

RYAH GROUP, INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six-Months Ended June 30, 2022, and 2021

(Expressed in US Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of RYAH Group, Inc., (the “Company”) for the six-month periods ended June 30, 2022, and 2021 have been prepared by and are the responsibility of the Company’s management. In accordance with National Instrument 51-102 - *Continuous Disclosure Obligations*, the Company discloses that its independent auditor has not performed a review of these condensed consolidated interim financial statements.

RYAH Group, Inc.
Consolidated Interim Statements of Financial Position
As at June 30, 2022, and December 31, 2021
(Expressed in US Dollars)

	Notes	June 30, 2022	December 31, 2021
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		\$ 48,461	\$ 226,680
Accounts receivable		3,341	68,840
Marketable securities		225	225
Prepaid expenses	<u>4</u>	8,101	78,523
Inventories	<u>5</u>	101,403	115,570
		161,531	489,838
NON-CURRENT ASSETS			
Equipment		881	1,298
TOTAL ASSETS		\$ 162,412	\$ 491,136
<u>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</u>			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	<u>6</u>	\$ 910,014	\$ 776,418
Due to related party	<u>8</u>	199,665	98,478
Deferred revenue		24,339	45,585
Loans payable	<u>9</u>	20,515	19,975
		1,154,533	940,456
Loans payable	<u>9</u>	114,788	-
TOTAL LIABILITIES		1,269,321	940,456
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	<u>7</u>	36,485,754	36,127,171
Obligation to issue shares	<u>7</u>	48,879	213,908
Reserves		6,929,394	6,525,176
Accumulated other comprehensive income		321,449	322,361
Accumulated deficit		(44,892,385)	(43,637,936)
TOTAL SHAREHOLDER'S EQUITY		(1,106,909)	(449,320)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 162,412	\$ 491,136

Nature and continuance of operation (Note 1)

These financial statements were approved and authorized for publication by the Board of Directors on January 4, 2023.

On behalf of the Board,
Dr. David R. Richards, Director
François C. Desrosiers, Director

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

RYAH Group, Inc.
Consolidated Interim Statements of Comprehensive Loss
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

	Notes	For the three-months ended		For the six-months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
CONTINUING OPERATIONS					
Revenues		\$ 48,701	86,845	\$ 48,701	86,845
Cost of sales	<u>5</u>	(19,718)	(25,658)	(20,573)	(25,658)
Gross profit		28,983	61,187	28,128	61,187
Operating expenses					
Accretion expense		-	33,524	-	44,659
Consulting fees	<u>8</u>	67,917	461,569	228,394	459,773
Depreciation expense		209	11,132	417	16,328
General and administrative		10,071	976	14,669	114,393
Insurance expenses		9,296	2,973	38,935	14,402
Interest expense		7,536	24,718	13,198	49,163
Licenses and subscriptions		10,881	4,173	22,098	7,890
Marketing		20,483	239,006	99,208	269,888
Occupancy expenses		12,604	-	25,254	-
Payroll expenses		112,288	68,062	180,828	98,726
Professional fees		158,962	118,207	311,068	227,451
Research and development	<u>8</u>	50,648	147,813	82,175	253,985
Share-based compensation	<u>7</u>	239,188	10,238	259,863	413,729
Travel		7,436	4,938	7,731	5,338
Total operating expenses		707,519	1,127,329	1,283,838	1,975,725
LOSS BEFORE OTHER ITEMS		(678,536)	(1,066,142)	(1,254,855)	(1,914,538)
Other income (expense)					
Income from government assistance	<u>9</u>	-	-	-	30,612
Other income		-	2,744	1,914	2,744
Other expense		(972)	-	(1,508)	-
Listing expenses		-	(16,948,176)	-	(16,948,176)
Change in fair value of marketable securities		-	81	-	81
NET LOSS		\$ (679,508)	(18,011,493)	\$ (1,254,449)	(18,829,277)
Cumulative translation adjustment		(607)	(170,142)	(912)	(170,142)
COMPREHENSIVE LOSS		(680,115)	(18,181,635)	(1,255,361)	(18,999,419)
Net loss per common share, basic and diluted		\$ (0.00)	(0.04)	\$ (0.00)	(0.04)
Weighted average number of common shares outstanding, basic and diluted		509,002,569	505,986,592	506,541,687	532,644,056

