

VIADERMA, INC.
A Nevada Corporation

4640 Admiralty Way, Suite 500
Marina Del Rey, CA 90292

310-374-6111

<http://www.viadermalicensing.com>

info@viadermalicensing.com

SIC Code: 5122 – Drugs, Drug Proprietaries, and Druggist’ Sundries

Annual Report

For the Year Ending: December 31, 2022 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

983,556.451 as of December 31, 2022

983,556.451 as of December 31, 2021

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Current since May 6, 2014:

ViaDerma, Inc.

¹ “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Before May 6, 2014:
Before July 1, 2009:

Décor Products International, Inc.
Murals by Maurice, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

ViaDerma, Inc. (the "Company") was incorporated as Murals by Maurice, Inc. in the State of Florida on January 11, 2007 and was in the business of mural painting. On July 1, 2009, the Company changed its name to Décor Products International, Inc. and re-domiciled to the State of Nevada on April 6, 2010. The Company was in the business of mural painting and decorative papers. On May 6, 2014, the Company again changed its name to ViaDerma, Inc. to reflect the Plan of Exchange. Under the name of ViaDerma, Inc., the Company was and is in the business of manufacturing and sales of pharmaceuticals, and specifically topical antibiotics and pain management. The Company is incorporated in Nevada and has its principle place of business in California. The Company is currently active corporation in Nevada.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

4640 Admiralty Way, Suite 500
Marina Del Rey, CA 90292

The address(es) of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Clear Trust, LLC
Phone: (813) 235-4490
Email: inbox@cleartrusttransfer.com
Address: 16540 Pointe Village Dr. Ste 205 Lutz, FL 33558

Publicly Quoted or Traded Securities:

Trading symbol: VDRM
Exact title and class of securities outstanding: Common Stock
CUSIP: 92555K101
Par or stated value: \$0.0001

Total shares authorized: 1,000,000,000 as of date: December 31, 2022
Total shares outstanding: 983,556,451 as of date: December 31, 2022
Total number of shareholders of record: 73 as of date: December 31, 2022

Trading symbol: N/A
Exact title and class of securities outstanding: Convertible Preferred Stock
CUSIP: N/A
Par or stated value: \$0.001
Total shares authorized: 50,000,000 as of date: December 31, 2022
Total shares outstanding: 31,000,000 as of date: December 31, 2022
Total number of shareholders of record: 2 as of date: December 31, 2022

Security Description:

1. For common equity, describe any dividend, voting and preemption rights.

N/A

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The Company had 50,000,000 shares of preferred stock authorized, \$0.001 par value, of which 31,000,000 shares issued and outstanding. Each share of preferred stock has conversion ratio and voting right of 10:1.

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

N/A

3) Issuance History

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Date <u>01/01/2021</u>			<p>Opening Balance:</p> <p>Common: <u>862,491,451</u> Preferred: <u>31,000,000</u></p> <p>*Right-click the rows below and select "Insert" to add rows as needed.</p>						
Date of Transaction	Transaction type (e.g., new issuance, cancellation,	Number of Shares	Class of Securities	Value of shares issued (\$/per	Were the shares issued at a discount	Individual/ Entity Shares were issued to.	Reason for share issuance (e.g. for cash or debt conversion) -	Restricted or Unrestricted	Exemption or

	shares returned to treasury)	Issued (or cancelled)		share) at Issuance	to market price at the time of issuance? (Yes/No)	*You must disclose the control person(s) for any entities listed.	OR- Nature of Services Provided	as of this filing.	Registration Type.
1/29/2021	New	29,352,500	Common	\$0.0008	Yes	L&H Inc. Linwen Huang	Debt conversion	Unrestricted	Rule 144
2/5/2021	New	17,212,500	Common	\$0.0008	Yes	Greentree Financial Group Chris Cottone	Debt conversion	Unrestricted	Rule 144
3/1/2021	New	30,000,000	Common	\$0.0075	Yes	Greentree Financial Group Chris Cottone	Debt conversion	Unrestricted	Rule 144
3/2/2021	New	40,000,000	Common	\$0.008	Yes	L&H Inc. Linwen Huang	Debt conversion	Unrestricted	Rule 144
3/29/2021	New	2,000,000	Common	\$0.001	No	Richard Inza	Consulting service	Restricted	Rule 144
4/9/2021	New	2,500,000	Common	\$0.048	No	The Brewer Group, Inc. Jack Brewer	Consulting service	Restricted	Rule 144
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date 12/31/2022	Common: 983,556,451								
	Preferred: 31,000,000								

Use the space below to provide any additional details, including footnotes to the table above:

None

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
12/4/2009	\$ 58,796	\$ 140,000	\$ 24,949	12/4/2010	\$0.005 per share or 50% of the lowest trading price for the twenty (20) trading days immediately prior to but not including the Conversion Date.	Precursor Management Inc. Weiheng Cai	Convertible Note
12/4/2009	\$ 40,000	\$ 40,000	\$ 103,987	12/4/2010	\$1.00 per share	Linear Group Holdings, Inc. Brad Stewart	Convertible Note
3/21/2014	\$ 33,500	\$ 33,500	\$ 59,441	3/21/2015	\$0.10 per share or 50% discount on the conversion date.	Bespoke Growth Partners, Inc. Mark Peikin	Convertible Note

7/12/2016	\$ 19,000	Up to \$250,000	\$ 81,571	One year	\$0.0005 per share or 50% of the lowest closing bid price on the primary trading market on which the Company's Common Stock is quoted for the last five trading days immediately prior to but not including the Conversion Date.	Greentree Financial Group Chris Cottone	Convertible Line of Credit
4/20/2017	\$ 13,242	\$ 60,000	\$ 22,739	4/20/2018	\$0.005 per share or 50% of the lowest trading price for the twenty (20) trading days immediately prior to but not including the Conversion Date.	Greentree Financial Group Chris Cottone	Services Note
12/21/2017	\$ 28,000	\$ 28,000	\$42,276	12/21/2018	\$0.001 per share or 50% of the lowest trading price for the twenty (20) trading days immediately prior to but not including the Conversion Date.	L&H, Inc. Linwen Huang	Convertible Note
1/3/2018	\$ 48,000	\$ 48,000	\$ 66,685	1/3/2019	70% of the lowest trading price for the twenty (20) trading days immediately prior to but not including the Conversion Date.	The Brewer Group Inc. Jack Brewer	Services Note
1/3/2018	\$ 10,000	\$ 10,000	\$ 9,359	1/3/2019	40% of the average VWAP on the primary trading market for the last ten (10) trading days immediately prior to but not including the Conversion Date.	The Brewer Group Inc. Jack Brewer	Services Note
3/7/2018	\$ 60,000	\$ 60,000	\$ 83,137	3/7/2019	\$0.005 per share.	Greentree Financial Group Chris Cottone	Services Note
4/5/2018	\$ 104,643	\$ 120,000	\$ 95,323	1/3/2019	50% of the lowest trading price for the twenty (20) trading days immediately prior to but not including the Conversion Date.	The Brewer Group Inc. Jack Brewer	Services Note

Use the space below to provide any additional details, including footnotes to the table above:

None

4) Issuer's Business, Products and Services

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

ViaDerma, Inc.'s lead product is an FDA registered topical antibiotic called that will be sold under the brand name Vitastem™. The Company also has products in development in the following fields: anti-aging skin care, pain management, hair-loss, and toenail fungus. The products are based on a patent pending delivery system technology that allows for rapid mass transfer of the pharmaceutical active ingredient across the skin and into the body to provide immediate localized therapy. Detailed product information is available online by accessing the Government website, DailyMed.

