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## News Release

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### **Microbix Reports Results for Q4 & Full-Year Fiscal 2023**

#### **Full-Year Sales of \$16.5 million and Net Loss of \$0.04 million**

**MISSISSAUGA, CANADA, December 21, 2023** - Microbix Biosystems Inc. (TSX: MBX, OTCQX: MBXBF, Microbix®), a life sciences innovator, manufacturer, and exporter, reports results for its year and fourth quarter ended September 30, 2023 (“2023” & “Q4”), with solid sales and a resumption of profitability in Q4, ongoing progress to increase revenues from its diagnostic-test related ingredients and devices, and recognition of a fully-funded program to revalidate and relaunch its approved drug, Kinlytic® urokinase.

#### **Management Discussion**

Results for Q4 and 2023 complete a challenging and fulfilling year during which Microbix successfully adapted to post-pandemic conditions – adding important new customers and products, signing a fully-funded redevelopment deal for its biological drug, Kinlytic® urokinase, and maintaining its financial strength. However, sales did not grow in 2023 due to a lack of new orders for our DxTM™ viral transport medium, which net of other new revenues and expenses, led Microbix to a small net loss for 2023. More happily, Microbix expects record sales across fiscal 2024, along with significantly positive net earnings.

#### **Year ending September 30, 2023 (“2023”)**

2023 revenue was \$16,514,776, a 13% decrease from 2022 revenues of \$19,076,241. Antigen sales grew by 16% to \$9,592,219 (2022 - \$8,287,908), while QAPs declined by 5% to \$5,087,321 (2022 - \$5,375,329). Revenue from DxTM was nil in 2023, down from \$5,004,359 the prior year, while royalties increased to \$484,718 (2022 - \$408,694). 2023 revenues were most influenced by the lack of DxTM sales, which was only partially offset by growth in Antigens and receipt of Kinlytic licensing revenues of \$1,348,500 (2022 – nil).

2023 gross margin was 45%, down from 2022 gross margins of 58%. Gross margins were impacted by increased labour, manufacturing, and supply chain costs; all due to inflationary pressures. In addition, the lack of DxTM sales negatively impacted gross margin due to product mix and an inventory write-off.

Operating and finance expenses in 2023 increased by 14% relative to 2022 principally due to increased investment in R&D projects for our QAPs business and incremental spending on implementation of ERP and eQMS systems. This was somewhat offset by reduced interest costs due to the repayment of debentures and BDC loans, plus greater interest income from short-term investments.

Lower sales, reduced gross margins, and increased operating expenses (due to increased investment into business growth and infrastructure) led to an operating loss (before finance expenses and reversal of impairment of intangible assets) of \$2,736,432, and a net loss of \$39,483 versus a 2022 operating income of \$2,610,213 and net income of \$1,788,689. Cash used in operating activities was \$1,094,561, compared to cash provided by of \$3,465,199 in 2022.

At the end of 2023, Microbix’s current ratio (current assets divided by current liabilities) was 5.13 and its debt to equity ratio (total debt over shareholders’ equity) was 0.45.

### Quarter Ending September 30, 2022 (“Q4”)

Q4 revenue was \$4,264,229, relatively flat from Q4 2022 revenues of \$4,329,052. Included were antigen sales of \$2,977,179 (2022 - \$2,629,783), up 13% due to continued demand recovery. QAPs sales were down 25% to \$1,195,231 due to timing of deliveries (2022 - \$1,601,950). DxTM sales were \$nil in Q4 (2022 - nil), and royalties were \$91,820 (2022 - \$97,319). Year-over-year, Q4 sales were most influenced by growth in antigens, offset by weaker QAPs sales due to timing of shipment to customers and revenue recognition.

Q4 gross margin was 33%, down from 47% during Q4 2022 and due to a higher proportion antigen sales, the antigen product sales mix, increased antigen batch failures, and weaker QAPs sales in the quarter.

Operating expenses (including financial expenses) were up 4% in Q4 2023 when compared to Q4 2022. The quarter reflected both increased investment in R&D projects for our QAPs customers and increased IT infrastructure costs related to systems upgrades. This was offset by a reduction in interest costs due to the repayment of debentures and BDC loans and increased short-term investment income in fiscal 2023.

