

FOR IMMEDIATE RELEASE

TSX VENTURE: HTL



Hamilton Thorne Announces the Acquisition of Gynemed GmbH & Co. KG and Related Financing Transactions

- ***Significantly expands product offerings and presence in a key European market***
- ***Transaction is expected to be materially accretive to revenue and EBITDA***

BEVERLY, MA and TORONTO, ON -- (April 28, 2017) - Hamilton Thorne Ltd. (TSX VENTURE: HTL) ("Hamilton Thorne" or the "Company"), a leading provider of precision instruments, consumables, software and services to the Assisted Reproductive Technologies (ART) and developmental biology research markets today announced that it has completed the acquisition of Gynemed GmbH & Co. KG ("Gynemed") for total consideration of Euro 13.9 million (approximately US\$15.1 million) (the "Transaction").

Gynemed, based in Lensahn, Germany is a leading manufacturer and distributor of consumables and equipment for the in vitro fertilization ("IVF") clinic and laboratory markets. The Transaction results in the significant expansion of Hamilton Thorne's product offerings and provides the Company with profitable operations in the well-established European ART market. For the year ended December 31, 2016, Gynemed had revenues of approximately Euro 8.8 million (approximately US\$9.6 million), net income of approximately Euro 2.2 million (approximately US\$2.4 million) and EBITDA of approximately Euro 2.6 million (approximately US\$2.8 million).

Key Benefits of the Transaction:

- Addition of a profitable portfolio of premium products that are highly complementary to Hamilton Thorne's existing product and service offerings
- Expected to be materially accretive to revenue and EBITDA
- Diversifies and increases product offerings and recurring revenue
- Opportunity to expand Gynemed product offerings into additional international markets and to increase European sales of existing Hamilton Thorne products
- Financed through the expansion of an existing credit facility and an equity offering

"We are excited to welcome our new partners from Gynemed to the Hamilton Thorne family. This transformative acquisition significantly enhances the size of our business and provides a new platform for continued growth of our business," said David Wolf, President and Chief Executive Officer of Hamilton Thorne. "Gynemed is a well-established and respected provider of premium clinical and laboratory consumables and equipment in the European ART market that importantly shares our total commitment to the highest standards in customer service and quality. I am particularly excited that all of Gynemed's current employees and leadership team will continue to operate and lead the growth of the existing Gynemed business and collaborate with our existing Hamilton Thorne team on several new avenues of growth for our combined operations. This acquisition enhances our presence in the very attractive European ART market, further diversifies our revenue base and increases our percentage of recurring revenues through the sale of consumable products, including Gynemed's IVF cell culture media solutions."

Dr. Fabian Sell, CEO of Gynemed commented, "My co-founders and I founded Gynemed 20 years ago to provide premium products backed by the highest quality scientific data. We are very pleased to be joining Hamilton Thorne who shares our belief in quality and service. We believe that the combination of the businesses can significantly accelerate the growth of both the Hamilton Thorne and Gynemed operations

around the world. The management and board of Hamilton Thorne have been strong partners during this process and we look forward to the future of the combined Company.”

Acquisition Details

Pursuant to the Transaction, Hamilton Thorne indirectly acquired 100% of the partnership interests of Gynemed and its general partner under the terms and conditions of share purchase and transfer agreement (the “Purchase Agreement”) dated April 28, 2017 between a wholly owned subsidiary of the Hamilton Thorne, Gynemed’s general partner and the limited partners and shareholders of Gynemed and its general partner (the “Sellers”).

On closing, Hamilton Thorne paid aggregate consideration of approximately Euro 13.9 million (approximately US\$15.1 million). The consideration consisted of approximately Euro 8.6 million (approximately US\$9.3 million) in cash, the issuance of an aggregate of 5,525,523 common shares (the “Seller Shares”) of Hamilton Thorne at a deemed issuance price of C\$0.57 per share with a deemed aggregate value of approximately Euro 2.1 million (approximately US\$2.3 million), and the issuance of 3 year, unsecured convertible debentures of Hamilton Thorne in the principal amount of approximately Euro 3.2 million (approximately US\$3.5 million) (the “Debentures”). The Debentures will accrue interest at a rate of 4.25% per annum and are convertible, at the option of the holder, into common shares of Hamilton Thorne (“Conversion Shares”) at a conversion price equal to the Euro equivalent of C\$0.63 per Conversion Share based on a staged, 3-year optional conversion schedule (with 20%, 25% and 55%, respectively, of the outstanding principal amount of Debentures becoming convertible on each anniversary of the closing, subject to acceleration in certain circumstances). The Seller Shares will be subject to a 1-year escrow pending final calculation of certain closing adjustments and to satisfy any possible indemnity claims.

The seller was advised by Dr. Claus Michelfelder of CMC Medical AG.

Concurrent Financing Details

The aggregate cash component of this transaction was financed with the Company’s cash on hand, an expanded secured credit facility from our existing senior lender Middlesex Savings Bank and through brokered and non-brokered private placements of common shares of Hamilton Thorne (“Offered Shares”) at a price of C\$0.54 per Offered Share for aggregate gross proceeds of C\$12.5 million (approximately US\$9.2 million) (the “Private Placement”). The expanded credit facility includes a new term loan of US\$4.0 million (the “Term Loan”). The Term Loan bears interest at a rate of 4.49% per annum, amortizes over the life of the loan, and matures five years from the closing date. This Term Loan augments Hamilton Thorne’s existing US\$5.5 million term loan put in place to finance the acquisition of Embryotech Laboratories, Inc. (approximately US\$5.0 of which is currently outstanding) and the Company’s US\$2.5 million line of credit (approximately US\$1.3 million of which was outstanding as of closing).

