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HELIX BIOPHARMA CORP. ANNOUNCES FISCAL FIRST QUARTER 2020 RESULTS

(Richmond Hill, Ontario) – Helix BioPharma Corp. (TSX, FSE: “HBP”), a an immuno-oncology company developing drug candidates for the prevention and treatment of cancer, today announced its financial results for the first quarter of fiscal 2020 ending October 31, 2019.

OVERVIEW

The Company recorded a net loss and total comprehensive loss, including non-controlling interest of \$2,211,000 (\$0.02 loss per common share) and \$1,379,000 (\$0.01 loss per common share) for the three-month periods ended October 31, 2019 and 2018, respectively. Fluctuations in net loss and total comprehensive loss is mainly the result of cash reserves available to be deployed on ongoing research and development activities and operating, general and administration expenses.

The Company experienced a working capital deficiency for several quarters until recently when on August 21, 2019 the Company closed a private placement financing for gross proceeds of \$7,000,005 which included the disposition of a 25% stake in the Company’s Polish subsidiary, Helix Immuno-Oncology S.A. As previously disclosed, the Company intends to fully divest its remaining interest in its Polish subsidiary to raise additional capital to fund the Company’s clinical development programs while retaining licensing agreements for future royalties and milestones payments.

In addition, the Company has been in discussions with various capital market firms, both in the U.S. and Canada, with the goal of raising sufficient capital to qualify the Company for a listing on a U.S. stock exchange such as NASDAQ in order to further advance the Company’s clinical development programs.

On December 11, 2019 the Company announced that patient enrollment and screening had commenced on its Phase Ib/II clinical study in the U.S. The study is entitled “A Phase Ib/II Study of the Microenvironment Modifier L-DOS47 plus Doxorubicin for the Treatment of Patients with Previously Treated Advanced Pancreatic Cancer”. The Phase Ib portion of the study involves three dose escalating cohorts enrolling a total of nine (9) patients. The Phase II portion of the study will enroll an additional eleven (11) patients depending on meeting safety and efficacy criteria.

Research and development

Research and development costs for the three-month periods ended October 31, 2019 and 2018 totalled \$1,511,000 and \$1,014,000, respectively.

The following table outlines research and development costs expensed for the Company’s significant research and development projects for the three-month periods ending October 31:

	2019	2018
L-DOS47	\$ 1,121,000	\$ 861,000
V-DOS47	111,000	130,000
Corporate research and development expenses	100,000	100,000
Trademark and patent related expenses	153,000	25,000
Stock-based compensation expense	39,000	–
Depreciation expense	14,000	33,000
Polish government grant subsidy (V-DOS47)	(27,000)	(135,000)
	\$ 1,511,000	\$ 1,014,000

L-DOS47 research and development expenses for the three-month periods ended October 31, 2019 and 2018 totalled \$1,211,000 and \$861,000, respectively. L-DOS47 research and development expenditures relate primarily to the Company's LDOS001 Phase I clinical study in the U.S., the LDOS002 European Phase I/II clinical study in Poland, the LDOS003 Phase II clinical study in Poland and the Ukraine and the Company's newly approved Phase Ib/II clinical study in the U.S. (LDOS006).

As a result of closing a private placement for gross proceeds of \$7,000,005 on August 21, 2019, the Company committed to various expenditures related to its L-DOS47 clinical development program, specifically as it relates to the Company's recently approved IND clinical study for previously treated advanced pancreatic cancer (LDOS006). The Company expects to enrol the first patient by the end of the calendar year 2019. In the meantime, the Company's other NSCLC studies (LDOS001 and LDOS002) are both in late stages of development within their respective clinical phases and the Company is working on finalizing the data for reporting.

V-DOS47 research and development expenses for the three-month periods ended October 31, 2019 and 2018 totalled \$111,000 and \$130,000, respectively. The Company's wholly owned subsidiary in Poland has a grant funding agreement with the Polish National Centre for Research and Development ("PNCRD") for research and development expenditures associated with V-DOS47. The Company's subsidiary received \$27,000 and \$135,000 in the three-month periods ended October 31, 2019 and 2018, respectively, from the PNCRD.

