



January 8, 2018

ProPhotonix Limited

("ProPhotonix" or "the Company")

ProPhotonix awarded IDA grant for capital expansion program
Investment in UV LED infrastructure to accelerate product line growth

ProPhotonix Limited (London Stock Exchange - AIM: PPIX and PPIR, OTC: STKR), a high technology designer and manufacturer of LED illumination systems and laser diode modules, with operations in Ireland and the United Kingdom, is pleased to announce that it has been awarded a major capital grant to fund an advanced dedicated UV LED curing systems manufacturing line in its Cork facility.

The substantial grant is being funded by the Irish Development Authority Ireland ("IDA") through its Business Asset Program, which supports the growth of new manufacturing capability and capacity in Ireland.

Customer interest in the COBRA Cure™ FX series of UV LED curing systems has exceeded the Company's expectations. In order to support the expected future volume of shipments, ProPhotonix is developing a new state-of-the-art UV LED lamp production line, which will form part of this IDA backed capital expenditure program.

Tim Losik, Chief Executive Officer of the Company, stated:

"The Company has invested heavily in developing our UV LED curing products, resulting in a series of product range extensions over the last two years. Due to significant customer interest in these products, we continue to invest in UV LED product development and in specialist manufacturing capability in Ireland and in our laser business in the United Kingdom.

The Company plans a total capital expenditure in 2018 of approximately US\$500,000 with further increases in capital spending expected in future years to support anticipated market demand from the maturing markets for our products."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

About ProPhotonix

ProPhotonix Limited, headquartered in Salem, New Hampshire, is a high technology designer and manufacturer of LED illumination systems and laser diode modules for industry leading OEMs and medical equipment companies. In addition, the Company distributes premium diodes for Ushio (formerly OCLARO), Osram, QSI, Panasonic, and Sony. The Company serves a wide range of markets including the machine vision, industrial inspection, security, and medical markets. ProPhotonix has offices and subsidiaries in the U.S., Ireland, U.K., and Europe. For more information about ProPhotonix and its innovative products, visit the Company's web site at www.prophotonix.com.