Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Pervasip Corp

1917 1st Ave
Suite 400
Seattle, WA 98101

(206) 590-2408
www.pervasip.net
germanb@pervasip.net
SIC Code: 2833

Annual Report

For the period ending November 30, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

5,429,231,963 as of November 30, 2023

5,329,231,963 as of November 30, 2022

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 Control[1] 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.

Pervasip Corp. (the "Company") was incorporated in New York on July 22, 1964, as Sirco Products Co. Inc. On March 20, 1969, the Company changed its name to Sirco International Corp. On November 16, 1999, the Company changed its name to eLEC Communications Corp. On December 31, 2007, the Company changed its name to Pervasip Corp.

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):

The Company is active and in good standing in the state of New York, where it incorporated on July 22,1964.

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:

The Company announced on January 17, 2023, its intent to spin-off its wholly owned subsidiary, Artizen Corporation, into a separate public company. The Company anticipates this transaction to be completed in Q4 2024.

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

The Company's principal executive office is 1917 1st Ave Suite 400, Seattle, WA 98101.

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: Worldwide Stock Transfer
Phone: (201) 820-2008
Email: cg@wwstr.com
Address: 1 University Plaza Suite 505, Hackensack, NJ 07601

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: PVSP
Exact title and class of securities outstanding: common stock

CUSIP:	715709200
Par or stated value:	$0.00001 per share
Total shares authorized:	8,978,999,990 as of date: November 30,2023
Total shares outstanding:	5,429,231,963 as of date: November 30,2023
Total number of shareholders of	297 as of date: November 30,2023

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	Not applicable
Exact title and class of securities outstanding:	____
CUSIP:	____
Par or stated value:	____
Total shares authorized:	____ as of date:
Total shares outstanding:	____ as of date:
Total number of shareholders of record:	____ as of date:

Trading symbol:	Not applicable
Exact title and class of securities outstanding:	____
CUSIP:	____
Par or stated value:	____
Total shares authorized:	____ as of date:
Total shares outstanding:	____ as of date:
Total number of shareholders of record:	____ as of date:

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Series E preferred stock	
CUSIP (if applicable):	not applicable	
Par or stated value:	par value $0.00001	
Total shares authorized:	10	as of date: 11/30/2023
Total shares outstanding (if applicable):	0	as of date: 11/30/2023
Total number of shareholders of record (if applicable):	0	as of date: 11/30/2023

Exact title and class of the security:	Series F preferred stock	
CUSIP (if applicable):	not applicable	
Par or stated value:	par value $0.00001	
Total shares authorized:	25,000	as of date: 11/30/2023
Total shares outstanding (if applicable):	23,250	as of date: 11/30/2023
Total number of shareholders of record (if applicable):	1	as of date: 11/30/2023

Exact title and class of the security:	Series K preferred stock	
CUSIP (if applicable):	not applicable	
Par or stated value:	par value $0.00001	
Total shares authorized:	850,000	as of date: 11/30/2023
Total shares outstanding (if applicable):	850,000	as of date: 11/30/2023
Total number of shareholders of record (if applicable):	7	as of date: 11/30/2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

Common shares have the right to one vote per share and the right to receive dividends if the board of directors authorizes dividends.

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

There were 0 Series E preferred shares, 23,250 Series F preferred shares and 850,000 Series K preferred shares outstanding as of November 30, 2023.

The powers, preferences, qualifications, limitations or restrictions, and relative rights of the Series E Preferred Stock are as follows:

The Series E Preferred Stock has voting rights equal to 400% of the sum of the common stock and Series F Preferred Stock, but no dividend rights and no liquidation rights. The Series E Preferred Stock is convertible into the number of common shares equal to its voting rights.

The powers, preferences, qualifications, limitations or restrictions, and relative rights of the Series F Preferred Stock are as follows:

The Series F Preferred voting rights were amended by action of the Board of Directors to be equal to 100,000 common shares and a liquidation preference of $100,000 over junior securities. Each share of Series F Preferred Stock is now convertible by the holder into 100,000 shares of the Company's Common Stock. Prior to this action the Series F Preferred shares had voting rights equal to 250,000 common shares, a liquidation preference of $250,000, and were convertible into 250,000 common shares. Shares of Series F Preferred Stock are anti-dilutive to reverse splits, so that in the event of a reverse split, the shares are convertible into the same number of common shares after the reverse split as would have been issued before the reverse split. The conversion rate of Series F Preferred Stock, however, increases proportionately in the case of forward splits, and may not be diluted by a reverse split following a forward split. A holder of Series F Preferred Stock is blocked from owning more than 9.99% of the shares of common stock.

The powers, preferences, qualifications, limitations or restrictions, and relative rights of the Series K Preferred Stock are as follows:

Voting. The holders of shares of Series K Preferred Stock have the following voting rights: Each share of Series K Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Corporation, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series K Preferred Stock are convertible on the record date for the stockholder action without taking into account potential conversions of any other convertible securities issued by the Corporation.

Dividends. In the event that the Corporation's Board of Directors declares a dividend payable to holders of any class of stock, the holder of each share of Series K Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Corporation's Common Stock into which that holder's Series K Preferred Stock could be converted on the record date for the dividend without application of the limitation on conversions.

Liquidation. Upon the liquidation, dissolution and winding up of the Corporation, the holders of the Series K Preferred Stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of common stock, the sum of one tenth of One Cent ($0.001) per share, after which the holders of Series K Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the appropriate distribution of available cash among the shareholders, each share of Series K Preferred Stock shall be deemed to have been converted into the number of shares of the Corporation's Common Stock into which that holder's Series K Preferred Stock could be converted on the record date for the distribution without application of the limitation on conversions.

Conversion. Any shares of Series K Preferred Stock may, at any time, at the option of the holder, be converted into fully paid and nonassessable shares of Common Stock (a "Conversion"). The number of shares of Common Stock to which a holder of Series K Preferred Stock shall be entitled upon a Conversion shall equal the product obtained by (a) multiplying the number of Fully-Diluted Common Shares by five and two-thirds (5.6666), then (b) multiplying the result by a fraction, the numerator of which will be the number of shares of Series K Preferred Stock being converted and the denominator of which will be the number of issued and outstanding shares of Series K Preferred Stock. The term "Fully-Diluted Common Shares" means the sum of the outstanding Common Stock plus all shares of Common Stock that would be outstanding if all securities that could be converted into Common Stock without additional consideration were converted on the conversion date but shall not include Common Stock issuable on conversion of the Series K Preferred Stock. The Company shall not affect any conversions of the Series K Preferred Stock and the holder shall not have the right to convert any shares of Series K Preferred Stock to the extent that after giving effect to such conversion, the Holder, together with any affiliate thereof, would beneficially own more than 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

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

None

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.**

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

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: Opening Balance Date 11/30/2021 Common 4,979,231,963 Preferred: 20,000,010	*Right-click the rows below and select "Insert" to add rows as needed.								
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to. *You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**

3/24/2022	New Issuance	175,000,000	Common	$.0001	Yes	Mammoth Corporation Brad Hare, President	Debt conversion	Unrestricted	4(a)(1)
10/28/2022	Share cancelation	1,750	Preferred	NA	NA	Mammoth Corporation, Brad Hare, President	NA	NA	NA
10/28/2022	New Issuance	175,000,000	Common	$.00001	Yes	Mammoth Corporation, Brad Hare, President	Debt conversion	Unrestricted	4(a)(1)
3/17/2023	New	100,000,000	Common	$.001		Pacific Capital Markets LLC, Zachary Logan, Principal	Corporate consulting services	Restricted	4(a)(1)
Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 11/30/2023 Common: 5,429,231,963 Preferred: 873,250									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021, through December 31, 2022, pursuant to the tabular format above.

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

A. 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.)
4/14/2011	$50,000	$50,000	$134,225	11/30/19	$.0025 per share	Mammoth Corporation, Brad Hare, President	Loan
5/31/2011	$140,000	$140,000	$56,821	11/30/19	$.0025 per share	Mammoth Corporation, Brad Hare, President	Loan
1/23/2014	$115,000	$120,000	$91,254	10/25/15	30% discount to market per share	Patrick Cahill	Loan
9/22/2021	$55,000	$55,000	$9,656	12/31/21	$.001 per share	Paul Riss	Loan
6/10/2022	$150,000	$150,000	$26,433	3/10/2023	10% discount to market per share	Mammoth Corporation, Brad Hare, President	Loan

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

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

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

- The Company generates revenue by providing consulting, IP licensing, management, staffing, leasing and support services. It is a diversified asset management company that was founded to acquire, develop, and support companies and technologies in the emerging cannabis industry.

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

The Company owns Artizen Corporation, which is the owner of Zen Asset Management LLC, which provides services to four grow facilities and one processing facility in the state of Washington. Affiliates are Zen IP Holdings LLC, Artizen Group LLC, Cascadia Growers Association LLC, KMH Housing LLC and PACALA, Inc.

C. Describe the issuers' principal products or services.

The Company's primary operation generates revenues by providing leasing, licensing, management, staffing, and supplies to cannabis production facilities. It specializes in best practices for commercial indoor growing, with state-of-the-art water filtration and heating systems and light technology that allows for high levels of photosynthetic energy, licensing of brands, and facility management.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties, or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties, or facilities, clearly describe them as above and the terms of their leases.

