

POTBOTICS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2021

(Expressed in US Dollars)

(Unaudited)

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Potbotics Inc.**Condensed Consolidated Interim Statements of Financial Position (unaudited)****As at March 31, 2021 and December 31, 2020****(Expressed in US Dollars)**

	Notes	March 31, 2021	December 31, 2020
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		\$ 172,105	\$ 153,285
Marketable securities		148	148
Prepaid expenses	3	47,915	7,034
Inventories	4	143,817	144,836
		363,985	305,303
NON-CURRENT ASSETS			
Equipment		2,304	7,501
TOTAL ASSETS		\$ 366,289	\$ 312,804
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	10	\$ 907,221	\$ 836,886
Due to related party	8	299,016	213,516
Lease liability	6	2,481	10,220
Convertible notes	5	127,322	38,276
Loans from related parties	8	191,982	188,377
Loans payable	9	19,165	18,916
Shares to be issued	7	25,000	25,000
		1,572,187	1,331,191
NON-CURRENT LIABILITIES			
Convertible notes	5	-	83,349
Loans payable	9	1,037,581	644,067
TOTAL LIABILITIES		2,609,768	2,058,607
SHAREHOLDERS' EQUITY			
Share capital	7	24,974,695	24,974,695
Reserves		1,102,853	699,362
Accumulated deficit		(28,321,027)	(27,419,860)
TOTAL SHAREHOLDER'S EQUITY		(2,243,479)	(1,745,803)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 366,289	\$ 312,804

Nature and continuance of operation (Note 1)

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

Potbotics Inc.
Consolidated Statements of Comprehensive Loss
For the three months ended March 31, 2021 and 2020
(Expressed in US Dollars)

	Notes	2021	2020
CONTINUING OPERATIONS			
Revenues		\$ -	\$ -
Cost of sales	4	-	(3,478)
Gross profit		-	(3,478)
OPERATING EXPENSES			
Accretion expense	5, 8	11,135	46,057
Consulting fees	7, 8	81,586	19,250
Depreciation expense		5,197	7,357
General and administrative		3,665	2,834
Insurance expenses		11,429	4,390
Interest Expense	6,8	24,445	7,888
Licences and subscriptions		3,717	2,339
Marketing	8	30,882	5,695
Occupancy expenses		-	1,335
Payroll expenses	8	140,416	28,197
Professional fees	8	109,244	61,157
Research and development	8	106,172	42,784
Stock based compensation	7	403,491	-
Travel		400	3,314
Total operating expenses		(931,779)	(232,597)
Other items			
Loss on change in fair value of marketable securities		-	(450)
Income from government assistance	9	30,612	
NET AND COMPREHENSIVE LOSS		\$ (901,167)	\$ (236,525)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.03)
Basic and diluted weighted average number of common shares outstanding		80,962,091	80,962,091

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

Potbotics Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2021
(Expressed in US Dollars)

	Number of Common Shares	Share Capital	Reserves					Total Shareholders' Equity
			Equity component of convertible notes	Option reserve	Contributed Capital	Warrant reserves	Accumulated Deficit	
As at December 31, 2019	85,223,137	\$ 23,154,282	\$ 14,694	\$ -	\$ 411,162	\$ 37,739	\$ (24,928,394)	\$ (1,310,517)
Issuance of common shares for consulting services	525,000	299,250	-	-	-	-	-	299,250
Issuance of additional common shares to existing shareholders	1,310,687	1,311	-	-	-	-	(1,311)	-
Conversion of loans from related parties to common shares	2,238,597	1,519,852	-	-	(243,852)	-	-	1,276,000
Option grant	-	-	-	454,506	-	-	-	454,506
Issuance of convertible note / equity portion	-	-	25,113	-	-	-	-	25,113
Net and total comprehensive loss	-	-	-	-	-	-	(2,490,155)	(2,490,155)
As at December 31, 2020	89,297,421	\$ 24,974,695	\$ 39,807	\$ 454,506	\$ 167,310	\$ 37,739	\$ (27,419,860)	\$ (1,745,803)
Stock based compensation	-	-	-	403,491	-	-	-	403,491
Net and total comprehensive loss	-	-	-	-	-	-	(901,167)	(901,167)
As at March 31, 2021	89,297,421	\$ 24,974,695	\$ 39,807	\$ 857,997	\$ 167,310	\$ 37,739	\$ (28,321,027)	\$ (2,243,479)

