

Kush Inc.
A Development Stage Company

CONSOLIDATED BALANCE SHEETS - UNAUDITED

May 31,	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,306	\$ 4,518
Investments in Equity Securities, at Fair Value	1,826,656	510,379
Total Current Assets	1,830,962	514,897
Other Assets		
Property and Equipment, net	—	527
Intangible Asset - Website Domain, net	106,682	121,160
Intangible Asset - Patent, net	24,446	27,779
Investments - at Cost	2,843,507	2,843,507
Goodwill	3,595,765	3,595,765
Total Assets	\$ 8,401,362	\$ 7,103,635
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 198,649	\$ 197,657
Due to Related Parties	290,542	217,690
Stock Payable	1,441,944	1,287,444
Total Current Liabilities	1,931,135	1,702,791
Stockholders' Equity		
Common Stock - \$0.001 Par; 75,000,000 Shares Authorized, 30,970,760 and 28,754,099 Issued and Outstanding, Respectively	30,971	28,754
Additional Paid-In-Capital	6,494,737	6,230,954
Accumulated Deficit	(55,481)	(858,864)
Total Stockholders' Equity	6,470,227	5,400,844
Total Liabilities and Stockholders' Equity	\$ 8,401,362	\$ 7,103,635

Kush Inc.
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CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

Years Ended May 31,	2022	2021
Sales	\$ —	\$ —
Cost of Sales	—	—
Gross Profit	—	—
Operating Expenses		
Amortization and Depreciation	18,338	18,074
Directors Fees	55,000	50,000
General and Administrative	303,361	169,530
Professional Fees	108,953	108,953
Total Expenses	485,652	346,557
Loss from Operations Before Other Income and (Expense)	(485,652)	(346,557)
Other Income and (Expense)		
Unrealized Gain (Loss) on Investments	1,316,277	(33,250)
Interest Expense	(27,242)	(24,589)
Total Other Income and (Expense)	1,289,035	(57,839)
Net Income (Loss)	\$ 803,383	\$ (404,396)
Weighted Average Number of Common Shares - Basic and Diluted	29,529,211	33,358,269
Net Income (Loss) Per Common Shares - Basic and Diluted	\$ 0.03	\$ (0.01)

Kush Inc.
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CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED

For the Years Ended May 31,	2022	2021
Cash Flows from Operating Activities		
Net Income (Loss)	\$ 803,383	\$ (404,396)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Amortization and Depreciation	18,338	18,074
Unrealized (Gain) Loss on Investments	(1,316,277)	33,250
Common Stock Issued for Services	266,000	281,000
Changes in Assets and Liabilities:		
Accounts Payable and Accrued Expenses	992	57,606
Stock Payable	154,500	—
Net Cash Flows Used In Operating Activities	(73,064)	(14,466)
Cash Flows from Investing Activities		
	—	—
Cash Flows from Financing Activities		
Cash Proceeds Received from Related Parties	72,852	13,690
Net Cash Flows Provided by Financing Activities	72,852	13,690
Net Change in Cash	(212)	(776)
Cash - Beginning of Year	4,518	5,294
Cash - End of Year	\$ 4,306	\$ 4,518
Cash Paid During the Year for:		
Interest	\$ —	\$ —
Income Taxes	\$ —	\$ —

Kush, Inc.
A Development Stage Company

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS ENDED MAY 31, 2022 and 2021 - UNAUDITED

	Common Stock \$0.001 Par Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance - June 1, 2020	33,393,436	\$ 33,393	\$ 6,111,259	\$ (454,468)	\$ 5,690,184
Common Stock Issued Through PPM	2,778	3	4,997	—	5,000
Issuance of Common Stock for Services	260,185	260	4,296	—	4,556
Issuance of Common Stock for Accounts Payable	97,700	98	105,402	—	105,500
Return of Shares	(5,000,000)	(5,000)	5,000	—	—
Net Loss	—	—	—	(404,396)	(404,396)
Balance - May 31, 2021	28,754,099	28,754	6,230,954	(858,864)	5,400,844
Issuance of Common Stock for Services	2,216,661	2,217	263,783	—	266,000
Net Income	—	—	—	803,383	803,383
Balance - May 31, 2022	30,970,760	\$ 30,971	\$ 6,494,737	\$ (55,481)	\$ 6,470,227

**KUSH INC
(A DEVELOPMENT STAGE COMPANY)**

Notes to Consolidated Financial Statements - Unaudited

Note 1: Organization and Basis of Presentation

Kush, Inc., formerly Weed Growth Fund, Inc., formerly Ovation Research, Inc., (the "Company") is a for profit corporation established under the corporation laws in the State of Nevada, United States of America on December 28, 2012.

