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

New Contract Signed in Medical Imaging Market
for Supply of CZT Detection Modules

Kromek, a supplier of patented radiation detection technologies to the medical, security and nuclear markets, is pleased to announce that it has signed a long term contract with an established SME manufacturer of x-ray diagnostics and analysis equipment in China.

The contract grants the manufacturer preferential rights for the supply of Kromek's innovative CZT-based detection modules in China and Chinese territories. These rights are for an existing medical diagnostic application with a large market potential and the exclusive supply agreement is conditional upon minimum annual revenues to Kromek. Kromek retains full rights to the product in all other territories.

Kromek has been working with the manufacturer for the past nine months to agree the suitability and detailed structure of a long-term supply agreement. For continued exclusivity the contract provides for revenues of \$1.4m and \$10.2m in the Financial Years 2014-15 and 2015-16 respectively and the overall value of the contract over the next seven years is up to \$159m, subject to the customer meeting its contractual revenue targets. Advanced cash payments totalling \$260,000 are expected from the customer in the current Financial Year, part of which has already been received. The first supply commences in October 2014.

Commenting on the announcement, Arnab Basu, CEO of Kromek, said: "We are pleased to announce significant, further traction in the medical imaging space, particularly in a large, high growth market such as China. The signing of this contract represents further endorsement of our offering and highlights the role we can play as global medical imaging capability advances, with Kromek's technology at its heart as a key enabler."

"Kromek will continue to explore the opportunities for our technology platform in the medical imaging, nuclear detection and security screening markets and we look forward to updating shareholders as to progress in due course."

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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 70 granted patents and 110 pending applications.

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.