



**Condensed Interim Financial Statements of Helix BioPharma Corp.  
For the three months ended October 31, 2024 and 2023**

**Notice to Reader**

The accompanying unaudited condensed interim financial statements for the three-month periods ended October 31, 2024 and 2023 have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Helix BioPharma Corp. (the "Company"). These condensed interim financial statements have not been reviewed by the Company's independent auditor.

# HELIX BIOPHARMA CORP.

## Condensed Interim Statements of Financial Position

In thousands of Canadian dollars

	Notes	October 31, 2024		July 31, 2024	
<b>Assets</b>					
<b>Current assets</b>					
Cash		\$	228	\$	1,081
Accounts receivable	8		36		54
Prepaid expenses and other receivables			140		321
			404		1,456
<b>Non-current assets</b>					
Property, plant and equipment	4		10		33
<b>Total Assets</b>		<b>\$</b>	<b>414</b>	<b>\$</b>	<b>1,489</b>
<b>Liabilities and shareholders' deficiency</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	8, 12	\$	1,778	\$	1,579
<b>Total Liabilities</b>			1,778		1,579
<b>Shareholders' deficiency</b>					
Share capital	5		158,572		158,572
Warrants	5		1,536		957
Stock options	5		3,707		3,692
Contributed surplus			46,828		47,360
Accumulated deficit			(212,007)		(210,671)
<b>Total shareholders' deficiency</b>			<b>(1,364)</b>		<b>(90)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>		<b>\$</b>	<b>414</b>	<b>\$</b>	<b>1,489</b>

Going concern (Note 1)

Commitments (Note 6)

Subsequent events (Note 13)

The accompanying notes form an integral part of these condensed interim financial statements.

Approved on behalf of the Board of Directors – December 16, 2024

/s/ Jacek Antas

Jacek Antas  
Director

/s/ Janusz Grabski

Janusz Grabski  
Director

## HELIX BIOPHARMA CORP.

### Condensed Interim Statements of Net Loss and Comprehensive Loss

In thousands of Canadian dollars, except per share amounts

	Notes	Three months ended October 31, 2024	Three months ended October 31, 2023
<b>Operating Expenses</b>			
Research	9, 10	\$ 1,321	\$ 949
Operating, general, and administration	9, 11	273	303
		(1,594)	(1,252)
<b>Other Items</b>			
Gain on sale of property, plant and equipment	4	6	-
Finance income		7	13
Finance expense		(1)	(3)
Write-off of payable balances	8, 12	268	-
Foreign exchange loss		(22)	(12)
		258	(2)
<b>Net loss and comprehensive loss</b>		<b>\$ (1,336)</b>	<b>\$ (1,254)</b>
<b>Basic and diluted loss per common share <sup>(i)</sup></b>		<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Weighted average and fully diluted common shares outstanding <sup>(i)</sup></b>		<b>49,021,536</b>	<b>42,566,165</b>

(i) Basic and diluted loss per common share and weighted average and fully diluted common shares outstanding are restated to adjust for the effect of one-for-five (1:5) share consolidation effective August 16, 2024 (notes 1 and 5).

The accompanying notes form an integral part of these condensed interim financial statements.

