrowings \$15.0 million. The prior year \$32.2 million use of cash was similar to 2025 with only \$5.0 million cash used for debt reduction, \$8.3 million in interest payments, and \$2.7 million for shares purchased through the normal course issuer bid.

Exco enters into lease arrangements from time to time. Exco owns 20 of its 21 manufacturing facilities and essentially all its production equipment. The Company leases sales and support centers in Rochester Hills, Michigan, a warehouse in Brownsville, Texas, and a manufacturing facility in Weissenburg, Germany. The following table summarizes the Company's significant short-term and long-term commitments on an undiscounted basis:

| (000's)                | Total     | < 1 year | 1-3 years | Over 3 years |
|------------------------|-----------|----------|-----------|--------------|
| Trade accounts payable | \$46,906  | \$46,906 | \$-       | \$-          |
| Long-term debt         | 90,000    | -        | 90,000    | -            |
| Lease commitments      | 9,259     | 1,022    | 1,977     | 6,260        |
| Purchase commitments   | 42,268    | 42,268   | -         | -            |
| Capital expenditures   | 3,829     | 3,829    | -         | -            |
|                        | \$192,262 | \$94,025 | \$91,977  | \$6,260      |

*\* Exco leases facilities, automotive, material handling vehicles and other miscellaneous office equipment. It is not Exco's policy to purchase these assets at the expiry of their terms but occasionally it may purchase the assets at the end of the lease terms when the purchase options are favorable. Exco does not expect any material liquidity or capital resource impacts from these possible purchases.*

### Cash Flows from Investing Activities - Capital Expenditures

Cash used in investing activities in the current year totalled \$35.8 million compared to \$33.7 million last year. Management's capital budget for fiscal 2025 was \$40.0 million compared to the actual spend of \$35.8 million. Due to the global economic uncertainties and management focused on reducing overall fiscal 2025 spending. The majority of the significant strategic capital projects from the last 3 years have been completed. Maintenance Fixed Asset Additions in the current year were \$20.1 million compared to \$19.7 million in the prior year.

In fiscal 2026, Exco plans to invest approximately \$28.0 million in capital expenditures (\$24.0 million for new projects and \$4.0 million carryforward from fiscal 2025) of which roughly \$7.3 million is for growth capital expenditures and \$20.7 million is for Maintenance Fixed Asset Additions. New equipment in fiscal 2026 includes multi-axis milling machines, automation equipment to increase productivity, software upgrades, CNC machines and Electronic Discharge Machining equipment.

### Financial Position and Cash Balance

The Company's conservative financial policies have served it well throughout the years and have allowed it to take advantage of acquisition opportunities and make strategic organic growth investments proactively to meet market changes.

Exco's Net Debt was \$67.1 million on September 30, 2025 compared to \$73.4 million the prior year. In fiscal 2025, the Company generated Free Cash Flow of \$40.7 million, paid dividends of \$16.1 million and made growth capital expenditures of \$15.7 million resulting in a reduction in net debt of \$6.2 million.

As at September 30, 2025, Exco retained access to \$61.6 million of its \$151.6 million committed banking facility and had cash of \$22.9 million. 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 of September 30, 2025.

## Non-IFRS Measures

The following tables reconcile EBITDA, EBITDA margin and Free Cash Flow for the periods to the Company's IFRS measures, cash provided by operating activities to free cash flow, and segment EBITDA disclosures:

|                                                                        | Three Months ended<br>September 30                           |                 | Twelve Months ended<br>September 30                         |                 |
|------------------------------------------------------------------------|--------------------------------------------------------------|-----------------|-------------------------------------------------------------|-----------------|
|                                                                        |                                                              |                 | <i>(in \$ thousands)</i>                                    |                 |
|                                                                        | 2025                                                         | 2024            | 2025                                                        | 2024            |
| Net income                                                             | \$8,227                                                      | \$7,734         | \$24,292                                                    | \$29,618        |
| Provision for income tax                                               | (692)                                                        | 2,686           | 4,300                                                       | 9,915           |
| <b>Income before income taxes</b>                                      | <b>7,535</b>                                                 | <b>10,420</b>   | <b>28,592</b>                                               | <b>39,533</b>   |
| Depreciation                                                           | 8,190                                                        | 7,848           | 31,050                                                      | 30,237          |
| Amortization                                                           | 1,085                                                        | 580             | 4,328                                                       | 4,113           |
| Net interest expense                                                   | 1,159                                                        | 1,772           | 5,055                                                       | 8,278           |
| <b>EBITDA</b>                                                          | <b>\$17,969</b>                                              | <b>\$20,620</b> | <b>\$69,025</b>                                             | <b>\$82,161</b> |
| Sales                                                                  | \$150,696                                                    | \$155,447       | \$615,263                                                   | \$637,791       |
| <b>EBITDA margin</b>                                                   | <b>11.9%</b>                                                 | <b>13.3%</b>    | <b>11.2%</b>                                                | <b>12.9%</b>    |
| Cash provided by operating activities                                  | \$21,558                                                     | \$28,937        | \$65,843                                                    | \$81,744        |
| Interest expense, net                                                  | (1,159)                                                      | (1,772)         | (5,055)                                                     | (8,278)         |
| Maintenance fixed asset additions                                      | (6,635)                                                      | (5,431)         | (20,054)                                                    | (19,673)        |
| <b>Free Cash Flow</b>                                                  | <b>\$13,764</b>                                              | <b>\$21,734</b> | <b>\$40,734</b>                                             | <b>\$53,793</b> |
| <b>Yearly Segment EBITDA disclosure</b><br><i>(in \$ thousands)</i>    | Casting and Extrusion<br>Twelve Months ended<br>September 30 |                 | Automotive Solutions<br>Twelve Months ended<br>September 30 |                 |
|                                                                        | 2025                                                         | 2024            | 2025                                                        | 2024            |
| Pretax Profit                                                          | \$15,313                                                     | \$22,470        | \$25,056                                                    | \$32,503        |
| Depreciation                                                           | 26,177                                                       | 25,809          | 4,800                                                       | 4,344           |
| Amortization                                                           | 1,457                                                        | 1,370           | 2,871                                                       | 2,743           |
| <b>EBITDA</b>                                                          | <b>\$42,947</b>                                              | <b>\$49,649</b> | <b>\$32,727</b>                                             | <b>\$39,590</b> |
| Sales                                                                  | \$301,435                                                    | \$306,906       | \$313,828                                                   | \$330,885       |
| <b>EBITDA Margin</b>                                                   | <b>14.2%</b>                                                 | <b>16.2%</b>    | <b>10.4%</b>                                                | <b>12.0%</b>    |
| <b>Quarterly Segment EBITDA disclosure</b><br><i>(in \$ thousands)</i> | Casting and Extrusion<br>Three Months ended<br>September 30  |                 | Automotive Solutions<br>Three Months ended<br>September 30  |                 |
|                                                                        | 2025                                                         | 2024            | 2025                                                        | 2024            |
| Pretax Profit                                                          | \$4,510                                                      | \$6,312         | \$5,098                                                     | \$7,836         |
| Depreciation                                                           | 6,929                                                        | 6,645           | 1,236                                                       | 1,181           |
| Amortization                                                           | 374                                                          | 357             | 711                                                         | 223             |
| <b>EBITDA</b>                                                          | <b>\$11,813</b>                                              | <b>\$13,314</b> | <b>\$7,045</b>                                              | <b>\$9,240</b>  |
| Sales                                                                  | \$72,748                                                     | \$76,285        | \$77,948                                                    | \$79,162        |
| <b>EBITDA Margin</b>                                                   | <b>16.2%</b>                                                 | <b>17.5%</b>    | <b>9.0%</b>                                                 | <b>11.7%</b>    |

## **Outstanding Share Capital**

As of September 30, 2025, the Company had 38,032,712 common shares issued and outstanding and stock options outstanding to purchase up to 664,500 common shares at exercise prices ranging from \$7.97 to \$9.78 per share.

## **CRITICAL ACCOUNTING POLICIES**

Our significant accounting policies are more fully described in Note 2, “Summary of Significant Accounting Policies”, to the consolidated financial statements included in this Report. The preparation of Exco’s consolidated financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenue and expenses during the reporting period.

We evaluate property, plant and equipment and other long-lived assets for impairment whenever indicators of impairment exist. Indicators of impairment include reductions in profitability, budget shortfalls, prolonged operating losses or a decision to dispose of, or otherwise change the use of, an existing fixed or other long-lived asset.

We believe that accounting estimates related to goodwill, property, plant and equipment and other long-lived asset impairment assessments are “critical accounting estimates” because: (i) they are subject to a significant measurement uncertainty and are susceptible to changes as management is required to make forward-looking assumptions regarding the impact of improvement plans on current operations, in-sourcing and other new business opportunities, program price and cost assumptions on current and future business, the timing of new program launches and future forecasted production volumes; and (ii) any resulting impairment loss could have a material impact on our consolidated net income and on the amount of assets reported on our consolidated statements of financial position.

## **RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES**

There were no accounting policy changes during the year ended September 30, 2025 that have a material impact to the Company’s reporting.

### **IFRS 18, Presentation and Disclosure in Financial Statements**

The IASB has issued IFRS 18 which is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss; disclosures in the financial statements for management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Management is currently assessing the impact of this standard.

## **DISCLOSURE CONTROLS AND PROCEDURES**

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after evaluating the effectiveness of the Company’s disclosure controls and procedures, have concluded that the Company’s disclosure controls and procedures are adequate and effective as of September 30, 2025 in ensuring that material information relating to the Company and its consolidated subsidiaries would have been known to them.

## CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the most recent period, there have been no changes in the Company's existing policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer, together with other members of management, have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with the integrated framework issued by the Committee of Sponsoring Organization of the Treadway Commission. The CEO and the CFO have supervised management in the evaluation of the design and effectiveness of the Company's internal controls over financial reporting as at September 30, 2025 and believe the design and effectiveness of the internal controls to be effective.

## RISKS AND UNCERTAINTIES

As automotive production has become more reliant on global suppliers for components, shortages of critical components can disrupt worldwide vehicle production. In recent years, the semiconductor chip shortage disrupted every OEM and automotive supplier to varying degrees. Although the global semiconductor supply chain has improved since fiscal 2023, the industry remains vulnerable to shortages of other materials or parts that can negatively impact global vehicle production. The impact to the industry may include: unplanned shutdowns of production lines and/or plants; reductions in vehicle production plans; and changes to product mix. These responses can result in consequences for Exco such as: lower sales; production inefficiencies due to lines being stopped or restarted unexpectedly; premium freight costs to expedite shipments; and other unrecoverable costs. Furthermore, Tier 1 and Tier 2 suppliers such as Exco may face price increases from their suppliers. It remains unclear what the next critical component may be that will disrupt global vehicle production, and it is difficult to predict the full impact.

Global supply chains also remain exposed to disruption from logistics constraints and transportation volatility, including limited container and shipping availability, rising freight and insurance costs, and port congestion. While Exco manages these risks through diversified sourcing, localized manufacturing, and inventory planning, extended logistics delays or unexpected trade restrictions may adversely affect operations or customer delivery timelines.

Geopolitical risk and international conflict (such as the conflicts between Russia and Ukraine or Israel and Palestine) have the potential to exacerbate a number of risks described elsewhere in these Risk Factors, including: disruption of vehicle production and supply chains; worsening availability of critical supply chain components (for example, semiconductor materials such as neon gas and palladium); exacerbating energy shortages and driving energy prices higher; constraining the supply of aluminum, palladium, or other commodity metals required in automotive production; and increased cybersecurity threats. In response to these conflicts, several countries, including the U.S. and European Union member states, have taken actions such as imposing sanctions, restricting international trade, and limiting banking activities. Exco does not have manufacturing operations in sanctioned regions; however, its global footprint creates potential exposure to secondary effects, sanctions compliance, and market volatility.

There is an ongoing risk of inflationary and interest rate pressures as economic conditions evolve. In recent years, Exco witnessed rising commodity costs for steel, aluminum, and resin, as well as wage pressures due to tight labour markets and collective bargaining activities. Although inflation has moderated over the past 12 months, persistent or renewed inflationary pressures—whether from raw material costs, tariffs, or energy price fluctuations—could adversely impact earnings if not offset through cost reductions or pricing adjustments. Additionally, higher interest

rates may reduce customer capital spending and increase Exco's financing costs, particularly for capital-intensive programs.

