

11 December 2014

Kromek Group plc
("Kromek" or the "Company")

Nuclear detection market contract extension with leading global security company

Progress achieved across medical, nuclear and security markets as Kromek expands customer base with new contract wins

Kromek, a radiation detection technology company focusing on the medical, security and nuclear markets, is pleased to announce that it has been awarded a \$1.0m contract extension by a leading global security company providing innovative systems, products and solutions to government and commercial customers worldwide. This follows the successful completion of the first phase for the design of Cadmium Zinc Telluride ("CZT") based detectors and ASIC for nuclear safeguard markets.

Under the terms of the contract for this second phase, Kromek will focus on the delivery of the new ASIC and detectors as well as the testing and characterization of detector modules. The Company expects to deliver this over the next 12 months.

Additionally, the Company has been awarded several new contracts, worth approximately £0.7m in aggregate with £0.4m realisable in the current financial year, for applications across the Company's three segments.

The majority of the sales are in the medical industry, with approximately \$0.4m attributable to bone mineral densitometry ("BMD") applications. This includes a contract from a leading global healthcare and diagnostics company for the first phase of a project to incorporate the Company's detector modules into their diagnostics systems. In addition, Kromek has received further contracts from two of its existing OEM customers for CZT-based detector modules for BMD applications.

Innovate UK (previously the Technology Strategy Board), sponsored by the UK Government's Department for Business, Innovation & Skills, has awarded Kromek a contract, worth approximately £0.2m, for an 18-month programme for the development of a novel radiation detector for the medical and nuclear markets. This follows the successful delivery of previous projects, and is the fourth contract to be awarded to Kromek by Innovate UK in the current financial year.

Kromek has expanded its customer base with the award of its first contract from another global security technology group. Additionally, the Company won a new contract worth approximately \$0.25m for the supply of OEM components for its baggage screening product for aviation security.

Arnab Basu, CEO of Kromek, said: "We are delighted to have been awarded these contracts, which reflect progress across all of our business divisions and in multiple geographies. That this includes both new and existing customers provides further validation of our technological strength to manipulate a material such as CZT to enable our customers to make commercially viable products. We look forward to working with our partners to continue to develop leading-edge radiation detection solutions to enable safer travel, safer environments and better patient outcomes."

Enquiries

Kromek Group plc	
Arnab Basu, CEO Derek Bulmer, CFO	01740 626 060

Panmure Gordon (Nominated Adviser and Broker)	
Freddy Crossley – Corporate Finance Charles Leigh-Pemberton – Broking	0207 886 2500
Luther Pendragon	
Harry Chathli, Claire Norbury, Alexis Gore, Ivana Petkova	0207 618 9100

About Kromek Group plc

Kromek Group plc is a UK technology company (global HQ in County Durham) and a leading developer of high performance radiation detection products based on cadmium zinc telluride (“CZT”). Using its core CZT technology Kromek designs, develops and produces x-ray and gamma ray imaging and radiation detection products for the medical, security screening and nuclear markets.

The Group’s products provide high resolution information on material composition and structure and are used in multiple applications, ranging from the identification of cancerous tissues to hazardous materials, such as explosives, and the analysis of radioactive materials.

Kromek uses multiple technologies in its manufacturing processes, including the established methods of ‘liquid phase’ detector production, and also ‘vapour phase’ production methods, which allow the production of high quality, high performance detectors on an industrial scale. Kromek has an intellectual property portfolio of more than 250 pieces of IP.

The Group’s business model provides a vertically integrated technology offering to customers, from the growth of CZT crystals to finished products or detectors, including software, electronics and application specific integrated circuits (“ASICs”).

The Board believes that the vertical integration offered by Kromek, combined with the benefit of 25 years of research into CZT production and the patents and trade secrets accumulated by the Group, are unparalleled in the market place.

The Group has operations in the UK, Germany and US (California and Pennsylvania), and is selling internationally through a combination of distributors and direct OEM sales.

Currently, the Group has over a hundred full time employees across its global operations.