Condensed interim consolidated financial statements of Helix BioPharma Corp.
For the three and nine-month periods ended April 30, 2020 and 2019

HELIX BIOPHARMA CORP.

Condensed Interim Consolidated Statement of Financial Position
In thousands of Canadian dollars
Unaudited

As at:	April 30, 2020	July 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment (*note 4)*	$ 108	$ 253
	108	253
Current assets		
Assets held for sale *(note 12)*	126	–
Prepaid expenses	142	191
Accounts receivable *(note 8)*	196	290
Cash	4,989	206
	5,453	687
Total assets	$ 5,561	$ 940
SHAREHOLDERS' DEFICIENCY AND LIABILITIES		
Shareholders' equity / (deficiency) (*note 5*)		
Equity / (deficiency) attributable to owners of the Company	$ 4,788	$ (3,281)
Non-controlling interest	(854)	–
	$ 3,934	$ (3,281)
Current liabilities		
Liabilities related to assets held for sale *(note 12)*	66	–
Deferred government grant	–	124
Accrued liabilities	471	1,057
Accounts payable	1,090	3,040
	1,627	4,221
Total liabilities and shareholders' equity / (deficiency)	$ 5,561	$ 940

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

HELIX BIOPHARMA CORP.

Condensed Interim Consolidated Statement of Net Loss and Comprehensive Loss
In thousands of Canadian dollars, except per share amounts
Unaudited

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Expenses				
Research and development *(note 10)*	$ 1,523	$ 1,331	$ 4,601	$ 3,631
Operating, general and administration *(note 11)*	862	495	1,986	1,094
Results from operating activities before finance items	(2,385)	(1,826)	(6,587)	(4,725)
Finance items				
Finance income	6	1	21	4
Finance expense	(4)	(2)	(12)	(9)
Foreign exchange (loss) / gain	(13)	(29)	(17)	(40)
	(11)	(30)	(8)	(45)
Net loss from continuing operations	$ (2,396)	$ (1,856)	$ (6,595)	$ (4,770)
Net loss from discontinued operations *(note 12)*	$ (198)	$ (215)	$ (465)	$ (588)
Net loss and total comprehensive loss	$ (2,594)	$ (2,071)	$ (7,060)	$ (5,358)
Add: Net loss and comprehensive loss attributable to non-controlling interest	105	$ –	$ 164	$ –
Net loss and total comprehensive loss attributable to Helix BioPharma Corp.	$ (2,489)	$ (2,071)	$ (6,896)	$ (5,358)
Loss per common share				
Basic and diluted from continuing operations	$ (0.02)	$ (0.02)	$ (0.05)	$ (0.05)
Basic and diluted from discontinued operations	$ –	$ –	$ –	$ –
Basic and diluted - total	$ (0.02)	$ (0.02)	$ (0.05)	$ (0.05)
Weighted average number of common shares used in the calculation of basic and diluted loss per share	130,636,099	106,939,164	125,959,533	105,208,261

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

HELIX BIOPHARMA CORP.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

In thousands of Canadian dollars, except common share and warrant numbers
Unaudited

	Common shares		Share purchase warrants						
	Amount	Number	Amount	Number	Options	Contributed surplus	Deficit	NCI	Total shareholders equity
July 31, 2019	$ 129,532	111,225,501	$14,763	43,372,897	$ 640	$23,315	$ (171,531)	$ –	$ (3,281)
Net loss for the period	–	–	–	–	–	–	(6,896)	(164)	(7,060)
Sale of interest in subsidiary	–	–	–	–	–	2,410	–	(690)	1,720
Common stock, issued	7,725	21,707,516	–	–	–	–	–	–	7,725
Warrants, issued	–	–	4,459	21,707,516	–	–	–	–	4,459
Warrants, expired unexercised	–	–	–	–	–	–	–	–	–
Warrants exercised	–	–	–	–	–	–	–	–	–
Stock-based compensation	–	–	–	–	371	–	–	–	371
Options, expired unexercised	–	–	–	–	(220)	220	–	–	–
April 30, 2020	$ 137,257	132,933,017	$19,222	65,080,413	$ 791	$25,945	$ (178,427)	$ (854)	$ 3,934