The Company utilizes a specific Trade Secret Formulation System in the manufacture of all the products.

On January 31, 2014, the Company purchased an exclusive license (the "License") on the patent pending technology from Dr. Howard Phillips represented by US Patent application #20130190274. The Company amended the License on January 20, 2017 such that it is now a non-exclusive distribution and licensing agreement.

Apart from the technology licensed from Dr. Howard Phillips, the Company is currently using a second-generation transdermal technology to manufacture and develop its products. This technology was exclusively licensed from a related party. During 2016, provisional patents were filed on this technology. The Company received provisional patent #62757891 'ENHANCED ANTIBIOTIC AND DRUG DELIVERY FOR AQUEOUS TOPICAL APPLICATIONS FOR HUMAN AND VETERINARY USES' for this technology. The Company believes the newer technology has additional benefits and plans to incorporate this topical delivery system into most, if not all, of its future products.

In June 2017, the Company received notification that its newer product Prolayed (15ml), was also registered with the FDA.

In addition, the Company is in the early development stage of a medical cannabis product containing cannabidiol (“CBD”) that can be absorbed through the skin with our proprietary transdermal delivery system. A provisional patent application using the combination of CBD and THC with the delivery system was filed in 2017 (Provisional Patent # 62466209). The use of CBD is aimed at the reduction of inflammation and for the treatment of several diseases, such as, nicotine addiction, fibromyalgia, Cohn's disease, schizophrenia, migraine headaches, pain management for cancer and Multiple Sclerosis.

The Company has filed with the Food and Drug Administration (FDA) for a new over the counter or OTC version of a "Premature Ejaculation Drug". The new "OTC Drug" received FDA registration during the second quarter of 2017 (NDC:69006-010-00) and the Company's name of the new drug will portray prolonged endurance. The Company's recent testing of the drug has shown to be successful in retarding the onset of ejaculation during sexual intercourse.

The Company's products are sold to local medical practitioners, and patients in clinics primarily in the Los Angeles, California area; however, the Company is moving towards a wholesale distributor model and launch the online sales at amazon.com in the second quarter of 2018. The Company's primary goal during 2018 has been to commercially manufacture the product on a larger scale and seek wholesale distribution partners that will carry and sell the product. The Company is presently using a manufacturing partner on the East Coast of the United States. During November 2017, the Company received its first finished order of Vitastem (bottle sizes range from 5ml to 15ml). The Company, along with its wholesale partners, will attempt to sell and distribute the product in several key areas.

In addition to the primary plan of developing and selling new products to the market, the Company is exploring the possibility of licensing the technology to other pharmaceutical companies. As of the date of this filing, the Company has entered into two licensing and distribution agreements as follows:

On January 1, 2017, the Company entered into a licensing and distribution agreement with Biogenx, Inc. for the purpose of commercializing and distributing a topical antibiotic product to be branded VitaStem. On August 1, 2018, Biogenx, Inc. changed its legal entity name as Viaderma Distribution, Inc. The product will carry the Company's tetracycline-based technology. This product will be separately registered with the FDA. Pursuant to the agreement, the Company will receive 50% of gross profit from sales of Vitastem. For purposes of the agreement, gross profit is defined as total revenues less cost of production, distribution and marketing. In addition ViaDerma will receive an additional 5% of gross sales as a licensing fee. The agreement was terminate on December 31, 2022 unless extended by both parties. Viaderma Distribution, Inc. (Formerly Biogenx, Inc.) has the right to terminate the agreement early with two month notice if it deems the arrangement to not be financially viable. This agreement was renewed on January 1, 2023.

On January 1, 2017, the Company entered into a licensing and distribution agreement with Vage Nigeria, Ltd. for the purpose of commercializing and distributing a topical antibiotic product to be branded Dermafix. The product will carry the Company's tetracycline-based technology. This product will be separately registered with the FDA. Pursuant to the agreement, the Company will receive 50% of the net sales from Dermafix. For purposes of the agreement, net sales is defined as total revenues less cost of production, distribution and marketing (which includes taxes, discounts, allowances, credits for returns, rebates, import duties and other governmental charges, freight and transportation). The agreement was terminate on December 31, 2022 unless extended by both parties. Vage Nigeria, Ltd. has the right to terminate the agreement early with two month notice if it deems the arrangement to not be financially viable.

On January 1, 2018, the Company entered into a licensing agreement with SSP Asset Management Corp., an organization incorporated under the laws of Alberta, Canada (“SSP”). The license granted SSP the right to use the Company's transdermal technology for use within certain products. The Company will receive Fifty Percent (50%) of the net profits of any products sold by SSP. The term of the license is 25 years and is exclusive for a minimum of two years on any new products developed by SSP. The Company also issued 20 million restricted common shares to the shareholders of SSP to assist in the development of the new products.

We announced on February 7, 2018 that the complaint filed by Steven J. Keough in a South Dakota Federal Court, has been dismissed without prejudice. The complaint alleged certain technical issues dating back to 2011. We have filed provisional patents on several products, and their pending status has already gone through a screening process by the USPTO. Our legal counsel vigorously defended this civil legal action to protect our shareholders and our patent pending product line. We continue to aggressively defend any legal action that will affect our progress.

In August 2020, the Company increased Vitastem inventories and distributed some of inventories complimentary to the medical facilities and hospital trauma centers for testing purposes. The test results have been reported as excellent among the patients treated with Vitastem, and the Company has actively discussed with the hospitals and healthcare providers utilizing the Vitastem product in their patient care.

On October 1, 2020, Liberdol Topical Analgesic, a new relief pain product was officially launched. (NDC: 71262-004-18)

On January 4, 2021, the Company entered into a three-year exclusive distributor and licensing agreement with an affiliate of the Company. The Company provides the FDA registered medication, Tetracyte, to the affiliate's medical practices in six States. The affiliates created their own private label for the wound care utilizing the Company's technology.