All of the leases, assets, properties or facilities are owned or managed by Artizen Corporation. In the state of Washington, their existing clients operate cultivation and processing facilities, totaling over 175,000 square feet, and are located in Lacey, Port Townsend, Tacoma, and Tumwater. The Company's headquarters and registered address is 1917 1st Ave Suite 400, Seattle, WA 98101.

The Lacey facility is comprised of 75,000 square feet and has been leased since 2015. The cultivation and processing operations are housed in 50,000 square feet of the building, allowing the company to expand its canopy and operations when feasible. All fulfillment for the Artizen branded products is centered at this location. The facility is under lease through June 2024.

Current cultivation operations at the Tacoma facility take place in the 40,000 square foot lower-level unit. The facility is under a long-term lease through 2030.

As the third of three indoor cultivation facilities, the Tumwater facility totals 25,900 square feet. Leased and operating since 2016, this facility is under lease through 2026.

The Port Townsend facility, consisting of multiple outdoor light deprivation greenhouses, was purchased by Artizen three years after completion of full construction in 2015. The property is over 38,000 square feet, with plans for canopy expansion within the property as one of the company's short-term goals.

All equipment and machinery at each of the four facilities are owned by the company.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

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
German Burtscher	CEO	Seattle, WA	42,500	Series K preferred	5%	
George Jordan	CFO	Seattle, WA	80,750	Series K preferred	9.5%	
Paul Riss	5% owner	White Plains, NY	321,953,833	Common stock	6.04%	
Timothy Foia	5% owner	Olympia, WA	161,500	Series K preferred	19%	
Mammoth Corporation	5% owner	Lake Zurich, IL	23,250	Series F preferred	100%	Brad Hare
Mark Hutchison	5% owner	Tacoma, WA	161,500	Series K preferred	19%	
Bryce Nichter	5% owner	Seattle, WA	161,500	Series K preferred	19%	
Viridis Asset Management LLC	5% owner	Miami, FL	161,500	Series K preferred	19%	Kevin Kreisler
Jessica James	5% owner	Lakewood, WA	80,750	Series K preferred	9.5%	

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

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jonathan L. Endman
Firm: Jonathan L. Endman, Esq
Address 1: 2759 Burkshire Ave.
Address 2: Los Angeles, CA 90064-3513
Phone: 818-481-78296
Email: jendman@msn.com

Accountant or Auditor

Name: Kory Kolterman
Firm: Fruci & Associates LLP
Address 1: 802 N. Washington St
Address 2: Spokane, WA 99201
Phone: 509-624-9223
Email: mail@fruci.com

Investor Relations

Name: Zachary Logan
Firm: Pacific Capital Markets LLC
Address 1: 4770 Leathers Street
Address 2: San Diego, CA 92117
Phone: 858-308-5835
Email: pacificcapitalmarketsllc@gmail.com
All other means of Investor Communication:

Twitter: @PervasipC
Discord: not used
LinkedIn not used
Facebook: not used
[Other]

Other Service Providers
Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Cameron Miles
Firm: MNP LLP
Nature of Services: Accounting advisory services
Address 1: 2200-1021 West Hastings St
Address 2: Vancouver, BC V6E 0C3
Phone: (877) 688-8408
Email: cameron.miles@mnp.ca

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)
Name: George Jordan
Title: CFO/COO
Relationship to Issuer: Officer
Describe the qualifications of the person or persons who prepared the financial statements: **MBA from Alaska Pacific University. LLM Taxation from University of Washington School of Law. Member of the Washington State Bar Association.**

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

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, German Burtscher, certify that:

1. I have reviewed this Disclosure Statement for Pervasip Corp;

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.

02/28/2024

/s/ German Burtscher

Principal Financial Officer:

I, George Jordan, certify that:

1. I have reviewed this Disclosure Statement for Pervasip Corp;

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.

2/28/2024

/s/ George Jordan

PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED
CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE
YEARS ENDED NOVEMBER 30, 2023, AND 2022

PERVASIP CORP. AND SUBSIDIARIES

AS OF AND FOR THE YEARS ENDED NOVEMBER 30, 2023, AND 2022

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PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

	November 30, 2023	November 30, 2022
ASSETS		
Current assets		
Cash	$ 73,442	$ 178,951
Accounts receivable	371,968	144,550
Inventory	2,138,820	2,627,993
Prepaid expenses	187,747	104,414
Other current assets	17,122	2,053
Total current assets	2,789,098	3,057,961
Fixed assets, net	3,571,859	4,173,038
Right of use assets	3,529,884	4,224,983
Intangible assets	500,000	900,000
Other assets	147,583	135,583
Investments	74,500	287,500
TOTAL ASSETS	$ 10,612,925	$ 12,779,065
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,680,978	$ 1,874,876
Accrued expenses	881,449	689,513
Income tax liability	3,067,905	1,408,925
Interest payable	389,751	292,202
Derivative liability	7,160	46,005
Notes payable	1,135,796	1,476,596
Tenant Liabilities	100,000	-
Current portion of lease liability	888,691	994,374
Total current liabilities	9,151,731	6,782,491
Long-term lease liability	2,590,074	3,263,168
Legacy tax liabilities	3,169,850	3,249,324
Long-term debt less current portion	14,462,181	14,358,337
Total liabilities	29,373,836	27,653,320
Commitments and contingencies	-	-
Shareholders' equity		
Convertible preferred stock, par value $.00001, 875,010 shares authorized		
Series E: par value $.00001, 0 shares issued and outstanding	-	-
Series F: 23,250 and 25,000 shares issued and outstanding	-	-
Series K: 850,000 shares issued and outstanding	8	8
Common stock, par value $.00001, 8,978,999,990 shares authorized, 5,429,231,963 and 5,329,231,963 issued and outstanding	54,292	53,292
Capital in excess of par value	545,967	486,967
Retained earnings	(5,305,666)	(2,958,405)
Total Pervasip Corp. shareholders' equity	(4,705,400)	(2,418,139)
Noncontrolling interest	(14,055,511)	(12,456,116)
Total Shareholders' equity	(18,760,911)	(14,874,255)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 10,612,925	$ 12,779,065

The accompanying notes are an integral part of these consolidated financial statements.

PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended November 2023	Year Ended November 2022
Revenue	$ 15,767,861	$ 15,786,901
Cost of Goods Sold	10,877,098	13,062,601
Gross Profit	4,890,763	2,724,300
Costs and expenses:		
Payroll expenses	3,033,876	2,654,533
Office and professional fees	636,873	1,061,323
Insurance	217,193	395,003
Occupancy	563,281	346,643
Advertising	174,824	131,336
Business taxes and licensing	334,339	354,775
General and administrative	390,414	203,602
Total costs and expenses	5,350,800	5,147,215
Income (loss) from operations	(460,037)	(2,422,916)
Other income (expenses):		
Other income	360,254	3,725
Other expense	(674,694)	(566,376)
Unrealized gain (loss) on marketable securities	(213,000)	(142,000)
Interest expense	(1,167,479)	(622,740)
Total other income (expenses)	(1,694,919)	(1,327,391)
Net income (loss) before income taxes	(2,154,956)	(3,750,306)
Income tax expense	1,683,980	980,339
Net income (loss)	(3,838,936)	(4,730,645)
Loss (income) from noncontrolling interest	(1,491,675)	(3,142,189)
Net income (loss) attributable to Pervasip Corp.	$ (2,347,261)	$ (1,588,457)
Basic and diluted income per share	$ (0.00)	$ (0.00)
Weighted Average Number of Shares Outstanding		
Basic	5,400,111,084	5,112,049,689
Diluted	5,400,111,084	5,112,049,689

The accompanying notes are an integral part of these consolidated financial statments

PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHODER'S EQUITY (DEFICIT)

FOR THE YEARS ENDED NOVEMBER 30, 2023, AND 2022

	Common Shares	Common Stock, Par	Preferred Shares	Preferred Stock, Par	Additonal Paid in Capital	Retained Earnings (Deficit)	Non-Controlling Interest	Total Stockholders' Equity (Deficit)
Balance, November 30, 2021	4,979,231,963	$ 49,792	875,000	$ 8	$ 157,968	$ (1,369,949)	$ (9,248,215)	$ (10,410,396)
Stock issuance for debt conversion	175,000,000	1,750			330,749			332,499
Partnership tax distributions							(65,712)	(65,712)
Stock issuance for preferred conversion	175,000,000	1,750	(1,750)		(1,750)			-
Net income (loss) November 30, 2022						(1,588,457)	(3,142,189)	(4,730,645)
Balance November 30, 2022	5,329,231,963	53,292	873,250	8	486,967	(2,958,405)	(12,456,116)	(14,874,254)
Partnership tax distributions							(107,720)	(107,720)
Stock issuance for services	100,000,000	1,000			59,000			60,000
Net income (loss) November 30, 2023						(2,347,261)	(1,491,675)	(3,838,936)
Balance August 31, 2023	5,429,231,963	$ 54,292	873,250	$ 8	$ 545,967	$ (5,305,666)	$ (14,055,511)	$ (18,760,910)

The accompanying notes are an integral part of these consolidated financial statments

PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 2023, AND 2022

	Year Ended November 30, 2023	Year Ended November 30, 2022
OPERATING ACTIVITIES		
Net income (loss)	$ (3,838,936)	$ (4,730,645)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	621,106	900,255
Impairment expense	400,000	-
Amortization of debt discount	-	15,006
Unrealized gain or loss from change in investments	213,000	142,000
Bad debt expense (recovery)	116,275	5,602
Loss on debt conversion	-	157,499
Stock based compensation to employees and consultants	44,384	-
Gain/Loss on disposal of asset	70,939	405
Change in fair value of derivative liabilities	(38,845)	2,195
Changes in working capital items:		
Accounts receivable	(343,693)	(12,629)
Inventory	489,173	338,442
Other current assets	(15,069)	1,407
Other assets	(12,000)	2,201
Prepaid expenses	(67,716)	370,954
Accounts payable and accrued liabilities	806,103	576,167
Lease liability	(83,678)	(25,747)
Accrued Expenses	191,936	(72,573)
Interest payable	97,549	61,674
Tenant Liabilities	100,000	-
Deferred Tax Liability	1,658,980	1,469,754
Cash provided by (used in) operating activities	409,507	(798,033)
INVESTING ACTIVITIES		
Purchase of fixed assets	(90,866)	(480,375)
Cash provided by (used in) investing activities	(90,866)	(480,375)
FINANCING ACTIVITIES		
Payments of notes payble	(1,321,331)	(382,873)
Payments of legacy tax liabilities	(79,474)	(57,335)
Partnership tax distributions	(107,720)	(65,712)
Proceeds from Loans	1,084,376	1,411,485
Cash provided by (used in) financing activities	(424,150)	905,565
Net change in cash	(105,508)	(372,843)
Cash at beginning of the period	178,951	551,794
Cash at end of the period	$ 73,443	$ 178,951
Supplemental disclosure of cash flow information:		
Cash paid for taxes	$ 375,000	$ 84,057
Cash paid for interest	$ 738,973	$ 322,233
Supplemental non-cash financing information:		
Issuance of 100,000,000 shares of common stock for consulting services	$ 60,000	$ -
Issuance of 175,000,000 shares of common stock to settle liabilities	$ -	$ 175,000
Conversion of 1750 series F preferred shares to 175,000,000 shares of common stock.	$ -	$ 1,750

The accompanying notes are an integral part of these consolidated financial statments

PERVASIP CORP. AND SUBSIDIARIES

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 30, 2023, AND 2022

1. Description of Business and Summary of Accounting Policies

Description of Business

Pervasip Corp. ("Pervasip", "we," "our," or the "Company") is incorporated in New York State and its head office is located at 1917 1st Avenue, Suite 400, Seattle, Washington 98101. The principal activities of the Company are consulting, IP licensing, management, staffing, leasing, and support services. We are a diversified asset management company that was founded to acquire, develop, and support companies and technologies in the emerging cannabis industry. We also own the rights to a cannabis brand.

Fiscal Year-End

The Company has a November 30 fiscal year end.

Functional Currency

The Company and its subsidiaries' functional currency, as determined by management, is the United States ("U.S.") dollar.

Variable Interest Entities

A variable interest entity ("VIE") is an entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to control the entity's activities or do not substantially participate in the gains and losses of the entity. Upon inception of a contractual agreement, and thereafter, if a reconsideration event occurs, the Company performs an assessment to determine whether the arrangement contains a variable interest in an entity and whether that entity is a VIE. The primary beneficiary of a VIE is the party that has both the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. Under guidance in the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") 810 – *Consolidations*, where the Company concludes that it is the primary beneficiary of a VIE, the Company consolidates the accounts of that VIE.

The Company is able to report results for all entities as a November 30th fiscal year, and prior consolidations of VIEs did not necessarily have the same fiscal year end. The prior year financial results have been reclassified to conform to the current year presentation The following are the Company's VIE that are included in these consolidated financial statements as of and for the years ended November 30, 2023, and 2022:

			Ownership	
Entity	**Location**	**Purpose**	**2022**	**2021**
AFHHJJN, LLC *(1)(5)*	Lacey, WA	Cultivation and Processing	0%	0%
KMH Housing, LLC *(2)(5)*	Tacoma, WA	Cultivation and Processing	0%	0%
Cascadia Growers Association, LLC *(3)(5)*	Tumwater, WA	Cultivation	0%	0%
PACALA, *Inc. (4)(6)*	Port Townsend, WA	Cultivation	0%	0%

(1) *As the sole member of Zen Asset Management, LLC ("ZAM"), the Company is the primary beneficiary of the management services, staffing, consulting, and brand licensing agreements between ZAM and AFHHJJN, LLC. The Company does not hold any ownership interests in AFHHJJN, LLC.*
(2) *As the sole member of ZAM, the Company is the primary beneficiary of the management services, staffing, and consulting agreements between ZAM and KMH Housing, LLC. The Company does not hold any ownership interests in KMH Housing, LLC.*
(3) *As the sole member of ZAM, the Company is the primary beneficiary of the management services, staffing, and consulting agreements between ZAM and Cascadia Growers Association, LLC. The Company does not hold any ownership interests in Cascadia Growers Association, LLC.*
(4) *As the sole member of ZAM, the Company is the primary beneficiary of the management services, staffing, and consulting agreements between ZAM and PACALA Inc. The Company does not hold any ownership interests in PACALA Inc.*
(5) *A Washington Limited Liability Company*
(6) *A Washington Corporation*

<u>Principles of Consolidation</u>

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and entities over which the Company has control as defined in ASC 810 after elimination of significant intercompany balances and transactions. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company has ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity. In assessing control, potential voting rights that are currently exercisable are taken into account. The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America.

The following are the Company's principal whole-owned subsidiaries that are included in these consolidated financial statements as of and for the years ended November 30, 2023, and 2022:

			Ownership	
Entity	**Location**	**Purpose**	**2023**	**2022**
Zen Asset Management, LLC *(1)*	Seattle, WA	Management of Operations	100%	100%
G.R.P.T., LLC *(2)*	Seattle, WA	Real Estate	100%	100%
Artizen Oregon, LLC (3)	Seattle, WA	Management of Operations	100%	0%

(1) A Delaware Limited Liability Company
(2) A Washington Limited Liability Company
(3) A Delaware Limited Liability Company

The following are the Company's common-controlled subsidiary that is included in these consolidated financial statements as of and for the years ended November 30, 2023, and 2022:

			Ownership	
Entity	**Location**	**Purpose**	**2023**	**2022**
Zen Organization, Inc *(1)*	Seattle, WA	Management of Operations	0%	0%

(1) A Washington Corporation

Non-Controlling Interest

Non-controlling interest represents equity interests owned by parties that are not shareholders of the ultimate parent. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income or loss is recognized directly in equity. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to the derivative liabilities, the income tax valuation allowance, income taxes payable and the allowance for doubtful accounts receivable. On a continual basis, management reviews its estimates, utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Segment Reporting

Management makes significant operating decisions based upon the analysis of the entire Company and financial performance is evaluated on a company-wide basis. Accordingly, the various products sold are aggregated into one reportable operating segment as under guidance in ASC Topic 280 for segment reporting.

Advertising Costs

Advertising costs cover expenses associated with promoting any Pervasip brand, like Artizen, as well as products and services. They cover ads in print media and online venues, broadcast time, radio time, direct mail advertising and cover promotional items used to advertise the brand, as well as merchandising and retail display expenses. Advertising costs fall under sales, general, and administrative (SG&A) expenses. A quarterly marketing budget ensures proper allocation of funds.
Accounting does not treat such expenses as prepaid expenses against specific future sales but as a regular expense during the month the expenditure occurs.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company has no cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from balances outstanding at period-end, based on the Company's assessment of the credit history with customers having outstanding balances and current relationships with them. A reserve for uncollectible receivables is established when collection of amounts due is deemed improbable. Indicators of improbable collection include client bankruptcy, client litigation, client cash flow difficulties or ongoing service or billing disputes. As of November 30, 2023, and 2022, the Company established an allowance for doubtful accounts of $116,275 and $0, respectively.

We are exposed to credit risk in the normal course of business, primarily related to accounts receivable. We are affected by general economic conditions in the United States. To limit credit risk, management periodically reviews and evaluates the financial condition of its customers and maintains an allowance for doubtful accounts. Washington state regulations for the cannabis industry requiring payment upon delivery for all cannabis products mitigates the majority of our credit risk. As of November 30, 2023, and 2022, we do not believe that we have significant credit risk.

Inventory

Inventory consists of raw materials, supplies and consumables used in the inventory process, merchandise for sale, finished goods and work-in-process. Work-in-process includes all plants, throughout the entire cultivation cycle, bucked and trimmed dry flower, and manufactured oil that awaits further processing into finished goods. Inventory is valued at the lower of cost and net realizable value, with cost determined using the weighted average cost method. Costs are capitalized to inventory, until substantially ready for sale. Costs include direct and indirect labor, consumables, materials, packaging supplies, utilities, facilities costs, quality and testing costs, production related depreciation and other overhead costs. The Company records inventory reserves for obsolete and slow-moving inventory. Inventory reserves are based on inventory obsolescence trends, historical experience, and application of the specific identification method. The Company classifies cannabis inventory as a current asset, although part of such inventory, because of the duration of the cultivation, drying, and conversion process, may not ordinarily be utilized within one year.

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost less accumulated depreciation. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items or components of property, plant and equipment. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized in net income (loss).

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

	Years
Buildings and greenhouses	20 - 50
Production and warehouse equipment	5 - 30
Leasehold improvements	3 - 20
Office and lab equipment	3 - 10
Vehicles	3 - 7

Estimates of useful life and residual value, and the method of depreciation, are reviewed only when events or changes in circumstances indicate that the current estimates or depreciation method are no longer appropriate. Any changes are accounted for on a prospective basis as a change in estimate.