Global pandemics caused by viruses or other diseases (such as COVID-19) continue to pose risks to the automotive and manufacturing industries, including potential restrictions on production, workforce availability, and supply chains. Over the medium to long term, pandemics may also lead to structural changes in mobility trends, including the adoption of remote work and altered consumer vehicle demand patterns.

Exco's Automotive Solutions segment services automotive component suppliers and Tier 1 suppliers globally. The results of this segment depend on the level and type of automotive production (for example, SUVs and CUVs versus passenger cars, or internal combustion engines versus electric or hybrid vehicles). These factors fluctuate with consumer confidence, general economic conditions, credit availability, fuel prices, and regulatory changes. The pace of electric vehicle ("EV") adoption remains uncertain, and shifts in technology or government incentives could materially affect Exco's mix of business and capital requirements.

A significant portion of Exco's receivables are from automotive customers with varying degrees of financial strength, some of which operate under highly leveraged capital structures. The majority of these receivables are with U.S. entities that may seek protection under Chapter 11 bankruptcy laws. Such filings could delay or reduce recoveries on outstanding balances. Exco manages credit risk through diligence and strict monitoring of collection terms; however, collection delays and foreign exchange exposures can adversely affect working capital and profitability.

In some cases, OEMs can decide to design Exco's products out of the automobile ("de-contenting") or reduce trim levels for aesthetic, cost, or redesign reasons. While Exco continues to evolve toward higher value-added assemblies and sub-assemblies, certain products may still be susceptible to de-contenting or reduced penetration. Similarly, OEMs or suppliers with excess capacity may choose to in-source production, which could reduce available business for suppliers such as Exco.

Exco employs a large global workforce, with approximately 40% of employees located in Mexico across five facilities represented by national labour unions. Labour availability and wage levels are critical factors in maintaining competitiveness. Real wage increases, evolving labour legislation, and union negotiations may materially impact financial performance. Additionally, workforce transformation driven by automation and digitalization may require retraining and upskilling, creating potential cost and morale challenges.

Exco sells to automotive customers primarily through purchase orders that set pricing but typically not fixed volumes or terms. These purchase orders may be terminated at any time with limited recourse for compensation, and pricing is often adjusted downward through "cost downs." Such actions can adversely affect margins if not offset by efficiency gains or new business awards at better margin or cost reductions. Furthermore, in any given year, any number of programs will be expiring. While Exco is constantly quoting on replacement programs or new programs, there is no assurance that these new programs will be awarded or that if awarded, the pricing and margin will be comparable to those of programs ending.

The Casting and Extrusion segment is a capital goods business influenced by interest rates, exchange rates, corporate investment cycles, and overall business confidence. Abrupt changes in these factors can cause sharp fluctuations in demand and pricing. Exco's broad product line, geographic diversity, and market leadership help mitigate these cyclical effects.

Exco operates globally and organizes its production and logistics footprint in part based on applicable duties and tariffs. In recent years, governments have adopted more protectionist trade policies, creating new or increased tariffs. These actions may have positive or negative impacts depending on geography and product mix. Further restrictions on cross-border trade could disrupt supply chains, increase input costs, or reduce competitiveness.

Exco has completed several acquisitions in the last decade and may pursue additional ones. Acquisitions inherently involve risk, including integration challenges, cultural alignment, unexpected liabilities, and performance shortfalls. While past acquisitions have generally been successful, some have not met expectations and have adversely impacted earnings.

Exco's Canadian operations transact in Canadian dollars, U.S. dollars, and Euros, while purchasing raw materials in multiple currencies to provide a partial natural hedge. Exco is structurally a net seller of U.S. dollars and, to a lesser extent, Euros, and is therefore adversely impacted when these currencies weaken against the Canadian dollar. Exco's U.S. operations earn profits in U.S. dollars, while the Canadian operations remain exposed to U.S. dollar movements. While Exco has made considerable progress in reducing its reliance on U.S. dollar sales, markets which Exco currently services may experience rising competition from imports which have become more competitive as a result of foreign exchange movements. For fiscal 2026, if the Canadian dollar were to strengthen or weaken by \$0.01 from a baseline of \$1.35 USD/CAD, pre-tax profit would change by approximately \$952 thousand (or \$742 thousand after tax).

Exco's presence in multiple jurisdictions including Mexico, Colombia, Brazil, Thailand, Morocco, and Europe exposes it to foreign exchange volatility, economic instability, and political risk. In some jurisdictions, sales and purchases are denominated in U.S. dollars or Euros, while labour and operating costs are incurred in local currencies. Significant fluctuations in these exchange rates, or material deterioration in local economic conditions, could adversely affect Exco's profitability and asset values. In limited situations, the Company employs derivative contracts and debt strategies to mitigate exposure; however, extreme or sudden changes in exchange rates or fiscal conditions may still affect operating results, asset values, and equity. Exco hedges a portion of its Mexican pesos/ US dollar exposure with various foreign exchange contracts and options. For fiscal 2026, if the Mexican pesos were to strengthen or weaken by 1% versus the US dollar from a baseline USD/MEX rate of 19.2:1, and further assuming the Canadian dollar strengthens or weakens against the US dollar also by 1% from a baseline USD/CAD rate of 1.35, we estimate pre-tax profit would change by \$405 thousand or about \$263 thousand after tax. These instruments may not qualify for hedge accounting and could result in mark-to-market volatility in reported results. In addition, political or regulatory instability in these countries could disrupt operations, restrict capital repatriation, or lead to unexpected tax or compliance obligations.

The cost of manufacturing is a critical determinant of long-term success. Global competition from developing countries with lower-cost structures remains intense. Exco addresses this challenge by producing labour-intensive products in cost-competitive jurisdictions such as Mexico, Thailand, and Morocco; however, operations in Canada, the U.S., and Europe must continue to improve productivity to remain competitive.

The rapid adoption of Artificial Intelligence ("AI"), automation, and digital technologies introduces new operational, ethical, and regulatory risks. As Exco and the automotive industry increasingly integrate AI-driven systems into manufacturing, supply chain management, and design, potential vulnerabilities include cybersecurity threats, data privacy issues, and system failures. Misapplication or malfunction of AI systems could lead to production errors or flawed decision-making. Additionally, emerging AI regulations and ethical standards may create compliance challenges. The industry-wide shift toward automation may reduce workforce requirements, potentially impacting employee morale, requiring costly retraining programs for affected workers. As AI technology evolves, the need for continual software and hardware updates poses financial and operational challenges. Exco continues to monitor developments and strengthen governance over its use of AI and automation technologies.

Although Exco maintains robust IT security controls and continues to enhance its defenses, no system is immune from cyber threats. A significant breach could result in theft of funds, loss or misuse of confidential information, manufacturing disruption, or reputational harm. The occurrence of any such event could have a material adverse effect on operations and profitability.

Exco is also exposed to environmental, social, and governance (“ESG”) risks. Increasing regulatory and customer expectations related to sustainability, emissions reduction, and supply chain transparency may require capital investment and process adaptation. Climate-related risks include both transition risks, such as carbon pricing and stricter emission standards, and physical risks, including extreme weather events that could disrupt production or logistics. Exco is committed to improving its sustainability practices, but regulatory changes, increased disclosure requirements, or failure to meet stakeholder expectations could adversely affect financial results or reputation.

Finally, as Exco operates within multiple regulatory frameworks, it faces risks related to compliance with environmental, trade, tax, and data protection laws. Changes to trade agreements (such as the USMCA), evolving privacy regulations, or environmental compliance standards could increase administrative burden and cost. Exco actively monitors these developments and adapts its operations accordingly.

## Independent auditor's report

To the Shareholders of  
**Exco Technologies Limited**

### Opinion

We have audited the consolidated financial statements of **Exco Technologies Limited** and its subsidiaries [the "Group"], which comprise the consolidated statements of financial position as at September 30, 2025 and 2024, and the consolidated statements of income and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards ["IFRS"].

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Goodwill impairment</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>As described in note 6 to the consolidated financial statements, the Group has a goodwill balance of \$99.6 million as at September 30, 2025, of which \$67.8 million was allocated to the group of cash generating units (“CGUs”) comprising the Automotive Solutions operating segment and \$31.8 million to the Extrusion group of CGUs. The Group assesses at least annually, or more frequently if an indicator of impairment exists, whether there has been an impairment in the carrying value of goodwill. An impairment is recognized if the recoverable amount is less than the carrying amount of the group of CGUs to which goodwill is allocated.</p> <p>The Group disclosed in note 6 that no impairment was recorded.</p> <p>For all impairment tests, the Group determines the recoverable amount using a value in use approach. Auditing the Group’s impairment tests was complex, given the degree of subjectivity in evaluating the Group’s estimates and assumptions in determining the various recoverable amounts. Significant assumptions included forecasted revenues and profit margins, the terminal growth rate, and the discount rate, all of which are affected by expectations about future market and economic conditions.</p> | <p>To test the estimated recoverable amounts in the impairment tests, we performed the following procedures, among others:</p> <ul style="list-style-type: none"> <li>• We assessed the reasonableness of forecasted revenues and profit margins by comparing to supporting documentation such as customer contracts where available, approved budgets and historical performance.</li> <li>• We assessed the historical accuracy of estimates of forecasted revenue and profit margins to actual performance.</li> <li>• We evaluated the terminal growth rate by comparing to long term inflation expectations with the assistance of our valuation specialists.</li> <li>• We involved our valuation specialists to assess the appropriateness of the Group’s model and valuation methodology applied. They also assessed the various inputs utilized in determining the discount rate by referencing current industry, economic, and comparable company capital structures, as well as Group and cash-flow specific risk premiums.</li> <li>• We assessed the adequacy of the disclosures included in note 6 of the consolidated financial statements in relation to this matter.</li> </ul> |

## Other information

Management is responsible for the other information. The other information comprises:

- Management’s Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor’s report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis and Annual Report prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mark Vrooman.

The signature of Ernst & Young LLP is written in a black, cursive script.

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
November 26, 2025

**EXCO TECHNOLOGIES LIMITED**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
\$(000)'s

|                                                 | As at<br>September 30, 2025 | As at<br>September 30, 2024 |
|-------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                   |                             |                             |
| <b>Current</b>                                  |                             |                             |
| Cash and cash equivalents                       | \$22,871                    | \$31,637                    |
| Accounts receivable (note 8)                    | 114,918                     | 111,428                     |
| Inventories (note 9)                            | 103,062                     | 110,231                     |
| Prepaid expenses and deposits                   | 5,188                       | 5,395                       |
| Derivative instruments (note 8)                 | 617                         | -                           |
| Income taxes recoverable (note 13)              | 2,057                       | -                           |
| Total current assets                            | 248,713                     | 258,691                     |
| Property, plant and equipment, net (note 5)     | 237,132                     | 225,433                     |
| Intangible assets, net (note 6)                 | 25,325                      | 27,829                      |
| Goodwill (note 6)                               | 99,626                      | 93,961                      |
| Deferred tax assets (note 13)                   | 3,445                       | 1,087                       |
| Total assets                                    | \$614,241                   | \$607,001                   |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>     |                             |                             |
| <b>Current</b>                                  |                             |                             |
| Trade accounts payable (note 8)                 | 46,906                      | 46,483                      |
| Accrued payroll liabilities (note 8)            | 18,775                      | 17,684                      |
| Other accrued liabilities (notes 3, 5 and 8)    | 13,459                      | 12,587                      |
| Derivative instruments (note 8)                 | -                           | 858                         |
| Provisions (note 7)                             | 10,705                      | 8,633                       |
| Income taxes payable                            | -                           | 3,716                       |
| Customer advance payments (note 8)              | 2,314                       | 4,752                       |
| Total current liabilities                       | 92,159                      | 94,713                      |
| Lease liabilities – long-term portion (note 8)  | 7,127                       | 7,251                       |
| Long-term debt (notes 4 and 8)                  | 90,000                      | 105,000                     |
| Deferred tax liabilities (note 13)              | 17,705                      | 18,765                      |
| Total liabilities                               | 206,991                     | 225,729                     |
| <b>Shareholders' equity</b>                     |                             |                             |
| Share capital (note 3)                          | 47,664                      | 48,315                      |
| Contributed surplus (note 3)                    | 6,112                       | 6,010                       |
| Accumulated other comprehensive income (note 3) | 37,402                      | 16,248                      |
| Retained earnings                               | 316,072                     | 310,699                     |
| Total shareholders' equity                      | 407,250                     | 381,272                     |
| Total liabilities and shareholders' equity      | \$614,241                   | \$607,001                   |