B. List any subsidiaries, parent company, or affiliated companies.

None

C. Describe the issuers' principal products or services.

Currently, the products are sold to local medical practitioners, and patients in clinics primarily in the Los Angeles, California area and launch online sales at amazon.com in the second quarter of 2018. The Company's primary goal during 2018 has been to commercially manufacture the product on a larger scale and seek wholesale distribution partners that will carry and sell the product. The Company is presently using a manufacturing partner on the East Coast of the United States. During November 2017, the Company received its first finished order of Vitastem (bottle sizes range from 5ml to 15ml). On November 2019, the Company discarded the remaining inventories which were expired and received its second finished goods of Vitastem with increased bottle sizes of 15ml and 55ml. The Company, along with its wholesale partners, will attempt to sell and distribute the product in several Middle Eastern countries.

The company is in the early development stage of a medical cannabis product (CBD) that can be absorbed through the skin with our proprietary transdermal delivery system. A provisional patent application using the combination of CBD and THC with the delivery system was filed in 2017. The use of CBD is aimed at the reduction of inflammation and for the treatment of several diseases, such as, nicotine addiction, fibromyalgia, Cohn's disease, schizophrenia, migraine headaches, pain management for cancer and Multiple Sclerosis.

In addition, the Company has filed with the Food and Drug Administration (FDA) for a new over the counter or OTC version of a "Premature Ejaculation Drug". The new "OTC Drug" received FDA registration during the second quarter of 2017 (NDC: 69006-010-00) and the Company's name of the new drug will portray prolonged endurance. The Company's recent testing of the drug has proved to be successful in retarding the onset of ejaculation during sexual intercourse.

5) Issuer's Facilities

Our contracted manufacturer has an FDA and CGMP compliant facility, which is fully registered to produce OTC pharmaceuticals, and passed the most recent FDA audit. Our contracted manufacturer has over 50 years of combined experience in product development, formulating, batching, filling and packaging. We do not have ownership or control of this property.

Our official business mailing address is 4640 Admiralty Way, Suite 500, Marina Del Rey, California 90292.

6) Officers, Directors, and Control Persons

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Dr. Chris Ayo Otiko	President, Chief Executive Officer and Director	4640 Admiralty Way, Ste. 500, Marina Del Rey, CA 90292	56,230,708	Common Stock	5.72%	N/A
Dr. Chris Ayo Otiko	President, Chief Executive Officer and Director	4640 Admiralty Way, Ste. 500, Marina Del Rey, CA 90292	30,000,000	Preferred Stock	96.77%	N/A

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Kenneth C. Grace, Esq., LASH WILCOX & GRACE PL
Address 1: 2202 West Shore Blvd., Ste 200
Address 2: Tampa, FL 33607
Phone: (813) 639-4205
Email: kgrade@lashwilcoxandgrace.com

Accountant

Name: Zia Choe, CPA, STK FINANCIAL P.C.
Address 1: 1100 Town and Country Rd Suite 1250
Address 2: Orange, CA 92868
Phone: (954) 228-5026
Email: zia@stk.financial

Investor Relations

Name: Richard Inza, RMJ Consulting, LLC

Address 1: 2451 SW 126th Way
Address 2: Miramar, FL 33027
Phone: (954) 251-0616
Email: richardinza@gmail.com

All other means of Investor Communication:

None

Other Service Providers

None

9) Financial Statements

A. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: Zia Choe, CPA
Title: Partner
Relationship to Issuer: Accountant

Describe the qualifications of the person or persons who prepared the financial statements: Zia Choe, CPA, a Partner at STK FINANCIAL P.C. has 17 years of combined professional experience including 10 years of financial audit and financial reporting.

**VIADERMA INC. AND ITS SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

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To the Board of Directors and
ViaDerma Inc.

The accompanying consolidated financial statements of ViaDerma Inc. and its subsidiary as of and for the year ended December 31, 2022, were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

/s/ STK FINANCIAL

STK FINANCIAL P.C.
Orange, CA
April 17, 2023

VIADERMA, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2022 AND 2021
(UNAUDITED)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets		
Cash	\$ 10,068	\$ 11,561
Accounts receivable	701,748	261,100
Total current assets	711,816	272,661
Non-current assets		
Patents, net	2,163	2,360
Total non-current assets	2,163	2,360
Total assets	<u>\$ 713,979</u>	<u>\$ 275,021</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$ 11,760	\$ 33,760
Accrued interest payable	589,467	490,501
Accrued expenses	432,679	254,236
Accrued compensation	30,000	-
Convertible line of credit	19,000	19,000
Convertible notes payable	396,181	396,181
Derivative liabilities	997,154	1,441,601
Due to related party	82,244	74,922
Total current liabilities	<u>2,558,485</u>	<u>2,710,201</u>
Stockholders' deficit		
Preferred stock (\$.001 par value, 50,000,000 shares authorized; 31,000,000 shares issued and outstanding as of December 31, 2022 and 2021, respectively)	31,000	31,000
Common stock (\$.0001 par value, 1,000,000,000 shares authorized; 983,556,451 shares issued and outstanding as of December 31, 2022 and 2021, respectively)	98,356	98,356
Additional paid in capital	11,637,332	11,637,332
Accumulated deficit	(13,611,194)	(14,201,868)
Total stockholders' deficit	<u>(1,844,506)</u>	<u>(2,435,180)</u>
Total liabilities and stockholders' deficit	<u>\$ 713,979</u>	<u>\$ 275,021</u>

VIADERMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(UNAUDITED)

	For the Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue	\$ 540,648	\$ 514,007
Cost of sales	-	2,672
Gross profit	<u>540,648</u>	<u>511,335</u>
Operating expenses		
Advertising	-	1,188
Amortization	197	197
Officer compensation	25,000	-
Professional fee	250,374	78,596
Stock based compensation	5,000	-
Other selling, general and administrative expenses	14,885	103,234
Total operating expenses	<u>295,456</u>	<u>183,215</u>
Income from operations	245,192	328,120
Other income (expense)		
Amortization of discount to note payable	-	(1,266)
Change in derivative liabilities expense	444,447	(1,211,228)
Interest expense	(98,965)	(109,804)
Total other income (expense), net	<u>345,482</u>	<u>(1,322,298)</u>
Net income (loss)	<u>\$ 590,674</u>	<u>\$ (994,178)</u>
Basic and fully diluted net loss per common share	**	**
Weighted average common shares outstanding	<u>983,556,451</u>	<u>966,749,951</u>
** Less than \$.01		

VIADERMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(UNAUDITED)