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

RYAH Group, Inc.
Consolidated Interim Statements of Changes in Shareholders' Equity
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

	<u>Shares Outstanding</u>			<u>Reserves</u>							Obligation to issue shares	Total Shareholders' Equity
	Class A Common	Class B Common	Share Capital	Equity Component of Convertible Notes	Contributed Capital	Option Reserves	Warrant reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit			
As at December 31, 2021	353,394,150	1,478,345	\$ 36,127,171	\$ 39,807	\$ 205,049	\$ 1,534,433	\$ 4,745,887	\$ 322,361	\$(43,637,936)	213,908	\$ (449,320)	
Issuance of common shares for consulting services	6,595,340	-	165,434	-	-	-	-	-	-	(25,029)	140,405	
Issuance of common shares	12,056,000	-	193,149	-	-	-	-	-	-	(32,174)	160,975	
Conversion of Class B common Class A common	76,085,900	(760,859)	-	-	-	-	-	-	-	-	-	
Warrant grant	-	-	-	-	-	-	144,355	-	-	(107,826)	36,529	
Option grant	-	-	-	-	-	259,863	-	-	-	-	259,863	
Net loss	-	-	-	-	-	-	-	(912)	(1,254,449)	-	(1,255,361)	
June 30, 2022	448,131,390	717,486	\$ 36,485,754	\$ 39,807	\$ 205,049	\$ 1,794,296	\$ 4,890,242	\$ 321,449	\$(44,892,385)	48,879	\$ (1,106,909)	
As at December 31, 2020	-	3,136,419	24,974,696	39,807	167,310	454,506	37,739	-	(27,384,556)	-	(1,710,498)	
Reverse Take Over	177,630,360	4,253	11,531,577	-	-	1,544,110	8,072,929	-	-	-	21,148,616	
Conversion of Class B common to Class A common	79,341,300	(793,413)	-	-	-	-	-	-	-	-	-	
Note conversion	-	-	-	25,112	-	-	-	-	-	-	25,112	
Issuance of common shares for consulting services	322,242	-	44,638	-	-	-	-	-	-	-	44,638	
Net and total comprehensive loss	-	-	-	-	-	-	-	(170,142)	(18,829,277)	-	(18,999,419)	
As at June 30, 2021	257,293,902	2,347,259	\$ 36,550,911	\$ 64,919	\$ 167,310	\$ 1,998,616	\$ 8,110,668	\$ (170,142)	\$(46,213,833)	-	\$ 508,449	

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RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

	For the six-months ended June 30,	
	2022	2021
Cash flows used in operating activities		
Net loss	\$ (1,254,449)	\$ (18,829,277)
Adjustments for non-cash items:		
Listing expense	-	16,948,176
Accretion expenses	-	44,659
Depreciation	417	16,328
Shares issued for services	140,405	537,443
(Gain) loss on change in fair value of marketable securities	-	(81)
Forgiveness of government loan assistance	-	(30,612)
Non-cash interest expense	13,198	46,825
Share-based compensation	259,862	-
Changes in non-cash working capital items:		
Prepaid expenses	70,422	(65,882)
Accounts receivable	65,500	22,856
Inventories	14,168	17,093
Due to related party	101,181	(95,321)
Deferred revenue	(21,246)	-
Accounts payable and accrued liabilities	122,996	112,713
Net cash used in operating activities	(487,546)	(1,301,910)
Cash flows from financing activities:		
Repayment of lease liability	-	(16,540)
Proceeds from issuance of shares	197,504	2,574,422
Repayment of lease liability	-	(561,248)
Proceeds from loans	114,144	-
Repayment of related party loans	-	(228,940)
Net cash generated from financing activities	311,648	1,784,234
Effect of exchange rate changes on cash	(2,321)	673,209
Net increase(decrease) in cash	(178,219)	1,138,993
Cash, beginning of year	226,680	153,285
Cash, end of the period	\$ 48,461	\$ 1,292,278

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RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended June 30, 2022, and 2021
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1. Nature and Continuance of Operations

On April 19, 2021, Potbotics Inc. (“Potbotics”) completed a reverse takeover of Prime Blockchain Inc. (“Prime”), 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, (the “Company” or “RYAH”). The Corporation is a Reporting Issuer under the securities legislation of Quebec, Ontario, Alberta, and British Columbia.

