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May 17, 2019

ProPhotonix Limited

("ProPhotonix" or the "Group")

Trading Update

ProPhotonix Limited (London Stock Exchange - AIM: PPIX, OTC: STKR), a high technology designer and manufacturer of LED illumination systems and laser diode modules, with operations in Ireland and the United Kingdom, today announces a trading update for the 2019 fiscal year.

Trading conditions remain challenging and the Board currently expects Group revenue for the year ending December 31, 2019 will not likely exceed the 2018 full year (\$16.4 million). Trading has been inconsistent across our customer base due to product introduction delays and the current business climate.

Tim Losik, CEO, commented:

"Our strategy, to support our significant OEM customer base and to make continued investments in new product introductions, remains a priority for the Board. We continue to invest in production and technical capability as we take on new customers and develop products. These investments, which will occur in advance of realized revenue, will allow us to complete the production build out necessary for OEM and UV LED products.

We continue to see an inconsistency in customer order behavior in 2019 – with customers both falling below and exceeding our budgeted projections. Second half revenue is still unclear and whilst the Board considers it conservative, it is right to provide this guidance to the market given these current uncertainties. Measures are underway to partially mitigate the effect of the revenue profile to shore up cash flow. We remain optimistic about the future of the business as we build our OEM partnerships along with a comprehensive portfolio of products."

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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, 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.

Cautionary Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact, including without limitation, those with respect to ProPhotonix's goals, plans and strategies set forth herein are forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: uncertainty that cash balances may not be sufficient to allow ProPhotonix to meet all of its business goals; uncertainty that ProPhotonix's new products will gain market acceptance; the risk that delays and unanticipated expenses in developing new products could delay the commercial release of those products and affect revenue estimates; the risk that one of our competitors could develop and bring to market a technology that is superior to those products that we are currently developing; and ProPhotonix's ability to capitalize on its significant research and development efforts by successfully marketing those products that the Company develops. Forward-looking statements represent management's current expectations and are inherently uncertain. All Company, brand, and product names are trademarks or registered trademarks of their respective holders. ProPhotonix undertakes no duty to update any of these forward-looking statements.