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Deficit	Total
	Shares		Shares	Amount			
Balances, December 31, 2020 (Restated)	31,000,000	\$ 31,000	862,491,451	\$ 86,249	\$ 9,582,378	\$ (13,207,690)	\$ (3,508,063)
Common stocks issued for service rendered	-	-	4,500,000	200	1,800	-	2,000
Common stocks issued for partial settlements of convertible notes	-	-	116,565,000	11,907	592,844	-	604,751
Reclassification of derivative liability associated with debt conversion	-	-	-	-	1,460,310	-	1,460,310
Net loss for the year ended December 31, 2021	-	-	-	-	-	(994,178)	(994,178)
Balances, December 31, 2021	31,000,000	\$ 31,000	983,556,451	\$ 98,356	\$ 11,637,332	\$ (14,201,868)	\$ (2,435,180)
Balances, December 31, 2021	31,000,000	31,000	983,556,451	98,356	11,637,332	(14,201,868)	(2,435,180)
Net income for the year ended December 31, 2022	-	-	-	-	-	590,674	590,674
Balances, December 31, 2022	31,000,000	\$ 31,000	983,556,451	\$ 98,356	\$ 11,637,332	\$ (13,611,194)	\$ (1,844,506)

VIADERMA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(UNAUDITED)

	For the Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash flows from operating activities		
Net income (loss)	\$ 590,674	\$ (994,178)
Adjustments to reconcile net loss to net cash provided by (used in) operations:		
Amortization	197	197
Common stock issued for services rendered	-	4,500
Convertible notes issued for services rendered	-	(3,100)
Derivative liabilities expense	(444,447)	1,211,228
Amortization of discount to note payable	-	1,266
Loss on inventories	-	80,303
Accounts receivable	(440,648)	(234,007)
Inventory	-	2,945
Accounts payable	(22,000)	(788)
Accrued interest payable	98,966	109,804
Accrued expenses	178,443	22,386
Accrued officer compensation	30,000	-
Due to related party	7,322	(199,130)
Net cash provided by (used in) operating activities	<u>(1,493)</u>	<u>1,426</u>
Net increase (decrease) in cash and cash equivalents	(1,493)	1,426
Cash and cash equivalents,		
Beginning of the year	<u>11,561</u>	<u>10,135</u>
End of the year	<u>\$ 10,068</u>	<u>\$ 11,561</u>
Supplemental disclosures of non-cash investing and financing activities:		
Common stock issued to settle partial accrued interest	<u>\$ -</u>	<u>\$ 295,569</u>
Common stock issued to settle partial convertible notes	<u>\$ -</u>	<u>\$ 304,683</u>
Debt discount issued with convertible notes	<u>\$ -</u>	<u>\$ -</u>
Common stock issued for service rendered	<u>\$ -</u>	<u>\$ 5,100</u>
Derivative liability settled upon conversion	<u>\$ -</u>	<u>\$ 1,460,310</u>

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NOTE 1- Description of Business and Basis of Presentation

Organization and Description of Business

ViaDerma, Inc. (“VDRM” or the “Company”) was incorporated under the laws of the State of Florida on January 11, 2007 as Murals by Maurice, Inc. On July 1, 2009, the Company changed its name to Décor Products International, Inc. and re-domiciled to the State of Nevada on April 6, 2010. The Company again changed its name to ViaDerma, Inc. on May 6, 2014 to reflect the Plan of Exchange disclosed below. The Company’s common shares are quoted on the “Pink Sheets - Other” quotation market under the symbol “VDRM”.

On March 21, 2014, a Plan of Exchange (the “Exchange”) was executed between and among the Company, ViaDerma II Inc., a Nevada corporation, the majority stockholder of the Company and the majority stockholder of ViaDerma, II Inc. (“ViaDerma Stockholders”), pursuant to which the Company acquired 100% of the Capital Shares of ViaDerma in exchange for an issuance by the Company of 44,000,000 shares of Common Stock to ViaDerma Stockholders, and/or their assigns. The above issuance gave ViaDerma Stockholders and/or their assigns a 'controlling interest' in the Company representing approximately 98.52% of the then issued and outstanding shares of the Company’s Common Stock. The transaction resulted in a change in control of the Company. The Company and ViaDerma were hereby reorganized, such that the Company acquired 100% of the Capital Shares of ViaDerma, and ViaDerma, II Inc. became a wholly-owned subsidiary of the Company.

The reorganization between the Company and ViaDerma has been accounted for as a reverse acquisition and recapitalization of the Company whereby ViaDerma, II Inc. is deemed to be the accounting acquirer (legal acquiree) and the Company to be the accounting acquiree (legal acquirer). The accompanying consolidated financial statements are in substance those of ViaDerma, II Inc., with the assets, liabilities, revenues and expenses, of the Company being included effective from the date of stock exchange transaction. The Company is deemed to be a continuation of the business of ViaDerma. Accordingly, the accompanying consolidated financial statements include the following:

- (1) The balance sheet consists of the net assets of the accounting acquirer at historical cost and the net assets of the accounting acquiree at historical cost;
- (2) The financial position, results of operations, and cash flows of the accounting acquirer for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree from the date of stock exchange transaction.

The Company and its subsidiary, ViaDerma, II Inc., are hereinafter referred to as (the "Company").

The Company, through its subsidiary, is mainly engaged in the manufacture and sales of pharmaceutical related products in the United States of America.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States (“GAAP”). The Consolidated financial statements include the accounts of VDRM and its subsidiary. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

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Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned or controlled operating subsidiary. All significant intercompany balances and transactions have been eliminated upon consolidation.

NOTE 2- Summary of Significant Accounting Policies

Use of Estimates

The preparation of the Consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and costs and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China. The COVID-19 outbreak in the United States has caused business disruption due to mandated and voluntary closings and restrictions on movement and activities of many businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Company expects this matter to adversely impact its operating results, and the Company’s ability to collect accounts receivables as the customers face higher liquidity and solvency risk. However, the related financial impact and the magnitude and overall effectiveness of this pandemic duration cannot be reasonably estimated at this time.

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions, and all highly liquid investments with an original maturity of three months or less of the purchase date of such investments.

Accounts Receivable and Allowance for Doubtful Account

Accounts receivables are recorded at the invoiced amount and do not bear interest. The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated risks by performing credit checks and actively pursuing past due accounts. An allowance for doubtful accounts is established and determined based on managements’ assessment of known requirements, aging of receivables, payment history, the customer’s current credit worthiness and the economic environment.

Intangible Assets, Net

The Company developed several patents for its products. Costs incurred for submitting the applications to the United States Patent and Trademark Office for these patents have been capitalized. Patent costs are being amortized using the straight-line method over the related 15 year lives. The Company begins amortizing patent costs

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once a filing receipt is received stating the patent serial number and filing date from the Patent Office. The Company also evaluate the impairment of its intangible assets periodically and there were no impairment indications during the year ended December 31, 2022.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Balances from borrowings are subsequently measured at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the balance sheet. All interest-related charges are included within other expense sections on the Statements of Operations.