Trademark and patent related expenses for the three-month periods ended October 31, 2018 and 2017 totalled \$153,000 and \$25,000, respectively. The Company continues to ensure it adequately protects its intellectual property.

Operating, general and administration

Operating, general and administration expenses for the three-month periods ended October 31, 2019 and 2018 totalled \$709,000 and \$373,000, respectively. The increase in operating, general and administration expenses mainly reflects higher third-party advisor expenditures such as legal & accounting, investor & media relations, investment banking services and stock-based compensation from options granted over their vesting period. In addition, the much lower operating expenditures for the three-month period ending October 31, 2018 was also the result of cost cutting initiatives.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a consolidated net loss and total comprehensive loss including non-controlling interest of \$2,211,000 for the three-month period ended October 31, 2019 (October 31, 2018 - \$1,379,000). As at October 31, 2019 the Company has working capital of \$430,000, shareholders' equity of \$666,000 and a deficit of \$173,707,000. As at July 31, 2019 the Company had a working capital deficiency of \$3,534,000, shareholders' deficiency of \$3,281,000 and a deficit of \$171,531,000.

The Company experienced a working capital deficiency for several fiscal quarters, until recently when on August 21, 2019 the Company closed a private placement financing for gross proceeds of \$7,000,005 which included a disposition of a 25% stake in the Company's Polish subsidiary, Helix Immuno-Immunology S.A. As previously disclosed, the Company intends to fully divest its remaining interest in its Polish subsidiary to raise additional capital to fund the Company's clinical development programs for future royalties and milestone payments.

In addition, the Company has been in discussions with various capital market firms, both in the U.S. and Canada, with the goal of raising sufficient capital to qualify the Company for a listing on a U.S. stock exchange such as NASDAQ in order to further advance the Company's clinical development programs.

The Company's cash reserves of \$1,650,000 as at October 31, 2019 in addition to the subsequent private placement the Company closed on August 21, 2019 are insufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months, and nor are they sufficient to see planned research and development initiatives through to completion. Though the funds raised have assisted the Company in dealing with its working capital deficiency, additional funds are required to advance the Company's clinical and preclinical programs and deal with working capital requirements. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, management considers securing additional funds, primarily through the issuance of equity securities of the Company, to be critical for its development needs.

The Company's Consolidated Statement of Net Loss and Comprehensive Loss and Consolidated Statement of Cash Flow for the three-month periods ended October 31, 2019 and 2018 are summarized below:

<i>Consolidated Statements of Net Loss and Comprehensive Loss</i> <i>(thousand \$, except for per share data)</i>			<i>Consolidated Statements of Cash Flows</i> <i>(thousand \$)</i>		
	For the three-months ended October 31			For the three-months ended October 31	
	2019	2018		2019	2018
Expenses:			Cash provided by (used in):		
Research and development	1,511	1,014	Net loss and total comprehensive loss, including non-controlling interest	(2,211)	(1,379)
Operating, general, administration	709	373			
Results from operating activities before finance items	(2,220)	(1,387)	Adjustments, including non-controlling interest to net cash provided by operations:		
Finance items	9	8	Items not involving cash:		
Net loss and total comprehensive loss, including non-controlling interest	(2,211)	(1,379)	Depreciation	17	35
Add: Net loss and total comprehensive loss, attributable to non-controlling interest	35	-	Stock-based compensation	72	2
Net loss and total comprehensive loss, attributable to Helix BioPharma Corp.	(2,176)	-	Foreign exchange loss (gain)	(5)	(19)
Loss per share	-\$ 0.02	-\$ 0.01		84	18
* Figures are for both basic and fully diluted			Changes in non-cash working capital	(2,520)	601
			Operating activities	(4,647)	(760)
			Financing activities	5,430	1,253
			Investing activities	656	(7)
			Exchange rate changes on cash	5	19
			Net increase (decrease) in cash	1,444	505
			Cash beginning of the period	206	366
			Cash end of the period	1,650	871

The Company's Consolidated Statement of Financial Position as at October 31, 2019 and July 31, 2019 is summarized below.