Investments

The Company follows ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, for the recognition, measurement, presentation, and disclosure of financial instruments.

Revenue Recognition

The Company follows ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" for revenue recognition. Topic 606 established that the Company recognize revenue using the following five-step model:
• Identification of the contract, or contracts, with a customer;
• Identification of the performance obligations in the contract;
• Determination of the transaction price;
• Allocation of the transaction price to the performance obligations in the contract; and
• Recognition of revenue when or as the Company satisfies a performance obligation.

The Company generates revenue through sales of retail branded and bulk wholesale products.

Retail and wholesale sales are recorded at the time that control of the products is transferred to customers. In evaluating the timing of the transfer of control of products to customers, the Company considers several indicators, including significant risks and rewards of products, its right to payment, and the legal title of the products. Based on the assessment of control indicators, sales are generally recognized when products are delivered to customers.

Revenue related to real estate income on leases, for facility management services provided by the Company, is recognized in accordance with ASC Topic 842. Lease payments received are primarily recognized as Other income in the consolidated statements of operations. A portion of the lease payment amortizes the lease receivable.

The Company identifies performance obligations in contracts with customers, and primarily satisfies its performance obligations when a customer takes possession of product. The transaction price is determined based on the amount the Company expects to be entitled to receive in exchange for transferring the products to the customer. The transaction price in the contract is allocated to each distinct performance obligation in an amount that represents the relative amount of consideration expected to be received in exchange for satisfying each performance obligation. Revenue is recognized when performance obligations are satisfied, namely, the delivery of product to customers. State regulations require a transfer manifest for each delivery; the date of this transfer is the revenue recognition date. The Company usually bills its customers as a customer takes possession of the product. Contracts are typically less than one year.

Judgments and Estimates

The estimation of variable consideration for each performance obligation requires the Company to make subjective judgments. The Company occasionally enters contracts with customers that regularly include promises to transfer multiple products at different times. For arrangements with multiple products, the Company evaluates whether the individual services qualify as distinct performance obligations.

If an agreement involves multiple distinct performance obligations, the Company allocates arrangement consideration to all performance obligations at the inception of an arrangement based on the relative standalone selling prices ("SSP") of each performance obligation. Where the Company has standalone sales data for its performance obligations which are indicative of the price at which the Company sells a product separately to a customer, such data is used to establish SSP. In instances where standalone sales data is not available for a particular performance obligation, the Company estimates SSP by the use of observable market and cost-based inputs. The Company continues to review the factors used to establish list price and will adjust standalone selling price methodologies as necessary on a prospective basis.

Contract Assets

Contract assets are recorded for those parts of the contract consideration not yet invoiced but for which the performance obligations are completed. The revenue is recognized when the customer receives products or services. Contract assets are included in other current or non-current assets in the consolidated balance sheets, depending on if their reduction will be recognized during the succeeding twelve-month period or beyond.

Deferred Revenue

Deferred revenues represent billings or payments received in advance of revenue recognition and are recognized upon transfer of control. Balances consist primarily of prepaid services or product sales not yet provided as of the balance sheet date. Deferred revenues that will be recognized during the succeeding twelve-month period are recorded as current deferred revenues in the consolidated balance sheets, with the remainder recorded as other non-current liabilities in the consolidated balance sheets. Deferred revenue amounted to $4,795 and $0 as of November 30, 2023, and 2022, respectively.

Costs to Obtain a Customer Contract

Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized as other current or non-current assets and amortized on a straight-line basis over the life of the contract, which approximates the benefit period. The benefit period was estimated by taking into consideration the length of customer contracts, technology lifecycle, and other factors. All sales commissions are recorded as consulting fees within the Company's consolidated statement of operations.

Remaining Performance Obligations

The Company's subscription terms are typically less than one year. All the Company's revenues are considered contract revenues. As of November 30, 2023, and 2022 there is no contract revenue which has not yet been recognized.

Cost of Services

The types of costs included in cost of goods sold are raw materials, packaging materials, manufacturing costs, plant facilities administrative support and overheads, and freight and warehouse costs, including distribution costs.

Leases

We account for leases in accordance with the FASB ASC 842, Leases. We assess whether an arrangement is a lease at inception. Leases with an initial term of 12 months or less are not recorded on the balance sheet. We have elected the practical expedient to not separate lease and non-lease components for all assets. Operating lease assets and operating lease liabilities are calculated based on the present value of the future minimum lease payments over the lease term at the lease start date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease start date in determining the present value of future payments. The operating lease asset is increased by any lease payments made at or before the lease start date and reduced by lease incentives and initial direct costs incurred. The lease term includes options to renew or terminate the lease when it is reasonably certain that we will exercise that option. The exercise of lease renewal options is at our sole discretion. The depreciable life of lease assets and leasehold improvements are limited by the lease term. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related transaction costs are expensed as incurred and included in the Consolidated Statements of Operations. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is remeasured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the Consolidated Statements of Operations immediately as a gain on acquisition. See "Note 7 – Securities Exchange Agreement" for further details on business combinations.

ASC 805-10-25-4 requires the identification of one of the combining entities in each business combination as the acquirer. ASC 805-10-25-5 indicates that the acquirer should be determined in accordance with the guidance in ASC 810-10.

A careful review of ASC 805-10-25-5 provides that the guidance in the General Subsections of SubTopic 810-10 related to determining the existence of a controlling financial interest shall be used to identify the acquirer in a business combination. If a business combination has occurred but applying that guidance does not clearly indicate which of the combining entities is the acquirer, paragraph 805-10-25-5 requires the factors in paragraphs 805-10-55-11 through 55-15 to be considered in making that determination.

The Company determined that based on review of 55-12 Artizen Corporation is the acquiring entity:

- The relative voting rights in the combined company after the business combination.

The acquirer usually is the company whose owners, as a group, retain or receive the largest percentage of the voting rights. There is no one owner with greater than 50% ownership of PVSP as a result of the merger transaction. However, the owners of Artizen received Series K Preferred Stock of PVSP totaling 850,000 shares.

The total of 850,000 shares of Series K Preferred Stock gives the group of owners control of 85% of the voting power of PVSP, and 85% of the economic interests. This factor favors Artizen as the acquirer.

- The existence of a large minority voting interest in the combined company if no other owner or “organized group” has a significant voting interest.

  The acquirer usually is the company that has a single owner or organized group that holds the largest minority voting interest. The factor in this case favors Artizen as the acquirer, as the largest minority owners of PVSP are from Artizen, and as noted above, 4 of the owners together control more than 50%

- The composition of the governing body of the combined entity.

  The acquirer usually is the company whose owners have the ability to elect or appoint a majority of the members of the governing body. In this case, the governing body of the combined entity is still the sole director of PVSP, Paul Riss. However, the Series K Preferred Stock Shareholders have the ability to elect or appoint all members of the board of directors.

- The composition of the senior management of the combined entity.

  The acquirer usually is the company with former management that dominates the management of the combined company. This factor points to Artizen as being the acquirer. German Burtscher, CEO and George Jordan, CFO are the only executives of PVSP.

- The terms of the exchange.

  Ordinarily, the acquirer is the company that pays a premium over the pre-combination fair value of the equity interests of the merger partner. PVSP paid a premium for Artizen. However, both companies have negative equity at the time of the merger.

- The acquirer usually is the combining company with a relative size (measured, for example, in terms of assets, revenues, or earnings) that is “significantly larger” than that of its merger partner.

  This factor falls on the side of Artizen’s claim to be considered as the acquirer, as Artizen had significantly more assets, earnings and revenues.

<u>Fair Value of Financial Instruments</u>

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on 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. It is the Company’s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management’s own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. On November 30, 2023, we performed an impairment analysis of our four tier-3 processing licenses and determined that the fair value of the licenses had declined from $225,000 each, to $125,000 each. Consequently, we recorded a $400,000 impairment expense on November 30, 2023. During the year ending November 30, 2022, the Company did not record any impairment expense.

Income Taxes

The Company accounts for income taxes under the asset and liability 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 and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of deferred tax liabilities during the period in which related temporary differences become deductible. A valuation allowance has been established to eliminate the Company's deferred tax assets as it is more likely than not that any of the deferred tax assets will be realized.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Based on the Company's history of losses, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company is not presently subject to any income tax audit in any taxing jurisdiction. The Company and each of its subsidiaries file separate tax returns.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net income or loss applicable to common shareholders by the weighted average number of common shares during the period. A diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity.

Stock-Based Compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of warrant issuances or stock option awards at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected life. Changes in these inputs and assumptions can materially affect the measure of estimated fair value of share-based compensation. These assumptions are subjective and generally require significant analysis and judgment to develop. The Company estimates volatility by considering the historical stock volatility. The Company has opted to use the simplified method for estimating expected term.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815 "Derivatives and Hedging Activities".

Accounting standards require companies to bifurcate conversion options from their host instruments and account for them as free-standing derivative financial instruments according to certain criteria. The Company accounts for convertible instruments (when we have determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: We record, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company accounts for the conversion of the underlying derivative of a convertible debt instrument as a gain or loss. The decrease in debt that results from a debt conversion is calculated and compared to the then-current fair value of shares issued with any difference recorded as a gain or loss.

