



Helix BioMedix, Inc.
Condensed Financial Statements
(unaudited)
March 31, 2013

Helix BioMedix, Inc.
Condensed Balance Sheets
(Unaudited)

	<u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 221,977	\$ 333,262
Accounts receivable, net	376,780	216,442
Accounts receivable, affiliated company, net	130,122	138,435
Inventory	296,143	267,919
Prepaid expenses and other assets	87,414	38,543
Total current assets	<u>1,112,436</u>	<u>994,601</u>
Property and equipment, net	11,239	15,206
Intangible assets, net	61,584	78,527
Other long-term assets, net	8,522	8,522
Investment in affiliated company	37,546	38,636
Total assets	<u>\$ 1,231,327</u>	<u>\$ 1,135,492</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 136,885	\$ 226,789
Accrued compensation and benefits	33,653	32,372
Accrued expenses	130,320	194,677
Deferred revenue	23,355	-
Deferred gross profit, affiliated company	69,886	84,121
Total current liabilities	<u>394,099</u>	<u>537,959</u>
Line of credit, net of discount	1,148,287	448,716
Deferred rent, non-current	38,689	32,179
Total liabilities	<u>1,581,075</u>	<u>1,018,854</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 25,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock, \$0.001 par value, 100,000,000 shares authorized; 165,734 shares issued at March 31, 2013 and December 31, 2012; 164,715 shares outstanding at March 31, 2013 and at December 31, 2012	49,721	49,721
Additional paid-in capital	49,247,755	49,224,259
Accumulated deficit	(49,463,879)	(48,973,996)
Treasury stock, 1,019 shares	(183,346)	(183,346)
Total stockholders' equity	<u>(349,748)</u>	<u>116,638</u>
Total liabilities and stockholders' equity	<u>\$ 1,231,327</u>	<u>\$ 1,135,492</u>

Management has elected to omit substantially all disclosures required by Accepted Accounting Principles Generally Accepted in the United State of America

Helix BioMedix, Inc.
Condensed Statements of Operations and Comprehensive Loss
(Unaudited)

	Three months ended March 31,	
	2013	2012
Revenue:		
Licensing and development fees	\$ 323,306	\$ 315,092
Peptide and consumer product sales	94,615	252,727
Consumer products sales to affiliated company	41,541	112,603
Total revenue	459,462	680,422
Cost of revenue:		
Cost of peptide and consumer product sales	48,527	157,773
Cost of consumer product sales to affiliated company	20,737	51,758
Total cost of revenue	69,264	209,531
Gross profit	390,197	470,891
Operating expenses:		
Research and development	91,405	87,085
Business development	251,411	303,106
General and administrative	241,965	384,576
Accounting, legal and professional	225,083	219,222
Depreciation and amortization	20,909	23,095
Total operating expenses	830,772	1,017,084
Loss from operations	(440,574)	(546,193)
Other income (expense):		
Interest income	8	740
Interest expense	(49,571)	(12,117)
Gain/loss on asset sale	1,345	-
Equity in loss of affiliated company	(1,090)	(17,648)
Change in value of option to purchase interest in affiliated company	-	(6,620)
Other income (expense)	(49,309)	(35,645)
Net loss	\$ (489,883)	\$ (581,838)

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Helix BioMedix, Inc.
Condensed Statements of Stockholders' Equity
For the Year Ended December 31, 2012 and for the Three Months Ended March 31, 2013

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury		Total Equity
	Number of Shares	Amount			Number of Shares	Amount	
Balance at December 31, 2012	165,734	\$ 49,721	\$ 49,224,259	\$ (48,973,996)	(1,019)	\$ (183,346)	\$ 116,638
Stock-based compensation	-	-	23,496	-			23,496
Net loss				(489,883)			(489,883)
Balance at March 31, 2013	165,734	\$ 49,721	\$ 49,247,755	\$ (49,463,879)	(1,019)	\$ (183,346)	\$ (349,748)

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Helix BioMedix, Inc.
Condensed Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2013	2012
Cash Flows from Operating Activities		
Net loss	\$ (489,883)	\$ (581,838)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	20,909	23,095
Stock-based compensation costs	23,497	118,605
Amortization of debt discount	49,571	12,117
Equity in (earnings) loss of affiliated company	1,090	17,648
Change in value of option to purchase interest in affiliated company	-	6,620
Changes in operating assets and liabilities:		
Accounts receivable	(160,338)	(185,051)
Accounts receivable, related party	8,313	(34,330)
Inventory	(28,223)	40,978
Prepaid expenses and other current assets	(48,871)	(15,858)
Accounts payable	(89,904)	51,711
Accrued compensation and benefits	1,281	(39,381)
Accrued expenses	118,990	58,643
Deferred revenue	23,355	-
Deferred gross profit, related party	(14,235)	3,369
Deferred rent	6,510	(1,739)
Net cash provided by (used in) operating activities	<u>(577,939)</u>	<u>(525,411)</u>
Cash flows from financing activities		
Borrowings under the LOC	650,000	-
Purchase common stock treasury shares	(183,346)	-
Net cash provided by financing activities	<u>466,654</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(111,285)</u>	<u>(525,411)</u>
Cash and cash equivalents at beginning of period	333,262	1,688,945
Cash and cash equivalents at end of period	<u>\$ 221,977</u>	<u>\$ 1,163,534</u>

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