

XPEL Reports Fourth Quarter Revenue Growth of 47%

San Antonio, TX – March 29, 2016 -- XPEL Technologies Corp. (TSXV: DAP.U), a leading supplier of automotive paint and headlamp protection films, announced results for the fourth quarter and year ended December 31, 2015.

Mr. Ryan Pape, President and Chief Executive Officer of XPEL, commented, “We made good progress in the fourth quarter, achieving strong revenue growth of 47% year over year and improving 3% sequentially compared to the third quarter of 2015. We continue to see strong demand as consumer awareness of the XPEL brand grows, driven by our reputation for exceptional products and industry leading service, and strong growth has continued into the first quarter of 2016. Throughout the year we significantly advanced our strategy of enhancing our direct presence in the international markets in which we operate, thereby enabling us to be close to our end customer and allowing us to deliver a more consistent product offering, prompt service and hands on training.

“We are intent on capitalizing on opportunities to expand our product offerings within the automotive aftermarket. To that end, in the third quarter of 2015 we launched a window film line in the U.S. market and have built out a new team with the required technical skills for sales, training and support. This complementary product line has been well received in its initial launch and as we increase its availability and distribution, we believe window film will help to drive growth and improve the value and appeal of our products with consumers.

“During the fourth quarter, we rolled out a new ordering and account management portal for our dealers, which enables us to expand our logistics footprint across the U.S., Canada, and Europe. The portal provides our customers with a best-in-class ordering experience with a streamlined mobile platform, which is key to attracting and retaining our customer base. Additionally, we recently launched our new website, which features a new content management system, allowing installers to share photos and videos of their work and provides another platform to connect with automotive enthusiasts.”

For the Quarter Ended December 31, 2015:

Revenue: Revenue in the fourth quarter of fiscal 2015 was \$11.2 million, a 47% increase as compared to revenue of \$7.6 million in the same prior year quarter and a 3% increase sequentially as compared to third quarter of fiscal 2015. On a constant currency basis, revenues increased 51% to \$11.5 million.

Gross Margin: Gross profit as a percentage of sales decreased to 25.2% from 31.2% in the fourth quarter last year. Gross margins declined primarily due to higher international sales and higher logistics and production costs.

Expenses: Selling, general and administrative expenses increased slightly on a dollar basis but declined as a percentage of revenue to 24% as compared to 25.5% in the fourth quarter of 2014.

Net Loss: Net loss for the fiscal 2015 fourth quarter was \$0.2 million or a loss of \$0.008 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of \$1.5 million, or \$0.06 per basic and diluted share based on 25,784,950 shares outstanding, for the corresponding prior year period. Net income for the fourth quarter of 2014 included a tax

gain of \$1.1 million due to a change in tax estimate. On a constant currency basis, net income for the fiscal 2015 fourth quarter was \$14,000.

EBITDA: For the three months ended December 31, 2015, the Company reported EBITDA of \$0.4 million as compared to EBITDA of \$0.6 million in the same prior year period. On a constant currency basis, EBITDA increased 16% to \$0.7 million in the fourth quarter of 2015.

For the Year Ended December 31, 2015:

Revenue: Revenue in fiscal 2015 was \$41.5 million, a 40% increase as compared to revenue of \$29.6 million in the prior year. On a constant currency basis, revenues increased 44% to \$42.7 million.

Gross Margin: Gross profit for the year as a percentage of revenue decreased slightly to 29.7% compared to 31.2% last year.

Expenses: Selling, general and administrative expenses for fiscal 2015 as a percentage of revenue was 23%, up from 21% in fiscal 2014.

Net Earnings: Net income for fiscal 2015 was \$1.5 million, or \$0.06 per basic and diluted share based on 25,784,950 shares outstanding, compared with net income of \$3.1 million, or \$0.12 per basic and diluted share based on 25,784,950 shares outstanding, in fiscal 2014. Net income for 2014 included a \$1.1 million tax gain due to a change in tax estimate. On a constant currency basis, net income decreased 26% to \$2.3 million in 2015.

EBITDA: For the year ended December 31, 2015, the Company reported EBITDA of \$3.6 million as compared to EBITDA of \$3.3 million in the same prior year period. On a constant currency basis, EBITDA increased 42% to \$4.7 million in 2015.

Mr. Pape continued, "Our Parasol acquisition in Canada continues to perform well and is a key strategic location as we expand our international footprint. The weak Canadian dollar, which decreased further during the fourth quarter relative to the U.S. dollar, had a negative impact on our consolidated results. Nonetheless, the acquisition has been accretive on a constant currency basis and we continue to see strong growth in Canada.

"As we move into 2016, we remain focused on building on the progress we made in 2015 by strengthening our marketing strategies, growing our international presence and expanding our distribution channels. We have implemented considerable technology and also expanded our contract employee base in the back half of 2015. As we move through 2016 we are increasingly focused on optimizing our cost structure to drive earnings."

