



March 19, 2020

ProPhotonix Limited
("ProPhotonix" or "the Company")

Three-Year Framework Product Supply and IP Agreement with a Global Technology Group

ProPhotonix Limited, (London Stock Exchange - AIM: PPIX; OTC: STKR), a designer and manufacturer of LED illumination systems and laser diode modules with operations in Ireland and the United Kingdom, is pleased to announce the entering into of a three-year framework product supply and intellectual property ("IP") agreement with a European based global technology group (the "Agreement"), an existing ProPhotonix customer.

Pursuant to the Agreement, ProPhotonix will supply a custom LED illumination system, including hardware and software, featuring unique design attributes to allow for real-time high-speed inspection of manufactured products with irregular optical properties.

The Agreement runs for three years, with renewal provisions thereafter, unless otherwise terminated pursuant to various provisions of the Agreement. Whilst the Agreement does not stipulate or require that the customer makes any purchases, ProPhotonix anticipates that system revenue could equate to approximately \$0.7 million per annum bringing the total anticipated annual revenue from this customer to approximately \$1.2 million.

Commenting on the Agreement, Tim Losik, President and CEO of ProPhotonix stated:

"The Agreement is the second such agreement with this customer with whom we have a five-year relationship. The project, from start to completion has taken two years and is now commercially available. The system allows our customer, along with their integrated system and software, to perform inline product inspection with immediate feedback to the start of their production process. Every engineering discipline at ProPhotonix including optics, electronics, mechanics, materials, software and manufacturing, participated from concept to commercialization, such capabilities setting us apart from our competitors. The commercial evolution with this customer is typical of how ProPhotonix partners with customers, to provide them with all their product and service requirements. With over 25 years' experience in custom LED and laser module design, ProPhotonix delivers solutions across a wide range of industries including the industrial (sorting and inspection), dental, medical, and ultraviolet (UV) curing industries."

Contact:**ProPhotonix Limited**

Tim Losik, President & CEO

Tel: +1 603 893 8778

ir@prophotonix.com

Cantor Fitzgerald Europe*(Nominated Adviser and Broker)*

David Foreman, Luke Philippou (Corporate Finance)

Keith Dowsing (Sales)

Tel: +44 (0)207 894 7000

About ProPhotonix

ProPhotonix Limited, headquartered in Salem, New Hampshire, is a high technology designer and manufacturer of diode-based laser modules and LED systems 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 will 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.