

OTC Markets Group

Joining us today is Mark Palumbo the CEO of CannAssist that trades on our OTCQB Venture Market under the ticker "CNSC." CannAssist the parent company of acceptor labs produces and sells at <http://cbdeneal.com> technology formulated using a proprietary process. Developed by the company's founder Mark Palumbo, CannAssist's research and development work is based on enhancing the bioavailability of oil soluble molecules. Mark, thanks so much for joining us today.

Mark Palumbo

Thank you Cecilia I appreciate the opportunity.

OTC Markets Group

As a founder of CannAssist can you tell us about yourself and your mission to revolutionize the CBD industry.

Mark Palumbo

I will try I was born and raised in Rhode Island I studied biology at the university of and after a brief st working for a large defense contractors supporting naval operations I went to work in the pharmaceutical industry at that industry I learned many things about manufacturing packaging regulatory quality control quality assurance quarantine shipping methodologies, everything pharmaceutical. And um, after about 7 years in that industry I joined the personal care industry with the with the ah commercial scientific background that I gained from ah working in the pharmaceutical industry and because I had a strong desire to start my own company. I learned the ins and outs of the industry. The personal care one that is on a global scale and made my first foray into the entrepreneurial wilderness distributing raw materials for personal care consumer products. Um, as far as transforming the industry. I'm a chronic pain sufferer and I've had three back surgeries over the time that I was being treated I had a very I developed a very strong distaste for the conventional medications used to treat the pain and discomfort primarily opiates and there were also nsoids in there. Also. Ah, following the emergence of CBD as an alternative pain relief method I tried some product that was out in the market at the time in an attempt to replace the harsher medications that I was taking for my relief. Um, they really didn't. Impress me all that much I didn't feel like I was going to get the kind of relief that I needed

from these products but I still saw a lot of promise in them. You know marijuana as we all know is is generally ah, generationally pretty familiar to people. And everybody knew it did something on the comfort level but nobody really understood why? Um so I kind of opened a door for me to go and um work to better understand the biological mechanisms that were in play with the CBD molecule and from there I thought. I I attempted and actually went after and I think I achieved improving product performance once I understood more about actual structure and function.

OTC Markets Group

And so give our audience some background about CBD and its rapid rise in the consumer market since it's legalization in 2018

Mark Palumbo

Ah, cannabinoids have been on in human hands for tens of thousands of years CBD is a cannabinoid resident in hemp cannabis marijuana plants and it is in other plants as well. Not necessarily cannabis plants human beings have what but what is called an endocannabinoid system. And this system is highly active during gestation actually um, it's thought primarily to balance systems that are in play as the fetus develops into um into us. Um. due to due to the illegality of the product. Their studies really weren't there the the passing of the farm bill was a great door opening so that everybody you know, many responsible researchers can go and chase after the mechanisms of action for this understand the ah endocannabinoid system better. And the role that a cannabinoid might play um, applied externally or externally applied I should say whether you eat it or put it on topically how it works in the system. Um the directions of the research. Primarily focused on the neurological properties of the molecule most of the things you hear about whether it's Parkinson's anxiety PTSD pain due to inflammation these kind of things all have a neurological component to them. Um, as far as our company is concerned. We targeted. Originally the inflammatory pathways. Um, because now the research is expanding now these generations of people that are familiar with the cannabis plant and its use by all apparent measures and it is getting very popular and the company is growing I mean the industry is growing rapidly. Um, apparently people have been you know have understood that this molecule has some ah physiological benefits and have been waiting for its legalization both for the legal use of cannabis and for the health benefits that

the plant brings now. We get a more aging population who is more interested in understanding. How the molecule and the products apply to them and whatever condition. It is they seek to treat and um and the affordability of it and the natural aspect of it become very strong I think components supporting. Its rise in popularity.

### OTC Markets Group

So on that note expand about your technology that you mentioned and your flagship product CiBiDinol and how this is differentiated from traditional CBD products.