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

POTBOTICS INC**Condensed Consolidated Interim Statements of Cash Flows (unaudited)****For the three months ended March 31, 2021 and 2020****(Expressed in US Dollars)**

	2021	2020
Cash flows used in operating activities		
Net loss	\$ (901,167)	\$ (236,525)
Adjustments for:		
Accretion expenses	11,135	46,057
Depreciation	5,197	7,357
Gain on change in fair value of marketable securities	-	450
Interest expense	46,825	7,661
Income from government assistance	(30,612)	-
Share based compensation	403,491	-
Changes in non-cash working capital items:		
Prepayments and other assets	(40,881)	(419)
Inventories	1,019	3,478
Due to related party	85,500	35,786
Accrued liabilities and other payables	42,717	79,424
Net cash used in operating activities	(376,776)	(56,731)
Cash flows from investing activities:		
Repayment of lease liability	(7,754)	(4,655)
Net cash used in investing activities	(7,754)	(4,655)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes	-	100,000
Cash received for common shares not issued yet	-	25,000
Proceeds from related party loans	-	73
Proceeds from issuance of shares, net of issuance cost	-	-
Proceeds from issuance of notes payable	408,850	-
Repayment of related party loans	(5,500)	-
Net cash from financing activities	403,350	125,073
Net increase / (decrease) in cash	18,820	63,687
Cash beginning of year	153,285	35,792
Cash end of the year	\$ 172,105	\$ 99,479

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

POTBOTICS INC
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in US Dollars)

1 Nature and continuance of operations (continued)

Potbotics Inc. (“Potbotics” or the “Company”) was incorporated on February 12, 2014, under the laws of Florida. The principal business of the Company is the use of artificial intelligence, data mining, and cloud technology in order to create products, services, and predictive data insights for the medical cannabis industry. The address of the registered records office of the Company is located at 205 East 42nd Street, 14th floor, New York, NY 10017. On April 21, 2021, the Company completed a reverse takeover of Prime Blockchain Inc., a Canadian reporting issuer. As a result of the transaction, the resulting issuer changed its name to RYAH Group Inc. and is listed on the CSE under the symbol RYAH.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the period ended March 31, 2021, the Company incurred losses of \$901,167 (2020 – \$236,525), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Merger

On September 9, 2020, Prime, Merger Sub, a wholly-owned subsidiary of Prime Blockchain Inc. (“Prime”, a Canadian reporting issuer), and Potbotics entered into a merger agreement. Pursuant to the terms of the merger agreement and in accordance with the provisions of the Florida Business Corporations Act, on April 21, 2021, Merger Sub merged with and into Potbotics (the “Merger”). As a result of the Merger, the separate corporate existence of Merger Sub ceased, and Potbotics continued as the surviving corporation and a wholly-owned subsidiary of Prime. Each shareholder of Potbotics received 0.035 Super Voting Share for each Potbotics Share held. As a result of the merger, former shareholders of Potbotics held 2,920,019 Super Voting Shares of Prime, representing 100% of the issued and outstanding Super Voting Shares. The Super Voting Shares entitle the holder to 100 votes at shareholder meetings per one Super Voting Share. In addition, the Super Voting Shares can be converted at the option of

POTBOTICS INC
Notes to the Condensed Consolidated Interim Financial Statements
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1 Nature and continuance of operations (continued)

Merger (continued)

the holder into 100 subordinate voting shares of Prime (the “Super Voting Shares”). At the close of the merger, Prime had a total of 201,576,818 subordinate voting shares issued and outstanding. As a result of the merger, former shareholders of Potbotics control 59.2% of the issued and outstanding voting shares.

2 Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Reporting Interpretation Committee (“IFRIC”) for all periods presented, but pursuant to IAS 34 Interim Financial Reporting, do not include all of the information and footnotes required by IFRS for complete financial statements.

The notes presented in these condensed consolidated interim financial statements include only significant events and transactions occurring since the Company’s last fiscal year end and they do not include all of the information required in the Company’s most recent annual financial statements. Except as noted below, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS as issued by IASB.

These condensed consolidated interim financial statements were authorized and approved by the Board of Directors on July 19, 2021.

(b) Basis of presentation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Ryah. All inter-company balances and transactions have been eliminated on consolidation.

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting except for cash flow information.