## HELIX BIOPHARMA CORP.

### Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

In thousands of Canadian dollars, except common share and warrant figures

	Notes	Common shares		Share purchase warrants		Options	Contributed surplus	Deficit	Total
		Number	Amount	Number	Amount				
<b>Balance, July 31, 2023</b>		<b>40,003,771</b>	<b>\$ 152,068</b>	<b>7,153,646</b>	<b>\$ 3,538</b>	<b>819</b>	<b>\$ 44,137</b>	<b>(201,407)</b>	<b>\$ (845)</b>
Private placements		3,331,111	2,998	-	-	-	-	-	2,998
Share issuance costs		-	(312)	-	-	-	-	-	(312)
Warrants, expired unexercised		-	-	(348,735)	(673)	-	673	-	-
Stock-based compensation		-	-	-	-	34	-	-	34
Net loss for the period		-	-	-	-	-	-	(1,254)	(1,254)
<b>Balance, October 31, 2023</b>		<b>43,334,882</b>	<b>\$ 154,754</b>	<b>6,804,911</b>	<b>\$ 2,865</b>	<b>853</b>	<b>\$ 44,810</b>	<b>(202,661)</b>	<b>\$ 621</b>
<b>Balance, July 31, 2024</b>		<b>49,021,536</b>	<b>\$ 158,572</b>	<b>5,364,511</b>	<b>\$ 957</b>	<b>3,692</b>	<b>\$ 47,360</b>	<b>(210,671)</b>	<b>\$ (90)</b>
Warrants (net of warrant issuance costs), expired unexercised	5	-	-	(2,745,100)	579	-	(579)	-	-
Options, expired unexercised	5	-	-	-	-	(47)	47	-	-
Stock-based compensation		-	-	-	-	62	-	-	62
Net loss for the period		-	-	-	-	-	-	(1,336)	(1,336)
<b>Balance, October 31, 2024</b>		<b>49,021,536</b>	<b>\$ 158,572</b>	<b>2,619,411</b>	<b>\$ 1,536</b>	<b>3,707</b>	<b>\$ 46,828</b>	<b>(212,007)</b>	<b>\$ (1,364)</b>

The accompanying notes form an integral part of these condensed interim financial statements.

**HELIX BIOPHARMA CORP.**  
**Condensed Interim Statements of Cash Flows**  
In thousands of Canadian dollars

	Three months ended October 31, 2024	Three months ended October 31, 2023
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (1,336)	\$ (1,254)
Adjustment for non-cash item:		
Depreciation of property, plant and equipment (Note 4)	4	4
Stock-based compensation	62	34
Gain on sale of property, plant and equipment	(6)	-
Write-off of payable balances (Note 12)	(268)	-
Foreignt exchange loss (gain)	8	(12)
Changes in non-cash working capital items:		
Accounts receivable	18	(7)
Prepaid expenses and other receivables	181	(18)
Accounts payable and accrued liabilities	476	399
Subscription receipts (Note 5)	-	(998)
<b>Net cash flows used in operating activities</b>	<b>(861)</b>	<b>(1,852)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from the issuance of common shares and share purchase warrants, net of share issuance costs (Note 5)	-	2,686
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>2,686</b>
<b>Currency impact on cash</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Proceed from sale of property, plant and equipment	8	-
Purchase of property, plant and equipment	-	(12)
<b>Net cash flows provided by (used in) investing activities</b>	<b>8</b>	<b>(12)</b>
<b>Foreign exchange loss on cash</b>	<b>-</b>	<b>11</b>
<b>Net change in cash</b>	<b>(853)</b>	<b>833</b>
<b>Cash, beginning of the period</b>	<b>1,081</b>	<b>808</b>
<b>Cash, end of the period</b>	<b>\$ 228</b>	<b>\$ 1,641</b>

The accompanying notes form an integral part of these condensed interim financial statements.

## HELIX BIOPHARMA CORP.

### Notes to unaudited condensed interim financial statements

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

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#### 1. Nature of operations, basis of presentation and going concern

##### *Nature of operations*

Helix BioPharma Corp. (the “Company”), incorporated under the Canada Business Corporations Act, is a clinical-stage biopharmaceutical company developing unique therapies in the field of immune-oncology primarily focused in the areas of cancer prevention and treatment. The Company has funded its research and development activities, mainly through the issuance of common shares and warrants. The Company expects to incur additional losses and therefore will require additional financial resources, on an ongoing basis. It is not possible to predict the outcome of future research and development activities or the financing thereof.