The Private Placement included the issuance of an aggregate of 15,774,068 Offered Shares (approximately C\$8.5 million) on a best efforts agency basis (the “Brokered Private Placement”) and an aggregate of 7,374,073 Offered Shares (approximately C\$4.0 million) on a non-brokered basis (the “Concurrent Private Placement”).

Bloom Burton Securities Inc. (“Bloom Burton”) acted as financial advisor of Hamilton Thorne in connection with the Transaction and acted as sole agent in connection with the Brokered Private Placement. In connection with the Brokered Private Placement, the Agent received a total cash commission of \$583,029.77 and 1,079,684 non-transferable broker warrants (“Broker Warrants”). Each broker warrant is exercisable for a period of 12 months into one common share of Hamilton Thorne at a price of C\$0.54 per common share.

The net proceeds were used by Hamilton Thorne to fund a portion of the cash component of the purchase price for the Transaction, and will be used for working capital and general corporate purposes and to fund potential future acquisitions.

All securities issued under the Private Placement and the Transaction will be subject to a four month hold period from the closing date under applicable Canadian securities laws. The Private Placement is subject to receipt of final acceptance from the TSX Venture Exchange.

Related Party Transaction

An aggregate of 2,600,000 Offered Shares representing gross proceeds of approximately C\$1,404,000 were issued to certain “related parties” (as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”)) to the Company pursuant to the Non-Brokered Private Placement. In accordance with MI 61-101, such related party subscriptions constitute a “related party transaction.” The Company is exempt from the formal valuation requirement of MI 61-101 in connection with the related party subscriptions in reliance on section 5.5(b) of MI 61-101, as no securities of the Company are listed or quoted for trading on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ stock market or any other stock exchange outside of Canada and the United States. Additionally, the Company is exempt from obtaining minority shareholder approval in connection with the related party subscriptions in reliance on section 5.7(1)(a) of MI 61-101, as the aggregate value of the related party subscriptions does not exceed 25% of the market capitalization of the Company.

Due to the expedited timeline of the Transaction and the Private Placement, there will be less than 21 days between the date the Company files its material change report in respect of the Private Placement and the Transaction and the completion date of the Private Placement.

Option Grant

The Company also announced that it has granted a total of 550,000 stock options to Gynemed’s employees to purchase common shares pursuant to the Company’s incentive stock option plan. The options are exercisable at Cdn\$0.63 per share, and expire ten years from the date of grant. Grants to employees vest over four years.

About Hamilton Thorne Ltd. (www.hamiltonthorne.com)

Hamilton Thorne is a leading world-wide 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’s laser products attach to standard inverted microscopes and operate as micro-surgical devices, enabling a wide array of scientific applications and In Vitro Fertilization (IVF) procedures. Its image analysis systems are designed to bring quality, efficiency and reliability to studies of reproductive cells in the human fertility, animal sciences and reproductive toxicology fields. Hamilton Thorne’s standardized toxicology assays and quality control testing services help to improve outcomes in human IVF clinics. Hamilton Thorne’s growing worldwide customer base consists of pharmaceutical companies, biotechnology companies, fertility clinics, university research centers, animal breeding companies, and other commercial and academic research establishments, including Harvard, MIT, Yale, McGill, Oxford, Cambridge, the Smithsonian Institution, Charles River Labs, Covance, ABS Global, Sexing Technologies, Merck, Cook Medical, Novartis, Pfizer, and Dow Chemical.

About GYNEMED GmbH & Co. KG (<http://www.gynemed.de>)

GYNEMED GmbH & Co. KG is a leading manufacturer and distributor of products for reproductive medicine, including clinical and laboratory equipment and disposables, as well as complete installations of ART clinics. Gynemed offers a complete range of cell culture media for the embryology and andrology laboratory in the ART clinic. Founded in 1998, Gynemed's has, since inception, demonstrated a commitment to quality products and services in Germany, Austria and Switzerland and is expanding across other European markets and internationally.

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.

Note re Non-IFRS Measures

The Company has included earnings before interest, income taxes, depreciation and amortization, ("EBITDA") as a non-IFRS measure, which is used by management as a measure of financial performance. For further information, see section entitled "Use of Non-IFRS Measures" in the Company's Management Discussion and Analysis for the fiscal year ended December 31, 2016, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

The historical financial information of Gynemed included in this press release is based on the audited financial statements of Gynemed for the fiscal year ended December 31, 2016 (the "Gynemed Financial Statements"). The Gynemed Financials Statement were prepared in accordance with German generally accepted accounting principles. Accordingly, readers are cautioned that such results have not been reconciled to IFRS and may be subject to adjustment.

Updated financial information with respect to Gynemed is expected to be included in a business acquisition report to be filed by the Company on SEDAR (www.sedar.com) within 75 days of closing.

Forward-Looking Statements

Certain information in this press release may contain forward-looking statements, including, without limitation, with respect to the projected impact of the transaction on the Company's revenue diversification and future earnings. 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.

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