We have determined that common stock equivalents in excess of available authorized common shares are not derivative instruments due to the following facts being present in the Company's determination: 1) that an increase in authorized shares is within the control of our Series K preferred shareholders who control over 50% of the Company's voting power., 2) These shareholders include all of the board members and can act by themselves to increase the authorized shares of common stock, and 3) furthermore, the Series K shareholders agreed to a restructuring and spin-off of all of its cannabis assets and Pervasip has announced the plans in its March 2, 2023 press release. Any conversion by the holders of Series K preferred shares prior to that event would automatically relegate the Series K shareholder to the common shareholder class and thus heavily dilute their position as they would become part of the 15% common shareholder pool. It is also important to note that the Board of Directors will have to approve any such conversion and said board is controlled by the Chief Executive and Chief Financial Officers.

Therefore, the Company concluded that it was "not probable" that the Company will be unable to settle the preferred stock conversion in common shares and, in accordance with the relevant accounting guidance, that subsequent measurement to the redemption amount is not required.

Concentrations

No customer concentrations existed as of November 30, 2023, and 2022.

Recent Accounting Pronouncements

From time to time, the Financial Accounting Standards Board ("FASB") or other standard setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through issuance of an Accounting Standards Update ("ASU"). We have implemented all new accounting pronouncements that are in effect and that may impact our financial statements. We have evaluated recently issued accounting pronouncements and determined that there is no material impact on our financial position or results of operations.

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 No. 2020-06"). ASU No. 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. ASU No. 2020-06 is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in U.S. GAAP. ASU No. 2020-06 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The adoption of this new guidance did not have a material impact on our Financial Statements.

Recently Issued Accounting Pronouncements – Pending Adoption

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

2. Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has had negative working capital and a stockholders' deficit. In addition, the Company is unable to meet its obligations as they become due and sustain its operations. The Company believes that its existing cash resources are not sufficient to fund its debt payments and working capital requirements.

The Company may not be able to raise sufficient additional debt, equity, or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, achieve certain other business plan objectives or raise additional funds could have a material adverse effect on the Company's results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue, or shut down its operations.

In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company's ability to meet its financing requirements on a continuing basis, and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in its existence. Management's plans include efforts to develop new revenue sources and negotiate further debt reductions with creditors.

There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its network, respond to competitive pressures, or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue, or shut down its operations. Accordingly, the management of the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the issuance date of these financial statements.

3. Accounts Receivable and Revenue Recognition

Revenues disaggregated by revenue source consist of the following:

	Year Ended November 30, 2023	Year Ended November 30, 2022
Retail activities	$ 9,053,180	$ 10,253,324
Wholesale activities	6,678,596	5,514,534
Other	36,085	19,043
Total revenues	$ 15,767,861	$ 15,786,901

Contract Balances

Depending on the timing of when a customer takes possession of product and when a customer makes payments for such product, the Company recognizes a customer trade receivable (asset) or a customer deposit (liability). The difference between the opening and closing balances of the Company's customer trade receivables and the customer deposit liability results from timing differences between the Company's performance and the customer's payment for the years ended November 30, 2023, and 2022. The company had no customer deposit liabilities as of November 30, 2023, and 2022.

The opening and closing balances of the Company's customer trade receivables are as follows:

Contract Balances		
Opening balance, net of allowance for doubtul accounts, November 30, 2022	$	144,550
Closing balance, net of allowance for doubtful accounts, November 30, 2023		371,968
Increase (decrease)	$	227,418

The sublease of the KMH facility included net 30 payment terms on approximately $122,000 of lessor income each month, contributing to the increase in accounts receivable. The continuing cash pressure on the cannabis industry has led to additional delays in payment.

4. <u>Inventory</u>

The following table summarizes the components of inventory as of November 30, 2023, and 2022.

	November 30, 2023		November 30, 2022	
Raw materials	$	300,280	$	369,699
Work-in-process		1,784,267		2,156,454
Finished goods		148,185		111,840
Reserve for expired and obsolete inventory		(93,911)		(10,000)
Total inventory	$	2,138,820	$	2,627,993

In 2022, the company adjusted its cost allocation and standard pricing model to allocate all production costs to primary products. Standard by-products, such as trim and other material suitable for extraction, were eliminated as cost carrying items in inventory. Cost allocations require significant judgement in assigning various production costs to processes and outputs with methodology varying over time as costs and outputs fluctuate. Refinements to costing procedures have been treated as a change of estimate, requiring only prospective treatment.

In August of 2023 we performed an obsolescence test on our packaging materials and recorded a reserve for obsolete inventory and non-recurring inventory obsolescence expense of $85,592. Subsequent changes to the reserve have been recorded as costs of good sold.

5. <u>Property and Equipment</u>

Property and equipment as of November 30, 2023, and 2022 consist of the following:

	November 30, 2023		November 30, 2022	
Machinery and equipment	$	6,099,878	$	6,050,120
Vehicles		105,603		105,603
Buildings		2,034,364		2,034,364
Leasehold improvements		4,043,517		4,031,880
Construction-in-progress		31,644		78,610
Land		169,307		169,307
Total property and equipment		12,484,313		12,469,884
Accumulated depreciation and amortization		(8,912,454)		(8,296,846)
Property and equipment, net	$	3,571,859	$	4,173,038

Total depreciation expenses were $621,106 and $894,005 for the years ended November 30, 2023, and 2022, respectively. COGS depreciation expenses were $500,566 and $879,690 for the years ended November 30, 2023, and 2022, respectively.

6. **Intangible Assets and Goodwill**

(a) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangibles is provided on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

In 2023, as part of our annual impairment testing of indefinite life intangible assets, we determined that the market value of the four Tier 3 processing licenses had declined from $225,000 to $125,000 each and recorded a ($400,000) loss from impairment.

On November 30, 2023, and November 30, 2022, intangible assets consisted of the following:

	November 30, 2023	November 30, 2022
Processing licenses	$ 500,000	$ 900,000
Total intangibles	500,000	900,000
Accumulated depreciation and amortization	-	-
Intangible assets, net	$ 500,000	$ 900,000

The Company recorded amortization expense for the years ended November 30, 2023, and 2022 of 0 and $0, respectively.

7. **Securities Exchange Agreement**

On September 1, 2021, Artizen Corporation ("Artizen") completed a Securities Exchange Agreement with Pervasip ("the transaction"). Pursuant to the agreement:

- Pervasip agreed to issue 150,000,000 shares of common stock to its Chief Executive Officer in exchange for the cancellation of 10 shares of Series E Preferred Stock, 9,975,000 shares of Series F Preferred Stock, 10,000,000 shares of Series G Preferred Stock, and the cancellation of all debt owed to the Chief Executive Officer, except for $50,000.

- Artizen agreed to exchange all outstanding equity consisting of 10,000,000 common shares in return for 850,000 shares of Series K Preferred Stock of Pervasip representing an 85% interest in the combined entities.

- Pervasip agreed to assign three wholly owned subsidiaries, AVI Holding Corp., Transcendence Age Corp. and TelcoSoftware.com Corp., plus a website used for advertisement of publicly traded companies known as privateequitymarkets.us., to Here To Serve Holding Corp., an entity controlled by Pervasip's Chief Executive Officer.

On the effective close date of the transaction, the name of the combined entities continued under Pervasip Corp.

The legal transaction resulted in Pervasip divesting its prior business lines and Artizen becoming a wholly owned subsidiary of Pervasip. The Transaction constitutes a reverse acquisition of Pervasip by Artizen by virtue of the former shareholders of Artizen owning a substantial majority of the issued and outstanding equity of the combined entity. For accounting purposes, Artizen is considered the accounting acquirer and Pervasip the accounting acquiree. The reverse acquisition has been accounted for as a reverse merger and recapitalization in accordance with the guidance provided in ASC 805, "Business Combinations". The transaction constituted a reverse merger and recapitalization, resulting in no goodwill or other intangible assets recognized and the consolidated transactional value consisted of the net assets of Pervasip's pre-merger net assets, subject to merger adjustments.

The transaction costs relating to the RTO plus the aggregate of the fair value of the consideration paid was in excess of the fair value of net assets acquired resulting in a reduction to equity recorded as recapitalization deficit on the Consolidated Statements of Stockholders' Deficit. The financial statements have been retroactively adjusted from the first period presented to reflect the results of operations of the accounting acquirer (legal acquiree, Artizen Corp), with the exception of historical capital structure of Pervasip remaining intact.

The major classes of acquired assets and liabilities, and consideration paid, is as follows:

Purchase Consideration:		
Issuance of Series K Preferred Shares	$	2,680,500
Assets acquired and liabilities assumed:		
Cash		1,200
Prepaid expenses		66,457
Investments		268,000
Accounts payable		(289,176)
Accrued interest payable		(205,375)
Derivative liability		(51,552)
Due to related party		(50,000)
Notes payable		(400,000)
Long-term debt		(142,500)
Net assets (liabilities) acquired at fair value		(802,946)
Recapitalization deficit	$	(3,483,446)

8. Debt

The following table summarizes components of debt as of November 30, 2023, and 2022:

		November 30, 2023		November 30, 2022
Senior secured debt	$	2,614,383	$	2,723,754
Convertible subordinated debt		170,000		170,000
Demand notes		95,000		95,000
Short-term debt		773,560		875,523
Long-term debt		11,945,035		11,970,656
Total debt		15,597,977		15,834,933
Less: current portion		(1,135,796)		(1,476,596)
Total long-term debt	$	14,462,181	$	14,358,337

Interest expenses were $1,167,479 and $622,740 for the years ending November 30, 2023 and 2022, respectively.