The Company is a Canadian corporation domiciled in Canada. Its shares are publicly traded on the Toronto Stock Exchange (the “TSX”) under the symbol “HBP”, on the OTC Pink under “HBPCD” and on the Frankfurt Boerse under the symbol “HBPO”. The Company’s principal place of business is located at Suite 2050-1055 West Georgia Street, Vancouver, BC V6E 3P3. The Company’s registered office is located at Bay Adelaide Centre – North Tower 40 Temperance Street, Suite 2700 Toronto, ON M5H 0B4.

##### *Basis of presentation and going concern*

These condensed interim financial statements have been prepared on a going-concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent mainly on obtaining additional financing. The Company does not have sufficient cash to meet anticipated cash needs for working capital and capital expenditures through the next twelve months.

The Company reported a net loss and total comprehensive loss of \$1,336 for the three months ended October 31, 2024 (October 31, 2023 – \$1,254). As at October 31, 2024, the Company had working capital deficiency of \$1,374, shareholders’ deficiency of \$1,364, cash of \$228 and an accumulated deficit of \$212,007. As at July 31, 2024, the Company had working capital deficiency of \$123, shareholders’ deficiency of \$90, cash of \$1,081 and an accumulated deficit of \$210,671. The Company will require additional financing in the immediate near term and in the future to see the current research and development initiatives through to completion. There can be no assurance, however, that additional financing can be obtained in a timely manner, or at all.

Not raising sufficient additional financing on a timely basis may result in delays and possible termination of all or some of the Company’s research and development initiatives, and as a result, material uncertainties exist which casts significant doubt as to the ability of the Company to operate as a going concern and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. These condensed interim financial statements do not include any adjustments to the carrying amount and classification of reported assets, liabilities and expenses that might be necessary should the Company not be successful in its aforementioned initiatives. Any such adjustments could be material. The Company cannot predict whether it will be able to raise the necessary funds it needs to continue as a going concern.

##### *Statement of compliance*

The Company’s condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee. These condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on December 16, 2024.

##### *Basis of Measurement*

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities that are presented at fair value. These condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

On August 16, 2024, the Company completed a one-for-five (1:5) consolidation of all of its issued and outstanding common shares (the “Consolidation”), resulting in a reduction in the issued and outstanding shares from 245,107,749 to 49,021,536 common shares. Shares reserved under the Company’s equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Company’s condensed interim financial statements have been retroactively adjusted to reflect the Consolidation unless otherwise noted. (Note 5).

##### *Functional and presentation currency*

The functional and presentation currency of the Company is the Canadian dollar.

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

**1. Nature of operations and basis of presentation and going concern (continued)*****Basis of presentation and going concern (continued)****Use of estimates and critical judgments*

The preparation of the Company's condensed interim financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. On an ongoing basis, management evaluates its judgments, estimates and assumptions using historical experience and various other factors it believes to be reasonable under the given circumstances. Actual outcomes may differ from these estimates that could require a material adjustment to the reported carrying amounts in the future.

The material critical estimates and judgments made by management include the following:

## a) Going Concern

Significant judgments related to the Company's ability to continue as a going concern are disclosed above.

## b) Clinical study expenses

Clinical study expenses are accrued based on services received and efforts expended pursuant to contracts with contract research organizations ("CROs"), consultants, clinical study sites and other vendors. In the normal course of business, the Company contracts with third parties to perform various clinical study activities. The financial terms of these agreements vary from contract to contract and are subject to negotiations that may result in uneven payment outflows. Payments under the contracts depend on various factors such as the achievement of certain events, the successful enrollment of patients or the completion of portions of the clinical study and/or other similar conditions. The Company determines the accruals by reviewing contracts, vendor agreements and purchase orders, and through discussions with internal personnel and external providers as to the progress or stage of completion of the clinical studies or services and the agreed-upon fee to be paid for such services. However, actual costs and timing of the Company's clinical studies is uncertain, subject to risk and may change depending upon a number of factors, including the Company's clinical development plans and trial protocols.

