

Kromek Group PLC

05:00 10 Dec 2018

Kromek deepens relationship with DARPA as it expands reach into bio-threat detection

Kromek Group PLC (LON:KMK) has further strengthened its relationship with the Defense Advanced Research Projects Agency (DARPA), part of the US Department of Defense, with a 12-month contract for biological threat detection systems carrying a value of US\$1.99mIn.

READ: Kromek jumps as it secures bio-threat detection contract with DARPA
The contract, which began on 10 December, is to develop a proof-of-concept device for a vehicle-mounted biological-threat identifier but has potential to be extended to a multi-year project to develop a fully deployable system.

'Dirty Bomb' detectors

The bio-threat detection deal is the latest win in a relationship with DARPA that the company has cultivated throughout the year.

In March, Kromek was awarded an extension to a high-volume production contract with DARPA, worth around US\$1.6mIn, to enhance its D3S equipment that is already deployed at the agency.

D3S is part of the radiation detection range of Kromek's products and was previously used at a NATO summit in July as part of the meeting's security arrangements.

Inroads at DTRA

Aside from DARPA, the company also clinched a funding deal in September with DTRA, the Defense Threat Reduction Agency, also a part of the DoD.

READ: Kromek secures US\$1.8mIn from US defence department to develop radiation detection device

The US\$1.8mIn in funding formed part of a previous agreement with DTRA in which Kromek will develop a next-generation radionuclide identification device for detecting radioactive substances.

The process involves the use of Kromek's D3S platform to develop a next-generation, ruggedised small form factor for use in the military field.

Baggage scanning success

The firm is also seeing progress with its CZT range of detector modules, which it agreed to customise for baggage screening systems in a five-year, US\$7.8mIn deal in November.

READ: Kromek surges as it inks contract to supply technology for baggage scanning systems

CZT stands for cadmium zinc telluride, a semiconductor used for x-ray and gamma radiation detection that can operate at room temperature. The deal itself is with an existing client, an x-ray systems maker.

Medical contract wins

The firm's CZT tech has also been picked up in the medical sector, receiving two orders in August that had a combined

Price: 20.7

Market Cap: £71.34 m

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: KMK

Listing: AIM

52 week High Low
31.9459 20.5

Sector: Hardware & electrical equipment

Website: www.kromek.com

Company Synopsis:

Kromek Group plc is a leading developer of radiation detection solutions based on high performance sensor materials, primarily cadmium zinc telluride (CZT), for applications within the medical, nuclear and security screening markets.

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value of around US\$1mln.

READ: Kromek medical division lands two new contracts worth US\$1mln

The orders included one from an equipment manufacturing customer has placed a US\$700,000 order for Kromek's CZT detectors to be used in nuclear medicine.

The other was a repeat contract in the bone mineral densitometry market for CZT detectors worth US\$340,000.

Cancer to TNT

Headquartered in County Durham, Kromek designs, develops, and produces x-ray and gamma-ray imaging and radiation detection products for the medical, security screening, homeland security and civil nuclear markets.

Its products provide high-resolution information on material composition and structure.

Practically, the technology can be used to identify anything from cancerous tissue through to hazardous materials such as explosives and radioactive matter.

Kromek provides customers with radiation detector materials used for devices as well as finished products such as detectors.

As well as operations in the UK, it has bases in California and Pennsylvania in the US.

It sells directly to equipment manufacturers and via distributors.

Monday's was one of a number of new contracts wins for the business, which included two new deals with the US government to supply radiation detection equipment.

With shares trading at around 26p, the company carries a market cap of £66.4mln.

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