	Common shares		Share purchase warrants						
	Amount	Number	Amount	Number	Options	Contributed surplus	Deficit	NCI	Total shareholders deficiency
July 31, 2018	$ 125,565	102,809,579	$13,362	35,078,975	$ 683	$22,868	$(164,005)	$ –	$ (1,527)
Net loss for the period	–	–	–	–	–	–	(5,358)	–	(5,358)
Common stock, issued	3,623	7,419,922	–	–	–	–	–	–	3,623
Warrants, issued	–	–	1,340	7,419,922	–	–	–	–	1,340
Warrants, expired unexercised	–	–	(43)	(122,000)	–	43	–	–	–
Warrants exercised	–	–	–	–	–	–	–	–	–
Stock-based compensation	–	–	–	–	2	–	–	–	2
Options, exercised	–	–	–	–	–	–	–	–	–
Options, cancelled	–	–	–	–	–	–	–	–	–
Options, expired unexercised	–	–	–	–	(268)	268	–	–	–
April 30, 2019	$ 129,188	110,229,501	$14,659	42,376,897	$ 417	$23,179	$(169,363)	$ –	$ (1,920)

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

HELIX BIOPHARMA CORP.

Condensed Interim Consolidated Statement of Cash Flows
In thousands of Canadian dollars
Unaudited

For the nine-month periods ended	April 30, 2020	April 30, 2019
Cash flows from operating activities		
Net loss from continuing operations	$ (6,595)	$ (4,770)
Adjustments, to net cash provided by operations:		
Items not involving cash:		
Depreciation of property, plant and equipment	39	42
Stock-based compensation	371	2
Foreign exchange gain	17	40
Change in non-cash working capital:		
Accounts receivable	45	171
Prepaid expenses	40	(129)
Accounts payable	(1,870)	784
Accrued liabilities	(549)	4
Cash from / (used) in operating activities from continuing operations	(8,502)	(3,856)
Cash from / (used) in operating activities from discontinued operations	(464)	(486)
Net cash used in operating activities	(8,966)	(4,342)
Cash flows from financing activities		
Proceeds from the issuance of common shares and share purchase warrants, net of issue costs	12,184	4,963
Cash from / (used) in financing activities from continuing operations	12,184	4,963
Cash from / (used) in financing activities from discontinued operations	–	–
Net cash provided by financing activities	12,184	4,963
Cash flows from investing activities		
Purchases of property, plant, and equipment	(16)	(2)
Proceeds, net of cost, from the partial sale of the Polish subsidiary *(note 12)*	1,720	–
Cash from / (used) in investing activities from continuing operations	1,704	(2)
Cash from / (used) in investing activities from discontinued operations	–	–
Net cash from / (used) by investing activities	1,704	(2)
Foreign exchange gain / (loss) on cash	(27)	(32)
Net increase in cash	$ 4,895	$ 587
Cash, beginning of period	94	229
Cash, end of period	$ 4,989	$ 816

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

Helix BioPharma Corp. (the "Company"), incorporated under the *Canada Business Corporations Act,* is an immune-oncology company 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.

1. Basis of presentation and going concern

These consolidated 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 consolidated net loss and total comprehensive loss of $2,594,000 for the three-month period ended April 30, 2020 (April 30, 2019 - $2,071,000), and $7,060,000 for the nine-month period ended April 30, 2020 (April 30, 2019 - $5,358,000). As at April 30, 2020 the Company had working capital of $3,826,000, shareholders' equity of $3,934,000 and a deficit of $178,427,000. 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 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, may cast 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 consolidated 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

These condensed unaudited interim consolidated financial statements have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). The notes presented in these condensed unaudited interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed in its annual audited consolidated financial statements.

The policies applied in these condensed unaudited interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed unaudited interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on July 29, 2020.

Use of estimates and critical judgment

The preparation of the Company's 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 Company has also assessed the impact of COVID-19 on estimates and critical judgement. Although the Company expects COVID-19 related disruptions to continue into the Company's fiscal 2021 year, the Company believes that the long-term estimates and assumptions do not require significant revisions. Although the Company determined that no significant revisions to such estimates, judgements or assumptions were required, the pandemic is fluid and given the inherent uncertainty at this time, revisions may be required in future periods to the extent that the negative impacts on the Company's business operations arising from COVID-19 continue or become worse. Any such revision could result in a material impact on the Company's financial performance and financial condition.

The most significant 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 in the first paragraph above in Note 1.

b) Clinical study expenses

Clinical study expenses are accrued based on services received and efforts expanded 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 enrolment 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 the costs for 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 financial statements.

e) Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Management evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Functional and presentation currency

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

2. Significant accounting policies

The Company's significant accounting policies were outlined in the Company's annual audited consolidated financial statements for the fiscal year ended July 31, 2019 and have been applied consistently to all periods presented in these condensed unaudited interim consolidated financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these condensed unaudited interim consolidated financial statements. These condensed unaudited interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the fiscal year ended July 31, 2019.

