

# XPLORE Technologies Reports Record Revenue For 2016 Fiscal Year



Revenue Increased 136%, Improved Margin of Acquired Motion Product Lines

SYDNEY, Australia - Xplore Technologies Corp. (NASDAQ: XPLR), a global leader in rugged computing, today reported results for its fiscal year ended March 31, 2016.

Fiscal Year 2016 Highlights: • Revenue grew 136 percent to a record \$100.5 million, compared to \$42.6 million in fiscal year 2015; • Achieved the #2 global market share position in the rugged tablet market; • Gross margin was 31.2%, reflecting changes in product mix and gross margin improvement in the historically lower margin Motion product lines acquired in April 2015; • GAAP net loss was \$362,000, or (\$0.03) per share, including the impact of \$913,000 in expensed integration costs related to the Motion acquisition, compared to GAAP net profit of \$249,000, or \$0.03 per share, in fiscal year 2015; • Significantly expanded Xplore's product lines, addressable markets and global sales capabilities through the Motion acquisition in April 2015; and • Initiated a number of long-term operating efficiency enhancements to drive sustainable profitability.

"We are pleased to report another strong year of revenue growth as we execute on our strategy to gain market share," said Philip S. Sassower, chairman and chief executive officer for Xplore. "Xplore is now well positioned as the #2 worldwide provider of rugged tablets, having significantly expanded our customer base and addressable markets through the addition of complementary products and new sales channels acquired from Motion Computing. We have also implemented a number of marketing strategies to broaden awareness of our rugged solutions and the lower total cost of ownership they offer to an ever-widening range of customers."

"Xplore made significant progress in fiscal 2016 as we continued to execute on our plans to bring new, lighter weight products to market that best suit customer needs for price, performance and ruggedness," said Brett Gross, ANZ Director of Sales for Xplore. "We continue to focus on not only gaining market share through increased adoption of our products, but also improved profitability throughout our business model. Since the acquisition in April 2015, we have successfully increased the Motion Computing product margins to levels nearing Xplore's traditional products. We are now focused on driving profitability across our business through a number of long-term business initiatives, including pricing discipline, lower sourcing and manufacturing costs, design efficiency and further operating cost leverage."

Fiscal 2016 Financial Results: • Xplore reported record revenue of \$100.5 million for the fiscal year ended March 31, 2016, compared to revenue of \$42.6 million for the prior year, an increase of \$57.9 million, or approximately 136 percent. The increase in revenue reflected modest organic growth in Xplore's historical product lines plus sales derived from the acquisition of certain Motion Computing assets by Xplore, which broadened the company's addressable markets and added both domestic and international customers. • Gross profit increased to \$31.3 million, or 31.2 percent of revenue, for the fiscal year ended March 31, 2016, compared to \$14.3 million, or 33.6 percent of revenue, for the fiscal year ended March 31, 2015. The increase in gross profit was primarily attributable to the significant increase in revenue driven by the Motion acquisition. The decrease in the gross profit percentage was due to changes in sales product mix. • Xplore's operating expenses for the fiscal years ended March 31, 2016 and 2015 were approximately \$30.3 million and \$14.0 million, respectively, an increase of approximately 116 percent year-over-year. The increase was directly related to the growth in the size of the company's operations in connection with the Motion acquisition. Operating expenses increased at less than the rate of increase in revenues, which reflects operating efficiencies derived from the economies of scale within the integrated company and rightsizing efforts simultaneous to the acquisition. • Xplore had a net loss of \$362,000 on operating income of \$1,053,000 in fiscal 2016, compared to net income of \$249,000 on operating income of \$327,000 for the prior fiscal year. The decline in net income reflects approximately \$913,000 of integration costs and costs of acquisition incurred and expensed as part of the Motion acquisition.

About Xplore Technologies Established in 1996, Xplore Technologies Corp. is the number two provider of rugged tablet computers worldwide. With its recent acquisition of the Motion product line, the company now has the broadest range of purpose-built tablets for a variety of industries including energy, utilities, telecommunications, military operations, manufacturing, distribution, public services, public safety, healthcare, government and other areas with hazardous work conditions. The company's tablets are among the most powerful and longest lasting in their class – able to withstand nearly any hazardous condition or environmental extreme. Xplore's products are sold and serviced on a global basis across the Americas, Europe, Middle East, Africa, and Asia Pacific regions. For more information, visit the Xplore Technologies website at [www.xploretch.com](http://www.xploretch.com).

Forward-Looking Statements This news release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect Xplore's current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause actual results to differ materially from the statements made including those factors detailed from time to time in filings made by Xplore with securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect,

actual results may vary materially from those described herein as intended, planned, anticipated or expected. Xplore does not intend and does not assume any obligation to update these forward-looking statements.

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