



May 23, 2024

Dear Fellow Stockholders,

I would like to take this opportunity to provide an update to our valued stockholders regarding our first quarter 2024 financials and our preclinical rare disease program.

Select Q1 2024 Results (unaudited)

Our unaudited results for Q1 2024 are shown in the table below. Given our dependence on licensees' sales of our patented peptides, our revenue and gross profit have historically always had variability. Revenues and gross profit for Q1 2024 were down slightly compared to the same period in the prior year. Operating expenses for Q1 2024 decreased as compared to Q1 2023 and were related to changes in activities in the rare disease drug development program. 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, which makes such calculation a non-GAAP financial measure.

	Q1 2024	Q1 2023
Revenue	\$204	\$223
Gross profits	\$204	\$223
Operating expenses	(\$497)	(\$520)
Stock expense	(\$33)	(\$65)
Excluding stock expense	(\$464)	(\$455)
Operating profit (loss)	(\$293)	(\$297)
Stock expense	(\$33)	(\$65)
Excluding stock expense	(\$260)	(\$232)
Cash & Equivalents + A/R – A/P	\$2,516	\$3,378

Due to our audit schedule, our Q1 2024 unaudited results are available prior to our 2024 end-of-year audited financials. We look forward to sharing with you more details of our progress in our Annual Report for 2024 and Stockholders Letter mailed with our proxy, which you should receive in July. We also will post the letter on our website on the investor relations page.

Legacy Peptide Business

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.

Rare Disease Program

Rare diseases are classified in the United States as those afflicting fewer than 200,000 individuals. The FDA has established the Orphan Drug Program to help incentivize companies to pursue drugs for the treatment of rare diseases. The Orphan Drug Act includes a number of incentives, currently including expanded access to the Investigational New Drug (IND) Program, grants for drug development, a waiver of user fees charged under the Prescription Drug User Fee Act (PDUFA), fast-track approvals, tax credits, and 7-year market exclusivity for an approved orphan drug.

Helix BioMedix is developing HB4208 for treatment of the 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.

XP is a rare inherited skin disorder characterized by hypersensitivity to the sun and ultraviolet (UV) rays. Individuals with XP are highly susceptible to DNA damage caused by UV light due to either lack of the normal repair mechanism or defective repair pathways to manage the damage. XP is a devastating disease for which there is currently no known cure and that significantly impacts both quality of life and life expectancy. Below are key points regarding XP⁽¹⁾:

- Currently there are no FDA approved drugs for the treatment of XP.
- Standard treatment includes high levels of skin protection, including clothing and sun block, and individuals should avoid all UV / sun exposure whenever possible. This still does not prevent UV DNA damage lesions.
- Many children with XP develop their first case of skin cancer by the age of 10, some as early as four years of age.
- For XP patients younger than 20 years of age, the prevalence of skin cancer is almost 5,000 times greater than what would be expected in the general population. Removal of these skin cancers often leads to severe disfigurement.
- Nonmelanoma skin cancer risks may be increased by 150 percent when there is XP confirmed as a diagnosis. The risk of other cancers such as ocular and brain cancers also occurs.
- XP patients die young. The average lifespan for someone with XP is 29 - 37 years.

HB4208 Preclinical Development Progress

We are using an agile drug development approach to leverage resources while managing expenses. Our team of contract research organizations (CRO) and contract development and manufacturing organizations (CDMO) give us access to specialists without building excessive infrastructure. We remain in the preclinical stage of development. We have established manufacturing for the initial supply of drug substance for assay development, and further drug product formulation work. We look forward to providing future updates.

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.

Summary

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 moving forward with high energy and expectations. We are focused on the important tasks ahead of us and we look forward to sharing corporate developments and our preclinical progress with you.

Stay well and healthy,



Robin L. Carmichael

President & Chief Executive Officer

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.

(1) Sources: <https://www.aad.org/public/diseases/a-z/xeroderma-pigmentosum-sensitivity-to-sunlight> ; <https://medlineplus.gov/genetics/condition/xeroderma-pigmentosum/#> ; <https://rarediseases.org/rare-diseases/xeroderma-pigmentosum/> ; <https://emedicine.medscape.com/article/1119902-overview> ; https://link.springer.com/chapter/10.1007/978-981-10-6722-8_14