The Company's subsidiaries as at April 30, 2020 are as follows:

	Incorporation Date	Jurisdiction	Ownership
Helix Immuno-Oncology S.A. ("HIO")	July 6, 2013	Poland	51.0%

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

During the period, the Company dissolved its interest in its previously wholly owned subsidiaries Helix BioPharma Inc., incorporated in the USA and Helix Product Development (Ireland) Limited, incorporated in Ireland.

These consolidated financial statements include the accounts of the Company's subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiary is fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. Subsidiaries are de-consolidated from the date that control by the Company ceases.

Non-controlling interests in the results and equity of a Company subsidiary are shown separately in the consolidated statements of financial position, net loss and comprehensive loss and changes in shareholders' equity respectively. The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interests results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in contributed surplus within equity attributable to the owners of the Company.

On August 21, 2019, January 13, 2020 and March 12, 2020 the Company disposed of a 25%, 8.5% and 15.50% ownership interest respectively, in Helix Immuno-Oncology S.A. bringing the Company's total ownership interest in HIO at April 30, 2020 to 51%. Subsequently on July 8, 2020, the Company's ownership interest in HIO was further reduced to 42.5% as a result of a private placement completed by the subsidiary. See *Note 13 – Subsequent events.*

Cash

The Company considers cash on hand, deposits in banks and bank term deposits with maturities of 90 days or less as cash.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Impairment charges are included in accumulated depreciation.

Depreciation is provided using the following methods and estimated useful life:

Asset	Basis	Rate
Computer equipment and software	Straight line	3 years
Furniture and fixtures	Straight line	5 years
Research and manufacturing equipment	Straight line	4-10 years
Leasehold improvements	Straight line	Lease term

Research and development costs

Research costs are expensed as incurred. Development costs are expensed as incurred except for those which meet the criteria for deferral, in which case, the costs are capitalized and amortized to operations over the estimated period of benefit. No costs have been deferred to date.

Investment tax credits

The Company is entitled to Canadian federal and provincial investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits are accounted for as a reduction of the related expenditure for items of a current nature and a reduction of the related asset cost for items of a capital nature, provided that the Company has reasonable assurance that the tax credits will be realized.

Stock-based compensation

The Company accounts for stock-based compensation and other stock-based payments awarded to employees in accordance with the fair value method. The fair value of stock options granted is determined at the appropriate measurement date using the Black-Scholes option pricing model, and generally expensed over the options' vesting period for employee awards. Awards with graded vesting are considered multiple awards for fair value measurement and stock-based compensation calculation. In determining the expense, the Company accounts for forfeitures using an estimate based on historical trends. When stock-based compensation and other stock-based payments are awarded to persons other than non-employees, share capital is increased for the fair value of goods and services received.

Foreign currency translation

The Company's currency of presentation is the Canadian dollar, which is also the Company's functional currency. Foreign currency-denominated items are translated into Canadian dollars. Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the balance sheet dates. Non-monetary items are translated at historical exchange rates. Revenue and expenses are translated at the exchange rates prevailing at their respective transaction dates. Exchange gains and losses arising on translation are included in income.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of certain existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of substantive enactment. Given the Company's history of net losses and expected future losses, the Company is of the opinion that it is probable that these tax assets will not be realized in the foreseeable future and therefore, the deferred tax asset has not been recognized.

Financial instruments

The Company's financial assets and liabilities are initially recorded at fair value and subsequently measured based on their assigned classifications as follows. The classification depends on the nature and purpose of the financial asset or liability and is determined at the time of initial recognition.

Asset / Liability	Classification
Cash	Amortized Cost
Account Receivable	Amortized Cost
Accounts Payable	Amortized Cost
Accrued Liabilities	Amortized Cost

De-recognition of financial assets and liabilities

De-recognition is applied for all or part of a financial asset when the contractual rights to the cash flows and benefits from the financial asset expire, the Company loses controls of the assets, or the Company substantially transfers the significant risks and rewards of ownership of the asset.

De-recognition is applied for all or part of a financial liability when the liability is extinguished due to cancellation or discharge or expiry of the obligation.

Impairment

(i) Financial assets:
On an individual basis, material financial assets are assessed for indicators of impairment at the end of each reporting period. Other individually non-material financial assets are tested as a group of financial assets based on similar risk characteristic. Financial assets are considered to be impaired when based upon an expected loss model as prescribed by IFRS 9, taking into consideration both historic and forward-looking information.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's effective interest rate. Impairment losses are recognized in income and reflected in an allowance account against the respective financial asset.

(ii) Non-financial assets:
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or cash-generating units. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses recognized in prior periods are assessed each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

Basic and diluted loss per common share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. The inclusion of the Company's stock options and warrants in the computation of diluted loss per share has an anti-dilutive effect on the loss per share and, therefore, they have been excluded from the calculation of diluted loss per share.

