



HAMILTON THORNE ANNOUNCES THE ACQUISITION OF EMBRYOTECH LABORATORIES

Transaction is significantly accretive to revenue, EBITDA and net income

BEVERLY, MA and TORONTO, Ontario – September 16, 2016 – Hamilton Thorne Ltd. (TSX-V: HTL) (“Hamilton Thorne” or the “Company”), a leading provider of precision laser devices and advanced image analysis systems for the Assisted Reproductive Technologies (ART) and developmental biology research markets today announced that it completed the acquisition of 100% of the operating assets of Massachusetts-based Embryotech Laboratories, Inc. for total consideration of approximately US\$7.25 million. Hamilton Thorne estimates this transaction will be accretive to earnings in 2016 and is expected to add over US\$5 million of revenue and more than US\$1.5 million to EBITDA in calendar year 2017.

Key Benefits of the Transaction:

- Significantly accretive to revenue, EBITDA, and net income
- Diversifies and increases recurring revenue to an estimated 40% of sales
- Expected to increase 2017 revenue by over 50% (vs. last 12 months actuals)
- Expected to increase 2017 EBITDA by over 100% (vs. last 12 months actuals)
- Establishes Hamilton Thorne as a leader in providing quality control products and services
- Opportunity to expand product offering in international markets
- Minimal dilution by using cash on hand and new 5-year term debt at 4.25% interest
- Sets the stage for additional acquisition opportunities

“Embryotech is the acknowledged US leader in providing quality control services and testing assays to the ART community. In addition to acquiring a great brand, we will be strengthening the financial performance of Hamilton Thorne. Not only will this acquisition increase our scale, we anticipate that it will diversify our revenue base from a predominantly one-time sale of instruments model to a projected 40% recurring revenues from the sales of services and consumables,” said David Wolf, President and Chief Executive Officer of Hamilton Thorne.

“Combining Embryotech with Hamilton Thorne’s portfolio of products and services provides Embryotech with increased financial strength, marketing expertise, and access to the international markets served by Hamilton Thorne. This relationship will bring greater resources to support our current operations and growth plans as well as provide greater opportunities to our employees,” said Eric Dorman, Embryotech’s President. Mr. Dorman will continue to lead Embryotech Laboratories as its President.

Transaction Details

Pursuant to the transaction, Hamilton Thorne paid US\$6.075 million in cash and issued 7,759,154 common shares of Hamilton Thorne at a deemed issuance price of Cdn\$0.198 per share.

The aggregate share component of US\$1.175 million was calculated based on a twenty-day weighted-average stock price prior to agreement date and the average US to Canada foreign exchange rate for the prior five days. The share consideration will be placed in escrow pending final calculation of certain closing adjustments and to satisfy any possible indemnity claims.

Bloom Burton & Co. Limited acted as financial advisor to Hamilton Thorne.

Financing Arrangements

The aggregate cash component of this transaction was financed with the Company's cash and a new secured credit facility from Middlesex Savings Bank. The new credit facility includes a term loan of US\$5.5 million (the "Term Loan") plus a line of credit of up to US\$2.5 million (the "Revolver"), US\$1.5 million of which was drawn at closing.

The Revolver bears interest at the Prime Rate (currently 3.5%), matures two years from the closing date, and is renewable annually upon bank approval. The Term Loan bears interest at a rate of 4.25% per annum, includes an escalating amortization schedule, and matures five years from the closing date.

This Facility replaces Hamilton Thorne's existing US\$3.5 million bank line of credit, for net new borrowings of approximately US\$3.5 million.

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

Hamilton Thorne designs, manufactures and distributes precision laser devices and advanced imaging systems 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 robotic micro-surgeons, enabling a wide array of scientific applications and IVF procedures. Its imaging systems improve outcomes in human IVF clinics and animal breeding facilities and provide high-end toxicology analyses. 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, Novartis, Pfizer, and Dow Chemical.

About Embryotech Laboratories (www.embryotech.com)

Embryotech is a leading provider of quality control testing services and materials to the ART market. It provides manufacturers of growth media, labware, disposables and other devices that may come into contact with gametes or embryos in the ART lab with a suite of quality control testing services for detecting toxicity. Embryotech also provides quality control assays to ART laboratories that wish to do their own internal quality control testing as well as a range of products for training and research purposes. The Embryotech facility has earned ISO 17025 certification and operates under strict GMP guidelines

Neither the Toronto 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 and amortization, ("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" in the Company's Management Discussion and Analysis for further information.

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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