Convertible Notes Payable

The Company accounts for convertible notes payable in accordance with the FASB Accounting Standards Codification No. 815, “*Derivatives and Hedging*”, since the conversion feature is not indexed to the Company’s stock and can’t be classified in equity. The Company allocates the proceeds received from convertible notes payable between the liability component and conversion feature component. The conversion feature that is considered embedded derivative liabilities has been recorded at their fair value as its fair value can be separated from the convertible notes and its conversion is independent of the underlying note value. The Company has also recorded the resulting discount on debt related to the conversion feature and is amortizing the discount using the effective interest rate method over the life of the debt instruments. All interest-related charges are included within other (expense) sections on the Consolidated Statements of Operations.

Derivative Liabilities

The Company accounts for derivative liabilities in accordance with the FASB Accounting Standards Codification No. 815, “*Derivatives and Hedging*”. ASC 815 requires companies to recognize all derivative liabilities in the balance sheet at fair value, and marks it to market at each reporting date with the resulting gains or losses shown in the Statements of Operations.

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company recorded a debt discount against the face amount of the respective debt instrument and offset to Additional Paid in Capital. The discount is amortized over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Fair Value Measurements of Assets and Liabilities

The Company measures its financial and non-financial assets and liabilities, as well as makes related disclosures, in accordance with FASB ASC No. 820, Fair Value Measurements, which provides guidance with respect to valuation techniques to be utilized in the determination of fair value of assets and liabilities.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit

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price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels below:

- Level 1 – inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities
- Level 2 – inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded, or other external independent means
- Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity

Our financial instruments include cash, accounts receivable, inventories, accounts payable, accrued liabilities, convertible notes payable, and derivative liabilities.

The carrying values of the Company’s cash, accounts receivable, inventories, accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

The Company’s convertible notes payable are measured at amortized cost.

Fair value measurements at December 31, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Fair Value of Derivative Liabilities	-	-	\$ 997,154	\$ 997,154
Fair Value Total	-	-	\$ 997,154	\$ 997,154

The Company used the Lattice Bi-nominal Option Pricing Model to determine the fair values of these derivative liabilities. See Note 5 for the Company’s assumptions used in determining the fair value of these financial instruments.

Revenue Recognition

The Company recognizes revenue under FASB Accounting Standards Codification Topic 606 “*Revenue from Contracts with Customers*”

The Company generates its royalty revenue from the licensing agreements. The Company accounts for a contract when both parties have approved the contract and are committed to perform their obligations, the rights of the parties and payment terms are identified, the contract is in commercial substance and collectability of consideration is probable.

The Company recognizes royalty revenues from the sale of the FDA registered topical antibiotic products after both, 1) control of the product has been transferred to the customer and 2) the underlying performance obligations have been satisfied. Licensees have the exclusive distribution rights of the Company’s products and pay royalties based on their sales of the Company’s products.

The Company also generates royalty revenue from licenses granted to customers to create their own private label utilizing the Company’s products and technologies. The Company recognize the royalty revenue monthly but over the license term using an appropriate measure of progress.

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Stock Based Compensation

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 “*Compensation - Stock Compensation (ASC 718)*”. Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

On January 1, 2019, the Company adopted ASU No. 2018-07 “*Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*.” These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned.

Net Loss Per Share

The Company calculates net loss per share in accordance with ASC Topic 260, “*Earnings per Share*”. Basic income per share is computed by dividing the net income by the weighted-average number of common shares outstanding during the year. Diluted income per share is determined using the weighted-average number of common shares outstanding during the year, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options and conversion of convertible notes. In periods where losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion will be anti-dilutive.

Income Taxes

Income taxes are determined in accordance with ASC Topic 740, “*Income Taxes*” (“ASC 740”). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Operations in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company had federal net operating loss carryforwards of approximately \$ 2,771,954 as of December 31, 2022. For the year ended December 31, 2022, the Company did not have any interest and penalties associated with tax positions. As of December 31, 2022, the Company did not have any significant unrecognized uncertain tax positions.

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Related Party Transactions

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Recent Accounting Standards

New accounting pronouncements are issued by the Financial Accounting Standard Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the effect of recently issued standards that are not yet effective will not have a material effect on its consolidated financial position or results of operations upon adoption.

Recently Issued Accounting Pronouncements Not Yet Adopted

In August 2020, the FASB issued ASU 2020-06, “*Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815 – 40)*” (“ASU 2020-06”). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. The ASU is part of the FASB’s simplification initiative, which aims to reduce unnecessary complexity in U.S. GAAP. The ASU’s amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. The Company is currently evaluating the impact of ASU 2020-06 on its financial statements.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to the Company and its Subsidiary consolidated financial statements.

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NOTE 3- Intangible Asset, Net

Intangible assets consisted of the following:

	December 31, 2022
Patents	\$ 2,950
(Less): Accumulated amortization	(787)
Total intangible asset, net	\$ 2,163

During the year ended December 31, 2022, the Company had amortization expense related to intangible assets of \$197.

NOTE 4- Convertible Notes Payable

(A) Convertible Notes Payable - \$180,000

At December 31, 2022, the carrying value of the convertible notes payable was \$98,796 and the debt discount was fully amortized. No collateral exists on any of the note instruments. All of the note instruments were originally dated December 4, 2009, and carried stated interest rates of 8%. However, see below for discussion of these notes being past due and the revised interest rates thereto.

In accordance with the terms and conditions in Promissory Notes, if the Company defaults in the payment of principal or interest due on the Promissory Notes, the holders of Promissory Notes (the “Holders”) shall be entitled to receive and the Company agreed to pay all reasonable costs of collection incurred by Holders, including, without limitation, reasonable attorney’s fees for consultation and suit. If any payment due is not made and remains unpaid for ten (10) days, it is in default hereof. Any such payment in default shall bear interest at 18% per annum. Should any payment not be made when due, there shall also be a late charge equal to 5% of the amount of the installment of principal or interest which is paid after the due date. In the event of default hereunder, the entire unpaid balance hereof shall, at the option of the Holders, become due and payable upon demand. All costs and fees (including reasonable fees and disbursements of legal counsel) incurred by the Holders as the result of any default by anyone liable hereunder or as the result of any collection effort by the Holders shall also be due and owing to the Holders. Failure to exercise any right shall not be deemed a waiver of the right to exercise the same at any subsequent date, or event.