Potbotics 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 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 34th Street, Suite C-642, Brooklyn, NY 11232.

(a) Going Concern

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 June 30, 2022, the Company incurred accumulated losses of \$44,800,184. There is substantial doubt of the Company’s ability to continue as a going concern as there are minimal sources of operating cash flow and no assurances that sufficient funding will be available to meet its obligations as they come due within one year from the issuance of these financial statements. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, private placements of common stock, and product sales.

These interim 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.

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

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 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, 2021, where were prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated interim financial statements were authorized and approved by the Board of Directors on January 4, 2023.

(b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and all its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity to obtain variable benefits from its power over the entity’s activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of disposal or loss of control.

Details of Company’s subsidiaries are as follows:

RYAH Group Inc., Canada, 100% ownership (parent);

RYAH Medtech, Inc., USA, State of Florida, 100% ownership (subsidiary); and

Potbotics Inc., USA, State of Florida, 100% ownership (subsidiary).

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
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3. Reverse Takeover (RTO)

On September 9, 2020, RYAH Acquisition Corp. (“RAC”), formed for the purpose of completing the RTO (Merger Sub), and Potbotics entered into the Merger Agreement. Pursuant to the terms of the Merger Agreement, on April 19, 2021, RAC merged with and into Potbotics (the Merger). As a result of the Merger, the separate corporate existence of RAC ceased, and Potbotics continued as a surviving corporation and a wholly owned subsidiary of Prime.

As agreed to in the Merger agreement, Prime was to issue 0.035 Super Voting Shares (“SVS”) for each Potbotics share held. Each complete SVS is convertible into one hundred (100) Subordinated Voting Shares (“Sub shares”) of RYAH Group Inc. The Sub shares are the only shares of the Company that trade on an exchange. As a result of the Merger, former shareholders of Potbotics held 3,136,419 SVS of RYAH, representing 100% of the issued and outstanding SVS. The SVS entitle the holder to 100 votes at the Company’s shareholder meeting per one SVS. At the close of the Merger, Prime had a total of 177,630,360 Sub shares issued and outstanding. As a result of the Merger, former shareholders of Potbotics controlled 63.8% of the issued and outstanding voting shares.

The Merger resulted in a Reverse Take Over (“RTO”) of Prime by Potbotics because Potbotics shareholders control the majority of the voting rights, the board of directors, and senior management of the resulting issuer RYAH, while RYAH maintained Prime’s Reporting Issuer and public company status.

As a result of the RTO, Potbotics operations were considered to be a continuance of the business and operations. Therefore, Potbotics is deemed to be the accounting acquirer for accounting and financial reporting purposes and therefore its assts, liabilities and operations are included in the consolidated financial statements at their historical carrying value. The results of operations of the Company are those of Potbotics with the operations of Prime included after the RTO, April 19, 2021, and onwards.

At the time of the RTO, Prime did not constitute a business as defined under IFRS 3 *Business Combinations*; accordingly, the RTO is accounted for under IFRS 2 *Share-based payment*, where the difference between the fair value of the consideration to acquire the Company and the net asset value of the Company is recorded as a listing expense in the accompanying consolidated statement of operations and comprehensive loss.

