

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Microbix Biosystems Inc.  
265 Watline Avenue, Mississauga, Ontario L4Z 1P3

**Item 2 Date of Material Change**

May 8<sup>th</sup>, 2018

**Item 3 News Release**

The news release attached hereto as Schedule A was released by GlobeNewswire, Toronto on May 8<sup>th</sup>, 2018.

**Item 4 Summary of Material Change**

Microbix Completes Multiple Facility Upgrades – Production Capacity Increased to Support Growth Objectives

**Item 5 Full Description of Material Change**

A full description of the material change is described in the news release attached as Schedule A.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

Jim Currie, CFO  
Microbix Biosystems Inc.  
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tel: 905 361-8910

**Item 9 Date of Report**

May 10<sup>th</sup>, 2018



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## News Release

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### **Microbix Completes Multiple Facility Upgrades**

#### **Production Capacity Increased to Support Growth Objectives**

**TORONTO, May 8, 2018** - Microbix Biosystems Inc. (TSX: MBX, Microbix®), an innovator of biological products and technologies, announces the completion of multiple upgrades to its production facility, to improve its revenue capacity and in support of corporate growth objectives.

#### **About Microbix' Antigens & Quality Products Business**

Microbix is a leading independent producer of bacterial and viral antigens for use in medical diagnostics and laboratory quality assessment processes, selling over 100 commercial products to many international diagnostics makers or laboratory accreditation organizations. Antigens enable the detection of circulating immune system antibodies – needed to establish whether a patient has been exposed to a pathogen, has adequate immunity to it, or may have an active infection. The need for antigens is increasing as immunoassay diagnostics are being adopted more broadly, particularly into Asia-Pacific nations. The full product list is available at [www.microbix.com](http://www.microbix.com).

#### **Facility Upgrades Now Completed**

Microbix owns a dedicated production facility in Mississauga, Ontario and has 78 employees. To support the expected growth of antigen demand, Microbix began a program of upgrades to its facility in November, 2017, following a private placement in October, 2017. Its program of upgrades is now substantially completed, with the following tasks having been accomplished:

- Doubling of the power supply
- Expanding the bioreactor suite
- Increasing bioreactor capacity by 500%
- Creation of two new processing rooms
- Addition of two processing ultracentrifuges
- Addition of four bioprocessing cabinets
- Expanding the sterile water system
- Enhancing media prep capacity & efficiency
- Reallocating glassware prep & cleaning space
- Transfer of executive support offices offsite
- Additions to QC/QA laboratory space
- HVAC rebalancing & security enhancements

The largest remaining item is to update and increase autoclave capacity, targeted for later in 2018.

#### **Business Outlook**

Microbix is experiencing material growth in demand across its larger-selling antigens. Its intention is to meet this demand by increasing production capacity and via the adoption of new technology, such as its use of bioreactors for production of viral antigens. It thereby seeks to increase overall revenues while also increasing its gross margins – by way of moving production of its largest-selling, but lowest-margin product into a higher-margin bioreactor process and thereby freeing conventional capacity to make more of other, higher-margin antigens. This process is expected to be substantially completed in the latter half of fiscal 2019, and result in enhancements to both revenues and net earnings during fiscal 2019.

#### **About Microbix Biosystems Inc.**

Microbix specializes in developing proprietary biological and technology solutions for human health and well-

being. It manufactures a wide range of critical biological materials for the global diagnostics industry, notably the antigens needed for immunoassays and quality assessment products. Microbix' products are sold to more than 100 customers worldwide, primarily to multinational diagnostics companies and laboratory accreditation organizations.

Microbix also applies its biological expertise and infrastructure to create proprietary new products and technologies. Currently it is commercializing two such products, (1) Kinlytic® urokinase, a biologic thrombolytic drug used to treat blood clots and (2) LumiSort™ cell-sorting, a technology platform for ultra-rapid and efficient sorting of somatic cells that can be used to enrich cell populations of interest, such as in sexing semen. Established in 1988, Microbix is a publicly traded company, listed on the Toronto Stock Exchange and headquartered in Mississauga, Ontario, Canada.

### **Forward-Looking Information**

This news release includes “forward-looking information”, as such term is defined in applicable securities laws. Forward-looking information includes, without limitation, discussion of its antigens business and goals relating to it, financial results or the outlook for the business, risks associated with its financial results and stability, its broader business and development projects such as those referenced herein, sales to foreign jurisdictions, engineering and construction, production (including control over costs, quality, quantity and timeliness of delivery), foreign currency and exchange rates, maintaining adequate working capital and raising further capital on acceptable terms or at all, and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the date of this news release and represent the Company's judgement as of the date of this new release, and the Company is under no obligation to update or alter any forward-looking information.

Please visit [www.microbix.com](http://www.microbix.com) or [www.sedar.com](http://www.sedar.com) for recent Microbix filings.

For further information, please contact Microbix at:

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