NEWS RELEASE

XPEL Q1 2019 Press Release

5/30/2019

XPEL Reports First Quarter Revenue Of $24.7 Million; Gross Margin Improves To 33%

San Antonio, TX – May 30, 2019 – XPEL, Inc. (TSXV: DAP.U), a global provider of protective films and coatings, announced results for the quarter ended March 31, 2019.

Highlights for the quarter include:

- 36% growth in US region; strong growth in United Kingdom and Asia Pacific
- Gross margin improvement to 33% from 30% in first quarter last year
- Pending SEC Registration and Nasdaq listing remains on trac

Ryan Pape, President and Chief Executive Officer of XPEL, commented, “During the first quarter we saw continued strong growth in key regions, particularly the US, where revenue increased 36% as compared to the first quarter 2018. As expected, sales to China declined significantly during the first quarter due mainly to acceleration of sales into China during the first half of last year. On the product front, we launched our XPEL FUSION PLUS ceramic coating during the quarter, a natural extension of our product line that offers a self-cleaning, hydrophobic coating

that's complementary to the rest of our product offering. We're excited about the interest we're seeing in the product and in its potential to provide additional revenue opportunities to our installer network."

The Company filed Amendment No. 2 to Form 10 with the U.S. Securities and Exchange Commission which includes results for the quarter ended March 31, 2019.

FOR THE QUARTER ENDED MARCH 31, 2019:

Revenues. Revenues decreased approximately $0.4 million or 1.6% to $24.7 million as compared to $25.1 million in the prior year.

Gross Margin. Gross margin was 33.0% versus 30.3% in the first quarter of 2018. The increase was related to an improved mix of increased sales to higher margin customers.

Expenses. Selling, general and administrative expenses increased to $5.7 million or 22.9% of sales as compared to $4.8 million or 19.2% of sales in the prior year period. This increase was due mainly to increases in personnel, occupancy, information technology and research and development costs to support the ongoing growth of the business.

EBITDA. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of $2.8 million decreased as compared to $3.1 million in the prior year1.

Net income. Net income decreased slightly to $1.9 million, or $0.07 per basic and diluted share versus net income of $2.1 million, or $0.08 per basic and diluted share in the first quarter of 2018.

Mr. Pape continued, "We are continuing to build our brand recognition in all of our regions. We remain optimistic about the long-term opportunity in China and continue to focus on adjusting our product assortment and marketing efforts to keep pace with the evolving needs of our customers there and in all the markets we serve.

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1 See reconciliation of non-GAAP financial measures below.

"As we move through 2019 we're focused on continuing gross margin improvement, broadening our international presence, enhancing XPEL's global brand recognition, furthering our channel acquisition strategy and expanding our non-automotive product portfolio. We're encouraged by the strong interest we're seeing for our products

worldwide and believe the market recognition for our diverse, high quality portfolio of products and ancillary services is growing every day.

CONFERENCE CALL INFORMATION

The Company will host a conference call to discuss the first quarter results today, May 30, 2019, at 11:00 a.m. Eastern Time.

To access the live webcast, please visit the XPEL, Inc. website at www.xpel.com/investor.

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 30, 2019 and may be accessed by dialing (877) 481-4010. International callers may dial (919) 882-2331. Callers should use conference ID: 49192.

ABOUT XPEL, INC.

XPEL is a leading provider of protective films and coatings, including automotive paint protection film, surface protection film, automotive and architectural window films and ceramic coatings. With a global footprint, a network of trained installers and proprietary DAP software, XPEL is dedicated to exceeding customer expectations by providing high-quality products, leading customer service, expert technical support and world-class training. XPEL, Inc. (TSXV: DAP.U) is publicly traded on the TSXV Exchange.

SAFE HARBOR STATEMENT

This release includes forward-looking statements regarding XPEL, Inc. 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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