## c) Valuation of share-based compensation and warrants

Management measures share-based compensation and warrants using market-based option valuation techniques. Assumptions are made and estimates are used in applying the valuation techniques. These include estimating the future volatility of the share price, expected dividend yield, future employee turnover rates, and future exercise behaviours. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates of share-based payments and warrants.

## d) Income taxes

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in future years in order to utilize any deferred tax asset which has been recognized. Estimates of future taxable income are based on forecasted cash flows. At the current statement of financial position date, no deferred tax assets have been recognized in these condensed interim financial statements.

## e) Research and development costs

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

## f) Functional currency assessment

In determining its functional currency, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained.

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

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**2. Material accounting policies**

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim financial statements of the Company should be read in conjunction with the Company's annual audited financial statements for the year ended July 31, 2024, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

**3. New accounting standards and pronouncements not yet adopted**

There are no new accounting standards and pronouncements issued but not yet effective up to the date of issuance of these condensed interim financial statements that are expected to have a material impact on the Company.

**4. Property, plant and equipment**

The movement and carrying amounts of the Company's property, plant and equipment during the three months ended October 31, 2024 are as follows:

	Research equipment	Leasehold improvements	Computer equipment	Computer software	Furniture and fixtures	Total
<b>Cost:</b>						
At July 1, 2024	\$ 1,368	\$ 359	\$ 68	\$ 22	\$ 21	\$ 1,838
Disposals	(137)	(359)	(7)	-	-	(503)
At October 31, 2024	\$ 1,231	\$ -	\$ 61	\$ 22	\$ 21	\$ 1,335
<b>Accumulated Depreciation:</b>						
At July 1, 2024	\$ 1,341	\$ 359	\$ 64	\$ 21	\$ 20	\$ 1,805
Depreciation	3	-	1	-	-	4
Disposals	(120)	(359)	(5)	-	-	(484)
At October 31, 2024	\$ 1,224	\$ -	\$ 60	\$ 21	\$ 20	\$ 1,325
<b>Net book value:</b>						
At July 1, 2024	27	-	4	1	1	33
At October 31, 2024	\$ 7	\$ -	\$ 1	\$ 1	\$ 1	\$ 10

**5. Shareholders' deficiency***(i) Preferred shares*

The Company is authorized to issue 10,000,000 preferred shares. As at October 31, 2024, the Company had Nil preferred shares issued and outstanding (July 31, 2024 – Nil).

*(ii) Common shares and share purchase warrants*

The Company is authorized to issue an unlimited number of common shares without par value. As at October 31, 2024, the Company had 49,021,536 common shares issued and outstanding (July 31, 2024 – 49,021,536).

On August 16, 2024, the Company completed a one-for-five (1:5) consolidation of all of its issued and outstanding common shares, resulting in a reduction in the issued and outstanding shares from 245,107,749 to 49,021,536 common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the Consolidation. The Consolidation was approved by the Company's shareholders at the annual general meeting held on January 18, 2024 and becomes effective on August 16, 2024. No fractional common shares are issued in connection with the Consolidation, which are, if any, deemed to have been tendered by its registered owner to the Company for cancellation for no consideration.

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

**5. Shareholders' deficiency (continued)***(iii) Warrants*

The following table summarizes warrant activities for the three months ended October 31, 2024:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, July 31, 2024</b>	<b>5,364,511</b>	<b>4.07</b>
Warrants expired	(2,745,100)	3.60
<b>Balance, October 31, 2024</b>	<b>2,619,411</b>	<b>4.57</b>

The following table provides information on common share purchase warrants of the Company outstanding as at October 31, 2024:

	Number of Warrants	Exercise Price (\$)	Expiry Date	Weighted Average Remaining Life
	588,000	7.15	January 12, 2025	0.20
	440,000	3.50	December 3, 2025	1.09
	1,200,000	3.50	December 29, 2025	1.16
	391,411	5.15	May 12, 2026	1.53
	<b>2,619,411</b>	<b>4.57</b>		<b>0.99</b>

