

Kromek Group PLC

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Kromek proposes share placing to fund business expansion

Kromek Group PLC (LON:KMK) has announced a share placing to raise funds for the expansion of its business.

The detection technology firm, which focuses on the medical, security, and nuclear markets, said it was proposing a conditional firm placing to raise £20m through the issue of 80m shares at a price of 25p each, a 9% discount to its last close price of 27.5p.

READ: Kromek secures US\$58m medical imaging contract

The group also proposed an open offer to raise £1m through the issue of around 4m shares at the same price.

Kromek said the £21m it was looking to raise would be used to "significantly increase" its manufacturing capacity and associated working capital to support its medical imaging business, expand sales and marketing for its D3S radiation detection devices, and strengthen its balance sheet to provide flexibility.

The placing was conditional on shareholder approval at a general meeting scheduled to be held at 12 pm on 25 February.

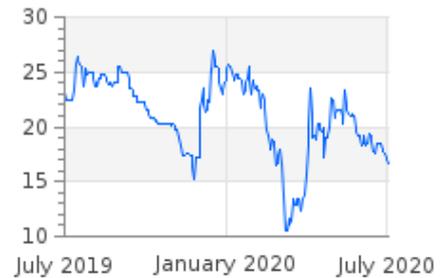
Sir Peter Williams, chairman of Kromek, said over the last three fiscal years the firm had won contracts totalling US\$138m, reflecting "the conversion of our expanding order pipeline and customers increasingly launching next-generation CZT-based products".

"With the growing demand for our flagship products in all our market segments, this fundraising will strengthen our ability to capitalise on these substantial opportunities. As such, the Board recommends all shareholders to vote in favour of the proposals, which will enable us to deliver increased value to our shareholders."

Price: 16.625

Market Cap: £57.3 m

1 Year Share Price Graph



Share Information

Code: KMK

Listing: AIM

52 week High Low
27.9998 8.7

Sector: Hardware & electrical equipment

Website: www.kromek.com

Company Synopsis:

A leading supplier of radiation detection equipment

Kromek Group plc is an international technology group (global HQ in the UK) and a leading developer and supplier of high-performance radiation detection products based on cadmium zinc telluride (CZT) and other advanced technologies.

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