Government Grants and Disclosure of Government Assistance

Government grant funds are recognised in income when there is reasonable assurance that the Company has complied with the conditions attached to them and that the grant funds will be received. Grant funds receivable are recognized in income over the periods in which the entity recognizes as expenses, the related costs for which the grant is intended to compensate.

Recently issued IFRS standards and amendments

IFRS 16, Leases, which replaces IAS 17, Leases, and related interpretations became effective for the Company on August 1, 2019. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The adoption of this new standard had no impact on the Company.

3. New accounting standards and pronouncements not yet adopted

Future accounting standards

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

4. Property, plant and equipment

	April 30, 2020				July 31, 2019			
	Cost	Accumulated depreciation	Transferred to held for sale	Net book value	Cost	Accumulated depreciation	Transferred to held for sale	Net book value
Research equipment	$ 1,696	$ 1,527	$ (72)	$ 97	$ 1,689	$ 1,448	$ –	$ 241
Manufacturing equipment	402	402	–	–	402	402	–	–
Leasehold improvements	359	359	–	–	359	359	–	–
Computer equipment	118	107	(4)	7	109	105	–	4
Computer software	62	62	–	–	62	61	–	1
Furniture and fixtures	22	17	(1)	4	22	15	–	7
	$ 2,659	$ 2,474	$ (77)	$ 108	$ 2,643	$ 2,390	$ –	$ 253

5. Shareholders' equity / (deficiency)

Preferred shares

Authorized 10,000,000 preferred shares.
As at April 30, 2020 and July 31, 2019 the Company had nil preferred shares issued and outstanding.

Common shares and share purchase warrants

Authorized unlimited common shares without par value.
As at April 30, 2020 the Company had 132,933,017 (July 31, 2019 – 111,225,501) common shares issued and outstanding.

On August 8, 2018, the Company completed a private placement, issuing a total of 682,000 units at $1.20 per unit for gross proceeds of approximately $818,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until August 7, 2023. Of the gross proceeds amount, $212,000 was allocated to the share purchase warrants based on fair value and the residual amount of $606,000 was allocated to the common shares. Share issue costs totalling $157,000 were proportionately allocated to the share purchase warrants ($41,000) and the common shares ($116,000), respectively.

On September 10, 2018, the Company completed a private placement, issuing a total of 380,000 units at $1.20 per unit for gross proceeds of approximately $456,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until September 9, 2023. Of the gross proceeds amount, $128,000 was allocated to the share purchase warrants based on fair value and the residual amount of $328,000 was allocated to the common shares. Share issue costs totalling $111,000 were proportionately allocated to the share purchase warrants ($31,000) and the common shares ($80,000), respectively.

On October 30, 2018, the Company completed a private placement, issuing a total of 285,000 units at $1.20 per unit for gross proceeds of approximately $342,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until October 29, 2023. Of the gross proceeds amount, $61,000 was allocated to the share purchase warrants based on fair value and the residual amount of $281,000 was allocated to the common shares. Share issue costs totalling $95,000 were proportionately allocated to the share purchase warrants ($17,000) and the common shares ($78,000), respectively.

On December 6, 2018, the Company completed a private placement, issuing a total of 726,000 units at $1.20 per unit for gross proceeds of approximately $871,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until December 5, 2023. Of the gross proceeds amount, $184,000 was allocated to the share purchase warrants based on fair value and the residual amount of $687,000 was allocated to the common shares. Share issue costs totalling $150,000 were proportionately allocated to the share purchase warrants ($32,000) and the common shares ($118,000), respectively.

On December 20, 2018, the Company completed a private placement, issuing a total of 285,000 units at $1.20 per unit for gross proceeds of approximately $342,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until December 19, 2023. Of the gross proceeds amount, $75,000 was allocated to the share purchase warrants based on fair value and the residual amount of $267,000 was allocated to the common shares. Share issue costs totalling $59,000 were proportionately allocated to the share purchase warrants ($13,000) and the common shares ($46,000), respectively.

On December 21, 2018, the Company completed a private placement, issuing a total of 584,000 units at $1.20 per unit for gross proceeds of approximately $701,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until December 20, 2023. Of the gross proceeds amount, $153,300 was allocated to the share purchase warrants based on fair value and the residual amount of $547,500 was allocated to the common shares. Share issue costs totalling $121,000 were proportionately allocated to the share purchase warrants ($26,000) and the common shares ($95,000), respectively.