Schedule of minimum future debt payments:

	2024	$	530,795
	2025		600,044
	2026		33,029
	2027		35,771
	2028		38,740
Total required payments		$	1,238,380
Restructured debt with no finite contractual payment terms			11,471,989
Mortgage payments beyond five year window			1,809,419
Debt in default with no scheduled payments			808,621
Distribution payables with no defined payment schedule			269,568
Total Debt		$	15,597,977

Secured Debt

In May 2022 the company entered into a new secured loan for equipment upgrades of $250,000. The secured loan is a 36-month term loan at 12% interest, with monthly payments of $8,303.58. The outstanding principal was $136,164 and $214,296 as of November 30, 2023 and 2022, respectively. Payments are current.

A senior secured lender is owed $140,000 and $50,000 for two convertible debentures that are past due. The $140,000 debenture accrues interest at a rate of 18% per annum. The principal and interest are convertible into shares of common stock at a price of $0.0025 per share. Accrued interest payable as of November 30, 2023, and 2022, amounts to $56,821 and $31,552, respectively. The $50,000 debenture accrues interest at a rate of 24% per annum. The principal and interest are convertible into shares of common stock at a price of $0.0025 per share. Accrued interest payable as of November 30, 2023, and 2022, amounts to $134,225 and $122,192, respectively.

As of November 30, 2023, and 2022, the Company owed a secured lender $275,824 and $279,564, respectively. The debenture is due on January 1, 2025, bears an interest rate of 6% through December 2022 and 8% from January 2023 through December 2024. Monthly payments are $1,799 through December 2022 and $2,155 from January 2023 through December 2024, upon which the remaining unpaid principal of $271,551 is due in full. Payments are current.

As of November 30, 2023, and 2022, the Company owed a secured lender $36,777 and $37,275, respectively. The debenture is due on January 1, 2025, bears an interest rate of 6% through December 2022 and 8% from January 2023 through December 2024. Monthly payments are $240 through December 2022 and $287 from January 2023 through December 2024, upon which the remaining unpaid principal of $36,207 is due in full. Payments are current.

As of November 30, 2023, and 2022, the Company owed a secured lender $1,975,617 and $2,002,618. The debenture is due on March 1st, 2030, bears an interest rate of 6% through December 2022, 8% from January 2023 through March 2025, and 10% until March 2030. Monthly payments are $13,100 through December 2022, $15,433 from January2023 through February 2025, and $16,882 from March 2025 through March 2030. Payments are current.

Subordinated debt

Convertible debt with a fixed conversion rate issued for cash

On September 22, 2021, the Company borrowed $55,000 and issued a convertible debenture due on December 31, 2021, that bears interest at a rate of 8% per annum and is convertible into the Company's common stock at a fixed rate of $0.001 per share, unless the Company is in default on the secured debenture, in which case it is convertible at the stated default rate if such rate is lower than $0.001. As of November 30, 2023, and 2022, accrued interest payable on the convertible debenture totaled $9,656 and $5,244, respectively.

Convertible debt with a variable conversion rate issued for cash

As of November 30, 2023, and 2022, the Company owed a lender $115,000 in connection a note that is past due, in default, bears an interest rate of 8% per annum, and is convertible at a price of 70% of the average closing price of the Company's common stock during the five trading days prior to conversion. As of November 30, 2023, and 2022, accrued interest payable on the convertible debenture totaled $91,254 and $82,029, respectively.

On June 6, 2022, the company borrowed $100,000 with a 9-month term, $50,000 debt discount and 6% annual interest rate. As of November 30, 2023 and 2022, $50,000 and $31,659, respectively of the discount had been amortized. The note is past due, in default, and bears an 18% default interest rate. It is convertible at a price of 90% of the closing price on the day of conversion. As of November 30, 2023, and 2022, accrued interest payable on the convertible debenture totaled $26,433 and $4,290, respectively.

Other short-term debt

As of November 30, 2023, and 2022, the Company owed a single lender $95,000 for a demand note that does not bear interest.

On April 26, 2022, May 3, 2022, May 20, 2022, September 9, 2022, November 9, 2022, November 30, 2022, December 21, 2022, January 4, 2023, January 19, 2023, and February 14, 2023, the company borrowed $250,000, $150,000, $100,000, $200,000, $100,000, $100,000, $100,000, $150,000, $100,000, and $250,000 respectively, from the same lender, secured by future trade receivables. On March 14, 2023, the Company refinanced existing loans on a new 48-week payment schedule and borrowed a further $300,000. On June 8, 2023, and July 20, 2023, additional loans were accessed of $150,000 and $34,376 respectively. On October 31, 2023, the Company refinanced all outstanding loans into a single 72-week payment schedule of $14,494. The new balance included a debt discount of $113,341, to be amortized evenly over the term of the loan. As of November 30, 2023, the current portion was $500,460, less the ($107,044) unamortized portion of the debt discount, the long-term portion was $213,421. Payments are current.

On June 26, 2022, the company entered into an agreement with a landlord to defer certain portions of the lease payments to 2023. The total amount of deferred payments totaled $170,000, with $161,485 deferred as of November 30, 2023. Deferments will be repaid over a 12-month period starting January of 2023 and will carry a 7% interest rate. As of November 30, 2023, $16,723 remained unpaid.

Unsecured long-term debt

As of November 30, 2023, the Company completed payment of an unsecured lender, the balance owed as of November 20, 2023, was $25,621.

Various variable interest entities carry distribution payables to current members totaling $269,424. The payables carry no interest rate and have no established term of payment.

A predecessor entity carries an outstanding note with a principal amount of $203,621. The note is in default and bears an 18% annual interest rate.

Debt Restructuring

Effective April 1, 2020, as part of various assets being assumed by Zen Asset Management ("ZAM"), ZAM agreed to provide asset holders with a preferred security in exchange for a restructuring of current debt. All interest and principal payable from restructured debt, totaling $11,471,989, was reclassified as long-term debt. No additional interest is accrued. Rights associated with that security are to be funded through a fifty percent (50%) sweep of free cash-flow, less ordinary course debt service, interest and tax payments. As a result, since April 1, 2020, the Company has not made any service payment. While interest is no longer accruing, the company is still obligated to repay these loans if the conditions of the security are met.

Effective September 1, 2021, in connection with the completion of the Securities Exchange Agreement between Artizen and Pervasip, Zen Organization, Inc. ("ORG"), an entity owned by four of Artizen's selling shareholders, contributed 100% of the issued and outstanding Class A membership interest units of Zen Asset Management LLC ("ZAM") to Artizen. ORG beneficially owns 161,146 Class B membership interest units of ZAM, which units are non-voting and redeemable by ZAM at a rate equal to $100 per Class B unit and 50% of ZAM's net cash after all expenses, taxes, and ordinary course debt service until fully redeemed. An additional 75,996 Class B units were issued into escrow for the benefit of several third parties in connection with the initial acquisition and restructuring of ZAM's historical operations effective April 1, 2020.

9. Derivative Liabilities

The Company evaluated their convertible note agreements pursuant to ASC 815 and due to there being no minimum or fixed conversion price resulting in an indeterminate number of shares to be issued in the future, the Company determined embedded derivatives existed and ASC 815 applied for their convertible notes. The Company valued the embedded derivatives using the Black-Scholes valuation model.

Convertible debt with a variable conversion feature

As of November 30, 2023, we estimated the fair value of the derivatives using the Black-Scholes valuation method with assumptions including: (1) term of 0.001 years; (2) a computed volatility rate of 123% (3) a discount rate of 4.07% and (4) zero dividends.

As of November 30, 2022, we estimated the fair value of the derivatives using the Black-Scholes valuation method with assumptions including: (1) term of 0.001 years; (2) a computed volatility rate of 285% (3) a discount rate of 0.11% and (4) zero dividends.

	Derivative Liability
Balance, November 30, 2021	$ 43,810
Change in fair value 2022	2,195
Balance, November 30, 2022	46,005
Change in fair value 2023	(38,845)
Balance, November 30, 2023	$ 7,160

10. Stockholders' Equity

The Company has authorized 8,978,999,990 shares of common stock, $0.00001 par value, and had 5,329,231,963 shares issued as of November 30, 2022, and has 5,429,231,963 shares issued as of November 30, 2023. The Company has 875,010 shares authorized of preferred stock.

In the second quarter of fiscal 2022, the Company issued 175,000,000 shares of common stock as payment for liabilities of $175,000. At the time of the debt conversion, the Company issued shares of common stock valued at $332,500 and consequently recorded a loss on the debt conversion of $157,500, which is recorded as a component of other expenses in the statement of operations.

In the fourth quarter of fiscal 2022, the Company converted 1,750 shares of series F preferred stock into 175,000,000 common shares. At $0.00001 par value for common stock, this resulted in a $1,750 non-cash transfer from paid in capital to common stock.

In the second quarter of fiscal 2023, the Company issued 100,000,000 shares of common stock as payment for corporate marketing and consulting services for the period of one year. On the day of issuance, the closing price was $0.0006 per share. At $0.00001 par value for common stock, this resulted in a $1000 increase to common stock and a $59,000 increase to paid in capital.