On November 15, 2017, the Company and the Note Holder of principal \$140,000 (“PMI Note”) entered into an addendum to change the conversion price to \$0.005 per share or 50% of the lowest trading price for the last 20 trading days immediately prior to but not including the Conversion Date, whichever is lower; and the Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the Principal for each note conversion effected by Note Holder. The Addendum has been evaluated with respect to the terms and conditions of the conversion features contained in the Addendum to determine whether they represent embedded or freestanding derivative instruments under the provisions of ASC 815. The Company determined that the conversion features contained in PMI Note carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in PMI Note is reflected in the Company’s balance sheet as a liability.

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On March 2, 2021, a portion of principal and accrued interest in PMI Note in amount of \$81,204 and \$238,796, respectively were converted into 40,000,000 shares of common stock of the Company at the conversion price of \$0.008 per share.

At December 31, 2022, the carrying value of PMI Note was \$58,796. The Company recorded interest expense of \$13,961 related to PMI Note during the year ended December 31, 2022. PMI Note is currently in default and the accrued interest payable related to PMI Note was \$24,949 as of December 31, 2022.

The conversion terms of the remaining principal \$40,000 were unchanged. The Company recorded the default interest of the note in amount of \$8,165 for the year ended December 31, 2022, and the accrued interest payable of \$103,987 as of December 31, 2022.

(B) Convertible Notes Payable - \$33,500

As of December 31, 2022, the principal balance in the 10% convertible promissory note entered into on March 21, 2014 was \$33,500 and the Note is currently in default.

This Note is convertible at the Note Holder's option into the shares of the common stock of the Company at a conversion price of lessor of \$0.10 per share or 50% of the market on the Conversion Date.

The Company determined that the conversion features contained in this Note carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in this Note is reflected in the Company's balance sheet as a liability.

At December 31, 2022, the carrying value of PMI Note was \$33,500. The Company recorded interest expense of \$6,964 related to this Note for the year ended December 31, 2022, and the accrued interest payable of \$59,441 as of December 31, 2022.

(C) Convertible Notes Payable – Line of Credit

On July 12, 2016, the Company issued an unrelated third party (the "Note Holder") a 15% promissory note (the "LOC") with a 20% prepayment penalty and a 20% default charge, pursuant to which the Note Holder agreed to invest a total amount up to \$200,000 into the Company for working capital. On June 27, 2019, the Company entered into the addendum to increase additional \$50,000 to this LOC. The LOC is convertible at the Note Holder's option into the shares of the common stock of the Company at a conversion price of the lesser of \$0.0005 per share or 50% discount to market, and the Note Holder should be reimbursed for the conversion cost by adding \$1,000 to the Principal of LOC for each note conversion effected by Note Holder. Since the Company's stock price has not been lower than \$0.001 for the past three years, the Company determined that the conversion features contained in the LOC should carry beneficial conversion feature instead of derivative liabilities.

On March 1, 2021, a portion of principal and accrued interest in this Line of Credit in amount of \$180,364 and \$44,636, respectively, were converted into 30,000,000 shares of common stock of the Company at the conversion price of \$0.0008 per share.

As of December 31, 2022, the outstanding balance of the LOC was \$19,000, net of debt discount of \$0, and \$19,000 was past due. The Company recorded interest expense of \$3,800 related to the LOC for the year ended December 31, 2022, and the accrued interest payable was \$81,571 as of December 31, 2022.

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(D) Convertible Notes Payable – 2017 Services

On April 20, 2017, the Company issued an unrelated third party (the “Note Holder”) a 12% promissory note in principal amount of \$60,000 with 20% prepayment penalty and 20% default charge (the “2017 Services Note”) for financial services rendered in 2017. The 2017 Services Note is convertible at the Note Holder’s option into the shares of the common stock of the Company at a conversion price of the lesser of \$0.005 per share or 50% of the market, and the Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the principal of the 2017 Services Note for each note conversion effected by Note Holder.

The Company determined that the conversion features contained in 2017 Services Note carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in 2017 Services Note is reflected in the Company’s balance sheet as a liability.

On February 5, 2021, a portion of principal and accrued interest in 2017 Service Note in amount of \$11,758 and \$512, respectively, plus \$1,500 conversion cost reimbursement were converted into 17,212,500 shares of common stock of the Company at the conversion price of \$0.0008 per share.

As of December 31, 2022, the outstanding balance of 2017 Services Note was \$13,242, and the debt discount was amortized in full. The 2017 Services Note is currently in default due to non-payment when semi-annual interest was due. The Company recorded default interest expense of \$6,425 related to the 2017 Services Note for the year ended December 31, 2022, and the accrued interest payable was \$22,739 as of December 31, 2022.

(E) Convertible Notes Payable – 2018 Services

On March 7, 2018, the Company issued an unrelated third party (the “Note Holder”) a 12% promissory note in principal amount of \$60,000 with 20% prepayment penalty and 20% default charge (the “2018 Services Note”) for financial services rendered. The 2018 Services Note is convertible at the Note Holder’s option into the shares of the common stock of the Company at a conversion price of \$0.005 per share, and the Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the Principal of the 2018 Services Note for each note conversion effected by Note Holder. Since the conversion price is lower than Company’s stock price, the Company determined that the conversion features contained in the 2018 Services Note should carry beneficial conversion feature instead of derivative liabilities.

As of December 31, 2022, the outstanding balance of 2018 Services Note was \$60,000, and the debt discount was amortized in full. The 2018 Services Note is currently in default due to non-payment when semi-annual interest was due. For the year ended December 31, 2022, the Company recorded default interest expense of \$16,352 and the accrued interest payable was \$83,137 as of December 31, 2022.

(F) Convertible Notes Payable – L&H (Note I)

On August 16, 2017, the Company issued L&H Inc., an unrelated third party (the “Note Holder”) a 12% promissory note in principal amount of \$28,000 with Original Issuance Discount of \$3,000, 20% prepayment penalty and 20% default charge (“L&H Note I”) for working capital. L&H Note I is convertible at the Note Holder’s option into the shares of the common stock of the Company at a conversion price of the lesser of \$0.001 per share or 50%

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discount to market, and the Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the Principal of L&H Note I for each note conversion effected by Note Holder.

The Company determined that the conversion features contained in L&H Note carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in L&H Note is reflected in the Company's balance sheet as a liability.

On January 29, 2021, the remaining portion of principal and accrued interest in L&H Note I in amount of \$16,000 and \$5,982, respectively, plus \$1,500 conversion cost reimbursement were converted into 29,352,500 shares of common stock of the Company at the conversion price of \$0.0008 per share.

As of December 31, 2022, the outstanding balance of L&H Note I and accrued interest were both \$0.

(G) Convertible Notes Payable – L&H (Note II)

On December 21, 2017, the Company issued L&H Inc., an unrelated third party (the "Note Holder") a 15% promissory note in principal amount of \$28,000 with Original Issuance Discount of \$3,000, 20% prepayment penalty and 20% default charge ("L&H Note II") for working capital. L&H Note II is convertible at the Note Holder's option into the shares of the common stock of the Company at a conversion price of the lesser of \$0.001 per share or 50% discount to market, and the Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the Principal of L&H Note II for each note conversion effected by Note Holder.

