HELIX BIOMEDIX™

**A Letter from the CEO**

**July 10, 2026**

Dear Stockholders,

Thank you for your continued interest in and support of Helix BioMedix, Inc. In this letter, I will share key highlights of the company's activities.

**2025 Financial Review**
In June 2026, Baker Tilly US, LLP, our independent registered public accounting firm, concluded a review of our 2025 financial statements and reported that "based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America."

**2024 Financial Review - Restatement**
The prior year financial statements were corrected to include $77,106 of incremental stock-based compensation that had been inadvertently omitted from the financial statements. The expense resulted from a stock option modification that extended the post-termination exercise period for all vested and unvested awards and accelerated vesting of any unvested awards held by a Director upon his separation from the Board of Directors.

**Select 2025 Financial Results (unaudited)**
Here are five significant financial results comparing 2025 to 2024 prior year (in thousands):

| **Category** | **2025** | **2024** (restated) |
|---|---|---|
| Revenue | $807 | $804 |
| Gross Profits | $807 | $804 |
| Operating Expenses | $1,396 | $1,945 |
| Excluding Stock Expense | $1,390 | $1,760 |
| Operating Profit (loss) | ($589) | ($1,141) |
| Excluding Stock Expense | ($583) | ($956) |
| Year End Cash & Short-Term Investments | $1,465 | $1,990 |

The company's non-cash stock expense fluctuates substantially from period to period. As a result, we exclude this expense from our operating expenses and from our operating losses during our internal analysis of the company's performance. The table above reflects this exclusion.

**Legacy 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 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. The current macroeconomic situation and uncertainty about tariffs may impact distribution of both ingredients and skin care products.

**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.

We are currently developing HB4208 for treatment of the rare disease, Xeroderma Pigmentosum (XP). XP is an 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.

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. During 2024, our preclinical program focused on refinements in the structure of the protein enzyme to improve stability and manufacturing yields. Additionally, we implemented a study in disease-state XPA mice that looked at histological changes in UV exposed skin.

In mid-June 2025, we submitted a request to the FDA for an INTERACT Meeting. INTERACT, or an **In**itial **T**argeted **E**ngagement for **R**egulatory **A**dvice on **C**BER/CDER Produc**T**s, is a meeting at a specific time early in product development. The appropriate timing for an INTERACT meeting is when a sponsor has identified the investigational product to be evaluated in a clinical study and conducted some preliminary preclinical proof-of-concept studies with the intended investigational product but has not yet designed and conducted definitive toxicology studies. Following our INTERACT meeting, we received a response from the FDA indicating that our current preclinical work was "reasonable" and that we could continue our plan to pursue a small microdosing study. We are currently working on developing the clinical protocol and supporting assays, and obtaining the necessary materials to be able to conduct the study. Although we intend to proceed with a small microdosing study, there is no assurance that this study will yield beneficial or helpful results, that the FDA will allow us to move forward with any subsequent studies, or that any such studies will ultimately lead to a commercialized product.

**Patents**

Helix BioMedix has a significant patent portfolio with over 200 patents worldwide. These patents expire in a range from mid-2027 to mid-2034.

**Closing Comments**

We believe our preclinical program to develop HB4208 as a topical drug for the treatment of the rare dermatological condition, Xeroderma Pigmentosum, may provide opportunities for additional long-term value creation. The Helix BioMedix team is committed to excellence and dedicated to use our best efforts to bring new scientific innovation to the dermatology market.

We hope that you have found this update informative. It is our objective to communicate on an ongoing basis with all stockholders. Future progress and business highlights will continue to be posted on our website at www.helixbiomedix.com.

Sincerely,

**Robin L. Carmichael**
President & Chief Executive Officer
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**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 potential growth and long-term value creation, continued product development, the advancement and feasibility of its rare disease program, potential clinical and regulatory progress, commercialization opportunities, licensing activities, 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, obtain favorable regulatory feedback or authorization to proceed with additional studies, enter into revenue generating license agreements, continue its research and development efforts, including pre-clinical and clinical studies, manage patent and commercialization risks, and respond to general economic conditions, including tariff-related uncertainty. 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.