HELIXBIOPHARMA

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Press Release

9120 Leslie Street, Suite 205
Richmond Hill, Ontario, L4B 3J9
Tel: 905-841-2300
www.helixbiopharma.com

# HELIX BIOPHARMA CORP. ANNOUNCES FISCAL FIRST QUARTER 2018 RESULTS

(Richmond Hill, Ontario) – Helix BioPharma Corp. (TSX, FSE: "HBP"), 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 2018 ending October 31, 2017.

## FINANCIAL REVIEW

The Company recorded a net loss and total comprehensive loss of $2,303,000 ($0.02 loss per common share) and $3,287,000 ($0.04 loss per common share) for the three-month periods ended October 31, 2017 and 2016, respectively.

### *Research and development*

Research and development costs for the three-month periods ended October 31, 2017 and 2016 totalled $1,764,000 and $2,268,000, respectively.

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

| | 2017 | 2016 |
|---|---|---|
| L-DOS47 | $ 1,482 | $ 1,765 |
| V-DOS47 | 113 | 149 |
| Corporate research and development expenses | 98 | 280 |
| Trademark and patent related expenses | 99 | 71 |
| Depreciation expense | 55 | 30 |
| Polish government grant subsidy (V-DOS47) | (83) | (27) |
| | $ 1,764 | $ 2,268 |

L-DOS47 research and development expenses for the three-month periods ended October 31, 2017 and 2016 totalled $1,482,000 and $1,765,000, respectively. L-DOS47 research and development expenditures relate primarily to the Company's LDOS002 European Phase I/II clinical study in Poland and the LDOS001 U.S. Phase I clinical study in the U.S in addition to some preliminary expenditures related to the Company's LDOS003 Phase II clinical study in Poland and the Ukraine that the Company plans to commence enrolment in early 2018.

V-DOS47 research and development expenses for the three-month periods ended October 31, 2017 and 2016 totalled $113,000 and $149,000, respectively. The Company's wholly owned subsidiary in Poland has a grant funding agreement with the PNCRD for research and development expenditures associated with V-DOS47. The Company's subsidiary received $83,000 and $27,000 in the three-month periods ended October 31, 2017 and 2016, respectively, from the PNCRD.

Corporate research and development expenses for the three-month periods ended October 31, 2017 and 2016 and totalled $98,000 and $280,000, respectively. The decrease in spending is the result of headcount reductions and external consulting contracts.

Trademark and patent related expenses for the three-month periods ended October 31, 2017 and 2016 totalled $99,000 and $71,000, 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, 2017 and 2016 totalled $526,000 and $1,008,000, respectively.

The decrease in operating, general and administration expenses reflects various ongoing cost cutting initiatives.

## LIQUIDITY AND CAPITAL RESOURCES

The Company reported a consolidated net loss and total comprehensive loss of $2,303,000 for the three-month period ended October 31, 2017 (October 31, 2016 - $3,287,000). As at October 31, 2017 the Company had working capital of $1,674,000, shareholders' equity of $2,129,000 and a deficit of $157,683,000. As at July 31, 2017 the Company had a working capital deficiency of $504,000, shareholders' deficiency of $17,000 and a deficit of $155,380,000.

The two private placements the Company closed during the three month-period ended October 31, 2017 for gross proceeds totalling $5,221,000 improved the Company's working capital positions. Nevertheless, the Company's cash reserves of $3,175,000 as at October 31, 2017 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 or any planned research and development initiatives through to completion. Though the funds raised have assisted the Company in dealing with the working capital deficiency, additional funds are required to advance the various clinical and preclinical programs and pay for the Company's overhead costs. 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 Financial Position as at October 31, 2017 and July 31, 2017 is summarized below.

| *Consolidated Statement of Financial Position (thousand $)* | | |
|---|---|---|
| | 31-Oct-17 | 31-Jul-17 |
| *Non current assets* | 455 | 487 |
| *Current assets:* | | |
| Prepaids | 56 | 173 |
| Accounts receivable | 409 | 630 |
| Cash | 3,175 | 897 |
| | 3,640 | 1,700 |
| Total assets | 4,095 | 2,187 |
| *Shareholders' equity / (deficiency)* | 2,129 | (17) |
| *Current liabilities:* | | |
| Deferred government grant | 83 | 44 |
| Accrued liabilities | 585 | 722 |
| Accounts payable | 1,298 | 1,438 |
| | 1,966 | 2,204 |
| Total liabilities & shareholders equity | 4,095 | 2,187 |

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, 2017 and 2016 are summarized below:

*Consolidated Statements of Net Loss and Comprehensive Loss (thousand $, except for per share data)*

| | For the three-months ended | |
|---|---|---|
| | Oct-31 2017 | Oct-31 2016 |
| Expenses: | | |
| Research and development | 1,764 | 2,268 |
| Operating, general, administration | 526 | 1,008 |
| Results from operating activities before finance items | (2,290) | (3,276) |
| Finance items | (13) | (11) |
| Loss and total comprehensive loss | (2,303) | (3,287) |
| Loss per share | -$ 0.02 | -$ 0.04 |

* Figures are for both basic and fully diluted

*Consolidated Statements of Cash Flows (thousand $)*

| | For the three-months ended | |
|---|---|---|
| | Oct-31 2017 | Oct-31 2016 |
| Cash provided by (used in): | | |
| Net loss and total comprehensive loss | (2,303) | (3,287) |
| Items not involving cash: | | |
| Depreciation | 61 | 36 |
| Stock-based compensation | 4 | - |
| Foreign exchange loss (gain) | 11 | 9 |
| | 76 | 45 |
| Changes in non-cash working capital | 100 | 1,077 |
| Operating activities | (2,127) | (2,165) |
| Financing activities | 4,445 | 1,030 |
| Investing activities | (29) | (113) |
| Exchange rate changes on cash | (11) | (9) |
| Net increase (decrease) in cash | 2,278 | (1,257) |
| Cash beginning of the period | 897 | 3,654 |
| Cash end of the period | 3,175 | 2,397 |

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

Helix BioPharma Corp.
9120 Leslie Street, Suite 205
Richmond Hill, Ontario, L4B 3J9
Tel: (905) 841-2300
Email: ir@helixbiopharma.com

## *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, 2017 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.*