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Unaudited Condensed Interim Report
to the shareholders
for the three months ended
December 31, 2025

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	Three Months ended December 31 (unaudited)	
(in $ thousands except earnings per share amounts)		
	2025	2024
Sales	**$149,522**	$143,568
Net income	**$4,832**	$4,245
Basic and diluted earnings per share	**$0.13**	$0.11
Weighted average Basic Common shares outstanding (000's)	**37,937**	38,534

The following management's interim discussion and analysis of operations and financial position are prepared as at January 28, 2026 and should be read in conjunction with the condensed interim consolidated financial statements as at and for the three months ended December 31, 2025 and 2024 and the consolidated financial statements and Management's Discussion and Analysis ("MD&A") in the Company's 2025 Annual Report.

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

Use of Non-IFRS Measures

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 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 previously 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.*

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated sales for the first quarter ended December 31, 2025 were $149.5 million compared to $143.6 million in the same quarter last year – an increase of $6.0 million or 4%. Foreign exchange rate movements increased sales $1.0 million in the quarter primarily due to the strengthening Euro compared to the Canadian dollar.

During the quarter, management focused on improving performance at newer facilities and underperforming operations to enhance results and optimize long-term returns. Capital spending was intentionally below historical averages, reflecting a prioritization of critical projects and the completion of major growth initiatives. While these investments continue to pressure near-term margins and profitability, Exco expects them to generate meaningful earnings contributions over a multi-year horizon as operations mature and scale efficiencies 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 has been 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 in late fiscal 2025;
- 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.

The Automotive Solutions segment reported sales of $79.3 million in the first quarter, an increase of $7.2 million, or 10%, compared to the same quarter last year. The impact of foreign exchange rates was negligible, increasing sales by $0.3 million. The sales increase was driven by relatively stable automotive production volumes in North America and Europe, new product launches, a favorable vehicle mix, and higher de-stocking of certain accessory products in the inventory channel in the prior-year quarter. Production volumes have stabilized; however, growth is expected to remain tempered in the near term by softening global economic conditions, as ongoing tariff threats continue to influence non-U.S.-based OEMs. Offsetting these challenges, central banks are expected to lower interest rates gradually over the next 12 months, dealer inventory levels have increased but remain below pre-COVID levels, vehicle fleets continue to age, and OEM incentives are rising. Exco's sales volumes are expected to benefit from recent and future program launches, which should drive continued growth in content per vehicle. Quoting activity remains encouraging, and management believes there is ample opportunity to achieve targeted growth objectives.

The Casting and Extrusion segment generated first quarter sales of $70.2 million, down $1.3 million, or 2%, compared to the same quarter last year. Favorable foreign exchange movements contributed $0.7 million to sales during the quarter. Extrusion tooling sales continued to perform well compared to the prior year quarter, supported by a broad range of end markets including building and construction, transportation, sustainable energy, and electrical components. Management remains focused on executing initiatives to standardize manufacturing practices, deepen engineering capabilities, and centralize key support functions across operations. These efforts have resulted in shorter lead times, improved product quality, expanded product offerings, and increased capacity, supporting share gains in core markets. Sales in the die-cast tooling business, which primarily serves automotive customers, declined versus the prior year quarter as OEMs deferred new program launches amid softer EV demand, regulatory uncertainty, and tariff-related considerations. Many manufacturers have shifted emphasis toward hybrid and smaller internal combustion engine platforms, extending existing vehicle programs, which reduced near term tooling needs. Nonetheless, Die-cast quoting activity and orders improved in the first quarter, and demand for Exco's additive (3D-printed) tooling remains strong as customers seek higher manufacturing efficiency and solutions for larger, more complex tooling requirements, including giga-press applications. Looking forward, Exco is well positioned to benefit as tariff changes create competitive challenges for non-USMCA die-cast tooling suppliers, opening opportunities for domestic and near shore sourcing. Management also remains focused on expanding the Company's newer operations in Morocco, Mexico, and Europe, which are expected to further strengthen Exco's market presence and performance.