The Company determined that the conversion features contained in L&H Note II carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in L&H Note II is reflected in the Company's balance sheet as a liability.

As of December 31, 2022, the outstanding balance of L&H Note II was \$28,000, and the debt discount was amortized in full. L&H Note II is currently in default due to non-payment when semi-annual interest was due. For the year ended December 31, 2022, the Company recorded default interest expense of \$7,835 related to L&H Note II. The accrued interest payable was \$42,276 as of December 31, 2022.

(H) Convertible Notes Payable – Brewer I

On January 3, 2018, the Company entered into a services agreement with a consultant for business development and marketing services, pursuant to which the Company agreed to issue the consultant total 20,000,000 shares of common stock of the Company and a convertible promissory note in amount of \$48,000 for services rendered ("Brewer Note I").

Brewer Note I bears interest at a rate of 10% per annum with 20% default charge and 20% default rate. Brewer Note I is convertible at the Note Holder's option into the shares of the common stock of the Company at a conversion price of 70% of the market, and the Note Holder should be reimbursed for the conversion cost by adding \$500 to the Principal of Brewer Note for each note conversion effected by Note Holder.

The Company determined that the conversion features contained in Brewer Note I carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in Brewer Note is reflected in the Company's balance sheet as a liability.

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As of December 31, 2022, the outstanding balance of Brewer Note I was \$48,000, and the debt discount was amortized in full. Brewer Note I is currently in default due to non-payment when due. For the year ended December 31, 2022, the Company recorded default interest expense of \$12,848 related to the Brewer Note I and the accrued interest payable was \$66,685 as of December 31, 2022.

(I) Convertible Notes Payable – Brewer II

On January 3, 2018, the Company issued an unrelated third party (the “Note Holder”) a 15% promissory note in principal amount of \$10,000 with 20% default charge and 20% default charge (the “Brewer Note II”) for consulting services rendered.

Brewer Note II is convertible at the Note Holder’s option into the shares of the common stock of the Company at a conversion price of 40% of the average volume weighted average price (VWAP) on the primary trading market for the last ten (10) trading days immediately prior to but not including the Conversion Date.

The Company determined that the conversion features contained in Brewer Note II carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in Brewer Note II is reflected in the Company’s balance sheet as a liability.

As of December 31, 2022, the outstanding balance of Brewer Note II was \$10,000, and the debt discount was amortized in full. Brewer Note II is currently in default due to non-payment when due. During the year ended December 31, 2022, the Company recorded default interest expense of \$1,973 related to the Brewer Note II and the accrued interest payable was \$9,359 as of December 31, 2022.

(J) Convertible Notes Payable – Brewer III

On April 5, 2018, the Company issued an unrelated third party (the “Note Holder”) a 15% promissory note in principal amount of \$120,000 with 20% default charge and 20% default charge (the “Brewer Note III”) for consulting services rendered.

Brewer Note III is convertible at the Note Holder’s option into the shares of the common stock of the Company at a conversion price of 50% of the lowest trading price for the last twenty (20) trading days immediately prior to but not including the Conversion Date. The Note Holder should be reimbursed for the conversion cost by adding \$1,500 to the Principal of Brewer Note III for each note conversion effected by Note Holder.

The Company determined that the conversion features contained in Brewer Note III carrying value represents a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in Brewer Note III is reflected in the Company’s balance sheet as a liability.

On April 9, 2021, a portion of principal and accrued interest in Brewer Note III in amount of \$15,357 and \$5,643, plus \$1,500 of conversion cost reimbursement were converted into 25,000,000 shares of common stock of the Company at the conversion price of \$0.009 per share.

As of December 31, 2022, the outstanding balance of Brewer Note III was \$104,643, and the debt discount was amortized in full. Brewer Note III is currently in default due to non-payment when due. For the year ended

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December 31, 2022, the Company recorded default interest expense of \$20,642 related to the Brewer Note III and the accrued interest payable was \$95,323 as of December 31, 2022.

NOTE 5- Fair Value Measurement _ Derivative Liabilities

Notes that are convertible at a discount to market are considered embedded derivatives.

The Company’s convertible note has been evaluated with respect to the terms and conditions of the conversion features contained in the note to determine whether they represent embedded or freestanding derivative instruments under the provisions of ASC 815. The Company determined that the conversion features contained in the convertible note carrying value represent a freestanding derivative instrument that meets the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instrument in the note is reflected in the Company’s balance sheet as a liability. The fair value of the derivative financial instrument of the convertible note was measured using the Lattice Bi-nominal Option Model at the inception date of the note and will do so again on each subsequent balance sheet date. Any changes in the fair value of the derivative financial instruments are recorded as non-operating, non-cash income or expense at each balance sheet date. The derivative liabilities will be reclassified into additional paid in capital upon conversion.

As of December 31, 2022, the Company’s derivative liabilities are embedded derivatives associated with the Company’s convertible notes payable in Note 4. The Company measured the fair value of the derivative liabilities as \$997,154 on December 31, 2022 and recorded changes in derivative liabilities in the amount of \$444,4478 during the year ended December 31, 2022.

The valuation of the derivative liabilities to the convertible debt was arrived at through the use of the Lattice Bi-nominal Option Model using the following assumptions:

	December 31, 2022
Volatility	157.47 %
Risk-free interest rate	4.72 %
Expected term (year)	1

The following is a schedule of convertible notes payable from December 31, 2021 to December 31, 2022.

Balance as of December 31, 2021	\$ 1,441,601
Market to market adjustment	(444,447)
Balance as of December 31, 2022	<u>\$ 997,154</u>

NOTE 6- Shareholders’ Equity

As of December 31, 2022, the Company had 1,000,000,000 shares of common stock authorized, \$0.0001 par value, of which 983,556,451 shares issued and outstanding, and had 50,000,000 shares of preferred stock authorized, \$0.001 par value, of which 31,000,000 shares issued and outstanding. Each share of preferred stock has conversion ratio and voting right of 10:1.

There was no issuance of shares during the year ended December 31, 2022.

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NOTE 7- Stock Based Compensation

On January 3, 2018, the Company entered into a services agreement with a consultant for business development and marketing services, pursuant to which the Company agreed to issue the consultant total 20,000,000 shares of common stock of the Company and a convertible promissory note in amount of \$48,000 for services rendered (“Brewer Note I”). 10,000,000 shares pursuant to this Agreement were issued on March 7, 2018. Accordingly, the Company calculated the total fair value of this stock issuance in amount of \$135,000, which was determined by the fair value of the Company’s Common Stock on the grant date, at a price of approximately \$0.0135 per share, and booked the stock-based compensation pro rata within the relative service period. As of December 31, 2022, 10,000,000 shares of common stock are to be issued and the Company recorded \$135,000 as accrued expenses.