Overall, flat sales and less available gross margin dollars led to a Q4 2023 operating loss (before finance expenses and reversal of impairment of intangible asset) of \$990,563 and net income of \$1,997,273 versus Q4 2022 operating loss (before finance expenses and reversal of impairment of intangible asset) of \$256,885 and net loss of \$464,080. Cash used in operating activities was \$1,456,196 for Q4 2023, compared to cash provided by of \$146,437 for Q4 2022, reflecting increasing systems.

### FINANCIAL HIGHLIGHTS

	For the years ended September 30		For the quarter ended September 30	
	2023	2022	2023	2022
Total Revenue	\$ 16,514,776	\$ 19,076,241	\$ 4,264,229	\$ 4,329,052
Gross Margin	7,481,334	11,124,842	1,425,194	2,020,539
S,G&A Expenses	8,171,026	6,715,354	1,851,021	1,832,907
R&D Expense	2,046,740	1,799,275	564,736	444,517
Operating Income (Loss) before Reversal of Impairment of Long Term Asset and Finance Expenses	(2,736,432)	2,610,213	(990,563)	(256,885)
Reversal of Impairment of Long Term Asset	(3,078,585)	-	(3,078,585)	-
Finance Expenses	381,636	744,290	90,749	129,961
Income Tax Expense	-	77,234	-	77,234
Net Income (Loss) and Comprehensive Income (Loss) for the period	(39,483)	1,788,689	1,997,273	(464,080)
Net Comprehensive Income (Loss) per share	(0.000)	0.013	0.014	(0.009)
Cash Provided (Used) by Operating Activities	(1,094,561)	3,465,199	(1,456,196)	146,436
Cash	11,606,487	13,488,075		
Accounts receivable	4,119,771	3,057,797		
Total current assets	22,302,006	22,408,372		
Total assets	35,653,024	33,145,196		
Total current liabilities	4,349,942	2,650,521		
Total liabilities	11,028,537	8,206,541		
Total shareholders' equity	24,624,487	24,938,655		
Current ratio	5.13	8.45		
Debt to equity ratio	0.45	0.33		

### Corporate Outlook

Microbix will continue to drive sales growth across all of its businesses, and work to keep improving percentage gross margins and driving bottom-line results. Management currently expects Microbix to generate meaningful sales and net earnings growth across full-year fiscal 2024.

Adelaide Capital will host a live webinar with management, on Wednesday, January 3 at 11am ET. Please

register here: [https://us02web.zoom.us/webinar/register/WN\\_mTjxUtXASI2tSSNS6q30w](https://us02web.zoom.us/webinar/register/WN_mTjxUtXASI2tSSNS6q30w).

It will also be live-streamed to YouTube at:

[https://www.youtube.com/channel/UC7Jpt\\_DWjF1qSCzfKlpLMWw](https://www.youtube.com/channel/UC7Jpt_DWjF1qSCzfKlpLMWw).

A replay of the webinar will also be made available on Adelaide Capital's YouTube channel

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

Microbix Biosystems Inc. creates proprietary biological products for human health, with over 100 skilled employees and annualized sales targeting C\$ 2.0 million per month. It makes a wide range of critical ingredients and devices for the global diagnostics industry, notably antigens for immunoassays and its laboratory quality assessment products (QAPs™) that support clinical lab proficiency testing, enable assay development and validation, or help ensure the quality of clinical diagnostic workflows. Its antigens drive the antibody tests of approximately 100 diagnostics makers, while QAPs are sold to clinical lab accreditation organizations, diagnostics companies, and clinical labs. Microbix QAPs are now available in over 30 countries, supported by a network of 10 international distributors. Microbix is ISO 9001 & 13485 accredited, U.S. FDA registered, Australian TGA registered, Health Canada establishment licensed, and provides CE marked products.

Microbix also applies its biological expertise and infrastructure to develop other proprietary products and technologies, most notably Kinlytic® urokinase, a biologic thrombolytic drug used to treat blood clots, and viral transport medium (DxTM™), to stabilize patient samples for lab-based molecular diagnostic testing. Microbix is traded on the TSX and OTCQX, 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 many material factors, some 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.sedarplus.ca](http://www.sedarplus.ca) for recent Microbix news and filings.

For further information, please contact Microbix at:

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