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December 15, 2020
Press Release

# HELIX BIOPHARMA CORP. ANNOUNCES FISCAL 2021 FIRST QUARTER RESULTS

(Richmond Hill, Ontario) – Helix BioPharma Corp. (TSX: "HBP"), ("**Helix**" or the "**Company**"), a clinical-stage biopharmaceutical company developing unique therapies in the field of immuno-oncology based on its proprietary technological platform DOS47, today announced its fiscal 2021 first quarter results for the period ending October 31, 2020.

**OVERVIEW**

The Company reported a net loss and total comprehensive loss of $222,000 for the three-month period ended October 31, 2020 (2019 - $2,214,000). Net loss and comprehensive loss for the three-month period ending October 31, 2020 included a gain from loss of control in Helix Immuno-Oncology S.A. ("HIO") of $2,162,000 (2019 - $nil) on September 3, 2020.

On November 9, 2020, the Company announced that it has signed a definitive share purchase agreement with CAIAC Fund Management AG ("CAIAC") to purchase the Company's remaining 29.89% holdings in Helix Immuno-Oncology S.A. ("HIO"), for gross proceeds of PLN 6,700,000 ($2,308,000). Closing of the transaction is to occur upon finalizing administrative reporting requirements and evidence of share registry changes in Poland. The Company expects to close the transaction in the very near term. A finder's fee is owed to ACM Establishment Management Est ("ACMest") upon closing of the transaction equal to 12.5% of the gross proceeds.

At present, the only clinical program enrolling patients is the Company's U.S. Phase Ib/II LDOS006 study (L-DOS47 in combination with doxorubicin) in the treatment of patients with metastatic pancreatic cancer who have progresses on at least two prior treatment regimens. One patient has experienced a chemo-related dose limiting toxicity and thus, three additional patients will need to be enrolled to close cohort 1. Due to slower enrolment related to challenges resulting from COVID-19 pandemic measures, an additional two sites are engaged in study start-up activities, with plans to be open for patient recruitment in the first calendar quarter of fiscal 2021. A protocol amendment is also planned for submission to the U.S. Food and Drug Administration by the end of the month.

The Company is working through the process of completing the anti-drug antibody assays for LDOS001 (U.S. Phase I L-DOS47 in combination with pemetrexed and carboplatin for lung cancer) with the goal of finalizing the clinical study report by April 2021 while for LDOS003 (European Phase II L-DOS47 in combination with vinorelbine and cisplatin for lung cancer) the Company has experienced delays in completing final monitoring, close out activities and finalizing the clinical study report LDOS003.

On December 4, 2020, the Company closed a private placement financing of 2,200,000 units at a price of $0.50 per unit, for aggregate gross proceeds of $1,100,000. 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 $0.70 and have an expiry of five years from the date of issuance. A finder's fee is owed to ACM Establishment Management AG ("ACMag") upon closing of the transaction equal to 12.5% of the gross proceeds

Both ACMag and ACMest were involved in the sourcing of these transactions prior to both parties' mutual agreement to terminate the respective contractual agreements. The ACMag agreement incorporates a tail provision whereby in

the event ACMag sources financing and the Company closes a transaction within six months of terminating the agreement, a fee of 12.5% of gross proceeds would be due to ACMag.

The Company continues to work towards a qualifying Nasdaq listing.

***Research and development***

Research and development expense for the three-month periods ended October 31, 2020 and 2019 totalled $1,084,000 and $1,446,000, respectively.

Components of research and development expenses for the three-month periods ended October 31:

| | 2020 | 2019 |
|---|---|---|
| Research and development programs, excluding the below items | $ 689,000 | $1,106,000 |
| Salaries and benefits | 315,000 | 257,000 |
| Stock-based compensation expense | 4,000 | 39,000 |
| Amortization of property, plant and equipment | 17,000 | 12,000 |
| Amortization of right of use assets | 32,000 | 32,000 |
| Research and development investment tax credits | 27,000 | – |
| | $ 1,084,000 | $1,446,000 |

The decrease in research and development expenses for the current quarter, when compared to the prior year's quarter is the result of lower clinical operation expense of $140,000, lower intellectual property maintenance cost of $139,000, lower collaborative scientific research expenditures of $80,000 and lower manufacturing costs of $20,000.

Lower clinical operation expenses are due to spending having occurred in the prior year's quarter related to the Company's LDOS003 Phase II clinical study in Poland and the Ukraine which has since concluded but currently awaiting reporting. The Company's new LDOS006 Phase Ib/II pancreatic clinical study in the U.S. was still in the early stages with U.S. FDA approval only having been received in August 2019.

Lower intellectual property maintenance costs are mainly the result of the Company having occurred higher costs over the previous years and timing related spend which is forecasted for the second fiscal quarter ending January 31, 2021.

Lower collaborative scientific research spend mainly reflects the conclusion of a previous research project with the Moffit Cancer Center. A new collaboration has since been agreed upon with work having commenced in November.

***Operating, general and administration***

Operating, general and administration expenses for the three-month periods ended October 31, 2020 and 2019 totalled $1,303,000 and $576,000, respectively.