Consolidated net income for the first quarter was $4.8 million or basic and diluted earnings of $0.13 per share compared to $4.2 million or $0.11 per share in the same quarter last year. The consolidated effective income tax rate for the current quarter was 31.8% compared to 35.8% for the prior year period. The change in income tax rate in the quarter was impacted by geographic distribution, foreign tax rate differentials and losses that cannot be tax affected for accounting purposes.

The Automotive Solutions segment reported pretax profit of $6.5 million for the quarter, an increase of $1.8 million, or 37%, compared with the same quarter last year. The improvement in the first quarter was driven by higher sales volumes and a more favorable vehicle mix, which enhanced overhead absorption. Labour costs in Mexico have remained a significant challenge in recent years and continue to face additional pressure from government mandated increases to minimum wages. In response, management has placed strong emphasis on productivity improvements to offset these cost pressures, enabling overall labour costs to remain in line with the prior year quarter. Beyond these factors, management remains cautiously optimistic that the segment's cost structure will continue to support margin improvement as production volumes stabilize and new program launches—priced to reflect higher economic and input costs—contribute positively to performance. Pricing discipline remains a key focus, with actions taken where feasible, particularly on new programs, to align pricing with anticipated future cost increases.

The Casting and Extrusion segment generated pretax profit of $3.5 million during the quarter, down $0.2 million, or 6%, compared with the same quarter last year. The modest decline was primarily attributable to lower sales volumes, changes in product mix, higher direct labour and overhead costs—including under-absorption of fixed costs during the period—and increased depreciation. Management continues to advance strategic pricing actions and operational efficiency initiatives across the segment, including the ongoing implementation of lean manufacturing practices and expanded automation to drive productivity through process standardization and waste reduction. Castool's greenfield facilities and Extrusion Germany operations performance weighed on overall segment profitability during the quarter. Management remains focused on standardizing manufacturing processes, enhancing engineering capabilities, and centralizing key support functions across all operations. These efforts have contributed to shorter lead times, improved product quality, broader product offerings, and increased capacity. With the recent improvement in demand for die cast tooling, continued emphasis on cost control, operational excellence, and targeted sales initiatives, management expects segment profitability to improve over time.

The Corporate segment expenses were $1.9 million in the quarter compared to $0.4 million in the prior year quarter due primarily to foreign exchange losses relating to the strengthening CAD dollar on balance sheet accounts at quarter end. Consolidated EBITDA for the first quarter totaled $17.4 million compared to $16.7 million in the same quarter last year. EBITDA as a percentage of sales remained the same as the prior year quarter at 11.6%. The EBITDA margin in the Casting and Extrusion segment was 15.3% compared to 14.6% last year while the EBITDA margin in the Automotive Solutions segment was 10.7% compared to 9.3% last year.

Financial Resources, Liquidity and Capital Resources

Operating cash flow before net change in non-cash working capital totaled $15.1 million in the first quarter compared to $14.4 million in the same period last year. The $0.7 million improvement was driven by a $0.6 million increase in net income and a $0.6 million increase in depreciation partially offset by $0.5 million decrease in interest expense. Non-cash working capital consumed $4.9 million of cash in the quarter compared to $4.0 million in the same quarter last year. The non-cash working capital changes were driven by changes in inventory offset by lower accounts payable and accruals. Consequently, net cash provided by operating activities amounted to $10.2 million in the current quarter compared to $10.4 million in the same quarter last year.

Cash used in financing activities in the current quarter was $4.0 million compared to cash used in financing of $15.0 million in the same quarter last year. The primary driver of this variance is the increase of 1.8 million in bank and long-term debt compared to the decrease of $9.3 million in the prior year quarter. Cash used in financing was also impacted by $0.5 million lower interest paid offset by $0.5 million higher share repurchase under the Normal Course Issuer Bid.