### Mark Palumbo

Okay, our CiBiDinol product can best be described I would say as a transport technology. What we do is we create what I call a guest host relationship between CBD or an oil soluble molecule and a host carrier. Which is wateryble so we embed the oilyable molecule into the wateryable carrier and essentially what that does is create a water dispersible product at the end of the day you hear a lot about oilyable CBD but that's not an accurate statement CBD is an oil and it is oil soluble and without changing that molecule itself. It remains oil soluble. So we just cover it and render it water dispersible. What we have found um with. Ah, proof of concept testing that followed the development of the technology itself. Um, independent laboratory testing revealed to us that we were showing a more than 400% increase in CBD transport through the skin. And the models that were used. This was an invitro test. Originally it went on subsequently to a human skin test and ah the increase in CBD if I didn't mention it was 400% across that barrier more than CBD and oil. Ah, we also did a gut penetration test and we saw more than a 300% increase in that penetration versus the CBD oil products. Um our CBD method delivers CBD also in a very small particle form. You hear a lot about nanoparticles or Nano CBD the smaller a particle is the greater the surface area is that's exposed to it unfortunately in the natural physics world when you can knock ah a particle down to size yet when they get resident in ah in an ambient environment. They'll start to stick together again. And they'll create a larger molecule. Our technology captures the small size of the molecule and keeps it there until it is separated from the host carrier at the sites where it can perform its function and that was primarily the big. Difference between what we've done and what we've seen out in the market. Um, we have been able to deliver more CBD

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through the skin or through the gut so that ultimately the ah brand product maker can use less CBD to achieve superior results.

Mark Palumbo

And we have found anything on the odor of 4 to 5 times less than what the competitive products use in a format that isn't protected in the manner that we protect ours so that's the primary difference another big advantage we have found um, sort of along with all of this is that. CBD or cannabinoids are not in hemp oil included are not the most stable of materials they break down as time goes on and I think one of the problems that I saw when we first did the evaluations on myself I have a tissue cultural lab also in Pasadena. California and we analyzed the material that I purchased online and we really couldn't see any CBD in them at all and we used the most sophisticated of ah observational procedures including a mass spec spectral photometer and um. There was none there and I think that that was probably due mostly to the age of the product in a subsequent OTC analysis that we had done following all the over-the-co drug guidelines. We found that the loose CBD we had included in a lotion sample. Pretty much degraded under accelerated conditions within a month our molecule is showing a 2 year shelf life. So it's lasting on the order of 5 to 6 times longer than the CBD that we see out in the market today.

OTC Markets Group

And that's fascinating to hear so as the world faces New social and economic challenges with Covid Nineteen How has this affected your business case and strategy for the coming years.

Mark Palumbo

Ah, covid nineteen did have a fairly large impact and interrupted our growth patterns last year though in spite of that it didn't change our strategies regarding the research which was primarily learning more about the CBD molecule and the pathways it it affects. Delivering it in a cost in ah in an efficient and cost-effective formats and establishing greater transparency for investors and scientists alike to responsibly evaluate the ah the conditions in the scientific aspects of the material along with. Anything that's public on your websites on your foundation otc brands. Um to make their own determinations regarding things like investments and financial opportunities. The company is

back now has been for a bit. Driving its growth model through ingredient technology in the technology. We call it 2 site and site is spelled Cyte and that's ah, another form of saying the word sell. Um. The products that we develop from the two-s site technology are named according to the molecule that's embedded in the host in the case of cbd a product is called CiBiDinol and then other products we've done so we get subidural or CiBiDinol. So bid so been and all apologize for that and other products will likely form names according to what they are in the complex. We use very little ingredients in that complex and I'm going off track here I apologize. So we're back onto a growth pattern again and we had a strong I would say second half of last year um we're in a little bit of ah, a place right now where the business is building back up again following holidays which didn't generally look at larger orders to supply the Christmas rushes. And um, inventories generally stay intact through the month to January and we're now watching the business start to build up again.