On December 28, 2018, the Company completed a private placement, issuing a total of 290,000 units at $1.20 per unit for gross proceeds of approximately $348,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.50 until December 27, 2023. Of the gross proceeds amount, $79,000 was allocated to the share purchase warrants based on fair value and the residual amount of $269,000 was allocated to the common shares. Share issue costs totalling $60,000 were proportionately allocated to the share purchase warrants ($14,000) and the common shares ($46,000), respectively.

On March 15, 2019, the Company completed a private placement, issuing a total of 1,195,000 units at $0.51 per unit for gross proceeds of approximately $610,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.72 until March 14, 2024. Of the gross proceeds amount, $192,000 was allocated to the share purchase warrants based on fair value and the residual amount of $418,000 was allocated to the common shares. Share issue costs totalling $86,000 were proportionately allocated to the share purchase warrants ($27,000) and the common shares ($59,000), respectively.

On April 18, 2019, the Company completed a private placement, issuing a total of 1,992,922 units at $0.51 per unit for gross proceeds of approximately $1,016,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.72 until April 17, 2024. Of the gross proceeds amount, $330,000 was allocated to the share purchase warrants based on fair value and the residual amount of $686,000 was allocated to the common shares. Share issue costs totalling $140,000 were proportionately allocated to the share purchase warrants ($45,000) and the common shares ($95,000), respectively.

On April 29, 2019, the Company completed a private placement, issuing a total of 1,000,000 units at $0.51 per unit for gross proceeds of approximately $510,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.72 until April 28, 2024. Of the gross proceeds amount, $164,000 was allocated to the share purchase warrants based on fair value and the residual amount of $346,000 was allocated to the common shares. Share issue costs totalling $73,000 were proportionately allocated to the share purchase warrants ($23,000) and the common shares ($50,000), respectively.

On May 29, 2019, the Company completed a private placement, issuing a total of 996,000 units at $0.51 per unit for gross proceeds of approximately $508,000. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.72 until May 28, 2024. Of the gross proceeds amount, $146,000 was allocated to the share purchase warrants based on fair value and the residual amount of $362,000 was allocated to the common shares. Share issue costs totalling $60,000 were proportionately allocated to the share purchase warrants ($17,000) and the common shares ($43,000), respectively.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

On August 21, 2019, the Company completed a private placement financing of 13,725,500 units of the Company at a price of $0.51 per unit and the disposition of a 25% stake of its Polish subsidiary, for aggregate gross proceeds of approximately $7,000,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.72 until August 20, 2024. Of the aggregate gross proceeds, approximately $755,000 was allocated to the disposition of the Company's 25% stake in its Polish subsidiary with costs totalling approximately $99,000. Of the residual gross proceeds amount of $6,245,000, approximately $2,275,000 was allocated to the share purchase warrants based on fair value and approximately $3,970,000 was allocated to the common shares. Share issue costs totalling $815,000 were proportionately allocated to the share purchase warrants ($297,000) and the common shares ($518,000), respectively.

On January 13, 2020, the Company completed a private placement financing of 2,940,000 units of the Company at a price of $1.02 per unit and the disposition of an 8.5% stake of its Polish subsidiary, for aggregate gross proceeds of approximately $2.999,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $1.42 until January 12, 2025. Of the aggregate gross proceeds, approximately $433,000 was allocated to the disposition of the Company's 8.5% stake in its Polish subsidiary with costs totalling approximately $57,000. Of the residual gross proceeds amount of $2,566,000, approximately $956,000 was allocated to the share purchase warrants based on fair value and approximately $1,610,000 was allocated to the common shares. Share issue costs totalling approximately $339,000 were proportionately allocated to the share purchase warrants ($126,000) and the common shares ($213,000), respectively.

On March 12, 2020, the Company completed a private placement financing of 5,042,016 units of the Company at a price of $1.19 per unit including the disposition of a 15.5% stake of its Polish subsidiary, for aggregate gross proceeds of approximately $6,000,000. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $1.67 until March 11, 2025. Of the aggregate gross proceeds, approximately $791,000 was allocated to the disposition of the Company's 15.5% stake in its Polish subsidiary with costs totalling approximately $103,000. Of the residual gross proceeds amount of $5,209,000, approximately $1,900,000 was allocated to the share purchase warrants based on fair value and approximately $3,310,000 was allocated to the common shares. Share issue costs totalling approximately $682,000 were proportionately allocated to the share purchase warrants ($249,000) and the common shares ($433,000), respectively.