CONFERENCE CALL INFORMATION

The Company will host a conference call to discuss the fourth quarter and year end results today, March 29, 2016 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 29, 2016 and may be accessed by dialing (877) 660-6853. International callers may dial (201) 612-7415. Callers should use conference ID: 13632407.

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.

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XPEL TECHNOLOGIES CORP.**Condensed Consolidated Statement of Comprehensive Income**

(Expressed in United States Dollars)

	Three Months Ended December 31,		Years Ended December 31,	
	2015	2014	2015	2014
Revenue	\$ 11,171,906	\$ 7,599,908	\$ 41,470,126	\$ 29,630,179
Expenses				
Direct costs	8,352,035	5,228,015	29,153,669	20,373,246
Selling, general and administrative	<u>2,676,613</u>	<u>1,939,475</u>	<u>9,708,182</u>	<u>6,464,660</u>
Income from operations	143,258	432,418	2,608,275	2,792,273
Interest expense	51,592	16,085	224,641	36,748
Loss on sale of property, plant and equipment	-	1,273	3,641	2,883
Unrealized foreign currency gain	<u>(16,711)</u>	<u>-</u>	<u>(54,047)</u>	<u>-</u>
	<u>34,881</u>	<u>17,358</u>	<u>174,225</u>	<u>39,631</u>
Net income before income tax	108,377	415,060	2,434,050	2,752,642
Provision for income tax				
Current income tax expense (recovery)	296,512	(724,400)	751,512	66,525
Deferred income tax expense (recovery)	<u>11,869</u>	<u>(403,000)</u>	<u>211,869</u>	<u>(384,000)</u>
Net Income	\$ (200,004)	\$ 1,542,460	\$ 1,470,669	\$ 3,070,117
Exchange differences on translating foreign operations	<u>(150,208)</u>	<u>15,721</u>	<u>(606,272)</u>	<u>15,721</u>
Total comprehensive income	\$ <u>(350,212)</u>	\$ <u>1,558,181</u>	\$ <u>864,397</u>	\$ <u>3,085,838</u>
Net income attributable to equity holders of the Company	(158,744)	1,565,435	1,554,565	3,097,102
Non-controlling interest	<u>(41,260)</u>	<u>(22,975)</u>	<u>(83,896)</u>	<u>(26,985)</u>
	\$ (200,004)	1,542,460	1,470,669	3,070,117
Earnings per share				
Basic and diluted	\$ (0.008)	\$ 0.06	\$ 0.060	\$ 0.12
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)

	December 31, 2015	December 31, 2014
Assets		
Current		
Cash and cash equivalents	\$ 2,840,549	\$ 1,474,130
Accounts receivable	3,450,407	2,287,342
Inventory	6,972,768	6,235,137
Prepaid expenses and sundry assets	522,613	347,472
Income taxes receivable	300,668	-
Total current assets	14,087,005	10,344,081
Property, plant and equipment	1,235,337	790,343
Intangible assets	2,434,692	784,510
Deferred tax asset	100,659	163,000
Goodwill	1,668,527	526,243
Total assets	\$ 19,526,220	\$ 12,608,177
Liabilities		
Current		
Bank operating facility	\$ 3,000,000	\$ 900,000
Accounts payable and accrued liabilities	4,465,819	4,133,940
Income Tax Payable	117,649	--
Notes payable	191,978	90,413
Current portion of Promissory note	481,652	-
Current portion of Bank loan payable	542,181	-
Total current liabilities	8,799,279	5,124,353
Promissory note	822,780	-
Bank loan payable	1,004,369	-
Deferred tax liability	558,116	-
Total liabilities	11,184,544	5,124,353
Equity		
Capital stock	6,635,133	6,635,133
Contributed surplus	2,165,130	2,165,130
Accumulated other comprehensive income	(621,993)	(15,721)
Retained Earnings (Deficit)	166,583	(1,387,982)
	8,344,853	7,396,560
Non-controlling interest	(3,177)	87,264
Total liabilities and equity	\$ 19,526,220	\$ 12,608,177

Constant Currency

The Company reports results in U.S. Dollars, but does business on a global basis. Exchange rate fluctuations affect the U.S. Dollar value for foreign currency revenue and expenses and may have a significant effect on reported results. Comparisons are made to the prior year in constant currency terms, which Management believes is helpful in understanding the Company's performance. Constant currency is calculated by converting current period results using the prior year currency exchange rates.

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		Year Ended	
	December 31 2015	December 31 2014	December 31 2015	December 31 2014
Net Income	\$ (200,004)	\$ 1,542,307	\$ 1,470,669	\$ 3,070,117
Interest	51,592	16,085	224,641	36,748
Depreciation	74,228	38,997	244,216	137,487
Taxes	308,381	(1,127,400)	963,381	(317,475)
Amortization	180,273	100,803	647,141	345,647
EBITDA	\$ 414,470	\$ 570,792	\$ 3,550,048	\$ 3,272,524