Cash used in investing activities was $4.5 million in the current quarter, compared to $7.7 million in the prior-year quarter. Following several years of significant growth related capital expenditures, the Company intends to reducing capital spending and focus on improving the performance of existing assets. Growth capital expenditures totaled $0.2 million, while maintenance capital expenditures were $4.3 million. Management's capital spending forecast for the fiscal year is $28.0 million, compared to actual capital expenditures of $36.0 million in fiscal 2025.

The Company's financial position and liquidity remains strong. Exco's net debt position (totaling long-term debt and bank indebtedness net of cash) totaled $67.1 million as at December 31, 2025 remains unchanged from September 30, 2025. The Company generated Free Cash Flow of $4.8 million and paid dividends of $4.0 million. First quarter growth capital expenditures of $0.2 million decreased from $2.5 million in the prior year quarter. Exco's principal sources of liquidity include Free Cash Flow, cash of $24.6 million and $59.8 million of availability under its $151 million committed credit facility which matures March 2027. Pursuant to the terms of the credit facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at December 31, 2025.

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.

	December 31, 2025			
	Total	< 1 year	1-3 years	4-5 years
Bank Indebtedness	$ 1,778	$ 1,778	$ -	$ -
Trade accounts payable	39,174	39,174	-	-
Long term debt	90,000	-	90,000	-
Lease commitments	9,261	1,105	2,047	6,109
Purchase commitments	39,606	39,606		
Capital expenditures	4,088	4,088		
	$ 183,907	$ 85,751	$ 92,047	$ 6,109

Quarterly results

The following table sets out financial information for each of the eight quarters through to the first quarter ended December 31, 2025:

($ thousands except per share amounts)	December 31, 2025	September 30, 2025	June 30, 2025	March 31,2025
Sales	$149,522	$150,696	$154,882	$166,117
Net income	$4,832	$8,227	$5,399	$6,421
Earnings per share				
Basic	$0.13	$0.22	$0.14	$0.17
Diluted	$0.13	$0.22	$0.14	$0.17

($ thousands except per share amounts)	December 31, 2024	September 30, 2024	June 30, 2024	March 31,2024
Sales	$143,568	$155,447	$161,809	$163,825
Net income	$4,245	$7,734	$8,176	$8,066
Earnings per share				
Basic	$0.11	$0.20	$0.21	$0.21
Diluted	$0.11	$0.20	$0.21	$0.21

Exco typically experiences softer sales and profits in the first fiscal quarter ending December 31, 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 quarters ending June 2025 and September 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 latter quarter.

Non-IFRS Measures

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

	Three Months ended December 31	
	2025	2024
Net income	**$4,832**	$4,245
Provision for income tax	**2,258**	2,372
Income before income tax	**7,090**	6,617
Depreciation	**8,153**	7,562
Amortization	**1,093**	1,077
Net interest expense	**1,014**	1,455
EBITDA	**$17,350**	$16,711
Sales	**$149,522**	$143,568
EBITDA margin	**11.6%**	11.6%
Cash provided by operating activities	**$10,166**	$10,393
Interest	**(1,014)**	(1,455)
Maintenance fixed asset additions	**(4,308)**	(5,161)
Free Cash Flow	**$4,844**	$3,777

Quarterly Segment EBITDA Margin	Casting and Extrusion Three months ended December 31		Automotive Solutions Three months ended December 31	
	2025	2024	**2025**	2024
Pretax profit	**3,506**	3,740	**6,517**	4,762
Depreciation	**6,881**	6,358	**1,248**	1,204
Amortization	**375**	357	**718**	720
EBITDA	**10,762**	10,455	**8,483**	6,686
Sales	**70,190**	71,443	**79,332**	72,125
EBITDA Margin	**15.3%**	14.6%	**10.7%**	9.3%

Accounting Changes and Effective Dates

There were no accounting policy changes effective October 1, 2025 that have a material impact to the Company's reporting.

Controls and Procedures

Based on the current Canadian Securities Administrators (the "CSA") rules under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer (or individuals performing similar functions as a chief executive officer or chief financial officer) are required to certify as at December 31, 2025 that they are responsible for establishing and maintaining disclosure controls and procedure and internal control over financial reporting.

