



## A Note From The CEO

Date: June 25, 2018

Dear Shareholders & Associates of ViaDerma,

What exciting times we are in as ViaDerma continues to make big strides both domestically and internationally. As we continue such an expansion I want to ensure that you remain abreast of all developments and changes as they occur. This note is just the first of many to come as I am committing to you, our most valued shareholder to address you on a regular basis. Upon your receipt of this and every future note I encourage you to ask questions and learn more about what ViaDerma embarks upon to ensure that the union of our company, both present and future remains strong.

Since the start of 2018, ViaDerma has achieved several new milestones and I believe we are now poised to experience very significant growth in the coming months. While we feel our current trajectory is pointed upward, the last year has not been without its challenges. Fortunately, the bumps along the way have been minor in the big scheme of things, and resolvable and have only caused temporary delays in our progress. Below is a list of some of the key developments and setbacks we have experienced so far:

- Our recent trip to India was a great success. I was able to personally demonstrate the effectiveness of our product and meet with several potential future partners who are interested in distributing Vitastem. We are in the process of follow up discussions with three of them, and hope to introduce Vitastem into the Indian market in the very near future.
- The process of registering Vitastem with the National Agency for Food and Drug Administration and Control (NAFDAC), Nigeria's equivalent to the FDA was initiated last month. Registration is expected to be finalized in July. At that time, Vage Nigeria Ltd. will pay a 50% deposit to ViaDerma in the amount of \$125,000 for its initial order worth \$250,000.
- Over the past several weeks I have been meeting with representatives for a South American based distributor. As per our discussions thus far, I expect to receive their initial order for Vitastem within the next few weeks. They have indicated an interest in purchasing lots of 200,000 per month. An order of that size would equal \$3 million in annual revenues.
- Sales in Japan are temporarily held up while some issues are being resolved. At the customer's request we will be changing the active ingredient of the antibiotic for their orders from tetracycline to a natural product, Manuka Honey UMF-15. Once the changes have been worked out we expect to commence a steady flow of product delivery to our Japanese distributors.
- Drug registration in the Philippines has taken much longer than originally anticipated and is not expected to be completed until later this year. We are working closely with regulators to move the process forward.
- Vitastem has been available for purchase on Amazon for the past few months. In the brief time on Amazon, sales have been growing each month at a very strong rate with minimal marketing efforts to this point. May sales grew by 67%, and we anticipate being on Amazon

Prime in the coming weeks which should dramatically increase our sales. We will be rolling out an aggressive product marketing campaign in the near future which we expect will result in a significant increase in sales on Amazon and across other platforms.

- We have recently produced the first in a series of commercials advertising Vitastem and showcasing the product's versatility. The initial ad presented the product as a household staple for treating minor cuts and scrapes. The next ad in the series will focus on Vitastem's ability to heal diabetic wounds and major skin conditions. We are in the process of selecting strategic outlets to broadcast the commercials and promote the product to key demographic audiences.
- Prolayed is ready to go. Development has been completed and it is now an official FDA registered product. It will be introduced into the same sales channels as Vitastem as well as other products we will be introducing in the future.
- We have initiated the process of registering Vitastem for medical insurance coverage. The response so far has been very favorable and the expectation is to have final approved for insurance payments and reimbursements for January 2019.
- We are also in discussions with a company that provides services to over 600 Skilled Nursing Facilities in California to use Vitastem in their Wound Care Program.
- Our initial CBD sales of Elixir in Canada was a success and sold out completely. As a result of that success we were recently contacted by a publicly traded Cannabis product company based in Colorado about producing a line of CBD products for sales in the U.S.. We are currently in discussions with them and exploring all options. We are now evaluating our next move with regard to domestic CBD sales as opposed to relaunching a broader campaign in Canada. CBD sales in Canada face far more stringent regulatory obstacles than CBD sales in the U.S. The more favorable logistics of domestic sales vs foreign sales would also increase the bottom line significantly.

In addition to these developments, we are working diligently on many other important initiatives aimed at making our company a major player in our industry. We are constantly seeking out new partners and distributors to keep moving ViaDerma forward and expanding the sales of our products. Admittedly things have not always happened in the timeframes hoped for, but I am confident we are getting very close to moving our Company to the next level. However, as we focus on growing the business we never lose sight of our most important mission to help each and every one of our customers improve their quality of life. Nothing is more gratifying for me then hearing so many success stories from Vitastem users, and how our product has changed their life. That is the reason we get up every morning and continue to fight on so we can make a difference in people's lives. The more people we can help the more successful we will be as a company and as individual shareholders. Please continue to send us your stories. We love to hear from you.

Sincerely,

Dr. Chris Otiko  
President and CEO