The following table provides information on share purchase warrants outstanding as at:

	April 30, 2020		July 31, 2019	
Exercise Price	Weighted average remaining contractual life (in years)	Number of share purchase warrants outstanding	Weighted average remaining contractual life (in years)	Number of share purchase warrants outstanding
$ 0.72	4.22	18,909,422	4.72	5,183,922
$ 1.42	4.71	2,940,000	–	–
$ 1.50	2.57	15,982,300	3.32	15,982,300
$ 1.54	1.99	8,680,000	2.75	8,680,000
$ 1.61	0.50	4,546,000	1.25	4,546,000
$ 1.67	4.87	5,042,016	–	–
$ 1.82	1.24	1,250,000	1.99	1,250,000
$ 1.92	1.30	644,675	2.05	644,675
$ 1.98	0.95	3,105,000	1.70	3,105,000
$ 2.24	1.19	3,981,000	1.94	3,981,000
Outstanding, end of period	2.90	65,080,413	2.85	43,372,897

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. Based on the Company's current issued and outstanding common shares as at April 30, 2020, options to purchase up to 13,293,301 common shares (July 31, 2019 – 11,122,550) may be granted under the plan. As at April 30, 2020, options to purchase a total of 5,225,000 common shares (July 31, 2019 – 4,875,000) were issued and outstanding under the equity compensation plan.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

The following table provides information on options outstanding and exercisable as at:

	April 30, 2020			July 31, 2019		
Exercise Price	Weighted average remaining contractual life (in years)	Number of options outstanding	Number of vested and exercisable options	Weighted average remaining contractual life (in years)	Number of options outstanding	Number of vested and exercisable options
$0.51	3.97	4,625,000	2,149,998	4.72	4,625,000	2,149,998
$1.30	4.62	550,000	183,333	–	–	–
$1.50	–	–	–	0.46	150,000	150,000
$1.65	–	–	–	0.26	50,000	50,000
$2.00	0.75	50,000	50,000	1.26	50,000	50,000
Outstanding, end of period	4.18	5,225,000	2,383,331	4.51	4,875,000	2,399,998

The following table summarized activity under the Company's stock option plan for the nine-month periods ended:

	April 30, 2020		April 30, 2019	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	4,875,000	$ 0.57	930,000	$ 1.27
Granted	550,000	1.30	–	–
Exercised	–	–	–	–
Expired	(200,000)	1.54	(300,000)	1.42
Outstanding, end of year	5,225,000	$ 0.61	630,000	$ 1.20
Vested and exercisable, end of year	2,383,331	$ 0.60	630,000	$ 1.20

Weighted average market share prices for stock options exercised during the three and nine-month periods ended April 30, 2020 and 2019 were both $nil, respectively. For the nine-month period ended April 30, 2020, 183,333 stock options vested (April 30, 2019 – 16,667) with a fair value of $132,000 (April 30, 2019 – $20,000).

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
November 2, 2015	50,000	80.47%	0.73%	nil	5 years	3 years	$ 61
May 27, 2019	4,625,000	66.76%	1.49%	nil	5 years	2 years	$ 666
December 12, 2019	550,000	73.81%	1.67%	nil	5 years	2 years	$ 397

6. Commitments, contingent liabilities and contingent assets

The Company's commitments are summarized as follows:

	2020	2021	2022	2023	2024	2025 and beyond	Total
Clinical research organizations	$ 466	$ 2,162	$ 1,083	$ 106	$ –	$ –	$ 3,817
Contract manufacturing organizations	128	723	–	–	–	–	851
Collaborative research organizations	–	904	–	–	–	–	904
Royalty and in-licensing	–	20	20	20	20	80	160
Financial & investor relations	142	–	–	–	–	–	142
Facility leases	27	–	–	–	–	–	27
	$ 763	$ 3,809	$ 1,103	$ 126	$ 20	$ 80	$ 5,901

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, 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.

The Company does not have any credit facilities and is therefore not subject to any externally imposed capital requirements or covenants.

8. Financial instruments and risk management

Fair value hierarchy

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a. Level 1 reflects valuation based on quoted prices observed in active markets for identical assets or liabilities;
b. Level 2 reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
c. Level 3 reflects valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Fair value

The fair value of financial instruments as at April 30, 2020 and July 31, 2019 approximates their carrying value because of the near-term maturity of these instruments.

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 Company's Board of Directors 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. Foreign exchange risks arise from the foreign currency translation of the Company's integrated foreign operation in Poland. In addition, foreign exchange risks arise from purchase transactions, as well as recognized financial assets and liabilities denominated in foreign currencies.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

Balances in foreign currencies are as follows, as at:

	April 30, 2020			July 31, 2019		
	EUR	USD	PLN	EUR	USD	PLN
Cash	–	–	63	–	–	330
Accounts receivable	–	–	57	–	–	143
Accounts payable	(247)	(235)	(83)	(401)	(563)	(232)
Accruals	–	(158)	(88)	(25)	–	(107)
Net foreign currencies	(247)	(393)	(51)	(426)	(563)	(134)
Closing exchange rate	1.5186	1.3910	0.3325	1.4627	1.3148	0.3413
Impact of 1% change in exchange rate	+/- 4	+/- 5	+/- 0	+/- 6	+/- 7	+/- 0

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 and cash equivalents. The Company does not have any credit facilities and is therefore 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.