The Company is in the start-up phase and intends to establish, acquire, oversee and/or operate companies and assets with high growth potential within the industries in which we focus. The Company's primary business to date has been focused on acquiring and overseeing certain companies and intellectual property that we've made investments into, that are focused in the hemp, medical marijuana and legal marijuana industries. The Company has received a significant influx of cash and assets from its majority shareholder as discussed below. However, the Company is still a start-up phase company. As such, the Company is subject to all risks inherent to the establishment of a start-up business enterprise.

On September 25, 2014, the Company changed its name to Weed Growth Fund, Inc. with the Nevada Secretary of State and the name change and symbol change to WEDG was approved by FINRA on November 10, 2014.

In September, 2014 the Company decided to transition its operations to the establishment and investment in, and the acquisition, operation and management of, intellectual property and business ventures in hemp, medicinal cannabis, legalized cannabis and related industries.

On September 30, 2014, the Company and New Compendium Corporation ("NCC") entered into a Contribution Agreement whereby NCC contributed \$100,000 cash to and agreed to contribute its ownership interests in certain operating businesses to the Company in exchange for 5,000,000 shares of the Company's common stock. The Company plans to assist the management of these existing companies with their future growth, expansion (where applicable), management, and to a lesser extent, the operations to maximize the profitability of each business. As of the date of this report the Company has not yet issued these shares. Management has valued these shares to be \$575,000 which are on the balance sheet as stock payable at May 31, 2022 (See Note 11).

On October 20, 2014, the Company acquired the domain name Ebola.com for \$50,000 cash and 19,192 shares of the Company's CBDS common stock valued at \$164,000. The Company has developed a comprehensive website on that domain covering the Ebola pandemic. The Company plans to generate advertising revenue through this website during the next fiscal quarter.

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Notes to Consolidated Financial Statements - Unaudited

Note 1: Organization and Basis of Presentation – continued

Principles of Consolidation:

The consolidated financial statements include the accounts of Weed Growth Fund, Inc. (the “Company”), and its wholly-owned subsidiary Ovation Research. All significant inter-company balances have been eliminated in consolidation.

On April 2, 2020, the Company merged with Kush Inc. The shareholders of Kush were given 1 share of Weed for every 9 shares of Kush shares owned. 23,393,436 shares were given in the transaction and \$3,595,765 of Goodwill was produced.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements of the Company are presented on the accrual basis. The Company has elected a May 31, year-end. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates:

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America. This requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Development Stage Activities:

The Company is a development stage exploration company. All losses accumulated since inception have been considered as part of the Company's development stage activities.

Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash and highly liquid investments with original maturity dates of less than three months that may not be reported as investments. While the Company may maintain cash and cash equivalents in bank deposit accounts, which at times exceed Federal Deposit Insurance Corporation insured limits, they have not experienced any losses in such accounts.

Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

**KUSH INC
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Notes to Consolidated Financial Statements - Unaudited

Note 2: Summary of Significant Accounting Policies – continued

Impairment of Long-lived Assets:

The carrying value of intangible assets and other long-lived assets are reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value. No impairment has been recognized as of this report date.

Net Loss per Share:

Net loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the period and contains no dilutive securities. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of the Company. Potentially dilutive shares are excluded from the calculation of diluted net loss per share because the effect is anti-dilutive.

Revenue:

The Company records revenue on the accrual basis when all goods and services have been performed and delivered, the amounts are readily determinable, and collection is reasonably assured. The Company has not generated any revenue since its inception.

Advertising:

The Company will expense its advertising when incurred. There has been no advertising since inception.

Note 3: Recent Accounting Pronouncements

The Company has evaluated all the recent accounting pronouncements through the date the financial statements and believe that none of them will have a material effect on the Company's financial statements.