POTBOTICS INC
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in US Dollars)

2 Statement of Compliance and Basis of Presentation (continued)

(b) Basis of presentation (continued)

These financial statements are presented in US dollars, except when otherwise indicated. The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the US dollar.

3 Prepaid expenses

Prepaid expenses consist solely of a security deposit of \$47,915 for an office lease commencing on April 1, 2021.

4 Inventories

At March 31, 2021 and December 31, 2020 the company's inventories were comprised of the following:

As at:	March 31, 2021	December 31, 2020
Vaporizers	\$ 53,660	\$ 55,550
Cartridge herb	48,882	30,007
Cartridge packaging	33,025	51,029
Filling machine	8,250	8,250
Total Inventories	\$ 143,817	\$ 144,836

The Company's inventories are finished goods and are measured at the lower of cost and net realizable value. During the three months ended March 31, 2021 the company recognized \$nil (2020 - \$3,478) of inventory as an expense in cost of sales.

5 Convertible Notes

During the year ended December 31, 2014, the Company issued a convertible note for proceeds of \$20,000 that bears interest at 8% per annum with a maturity date on the earlier of January 8, 2020 and the date the Company completes a going public transaction and can be converted into common shares of the Company at \$0.57 per share. As at March 31, 2021, the convertible note is past due.

POTBOTICS INC**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2021 and 2020****(Expressed in US Dollars)****5 Convertible Notes (continued)**

On March 30, 2020, the Company issued a convertible note for proceeds of \$100,000. The convertible note bears interest at 8% per annum and has a maturity date of March 30, 2022. On the maturity date the principal and interest on the convertible notes can be converted into common shares of the Company at the option of the holder or the Company at \$0.4845 per share. In the event the Company enters into a reverse merger with a public shell company the principal and interest on the convertible notes will be automatically converted into common shares of the Company at \$0.57 per share. The convertible notes are recorded at amortized cost using an effective interest rate of 25%, causing the carrying value to be lower than the principal value with the difference of \$25,113 recorded as the equity component of the convertible note.

The balance of the convertible notes is as follows:

	Three months ended March 31, 2021	Year ended December 31, 2020
Balance at beginning of year	\$ 121,625	\$ 30,103
Issuance of convertible notes	-	100,000
Equity component of convertible notes	-	(25,113)
Accretion	3,174	8,462
Interest expense	2,523	8,173
Total	\$ 127,322	\$ 121,625

6 Lease Liability

The lease liability consists of a one year office lease that expired in February, 2021. The lease liability has been discounted using 2.7% as estimated incremental borrowing rate for this lease.

Lease liability at January 1, 2020	\$ 4,642
Addition	29,177
Finance costs	461
Lease payments	(24,060)
Lease liability at December 31, 2020	\$ 10,220
Addition	-
Finance costs	-
Lease payments	(7,739)
Lease liability at March 31, 2021	\$ 2,481

POTBOTICS INC
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in US Dollars)

7 Share Capital

Authorized share capital

800,000,000 common shares without par value.

Common shares issued

On April 16, 2020, the Company entered into a loan conversion agreement and converted outstanding principal of \$750,000 in loans due to related parties plus all accrued interest into 2,238,597 common shares. The fair value of shares issued was determined to be \$1,276,000 and the Company recorded a loss on settlement of debt of \$652,192. On the conversion of the settlement of the notes the Company reallocated \$243,852 from contributed capital to share capital.

During the year ended December 31, 2020, the Company issued 1,310,687 common shares under settlement agreements to two existing shareholders that had made previous investments in the Company. As no incremental consideration was received in connection with these share issuances, the shares were recorded at a nominal value.

During the year ended December 31, 2020, the Company received \$25,000 for the issuance of 43,860 common shares upon the conclusion of the Merger.

During the year ended December 31, 2020, the Company issued 525,000 common shares to employees of the company and recorded share-based compensation of \$299,250.

Options

On October 15, 2020, the Company granted 2,982,808 options to the CEO of the Company with an exercise price of \$0.0756. The options vest in equal tranches of 12.5% every 3 months with the first 12.5% vesting on January 15, 2021 up to October 15, 2022. The options expire on October 15, 2030. The grant date fair value of the options was determined to be \$1,598,824 using the Black Scholes option pricing model with the following assumptions: risk free interest rate of 0.57%, volatility of 80%, dividend rate of 0% and an expected life of ten years. During the three months ended March 31, 2021, the Company recorded share-based compensation of \$403,491 (2020 - \$nil) relating to the vesting of these options.

