February 28, 2023

Dear Stockholders,

Thank you for your continued interest in Helix BioMedix. During the past year, we have made important progress in our rare disease drug program and accomplished the key milestones of an initial manufacturing process for our HB4208 drug substance and commencement of drug product formulation work. In our legacy peptide business, our licensees continued to actively promote Helix BioMedix peptides into the personal care and dermocosmetic marketplace.

Select Q4 2022 Results (unaudited)

Preliminary results for Q4 2022 are summarized below.

(in thousands)	**Q4 2022**	**Q4 2021**
Revenue	$348	$552
Gross profits	$346	$344
Operating expenses	($575)	($800)
Excluding stock expense	($522)	($703)
Operating profit (loss)	($229)	($456)
Excluding stock expense	($176)	($359)
Cash + A/R – A/P @ 12/31	$3,752	$4,561

Our revenue for Q4 2022 was lower compared to the prior year period as we are no longer supplying low-margin peptides to one of our our licensees; however, gross profits were higher due to the significant percentage of royalty revenue. Given our dependence on royalties generated by our licensees and the ordering habits of their customers, our revenue and gross profit have historically always had variability. Operating expenses for Q4 2022 were lower compared to the same period in 2021 and relate primarily to the timing of certain pharma program activities.

The company's non-cash stock expense fluctuates substantially from quarter to quarter. As a result, the company's management and Board of Directors exclude this expense from our operating expenses in assessing the company's ongoing performance and this information has been added to the table.

Our licensing revenues are royalty-based and, therefore, carry no cost of goods. While royalty payments appear to be "pure profit," we must measure this royalty income against the costs required to support our ongoing patent obligations and the development/production costs required to support our licensing partners and generate new product opportunities. Our licensing activities continue to provide us with an ongoing royalty stream.

We currently have two primary licensed distributors of our peptide technologies into the personal care market. These partners command a strong presence in the marketplace and represent our portal to industry leaders that a small company such as ours could not easily and quickly access directly.

As a reminder, due to our audit schedule, we will be sharing our Q1 results for 2023 prior to our end-of year results for 2022. The fiscal year 2022 results will be shared in the stockholder letter that is mailed with our proxy. We also plan to post the letter on our website.

Rare Disease Program

Helix BioMedix is developing HB4208 for treatment of the devastating rare disease, Xeroderma Pigmentosum (XP). HB4208 is a polypeptide DNA Damage Response (DDR) enzyme that is based on repair pathways necessary to prevent cancerous mutations and maintain skin homeostasis. In early proof of concept work, the first-generation DDR enzyme demonstrated positive results to modulate UV-induced DNA damage and reduce skin lesions in an animal model. We have continued to advance our preclinical plan and are using contract manufacturing and specialized contract research organizations to tap into expertise that we believe allows us to limit our overhead and to move quickly along the development path.

Patents

Helix BioMedix has a significant patent portfolio with over 200 patents worldwide. In 2019, the company began a strategic review of its patents and has begun selective abandonment of non-revenue producing patents in lower potential countries. The last three of the company's U.S. patents related to certain personal care peptides expired in Q4 2022 and will no longer produce royalties, however, multiple peptide sequences still under patent are actively marketed by our licensees and will continue to generate revenue for the company.

Closing Comments

On behalf of myself and the Board of Directors, I would like to express our sincere gratitude to you all for your loyalty and support. Helix BioMedix is focused on the important tasks ahead of us and we look forward to sharing corporate developments and our preclinical progress with you.

Sincerely,

Robin Carmichael

Robin L. Carmichael

President & Chief Executive Officer

www.helixbiomedix.com

Forward Looking Statements

This document contains forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding activities, events or developments that the company expects, believes or anticipates may occur in the future, including statements related to its potential growth, product development and commercialization and revenue. A number of factors could cause actual results to differ from those indicated in the forward-looking statements, including the company's ability to successfully raise additional capital, develop effective drug candidates, enter into revenue generating license agreements, continue its research and development efforts, including pre-clinical and clinical studies, and general economic conditions. Readers are cautioned that such forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those set forth in the forward-looking statements. The company undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances.

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