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

	April 30, 2020	July 31, 2019
Government related – HST/VAT	$ 80	$ 82
Research and development investment tax credits	115	121
Other	1	87
	$ 196	$ 290

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 does not have any credit facilities and is therefore not subject to any externally imposed capital requirements or covenants.

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

The Company's cash reserves of $4,989,000 as at April 30, 2020 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 initiates 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.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

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

	April 30, 2020			July 31, 2019		
	Carrying amount	Less than one year	Greater than one-year	Carrying amount	Less than one year	Greater than one-year
Accounts payable	$ 1,090	$ 1,090	$ –	$ 3,040	$ 3,040	$ –
Accrued liabilities	471	471	–	1,057	1,057	–

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

9. Related party transactions

The following table summarizes for key management personnel compensation for the three-month and nine-month periods ended:

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Compensation	$ 147	$ 147	$ 440	$ 440
Stock-based compensation	–	–	107	–
	$ 147	$ 147	$ 547	$ 440

The following table summarizes non-management directors' compensation:

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Director fees	$ 40	$ 42	$ 120	$ 122
Stock-based compensation	213	–	227	–
	$ 253	$ 42	$ 347	$ 122

The following table summarizes both ACM Alpha Consulting Management EST ("ACMest") and ACM Alpha Consulting Management AG ("ACMag"):

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Financial and investor relations consulting	$ 139	$ 128	$ 405	$ 386
Finder fee commissions	750	76	2,000	823
	$ 889	$ 204	$ 2,405	$ 1,209

The Company has agreements with both ACM Alpha Consulting Management EST ("ACMest") and ACM Alpha Consulting Management AG ("ACMag"). The agreements are both effective July 2, 2018 and can be terminated upon ninety days notice. Mr. Kandziora is President of ACMest and acted as Observer on the Board of Directors of the Company up until August 22, 2019 in addition to also being on the Supervisory Board of the Company's wholly owned Polish subsidiary, Helix Immuno-Oncology S.A.. Mrs. Kandziora is President of ACMest and was Corporate Secretary of the Company up until August 22, 2019.

Related party transactions are at arm's length and recorded at the amount agreed to by the related parties.

10. Research and development projects

Included in research and development expenditures are costs directly attributable to the various research and development functions and initiatives the Company has underway and include: 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.

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

The following table outlines expenses for the Company's significant research and development projects:

	For the three-month periods ended April 30		For the nine-month periods ended April	
	2020	2019	2020	2019
L-DOS47	$ 1,141	$ 1,054	$ 3,616	$ 2,703
CAR-T	54	–	54	333
Corporate research and development expenses	180	155	441	380
Trademark and patent related expenses	126	110	364	178
Depreciation expense	13	12	38	37
Stock-based compensation expense	9	–	88	–
	$ 1,523	$ 1,331	$ 4,601	$ 3,631

11. Operating, General and Administration

The following table outlines operating, general and administration expenditures:

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Wages and benefits	$ 109	$ 112	$ 327	$ 320
Director fees	40	42	120	122
Third-party advisors	396	280	978	462
Other general and administrative	101	59	278	183
Depreciation expense	–	2	1	5
Stock-based compensation expense	216	–	282	2
	$ 862	$ 495	$ 1,986	$ 1,094

12. Assets held for sale, discontinued operations and Non-Controlling Interest ("NCI")

On August 21, 2019, January 13, 2020 and March 12, 2020, in connection with the Company's three private placements the Company also sold 49% of its ownership interest in its Polish subsidiary, Helix Immuno-Oncology S.A. (see note 5). On March 16, 2020, the Company publicly announced its intention to divest its remaining 51% ownership interest in the Polish subsidiary. The associated assets and liabilities of HIO were consequently presented as held for sale at April 30, 2020 and the results of its operations presented as discontinued operations for the three and nine month periods.

Summarized financial information in relation to Helix Immuno-Oncology S.A., the Company's subsidiary with a non-controlling interest, is presented below. Helix Immuno-Oncology S.A. has been classified as held for sale and as a discontinued operation at April 30, 2020.