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

On behalf of the Board:

Darren M. Kirk  
President and  
Chief Executive Officer

Brian A. Robbins  
Director,  
Executive Chairman

**EXCO TECHNOLOGIES LIMITED****CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

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

|                                                                                          | Years ended September 30 |           |
|------------------------------------------------------------------------------------------|--------------------------|-----------|
|                                                                                          | 2025                     | 2024      |
| Sales (note 11(A))                                                                       | <b>\$615,263</b>         | \$637,791 |
| Cost of sales                                                                            | <b>492,192</b>           | 502,679   |
| Selling, general and administrative expenses (note 3)                                    | <b>53,823</b>            | 52,901    |
| Depreciation (note 5)                                                                    | <b>31,050</b>            | 30,237    |
| Amortization (note 6)                                                                    | <b>4,328</b>             | 4,113     |
| Loss on disposal of property, plant and equipment                                        | <b>223</b>               | 50        |
| Interest expense, net (note 16)                                                          | <b>5,055</b>             | 8,278     |
|                                                                                          | <b>586,671</b>           | 598,258   |
| Income before income taxes                                                               | <b>28,592</b>            | 39,533    |
| Provision for (recovery of) income taxes (note 13)                                       |                          |           |
| Current                                                                                  | <b>8,484</b>             | 11,975    |
| Deferred                                                                                 | <b>(4,184)</b>           | (2,060)   |
|                                                                                          | <b>4,300</b>             | 9,915     |
| <b>Net income for the year</b>                                                           | <b>\$24,292</b>          | \$29,618  |
| Other comprehensive income (loss)                                                        |                          |           |
| Items that may be reclassified to net income in subsequent periods:                      |                          |           |
| Net unrealized gain (loss) on derivatives designated as cash flow hedges (notes 3 and 8) | <b>1,087</b>             | (4,612)   |
| Unrealized gain on foreign currency translation (note 3)                                 | <b>20,067</b>            | 4,031     |
|                                                                                          | <b>21,154</b>            | (581)     |
| <b>Comprehensive income</b>                                                              | <b>\$45,446</b>          | \$29,037  |
| <b>Income per common share</b>                                                           |                          |           |
| Basic                                                                                    | <b>\$0.63</b>            | \$0.76    |
| Diluted                                                                                  | <b>\$0.63</b>            | \$0.76    |
| <b>Weighted average number of common shares outstanding (note 12)</b>                    |                          |           |
| Basic                                                                                    | <b>38,369</b>            | 38,750    |
| Diluted                                                                                  | <b>38,369</b>            | 38,750    |

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

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

|                                            | Share capital   | Contributed surplus | Retained earnings | Accumulated other comprehensive income                                   |                                                 |                                                     | Total shareholders' equity |
|--------------------------------------------|-----------------|---------------------|-------------------|--------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|----------------------------|
|                                            |                 |                     |                   | Net unrealized gain (loss) on derivatives designated as cash flow hedges | Unrealized gain on foreign currency translation | Total accumulated other comprehensive income (loss) |                            |
| Balance, September 30, 2023                | \$48,767        | \$5,791             | \$299,633         | \$3,978                                                                  | \$12,851                                        | \$16,829                                            | \$371,020                  |
| Net income for the year                    | -               | -                   | 29,618            | -                                                                        | -                                               | -                                                   | \$29,618                   |
| Dividends paid (note 3)                    | -               | -                   | (16,259)          | -                                                                        | -                                               | -                                                   | (\$16,259)                 |
| Stock option expense (note 3)              | -               | 219                 | -                 | -                                                                        | -                                               | -                                                   | \$219                      |
| Repurchase of share capital (note 3)       | (452)           | -                   | (2,293)           | -                                                                        | -                                               | -                                                   | (2,745)                    |
| Other comprehensive income (loss) (note 3) | -               | -                   | -                 | (4,612)                                                                  | 4,031                                           | (581)                                               | (\$581)                    |
| Balance, September 30, 2024                | <b>48,315</b>   | <b>6,010</b>        | <b>310,699</b>    | <b>(634)</b>                                                             | <b>16,882</b>                                   | <b>16,248</b>                                       | <b>381,272</b>             |
| Net income for the year                    | -               | -                   | 24,292            | -                                                                        | -                                               | -                                                   | 24,292                     |
| Dividends paid (note 3)                    | -               | -                   | (16,089)          | -                                                                        | -                                               | -                                                   | (16,089)                   |
| Stock option expense (note 3)              | -               | 102                 | -                 | -                                                                        | -                                               | -                                                   | 102                        |
| Repurchase of share capital (note 3)       | (651)           | -                   | (2,830)           | -                                                                        | -                                               | -                                                   | (3,481)                    |
| Other comprehensive income (note 3)        | -               | -                   | -                 | 1,087                                                                    | 20,067                                          | 21,154                                              | 21,154                     |
| <b>Balance, September 30, 2025</b>         | <b>\$47,664</b> | <b>\$6,112</b>      | <b>\$316,072</b>  | <b>\$453</b>                                                             | <b>\$36,949</b>                                 | <b>\$37,402</b>                                     | <b>\$407,250</b>           |

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

**EXCO TECHNOLOGIES LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

\$(000)'s

|                                                                  | Years ended September 30 |                 |
|------------------------------------------------------------------|--------------------------|-----------------|
|                                                                  | 2025                     | 2024            |
| <b>OPERATING ACTIVITIES:</b>                                     |                          |                 |
| Net income for the year                                          | \$24,292                 | \$29,618        |
| Add (deduct) items not involving a current outlay of cash        |                          |                 |
| Depreciation (note 5)                                            | 31,050                   | 30,237          |
| Amortization (note 6)                                            | 4,328                    | 4,113           |
| Stock-based compensation expense                                 | 397                      | 902             |
| Deferred income tax expense (recovery) (note 13)                 | (3,783)                  | (1,549)         |
| Net interest expense (note 16)                                   | 5,055                    | 8,278           |
| Loss on disposal of property, plant and equipment                | 223                      | 50              |
|                                                                  | 61,562                   | 71,649          |
| Net change in non-cash working capital (note 14)                 | 4,281                    | 10,095          |
| <b>Cash provided by operating activities</b>                     | <b>65,843</b>            | <b>81,744</b>   |
| <b>FINANCING ACTIVITIES:</b>                                     |                          |                 |
| Decrease in bank indebtedness                                    | -                        | (4,964)         |
| Repayment of long-term debt (note 4)                             | (15,000)                 | -               |
| Interest paid, net                                               | (5,055)                  | (8,278)         |
| Dividends paid (note 3)                                          | (16,089)                 | (16,259)        |
| Repurchase of share capital (note 3)                             | (3,481)                  | (2,745)         |
| <b>Cash used in financing activities</b>                         | <b>(39,625)</b>          | <b>(32,246)</b> |
| <b>INVESTING ACTIVITIES:</b>                                     |                          |                 |
| Purchase of property, plant and equipment (note 5)               | (35,555)                 | (33,047)        |
| Purchase of intangible assets (note 6)                           | (558)                    | (858)           |
| Proceeds on disposal of property, plant and equipment            | 353                      | 187             |
| <b>Cash used in investing activities</b>                         | <b>(35,760)</b>          | <b>(33,718)</b> |
| <b>Effect of exchange rate changes on cash</b>                   | <b>776</b>               | <b>61</b>       |
| Increase (decrease) in cash and cash equivalents during the year | (8,766)                  | 15,841          |
| Cash and cash equivalents, beginning of year                     | 31,637                   | 15,796          |
| <b>Cash and cash equivalents, end of year</b>                    | <b>\$22,871</b>          | <b>\$31,637</b> |

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

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(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 21 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. MATERIAL ACCOUNTING POLICY INFORMATION**

The Company’s material accounting policies are outlined below:

**Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements and accompanying notes as at and for the year ended September 30, 2025 were authorized for issue by the Board of Directors on November 26, 2025.

**Basis of consolidation**

The 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 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.

**Functional and presentation currency**

Items included in the financial statements of each of the Company’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency.

*Transactions*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange as at the consolidated statements of financial position dates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the consolidated statements of income and comprehensive income.

*Translation of foreign operations*

The results and financial position of group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate as at the dates of the consolidated statements of financial position; and
- Income and expenses for each statement of income and comprehensive income are translated at the exchange rates prevailing at the dates of the transactions.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recorded in other comprehensive income.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

When a foreign operation is sold, exchange differences that were recorded in accumulated other comprehensive income are recognized in the consolidated statements of income and comprehensive income as part of the gain or loss on sale.

**Segment reporting**

Management has determined the operating segments based on the information regularly reviewed for the purposes of decision making, allocating resources and assessing performance by the Company's chief operating decision maker, which is the chief executive officer. The chief operating decision maker evaluates the financial performance of its operating segments primarily based on net income before interest, other income (expense) and income tax expense. Management applies the aggregation criteria to identify the reportable segments included in the financial statements. Factors used to identify reportable segments include similar economic characteristics, product categories and production methods, customers served and methods of distribution.

**Business combinations**

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets acquired and liabilities incurred or assumed. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, *Business Combinations*, are recognized at their fair values at the acquisition date. Acquisition costs are expensed as incurred.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill has been allocated to a Cash-Generating Unit ("CGU") or group of CGUs and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of under this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the group of CGU retained.

**Critical judgments and use of estimates**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant accounts that require estimates as the basis for determining the stated amounts include accounting for inventories, property, plant and equipment, contingent liabilities, income taxes, fair value of financial instruments, and stock option valuation. Property, plant and equipment and intangible assets (including goodwill) are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and, in the case of goodwill, on an annual basis. The assessment of any impairment of property, plant and equipment and intangible assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Impairment of non-financial assets exists when the carrying value of an asset, CGU or group of CGUs exceeds its recoverable amount, which is the higher of the fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU or group of CGUs being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the terminal growth rate used

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

for extrapolation purposes. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in note 6.

Income taxes are determined based on estimates of the Company's current income taxes and estimates of deferred income taxes resulting from temporary differences. Deferred tax assets are assessed to determine the likelihood that they will be realized from future taxable income before they expire.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgement and estimation relates to the determination of the fair value of these assets and liabilities. The estimate of fair value of customer relationships is based on future cash flows derived from expectations of revenue, margins and attrition of acquired customer relationships.

The Company's critical accounting estimates are affected as a result of the various ongoing economic, geopolitical and social impacts, including the global uncertainty due to trade disruptions and tariffs, global economic recovery from any future outbreak of epidemic, pandemic or contagious diseases that may emerge in the human population, Russian invasion of Ukraine and recessionary conditions. There continues to be significant uncertainty as to the likely effects these items which may, among other things, impact our employees, suppliers, and customers. It is not possible to predict the impact these items will have on the Company, its financial position and the results of operations in the future. The Company is monitoring the impact of all these items on all aspects of its business. Each reporting period, management carries out this assessment for indications that goodwill and other long-lived assets may be impaired. As required, management will continue to assess these assumptions as the situation changes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

**Revenue recognition**

The Company recognizes revenue primarily from two categories of goods: production contracts (including finished production parts and assemblies, short-term die cast tooling contracts, extrusion and other tooling) and long-term large die cast mould contracts.

Revenue for production contracts is recognized at the point in time control of the goods is transferred to the customer. Control of finished production parts, assemblies and tooling transfers when the goods are shipped from the Company's manufacturing facilities to the customer.

Revenue for long-term large die cast mould contracts is also recognized at the point in time control of the goods is transferred to the customer. Point-in-time recognition is used since these contracts do not contain an enforceable right to payment that includes a reasonable profit margin.

A receivable is recognized when control of the goods transfer to the customer, as indicated above, and consideration is unconditional. Payment terms are generally based on the customers' payment schedules, which typically range from 30 to 90 days from invoice date.

A customer advance payment is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Company transfers control of the production parts or large die cast moulds.

**Share-based payments**

The Company issues stock-based awards to certain employees and directors. The cost of these share-based payments equals the fair value of each tranche of awards at their grant date. The cost of the stock-based settled awards is recognized on a proportionate basis consistent with the vesting features of each tranche of the grant.