On April 5, 2018, the Company entered into a services agreement with a consultant for business development and marketing services, pursuant to which the Company agreed to issue the consultant total 20,000,000 shares of common stock of the Company and a convertible promissory note in amount of \$120,000 for services rendered (“Brewer Note III”). The Company calculated the total fair value of this stock issuance in amount of \$160,000, which was determined by the fair value of the Company’s Common Stock on the grant date, at a price of approximately \$0.008 per share. As of December 31, 2022, 20,000,000 shares of common stock are to be issued and the Company recorded \$160,000 as accrued expenses.

On March 8, 2021, the Company entered into another twelve-month service agreement with a consultant for management consulting services, pursuant to which the Company agreed to issue the consultant a total of 2,000,000 shares of common stock of the Company. On March 8, 2022, the Company renewed a twelve-month service agreement with a consultant for management consulting services, pursuant to which the Company agreed to issue the consultant an additional 2,000,000 shares of common stock of the Company. The fair value of these shares was determined by the fair value of the Company’s Common Stock on the grant dates, at a price of approximately \$0.0029 and \$0.013 per share as of March 8, 2021 and March 8, 2022, respectively. As of December 31, 2022, the Company recorded \$36,350 as accrued expenses for the consulting services.

On October 1, 2022, the Company entered into two service agreements with two consultants for investor relation services, pursuant to which the Company agreed to issue the consultants a total of 2,000,000 shares each, of common stock of the Company. The fair value of these shares was \$0.001 per share. As of December 31, 2022, 4,000,000 shares of common stock are to be issued and the Company recorded \$4,000 as accrued expenses.

On October 1, 2022, the Company entered into an employment agreement with CEO, the Company’s President and Chief Executive Officer, pursuant to which the Company agreed to issue 20,000,000 shares of common stock as an incentive compensation for each year CEO is employed with the Company. The fair value of these shares was \$0.001 per share and booked the stock-based compensation pro rata within the relative service period. For the year ended December 31, 2022, 5,000,000 shares of common stock are to be issued and the Company recorded \$5,000 as stock compensation. The total outstanding accrued compensation as of December 31, 2022 was \$30,000.

NOTE 8- Related Party Transactions

The Company follows FASB ASC NO. 850-10 for the identification of related parties and disclosure of related party transactions.

As of December 31, 2022, the Company had borrowed from Dr. Chris A. Otiko (“CEO”) in the amount of \$82,244 for daily operating expenses. The borrowing was not evidenced by the promissory note, but rather was oral agreement between CEO and the Company, and due on demand.

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On October 1, 2022, the Company entered into an employment agreement with CEO, the Company's President and Chief Executive Officer, pursuant to which the Company agreed to compensate CEO for his contribution and work as the Company's President and CEO in amount of \$100,000 per year as base salary, plus 20,000,000 shares of common stock as an incentive compensation for each year CEO is employed with the Company. In addition, CEO shall be entitled to a bonus of 30% of any revenue generated from contracts he brings into the company for the first \$1,000,000 in any fiscal year, or a bonus of 40% of any revenue generated from contract he brings into the company over \$2,000,000 in any fiscal year. If the stock price reaches \$1.00, CEO shall receive an additional one-time bonus of 20,000,000 shares of common stock. For the year ended December 31, 2022, the total outstanding accrued compensation as of December 31, 2022 was \$30,000.

NOTE 9- Going Concern

The Company's consolidated financial statements have been prepared in accordance with US GAAP applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations in the normal course of business. At December 31, 2022 the Company has a working capital deficiency of \$1.85 million, including derivative liabilities of \$997,154. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management believes that current available resources will not be sufficient to fund the Company's planned expenditures over the next 12 months. Accordingly, the Company will be dependent upon the raising of additional capital through placement of common shares, and/or debt financing in order to implement its business plan and generating sufficient revenue in excess of costs. If the Company raises additional capital through the issuance of equity securities or securities convertible into equity, stockholders will experience dilution, and such securities may have rights, preferences or privileges senior to those of the holders of common stock or convertible senior notes. If the Company raises additional funds by issuing debt, the Company may be subject to limitations on its operations, through debt covenants or other restrictions. If the Company obtains additional funds through arrangements with collaborators or strategic partners, the Company may be required to relinquish its rights to certain geographical areas, or techniques that it might otherwise seek to retain. There is no assurance that the Company will be successful with future financing ventures, and the inability to secure such financing may have a material adverse effect on the Company's financial condition. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 10- Subsequent Events

In accordance with ASC Topic 855-10 "Subsequent Events", the Company has evaluated its operations subsequent to December 31, 2022 to the date these consolidated financial statements were issued and determined there were subsequent events or transactions the required recognition or disclosure in these consolidated financial statement.

On January 19, 2023, the remaining principal and accrued interest in LOC Note in amount of \$114,183 and were converted into 40,064,211 shares of common stock of the Company at the conversion price of \$0.00285 per share.

On March 8, 2023, the remaining principal and an portion of accrued interest in 2017 Service Note in amount of \$13,243 and \$5,065, respectively, plus \$1,500 conversion cost reimbursement were converted into 9,003,636 shares of common stock of the Company at the conversion price of \$0.0022 per share.

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On March 28, 2023, the Company issued 10,000,000 restricted shares of common stock of the Company at \$0.001 per share price for investor relations.

On March 28, 2023, the Company issued 40,000,000 restricted shares of common stock of the Company at \$0.001 per share price for marketing and promotions.

On March 28, 2023, the Company issued 100,000,000 restricted shares of common stock of the Company at \$0.001 per share price for the officer's compensation.

On March 31, 2023, the Company issued 20,000,000 shares of common stock to Brewer Group, Inc. at \$0.015 per share price for the advisory services which the Company entered on January 3, 2018 and April 5, 2018.

On April 6, 2023, the remaining principal and a portion of accrued interest in 2018 Service Note in amount of \$60,000 and \$66,096, respectively, plus \$1,500 conversion cost reimbursement were converted into issued 25,519,200 shares of common stock at \$0.005 per share price for marketing and promotions.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Dr. Chris A. Otiko certify that:

1. I have reviewed this Annual Disclosure Statement for VIADERMA, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 17, 2023

/s/ Dr. Chris Ayo Otiko

Principal Financial Officer:

I, Dr. Chris A. Otiko certify that:

1. I have reviewed this Annual Disclosure Statement for VIADERMA, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 17, 2023

/s/ Dr. Chris Ayo Otiko