Outstanding Series of Preferred Stock

Series E, F and K Preferred Stock

As of November 30, 2023, and 2022, the Company has three series of preferred stock authorized that consists of 10 shares of Series E Preferred Stock, 25,000 shares of Series F Preferred Stock, and 850,000 shares of Series K Preferred Stock. Preferred stock outstanding consists of 23,250 shares of Series F Preferred Stock and 850,000 shares of Series K Preferred Stock

The Series E Preferred Stock has voting rights equal to 400% of the sum of the common stock and Series F Preferred Stock, but no dividend rights and no liquidation rights. The Series E Preferred Stock is convertible into the number of common shares equal to its voting rights. As of November 30, 2023, there were no outstanding shares of Series E Preferred Stock.

The Series F Preferred voting rights were amended by action of the Board of Directors to be equal to 100,000 common shares and a liquidation preference of $100,000 over junior securities. Each share of Series F Preferred Stock is now convertible by the holder into 100,000 shares of the Company's Common Stock. Prior to this action the Series F Preferred shares had voting rights equal to 250,000 common shares, a liquidation preference of $250,000, and were convertible into 250,000 common shares. Shares of Series F Preferred Stock are anti-dilutive to reverse splits, so that in the event of a reverse split, the shares are convertible into the same number of common shares after the reverse split as would have been issued before the reverse split. The conversion rate of Series F Preferred Stock, however, increases proportionately in the case of forward splits, and may not be diluted by a reverse split following a forward split. A holder of Series F Preferred Stock is blocked from owning more than 9.99% of the shares of common stock.

Each share of Series K Preferred Stock shall have a stated value equal to Ten Cents ($0.10) (the "Stated Value"). The relative rights, preferences and limitations of the Series K Preferred Stock are as follows:

<u>Voting</u>. The holders of shares of Series K Preferred Stock have the following voting rights: Each share of Series K Preferred Stock shall entitle the holder thereof, on all matters submitted to a vote of the stockholders of the Corporation, to that number of votes as shall be equal to the aggregate number of shares of Common Stock into which such holder's shares of Series K Preferred Stock are convertible on the record date for the stockholder action without taking into account potential conversions of any other convertible securities issued by the Corporation.

<u>Dividends</u>. In the event that the Corporation's Board of Directors declares a dividend payable to holders of any class of stock, the holder of each share of Series K Preferred Stock shall be entitled to receive a dividend equal in amount and kind to that payable to the holder of the number of shares of the Corporation's Common Stock into which that holder's Series K Preferred Stock could be converted on the record date for the dividend without application of the limitation on conversions.

<u>Liquidation</u>. Upon the liquidation, dissolution and winding up of the Corporation, the holders of the Series K Preferred Stock shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of common stock, the sum of one tenth of One Cent ($0.001) per share, after which the holders of Series K Preferred Stock shall share in the distribution with the holders of the Common Stock on a pari passu basis, except that in determining the appropriate distribution of available cash among the shareholders, each share of Series K Preferred Stock shall be deemed to have been converted into the number of shares of the Corporation's Common Stock into which that holder's Series K Preferred Stock could be converted on the record date for the distribution without application of the limitation on conversions.

<u>Conversion</u>. Any shares of Series K Preferred Stock may, at any time, at the option of the holder, be converted into fully paid and nonassessable shares of Common Stock (a "<u>Conversion</u>"). The number of shares of Common Stock to which a holder of Series K Preferred Stock shall be entitled upon a Conversion shall equal the product obtained by (a) multiplying the number of Fully-Diluted Common Shares by five and two-thirds (5.6666), then (b) multiplying the result by a fraction, the numerator of which will be the number of shares of Series K Preferred Stock being converted and the denominator of which will be the number of issued and outstanding shares of Series K Preferred Stock. The term "Fully-Diluted Common Shares" means the sum of the outstanding Common Stock plus all shares of Common Stock that would be outstanding if all securities that could be converted into Common Stock without additional consideration were converted

on the conversion date but shall not include Common Stock issuable on conversion of the Series K Preferred Stock. The Company shall not affect any conversions of the Series K Preferred Stock and the holder shall not have the right to convert any shares of Series K Preferred Stock to the extent that after giving effect to such conversion, the Holder, together with any affiliate thereof, would beneficially own more than 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

W***arrants***

The following tables summarize information about warrants outstanding as of November 30, 2023, and 2022:

	Warrants Outstanding				Warrants Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price		Number Outstanding	Weighted-Average Exercise Price
As of November 30, 2023						
$0.0008 - $0.005	236,533,333	1.86	$	0.003	241,533,333	$ 0.003
As of November 30, 2022						
$0.0008 - $0.005	236,533,333	2.66	$	0.003	241,533,333	$ 0.003

	Number of Shares	Exercise Price Per Share	Average Exercise Price	
Warrants outstanding November 30, 2021	236,533,333	$0.0008-$0.005	$	0.003
Exercised/canceled during the year ended November 30, 2022	-	-	$	-
Warrants outstanding November 30, 2022	236,533,333	$0.0008-$0.005	$	0.003
Exercised/canceled during the year ended November 30, 2023	-	-	$	-
Warrants outstanding November 30, 2023	236,533,333	$0.0008-$0.005	$	0.003

11. Income Taxes

The following table summarizes the Company's income tax expense and effective tax rates for the years ended November 30, 2023 and 2022 respectively:

	November 30, 2023		November 30, 2022	
Loss from continuing operations before provision for income taxes	$	(2,154,956)	$	(3,750,306)
Provision for income tax expense		(1,683,980)		(980,339)
Effective tax rate		78%		26%

Pervasip, the parent company, has accumulated net operating losses of approximately $11.4 million for United States federal tax purposes as of November 30, 2023, and 2022. These losses expire in fiscal years 2022 through 2041. Due to the change in control of Pervasip on September 1, 2021 the use of these accumulated losses will be subject to code 382 limitations.

Due to the net operating loss carryforward, Pervasip did not recognize income tax expense in the years ended November 30, 2023, and 2022. However, the VIEs that are included in the consolidated financial statements, have recorded a tax expense and a current income tax liability. Recent court cases regarding the interpretation of IRC 280E have made it more likely than not that the net operating loss deduction in the VIEs would be disallowed. Consequently, the company recorded tax provisions for its VIEs.

As the company operates in the legal cannabis industry, the company is subject to the limits of IRC Section 280E for U.S. federal tax purposes. The company produces and processes cannabis and is therefore only allowed to deduct manufacturing costs as described in IRC section 471.11. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. The company operates solely within Washington State, which does not impose an income tax.

A contingent Income tax liability of $970,630 and $903,419 was recorded for its management services entity to cover 2023 and 2022 estimated tax. Additional tax expense may become necessary for previous periods.

In 2022, a predecessor entity consolidated under ASC 810 guidelines recognized a previously unrecorded income tax obligation from 2017 for a total of $275,695, including $102,962 of interest and penalties.

Income tax expenses of $1,683,980 and $980,339 were recognized in the years ended November 30, 2023, and 2022, respectively, in conjunction with the consolidation of a variable interest entities that incurred tax expense.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of November 30, 2023, and 2022, were as follows:

	November 30, 2023		November 30, 2022	
Deferred tax assets, net:				
Net operating loss carry forwards	$	3,100,000	$	3,100,000
Valuation allowance		(3,100,000)		(3,100,000)
Net deferred assets	$	—	$	—

The valuation allowance remained at $3,100,000 as of November 30, 2023, with the same amount of $3,100,000 as of November 30, 2022.

The Company did not have any material unrecognized tax benefits as of November 30, 2023, and 2022. The Company does not expect the unrecognized tax benefits to significantly increase or decrease within the next twelve months. The Company recorded no interest and penalties relating to unrecognized tax benefits as of and during the years ended November 30, 2023, and 2022. The Company is subject to United States federal income tax, as well as taxes by various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the years ending November 30, 2019 through 2022.

12. Fair Value Measurements

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of financial instruments on a recurring basis.

Fair Value Hierarchy

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2	inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	inputs are unobservable inputs for the asset or liability.

Determination of Fair Value

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Company bases its fair value on 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. It is the Company's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value where it is practicable to do so for financial instruments not recorded at fair value (disclosures required by the Fair Value Measurements Topic of the FASB Accounting Standards Codification).

Cash and cash equivalents, accounts receivable, and accounts payable

In general, carrying amounts approximate fair value because of the short maturity of these instruments.

Debt

As of November 30, 2023, and 2022, long-term debt was carried at its face value plus accrued interest due. The Company estimates the fair value of its short-term debt is equal to its face value.

Investments and Liabilities Measured and Recognized at Fair Value on a Recurring Basis

The following table presents the amounts of available-for-sale securities and liabilities measured at fair value on a recurring basis as of November 30, 2023, and 2022.

The fair value of investments is measured with quoted prices in active markets. These measurements are classified as Level 1 within the fair value hierarchy. The fair value of the derivatives that are traded in less active over-the-counter markets are generally measured using pricing models with no observable inputs. These measurements are classified as Level 3 within the fair value hierarchy.

	Total	(Level 1)	(Level 2)	(Level 3)
November 30, 2023				
Equity securities at fair value	$ 74,500	$ 74,500		
Derivative liabilities	7,160			7,160
November 30, 2022				
Equity securities at fair value	$ 287,500	$ 287,500		
Derivative liabilities	46,005			46,005

The Company has no instruments with significant off-balance sheet risk.

13. Commitments and Contingencies

A novel strain of coronavirus, or COVID-19, has spread throughout the world and has been declared to be a pandemic by the World Health Organization. As of the date this report was issued, our operations have not been significantly impacted by the COVID-19 outbreak. However, we cannot at this time predict the specific extent, duration, or full impact that the COVID-19 outbreak will have on our financial condition, operations, and business plans for 2024. Our operations have adopted social distancing practices, and the next expected milestones of our product may be impacted, and we may experience delays in anticipated timelines and milestones.