Summarized financial information in relation to Helix Immuno-Oncology S.A., is presented below together with the amounts attributable to NCI:

Statement of net loss and comprehensive loss:

	For the three-month periods ended April 30		For the nine-month periods ended April 30	
	2020	2019	2020	2019
Research and development expenses (net of PNCRD grant)	$ 34	$ 20	$ 55	$ 65
Operating, general and administration	102	203	340	510
Finance items	62	(8)	70	13
Net loss and comprehensive loss	$ 198	$ 215	$ 465	$ 588
Net loss and comprehensive loss allocated to NCI	$ 105	$ –	$ 164	$ –

Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

Statement of financial position, before intra-company elimination entries, as at:

	April 30, 2020	July 31, 2019
Assets:		
Current assets	$ 49	$ 171
Property, plant and equipment	77	121
Intangible assets	47	53
Liabilities:		
Current liabilities	66	240
Intercompany liabilities	1,850	1,331
Shareholders' deficiency	1,743	1,266
Accumulated non-controlling interest	854	–

Assets and liabilities held for sale at April 30, 2020 are $126 and $66 respectively.

On July 21, 2016, the Company announced that a grant funding agreement was entered into by the Company's subsidiary in Poland with the Polish National Centre for Research and Development ("PNCRD"), whereby certain expenditures made commencing on March 1, 2016 would be subsidized. Subsidized amounts may be drawn in advance or on a reimbursement basis, with varying criteria and timelines for justification of claims being made by the Company's subsidiary. The agreement may be terminated by either party upon one month's written notice. In certain cases of termination, the Company's Polish subsidiary may be obligated to return the received financial support in full within fourteen days of the day notice is served, with interest. The Company's Polish subsidiary recently advised the PNCRD that it wished to terminate the grant funding arrangement. To date the Polish subsidiary under the grant funding agreement received approximately $1,448,000. The Company does not believe it will be required to reimburse any amount. As at April 30, 2020, the Company owned 51% of the Polish subsidiary and subsequently, on July 8, 2020 the Company's ownership stake in the Polish subsidiary has been reduced to 42.5%. See *Note 13 – Subsequent event*s.

13. Subsequent event

The Company announced on June 26, 2020 that it had entered into a non-binding term sheet to divest the remaining shares it holds in its Polish subsidiary, Helix Immuno-Oncology SA ("HIO"), representing approximately 51 per cent of the issued and outstanding shares of HIO as at April 30, 2020.

Under the term sheet, the Company has accepted a non-binding offer from CAIAC Fund Management AG, in its capacity as designated trustee of an alternative investment fund that is currently in the process of being established and authorized by the Financial Market Authority in Liechtenstein ("FMA"). The terms of the offer provide for the Company to sell its remaining holdings in HIO for gross proceeds of 6.7 million Polish zloty (approximately $2.3 million). The transaction is scheduled to close on Aug. 31, 2020, and is subject to a number of conditions, including the approval of the fund by the FMA; the raising of a minimum 7.3 million Polish zloty by the fund as well as regulatory approval of the transaction, if required. There can be no assurance that the closing of the divestment will occur on the terms set out herein or at all.

The Company has also approved an increase in share capital of HIO and the issuance of up to 2.2 million Series B ordinary shares in the capital of HIO to enable it to issue up to 2.2 million Series B ordinary shares by way of a private placement financing for aggregate gross proceeds of approximately 2.97 million Polish zloty. HIO completed the private placement on July 8, 2020 and as a result the Company's shareholding in HIO has been reduced to approximately 42.5% of the outstanding shares of HIO.

In addition, the Company has entered into agreements with HIO, pursuant to which it has cancelled an aggregate amount of approximately $2.7 million of intercompany debt owed to the Company by HIO. Since HIO is a subsidiary of the Company, the consolidated statements of financial position of the Company have not presented intercompany transactions. As part of the debt cancellation agreements, the Company and HIO have agreed to terminate both the Biphasix asset transfer agreement and the V-DOS47 license agreement. As a result, all transferred assets related to Biphasix and V-DOS47 have been automatically reassigned and transferred from HIO back to the Company without any formality. The Company has also ceased financing HIO with immediate effect.

14. Reclassification of prior year presentation

Certain prior period amounts have been reclassified for consistency with the current fiscal period presentation. The adjustment reflects the reclassification of discontinued operations associated with the Company's Polish subsidiary, Helix Immuno-Oncology S.A. ("HIO") On the Consolidated Statement of Financial Position as at April 30, 2020, assets available for sale in addition to liabilities related to assets held for sale have been reclassified and separately disclosed from other assets and liabilities. On the Consolidated Statement of Net Loss and Comprehensive Loss, expenses and finance items associated with HIO have been reclassified and the total separately disclosed as net loss from discontinued operations for the current period and comparative prior periods. On the Consolidated Statement of Cash Flows, net cash flows attributable to the operating, investing, and financing activities of discontinued operations have been separately disclosed for the current period and comparative prior periods.