

FOR IMMEDIATE RELEASE

TSX VENTURE: HTL



**HAMILTON THORNE REPORTS FINANCIAL AND OPERATIONAL RESULTS FOR THE  
QUARTER-ENDED MARCH 31, 2020**

*Revenues up 36% to \$10.4 million; Adjusted EBITDA up 21% to \$1.8 million*

**BEVERLY, MA and TORONTO, Ontario – May 28, 2020** - Hamilton Thorne Ltd. (TSX-V:HTL), a leading provider of precision instruments, consumables, software and services to the Assisted Reproductive Technologies (ART), research, and cell biology markets, today reported financial and operational results for the quarter-ended March 31, 2020.

**Highlights**

- Sales in USD increased 36% year over year to \$10.4 million; sales in constant currency were up 38%
- Gross profit increased 31% year over year to \$5.2 million
- Net income increased \$710 thousand to \$145 thousand
- Adjusted EBITDA increased 21% year over year to \$1.8 million
- Organic growth in USD was 11% for the quarter; 12% in constant currency
- Cash flow from operations was \$709 thousand for the quarter; total cash at March 31, 2020 increased to \$15.9 million.

“The first quarter of 2020 started off very strong,” stated David Wolf, President and Chief Executive Officer. “We achieved \$10.4 million in sales, a 36% year over year growth with 11% organic growth (12% constant currency). Sales into the human clinical market were up substantially, primarily driven by the contribution from the Planer acquisition, augmented by significant increases in consumables sales worldwide, somewhat offset by a reduction in equipment sales in the US. Sales into the cell biology/research markets also grew substantially, primarily due to the contribution from the Planer acquisition, augmented by strong toxicology testing equipment sales, while sales into the animal breeding market were slightly down. Gross profit margins were down 1.9% at 50.2% primarily due to product mix, particularly the increase in sales of third-party capital equipment associated with a large laboratory setup in Europe, increased sales of third-party consumables, and the addition of somewhat lower margin sales of Planer products, partially offset by increases in direct sales of higher margin, branded consumables and services.”

<b>Statements of Operations:</b>	<b>Three Month Periods Ending March 31,</b>	
	<b>2020</b>	<b>2019</b>
Sales	\$10,395,076	\$7,638,057
Gross profit	5,222,793	3,975,799
Operating expenses	4,241,010	2,959,434
Net income	145,402	(564,242)
EBITDA	1,827,725	1,505,314
Basic earnings (loss) per share	\$0.00	(\$0.00)
Diluted earnings (loss) per share	\$0.00	(\$0.00)

*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").*

## OUTLOOK

Mr. Wolf continued, “The coronavirus, or COVID-19, outbreak continues to add substantial uncertainty to the short- and mid-term outlook for our business. Despite our strong start to the year, we experienced reduced demand for some of our products and services in certain territories as the quarter developed, as many IVF clinics reduced their activities. In March 2020 the main scientific bodies that provide guidance to IVF clinics in Europe and the Americas, as well as regulators in certain countries, recommended (or mandated in some cases) that clinics suspend new procedures. This reduction in demand has continued in the second quarter, but we have also seen demand for our products return in some territories, notably China, which had been severely impacted in Q1. In addition, commencing in late April, guidance and regulations in most of Europe and the Americas have encouraged IVF clinics to resume operations with enhanced safety measures; however, it is not certain how quickly IVF clinic operations will return to pre-pandemic levels. These fluctuations in demand for many of our products and services will last for a period of time that is difficult to determine, and will have an adverse effect on financial results in the second quarter, which could extend for one or more subsequent quarters.”

Michael Bruns, Chief Financial Officer added, “Cash flow from operations was \$709 thousand for the quarter. Given the uncertainties surrounding the COVID-19 outbreak, it is impossible to predict whether the Company will generate cash from operations in 2020. Regardless, we currently maintain a strong balance sheet, with cash on hand of approximately \$15.9 million, and net bank debt of just under \$10 million following our Q1 drawdown under our line of credit, and we believe that our current cash position should be sufficient to support operations for the next twelve months. We continue to actively manage our acquisition program with a goal of completing one or more meaningful acquisitions every twelve to eighteen months; however, the effects of the COVID-19 outbreak could affect this goal.”

The Company reported that operating expenses were generally in line with expectations, with increased spending primarily due to the addition of Planer expenses post-closing, continued investments in sales and support resources, and increased R&D spending.

### Conference Call

The Company has scheduled a conference call on Friday, May 29, 2020 at 11:00 a.m. EDT to review highlights of the 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 29985315. The Company’s updated investor presentation and a recording of the call will be available on Hamilton Thorne’s website shortly after the call.

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), research, and cell biology markets. Hamilton Thorne markets its products and services under the Hamilton Thorne, Gynemed, Planer, 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. 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).*

**For more information, please contact:**

David Wolf, President & CEO  
Hamilton Thorne Ltd.  
978-921-2050  
[ir@hamiltonthorne.ltd](mailto:ir@hamiltonthorne.ltd)

Michael Bruns, CFO  
Hamilton Thorne Ltd.  
978-921-2050  
[ir@hamiltonthorne.ltd](mailto:ir@hamiltonthorne.ltd)

Glen Akselrod  
Bristol Investor Relations  
905-326-1888  
[glen@bristolir.com](mailto:glen@bristolir.com)