POTBOTICS INC**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2021 and 2020****(Expressed in US Dollars)****8 Related Party Transactions**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

The remuneration of directors and key management personnel made during the three months ended March 31, 2021 and 2020, is as follows:

Three months ended March 31,	2021	2020
Salaries to a director	\$ 25,000	\$ 25,000
Salaries to a former director	92,500	-
Marketing fees paid to a former director	-	-
Marketing fees paid to companies controlled by a former director of the Company	-	-
Consulting fees paid to directors	21,000	-
Research and development fees paid to a former director	30,000	8,000
Total	\$ 168,500	\$ 33,000

As at March 31, 2021, the Company has \$152,500 due to a former director of the Company for salaries, \$145,816 due to current directors of the Company and \$700 due to a company controlled by a director.

Loan from Related Parties

During the year ended December 31, 2019, the Company received loans from a company controlled by a director of the Company in the amounts of \$954,490. The loans are initially measured at fair value using an estimated market discount rate of 25%. The loans are subsequently measured at amortized cost using the effective interest rate method.

During the year ended December 31, 2020, the Company converted principal of \$750,000 and accrued interest into 2,238,597 common shares. The Company repaid an additional \$157,500 loans from related parties. As at December 31, 2020, there is principal balance of \$202,440 and accrued interest of \$5,523.

As at March 31, 2021, there is principal balance of \$202,440 and accrued interest of \$6,667. The loans bear interest at 2.7% per annum with maturities between October 16, 2021 and November 29, 2021.

Period / Year ended	For the three months ended March 31, 2021	For the year ended December 31, 2020
Balance at beginning of year	\$ 188,377	\$ 862,160
Loans converted into shares	-	(623,809)
Loans repaid	(5,500)	(157,500)
Interest expense	1,144	17,174
Accretion	7,961	90,352
Total	\$ 191,982	\$ 188,377

POTBOTICS INC
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in US Dollars)

9 Loans Payable

On February 24, 2020, the Company issued a promissory note for proceeds of \$17,984 (CAD\$25,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and matures on August 23, 2021. During the year ended December 31, 2020, the Company recorded interest expense of \$932.

On April 21, 2020, the Company received \$35,500 from a promissory note entered with BNB Bank funded by the U.S. Small Business Administration. The loan matures two years from the date of first disbursement of the loan, with no payment required for the first six months, and bears interest at 1% per annum. The Company recorded the loan at fair value using an effective interest rate of 25%. At December 31, 2020, the carrying value of the loan was \$31,612. On January 1, 2021, \$34,500 of the promissory note was forgiven and the Company recorded \$30,612 as income from government assistance.

On September 14, 2020, the Company issued a promissory note to Prime for proceeds of \$74,807 (CAD\$100,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and maturing in 24 months from the issue date.

On November 17, 2020, the Company issued a promissory note to Prime for proceeds of \$302,117 (CAD\$400,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and maturing in 24 months from the issue date.

On December 10, 2020, the Company issued a promissory note to Prime for proceeds of \$231,110 (CAD\$300,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and maturing in 24 months from the issue date.

On January 25, 2021, the Company issued a promissory note to Prime for proceeds of \$99,985 (CAD\$125,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and maturing in 24 months from the issue date.

On January 28, 2021, the Company issued a promissory note to Prime for proceeds of \$308,865 (CAD\$400,000). The note is unsecured, bearing interest of 6% per annum based on a 360-day year and maturing in 24 months from the issue date.

Upon completion of the Merger on April 21, 2021, all promissory notes with Prime were settled.

	For the three months ended March 31, 2021	For the year ended December 31, 2020
Balance, beginning on January 1, 2021	\$ 662,983	\$ -
Issuance of promissory notes	408,850	661,518
Income from government assistance	(30,612)	(8,823)
Accretion expense	-	4,699
Accrual of interest expense	15,525	5,589
Balance, ending	\$ 1,056,746	\$ 662,983

POTBOTICS INC**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2021 and 2020****(Expressed in US Dollars)**

10 Accounts Payable and Accrued Liabilities

	March 31, 2021	December 31, 2020
Accounts payable	\$ 809,608	\$ 739,273
Accrued liabilities	97,613	97,613
	\$ 907,221	\$ 836,886