**Income taxes**

Provision for income tax consists of current and deferred income taxes. Provision for income tax expense is recognized in the consolidated statements of income and comprehensive income.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

Current income tax expense is the expected income taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to income taxes payable with regards to previous years.

Deferred income taxes are recorded using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible timing differences can be utilized.

Deferred income taxes are charged or credited in the consolidated statements of income and comprehensive income, except when they relate to items credited or charged directly to equity, in which case the deferred income taxes are also recorded in equity.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that all or part of the deferred income tax asset will be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that the benefit will be realized.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities at their acquisition date of three months or less.

**Property, plant and equipment**

Machinery and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition and installation of machinery and equipment are capitalized until the properties to which they relate are capable of carrying out their intended use. Machinery and equipment are depreciated using the declining balance method based on their estimated useful lives, which range from 4 to 20 years.

Other assets are recorded at cost less accumulated depreciation and accumulated impairment losses and are depreciated using the straight-line method based on estimated useful lives of the assets, which generally range from 3 to 10 years, with the exception of buildings, which have estimated useful lives of 30 years. Land is not depreciated.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The depreciation methods and useful lives are assessed annually or when critical events occur that may affect the useful lives and expected pattern of consumption of economic benefits embodied in the asset.

*Subsequent costs*

Directly attributable expenses incurred for major capital projects are capitalized and no depreciation is recorded until the asset is brought to a working condition for its intended use. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized when the cost is incurred and if it is probable that the future economic benefits will flow to the business unit and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of day-to-day servicing are expensed as incurred. These costs are more commonly referred to as "maintenance and repairs".

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**Intangible assets**

An intangible asset is defined as being identifiable, able to bring future economic benefits to the Company and controlled by it. Intangible assets are recorded initially at cost and relate primarily to computer software, production and technology rights, and customer relationships. An intangible asset is recognized when it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is provided based on the following estimated useful lives using the straight-line method:

- Customer relationships: 5 to 15 years
- Computer software and production and technology rights: 2 to 4 years
- Trade names: 7 years

Intangible assets acquired in a business acquisition are primarily customer relationships and are initially recorded at fair value and subsequently at cost less amortization and impairment losses.

Identifiable intangible assets are recognized separately from goodwill.

**Impairment of long-lived assets and goodwill**

*(i) Impairment of long-lived assets*

The Company's property, plant and equipment and intangible assets are reviewed for indicators of impairment as at each consolidated statement of financial position date. If indication of impairment exists, the recoverable amount of the asset is calculated in order to determine if an impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. Impairment losses are recorded in the consolidated statements of income and comprehensive income in the period in which they occur. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

The recoverable amount is the greater of the asset's or CGU's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

The Company bases its impairment calculation on detailed budgets that are prepared for each of the CGU's. A long-term growth rate is calculated and applied to project future cash flows after the third year.

A previous impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. The impairment reversal is allocated on a pro-rata basis to the existing long-lived assets of the CGU based on their carrying amounts. Impairment reversals are recorded in the consolidated statements of income and comprehensive income in the period in which they occur.

*(ii) Impairment of goodwill*

Goodwill is allocated to a CGU or a group of CGU's for the purpose of impairment testing based on the level at which it is monitored by management. The Company performs a goodwill impairment test annually as at September 30 or more frequently when there is an indicator that the goodwill may be impaired. Impairment

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

is determined for goodwill by assessing the recoverable amount of each CGU group to which the goodwill is allocated. Where the recoverable amount of the CGU group is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

**Inventories**

Inventories, comprising raw materials, work-in-process, finished goods and production supplies, are valued at the lower of cost and net realizable value. Cost is determined substantially on a first-in, first-out basis and an appropriate portion of normal overhead expenditure and labour. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Obsolete, redundant and slow-moving stock is identified and written down. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down previously recorded is reversed.

**Determination of fair value**

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

A fair value measurement on a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the cost of the asset is reduced by the amount of the grant.

**Financial instruments**

The Company recognizes financial assets and financial liabilities initially at fair value and subsequently measures these at either fair value or amortized cost based on their classification under IFRS 9, *Financial Instruments* ("IFRS 9") as described below:

*Amortized cost:*

The Company classifies financial assets held to collect contractual cash flows at amortized cost, including trade and other receivables. The Company initially recognizes the carrying amount of such assets on the consolidated statements of financial position at fair value plus directly attributable transaction costs, and subsequently measures these at amortized cost using the effective interest rate method, less any impairment losses.

*Fair value through profit or loss ("FVTPL"):*

Financial assets and financial liabilities purchased or incurred, respectively, with the intention of generating earnings in the near term, and derivatives other than cash flow hedges, are classified as FVTPL. This category includes cash and cash equivalents, and derivative assets and derivative liabilities that do not qualify for hedge accounting. For items classified as FVTPL, the Company initially recognizes such financial assets and liabilities on the consolidated statements of financial position at fair value and recognizes subsequent changes in the consolidated statements of income and comprehensive income. Transaction costs incurred are expensed in the consolidated statements of income and comprehensive income.

*Loans and borrowings:*

The Company initially recognizes the carrying amount of such liabilities on the consolidated statements of financial position at fair value net of directly attributable transaction costs. After initial recognition, they are subsequently

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

*Impairment of financial assets:*

The Company uses an “expected credit loss” (“ECL”) model in determining the allowance for doubtful accounts as it relates to trade and other receivables. The Company’s ECL model aligns with the simplified approach under IFRS 9, which measures lifetime ECL and forward-looking information. The Company’s allowance is determined by historical experiences, and considers factors including, the aging of the balances, the customer’s credit worthiness, and updates based on the current economic conditions, expectation of bankruptcies, and the political and economic volatility in the markets/location of customers.

*Hedge accounting:*

The Company designates the change in fair value of the entire forward contract in the Company’s cash flow hedge relationship in other comprehensive income (loss) to the extent the hedge continues to be highly effective. The related other comprehensive income (loss) amounts are allocated to the consolidated statements of income and comprehensive income in the same period in which the hedged item affects earnings.

**Provisions**

As required under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (“IAS 37”), provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the consolidated statements of financial position dates, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract: involves the use of an identified asset; provides the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and provides the right to direct the use of the asset.

A right-of-use asset and lease liability are recorded on the date that the underlying asset is available for use, representing the commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that are tied to an index or rate defined in the contract;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably likely to exercise; and
- lease payments under an optional extension if the Company is reasonably certain to exercise the extension option, and early termination penalties required under a termination of a lease unless the Company is reasonably certain not to terminate early.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether or not it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, consisting of:

- the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less
- any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The lease term consists of the non-cancellable period of the lease; periods covered by options to extend the lease, when the Company is reasonably certain to exercise the option to extend; and periods covered by options to terminate the lease, when the Company is reasonably certain not to exercise the option. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability as described above.

**Employee future benefits**

*(i) Leave pay*

Employee entitlements to annual leave are recognized as they are earned by the employees. A provision, stated at current cost, is made for the estimated liability at each period end.

*(ii) Termination benefits*

The Company is subject to Mexican statutory laws and regulations governing Mexican employee termination benefits. Employee future benefits include statutorily mandated accrued benefits payable to employees in the event of termination in certain circumstances. Termination benefits are recognized as an expense and an associated liability at the discounted value of the expected future payments.

**Accounting standards issued but not yet adopted**

All pronouncements will be adopted in the Company's accounting policies for the first fiscal reporting 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 consolidated 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 consolidated financial statements.

*IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")*

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the Consolidated statements of income and comprehensive income;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and notes in general.
- implementing narrow scope amendments that have been made to IAS 7 "Statement of Cash Flows", IAS 34 "Interim Financial Reporting and other minor amendments to other standards. Some requirements previously included within IAS 1 have been moved to IAS 8 "Accounting Policies,

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

Changes in Accounting Estimates and Errors”, which has been renamed IAS 8 “Basis of Preparation of Financial Statements”

IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its “operating profit or loss”. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Management is currently assessing the impact of this standard.

*Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates (“IAS 21”)*

In August 2023, the IASB issued amendments to IAS 21. The amendments address the lack of exchangeability of illiquid currencies and specify how an entity determines the exchange rate when a currency is not readily exchangeable at the measurement date as well as additional required disclosures. When a currency is not exchangeable, an entity estimates the spot rate as the rate that would have been applied to an orderly transaction between market participants at the measurement date and that would reflect the prevailing economic conditions. An entity must disclose information that would enable users to evaluate how a currency’s lack of exchangeability affects financial performance, financial positions, and cash flows of an entity. The amendments to IAS 21 are effective January 1, 2025, with early adoption permitted. The Company does expect this to have an impact on the consolidated financial statements.

*Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures (“IFRS 7”)*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled using an electronic payment system. The amendments also clarify the requirements for assessing whether a financial asset meets the solely payments of principal and interest criterion and adds disclosure requirements for financial instruments with certain contingent features and for equity investments designated at fair value through other comprehensive income. The amendments are effective January 1, 2026, with early adoption permitted. The amendments are required to be adopted retrospectively by adjusting the opening balance of financial assets, financial liabilities and retained earnings at the date of adoption. The Company is assessing the impact of the amendments on the Company’s consolidated financial statements.

### **3. SHAREHOLDERS’ EQUITY**

**Authorized**

The Company’s authorized share capital consists of an unlimited number of common shares, an unlimited number of non-voting preference shares issuable in one or more series and 275 special shares. None of these shares have par value.

**Issued**

The Company has not issued any non-voting preference shares or special shares. Changes to the issued common shares are shown in the following table:

| <b>Common Shares</b>                                         |                         |                     |
|--------------------------------------------------------------|-------------------------|---------------------|
|                                                              | <b>Number of Shares</b> | <b>Stated Value</b> |
| Issued and outstanding as at September 30, 2024              | 38,551,762              | 48,315              |
| Purchased and cancelled pursuant to normal course issuer bid | (519,050)               | (651)               |
| <b>Issued and outstanding as at September 30, 2025</b>       | <b>38,032,712</b>       | <b>47,664</b>       |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**Accumulated other comprehensive income**

Included in accumulated other comprehensive income in shareholders' equity are gains and losses arising from the translation of the Company's foreign subsidiaries, net gains and losses on derivatives designated as cash flow hedges and reclassification to income of net gains and losses on cash flow hedges as summarized in the following table:

|                                                                              | 2025            | 2024     |
|------------------------------------------------------------------------------|-----------------|----------|
| Opening balance                                                              | <b>\$16,248</b> | \$16,829 |
| Net unrealized gain (loss) on derivatives designated as cash flow hedges (1) | <b>1,087</b>    | (4,612)  |
| Unrealized gain on currency translation adjustments                          | <b>20,067</b>   | 4,031    |
| Total other comprehensive income (loss) for the year                         | <b>21,154</b>   | (581)    |
| Closing balance                                                              | <b>\$37,402</b> | \$16,248 |

(1) Net of deferred taxes of \$388 (2024 – \$1,646).

**Cash dividends**

During the year, the Company paid four quarterly cash dividends totaling \$16,089 (2024 – \$16,259). The dividend rate per quarter was \$0.105 per common share.

**Stock Option Plan**

The Company grants stock options to buy common shares of the Company to officers and employees. The Board of Directors grants such options for periods of up to 10 years, with vesting periods determined at its sole discretion and at prices equal to the average closing market prices for the five days preceding the date on which the options were granted.

The Company follows the fair-value-based method of accounting for stock-based compensation. The fair value of the options is recognized as compensation expense in selling, general and administrative expenses in the consolidated statements of income and comprehensive income over the vesting period with a corresponding increase to contributed surplus. The contributed surplus balance is reduced as the options are exercised, and the amount initially recorded for the options in contributed surplus is credited to share capital, along with the proceeds received on exercise.

