

23 July 2018

Kromek Group plc
(“Kromek” or the “Company”)

Kromek secures two contracts worth up to \$3.3 million from US government

New contracts to develop next generation radiation detection solutions for national defence and security

Kromek (AIM: KMK), a radiation detection technology company focusing on the medical, security and nuclear markets, is pleased to announce that it has been awarded two new contracts from the US Department of Homeland Security (“DHS”) and the Defense Threat Reduction Agency (“DTRA”), an agency of the US Department of Defense, to develop next generation radiation detection solutions for the purposes of national defence and security. The two contracts are worth a minimum of \$2.6 million to be delivered over the next three years, with a potential two-year extension to \$3.3 million, with revenue generation commencing under both contracts in the current financial year.

The contract from the US Department of Homeland Security is to develop CZT detector modules for commercial off-the-shelf detectors for advanced X-ray systems for passenger baggage screening. Kromek’s technology can enhance the detection of an extensive range of threat materials and significantly reduce false alarms in aviation security for baggage handling. The contract is worth \$1.5 million over two years.

The contract from DTRA is for the development of the next generation of handheld nuclear radiation detectors, which will bring further technology enhancements into Kromek’s product portfolio. Kromek has chosen to collaborate with three UK universities – University of Glasgow, University of Liverpool and University of Manchester – which were selected for their high level of relevant technological expertise. The contract is for \$1.05 million over a period of three years with a potential \$0.7 million extension for a further two years.

Dr Arnab Basu, CEO of Kromek, commented: “These new contracts reflect our established relationship with the US government for developing next-generation radiation detection solutions for national defence and security. Through these agreements, we will expand the technological capabilities of our products and enhance our market-leading position while also gaining increased revenue visibility. We look forward to continuing our strong relationship with the US government and providing solutions for combatting some of the greatest security challenges that as a society we face today.”

International Trade Secretary, Dr Liam Fox MP, said: “Kromek is recognised as one of the country’s most innovative businesses and its products are making a tangible difference to people’s lives across the world. As an international economic department, DIT is committed to helping companies like Kromek grow trade with the US, our single largest trading partner, which is currently worth £100bn in annual exports and supports millions of UK jobs.

“Just last week I announced plans to further our trading relationship through a public consultation on our intention to seek a free trade agreement with the US. This will allow businesses across the country have their say, ensuring that our future trade policy works for the UK as a whole.”

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About Kromek Group plc

Kromek Group plc is a UK technology Group (global HQ in County Durham) and a leading developer of high performance radiation detection products based on cadmium zinc telluride ("CZT") and other advanced technologies. Using its core technology platforms, 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.

The Group's business model provides a vertically integrated technology offering to customers, from radiation detector materials to finished products or detectors, including software, electronics and application specific integrated circuits ("ASICs").

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

Currently, the Group has over one hundred full time employees across its global operations. Further information on Kromek Group is available at www.kromek.com and <https://twitter.com/kromekgroup>.