

XPEL Announces Second Quarter Results

San Antonio, TX – August 31, 2015 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint and headlamp protection films, announced results for the quarter and six months ended June 30, 2015.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, “We have seen continued momentum in the second quarter with solid growth and the completion of the integration of Parasol Canada, which we acquired in the first quarter.”

For the Quarter Ended June 30, 2015:

Revenue: Revenue in the second quarter of fiscal 2015 was \$11.3 million, a 35% increase as compared to revenue of \$8.3 million in the same prior year quarter and a 40% increase sequentially as compared to the first quarter.

Gross Margin: Gross profit as a percentage of sales remained unchanged at 30%.

Expenses: Selling, general and administrative expenses as a percentage of revenue was 21%, up slightly as compared to 18% in the second quarter of 2014 and a sequential decline as compared to 25% in the first quarter of 2015.

Net Earnings: Net income for the fiscal 2015 second quarter was \$605,653 or \$0.02 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of \$595,229, or \$0.02 per basic and diluted share based on 25,784,950 shares outstanding, for the corresponding prior year period.

For the Six Months Ended June 30, 2015:

Revenue: Revenue in the first six months of fiscal 2015 was \$19.4 million, a 42% increase as compared to revenue of \$13.6 million in the same prior year period.

Gross Margin: Gross profit as a percentage of revenue increased slightly to 32% from 31% in the same prior year period.

Expenses: Selling, general and administrative expenses as a percentage of revenue was 23%, up from 19% in the same prior year period.

Net Earnings: Net income for the first six months of fiscal 2015 was \$1,277,861, or \$0.05 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of \$1,054,514, or \$0.04 per basic and diluted share based on 25,784,950 shares outstanding, for the corresponding prior year period.

Mr. Pape continued, “In addition to good growth in the U.S., our direct presence in Canada and Europe generated strong revenue growth in both regions, despite pressure from the U.S. Dollar. Elsewhere, the impact of foreign currency on our distributors and the reorganization of our distribution in China reduced growth in the quarter. Across our international subsidiaries, net income would have increased over \$300,000 if the relevant exchange rates were at their prior year rates.”

“The continued expansion of our U.S. sales and marketing programs combined with the distribution changes in Canada and China position us well to continue our differentiated, premium offering as the business grows and we introduce additional products and services.”

CONFERENCE CALL INFORMATION

The Company will host a conference call to discuss the second quarter and six month results today, August 31, 2015 at 11:00 a.m. Eastern Time.

To access the live webcast, log onto the XPEL Technologies website at <http://www.xpel.com>, and click on "Investor Relations".

To participate in the call by phone, dial (877) 407-8033 approximately five minutes prior to the scheduled start time. International callers please dial (201) 689-8033.

A replay of the teleconference will be available until October 1, 2015 and may be accessed by dialing (877) 660-6853. International callers may dial (201) 612-7415. Callers should use conference ID: 13618384.

About XPEL Technologies Corp.

XPEL is the leading supplier of automotive paint and headlamp protection films with over 70,000 vehicle-specific applications and a worldwide network of trained installers. XPEL is the developer of the Design Access Program software, and manufacturer of XPEL™ Automotive Paint and Headlamp Protection Products. XPEL has forged the cutting-edge of automotive protection technology, and leads the industry in quality, technical support and customer service. Additional information can be found on the Company's website at www.xpel.com

Safe harbor statement

This release includes forward-looking statements regarding XPEL Technologies Corp. and its business, which may include, but is not limited to, anticipated use of proceeds from capital transactions, expansion into new markets, and execution of the company's growth strategy. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "is expected," "expects," "scheduled," "intends," "contemplates," "anticipates," "believes," "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of XPEL. The forward-looking events and circumstances discussed in this release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company, performance and acceptance of the company's products, economic factors, competition, the equity markets generally and many other factors beyond the control of XPEL. Although XPEL has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and XPEL undertakes no obligation to publicly update

or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information contact:

Ryan Pape
Chief Executive Officer
Phone: (210) 678-3700

John Nesbett/Jennifer Belodeau
Institutional Marketing Services (IMS)
Phone: (203) 972-9200
Email: jnesbett@institutionalms.com

XPEL TECHNOLOGIES CORP.
Statement of Comprehensive Income
(Expressed in United States Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue	\$ 11,289,975	\$ 8,348,309	\$ 19,423,906	\$ 13,620,182
Expenses				
Direct costs	7,932,833	5,881,637	13,220,727	9,374,375
Selling, general and administrative	2,378,526	1,494,582	4,403,057	2,627,755
Unrealized foreign currency gain	(36,774)	-	(31,640)	-
Income from operations	1,015,390	972,090	1,831,762	1,618,052
Interest expense	62,700	4,861	100,864	7,403
Loss on sale of property, plant and equipment	2,037	-	2,037	(865)
	<u>64,737</u>	<u>4,861</u>	<u>102,901</u>	<u>6,538</u>
Net income before income tax	950,653	967,229	1,728,861	1,611,514
Provision for income tax				
Deferred income tax expense	153,000	40,000	259,000	27,000
Current income tax expense	192,000	332,000	192,000	530,000
Net Income	\$ 605,653	\$ 595,229	\$ 1,277,861	\$ 1,054,514
Exchange differences on translating foreign operations	45,849	-	(71,389)	-
Total comprehensive income	\$ <u>651,502</u>	\$ <u>595,229</u>	\$ <u>1,206,472</u>	\$ <u>1,054,514</u>
Net income attributable to equity holders of the Company	610,139	595,229	1,307,582	1,054,514
Non-controlling interest	<u>(4,486)</u>	<u>-</u>	<u>(29,721)</u>	<u>-</u>
	605,653	595,229	1,277,861	1,054,514
Earnings per share				
Basic and diluted	\$ 0.023	\$ 0.023	\$ 0.050	\$ 0.041
Weighted average number of common shares outstanding	25,784,950	25,784,950	25,784,950	25,784,950

XPEL TECHNOLOGIES CORP.
Condensed Consolidated Balance Sheet
(Expressed in United States Dollars)
(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Current		
Cash and cash equivalents	\$ 2,624,017	\$ 1,474,130
Accounts receivable	4,319,569	2,287,342
Inventory	5,184,480	6,235,137
Prepaid expenses and sundry assets	688,358	347,472
Total current assets	12,816,424	10,344,081
Property, plant and equipment	1,019,685	790,343
Intangible assets	2,515,710	784,510
Deferred tax asset	--	163,000
Goodwill	1,686,258	526,243
Total assets	\$ 18,038,077	\$ 12,608,177
Liabilities		
Current		
Bank operating facility	\$ 1,600,000	\$ 900,000
Accounts payable and accrued liabilities	3,458,544	4,121,590
Income Tax Payable	192,000	--
Customer deposits	12,350	12,350
Vehicle notes payable	101,670	90,413
Current portion of Promissory note	388,650	-
Current portion of Bank loan payable	380,000	-
Total current liabilities	6,133,214	5,124,353
Promissory note	1,267,239	-
Bank loan payable	1,393,334	-
Deferred tax liability	553,994	-
Total liabilities	9,347,781	5,124,353
Equity		
Capital stock	6,635,133	6,635,133
Contributed surplus	2,165,130	2,165,130
Accumulated other comprehensive income	(87,110)	(15,721)
Deficit	(80,400)	(1,387,982)
	8,632,753	7,396,560
Non-controlling interest	57,543	87,264
Total liabilities and equity	\$ 18,038,077	\$ 12,608,177