HELIXBIOPHARMA

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Press Release

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HELIX BIOPHARMA CORP. ANNOUNCES FISCAL SECOND QUARTER 2019 RESULTS

(Richmond Hill, Ontario) - Helix BioPharma Corp. (TSX: HBP) (FRANKFURT: HBP) ("Helix" or the "Company"), a clinical stage immuno-oncology company developing innovative drug candidates for the prevention and treatment of cancer, announces its financial results for its fiscal second quarter ended January 31, 2019.

FINANCIAL REVIEW

The Company recorded a net loss and total comprehensive loss of $1,908,000 ($0.02 loss per common share) and $2,564,000 ($0.03 loss per common share) for the three-month periods ended January 31, 2019 and 2018, respectively. For the six-month periods ended January 31, 2019 and 2018, respectively, the Company recorded a net loss and total comprehensive loss of $3,287,000 ($0.03 loss per common share) and $4,868,000 ($0.05 loss per common share).

Research and development

Research and development costs for the three and six-month periods ended January 31, 2019 totalled $1,330,000 and $2,344,000, respectively ($1,895,000 and $3,660,000 respectively for the three and six-month periods ended January 31, 2018).

The following table outlines research and development costs expensed and investment tax credits for the Company's significant research and development projects for the following periods:

	For the three-month periods ended January 31		For the six-month periods ended January 31	
	2019	2018	2019	2018
L-DOS47	$ 788,000	$ 1,472,000	$ 1,649,000	$ 3,010,000
V-DOS47	102,000	94,000	232,000	177,000
CAR-T	333,000	125,000	333,000	125,000
Corporate research and development expenses	125,000	125,000	225,000	224,000
Trademark and patent related expenses	43,000	139,000	68,000	238,000
Stock-based compensation expense	–	2,000	–	6,000
Depreciation expense	26,000	25,000	59,000	80,000
Polish grant government funding	(87,000)	(87,000)	(222,000)	(200,000)
	$ 1,330,000	$ 1,895,000	$ 2,344,000	$ 3,660,000

L-DOS47 research and development expenses for the three and six-month periods ended January 31, 2019 totalled $788,000 and $1,649,000, respectively ($1,472,000 and $3,010,000 respectively for the three and six-month periods ended January 31, 2018). L-DOS47 research and development expenditures relate primarily to the Company's LDOS001 Phase I clinical study in the U.S., and preliminary expenditures related to the Company's LDOS003 Phase II clinical study in Poland, Ukraine and Hungary.

The Company's LDOS001 clinical study continues to face patient enrolment challenges. An accelerated dosing protocol has been approved to help accelerate the LDOS001 clinical study. The Company continues to be committed to the LDOS001 study and has re-allocated limited resources to improve patient enrollment. Enrolment in the Company's LDOS002 clinical study was previously halted at the end of stage 1 of a two-stage phase II study as the intensified schedule did not result in improving patient benefits compared to that observed in the Phase I portion of the study. The Company recently advanced some funds to the CRO overseeing the LDOS003 study and most recently announced the dosing of the first patient. The Company is in the late stages of protocol development for a Phase I/II study with L-DOS47 given in combination with doxorubicin, for the treatment of metastatic pancreatic cancer. The Company expects to file an investigational new drug application with the U.S. Food and Drug Administration for a study protocol targeting advanced pancreatic cancer patients sometime in April/May 2019.

The Company's Polish subsidiary continues to focus its activities on the V-DOS47 pre-clinical program. V-DOS47 research and development expenses for the three and six-month periods ended January 31, 2019 totalled $102,000 and $232,000, respectively ($94,000 and $177,000 respectively for the three and six-month periods ended January 31, 2018). For the three and six-month periods ended January 31, 2019 the Company's Polish subsidiary received grant funding of $87,000 and $222,000, respectively ($87,000 and $200,000 respectively for the three and six-month periods ended January 31, 2018). Grant funding for the V-DOS4 program is the result of an agreement entered into with the Polish National Centre for Research and Development.

CAR-T research and development expenses for the three and six-month periods ended January 31, 2019 totalled $333,000 and $333,000 respectively ($125,000 and $125,000 respectively for the three and six-month periods ended January 31, 2018). The Company commenced development of novel CAR-T therapeutics and new antibody-based technologies for cell-based therapies. The Company's CAR-T expenditures relate primarily to collaborative research activities with ProMab Biotechnologies Inc.

Trademark and patent related expenses for the three and six-month periods ended January 31, 2019 totalled $43,000 and $68,000, respectively ($139,000 and $238,000 respectively for the three and six-month periods ended January 31, 2019). The Company continues to ensure it adequately protects its intellectual property.

Operating, general and administration

Operating, general and administration expenses for the three and six-month periods ended January 31, 2019 and 2018 totalled $533,000 and $906,000, respectively ($644,000 and $1,170,000 respectively for the three and six-month periods ended January 31, 2018). The decrease in operating, general and administration expenses mainly reflects companywide cost cutting initiatives.