The following table shows the changes to the number of stock options outstanding during the year:

|                            | 2025              |                                 | 2024              |                                 |
|----------------------------|-------------------|---------------------------------|-------------------|---------------------------------|
|                            | Number of Options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Balance, beginning of year | <b>961,500</b>    | <b>\$8.68</b>                   | 1,106,500         | \$8.82                          |
| Cancelled/Forfeited        | <b>(28,000)</b>   | <b>\$8.71</b>                   | (5,000)           | \$7.97                          |
| Expired                    | <b>(269,000)</b>  | <b>\$8.56</b>                   | (140,000)         | \$9.87                          |
| Balance, end of year       | <b>664,500</b>    | <b>\$8.72</b>                   | 961,500           | \$8.68                          |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2025:

| Range of Exercise Prices | Options Outstanding |                                             |                                 | Options Exercisable |                                 |
|--------------------------|---------------------|---------------------------------------------|---------------------------------|---------------------|---------------------------------|
|                          | Number Outstanding  | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Number Exercisable  | Weighted Average Exercise Price |
| \$7.97 - \$8.25          | 185,000             | 2.65 years                                  | \$7.97                          | 74,000              | \$7.97                          |
| \$8.26 - \$9.00          | 247,000             | 0.66 years                                  | \$8.29                          | 193,000             | \$8.29                          |
| \$9.01 - \$9.78          | 232,500             | 1.71 years                                  | 9.78                            | 139,500             | \$9.78                          |
| <b>\$7.97 - \$9.78</b>   | <b>664,500</b>      | <b>1.58 years</b>                           | <b>\$8.72</b>                   | <b>406,500</b>      | <b>\$8.74</b>                   |

The number of common shares available for future issuance of options as at September 30, 2025 is 1,382,338 (2024 – 1,085,338). The number of options outstanding together with those available for future issuance totals 2,046,838 (2024 – 2,046,838) or 5.4% (2024 – 5.3%) of the issued and outstanding common shares. The options are granted for a term of 5 to 10 years, and the options vest at 20% at each anniversary date from the date of grant.

**Stock-based compensation**

Stock-based compensation resulting from applying the Black-Scholes option pricing model to the Company's Stock Option Plan was \$102 for the year ended September 30, 2025 (2024 – \$219). All stock-based compensation has been recorded in selling, general and administrative expenses. There were no options granted during the years ended September 30, 2025 and 2024.

**DSU plan**

The Company has a Deferred Share Unit ("DSU") plan for Independent Directors. Under the DSU plan, a portion of the quarterly remuneration of a director is credited to the director's DSU account in the form of deferred share units on the last business day of the quarter. The number of DSUs credited to the director's account is determined by dividing the portion of a director's quarterly remuneration allocated to DSUs by the weighted average price of the common share value traded in the last five business days of the quarter. DSUs are fully vested upon being credited to a director's DSU account. The DSUs will be redeemed by the Company in cash payable 60 days after the Independent Director departs from the Board of Directors at the fair market value at the payment date. Changes in the fair value of DSUs is recognized as compensation expense in selling, general and administrative expenses in the consolidated statements of income and comprehensive income with the corresponding credit or debit to other accrued liabilities.

During the year ended September 30, 2025, the Company granted 23,007 DSUs (2024 – 21,895 DSUs) and redeemed nil (2024 – 29,864). During the year ended September 30, 2025 the Company recorded stock-based compensation income of \$9 (2024 – expense \$245) related to awards under the DSU plan with a corresponding adjustment to other accrued liabilities. As at September 30, 2025, 152,503 DSUs are outstanding with a carrying value of \$1,029 recorded in other accrued liabilities (2024 – 129,496 and \$1,038).

**RSU plan**

The Company has a Restricted Share Unit ("RSU") plan for officers and employees. The Board of Directors grants RSUs with a typical vesting period of 3 years and at prices equal to the weighted average closing market prices for the five days preceding the date on which the units were granted. The RSUs will be redeemed by the Company in cash payable upon vesting or prior to expiry date at the fair market value at the payment date. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Changes in the fair value of RSUs is recognized as compensation expense in selling, general and administrative expenses in the consolidated statements of income and comprehensive income with the corresponding credit or debit to other accrued liabilities. During the year ended September 30, 2025 the Company recorded stock-based compensation expense of \$169 (2024 – \$123) related to awards under the RSU plan with a corresponding adjustment to other accrued liabilities.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

|                            | 2025            | 2024            |
|----------------------------|-----------------|-----------------|
|                            | Number of Units | Number of Units |
| Balance, beginning of year | 49,747          | 18,820          |
| Granted                    | 32,038          | 30,927          |
| Cancelled                  | (923)           | -               |
| Balance, end of year       | 80,862          | 49,747          |

**PSU plan**

The Company has a Performance Share Unit (“PSU”) plan for officers and employees. The Board of Directors grants PSUs with a typical vesting period of 3 years and at prices equal to the weighted average closing market prices for the five days preceding the date on which the units were granted. The PSUs will be redeemed by the Company in cash payable upon vesting or prior to expiry date at the fair market value at the payment date provided all vesting conditions are met. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. Changes in the fair value of PSUs is recognized as compensation expense in selling, general and administrative expenses in the consolidated statements of income and comprehensive income with the corresponding credit or debit to other accrued liabilities. During the year ended September 30, 2025, the Company recorded stock-based compensation expense of \$135 (2024 – \$316) related to awards under the PSU plan with a corresponding adjustment to other accrued liabilities.

|                            | 2025            | 2024            |
|----------------------------|-----------------|-----------------|
|                            | Number of Units | Number of Units |
| Balance, beginning of year | 100,423         | 43,914          |
| Granted                    | 57,783          | 56,509          |
| Cancelled                  | (2,768)         | -               |
| Balance, end of year       | 155,438         | 100,423         |

**Contributed surplus**

Contributed surplus consists of accumulated stock option expense less the carrying amount of the options that have been exercised and reclassified to share capital. The following is a continuity schedule of contributed surplus:

|                            | 2025    | 2024    |
|----------------------------|---------|---------|
| Balance, beginning of year | \$6,010 | \$5,791 |
| Stock option expense       | 102     | 219     |
| Balance, end of year       | \$6,112 | \$6,010 |

**Normal course issuer bid**

In each of February 2025, 2024 and 2023, 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 1,770,513, 1,780,000 and 1,785,000 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 year, 519,050 common shares were repurchased at a cost of \$3,481 under these normal course issuer bids (2024 – 360,702, \$2,745).

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**4. BANK INDEBTEDNESS AND LONG-TERM DEBT**

The debt facilities are available in Canadian dollars and Euros at variable rates ranging from prime minus 0.5% to prime plus 0.75%. The Company's JP Morgan credit facilities are collateralized by a general security agreement over its North American assets.

|                                             | Facilities       | Utilizations |                 |                      |
|---------------------------------------------|------------------|--------------|-----------------|----------------------|
|                                             |                  | Current      | Long-Term       | Unused and Available |
| JP Morgan, credit facility (Canada, U.S.A.) | <b>\$150,000</b> | \$-          | \$90,000        | \$60,000             |
| JP Morgan, operating line (Europe)          | <b>1,633</b>     | -            | -               | \$1,633              |
|                                             | <b>\$151,633</b> | <b>\$-</b>   | <b>\$90,000</b> | <b>\$61,633</b>      |

|                        | 2025         | 2024  |
|------------------------|--------------|-------|
| Prime rate in Canada   | <b>4.7%</b>  | 6.45% |
| Prime rate in USA      | <b>7.25%</b> | 8.0%  |
| Prime rate in Eurozone | <b>2.15%</b> | 3.65% |

Effective November 7, 2022, the Company closed an amendment to increase the Committed Revolving Credit Facility ("Credit Facility") with JP Morgan Chase Bank N.A. to \$150,000, of which \$90,000 has been utilized as at September 30, 2025 (2024 – \$105,000). The Credit Facility has a three-year term and there are no specific repayment terms prior to maturity. During FY 2024, the Credit Facility was renewed for an additional 3 years with next renewal date being March 25, 2027. The Credit Facility is collateralized by a general security agreement covering all assets of the Company's Canadian and US subsidiaries 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, CDOR or Euribor base rates plus a relevant margin depending on the level of the Company's net leverage ratio. Pursuant to the terms of the credit agreement, the Company is required to maintain compliance with net worth and net leverage ratio covenants. The Company is in compliance with these covenants as at September 30, 2025.

Additionally, the Company maintains an operating line facility of EUR 1.0 million with JP Morgan Chase Bank N.A. London Branch related to any needs for euro currency. The facility totals \$1,633 (EUR 1.0 million) and bears interest based on Euribor. The Company had no utilization as at September 30, 2025 (2024 – nil).

The components of long-term debt are as follows:

|                                   | September 30, 2025 | September 30, 2024 |
|-----------------------------------|--------------------|--------------------|
| Bank debt                         | <b>\$90,000</b>    | \$105,000          |
| Less: current portion             | -                  | -                  |
| Long-term debt, long-term portion | <b>\$90,000</b>    | \$105,000          |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**5. PROPERTY, PLANT AND EQUIPMENT**

|                                                       | <b>Machinery<br/>and<br/>Equipment</b> | <b>Tools</b>    | <b>Buildings</b> | <b>Land</b>     | <b>Assets under<br/>Construction</b> | <b>Right of<br/>Use<br/>Assets</b> | <b>Total</b>     |
|-------------------------------------------------------|----------------------------------------|-----------------|------------------|-----------------|--------------------------------------|------------------------------------|------------------|
| <b>Cost</b>                                           |                                        |                 |                  |                 |                                      |                                    |                  |
| Balance as at September 30, 2023                      | \$291,057                              | \$26,495        | \$105,655        | \$14,824        | \$20,709                             | \$8,713                            | \$467,453        |
| Additions                                             | 5,717                                  | 1,544           | 1,518            | -               | 22,663                               | 1,605                              | 33,047           |
| Reclassification                                      | 24,117                                 | 1,679           | 8,655            | -               | (34,451)                             | -                                  | -                |
| Less: disposals                                       | (4,736)                                | (1,970)         | (32)             | -               | -                                    | (208)                              | (6,946)          |
| Foreign exchange movement                             | (807)                                  | (139)           | 234              | (6)             | (21)                                 | 364                                | (375)            |
| Balance as at September 30, 2024                      | \$315,348                              | \$27,609        | \$116,030        | \$14,818        | \$8,900                              | \$10,474                           | \$493,179        |
| Additions                                             | 2,227                                  | 2,169           | 793              | -               | 30,188                               | 178                                | 35,555           |
| Reclassification                                      | 18,899                                 | 1,836           | 4,051            | -               | (24,786)                             | -                                  | -                |
| Less: disposals                                       | (6,214)                                | (1,018)         | (71)             | -               | -                                    | (326)                              | (7,629)          |
| Foreign exchange movement                             | 9,372                                  | 788             | 3,628            | 605             | 369                                  | 706                                | 15,468           |
| <b>Balance as at September 30, 2025</b>               | <b>\$339,632</b>                       | <b>\$31,384</b> | <b>\$124,431</b> | <b>\$15,423</b> | <b>\$14,671</b>                      | <b>\$11,032</b>                    | <b>\$536,573</b> |
| <b>Accumulated depreciation and impairment losses</b> |                                        |                 |                  |                 |                                      |                                    |                  |
| Balance as at September 30, 2023                      | \$173,387                              | \$20,053        | \$49,852         | \$-             | \$-                                  | \$1,732                            | \$245,024        |
| Depreciation for the year                             | 22,125                                 | 2,583           | 4,648            | -               | -                                    | 881                                | 30,237           |
| Reclassification                                      | 7                                      | (7)             | -                | -               | -                                    | -                                  | -                |
| Less: disposals                                       | (4,622)                                | (1,854)         | (31)             | -               | -                                    | (202)                              | (6,709)          |
| Foreign exchange movement                             | (727)                                  | (116)           | (3)              | -               | -                                    | 40                                 | (806)            |
| Balance as at September 30, 2024                      | 190,170                                | 20,659          | 54,466           | -               | -                                    | 2,451                              | 267,746          |
| Depreciation for the year                             | 22,659                                 | 2,776           | 4,714            | -               | -                                    | 901                                | 31,050           |
| Less: disposals                                       | (5,820)                                | (893)           | (45)             | -               | -                                    | (296)                              | (7,054)          |
| Foreign exchange movement                             | 5,448                                  | 693             | 1,413            | -               | -                                    | 145                                | 7,699            |
| <b>Balance as at September 30, 2025</b>               | <b>\$212,457</b>                       | <b>\$23,235</b> | <b>\$60,548</b>  | <b>\$-</b>      | <b>\$-</b>                           | <b>\$3,201</b>                     | <b>\$299,441</b> |
| <b>Carrying amounts</b>                               |                                        |                 |                  |                 |                                      |                                    |                  |
| As at September 30, 2024                              | \$125,178                              | \$6,950         | \$61,564         | \$14,818        | \$8,900                              | \$8,023                            | \$225,433        |
| <b>As at September 30, 2025</b>                       | <b>\$127,175</b>                       | <b>\$8,149</b>  | <b>\$63,883</b>  | <b>\$15,423</b> | <b>\$14,671</b>                      | <b>\$7,831</b>                     | <b>\$237,132</b> |