Components of operating, general and administration expenses for the three-month periods ended October 31:

| | 2020 | 2019 |
|---|---|---|
| Operating, general and administration, excluding the below items | $ 776,000 | $ 423,000 |
| Salaries and benefits | 107,000 | 120,000 |
| Stock-based compensation expense | 420,000 | 33,000 |
| Amortization of property, plant and equipment | – | – |
| Amortization of right of use assets | – | – |
| | $ 1,303,000 | $ 576,000 |

The increase in operating, general and administration expense for the current quarter, when compared to the prior year's quarter is the result of higher legal costs of $148,000, higher audit fees of $65,000 and higher investor relations expenditures of $153,000.

The Company has been in discussions with various groups both in the U.S. and Canada and has been incurring additional legal and audit expenses as part of the Company's objective to raise additional capital in order to qualify for a listing on a U.S. stock exchange such as NASDAQ. On October 21, 2020 the agreement with ACM Alpha Consulting Management EST ("AGMest") was terminated by mutual agreement of the parties. The agreement included a termination clause which required a ninety-day written notice resulting in a payout of $144,000.

Stock based compensation expense for the three-month period ended October 31, 2020 totalled $420,000 (2019 - $33,000). The amount represents the expense associated with the vesting of stock options that were granted to directors of the Company, over their vesting period.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company reported a net loss and total comprehensive loss of $222,000 for the three-month period ended October 31, 2020 (October 31, 2019 - $2,214,000). As at October 31, 2020 the Company had working capital of $2,426,000, shareholders' equity of $2,596,000 and a deficit of $180,738,000. As at July 31, 2020 the Company had working capital of $2,735,000, shareholders' equity of $2,981,000, a deficit of $180,516,000.

On November 9, 2020, the Company announced that it has signed a definitive share purchase agreement with CAIAC to purchase the Company's remaining holdings in its Polish subsidiary, HIO, for gross proceeds of PLN6,700,000 (CAD2,308,000).

Irrespective of the private placement closed on November 4, 2020 and the expected close of the CAIAC transaction in the near term, the Company's cash reserves are insufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months, nor are they sufficient to see planned research and development initiatives through to completion. Additional funds are required to advance the Company's clinical and preclinical programs and deal with working capital requirements. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, management considers securing additional funds, primarily through the issuance of equity securities of the Company, to be critical for its development needs.

The Company's Statement of Financial Position and Statement of Net Loss and Comprehensive Loss for the fiscal periods October 31, 2020 and 2019 are summarized below:

*Condensed unaudited Statement of Financial Position*

| | Q1F2021 | FY2020 |
|---|---|---|
| Current assets: | | |
| Cash | 1,428,000 | 4,235,000 |
| Accounts receivable | 166,000 | 180,000 |
| Prepaids | 168,000 | 90,000 |
| Investment in Associate held for sale | 2,646,000 | - |
| Assets held for sale | - | 155,000 |
| | 4,408,000 | 4,660,000 |
| Non current assets | | |
| PPE's | 73,000 | 91,000 |
| Right of use assets | 97,000 | 155,000 |
| | 170,000 | 246,000 |
| Total assets | 4,578,000 | 4,906,000 |
| Current liabilities: | | |
| Accounts payable | 1,685,000 | 1,416,000 |
| Accrued liabilities | 198,000 | 301,000 |
| Lease liabilities | 99,000 | 159,000 |
| Liabilities held for sale assets | - | 49,000 |
| | 1,982,000 | 1,925,000 |
| Shareholders' equity | | |
| Attributable to Helix | 2,596,000 | 2,394,000 |
| Non-controlling interest | - | 587,000 |
| | 2,596,000 | 2,981,000 |
| Total liabilities & Shareholders' equity / (deficiency) | 4,578,000 | 4,906,000 |

*Condensed unaudited Statements of Net Loss and Comprehensive Loss*

| | Q1F2021 | Q1F2020 |
|---|---|---|
| Expenses: | | |
| Research and development | 1,084,000 | 1,446,000 |
| Operating, general & administration | 1,303,000 | 576,000 |
| Results from operating activities before finance items | (2,387,000) | (2,022,000) |
| Finance items | 3,000 | (4,000) |
| Net loss from continuing operations | (2,384,000) | (2,026,000) |
| Net gain (loss) from discontinued operations | 2,162,000 | (188,000) |
| Net loss & total comprehensive loss | (222,000) | (2,214,000) |
| Equity loss of investment in associate from discontinued operations | - | 36,000 |
| | (222,000) | (2,178,000) |
| Loss per share continuing operations | ($0.02) | ($0.02) |
| Loss per share discontinued operations | $ 0.02 | - |
| Loss per share - total | - | ($0.02) |

The Company's financial statements, management's discussion and analysis and annual information form will be filed under the Company's profile on SEDAR at www.sedar.com, as well as on the Company's website at www.helixbiopharma.com.

**About Helix BioPharma Corp.**

Helix BioPharma Corp. is a clinical-stage biopharmaceutical company developing unique therapies in the field of immune-oncology for the prevention and treatment of cancer based on our proprietary technological platform DOS47. Helix is listed on the Toronto Stock Exchange 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, 2020 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.*