The following table outlines operating, general and administration costs expensed for the following periods:

	For the three-month periods ended April 30		For the six-month periods ended April 30	
	2019	2018	2019	2018
Wages and benefits	$ 179,000	$ 151,000	$ 334,000	$ 278,000
Director fees	41,000	55,000	80,000	135,000
Third-party advisors	210,000	309,000	314,000	459,000
Other general and administrative	100,000	124,000	172,000	287,000
Stock-based compensation expense	–	–	1,000	–
Depreciation expense	3,000	5,000	5,000	11,000
	$ 533,000	$ 644,000	$ 906,000	$ 1,170,000

LIQUIDITY AND CAPITAL RESOURCES

The Company recorded a net loss and total comprehensive loss of $1,908,000 ($0.02 loss per common share) and $2,564,000 ($0.03 loss per common share) for the three-month periods ended January 31, 2019 and 2018, respectively. For the six-month periods ended January 31, 2019 and 2018, respectively, the Company recorded a net loss and total comprehensive loss of $3,287,000 ($0.03 loss per common share) and $4,868,000 ($0.05 loss per common share), respectively.

As at January 31, 2019 the Company had a working capital deficiency of $1,998,000, shareholders' deficiency of $1,686,000 and a deficit of $167,292,000. As at July 31, 2018 the Company had a working capital deficiency of $1,901,000, shareholders' deficiency of $1,527,000 and a deficit of $164,005,000.

The Company continues to work with vendors to manage its cash position while ensuring vendors continue providing services while being paid, albeit over a longer period of time than previously agreed terms. Some vendors have placed the Company on hold (cash in advance) and is impacting the Company's clinical development program. The Company has raised gross proceeds of approximately $8,518,000 from private placement financings during fiscal 2018 and an additional $3,878,400 during the six-month period ended January 31, 2019. In addition, the Company subsequent to the January 31, 2019 quarter end, announced the closing of a private placement on March 15, 2019 for gross proceeds of $609,450. Nevertheless, the Company's cash reserves of $306,000 as at January 31, 2019 continue to be 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 somewhat assisted the Company in dealing with its working capital deficiency and attempts to make vendors current, additional funds are required to advance the various clinical and preclinical programs, pay for the Company's overhead costs and its past due vendors. 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.

Additional information can be found about the Company's liquidity and capital resources in the Company's Management Discussion and Analysis.

The Company's condensed unaudited interim consolidated statement of net loss and comprehensive loss for the three and six-month periods ending January 31, 2019 and 2018 and the condensed unaudited interim consolidated statement of cash flows for the six-month periods ending January 31, 2019 and 2018 are summarized below:

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

	For the three-month periods ended		For the six-month periods ended	
	Jan 31 2019	Jan 31 2018	Jan 31 2019	Jan 31 2018
Expenses:				
Research and development	1,330	1,895	2,344	3,660
Operating, general, administration	533	644	906	1,170
Results from operating activities before finance items	(1,863)	(2,539)	(3,250)	(4,830)
Finance items	(45)	(25)	(37)	(38)
Loss and total comprehensive loss	(1,908)	(2,564)	(3,287)	(4,868)
Loss per share	$ (0.02)	$ (0.03)	$ (0.03)	$ (0.05)

* Figures are for both basic and fully diluted

Consolidated Statements of Cash Flows
(thousand $)

	For the six-month periods ended	
	Jan 31 2019	Jan 31 2018
Cash provided by (used in):		
Net loss and total comprehensive loss	(3,287)	(4,868)
Items not involving cash:		
Depreciation	64	91
Stock-based compensation	2	6
Foreign exchange loss	13	35
Changes in non-cash working capital	37	503
Operating activities	(3,171)	(4,233)
Financing activities	3,126	5,040
Investing activities	(2)	(28)
Exchange rate changes on cash	(13)	(35)
Net decrease in cash	(60)	744
Cash beginning of the period	366	897
Cash end of the period	306	1,641

The Company's Consolidated Statement of Financial Position as at January 31, 2019 and July 31, 2018 are summarized below.

Consolidated Statement of Financial Position (thousand $)

	31-Jan-19	31-Jul-18
Non current assets	312	374
Current assets:		
Prepaids	331	92
Accounts receivable	246	315
Cash	306	366
	883	773
Total assets	1,195	1,147
Shareholders' deficiency	(1,686)	(1,527)
Current liabilities:		
Deferred government grant	57	38
Accrued liabilities	446	644
Accounts payable	2,378	1,992
	2,881	2,674
Total liabilities & shareholders equity	1,195	1,147

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 and Chimeric Antigen Receptor ("CAR") based cell therapies. Helix is currently listed on the TSX and FSE under the symbol "HBP".

INVESTOR RELATIONS

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Forward-Looking Statements and Risks and Uncertainties

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

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

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

The Company's actual results could differ materially from those anticipated in the forward-looking statements contained in this news release as a result of numerous known and unknown risks and uncertainties, including without limitation, the risk that the Company's assumptions may prove to be incorrect; the risk that additional financing may not be obtainable in a timely manner, or at all, and that clinical trials may not commence or complete within anticipated timelines or the anticipated budget or may fail; third party suppliers of necessary services or of drug product and other materials may fail to perform or be unwilling or unable to supply the Company, which could cause delay or cancellation of the Company's research and development activities; necessary regulatory approvals may not be granted or may be withdrawn; the Company may not be able to secure necessary strategic partner support; general economic conditions, intellectual property and insurance risks; changes in business strategy or plans; and other risks and uncertainties referred to elsewhere in this news release, any of which could cause actual results to vary materially from current results or the Company's anticipated future results. Certain of these risks and uncertainties, and others affecting the Company, are more fully described in the Company's annual management's discussion and analysis for the year ended July 31, 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.

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