*(iv) Stock options*

The Company's equity compensation plan reserves up to 10% of the Company's outstanding common shares from time to time for granting to directors, officers and employees of the Company or any person or company engaged to provide ongoing management or consulting services. As at October 31, 2024, options to purchase up to 4,902,154 common shares (July 31, 2024 – 4,902,154) may be granted under the plan. As at October 31, 2024, options to purchase a total of 4,801,667 common shares (July 31, 2024 – 4,875,000) were issued and outstanding under the equity compensation plan.

The following table summarized activity under the Company's stock option plan for the three months ended October 31, 2024:

	Number of options	Weighted Average Exercise Price (\$)
<b>Balance, July 31, 2024</b>	<b>4,875,000</b>	<b>1.12</b>
Cancelled/expired	(73,333)	1.30
<b>Balance, October 31, 2024</b>	<b>4,801,667</b>	<b>1.12</b>

No stock options were granted or exercised during the three months ended October 31, 2024.

The following table provides information on options of the Company outstanding and exercisable as at October 31, 2024:

Number of options		Exercise Price (\$)	Expiry Date	Weighted Average Remaining Life
Outstanding	Exercisable			
226,667	146,667	1.30	January 9, 2028	3.19
295,000	95,000	1.30	May 12, 2028	3.53
4,280,000	4,026,500	1.10	July 19, 2029	4.72
4,801,667	4,268,167	1.12		4.57

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

**5. Shareholders' deficiency (continued)***(iv) Stock options (continued)*

The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Grant date	Number of options granted	Volatility factor	Risk-free interest rate	Dividend rate	Expected life	Vesting period	Fair value of options granted
January 9, 2023	460,000	92.12%	3.22%	nil	5 years	2 years	\$ 313
May 12, 2023	495,000	91.86%	3.00%	nil	5 years	2 years	\$ 356
July 19, 2024	4,280,000	94.62%	3.35%	nil	5 years	1 year	\$ 3,642

**6. Commitments**

The Company's commitments are summarized as follows:

	2025	2026	2027	2028	2029	2030+	Total
Clinical research organizations	\$ 721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 721

*Clinical Research Organization ("CRO") Commitments*

The Company has CRO supplier agreements in place for clinical research services related to the management of the Company's clinical stage programs. As at October 31, 2024, the associated amount included in accounts payable and accrued liabilities was \$417 (July 31, 2024 – \$267).

*Collaborative Research Organizations*

In fiscal 2022, the Company signed two collaboration agreements to research new and additional insights into the therapeutic response of L-DOS47; the first with the University of Tübingen for € 900 and the second with Moffitt Cancer Center and Research Inc. for US\$480. As at October 31, 2024, €350 and US\$360 (July 31, 2024: €350 and US\$360) have so far been paid to the University of Tübingen and Moffitt Cancer Center and Research Inc. respectively.

During the three months ended October 31, 2024, the Company terminated the agreement with the University of Tübingen.

*Operating lease commitments*

During the three months ended October 31, 2024, the Company terminated the facility lease agreement.

**7. Capital risk management**

The Company's main objectives when managing capital are to ensure sufficient liquidity to finance research and development activities, clinical trials, ongoing administrative costs, working capital and capital expenditures. The Company includes cash in the definition of capital. The Company endeavours not to unnecessarily dilute shareholders when managing the liquidity of its capital structure.

Since inception, the Company has financed its operations from public and private sales of equity, credit facilities, the exercise of warrants and stock options, and, to a lesser extent, from interest income from funds available for investment, government grants and investment tax credits. Since the Company does not have net earnings from its operations, the Company's long-term liquidity depends on its ability to access capital markets, which depends substantially on the success of the Company's ongoing research and development programs, as well as capital market conditions and availability.