OTC Markets Group

And what other exciting developments do you have in store for 2021 and what types of opportunities are you leveraging for future growth.

Mark Palumbo

Okay, we are in the late stages of creating strategic alliances with high quality supply companies. They include extraction companies primarily who are focused on cannabinoids and turpenes. We found that this technology applies in a lot of arenas in helping the turpenes stabilize in ah because they're a relatively volatile component and of course the cannabinoids and we've worked on a number of them as I have stated um we the arrangements will ah. Share technologies provide different formats for the individual technologies and distribute them through all of the individual distribution networks that the companies have so we will overlap each other on the distribution realm, and we will share product lines and. And product sales opportunities in and amongst ourselves. That's one. That's ah what we're pretty close to right now I'm hoping to have ah completion on all of this within this half of the year we also plan to continue leveraging strategic relationships that include technology. These shared distribution models and adding distribution and pro a strong presence to the food and nutritional industries as they come on board along with additional us and global distribution



arrangements. We have ah 3 international distribution arrangements in the works right now and we are. Continuing to develop our us distribution or I should say our North American distribution avenues including all of our online activities a product pipeline is also robust in addition to the above mentioned we um. We expect to launch 2 to 3 more ah natural therapeutic products this year and 3 to 4 new personal care products will continue to work with brand companies to help them develop high quality perform how high should say high performing products for their own product lines and the technology to site. Allows us to customize according to their requests.

### OTC Markets Group

And CannAssist began trading on the OTCQB Venture Market in the summer of 2020 how has the OTCQB Market helped enhance your investor strategy in the US.

### Mark Palumbo

Original strategy for going public involved really 3 primary desires first the ability to raise money on the public equity markets and that's probably not the first It's really the third one. Ah, transparency was a big deal to us. We were coming through an industry as we entered into it where a lot of money had come and gone with a lot of different companies and the products we were testing really weren't performing all that well and I think a lot of money was sadly lost through some of these early forays into this. This market segment. Um, we wanted to calm investors' fears in what had emerged originally by providing a transparent foundation for all, we do. We are our our research our news pieces. Our PR, our articles that we put in the different. Ah, newswires are one way and then the other way of course is on the otc board whether they can find out anything about our financials. We file quarterly and annually and um, we want them to be able to take a look at our accounting news. Through those formats I will say it hasn't been easy. We have felt that besides being a newly legalized and emerging market everything that that came to be involved in helping us go public was new and I think that on both sides we were learning as we went. Was great cooperation but you know it was pretty intense oversight as far as you know what we were doing and how we were doing it and I think that the pharmaceutical background I brought a lot to that as far as an understanding of what was necessary to give the legitimacy that the product needed. And that the platform helped us gain status. Honestly, we

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as far as we can tell were among the first if not the first original cbd-based Us platform trading on a Us equities market following the passage of the farm bill. I'm sure that's probably open to debate. We haven't done any extensive research to determine that. But for all that we have done. We haven't seen in anybody else that have come before us post that legalization. We feel strongly that the OTC Markets have helped us raise our status. And has brought a lot of attention to us as a company.

Mark Palumbo

Thank you Cecilia.

OTC Markets Group

And well it's been a pleasure speaking with you Mark.

Mark Palumbo

I do hope Your listeners will visit our website

<https://www.cannassistinternational.com/> and from there they can learn about our investment opportunities. They there are portals there to look at in view. The 2 site technology the acceptor lab portal is available on that website and the brand products that we sell are also available on that website, And um, now we hope to see you there. We intend to provide as much as we can so that investors and consumers alike can make responsible decisions regarding their investment opportunities and the CBD products they choose to use for themselves.

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CannAssist trades under the symbol CNSC on our OTCQB Venture Market.

*\*This is an autogenerated transcript and may contain typos.*