

FOR IMMEDIATE RELEASE

TSX VENTURE: HTL



## HAMILTON THORNE REPORTS FINANCIAL AND OPERATIONAL RESULTS FOR THE QUARTER-ENDED JUNE 30, 2021

*Revenues up 71% to \$12.5 million; Adjusted EBITDA up over 300% to \$2.45 million*

**BEVERLY, MA and TORONTO, Ontario – August 18, 2021** - 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 unaudited financial and operational results for the quarter and six months ended June 30, 2021.

### Highlights

- Sales increased 71% year over year to \$12.5 million for the quarter; sales for the six-month period increased 36% to \$24 million; constant currency increase of 62% for the quarter and 29% for the six-month period
- Gross profit increased 69% to \$6.4 million for the quarter; increased 36% to \$12.3 million for the six-month period
- Net income was \$482 thousand for the quarter and \$1.35 million for the six-month period, versus net losses of \$594 thousand and \$449 thousand in the prior year periods
- Adjusted EBITDA increased 334% to \$2.45 million for the quarter and 99% to \$4.77 million for the six-month period
- Organic growth in USD was 70%, 61% in constant currency; 35% organic growth for the six-month period, 29% in constant currency
- Cash generated from operations was \$1.7 million for the quarter, and \$3.2 million for the six-month period; total cash on hand at June 30, 2021 was \$20.6 million

“Our solid start to the year continued in the second quarter,” stated David Wolf, President and Chief Executive Officer. “Sales of \$12.5 million was a record quarter for us, and was up over 70% versus the second quarter of 2020, which we all know was meaningfully impacted by slowdowns related to Covid-19. Sales of \$24 million for the six months increased 36% over the prior year. We were pleased to see our adjusted EBITDA results rebound to 19.6% of sales in Q2, and 19.8% of sales for the six-month period.”

Statements of Operations:	Three and Six-Month Periods Ending June 30			
	Three Months		Six Months	
	2021	2020	2021	2020
Sales	\$12,527,310	\$7,332,559	\$24,046,198	\$17,727,635
Gross profit	6,395,437	3,789,611	12,271,109	9,012,405
Operating expenses	5,600,087	4,075,644	10,206,897	8,316,654
Net income (loss)	482,419	(594,343)	1,348,294	(448,941)
Adjusted EBITDA	2,449,574	573,150	4,766,644	2,400,875
Basic earnings per share	\$0.00	(\$0.00)	\$0.01	(\$0.00)
Diluted earnings per share	\$0.00	(\$0.00)	\$0.01	(\$0.00)

**Statements of Financial Position as at:**

	<b>Jun. 30, 21</b>	<b>Dec. 31, 20</b>
Cash	\$20,586,715	\$21,828,443
Working capital	22,820,731	22,076,872
Total assets	69,811,775	69,808,718
Non-current liabilities	6,030,149	7,008,568
Shareholders' equity	52,813,030	51,065,925

*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").*

Mr. Wolf continued, "Sales of consumables and services, which closely correlate to increased activity at our customer sites, augmented by our market share gains, were up over 80%, while equipment sales, which have been taking longer to recover, were up over 55% for the quarter. Sales into the human clinical market were up substantially for the quarter and first half, driven by strong demand for all products and services. Sales into the cell biology/research markets also grew substantially for both periods, albeit off a much smaller base, while sales into the animal breeding market were down for both periods. Gross profit margins were down slightly to 51.1% primarily due to product mix but were slightly up versus Q1 of this year."

The Company continues to be active with its acquisition program. In April, the Company acquired Tek-Event Pty. Ltd., the manufacturer of the Cell-Tek Microscope Chamber, a specialized workstation that is used in ART and laboratory markets worldwide with direct sales operations in Australia. In July, the Company acquired IVFtech ApS, which manufactures laminar flow workstations for controlling temperature, air flow, and air quality in ART and laboratory markets worldwide, as well as flatbed incubators and a number of accessories and related products. The Company also acquired IVFtech's affiliated direct sales business, K4 Technology ApS. These two recent acquisitions add a number of high-quality product lines with significant growth potential to our product portfolio, and establish a direct sales presence for the entire Hamilton Thorne product range in Australia and the Nordics region of Denmark, Sweden, Norway, Finland and Iceland. In addition to these transactions, the Company has an active pipeline and is working on multiple opportunities. With approximately \$20 million in cash and an \$8 million acquisition line of credit, Hamilton Thorne is well positioned to execute on additional acquisition opportunities.

The Company reported that operating expenses were generally in line with expectations, with travel returning to historical levels and increased costs associated with maintaining investments in R&D and sales and support personnel.

**OUTLOOK**

Mr. Wolf added, "Our outlook for the balance of the year continues to be impacted by the Covid-19 pandemic. During the first half of the year, we were clearly seeing normalized sales activity in the US and in many of our other major markets. However, the resurgence of Covid-19 cases in certain parts of the world based on new variants has added substantial uncertainty to the short- and mid-term outlook. We continue to experience shortages and longer lead-times and, in some cases, higher prices, for some finished goods that we resell, as well as some components incorporated into the products that we manufacture. We have been managing through these disruptions but are concerned that we may see an impact on sales and profitability in the second half, which could continue for a period of time that is difficult to predict and which may possibly affect our ability to meet our growth plans and acquisition objectives."

## Conference Call

The Company will hold a conference call on Wednesday, August 18, 2021, 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 5099691. 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, IVFtech, Embryotech Laboratories, and Tek-Event 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 Adjusted EBITDA, Organic Growth, and Constant Currency as non-IFRS measures, which are used by management as measures 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)