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

Outstanding Share Capital

As at December 31, 2025 Exco had 37,924,832 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.

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.

Forward looking information

This Management Discussion and Analysis contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. 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, are forward-looking statements and the impact on Exco's business operations, future plans, activities, objectives, operations, strategy, business outlook and financial performance and condition of the Corporation. These forward-looking statements include known and unknown risks, uncertainties, assumptions and other factors which may cause actual results or achievements to be materially different from those expressed or implied. These forward-looking statements are based on our plans, intentions or expectations which are based on, among other things, the 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 local economic interests, 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. Readers are cautioned not to place undue reliance on forward-looking statements throughout this document and are also cautioned that the foregoing list of important factors is not exhaustive. The Company will update its disclosure upon publication of each fiscal quarter's financial results and otherwise disclaims any obligations to update publicly or otherwise revise any such factors or any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise. For a more extensive discussion of Exco's risks and uncertainties see the 'Risks and Uncertainties' section in our latest Annual Report, Annual Information Form ("AIF") and other reports and securities filings made by the Company. This information is available at www.sedarplus.ca or www.excocorp.com.*

NOTICE TO READER

The attached unaudited condensed interim consolidated financial statements have been prepared by management of the Company. The condensed interim consolidated financial statements for the three month period ended December 31, 2025 and 2024 have not been reviewed by the auditors of the Company.

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

	As at December 31, 2025	As at September 30, 2025
ASSETS		
Current		
Cash and cash equivalents	**$24,629**	$22,871
Accounts receivable	**103,579**	114,918
Inventories	**104,642**	103,062
Prepaid expenses and deposits	**4,201**	5,188
Derivative instruments	**997**	617
Income taxes recoverable	**2,316**	2,057
Total current assets	**240,364**	248,713
Property, plant and equipment, net (note 4)	**231,607**	237,132
Intangible assets, net (note 5)	**23,968**	25,325
Goodwill (note 5)	**98,138**	99,626
Deferred tax assets	**3,435**	3,445
Total assets	**$597,512**	$614,241
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$1,778**	$-
Trade accounts payable	**39,174**	46,906
Accrued payroll liabilities	**13,423**	18,775
Other accrued liabilities	**12,592**	13,459
Provisions	**10,364**	10,705
Customer advance payments	**2,835**	2,314
Total current liabilities	**80,166**	92,159
Lease liabilities- long-term portion	**6,992**	7,127
Long-term debt (note 7)	**90,000**	90,000
Deferred tax liabilities	**17,732**	17,705
Total liabilities	**194,890**	206,991
Shareholders' equity		
Share capital (note 8)	**47,529**	47,664
Contributed surplus	**6,133**	6,112
Accumulated other comprehensive income	**32,635**	37,402
Retained earnings	**316,325**	316,072
Total shareholders' equity	**402,622**	407,250
Total liabilities and shareholders' equity	**$597,512**	$614,241

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

EXCO TECHNOLOGIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)
$ (000)'s except for income per common share

	Three months ended December 31	
	2025	2024
Sales	**$149,522**	$143,568
Cost of sales	**118,246**	116,199
Selling, general and administrative expenses	**13,951**	10,688
Depreciation (note 4)	**8,153**	7,562
Amortization (note 5)	**1,093**	1,077
Gain on disposal of property, plant and equipment	**(25)**	(30)
Interest expense, net	**1,014**	1,455
	142,432	136,951
Income before income taxes	**7,090**	6,617
Provision for income taxes (note 11)	**2,258**	2,372
Net income for the period	**4,832**	4,245
Other comprehensive income		
Items that may be reclassified to profit or loss in subsequent periods:		
Net unrealized gain (loss) on derivatives designated as cash flow hedges (a)	**280**	(1,807)
Unrealized gain (loss) on foreign currency translation	**(5,047)**	10,296
	(4,767)	8,489
Comprehensive income	**$65**	$12,734
Income per common share		
Basic	**$0.13**	$0.11
Diluted	**$0.13**	$0.11
Weighted average number of common shares outstanding (,000)'s		
Basic	**37,937**	38,534
Diluted	**37,937**	38,534