As at September 30, 2025, the Company has deposits for machinery and equipment and building under construction totalling \$14,671 (2023 – \$8,900). These assets are not being depreciated because they are under construction and not available for use. Right of use assets are primarily comprised of building leases. The current portion of lease liabilities \$1,006 (2024 – \$991) is included in Other accrued liabilities in the consolidated statements of financial position.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**6. INTANGIBLE ASSETS AND GOODWILL**

|                                         | <b>Computer<br/>Software<br/>and Other</b> | <b>Acquisition<br/>Intangibles**</b> | <b>Assets under<br/>Construction<br/>(Software)</b> | <b>Total<br/>Intangible<br/>Assets</b> | <b>Goodwill</b> |
|-----------------------------------------|--------------------------------------------|--------------------------------------|-----------------------------------------------------|----------------------------------------|-----------------|
| <b>Cost</b>                             |                                            |                                      |                                                     |                                        |                 |
| Balance as at September 30, 2023        | \$9,335                                    | \$58,162                             | \$83                                                | \$67,580                               | \$91,330        |
| Additions                               | 631                                        | -                                    | 227                                                 | 858                                    | -               |
| Less: disposals                         | (664)                                      | -                                    | -                                                   | (664)                                  | -               |
| Reclassifications                       | 129                                        | -                                    | (129)                                               | -                                      | -               |
| Foreign exchange movement               | (12)                                       | 474                                  | 1                                                   | 463                                    | 2,631           |
| Balance as at September 30, 2024        | 9,419                                      | 58,636                               | 182                                                 | 68,237                                 | 93,961          |
| Additions                               | 229                                        | -                                    | 329                                                 | 558                                    | -               |
| Less: disposals                         | (303)                                      | -                                    | -                                                   | (303)                                  | -               |
| Reclassification                        | 347                                        | -                                    | (347)                                               | -                                      | -               |
| Foreign exchange movement               | 252                                        | 2,266                                | (17)                                                | 2,501                                  | 5,665           |
| <b>Balance as at September 30, 2025</b> | <b>\$9,944</b>                             | <b>\$60,902</b>                      | <b>\$147</b>                                        | <b>\$70,993</b>                        | <b>\$99,626</b> |

|                                                           | <b>Computer<br/>Software<br/>and Other</b> | <b>Acquisition<br/>Intangibles**</b> | <b>Assets under<br/>Construction<br/>(Software)</b> | <b>Total<br/>Intangible<br/>Assets</b> | <b>Goodwill</b> |
|-----------------------------------------------------------|--------------------------------------------|--------------------------------------|-----------------------------------------------------|----------------------------------------|-----------------|
| <b>Accumulated amortization<br/>and impairment losses</b> |                                            |                                      |                                                     |                                        |                 |
| Balance as at September 30, 2023                          | \$7,773                                    | \$29,206                             | \$-                                                 | \$36,979                               | \$-             |
| Amortization for the year                                 | 729                                        | 3,384                                | -                                                   | 4,113                                  | -               |
| Less: disposals                                           | (664)                                      | -                                    | -                                                   | (664)                                  | -               |
| Foreign exchange movement                                 | (26)                                       | 6                                    | -                                                   | (20)                                   | -               |
| Balance as at September 30, 2024                          | \$7,812                                    | \$32,596                             | \$-                                                 | \$40,408                               | \$-             |
| Amortization for the year                                 | 803                                        | 3,525                                | -                                                   | 4,328                                  | -               |
| Less: disposals                                           | (303)                                      | -                                    | -                                                   | (303)                                  | -               |
| Foreign exchange movement                                 | 302                                        | 933                                  | -                                                   | 1,235                                  | -               |
| <b>Balance as at September 30, 2025</b>                   | <b>\$8,614</b>                             | <b>\$37,054</b>                      | <b>\$-</b>                                          | <b>\$45,668</b>                        | <b>\$-</b>      |

**Carrying amounts**

|                                 |                |                 |              |                 |                 |
|---------------------------------|----------------|-----------------|--------------|-----------------|-----------------|
| As at September 30, 2024        | \$1,607        | \$26,040        | \$182        | \$27,829        | \$93,961        |
| <b>As at September 30, 2025</b> | <b>\$1,330</b> | <b>\$23,848</b> | <b>\$147</b> | <b>\$25,325</b> | <b>\$99,626</b> |

\*\*Acquisition intangibles are comprised of customer relationships and trade names resulting from business acquisitions and the purchase price allocation thereof.

**Impairment testing**

The total goodwill of \$99.6 million as at September 30, 2025 is allocated as \$31.8 million to the Extrusion Operating segment and \$67.8 million to the Automotive Solutions operating segment. The Company performed its annual impairment test on September 30 and determined that the recoverable amounts for the Extrusion group of CGUs and the Automotive Solutions operating segment exceed their carrying amounts and, as a result, no impairment was recorded.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**Key assumptions to value-in-use calculations**

The recoverable amounts have been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management. Cash flow beyond the budget period was extrapolated using a 2% terminal growth rate, which represents the expected growth in the global economy. The discount rate applied to future cash flows was 9.5%.

The calculation of the value-in-use is most sensitive to the following assumptions:

- Discount rates
- Terminal growth rate to extrapolate cash flows beyond the budget period
- Forecasted revenue and profit margins during the budget period

The discount rate used represents the current market assessment of the risks specific to the operating segments taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived from the Operating segment's weighted average cost of capital, taking into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's shareholders. The cost of debt is based on the interest-bearing borrowing the Company is obliged to service. CGU specific risk is incorporated by applying different debt to equity ratios.

**Sensitivity to changes in assumptions**

Management has performed sensitivities on the assumptions used in the value-in-use calculations, and the recoverable amount still exceeds the carrying values.

**7. PROVISIONS**

The following table outlines the provisions at the dates of the consolidated statements of financial position and changes to the provisions during the reporting periods.

|            | 2025            | 2024           |
|------------|-----------------|----------------|
| Severance  | \$10,605        | \$8,533        |
| Warranties | 100             | 100            |
|            | <b>\$10,705</b> | <b>\$8,633</b> |

The carrying values of the above provisions are management's best estimate based on information available. The ultimate amounts of the payments approximate the provision amounts and the timing of payments is expected to be within the next twelve months. There is no reimbursement expected for any of these provisions.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

The movement in the provision accounts is as follows:

|                                                  | <b>Severance</b> | <b>Warranties</b> | <b>Total</b>    |
|--------------------------------------------------|------------------|-------------------|-----------------|
| Closing balance, as at September 30, 2023        | \$7,091          | \$100             | \$7,191         |
| Additions                                        | 2,785            | -                 | 2,785           |
| Utilized                                         | (1,333)          | -                 | (1,333)         |
| Reversals                                        | (12)             | -                 | (12)            |
| Foreign exchange differences                     | 2                | -                 | 2               |
| Closing balance, as at September 30, 2024        | <b>\$8,533</b>   | <b>\$100</b>      | <b>\$8,633</b>  |
| Additions                                        | 6,024            | -                 | 6,024           |
| Utilized                                         | (4,668)          | -                 | (4,668)         |
| Reversals                                        | (39)             | -                 | (39)            |
| Foreign exchange differences                     | 755              | -                 | 755             |
| <b>Closing balance, as at September 30, 2025</b> | <b>\$10,605</b>  | <b>\$100</b>      | <b>\$10,705</b> |

## 8. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows:

|                           |                                                            |
|---------------------------|------------------------------------------------------------|
| Cash and cash equivalents | Financial assets – held for trading measured at fair value |
| Accounts receivable       | Financial assets – measured at amortized cost              |
| Trade accounts payable    | Financial liabilities – measured at amortized cost         |
| Bank indebtedness         | Financial liabilities – measured at amortized cost         |
| Customer advance payments | Financial liabilities – measured at amortized cost         |
| Accrued liabilities       | Financial liabilities – measured at amortized cost         |
| Derivative instruments    | Financial liabilities – measured at fair value             |
| Long-term debt            | Financial liabilities – measured at amortized cost         |

### Foreign exchange contracts

The Company entered into a series of collars extending through to September 7, 2027 and designated them as cash flow hedges against Mexican payroll and other local Mexican costs. The total amount of these collars is 420.0 million Mexican pesos (2024 – 648.0 million Mexican pesos). The selling price ranges from 18.75 to 21.32 Mexican pesos to each US dollar.

Management estimates that a cumulative gain of \$617 (2024 – cumulative loss \$858) would be realized if these collars were terminated on September 30, 2025. Net of deferred taxes of \$164, the cumulative gain of \$453 is recorded in other comprehensive income. During the year, the estimated fair value gain of \$1,087, net of deferred taxes of \$388 (2024 – loss of \$4,612, net of deferred taxes of \$1,646) has been included in other comprehensive income, and the cumulative loss of \$617 is recorded in the consolidated statements of financial position under the caption derivative instruments.

### Risks and uncertainties

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of the risks and how they are managed:

#### a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party fails to meet its contractual obligations. The Company's primary credit risk is its cash and cash equivalents, trade accounts receivable and foreign exchange forward contracts with positive fair values. Cash and cash equivalents are only invested in bank term deposits and bank

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

commercial paper with an investment grade credit rating. Credit risk is further reduced by limiting the amount which is invested in certain major financial institutions. The Company is also exposed to credit risk from the potential default by any of its counterparties on its foreign exchange forward contracts. The Company mitigates this credit risk by dealing with counterparties who are major financial institutions that the Company anticipates will satisfy their obligations under the contracts. The carrying amount of its trade accounts receivable represents the Company's estimate of its maximum credit exposure. The Company regularly monitors its credit risk exposure and takes steps such as credit approval procedures, establishing credit limits, utilizing credit assessments and monitoring practices to mitigate the likelihood of these exposures from resulting in an actual loss. The carrying amount of the trade accounts receivable disclosed in the consolidated statements of financial position is net of allowance for doubtful accounts. Allowance for doubtful accounts is estimated using the expected credit loss model. The Company uses historical experience, and considers factors including, the aging of balances, the customer's credit worthiness, updates based on the current economic conditions, expectations of bankruptcies, and the political and economic volatility in the markets/locations of customers to estimate the allowance. Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated statements of income and comprehensive income. As at September 30, 2025, the accounts receivable balance (net of allowance for doubtful accounts) is \$114,918 (2024 – \$111,428) and the Company's five largest trade debtors account for 27.9% of the total accounts receivable balance (2024 – 30.25%).