Note 4: Legal Matters

The Company has a legal issue pending as noted below in Note 9.

**KUSH INC
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Notes to Consolidated Financial Statements - Unaudited

Note 5: New Company Assets

The Company holds a minority position in the form of shares in Hemp, Inc. (HEMP), a publicly traded company.

The company invested in the production of a sizzle reel to be produced by Ganja Earth Entertainment LLC. Repayment will be made with a 15% premium upon the successful funding of a pilot episode plus additional incentives for further funding.

The company purchased the website, www.ebola.com, which it intends to use to generate advertising revenue.

Note 6: Investments

The Company owns shares in various publicly traded companies.

The company owns shares of Cannabis Sativa Inc., (ticker: CBDS). For the years ended May 31, 2022 and 2021 the Company owned 295,377 shares with a cost basis of \$467,770 and market values of \$39,108 and \$152,562, respectively.

The Company also owns shares of Bio Adaptives Inc., (ticker: BDPT). For the years ended May 31, 2022 and 2021 the Company owned 10,835 shares with a cost basis of \$-0- and market values of \$47 and \$316 respectively.

The Company also owns shares of Direct Equity International Inc., (ticker: DEQI). For the years ended May 31, 2022 and 2021 the Company owned 357,500,000 shares with a cost basis of \$40,000 and market values of \$1,787,500 and \$357,500.

Note 7: Property and Equipment

Property and equipment consisted of the following at May 31, 2022 and 2021:

	2022	2021
Furniture and Equipment	\$ 3,010	\$ 3,010
Less: Accumulated Depreciation	(3,010)	(2,483)
Net Property and Equipment	\$ —	\$ 527

Depreciation expense for the years ended May 31, 2022 and 2021 was \$527 and \$351, respectively.

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Notes to Consolidated Financial Statements - Unaudited

Note 8. Intangibles and Goodwill

The Company's intangibles were as follows for the years ended May 31, 2022 and 2021:

Website Domains	May 31, 2022	May 31, 2021
Domain Name (Kush)	\$ 3,169	\$ 3,169
Domain Name (Ebola)	214,000	214,000
Total Intangibles – Website Domains	217,169	217,169
Less: Accumulated Amortization	(110,487)	(96,009)
Net Intangible Assets – Website Domain	\$ 106,682	\$ 121,160

Amortization expense for the years ended May 31, 2022 and 2021 was \$14,478 and \$14,390, and respectively.

The Company also has a patent in Hemp Silk with a cost basis of \$50,000 with accumulated amortization of \$25,554 and \$22,221 at May 31, 2022 and 2021, respectively. Amortization expense for each of the years ended May 31, 2022 and 2021 was \$3,333.

Goodwill in the amount of \$3,595,765 was recorded as part of the acquisition of Kush Inc., that occurred on April 2, 2020.

Note 9. Investments at Cost

Investments at cost are \$2,843,507 at May 31, 2022 and 2021. These investments are amounts invested in Mendocino Green, Van Vranken Enterprises and North Cal Wood. These companies are all owned by the same person and were given in anticipation of the purchase of controlling interest in these assets. The purchase of these assets are now in litigation as the seller breached the purchase contract. The Company intends to fully pursue this matter until the assets are obtained.

Note 10. Due to/from Related Parties

Due to related parties consisted of various amounts advanced to the Company by four (4) shareholders of the Company. At May 31, 2022 and 2021 these amounts were \$290,542 and \$217,690, respectively.

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Notes to Consolidated Financial Statements - Unaudited

Note 11: Stock Payable

At May 31, 2022 and 2021 the Company owed various vendors and New Compendium Corporation (See Note 1) stock payable of \$1,441,944 and \$1,287,444, respectively.

Note 12: Going Concern

The financial statements and notes have been prepared assuming that the Company will continue as a going concern.

For the year ended May 31, 2022, the Company had an accumulated deficit of \$55,481. The Company's ability to continue as a going concern is dependent upon the Company's ability to generate sufficient revenues to operate profitably or raise additional capital through debt financing and/or through sales of common stock or from what will be generated from the Ukiah asset.

The failure to achieve the necessary levels of profitability or obtain the additional funding would be detrimental to the Company.