The Company does not currently have enough cash reserves to fully fund its clinical trials nor does the Company have sufficient cash reserves to meet anticipated cash needs for working capital and capital expenditures through at least the next twelve months.

There have been no changes to management's approach to managing its capital during the three months ended October 31, 2024.

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

**8. Financial instruments and risk management***Financial risk management*

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management (the identification and evaluation of financial risk) is carried out by the finance department, in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies. The Board has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed.

*Market risk*

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its financial instruments.

*Currency risk*

The Company has international transactions and is exposed to foreign exchange risks from various currencies, primarily the Euro and U.S. dollar. In addition, foreign exchange risks arise from purchase transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

Balances in foreign currencies are as follows, as at:

	October 31, 2024				July 31, 2024			
	USD	CHF	GBP	EUR	USD	CHF	GBP	EUR
Cash	-	-	-	15	-	-	-	15
Accounts payable	(476)	(13)	(3)	-	(393)	(44)	(1)	-
Accruals	(457)	(52)	-	-	(269)	-	-	-
Net foreign currencies	<b>(933)</b>	<b>(65)</b>	<b>(3)</b>	<b>15</b>	<b>(662)</b>	<b>(44)</b>	<b>(1)</b>	<b>15</b>
Closing exchange rate	1.3916	1.6090	1.7955	1.5122	1.3809	1.5702	1.7735	1.4949
Impact of 1% change in exchange rate	+/- \$13.0	+/- \$1.0	+/- \$0.1	+/- \$0.2	+/- \$8.9	+/- \$0.7	-	+/- \$0.2

Any fluctuation in the exchange rates of the foreign currencies listed above could have an impact on the Company's results from operations; however, they would not impair or enhance the ability of the Company to pay its foreign-denominated expenses.

*Interest rate risk*

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates, which are affected by market conditions. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash. The Company is not subject to any debt related interest rate risk.

The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct its operations on a day-to-day basis. Any investment of excess funds is limited to risk-free financial instruments. Fluctuations in the market rates of interest do not have a significant impact on the Company's results of operations due to the relatively short-term maturity of any investments held by the Company at any given point in time and the low global interest rate environment. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

*Credit risk*

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

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**8. Financial instruments and risk management (continued)***Credit risk (continued)*

The table below breaks down the various categories that make up the Company's accounts receivable balances as at:

	<b>October 31, 2024</b>	<b>July 31, 2024</b>
Government related – GST/HST	\$ 21	\$ 21
Research and development investment tax credits	-	18
Patent costs recoverable from a former subsidiary	15	15
	<b>\$ 36</b>	<b>\$ 54</b>

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. Since inception, the Company has mainly relied on financing its operations from public and private sales of equity.

The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flow from operations and anticipated investing and financing activities.

As at October 31, 2024, The Company's cash reserves of \$226 are insufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months, nor are they sufficient to see the current research and development initiatives through to completion. 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 equity arrangements to be of utmost importance.

The Company's long-term liquidity depends on its ability to access the capital markets, which depends substantially on the success of the Company's ongoing research and development programs, as well as economic conditions relating to the state of the capital markets generally. Accessing the capital markets is particularly challenging for companies that operate in the biotechnology industry.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities as at:

	<b>October 31, 2024</b>			<b>July 31, 2024</b>		
	Carrying amount	Less than one year	Greater than one year	Carrying amount	Less than one year	Greater than one year
Accounts payable	\$ 988	\$ 988	\$ -	\$ 855	\$ 855	\$ -
Accrued liabilities	790	790	-	724	724	-
	<b>\$ 1,778</b>	<b>\$ 1,778</b>	<b>\$ -</b>	<b>\$ 1,579</b>	<b>\$ 1,579</b>	<b>\$ -</b>

This table only covers liabilities and obligations relative to financial instruments and does not anticipate any income associated with assets.