The following table presents a breakdown of the Company's accounts receivable balances:

|                                       | 2025             | 2024      |
|---------------------------------------|------------------|-----------|
| Trade accounts receivable             | <b>\$108,205</b> | \$106,147 |
| Employee receivable                   | <b>101</b>       | 181       |
| Sales tax receivable                  | <b>7,334</b>     | 5,912     |
| Other                                 | <b>928</b>       | 994       |
| Less: allowance for doubtful accounts | <b>(1,650)</b>   | (1,806)   |
| Total accounts receivable, net        | <b>\$114,918</b> | \$111,428 |

The aging of trade accounts receivable balances is as follows:

|                                       | 2025             | 2024      |
|---------------------------------------|------------------|-----------|
| Not past due                          | <b>\$94,275</b>  | \$93,294  |
| Past due 1–30 days                    | <b>8,390</b>     | 9,045     |
| Past due 31–60 days                   | <b>2,169</b>     | 1,428     |
| Past due 61–90 days                   | <b>178</b>       | 632       |
| Past due over 90 days                 | <b>3,193</b>     | 1,750     |
| Less: allowance for doubtful accounts | <b>(1,650)</b>   | (1,806)   |
| Total trade accounts receivable, net  | <b>\$106,555</b> | \$104,343 |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

The movement in the allowance for doubtful accounts is as follows:

|                      | 2025           | 2024    |
|----------------------|----------------|---------|
| Opening balance      | <b>\$1,806</b> | \$2,066 |
| Additions            | <b>260</b>     | 560     |
| Utilized             | <b>(93)</b>    | (508)   |
| Reversal             | <b>(408)</b>   | (321)   |
| Exchange differences | <b>85</b>      | 9       |
| Closing balance      | <b>\$1,650</b> | \$1,806 |

*b) Liquidity risk*

Liquidity risk refers to the possibility that the Company may not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by minimizing its financial leverage and arranging credit facilities in order to ensure sufficient funds are available to meet its financial obligations. This is achieved by continuously monitoring cash flows from its operating, investing and financing activities.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following tables summarize the Company's significant commitments on an undiscounted basis and corresponding maturities:

|                        | 2025             |                 |                 |                |
|------------------------|------------------|-----------------|-----------------|----------------|
|                        | Total            | < 1 Year        | 1–3 Years       | Over 3 Years   |
| Trade accounts payable | <b>\$46,906</b>  | <b>\$46,906</b> | <b>\$-</b>      | <b>\$-</b>     |
| Long-term debt         | <b>90,000</b>    | -               | <b>90,000</b>   | -              |
| Leases                 | <b>9,259</b>     | <b>1,022</b>    | <b>1,977</b>    | <b>6,260</b>   |
| Purchase commitments   | <b>42,268</b>    | <b>42,268</b>   | -               | -              |
| Capital expenditures   | <b>3,829</b>     | <b>3,829</b>    | -               | -              |
|                        | <b>\$192,262</b> | <b>\$94,025</b> | <b>\$91,977</b> | <b>\$6,260</b> |

|                        | 2024      |          |           |              |
|------------------------|-----------|----------|-----------|--------------|
|                        | Total     | < 1 Year | 1–3 Years | Over 3 Years |
| Trade accounts payable | \$46,483  | \$46,483 | \$-       | \$-          |
| Long-term debt         | 105,000   | -        | 105,000   | -            |
| Leases                 | 9,411     | 1,007    | 1,873     | 6,531        |
| Purchase commitments   | 39,131    | 39,131   | -         | -            |
| Capital expenditures   | 7,973     | 7,973    | -         | -            |
|                        | \$207,998 | \$94,594 | \$106,873 | \$6,531      |

*c) Foreign exchange risk*

The Company operates in Canada with subsidiaries located in the United States, Mexico, Colombia, Brazil, Thailand, Germany, Italy and Morocco. It is exposed to foreign exchange transaction and translation risk through its operating activities. Unfavourable changes in the exchange rates may affect the operating results and shareholders' equity of the Company. In order to mitigate the foreign currency exposure, the Company reduces part of its foreign exchange risk by sourcing a significant portion of its manufacturing inputs in the currency that its sales are denominated in. In addition to the above natural hedge, the Company also uses collars to hedge cash outflows for the Mexican payroll and other local Mexican costs. These collars are designated as cash flow hedges. The resulting gain or loss on the valuation of

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

these financial instruments is recognized in other comprehensive income. The Company does not mitigate the translation risk exposure of its foreign operations due to the fact that these investments are considered to be long-term in nature.

With all other variables held constant, the following tables outline the Company's annual foreign exchange exposure at one percent fluctuation between various operating currencies compared with the average annual exchange rate.

|                            | 1% Fluctuation<br>USD vs. CAD | 1% Fluctuation<br>EUR vs. CAD | 1% Fluctuation<br>MXP vs. CAD |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Income before income taxes | +/- \$1,496                   | +/- \$65                      | +/- \$24                      |
| Other comprehensive income | +/- \$3,725                   | +/- \$854                     | +/- \$411                     |

|                            | 1% Fluctuation<br>COP vs. CAD | 1% Fluctuation<br>BRL vs. CAD |
|----------------------------|-------------------------------|-------------------------------|
| Income before income taxes | +/- \$11                      | +/- \$25                      |
| Other comprehensive income | +/- \$86                      | +/- \$84                      |

*d) Interest rate risk*

The Company's exposure to interest rate risk relates to its net cash position, variable rate credit facilities and variable rate long-term debt. The Company mitigates its interest rate risk exposure by reducing or eliminating its overall debt position. Net income or loss is sensitive to the impact of a change in interest rates on the average balance of interest-bearing financial liabilities during the year.

*e) Fair value*

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.

Due to their short-term nature, the fair value of cash and cash equivalents, accounts receivable, trade accounts payable and customer advance payments are assumed to approximate their carrying value.

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

The estimated fair value of long-term debt approximates its carrying value as the instruments' terms and interest rate are market based.

During the year ended September 30, 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

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

|                           | 2025                                          |                                       | 2024                                          |                                       |
|---------------------------|-----------------------------------------------|---------------------------------------|-----------------------------------------------|---------------------------------------|
|                           | Carrying<br>Amount of<br>Asset<br>(Liability) | Fair Value<br>of Asset<br>(Liability) | Carrying<br>Amount of<br>Asset<br>(Liability) | Fair Value<br>of Asset<br>(Liability) |
| Cash and cash equivalents | \$22,871                                      | \$22,871                              | \$31,637                                      | \$31,637                              |
| Accounts receivable       | 114,918                                       | 114,918                               | 111,428                                       | 111,428                               |
| Trade accounts payable    | (46,906)                                      | (46,906)                              | (46,483)                                      | (46,483)                              |
| Customer advance payments | (2,314)                                       | (2,314)                               | (4,752)                                       | (4,752)                               |
| Accrued liabilities       | (32,234)                                      | (32,234)                              | (30,271)                                      | (30,271)                              |
| Derivative instruments    | 617                                           | 617                                   | (858)                                         | (858)                                 |
| Long-term debt            | (\$90,000)                                    | (\$90,000)                            | (\$105,000)                                   | (\$105,000)                           |

## 9. INVENTORIES

|                              | 2025      | 2024      |
|------------------------------|-----------|-----------|
| Raw materials                | \$55,954  | \$55,630  |
| Work-in-process              | 21,610    | 27,721    |
| Finished goods               | 18,985    | 20,713    |
| Production supplies          | 13,731    | 12,609    |
| Less: obsolescence provision | (7,218)   | (6,442)   |
|                              | \$103,062 | \$110,231 |

The movement in the obsolescence provision accounts is as follows:

|                      | 2025    | 2024    |
|----------------------|---------|---------|
| Opening balance      | \$6,442 | \$4,931 |
| Additions            | 2,728   | 2,183   |
| Utilized             | (1,178) | (544)   |
| Reversals            | (805)   | (165)   |
| Exchange differences | 31      | 37      |
| Closing balance      | \$7,218 | \$6,442 |

During the year, inventories of \$254,067 (2024 – \$271,035) were expensed, of which \$2,728 was from the write-downs of inventories (2024 – \$2,183), with reversal of write-downs of \$805 (2024 – \$165).

## 10. CAPITAL MANAGEMENT

The Company defines capital as long-term debt, bank indebtedness, and shareholders' equity less cash and cash equivalents. As at September 30, 2025, total managed capital amounts to \$474,379 (2024 – \$454,635), consisting of net debt of \$67,129 (2024 – \$73,363) and shareholders' equity of \$407,250 (2024 – \$381,272).

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

The Company's objectives when managing capital are to:

- utilize short-term funding sources to manage its working capital requirements and fund capital expenditures required to execute its operating and strategic plans; and
- maintain low overall debt levels relative to shareholders' equity with a strong bias for short-term debt in order to minimize the cost of capital and allow maximum flexibility to respond to current and future industry, market and economic risks and opportunities.

The following ratios are used by the Company to monitor its capital:

|                          | 2025          | 2024   |
|--------------------------|---------------|--------|
| Net debt to equity ratio | <b>0.16:1</b> | 0.19:1 |
| Net debt to EBITDA ratio | <b>0.97:1</b> | 0.89:1 |

The following table details the net debt calculation used in the net debt to equity ratio as at the years ended as indicated:

|                                      | 2025            | 2024      |
|--------------------------------------|-----------------|-----------|
| Bank indebtedness and long-term debt | <b>\$90,000</b> | \$105,000 |
| Less: cash and cash equivalents      | <b>(22,871)</b> | (31,637)  |
| Net debt                             | <b>\$67,129</b> | \$73,363  |

The net debt to EBITDA ratio is calculated by dividing the net debt by EBITDA, and the Company calculates EBITDA as earnings before other income (expense), interest, taxes, depreciation and amortization.

Based on the current funds available and the expected cash flows from operations, management believes that the Company has sufficient funds to meet its liquidity requirements.

The Company is not subject to any capital requirement imposed by regulators; however, the Company must adhere to a net worth covenant related to the terms of its bank credit facility. As at September 30, 2025, the Company is in compliance with the required financial covenants.

## **11. OTHER INFORMATION**

### **A. SEGMENTED INFORMATION**

#### **Reportable segments**

The Company has two reportable segments: 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 is comprised of Extrusion Technologies, Casting Technologies, and Castool (extrusion and casting technology), which serve to design, develop and manufacture tooling and consumable parts for both die-casting and aluminum extrusion machines for industrial applications and serve automotive markets globally. The aggregation of the above operating segments reflects, in the view of management, the similarity in economic characteristics as well the similar products sold and a comparable class of customers.

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 net income before interest, other income (expense) and income tax expense.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

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

| 2025                                          |                             |                         |           |           |
|-----------------------------------------------|-----------------------------|-------------------------|-----------|-----------|
|                                               | Casting<br>and<br>Extrusion | Automotive<br>Solutions | Corporate | Total     |
| Sales                                         | \$323,324                   | \$315,687               | \$-       | \$639,011 |
| Intercompany sales                            | (21,889)                    | (1,859)                 | -         | (23,748)  |
| Net sales                                     | 301,435                     | 313,828                 | -         | 615,263   |
| Depreciation                                  | 26,177                      | 4,800                   | 73        | 31,050    |
| Amortization                                  | 1,457                       | 2,871                   | -         | 4,328     |
| Segment pre-tax income (loss) before interest | 15,313                      | 25,056                  | (6,722)   | 33,647    |
| Net interest expense                          |                             |                         |           | (5,055)   |
| Income before income taxes                    |                             |                         |           | 28,592    |
| Property, plant and equipment additions       | 26,190                      | 9,233                   | 132       | 35,555    |
| Property, plant and equipment, net            | 193,070                     | 42,836                  | 1,226     | 237,132   |
| Intangible asset additions                    | 417                         | 141                     | -         | 558       |
| Intangible assets, net                        | 10,060                      | 15,265                  | -         | 25,325    |
| Goodwill                                      | 31,790                      | 67,836                  | -         | 99,626    |
| Total assets                                  | 406,696                     | 242,374                 | (34,829)  | 614,241   |
| Total liabilities                             | 55,006                      | 54,696                  | 97,289    | 206,991   |

| 2024                                          |                             |                         |           |           |
|-----------------------------------------------|-----------------------------|-------------------------|-----------|-----------|
|                                               | Casting<br>and<br>Extrusion | Automotive<br>Solutions | Corporate | Total     |
| Sales                                         | \$332,900                   | \$333,511               | \$-       | \$666,411 |
| Intercompany sales                            | (25,994)                    | (2,626)                 | -         | (28,620)  |
| Net sales                                     | 306,906                     | 330,885                 | -         | 637,791   |
| Depreciation                                  | 25,809                      | 4,344                   | 84        | 30,237    |
| Amortization                                  | 1,370                       | 2,743                   | -         | 4,113     |
| Segment pre-tax income (loss) before interest | 22,470                      | 32,503                  | (7,162)   | 47,811    |
| Net interest expense                          |                             |                         |           | (8,278)   |
| Income before income taxes                    |                             |                         |           | 39,533    |
| Property, plant and equipment additions       | 26,749                      | 6,298                   | -         | 33,047    |
| Property, plant and equipment, net            | 186,930                     | 37,310                  | 1,193     | 225,433   |
| Intangible asset additions                    | 774                         | 84                      | -         | 858       |
| Intangible assets, net                        | 10,375                      | 17,454                  | -         | 27,829    |
| Goodwill                                      | 29,346                      | 64,615                  | -         | 93,961    |
| Total assets                                  | 402,252                     | 236,101                 | (31,352)  | 607,001   |
| Total liabilities                             | 55,703                      | 57,396                  | 112,630   | 225,729   |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**Geographic and customer information**

| <b>Sales</b>  | <b>2025</b>      | <b>2024</b> |
|---------------|------------------|-------------|
| Canada        | <b>\$41,006</b>  | \$44,383    |
| United States | <b>369,590</b>   | 382,995     |
| Europe        | <b>130,793</b>   | 136,768     |
| Mexico        | <b>43,267</b>    | 42,292      |
| South America | <b>15,662</b>    | 13,853      |
| Asia          | <b>9,218</b>     | 10,412      |
| Other         | <b>5,727</b>     | 7,088       |
|               | <b>\$615,263</b> | \$637,791   |

