



**FOR IMMEDIATE RELEASE**

TSX VENTURE: HTL

**HAMILTON THORNE ANNOUNCES FINANCIAL AND OPERATIONAL RESULTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

**BEVERLY, MA and TORONTO, Ontario – November 20, 2018** - Hamilton Thorne Ltd. (TSX-V:HTL), a leading provider of precision instruments, consumables, software and services to the Assisted Reproductive Technologies (ART) and developmental biology research markets, today reported financial and operational results for the quarter and nine-months ended September 30, 2018.

**Highlights**

- Sales increased 13% year over year to \$6.8 million for the quarter; up 42% to \$21.1 million for the nine-month period
- Gross profit increased 6% year over year to \$3.8 million for the quarter; up 29% to \$11.9 million for the nine-month period
- Net loss of \$545 thousand for the quarter; net income decreased to \$215 thousand for the nine-month period, in each case primarily due to the change in fair value of debenture (see below);
- Adjusted EBITDA increased 1% year over year to \$1.43 million for the quarter; up 24% to \$4.4 million for the nine-month period
- Sales in constant currency increased 14% for the quarter; 40% for the nine-month period
- Organic growth was 11% for the quarter; 12% in constant currency. Organic growth was 13% for the nine-month period, in reported and constant currency

“The quarter ended September 30 was a solid quarter for us,” stated David Wolf, President and Chief Executive Officer. “Sales into the human clinical market continued to show strong growth driven by the increased consumables sales, including increased sales of consumables through distribution channels. Sales into the animal breeding market grew substantially while sales into research markets were down. Organic growth was 11% for the quarter and 13% for the nine-month period, or 12% and 13% in constant currency. Gross profit margins of 56.4% have been consistent for the year, within a range of approximately 50 basis points, but were down versus the prior year quarter, reflecting the mix between direct sales of our own high-margin products and services and somewhat lower margin sales of our branded products through distribution channels and direct sale of third-party products.”

The Company reported a net loss of \$545 thousand for the quarter (net income of \$215 thousand for the nine-month period) largely due to the negative effect of an \$896 thousand (\$1.1 million for the nine months) change in the fair value of a derivative issued in connection with the Gynemed acquisition. Without this non-cash charge, the Company would have reported net income of \$330 thousand for the quarter and \$1.3 million for the nine-month period. The Company also incurred acquisition related expenses of \$68 thousand in the third quarter and nine-month period, versus nil in the prior year quarter and \$613 thousand prior year to date. Cash flow from operations was \$730 thousand for the quarter; \$2.5 million for the nine-month period.

Mr. Wolf added, “In the third quarter we continued investing in expanded sales and marketing, including the expansion of our US and European based sales teams. US results were below expectations for the third quarter, particularly with respect to the direct sales of third-party products, but we expect to see a rebound in the fourth

quarter. We also continued to focus our efforts to drive additional cross-selling and marketing synergies across our business lines. Early in the third quarter we completed the acquisition of the ZANDAIR™ air purification products business from Zander Scientific, Inc. which contributed to third quarter sales growth. We continue to see a significant opportunity to grow revenues from the ZANDAIR product line by leveraging our established sales and marketing resources worldwide.”

Michael Bruns, the Company’s Chief Financial Officer added, “In the third quarter we substantially enhanced our cash position by closing a bought deal financing with net proceeds of approximately \$7.1 million. In November, we closed an acquisition line of credit with our commercial bank that will expand our ability to complete acquisitions with a relatively lower cost of capital. With continued EBITDA growth, strong cash flows and a healthy cash balance of \$13.2 million at the end of the quarter, we believe we are well-positioned to continue our acquisition strategy to complement our organic growth.”

Statements of Operations:	Three and Nine-Month Periods Ending September 30			
	Three Months		Nine Months	
	2018	2017	2018	2017
Sales	\$6,833,457	\$6,052,566	\$21,141,076	\$14,940,512
Gross profit	3,850,825	3,639,609	11,928,885	9,266,821
Operating expenses	3,004,252	2,714,958	9,065,280	7,405,271
Net income	(544,694)	613,900	215,335	1,049,811
Adjusted EBITDA	1,428,959	1,414,325	4,437,010	3,578,328
Basic earnings per share	(\$0.005)	\$0.006	\$0.002	\$0.011
Diluted earnings per share	(\$0.005)	\$0.005	\$0.002	\$0.010

*All amounts are in US dollars, unless specified otherwise, and results, with the exception of Adjusted EBITDA, are expressed in accordance with the International Financial Reporting Standards ("IFRS").*

The Company reported that operating expenses were generally in line with expectations, reflecting added expenses from the Gynemed business (for the nine-month period) and continued investment in R&D, staffing, sales and marketing.

### Conference Call

The Company will hold a conference call on Tuesday November 20, 2018 at 11:00 a.m. EDT to review highlights of results. All interested parties are welcome to join the conference call by dialing toll free 1-855-223-7309 in North America, or 647-788-4929 from other locations, and requesting Conference ID 2546617. The Company’s updated investor presentation and a recording of the call will be available on Hamilton Thorne’s website one day after the call.

### Stock Options

The Company also announced that it has granted a total of 945,500 stock options to purchase common shares pursuant to the Company’s incentive stock option plan. The options are exercisable at Cdn \$1.09 per share, and expire ten years from the date of grant. A total of 520,000 of these options were granted to the Company’s Directors, CEO, CTO and CFO. Grants to directors and employees vest over four years.

Financial statements and accompanying Management Discussion and Analysis for the periods are available on [www.sedar.com](http://www.sedar.com) and the Hamilton Thorne website.

**About Hamilton Thorne Ltd. ([www.hamiltonthorne.ltd](http://www.hamiltonthorne.ltd))**

Hamilton Thorne is a leading global provider of precision instruments, consumables, software and services that reduce cost, increase productivity, improve results and enable breakthroughs in Assisted Reproductive Technologies (ART) and developmental biology research markets. Hamilton Thorne markets its products and services under the Hamilton Thorne, Gynemed and Embryotech Laboratories brands, through its growing sales force and distributors worldwide. Hamilton Thorne's customer base consists of fertility clinics, university research centers, animal breeding facilities, pharmaceutical companies, biotechnology companies, and other commercial and academic research establishments.

*Neither the TSX Venture Exchange, nor its regulation services provider (as that term is defined in the policies of the exchange), accepts responsibility for the adequacy or accuracy of this release.*

*The Company has included earnings before interest, income taxes, depreciation, amortization, share-based compensation expense, changes in fair value of derivatives and identified acquisition costs related to completed transactions ("Adjusted EBITDA") as a non-IFRS measure, which is used by management as a measure of financial performance. See section entitled "Use of Non-IFRS Measures" and "Results of Operations" in the Company's Management Discussion and Analysis for the periods covered for further information and a reconciliation of Adjusted EBITDA to Net Income.*

*Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict including the risk that the Company may not be able to obtain the necessary regulatory approvals, as applicable. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com).*

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