

XPEL Reports Fourth Quarter Revenue Growth of 19%; Annual Revenues Grow 25%

San Antonio, TX – March 28, 2016 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint protection and window films, announced results for the fourth quarter and year ended December 31, 2016.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, “2016 was a solid year for our Company, characterized by strong revenue growth, improved net income and enhanced EBITDA performance. We continued to position ourselves both domestically and internationally to advance our strategy to get close to our end customers with our acquisition of Pro-Tect Film Distributing in Las Vegas, Nevada and with the addition of our Netherlands subsidiary.

“In a recent and important development, we were very pleased to announce last week that we have reached a settlement with 3M Company in our patent infringement lawsuit. We are excited to have this matter resolved so that we may return our full focus and resources to delivering the highest quality products and services to our customers.

“We continue to see strong demand and growth across our product lines, and we are making measurable progress with our initiatives to control our delivery model, leverage our distribution channels and expand our worldwide brand exposure. As we move through 2017, we believe we are well positioned to grow our market share and customer base while delivering value for our shareholders.”

For the Quarter Ended December 31, 2016:

Revenue: Revenue in the fourth quarter of fiscal 2016 was \$13.2 million, an 18.6% increase compared to revenue of \$11.2 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 23.9% as compared to 25.2% in the fourth quarter last year. 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. Beginning January 1, 2016, the Company has allocated more personnel cost to Direct Costs reflecting increased dedication of certain employees to the installation business. The effect of this revised methodology for the quarter was to increase direct costs by approximately \$0.31 million. Normalizing for the effect of the this change, gross margin for the quarter would have been 26.2%.

Expenses: Selling, general and administrative expenses increased to \$3.4 million or 25.6% of revenue as compared to \$2.7 million or 24.0% of revenue in the fourth quarter of 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, selling, general and administrative expenses would have increased as a percentage of sales to 27.9%.

EBITDA: Earnings Before Interest, Taxes Depreciation and Amortization (EBITDA) decreased 76.4% to \$.09 million as compared to EBITDA of \$.4 million in the same prior year quarter.

Net Loss: Net loss for the fiscal 2016 fourth quarter improved to (\$.02 million) or (\$.001) per basic and diluted share, compared with net loss of (.2 million) or (\$.008) per basic and diluted share, for the corresponding prior year period.

For the Year Ended December 31, 2016:

Revenue: Revenue in fiscal 2016 was \$51.8 million, a 24.8% increase as compared to revenue of \$41.5 million in fiscal 2015. 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 decreased to 27.1% as compared to 29.7% in fiscal 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, gross margin for the quarter would have been 29.1%.

Expenses: Selling, general and administrative expenses decreased as a percentage of revenue to 20.8% as compared to 23.4% in 2015. Normalizing for the effect of the aforementioned personnel cost allocation methodology, selling, general and administrative expenses would have decreased as a percentage of sales to 21.8%.

EBITDA: EBITDA increased 23.7% to \$4.4 million as compared to EBITDA of \$3.6 million in 2015.

Net Income: Net income for fiscal 2016 was \$2.2 million or \$0.084 per basic and diluted share, compared with net income of \$1.5 million or \$0.057 per basic and diluted share for the prior year.

Conference Call Information

The Company will host a conference call to discuss the fourth quarter and year end results today, March 28, 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 April 28, 2017 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 10283.

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 propriety 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.
Consolidated Statements of Income and Comprehensive Income
(Expressed in United States Dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Revenue	\$ 13,248,744	\$ 11,171,906	\$ 51,759,267	\$ 41,470,126
Expenses				
Direct costs	10,080,423	8,352,035	37,744,837	29,153,669
Selling, general and administrative	3,391,406	2,676,613	10,761,879	9,708,182
Unrealized foreign currency loss (gain)	-	37,346	-	-
Income from operations	(223,085)	105,912	3,252,551	2,608,275
Interest expense	42,891	51,592	223,045	224,641
Loss on sale of property, plant and equipment	-	-	4,874	3,641
Foreign exchange (gain) loss	(16,289)	(54,057)	(4,943)	(54,057)
	26,602	(2,465)	222,976	174,225
Net income before income taxes	(249,687)	108,377	3,029,575	2,434,050
Deferred income tax (recovery) expense	(25,634)	11,869	(97,847)	211,869
Current income tax expense	(201,172)	296,512	963,922	751,512
	(226,806)	308,381	866,075	963,381
Net Income	\$ (22,881)	\$ (200,004)	\$ 2,163,500	\$ 1,470,669
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	(157,367)	(150,208)	(211,732)	(606,272)
Total comprehensive income	\$ (180,248)	\$ (350,212)	\$ 1,951,768	\$ 864,397
Net income attributable to equity holders of the Company	(12,009)	(158,744)	2,003,770	948,293
Non-controlling interest	(10,872)	(41,260)	(52,002)	(83,896)
	\$ (22,881)	\$ (200,004)	\$ 1,951,768	\$ 864,397
Earnings per Share				
Basic and diluted	\$ (0.001)	\$ (0.008)	\$ 0.084	\$ 0.057
Weighted Average Number of Common Shares				
Basic and diluted	25,784,950	25,784,950	25,784,950	25,784,950

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

	December 31, 2016	December 31, 2015
Assets		
Current		
Cash and cash equivalents	\$ 1,861,089	\$ 2,840,549
Accounts receivable	4,754,524	3,450,407
Inventory	7,806,029	6,972,768
Prepaid expenses and other current assets	454,173	522,613
Income taxes receivable	72,553	300,668
Total current assets	14,948,368	14,087,005
Property, plant and equipment	1,352,120	1,235,337
Intangible assets	3,467,218	2,434,692
Deferred tax asset	135,363	100,659
Goodwill	1,891,948	1,668,527
Total assets	\$ 21,795,017	\$ 19,526,220
Liabilities		
Current		
Bank indebtedness	\$ 2,500,000	\$ 3,000,000
Accounts payable and accrued liabilities	5,859,981	4,465,819
Notes Payable	-	191,978
Income Tax Payable	168,690	117,649
Current portion of bank loan payable	565,678	542,181
Current portion of note payable– vendor loan 2015	349,686	481,652
Current portion of note payable– vendor loan 2016	98,841	-
Total current liabilities	9,542,876	8,799,279
Deferred tax liability	524,272	558,116
Bank loan payable	439,688	1,004,369
Note payable – vendor loan 2015	702,589	822,780
Note payable – vendor loan 2016	292,148	-
Total liabilities	11,501,573	11,184,544
Equity		
Capital stock	6,635,133	6,635,133
Contributed surplus	2,165,130	2,165,130
Accumulated other comprehensive income	(833,725)	(621,993)
Retained Earnings (Deficit)	2,382,085	166,583
	10,348,623	8,344,853
Non-controlling interest	(55,179)	(3,177)
Total liabilities and equity	\$ 21,795,017	\$ 19,526,220

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 Dec 31 2016	Three Months Ended Dec 31 2015	Twelve Months Ended Dec 31 2016	Twelve Months Ended Dec 31 2015
Net Income	(22,881)	(200,004)	2,163,500	1,470,669
Interest	42,891	51,592	223,045	224,641
Taxes	(226,806)	308,381	866,075	963,381
Depreciation	80,695	74,228	299,625	244,216
Amortization	218,663	180,273	840,501	647,141
EBITDA	92,561	414,470	4,392,746	3,550,048