**9. Related party transactions**

During the three months ended October 31, 2024, the Company entered into various transactions with related parties. The related parties consist of officers, directors and shareholders or companies controlled directly or indirectly by them. Details of the transactions and balances owing, or receivables for the three months ended October 31, 2024 are as follows:

- i) The Company recorded management fees to executive officers of the Company of \$25 (October 31, 2023 - \$25).
- ii) Since June 2021 and up to January 2024 till the Company terminated the arrangement, the Company retained Grove Corporate Services Ltd. ("Grove") to provide accounting, governance, and administrative services (the "Services"), including those provided by the former Chief Financial Officer ("CFO"). During the three months ended October 31, 2024, the Company recorded total fees to Grove in the amount of \$Nil (October 31 2023- \$77).

**HELIX BIOPHARMA CORP.****Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

**9. Related party transactions (continued)**

- iii) On January 15, 2024, the Company entered into an administrative services agreement with Varshney Capital Corp. ("VCC"), a company to which the Company's CFO is a director of, for administrative services provided to the Company for an initial term of one year and renewed annually unless terminated. During the three months ended October 31, 2024, the Company incurred \$33 (October 31, 2023- \$Nil) for the administrative fees to VCC and the balance outstanding as at October 31, 2024 is \$14 (July 23, 2024: \$33).

The following table summarizes key management personnel compensation for the three months ended October 31:

	2024	2023
Salary and management consulting	\$ 58	\$ 102
Stock-based compensation	10	18
	<b>\$ 68</b>	<b>\$ 120</b>

The following table summarizes non-management directors' compensation for the three months ended October 31:

	2024	2023
Stock-based compensation	\$ 2	\$ 6

**10. Research**

Included in research expenditures are costs directly attributable to the various research and development functions and initiatives the Company has underway and includes salaries; bonuses; benefits; stock-based compensation; depreciation of property, plant and equipment; patent costs; consulting services; third party contract manufacturing, third party clinical research organization services; and all overhead costs associated with the Company's research facilities.

The following table outlines research and development costs expensed and investment tax credits for the Company's significant research and development projects for the three months ended October 31:

	October 31, 2024	October 31, 2023
Research and development programs, excluding the below items	\$ 1,093	\$ 802
Salaries and benefits	177	235
Stock-based compensation expense	47	14
Depreciation of property, plant and equipment	4	4
Research and development investment tax credits	-	(106)
	<b>\$ 1,321</b>	<b>\$ 949</b>

**11. Operating, general and administration**

The following table outlines operating, general and administration costs expensed for the three months ended October 31:

	October 31, 2024	October 31, 2023
Operating, general and administration, excluding below items	\$ 245	\$ 135
Salaries and benefits	13	12
Director fees and Investor relations	-	136
Stock-based compensation	15	20
	<b>\$ 273</b>	<b>\$ 303</b>

**12. Write-off of payable balances**

During the three months ended October 31, 2024, the Company has written-off certain old balances under accounts payable and accrued liabilities that were no longer considered payable (October 31, 2023: \$Nil).

**HELIX BIOPHARMA CORP.**

**Notes to unaudited condensed interim financial statements**

For the three months ended October 31, 2024 and 2023

Amounts in thousands, except per share figures

Amounts in Canadian dollars, unless noted otherwise

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**13. Subsequent events**

In November 2024, the Company was issued U.S. Patent No. 11931422, entitled 'Antibody-Urease Conjugates for Therapeutic Purposes', relates to Helix' first-in-class antibody-drug conjugate (ADC) platform, L-DOS47, and the optimization of conjugation ratios for a proprietary antibody that precisely binds to tumor cells expressing high levels of CEACAM6, conjugated to urease, an enzyme capable of alkalizing the acidic tumor microenvironment (TME).

Subsequent to October 31, 2024, the Company forfeited 92,000 stock options.