In 2025 the total revenue to the Company's largest 2 customers accounted for 5.7% and 5.6% (2024 – 5.6% and 5.4%) of total sales. The accounts receivable pertaining to these customers were \$7,809 and \$5,993 at year-end (2024 – \$9,003 and \$4,663). The allocation of sales to the geographic categories is based upon the customer location where the product is shipped. In 2025, the Company's largest 2 customers were from the Casting and Extrusion segment and the Automotive Solutions segment (2024 – the Company's largest 2 customers were from the Automotive Solutions segment and the Casting and Extrusion segment).

| <b>Property, plant and equipment, net</b> | <b>2025</b>      | <b>2024</b> |
|-------------------------------------------|------------------|-------------|
| Canada                                    | <b>\$91,006</b>  | \$88,767    |
| United States                             | <b>39,754</b>    | 35,221      |
| Mexico                                    | <b>38,467</b>    | 38,573      |
| South America                             | <b>6,627</b>     | 5,944       |
| Europe                                    | <b>35,903</b>    | 32,086      |
| Thailand                                  | <b>5,092</b>     | 5,344       |
| Morocco                                   | <b>20,283</b>    | 19,498      |
|                                           | <b>\$237,132</b> | \$225,433   |

Property, plant and equipment are attributed to the country in which they are located.

| <b>Intangible assets, net</b> | <b>2025</b>     | <b>2024</b> |
|-------------------------------|-----------------|-------------|
| Canada                        | <b>\$916</b>    | \$1,113     |
| United States                 | <b>15,038</b>   | 17,353      |
| Mexico                        | <b>69</b>       | 15          |
| South America                 | <b>45</b>       | 54          |
| Thailand                      | <b>-</b>        | -           |
| Europe                        | <b>9,086</b>    | 9,145       |
| Morocco                       | <b>171</b>      | 149         |
|                               | <b>\$25,325</b> | \$27,829    |

Intangible assets are attributed to the country in which they are located.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

**B. EMPLOYEE FUTURE BENEFITS**

The Company accrues employee future benefits for its Mexican, Thailand and Italian employees. In Mexico these benefits consist of a one-time payment equivalent to 12 days of wages for each year of service (at the employee's most

recent salary, but not to exceed twice the legal minimum wage), payable to all employees with 15 or more years of service, as well as to certain employees terminated involuntarily prior to vesting of their seniority premium benefit. Under Mexican labour laws, the Company also provides statutorily mandated severance benefits to its employees terminated under certain circumstances. Such benefits consist of a one-time payment of three months' wages upon involuntary termination without just cause. In Thailand the severance benefit varies from 1 to 10 months dependent on length of service. In Italy the termination benefit is a portion of employee wages that are deferred until termination.

The liability associated with the seniority and termination benefits is calculated as the present value of expected future payments and amounts to \$9,770 as at September 30, 2025 (2024 – \$7,946), and is recorded under the caption other accrued liabilities on the consolidated statements of financial position. In determining the expected future payments, assumptions regarding employee turnover rates, inflation, minimum wage increases and expected salary levels are required and are subject to review and change.

**C. COMPENSATION OF KEY MANAGEMENT PERSONNEL**

The remuneration of directors and other members of key management personnel during the years ended September 30, 2025 and 2024 were as follows:

|                                  | 2025           | 2024           |
|----------------------------------|----------------|----------------|
| Salaries and cash incentives (i) | \$3,610        | \$3,868        |
| Directors' fees                  | 221            | 190            |
| Share-based awards (ii)          | 734            | 745            |
|                                  | <b>\$4,565</b> | <b>\$4,803</b> |

*i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended September 30, 2025 and 2024.*

*ii) Share-based payments are DSUs granted to directors and RSUs and PSUs granted to CEO and key management personnel.*

**12. INCOME PER COMMON SHARE**

Income per common share is calculated using net income and the monthly weighted average number of common shares outstanding of 38,369,393 (2024 – 38,749,776). Any potential common shares for which the effect is anti-dilutive have not been reflected in the calculation of diluted income per share. The dilution effect from the outstanding stock options on diluted weighted average number of common shares outstanding for 2025 is nil (2024 – nil).

**13. INCOME TAXES**

The consolidated effective income tax rate for 2025 was 15.0% (2024 – 25.1%) per the following tables. The lower income tax rate is due to the reversal of provisions reducing the value of future tax assets that can now be recognized due to improved profitability in foreign jurisdictions in addition to geographic distribution, foreign tax rate differentials and a shift in the proportion of earnings from jurisdictions with higher tax rates or minimum tax requirements.

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

|                                                   | 2025            |                |
|---------------------------------------------------|-----------------|----------------|
| Income before income taxes                        | <b>\$28,592</b> | <b>100.0%</b>  |
| Income tax expense at Canadian statutory rates    | <b>7,831</b>    | <b>27.4%</b>   |
| Manufacturing and processing deduction            | <b>(276)</b>    | <b>(1.0%)</b>  |
| Foreign rate differential                         | <b>266</b>      | <b>0.9%</b>    |
| Non-taxable income net of non-deductible expenses | <b>(3,184)</b>  | <b>(11.1%)</b> |
| Recognition of previously unrecognized losses     | <b>(2,164)</b>  | <b>(7.6%)</b>  |
| Prior period taxes in current year                | <b>(1,560)</b>  | <b>(5.5%)</b>  |
| Losses not tax effected                           | <b>2,650</b>    | <b>9.3%</b>    |
| Other                                             | <b>737</b>      | <b>2.6%</b>    |
| Reported income tax expense                       | <b>\$4,300</b>  | <b>15.0%</b>   |

|                                                   | 2024            |               |
|---------------------------------------------------|-----------------|---------------|
| Income before income taxes                        | <b>\$39,533</b> | <b>100.0%</b> |
| Income tax expense at Canadian statutory rates    | <b>10,799</b>   | <b>27.3%</b>  |
| Manufacturing and processing deduction            | <b>(323)</b>    | <b>(0.8%)</b> |
| Foreign rate differential                         | <b>(76)</b>     | <b>(0.2%)</b> |
| Non-taxable income net of non-deductible expenses | <b>(2,884)</b>  | <b>(7.3%)</b> |
| Prior period taxes in current year                | <b>38</b>       | <b>0.1%</b>   |
| Losses not tax effected                           | <b>2,149</b>    | <b>5.5%</b>   |
| Other                                             | <b>212</b>      | <b>0.5%</b>   |
| Reported income tax expense                       | <b>\$9,915</b>  | <b>25.1%</b>  |

The major components of income tax expense are as follows:

|                                                                          | 2025           | 2024     |
|--------------------------------------------------------------------------|----------------|----------|
| Current income tax expense                                               |                |          |
| Based on taxable income for the year                                     | <b>\$8,484</b> | \$11,975 |
| Deferred income tax expense (recovery)                                   |                |          |
| Origination, reversal of temporary differences and losses not recognized | <b>(4,184)</b> | (2,060)  |
| Reported income tax expense                                              | <b>\$4,300</b> | \$9,915  |

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

Deferred income tax assets and liabilities consist of the following temporary differences:

|                                                        | 2025              | 2024       |
|--------------------------------------------------------|-------------------|------------|
| Deferred tax assets                                    |                   |            |
| Tax benefit of loss carry forward                      | \$2,500           | \$431      |
| Items not currently deductible for income tax purposes | 945               | 656        |
|                                                        | <b>3,445</b>      | 1,087      |
| Deferred tax liabilities                               |                   |            |
| Tax depreciation in excess of book depreciation        | (17,843)          | (16,816)   |
| Unrealized revenue and foreign exchange                | 30                | 42         |
| Investment in subsidiaries                             | 108               | (1,991)    |
|                                                        | <b>(17,705)</b>   | (18,765)   |
| Net deferred income tax liabilities                    | <b>(\$14,260)</b> | (\$17,678) |

#### 14. CONSOLIDATED STATEMENTS OF CASH FLOWS

##### Net change in non-cash working capital

The net change in non-cash working capital balances related to operations consists of the following:

|                               | 2025           | 2024     |
|-------------------------------|----------------|----------|
| Accounts receivable           | \$6            | \$17,303 |
| Inventories                   | 10,638         | 1,184    |
| Prepaid expenses and deposits | 368            | (721)    |
| Trade accounts payable        | (1,218)        | (7,680)  |
| Accrued payroll liabilities   | 543            | (178)    |
| Other accrued liabilities     | 220            | (5,287)  |
| Provisions                    | 2,072          | 1,442    |
| Customer advance payments     | (2,644)        | (396)    |
| Income taxes recoverable      | (5,704)        | 4,428    |
|                               | <b>\$4,281</b> | \$10,095 |

#### 15. CONTINGENT LIABILITIES

In the ordinary course of business, the Company may be contingently liable for litigation and claims with customers, suppliers and former employees. On an ongoing basis, the Company assesses the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable costs and losses, and a determination of the provision required, if any, for these contingencies is made after analysis of each individual issue.

During 2018, the Company agreed with a customer (the "Customer") to utilize a government-sponsored third party (the "Third Party") tool financing program (the "Program"). The Program allows the Company to receive payment from the Third Party in advance (the "Advance Payments") of either tool delivery or the Customer's receipt of payment from the Original Equipment Manufacturer (the "OEM"). The Customer is obligated to pay all costs of the Program including principal and interest. The Third Party retains recourse against the Company if the Customer fails to repay the Advance Payments to the Third Party within 24 months of the Advance Payment. As at September 30, 2025 no repayments are

**EXCO TECHNOLOGIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*\$(000)'s except per share amounts*

overdue (2024 – nil). The Company has been indemnified by the Customer in this regard and expects recourse against it to be extinguished in the normal course of business upon the Customer's receipt of payment from the OEM. The Advance Payments paid to the Company under this Program for the year ended September 30, 2025 were nil (2024 – nil). Related liabilities and receivables are recorded on the Company's consolidated statements of financial position in accounts receivable and other accrued liabilities. No repayments were made in the current year (2024 – \$2,078). As at September 30, 2025 the balance outstanding under the Program is nil (2024 – nil).

**16. INTEREST EXPENSE**

The following table outlines the interest expense (income) incurred (earned) during the year:

|                                                          | 2025           | 2024    |
|----------------------------------------------------------|----------------|---------|
| Interest expense on bank indebtedness and long-term debt | <b>\$5,092</b> | \$8,298 |
| Interest income on deposits                              | <b>(37)</b>    | (20)    |
| Net interest expense                                     | <b>\$5,055</b> | \$8,278 |

## NOTES

---

## CORPORATE INFORMATION

### Board of Directors

Edward H. Kernaghan, MSc  
Executive Vice President  
Kernaghan & Partners Ltd.

Darren M. Kirk, MBA, CFA  
President and CEO of the Company

Robert B. Magee, PEng  
Chairman  
Woodbridge Group

Colleen M. McMorrow, FCPA, FCA, ICD.D  
Corporate Director

Tommy J. Skudutis  
Corporate Director

Brian A. Robbins, PEng  
Executive Chairman of the Company

---

### Corporate Officers

Brian A. Robbins, PEng  
Executive Chairman

Darren M. Kirk, MBA, CFA  
President and CEO

Matthew Posno, CPA, CA, MBA  
Chief Financial Officer & VP Finance  
Secretary

### Transfer Agent and Registrar

TSX Trust Company  
301 – 100 Adelaide Street West  
Toronto, Ontario M5H 4H1  
Phone: 416.361.0930  
[www.tsxtrust.com](http://www.tsxtrust.com)

---

### Auditors

Ernst & Young LLP  
Chartered Professional Accountants  
Licensed Public Accountants

---

### Stock Listings

TSX: XTC

---

### Corporate Office

Exco Technologies Limited  
130 Spy Court, 2nd Floor  
Markham, Ontario L3R 5H6  
Phone: 905.477.3065  
[www.excocorp.com](http://www.excocorp.com)

---

### F2025 Annual General Meeting of Shareholders

Wednesday, January 21, 2026  
at 4:30 pm. (Toronto Time)  
Virtual Meeting: Live Webcast  
<https://virtual-meetings.tsxtrust.com/1853>



*Technologies Limited*

## **Resilient by Design**



[www.excocorp.com](http://www.excocorp.com)

---

**TSX:XTC**