(a) Net of income tax receivable of $100 for the three- month period ended December 31, 2025 (2024 - net of income tax receivable of $645 for the three- period ended December 31, 2024)

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

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

				Accumulated other comprehensive income			
	Share capital	**Contributed surplus**	**Retained earnings**	**Net unrealized gain on derivatives designated as cash flow hedges**	**Unrealized gain (loss) on foreign currency translation**	**Total accumulated other comprehensive income (loss)**	**Total shareholders' equity**
Balance, October 1, 2025	**$47,664**	**$6,112**	**$316,072**	**$453**	**$36,949**	**$37,402**	**$407,250**
Net income for the period	**-**	**-**	**4,832**	**-**	**-**	**-**	**4,832**
Dividend paid (note 3)	**-**	**-**	**(3,982)**	**-**	**-**	**-**	**(3,982)**
Stock option expense	**-**	**21**	**-**	**-**	**-**	**-**	**21**
Repurchase of share capital (note 8)	**(135)**	**-**	**(597)**	**-**	**-**	**-**	**(732)**
Other comprehensive income (loss)	**-**	**-**	**-**	**280**	**(5,047)**	**(4,767)**	**(4,767)**
Balance, December 31, 2025	**$47,529**	**$6,133**	**$316,325**	**$733**	**$31,902**	**$32,635**	**$402,622**

				Accumulated other comprehensive income			
	Share capital	**Contributed surplus**	**Retained earnings**	**Net unrealized gain (loss) on derivatives designated as cash flow hedges**	**Unrealized gain (loss) on foreign currency translation**	**Total accumulated other comprehensive income (loss)**	**Total shareholders' equity**
Balance, October 1, 2024	**$48,315**	**$6,010**	**$310,699**	**($634)**	**$16,882**	**$16,248**	**$381,272**
Net income for the period	**-**	**-**	**4,245**	**-**	**-**	**-**	**4,245**
Dividend paid (note 3)	**-**	**-**	**(4,046)**	**-**	**-**	**-**	**(4,046)**
Stock option expense	**-**	**43**	**-**	**-**	**-**	**-**	**43**
Repurchase of share capital (note 8)	**(25)**	**-**	**(132)**	**-**	**-**	**-**	**(157)**
Other comprehensive (loss)	**-**	**-**	**-**	**(1,807)**	**10,296**	**8,489**	**8,489**
Balance, December 31, 2024	**$48,290**	**$6,053**	**$310,766**	**($2,441)**	**$27,178**	**$24,737**	**$389,846**
Net income for the period	**-**	**-**	**6,421**	**-**	**-**	**-**	**6,421**
Dividend paid (note 3)			**(4,031)**			**-**	**(4,031)**
Stock option expense		**24**				**-**	**24**
Repurchase of share capital (note 8)	**(171)**		**(745)**				**(916)**
Other comprehensive (loss)				**859**	**6,239**	**7,098**	**7,098**
Balance, March 31, 2025	**$48,119**	**$6,077**	**$312,411**	**($1,582)**	**$33,417**	**$31,835**	**$398,442**
Net income for the period	**-**	**-**	**5,399**	**-**	**-**	**-**	**5,399**
Dividends paid (note 3)	**-**	**-**	**(4,014)**	**-**	**-**	**-**	**(4,014)**
Stock option expense	**-**	**11**	**-**	**-**	**-**	**-**	**11**
Repurchase of share capital (note 8)	**(208)**		**(861)**	**-**	**-**	**-**	**(1,069)**
Other comprehensive income (loss)	**-**	**-**	**-**	**1,884**	**(4,387)**	**(2,503)**	**(2,503)**
Balance, June 30, 2025	**$47,911**	**$6,088**	**$312,935**	**$302**	**$29,030**	**$29,332**	**$396,266**
Net income for the period			**8,227**	**-**	**-**	**-**	**8,227**
Dividends (note 3)			**(3,998)**	**-**	**-**	**-**	**(3,998)**
Stock option expense		**24**	**-**	**-**	**-**	**-**	**24**
Repurchase of share capital (note 8)	**(247)**		**(1,092)**	**-**	**-**	**-**	**(1,339)**
Other comprehensive income (loss)	**-**	**-**	**-**	**151**	**7,919**	**8,070**	**8,070**
Balance, September 30, 2025	**$47,664**	**$6,112**	**$316,072**	**$453**	**$36,949**	**$37,402**	**$407,250**

