



---

265 Watline Avenue, Mississauga, Ontario L4Z 1P3  
Tel: 905-361-8910 Fax: 905-361-8911

## News Release

---

### Microbix Reports Results for Fiscal 2019

#### Full-Year Sales of \$13.4 Million, Progress Toward Sustained Profitability

**MISSISSAUGA, December 20, 2019** - Microbix Biosystems Inc. (TSX: MBX, Microbix®), a life sciences innovator making critical ingredients that enable the production of clinical diagnostics and creating medical devices that help ensure test accuracy, reports results for its fiscal year ("2019") and fourth quarter ("Q4") ended September 30, 2019, with stronger sales and progress toward its operational goals.

#### Management Discussion

In 2019, Microbix advanced upon its goal of sustained profitability, achieving record sales of \$13.4 million and improving its gross margin, operating earnings and cash provided by operations.

For fiscal 2020, further sales growth and continuing improvements to gross and net margins are expected. Microbix remains committed to improving its operational and financial strength and thereby driving share price appreciation.

#### 12 Month Financial Results

2019 full-year revenue was \$13,412,341, a 7% increase from 2018 revenue of \$12,510,558. Included were antigen and quality product revenues of \$13,067,727, 7% higher than 2018. Sales were strong across multiple customers in North America and Europe and several of our key products. Revenue from royalties were \$344,614 (2018 - \$319,201).

Percentage gross margin for 2019 was 49%, up from 43% in 2018, with the improvement due to resolution of yield control issues and favourable changes to product mix.

Operating expenses increased by 6% in 2019, primarily a result of increased investment in sales and marketing and \$135,000 of financing expenses which had been capitalized in prior years. In 2019, stronger sales and gross margins led to an operating income of \$43,681 versus an operating loss of \$742,808 in 2018, and a net income of \$31,918 versus a net loss of \$8,621,566 in 2018 (that included an asset write-down). Cash provided by operations ("CFO") was \$44,368 in 2019, compared to cash used of \$537,005 the prior year.

#### Fourth Quarter Financial Results

Total Q4 revenue was \$3,587,285, a 6% increase from 2018 fourth quarter revenue of \$3,389,574. Included were antigen and quality product revenues of \$3,503,268 (2018 - \$3,308,913) and revenue from royalties of \$84,017 (2018 - \$80,661). Q4 sales were principally to antigen customers in North American and Europe and were across multiple customers and products.

Gross margin for Q4 was 44%, up from 41% in Q4 of fiscal 2018, with the increase due to the mix of products

sold and improvement in margin for a key product. Revenues from bioreactor-produced antigen were lower than expected, due to a delay in the conversion of a key customer that was resolved in Q4, and that will affect fiscal 2020 sales mix with expected benefits to percentage gross margin.

Operating expenses for Q4 increased by \$22,286 from 2018, due to further investment in sales and marketing and debenture interest costs that were previously capitalized. As a result, a net loss of \$48,816 was reported in Q4, versus a prior year net loss of \$8,185,894 that included an asset write-down (a Q4 2018 net loss of \$307,136, without that asset charge). Cash provided by operations ("CFO") in Q4 was \$574,570 (primarily due to increased gross margins), compared to \$349,783 in Q4 2018.

### Financial Highlights

	For the years ended		For the three months ended	
	2019	2018	2019	2018
Revenue	\$ 13,412,341	\$ 12,510,558	\$ 3,587,285	\$ 3,389,574
Gross Margin	6,547,447	5,369,436	1,576,078	1,374,393
S,G&A Expenses	4,395,496	4,170,641	1,168,587	1,143,087
R&D Expense	1,042,192	1,089,746	270,527	318,239
Financial Expenses	1,066,078	851,857	264,702	220,203
Operating income (Loss)for the Period	43,681	(742,808)	(127,738)	(307,136)
Net Comprehensive Income (Loss)	31,918	(8,621,566)	(48,816)	(8,185,894)
Net Comprehensive Income (Loss) per share	0.000	(0.090)	(0.001)	(0.085)
Cash Provided (Used) by Operating Activities	44,368	(537,005)	574,570	349,783
Cash	95,571	44,358		
Accounts receivable	1,709,470	1,313,480		
Total current assets	6,452,308	6,067,018		
Total assets	19,629,573	19,310,067		
Total current liabilities	4,765,895	4,161,417		
Total liabilities	9,092,165	8,956,565		
Total shareholders' equity	10,537,408	10,353,502		
Current ratio	1.35	1.46		
Debt to equity ratio	0.86	0.87		

### Corporate Outlook

For fiscal 2020, Microbix will work to continue improving the percentage gross margins from its critical ingredients (antigens) business and achieve strong growth in sales of its lines of innovative, proprietary and branded quality assessment products (QAPs™). If Microbix achieves its budget targets, the company will generate meaningful net earnings for fiscal 2020. Additionally, work continues with regards to securing a partnership agreement to advance Microbix's Kinlytic® urokinase project.

### About Microbix Biosystems Inc.

Microbix develops proprietary biological solutions for human health and well-being, with sales averaging over \$1 million/month and 75 skilled employees. It makes a wide range of critical materials for the global diagnostics industry, notably antigens for immunoassays and quality assessment products (QAPs) that support clinical lab proficiency testing, enable assay development and validation, or help ensure quality control of clinical diagnostic tests. Microbix antigens and QAPs are sold to many customers worldwide, at present primarily to multinational diagnostics companies and laboratory accreditation organizations.

Microbix also applies its biological expertise and infrastructure to create other proprietary new products and technologies. Currently it has two; (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 cells or other particles.

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 financial results or the outlook for the business, risks associated with its financial results and stability, its current or future products, 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:

Cameron Groome, CEO	Jim Currie, CFO	Deborah Honig, Investor Relations
(905) 361-8910	(905) 361-8910	Adelaide Capital Markets
		(647) 203-8793 <a href="mailto:ir@microbix.com">ir@microbix.com</a>

Copyright© 2019 Microbix Biosystems Inc. *Microbix®, Kinlytic®, LumiSortr™, and QAPs™ are trademarks of the Company*