Litigation

The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability, if any, is not likely to have a material effect on the financial condition, results of operations or liquidity of the Company. However, as the outcome of litigation or legal claims is difficult to predict, significant changes in the estimated exposures could occur.

Redemption Agreement

Effective September 1, 2021, in connection with the completion of the Securities Exchange Agreement between Artizen and Pervasip, Zen Organization, Inc. ("ORG"), an entity owned by four of Artizen's selling shareholders, contributed 100% of the issued and outstanding Class A membership interest units of Zen Asset Management LLC ("ZAM") to Artizen. ORG beneficially owns 161,146 Class B membership interest units of ZAM, which units are non-voting and redeemable by ZAM at a rate equal to $100 per Class B unit and 50% of ZAM's net cash after all expenses, taxes, and ordinary course debt service until fully redeemed. An additional 75,996 Class B units were issued into escrow for the benefit of several third parties in connection with the initial acquisition and restructuring of ZAM's historical operations effective April 1, 2020.

14. Leases

We determine if a contract contains a lease at inception. Our material operating leases consist of cultivation and processing locations as well as office space. Our leases generally have remaining terms of 1-10 years, most of which include options to extend the leases for additional 3 to 5-year periods. Generally, the lease term is the minimum of the noncancelable period of the lease or the lease term inclusive of reasonably certain renewal periods.

Operating lease assets and liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent our right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives, and impairment of operating lease assets. To determine the present value of lease payments not yet paid, we estimate incremental secured borrowing rates corresponding to the maturities of the leases. Our leases typically contain rent escalations over the lease term. We recognize expense for these leases on a straight-line basis over the lease term.

We have elected the practical expedient to account for lease and non-lease components as a single component for our entire population of leases.

Short-term disclosures include only those leases with a term greater than one month and 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the balance sheet.

Lease expense is recorded within our consolidated statements of operations based upon the nature of the assets. Where assets are used to directly serve our customers, such as facilities dedicated to customer contracts, lease costs are recorded in cost of goods sold. Facilities and assets which serve management and support functions are expensed through general and administrative expenses.

	November 30, 2023	November 30, 2022
Right to use assets, operating lease assets	$ 3,529,884	$ 4,224,983
Current lease liability	$ 888,691	$ 994,374
Non-current lease liability	2,590,074	3,263,168
Total lease liability	$ 3,478,765	$ 4,257,542
Weighted average remaining lease term	42	61
Weighted average discount rate	6%	6%
Operating lease costs	$ 1,117,093	$ 934,281
Variable lease costs	594,669	519,798
Short-term lease costs	255,918	152,500
Total operating lease costs	$ 1,967,679	$ 1,606,579

The following table presents the maturity of the Company's operating lease liabilities as of November 30, 2023

	2024	$ 1,079,470
	2025	539,627
	2026	469,300
	2027	435,949
	2028	401,122
	2029	413,156
	2030	425,550
	2031	438,317
	2032	36,615
Total lease payments		4,239,106
Less: imputed interest		760,341
Lease liability at November 30, 2023		$ 3,478,765

On December 1, 2022, the Company entered into a separate sublease agreement where it will sublet a portion of its grow facility for five years commencing on December 1, 2022. The sublease agreement requires $50,000 monthly payments throughout the period of the lease. The lessee has one option to renew for an additional five years.

As a component of the sublease, On December 1, 2022, the Company entered into lease agreement where it will lease the use of its grow equipment for five years commencing on December 1, 2022. The equipment lease agreement requires a $100,000 security deposit and $25,000 monthly payments throughout the period of the lease. This lease has the same term as the facility sublease and terminates upon termination of the facility lease.

The Company records lease and sublease payments received, net of lessor expenses, as other income in the statement of operations. Sublease net income of $288,244 and $0 were recorded as of November 30, 2023, and 2022, respectively. The Company has not been released from its obligations under the master lease and accounts for rental income from subleases on a straight-line basis monthly. As of November 30, 2023, the sublease did not impair the right of use asset recorded as part of the master lease agreement.

Year ending November 30,		
2024	$	900,000
2025		900,000
2026		900,000
2027		900,000
Other income from sublease, total	$	3,600,000

In June of 2023 the Company entered a new 2-year lease for a greenhouse cultivation facility in Ashland Oregon. As of November 30, 2023, the ROU asset for that lease was $209,601, the current portion of lease liability was $134,789, and long-term portion of lease liability was $80,812.

15. Net Loss Per Common Share

Basic net income (loss) per share is computed by dividing net income available to common stockholders (numerator) by the weighted average number of vested, unrestricted common shares outstanding during the period (denominator). Diluted net income per share is computed on the basis of the weighted average number of shares of common stock outstanding plus the effect of dilutive potential common shares outstanding during the period using the if-converted method. Dilutive potential common shares include shares issuable upon exercise of outstanding stock options, warrants and convertible debt agreements.

Net loss per common and diluted share was calculated as follows for the years ended November 30, 2023, and 2022:

	Year Ended November 30, 2023		Year Ended November 30, 2022	
Net loss attributable to common stockholders - basic	$	(2,347,261)	$	(1,588,457)
Adjustments to net loss		-		-
Net loss attributable to common stockholders - diluted	$	(2,347,261)	$	(1,588,457)
Weighted average common shares outstanding - basic		5,400,111,084		5,112,049,689
Effect of dilutive securities		-		-
Weighted average common shares outstanding - diluted		5,400,111,084		5,112,049,689
Earnings per common share - basic	$	(0.00)	$	(0.00)
Earnings per common share - diluted	$	(0.00)	$	(0.00)

Conversions of preferred stock, warrants and convertible debt totaling approximately 41 billion shares were not taken into consideration in calculating the net loss per common share for the years ended November 30, 2023, and 2022, because any conversions are anti-dilutive.

16. Related Party Transactions

Parties can be entities or individuals and are related if either party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operational decisions. Entities and individuals are also considered to be related if they are subject to the common control or significant influence of another party. The following related party transactions occurred during the years ended November 30, 2023, and 2022:

The Company's chief executive officer earned a salary of $189,230 and $169,853, respectively, for the years ended November 30, 2023, and 2022. The Company's chief financial officer earned a salary of $155,663 and $131,458, respectively, for the years ended November 30, 2023, and 2022.

The Company entered into a consulting agreement with Paul Riss, former Director and Chief Executive Officer of the Company, upon closing of the aforementioned Securities Exchange Agreement. The company paid a total of $9,000 and $30,000, respectively, for the years ended November 30, 2023, and 2022. Accounts payable were $117,000 and $60,000as of November 30, 2023, and November 30, 2022, respectively.

The immediate family of the Company's Chief Financial & Operating Officer entered into a consulting agreement in September 2021 with the Company for a term of sixteen months at the rate of $2,500 per month. The Company has paid a total of $0 and $12,500 for the years ending November 30, 2023, and November 30, 2022, respectively. Accounts payable were $0 and $23,000 as of November 30, 2023, and November 30, 2022, respectively.

The Company paid consulting fees to certain shareholders of the Company that amounted to $10,000 and $26,500 for the years ended November 30, 2023, and November 30, 2022, respectively. Accounts payable to these shareholders were $105,000 and $115,000 as of November 30, 2023, and November 30, 2022, respectively.

The Company issued a convertible debenture to Paul Riss, former Director and Chief Executive Officer of the Company on September 1, 2021, in the amount of $55,000.

17. Investments

During fiscal 2021, the company provided services to and received 5,000,000 shares of common stock of Tamino Minerals Inc. (OTC:TINO). The stock was valued at $58,000 when it was acquired on September 1, 2021. As of November 30, 2023, the stock's value decreased by $40,500 to $17,500. As of November 30, 2023, the stock's value decreased to $500.

The Company purchased a 5% interest in KRTL Biotech Inc. for a purchase price of 50,000,000 shares of its common stock, valued at $210,000. KRTL Biotech Inc. is a company based in the United States that works with research facilities in South Korea and Canada to study and analyze psilocybin for treatment of illnesses. KRTL Biotech Inc. merged into a publicly traded company, KRTL Holding Group, Inc. As a result of the merger, Pervasip owns one share of Special 2021 Series A Preferred Stock, which is convertible into 10 million shares of common stock of KRTL Holding Group, Inc. As of November 30, 2022, the stock's value had increased to $270,000. As of November 30, 2023, the stock's value had decreased to $74,000.

As of November 30, 2023, and 2022, the two securities are recorded at an aggregate value of $74,500 and $287,500, respectively. As a result of the change in market values of the two securities, the Company recorded an unrealized gain (loss) on marketable securities of ($215,000), and ($142,000), for the years ended November 30, 2023, and 2022 respectively.

The above investments in equity securities are within the scope of ASC 321. The Company monitors the investments for any changes in observable prices from orderly transactions. All investments are initially measured at cost and evaluated for changes in estimated fair value using Level 2 measurements according to the fair value hierarchy (see note 12.)

18. Subsequent Events

The Company evaluated subsequent events through the date these financial statements were available to be issued.

The Company announced its intent to spin off its 100% wholly owned subsidiary, Artizen Corporation, as a separate public company to better position the business for expansion and an improved capital structure for capital financing opportunities and valuation purposes.

The Company commenced a voluntary restructuring of one of its operating entities in January of 2024 with the intent to restructure debt and certain lease agreements.