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

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

	Three months ended December 31	
	2025	2024
OPERATING ACTIVITIES:		
Net income for the period	**$4,832**	$4,245
Add non-operating and items not involving a current outlay of cash		
Depreciation	**8,153**	7,562
Amortization	**1,093**	1,077
Stock-based compensation	**196**	124
Deferred income taxes	**(162)**	(14)
Net interest expense	**1,014**	1,455
Gain on disposal of property, plant and equipment	**(25)**	(30)
	15,101	14,419
Net change in non-cash working capital (note 10)	**(4,935)**	(4,026)
Cash provided by operating activities	**10,166**	10,393
FINANCING ACTIVITIES:		
Increase in bank indebtedness	**1,778**	673
Repayment of long-term debt	**-**	(10,000)
Interest paid, net	**(1,014)**	(1,455)
Dividends paid	**(3,982)**	(4,046)
Repurchase of share capital	**(732)**	(157)
Cash used in financing activities	**(3,950)**	(14,985)
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	**(4,420)**	(7,710)
Purchase of intangible assets	**(89)**	(78)
Proceeds from disposal of property, plant and equipment	**40**	121
Cash used in investing activities	**(4,469)**	(7,667)
Effect of exchange rate changes on cash and cash equivalents	**11**	(182)
Net increase (decrease) in cash during the period	**1,758**	(12,441)
Cash, beginning of period	**22,871**	31,637
Cash, end of period	**$24,629**	$19,196

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

1. CORPORATE INFORMATION

Exco Technologies Limited (the "Company") is a global designer, developer and manufacturer of dies, moulds, components and assemblies, and consumable equipment for the die-cast, extrusion and automotive industries. Through 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. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation
These unaudited condensed interim consolidated financial statements present the Company's financial results of operations and financial position as at and for the three - month period ended December 31, 2025 and have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The accounting policies used in preparing these unaudited condensed interim financial statements are consistent with those used in the preparation of the 2025 audited annual consolidated financial statements.

The Company's preparation of unaudited condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the application of the Company's accounting policies. The Company's critical accounting estimates are affected as a result of the global tariff uncertainty, various ongoing economic, geopolitical and social impacts, 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 and the carrying values of our assets and liabilities. 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 future 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.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2025 audited annual consolidated financial statements, which are available at www.sedarplus.ca and on the Corporation's website at www.excocorp.com. The unaudited condensed interim consolidated financial statements and accompanying notes for the three - month period ended December 31, 2025 were authorized for issue by the Board of Directors on January 28, 2026.

3. CASH DIVIDEND

During the three- month period ended December 31, 2025, the Company paid quarterly cash dividends totaling $3,982 (2024 - $4,245). The quarterly dividend rate in the first quarter of 2026 was $0.105 per common share (2025 - $0.105).

