

XPEL Reports First Quarter Revenue Growth of 12%

San Antonio, TX – May 25, 2017 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint protection and window films, announced results for the first quarter ended March 31, 2017.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, “The first quarter was a transitional quarter for us. We saw the last of our litigation related legal expenses as well as the last of our supply interruption issues and related expenses, closing the quarter with record revenue in the month of March. We continue to see strong customer demand across all of our product lines.

“As a continuation of our core ‘Get Close to the Customer’ strategy, during the quarter we established a new warehouse location in Dubai, UAE which places inventory closer to our customers in this area giving them the ability to significantly shorten their sales cycles and drive the acceleration of revenue in this underpenetrated market,” Pape said. Due to timing, the establishment of the Dubai warehouse reduced revenue growth by approximately 4% for the quarter.

During the quarter, XPEL hosted a successful dealer conference that was attended by nearly 200 customers. “Not only did our dealer conference jump start our selling season, but it gave us the opportunity to engage with our customers to exchange valuable information and ideas which will ultimately enhance their businesses and enable XPEL to better meet their needs,” Pape stated.

Mr. Pape concluded, “We accomplished some big priorities in the first quarter and I am more excited than ever about our momentum and prospects for accelerated top and bottom line growth in the months to come.”

For the Quarter Ended March 31, 2017:

Revenue: Revenue in the first quarter of fiscal 2017 was \$12.6 million, an 11.8% increase compared to revenue of \$11.3 million in the prior year. The revenue increase is primarily related to increased sales of XPEL’s core products of automotive protection film and window tint.

Gross Margin: Gross profit as a percentage of sales was 26.4% as compared to 29.1% in the first quarter last year. Gross profit in the quarter was impacted by higher warranty costs which the company expects to decrease in future quarters. Direct costs include the costs of our physical goods, the costs related to our Design Access Program software, and the costs of labor directly associated with the production of product.

Expenses: Selling, general and administrative expenses increased to \$3.3 million or 26.3% of revenue as compared to \$2.4 million or 20.9% of revenue in the first quarter of 2016. The expense increase in the quarter included non-recurring legal fees and costs associated with the Company-sponsored dealer conference.

EBITDA: Earnings Before Interest, Taxes Depreciation and Amortization (EBITDA) decreased to \$0.4 million as compared to EBITDA of \$1.1 million in the same prior year quarter.

Net Loss: Net loss for the fiscal 2017 first quarter was (\$0.065 million) or (\$0.002) per basic and diluted share, compared with net income of \$0.697 million or \$0.027 per basic and diluted share, for the corresponding prior year period.

Conference Call Information

The Company will host a conference call to discuss the first quarter results today, May 25, 2017, 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" under the "Company" header.

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 June 25, 2017 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 10376.

About XPEL Technologies Corp.

XPEL leads the industry in designing, manufacturing and distributing high-performance automotive paint and headlamp protection film technologies. Using XPEL's proprietary software and materials, our professional design team develops products that deliver the ultimate in vehicle protection, meeting the demands of a broad range of makes and models. With more than 70,000 vehicle-specific applications and a global network of trained installers, XPEL is dedicated to exceeding customer expectations in providing high-quality products, customer service and technical support. XPEL Technologies Corp. (TSXV: DAP.U) is publicly traded on the TSXV Exchange. Visit www.xpel.com for more information.

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.

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XPEL TECHNOLOGIES CORP.
Condensed Consolidated Statements of Income and Comprehensive Income
(Expressed in United States Dollars)
(unaudited)

	Three Months Ended March 31,	
	2017	2016
Revenue	\$ 12,630,467	\$ 11,299,191
Expenses		
Direct costs	9,297,709	8,012,303
Selling, general and administrative	3,317,780	2,361,280
Income from operations	14,978	925,608
Interest expense	48,181	66,011
Loss on sale of property, plant and equipment	-	364
Foreign exchange loss (gain)	6,392	11,395
	54,573	77,770
Net (loss) income before income taxes	(39,595)	847,838
Deferred income tax (recovery) expense	(22,839)	21,725
Current income tax expense	48,092	128,933
	25,253	150,658
Net (loss) income	\$ (64,848)	\$ 697,180
Items that may be reclassified to profit or loss:		
Cumulative differences on translation foreign operations	(165,621)	207,821
Total comprehensive (loss) income	\$ (230,469)	\$ 905,001
Net (loss) income attributable to:		
Shareholders of the Company	\$ (53,960)	\$ 708,709
Non-controlling interest	(10,888)	(11,529)
Net (loss) income	\$ (64,848)	\$ 697,180
Total comprehensive (loss) income attributable to:		
Shareholders of the Company	\$ (219,581)	\$ 916,530
Non-controlling interest	(10,888)	(11,529)
Total comprehensive (loss) income	\$ (230,469)	\$ 905,001
Earnings per Share attributable to owners of the parent		
Basic and diluted	\$ (0.002)	\$ 0.027
Weighted Average Number of Common Shares		
Basic and diluted	27,612,597	25,784,950

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

	March 31, 2017	March 31, 2016
Assets		
Current		
Cash and cash equivalents	\$ 3,044,801	\$ 1,861,089
Accounts receivable	4,749,376	4,754,524
Inventory	8,906,712	7,806,029
Prepaid expenses and other current assets	921,787	454,173
Income taxes receivable	72,553	72,553
Total current assets	17,695,229	14,948,368
Property, plant and equipment	1,339,585	1,352,120
Intangible assets	3,423,319	3,467,218
Deferred tax asset	136,547	135,363
Goodwill	1,903,047	1,891,948
Total assets	\$ 24,497,727	\$ 21,795,017
Liabilities		
Current		
Revolving line of credit	\$ 3,000,000	\$ 2,500,000
Accounts payable and accrued liabilities	6,061,789	5,859,981
Notes Payable	-	-
Income Tax Payable	48,363	168,690
Current portion of bank loan payable	571,709	565,678
Current portion of note payable– Acquisition 2015	351,829	349,686
Current portion of note payable– Acquisition 2016	98,841	98,841
Total current liabilities	10,132,531	9,542,876
Deferred tax liability	503,473	524,272
Bank loan payable	294,766	439,688
Note payable – Acquisition 2015	618,904	702,589
Note payable – Acquisition 2016	271,592	292,148
Total liabilities	11,821,266	11,501,573
Equity		
Capital stock	6,636,961	6,635,133
Contributed surplus	4,776,831	2,165,130
Accumulated other comprehensive loss	(999,346)	(833,725)
Retained Earnings	2,328,082	2,382,085
	12,742,528	10,348,623
Non-controlling interest	(66,067)	(55,179)
Total liabilities and equity	\$ 24,497,727	\$ 21,795,017

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS as issued by IASB, the Company also provides supplementary non-IFRS measures as a method of evaluating the Company's performance.

Management uses EBITDA as a measure of company-wide performance. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Management believes EBITDA is a useful measure to allow period-to-period comparison of the Company's operating performance. EBITDA does not have a standardized meaning under IFRS and is not necessarily comparable to measures presented by other Companies. EBITDA excludes components that are significant in understanding and assessing our results of operations and cash flows. EBITDA does not represent funds available for Management's discretionary use and is not intended to represent cash flow from operations. EBITDA should not be considered a substitute for Net Income prepared in accordance with IFRS as issued by the IASB.

EBITDA Reconciliation

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net (loss) income	(64,848)	697,180
Interest	48,181	66,011
Taxes	25,253	150,658
Depreciation	167,506	69,309
Amortization	231,754	192,281
EBITDA	407,846	1,175,439