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News Release

Microbix Reports Results for Q1 Fiscal 2021

Record Q1 Sales, With Nearly 3,600% Year-Over-Year QAPs Growth

MISSISSAUGA, February 11, 2021 - Microbix Biosystems Inc. (**TSX: MBX, OTCQB: MBXBF, Microbix®**), a life sciences innovator and exporter, reports results for the first quarter of its fiscal 2021, the three-months ended December 31, 2020 ("**Q1**"), with record sales and continued progress upon its strategic goals.

Management Discussion

Q1 results are demonstrating the diagnostics sector uptake of Microbix's innovative, proprietary, and branded test quality assessment products ("**QAPs™**"). Overall QAPs sales for Q1 increased nearly 3,600% from the same period in fiscal 2020 ("**Q1 2020**"), approaching $1.0 million and attaining a record 30% of Microbix's total sales of $3.16 million. Microbix's changing sales mix, along with strong operational discipline across all products, help improve gross margin and enable a positive net income, as opposed to the net loss recorded in Q1 2020. Management expects sales growth to continue over fiscal 2021, driven by QAPs uptake, recovery in antigen demand, and the start of sales of viral transport medium (**DxTM™**).

First Quarter Financial Results

Q1 revenue was $3,157,659, a 54% increase from Q1 2020 revenue of $2,046,348. Included were antigen product revenues of $2,137,829 (Q1 2020 - $1,946,459), a recovery of 9.8%. QAPs revenues were $962,421, an increase of 3,585% from Q1 2020 sales of $26,114, a prior year quarter that contained no REDx™ (IVD) and few PROCEEDx™ (RUO) branded QAPs sales. Finally, royalties were $57,409 (Q1 2020 - $73,775). Q1 sales were most influenced by the broadening diagnostics industry uptake of Microbix's COVID-19 related QAPs, especially REDx™FLOQ® and PROCEEDx™FLOQ®, followed by the start of a broad-based recovery in antigen sales.

Q1 gross margin was 55.3%, up from 51.0% in Q1 2020, due to a greater proportion of sales of QAPs and the effects of antigen product sales mix.

Operating expenses in Q1 decreased by 1% relative to Q1 2020, in spite of a heightened level of overall business activity. Operating expenses were helped by wage subsidies received during one month of Q1, with some other expenses offset by funding from the previously-announced Ontario Together Fund grant. Overall, greater sales and more available gross margin dollars during the entirety of Q1 led to an operating income and net income of $130,819 versus an operating loss and net loss of $585,265 in Q1 2020. Cash provided by operating activities was $186,802, compared to cash provided from operations of $237,792 in Q1 2020, with the decline due to increased investment of working capital into inventory.

At the end of Q1, Microbix's current ratio (current assets divided by current liabilities) was 1.62 and its debt to equity ratio (total debt over shareholders' equity) was 1.31.

FINANCIAL HIGHLIGHTS

As at and for the quarter ended	December 31, 2020	December 31, 2019
Total Revenue	$ 3,157,659	$ 2,046,348
Gross Margin	1,747,298	1,043,734
SG&A Expenses	1,156,198	1,086,666
R&D Expense	197,878	265,349
Financial Expenses	262,403	276,984
Operating Income (Loss) for the period	130,819	(585,265)
Net Income (Loss) and Comprehensive Income (Loss) for the period	130,819	(585,265)
Cash Provided (Used) by Operating Activities	186,802	237,792
	December 31, 2020	September 30, 2020
Cash	417,365	92,661
Accounts receivable	1,886,027	1,877,009
Total current assets	7,136,088	6,492,832
Total assets	16,286,793	15,598,011
Total current liabilities	4,395,608	4,090,038
Total liabilities	9,242,521	8,978,534
Total shareholders' equity	7,044,272	6,619,477
Current ratio	1.62	1.59
Debt to equity ratio	1.31	1.36

Corporate Outlook

For the balance of fiscal 2021, Microbix will continue working to strengthen each of its three revenue-focused product areas. For antigens, this will comprise ongoing efforts to improve gross margins, both as a percentage and in terms of their consistency. For QAPs, this will entail adding to the current ten licensed/registered medical devices offerings and expanding sales to PT agencies, Dx OEMs, clinical labs, and distributors. For our newest product area, DxTM viral transport medium, sales have begun in the current fiscal Q2, 2021 and we intend to continue to grow those sales through fiscal 2021.

About Microbix Biosystems Inc.

Microbix develops proprietary biological and technology solutions for human health and well-being, with about 90 skilled employees and sales growing from a base of approximately $1 million per month. It makes a wide range of critical biological materials for the global diagnostics industry, most notably antigens for immunoassays and its laboratory quality assessment products (QAPs™) to support clinical lab proficiency testing, enable assay development and validation, or help ensure the quality of clinical diagnostic workflows. Microbix antigens enable the antibody tests of over 100 international diagnostics companies, while its QAPs are sold to clinical laboratory accreditation organizations, diagnostics companies, and clinical laboratories. Microbix QAPs are now available in over 20 countries, distributed by Alpha-Tec Systems, Inc., Diagnostic International Distribution S.p.A., Labquality Oy, The Medical Supply Company of Ireland, and R-Biopharm AG. Microbix is ISO 9001 and 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 DxTM™ viral transport medium to stabilize patient samples for lab-based molecular diagnostic testing and Kinlytic® urokinase, a biologic thrombolytic drug used to treat blood clots. Microbix is traded on the TSX and OTCQB, and headquartered in Mississauga, Ontario, Canada.

To assist the non-technical reader, Microbix's QAPs are provided with different branding, labeling, and usage instructions according to their intended uses. Such QAPs branding includes (i) white-labeled product to the agencies that provide proficiency testing and accreditation services to clinical labs, (ii) PROCEEDx brand and ONBOARDx kits to support test development, new instrument or test-lot qualifications, and technician training, and (iii) the REDx brand to support test-workflow quality management at clinical labs testing runs of patient samples. White label, PROCEEDx, and ONBOARDx QAPs are classed as "RUO" (i.e., for Research Use Only), whereas REDx QAPs are fully-regulated and classed as "IVD" (i.e., for In-Vitro Diagnostic use).

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 or www.sedar.com for recent Microbix filings.

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