$(000)'s except per share amounts

4. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
Cost							
Balance as at September 30, 2025	339,632	31,384	124,431	15,423	14,671	11,032	536,573
Additions	474	549	571	-	2,548	278	4,420
Less: disposals	(941)	(99)	-	-	-	(53)	(1,093)
Reclassification	8,448	463	16	-	(8,927)	-	-
Foreign exchange movement	(2,255)	(226)	(945)	(133)	(139)	(156)	(3,854)
Balance as at December 31, 2025	**345,358**	**32,071**	**124,073**	**15,290**	**8,153**	**11,101**	**536,046**

	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
Accumulated depreciation and impairment losses							
Balance as at September 30, 2025	212,457	23,235	60,548	-	-	3,201	299,441
Depreciation	5,974	723	1,217	-	-	239	8,153
Less: disposals	(926)	(99)	-	-	-	(53)	(1,078)
Foreign exchange movement	(1,432)	(179)	(420)	-	-	(46)	(2,077)
Balance as at December 31, 2025	**216,073**	**23,680**	**61,345**	**-**	**-**	**3,341**	**304,439**

Carrying amounts	Machinery and Equipment	Tools	Buildings	Land	Assets under Construction	Right of Use Assets	TOTAL
As at September 30, 2025	127,175	8,149	63,883	15,423	14,671	7,831	237,132
As at December 31, 2025	**129,285**	**8,391**	**62,728**	**15,290**	**8,153**	**7,760**	**231,607**

5. INTANGIBLE ASSETS AND GOODWILL

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Cost					
Balance as at September 30, 2025	$9,944	$60,902	$147	$70,993	$99,626
Additions	89	-	-	89	-
Less: disposals	-	-	-	-	-
Reclassification	111	-	(111)	-	-
Foreign exchange movement	(52)	(863)	(1)	(916)	(1,488)
Balance as at December 31, 2025	**$10,092**	**$60,039**	**$35**	**$70,166**	**$98,138**

$(000)'s except per share amounts

	Computer Software and Other	Acquisition Intangibles*	Assets under Construction (Software)	Total Intangible Assets	Goodwill
Accumulated amortization and impairment losses					
Balance as at September 30, 2025	$8,614	$37,054	$-	$45,668	$-
Amortization for the period	210	883	-	1,093	-
Less: disposals	-	-	-	-	-
Foreign exchange movement	(47)	(516)	-	(563)	-
Balance as at December 31, 2025	**$8,777**	**$37,421**	**$-**	**$46,198**	**$-**
Carrying amounts					
As at September 30, 2025	$1,330	$23,848	$147	$25,325	$99,626
As at December 31, 2025	**$1,315**	**$22,618**	**$35**	**$23,968**	**$98,138**

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

6. FINANCIAL INSTRUMENTS

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

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

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

During the three- month period ended December 31, 2025 there were no transfers between Level 1 and Level 2 fair value measurements.

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

	December 31, 2025		September 30, 2025	
	Carrying Amount of Asset (Liability)	**Fair Value of Asset (Liability)**	Carrying Amount of Asset (Liability)	Fair Value of Asset (Liability)
Cash and cash equivalents	**$24,629**	**$24,629**	$22,871	$22,871
Accounts receivable	**103,579**	**103,579**	114,918	114,918
Bank indebtedness	**(1,778)**	**(1,778)**		
Trade accounts payable	**(39,174)**	**(39,174)**	(46,906)	(46,906)
Customer advance payments	**(2,835)**	**(2,835)**	(2,314)	(2,314)
Accrued liabilities	**(26,015)**	**(26,015)**	(32,234)	(32,234)
Derivative instruments	**997**	**997**	617	617
Long-term debt	**($90,000)**	**($90,000)**	($90,000)	($90,000)

7. LONG-TERM DEBT

On March 25, 2024, the Company renewed the Committed Revolving Credit Facility ("the Credit Facility") of $150,000 to extend the maturity date to March 25, 2027. As at December 31, 2025, $91,778 was utilized (September 30, 2025 - $90,000). The facility is collateralized by a general security agreement covering all assets of the Company's subsidiaries located in Canada and the US, with the exception of real property.

The Credit Facility is available to fund working capital, capital expenditures and other general corporate purposes of the Company and its subsidiaries, including acquisitions. Interest rates vary based on prime, bankers' acceptance or CORRA base rates plus a relevant margin depending on the level of the Company's net leverage ratio and as at December 31, 2025 average interest rate was 4.2% (Q1-2025 - 5.2%).

