

**Scientific Digital Imaging plc**  
**(“SDI”, the “Company” or the “Group”)**  
**(AIM: SDI)**

**Acquisition of Applied Thermal Control Limited**  
**and Issue of Equity**

The Board of Scientific Digital Imaging plc, the AIM quoted group focused on the design and manufacture of scientific and technology products for use by the life science, healthcare, astronomy, consumer manufacturing and art conservation markets, is pleased to announce the acquisition of Applied Thermal Control Limited (“ATC”) for an initial consideration of £686,000, with the total consideration (including earn-out) capped at £1.2 million, plus an additional cash payment for net assets at completion (the “Acquisition”).

*Highlights:*

- ATC designs and manufactures precision re-circulating chillers, coolers and heat exchangers used to control the thermal environment within a wide variety of applications including within the scientific instrument support market (including electron microscopes, X-ray, diffraction and mass spectrometers).
- For the year ended 31 December 2015, ATC achieved revenue of £1.12 million, gross profit of £689,000 and profit before tax of £196,000. For the year ended 31 December 2016, ATC achieved revenue of £1.20 million, gross profit of £755,000 and profit before tax of £129,000, the lower profit before tax in 2016 reflecting the cost of investment for growth in sales and marketing.
- The Acquisition is in line with the Group’s strategy of acquiring complementary businesses and the Board has identified areas within ATC with potential for growth.

**Ken Ford, Chairman of SDI said:**

*“ATC represents another exciting step in our Group growth strategy. ATC is a complementary fit to the Group and provides potential areas for growth alongside a talented workforce. The acquisition is in line with our previously announced acquisition strategy and is expected to be earnings enhancing in its first full year of ownership.”*

**About Applied Thermal Control Limited**

ATC designs and manufactures precision re-circulating chillers, coolers and heat exchangers used to control the thermal environment within a wide variety of applications. ATC products are used within the scientific instrument support market (including electron microscopes, X-ray, diffraction and mass spectrometers) where cooling is required to either prevent damage to components, reduce distortion in processes, improve repeatability and stability in analysis or remove heat from chemical reactions.

ATC was founded in 1995 and has close ties with Loughborough University and is based in Whitwick, Leicestershire and employs 13 staff.

For the year ended 31 December 2015, ATC achieved revenue of £1.12 million, gross profit of £689,000 and profit before tax of £196,000. For the year ended 31 December 2016, ATC achieved revenue of £1.20 million, gross profit of £755,000 and profit before tax of £129,000, the lower profit before tax in 2016 reflecting the cost of investment for growth in sales and marketing. Approximately 60 per cent. of ATC’s sales are to OEMs with remaining sales being to end-users (predominantly Universities). 30 per cent. of sales are exported, mainly to the USA. Sales include consumable products such as heat exchanger fluids providing a recurring revenue stream.

## Acquisition rationale

The Acquisition is in line with the Group's strategy of acquiring complementary businesses and the Board has identified areas within ATC with potential for growth.

ATC has a talented workforce and CEO, Robert Poniatowski, will remain in place on completion of the Acquisition.

## Consideration for the Acquisition

Total consideration (excluding an additional cash payment for net assets at completion) is capped at £1.2 million. This is made up of £486,000 in cash, plus new Ordinary Shares equating to £200,000 at completion, followed by deferred consideration of 4x earnings before interest and taxation less the £686,000 paid at completion on finalisation of ATC's audited accounts for the year ended 31 December 2017.

SDI has funded the initial cash consideration from existing cash resources together with a £450,000 loan from NatWest Bank repayable over five years at an interest rate of 4.5% per annum over Natwest base rate.

The £200,000 of new Ordinary Shares issued at completion is represented by 769,230 Ordinary Shares issued at 26 pence per share, being the average mid closing price for the five business days prior to the date of this announcement.

## Issue of new Ordinary Shares in SDI

As referred to above, as part of the consideration for the Acquisition, SDI has issued 769,230 new ordinary shares of 1 penny each in the capital of the Company ("Ordinary Shares").

Application will be made to the London Stock Exchange for the 769,230 new Ordinary Shares to be admitted to trading on AIM ("Admission") and it is expected that Admission will become effective and trading will commence at 8.00 a.m. on 1 September 2017.

After Admission, the total number of Ordinary Shares in issue will be 89,609,424 and the total number of voting rights will therefore be 89,609,424. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

## Enquiries

### Scientific Digital Imaging plc

Ken Ford, Chairman

Mike Creedon, CEO

[www.scientificdigitalimaging.com](http://www.scientificdigitalimaging.com)

**01223 727144**

### finnCap Ltd

Ed Frisby/Kate Bannatyne – Corporate Finance

Mia Gardner/Camille Gochez – Corporate Broking

**020 7220 0500**

### JW Communications

Julia Wilson – Investor & Public Relations

**07818 430877**

## About SDI:

Scientific Digital Imaging plc designs and manufactures scientific and technology products for use in applications including life sciences, healthcare, astronomy, consumer manufacturing and art

conservation. SDI intends to continue to grow through its own technology advancements as well as strategic, complementary acquisitions.

No statement in this announcement is intended to be a profit forecast or estimate and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

***The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.***