<i>Consolidated Statement of Financial Position (thousand \$)</i>		
	31-Oct-19	31-Jul-19
<i>Non current assets</i>	236	253
<i>Current assets:</i>		
Prepays	350	191
Accounts receivable	199	290
Cash	1,650	206
	2,199	687
Total assets	2,435	940
<i>Shareholders' equity / (deficiency)</i>	666	(3,281)
<i>Current liabilities:</i>		
Deferred government grant	63	124
Accrued liabilities	196	1,057
Accounts payable	1,510	3,040
	1,769	4,221
Total liabilities & shareholders' equity / (deficiency)	2,435	940

The Company's condensed unaudited interim consolidated financial statements and management's discussion and analysis will be filed under the Company's profile on SEDAR at www.sedar.com, as well as on the Company's website.

About Helix BioPharma Corp.

Helix BioPharma Corp. is an immuno-oncology company specializing in the field of cancer therapy. The company is actively developing innovative products for the prevention and treatment of cancer based on its proprietary technologies. Helix's product development initiatives include its novel L-DOS47 new drug candidate. Helix is currently listed on the TSX and FSE under the symbol "HBP".

Investor Relations

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Forward-Looking Statements and Risks and Uncertainties

This news release contains forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are statements and information that are not historical facts but instead include financial projections and estimates, statements regarding plans, goals, objectives, intentions and expectations with respect to the Company's future business, operations, research and development, including the Company's activities relating to DOS47, and other information in future periods.

Forward-looking statements include, without limitation, statements concerning (i) the Company's ability to operate on a going concern being dependent mainly on obtaining additional financing; (ii) the Company's priority continuing to be L-DOS47; (iii) the Company's development programs for DOS47, L-DOS47, V-DOS47 and CAR-T; (iv) future expenditures, the insufficiency of the Company's current cash resources and the need for financing; and (v) future financing requirements and the seeking of additional funding. Forward-looking statements can further be identified by the use of forward-looking terminology such as "ongoing", "estimates", "expects", or the negative thereof or any other variations thereon or comparable terminology referring to future events or results, or that events or conditions "will", "may", "could", or "should" occur or be achieved, or comparable terminology referring to future events or results.

Forward-looking statements are statements about the future and are inherently uncertain, and are necessarily based upon a number of estimates and assumptions that are also uncertain. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Forward-looking statements, including financial outlooks, are intended to provide information about management's current plans and expectations regarding future operations, including without limitation, future financing requirements, and may not be appropriate for other purposes. Certain material factors, estimates or assumptions have been applied in making forward-looking statements in this news release, including, but not limited to, the safety and efficacy of L-DOS47; that sufficient financing will be obtained in a timely manner to allow the Company to continue operations and implement its clinical trials in the manner and on the timelines anticipated; the timely provision of services and supplies or other performance of contracts by third parties; future costs; the absence of any material changes in business strategy or plans; and the timely receipt of required regulatory approvals and strategic partner support.

The Company's actual results could differ materially from those anticipated in the forward-looking statements contained in this news release as a result of numerous known and unknown risks and uncertainties, including without limitation, the risk that the Company's assumptions may prove to be incorrect; the risk that additional financing may not be obtainable in a timely manner, or at all, and that clinical trials may not commence or complete within anticipated timelines or the anticipated budget or may fail; third party suppliers of necessary services or of drug product and other materials may fail to perform or be unwilling or unable to supply the Company, which could cause delay or cancellation of the Company's research and development activities; necessary regulatory approvals may not be granted or may be withdrawn; the Company may not be able to secure necessary strategic partner support; general economic conditions, intellectual property and insurance risks; changes in business strategy or plans; and other risks and uncertainties referred to elsewhere in this news release, any of which could cause actual results to vary materially from current results or the Company's anticipated future results. Certain of these risks and uncertainties, and others affecting the Company, are more fully described in the Company's annual management's discussion and analysis for the year ended July 31, 2019 under the heading "Risks and Uncertainty" and Helix's Annual Information Form, in particular under the headings "Forward-looking Statements" and "Risk Factors", and other reports filed under the Company's profile on SEDAR at www.sedar.com from time to time. Forward-looking statements and information are based on the beliefs, assumptions, opinions and expectations of Helix's management on the date of this new release, and the Company does not assume any obligation to update any forward-looking statement or information should those beliefs, assumptions, opinions or expectations, or other circumstances change, except as required by law.