Pursuant to the terms of the Credit Facility, Exco is required to maintain compliance with certain financial covenants. The Company was in compliance with these covenants as at December 31, 2025.

8. SHARE CAPITAL

In each of February 2025 and 2024 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 and 1,780,000 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 first quarter 107,880 common shares were repurchased (2025- 19,850).

As at December 31, 2025 the Company had 37,924,832 common shares issued and outstanding.

9. SEGMENTED INFORMATION

Business segments
The Company operates in two reportable business segments: Casting and Extrusion Technology ("Casting and Extrusion") and Automotive Solutions.

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.

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

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

$(000)'s except per share amounts

	Three Months Ended December 31, 2025			
	Casting and Extrusion	**Automotive Solutions**	**Corporate**	**Total**
Sales	**$75,669**	**$79,592**	**$-**	**$155,261**
Intercompany sales	**(5,479)**	**(260)**	**-**	**(5,739)**
Net sales	**70,190**	**79,332**	**-**	**149,522**
Depreciation	**6,881**	**1,248**	**24**	**8,153**
Amortization	**375**	**718**	**-**	**1,093**
Segment pre-tax income (loss) before interest	**3,506**	**6,517**	**(1,919)**	**8,104**
Net interest expense				**(1,014)**
Income before income taxes				**7,090**
Property, plant and equipment additions	**2,954**	**1,450**	**16**	**4,420**
Property, plant and equipment, net	**187,653**	**42,736**	**1,218**	**231,607**
Intangible asset additions	**50**	**39**	**-**	**89**
Intangible assets, net	**9,602**	**14,366**	**-**	**23,968**
Goodwill	**31,318**	**66,820**	**-**	**98,138**
Total assets	**396,313**	**233,814**	**(32,615)**	**597,512**
Total liabilities	**4869**	**50,085**	**96,106**	**194,890**

	Three Months Ended December 31, 2024			
	Casting and Extrusion	Automotive Solutions	Corporate	Total
Sales	$77,459	$72,766	$-	$150,225
Intercompany sales	(6,016)	(641)	-	(6,657)
Net sales	71,443	72,125	-	143,568
Depreciation	6,358	1,204	-	7,562
Amortization	357	720	-	1,077
Segment pre-tax income (loss) before interest	3,740	4,762	(430)	8,072
Net interest expense				(1,455)
Income before income taxes				6,617
Property, plant and equipment additions	6,305	1,273	132	7,710
Property, plant and equipment, net	190,177	38,053	1,299	229,529
Intangible asset additions	73	5	-	78
Intangible assets, net	10,009	17,861	-	27,870
Goodwill	29,058	67,114	-	96,172
Total assets	400,162	227,061	(32,219)	595,004
Total liabilities	54,009	47,144	104,005	205,158

$(000)'s except per share amounts

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	Three Months Ended December 31	
	2025	**2024**
Accounts receivable	**$10,276**	$8,553
Inventories	**(2,716)**	2,547
Prepaid expenses and deposits	**939**	675
Trade accounts payable	**(7,176)**	(7,655)
Accrued payroll and taxes	**(5,145)**	(5,784)
Other accrued liabilities	**(1,027)**	(1,710)
Provisions	**(341)**	87
Customer advance payments	**551**	267
Income taxes payable	**(296)**	(1,006)
	($4,935)	($4,026)

11. INCOME TAXES

The consolidated effective income tax rates for the three- month period ended December 31, 2025 was 31.8% (three- month period ended December 31, 2025 – 35.8%). The change in income tax rate in the quarter was impacted by geographic distribution, foreign tax rate differentials and losses that cannot be tax affected for accounting purposes.

CORPORATE INFORMATION

Exco Technologies Limited is a global supplier of innovative technologies servicing the die-cast, extrusion and automotive industries. Through our 21 strategic locations in 9 countries, we employ approximately 4,500 people and service a diverse and broad customer base.

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