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
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3. Reverse Takeover (RTO) (continued)

The fair value of the consideration issued for the net assets of the Company follows:

Consideration:

Value of Class A subordinate voting shares assumed (1)	\$	10,351,679
Value of warrants and options assumed (2)(3)		5,001,332
Total consideration	\$	15,353,011

Fair value of net assets acquired;

Current assets

Cash and cash equivalents	1,981,377
Tax refund receivable	30,766
Due to/from related party	1,488,922

Current liabilities

Accounts payable	(6,429)
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Net assets acquired	3,494,636
Consideration in excess of net assets acquired	\$ 11,858,375

- (1) The fair value of \$10,351,679 for Class A subordinated shares issued was estimated to be approximately \$0.073 CAD per share based on the concurrent private placement, where 2 million units were issued to the existing shareholders at a price of \$0.10 CAD per share. A fair value of \$0.073 CAD was assigned to the share from the total value of \$0.10 CAD per unit, based on the residual method approach.
- (2) The fair value of \$5,001,332 for warrants and options assumed was estimated based on the Black Scholes option pricing model. A total of 151,570,637 warrant for a total fair value of \$4,879,364 (Note 8) were assumed on the RTO.
- (3) 4,800,000 options (below) for a total fair value of \$121,968 were assumed on the RTO.

Expiration date	Original term	Remaining life at year-end	Valuation inputs						Fair value (USD)
			Share price (CAD)	Exercise price (CAD)	Number of options	Remaining life at valuation	Volatility	Risk-free rate	
RTO issuance									
3/27/2023	60 months	15 months	\$ 0.073	\$ 0.10	1,200,000	23 months	84.6%	0.03%	\$ 25,407
8/21/2023	60 months	20 months	0.073	0.10	645,000	28 months	84.6%	0.03%	15,320
6/1/2024	60 months	29 months	0.073	0.10	2,055,000	37 months	81.4%	0.077%	55,558
9/15/2024	60 months	33 months	0.073	0.10	600,000	41 months	81.4%	0.077%	17,164
10/2/2024	60 months	33 months	0.073	0.10	300,000	41 months	81.4%	0.077%	8,519
									\$ 121,968

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
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(Expressed in US Dollars)

4. Prepaid Expenses

Prepaid expenses detail for June 30, 2022, and December 31, 2021 are as follows:

	June 30, 2022	December 31, 2021
Security deposit	\$ 6,615	\$ 6,615
Prepaid rent	-	11,676
Prepaid advertising expenses	1,486	60,232
	\$ 8,101	\$ 78,523

5. Inventories

At June 30, 2022, and December 31, 2021 the Company's inventories were comprised of the following:

As at:	June 30, 2022	December 31, 2021
Vaporizers	\$ 26,406	\$ 33,382
Cartridge herb	38,984	43,549
Cartridge packaging	24,284	26,910
Filling machine	11,729	11,729
Total Inventories	\$ 101,403	\$ 115,570

The Company's inventories are finished goods and are measured at the lower of cost and net realizable value. During the six-months ended June 30, 2022, the Company recognized \$16,201 (2021 - \$15,158) of inventory as an expense in cost of sales.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities detail for the periods ended June 30, 2022, and December 31, 2021 are as follows:

	June 30, 2022	December 31, 2021
Accounts payable	\$ 593,485	\$ 470,732
Litigation payable (note 10)	316,529	305,686
	\$ 910,014	\$ 776,418

7. Share Capital

The Company's share capital consists only of:

Fully paid Class B Super Voting Shares, each Class B Super Voting Share having 100 votes per share and;

Fully paid Class A Subordinate Voting Shares, each Class A Subordinate voting share having 1 vote per share.

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

7. Share Capital (continued)

(a) Authorized share capital

Unlimited number of Class A Subordinate Voting shares and Class B Super Voting shares. Each share is eligible in the same manner, depending on their class, to the payment of dividends and the repayment of the capital.

(b) Options

On October 15, 2020, Potbotics 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. Upon completion of the RTO, the options were converted into 10,439,832 options for Class A subordinate voting shares at an exercise price of \$0.10 CDN per share. All other terms remain substantially the same. The options expire on October 15, 2030. The grant date fair value of the options was determined to be \$1,598,824 (\$2,115,084 CDN) 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. As of April 1, 2022, the CEO terminated his employment with the Company, thus forfeiting his remaining 3,914,937 options from vesting. For the six-month period ended June 30, 2022, and June 30, 2021, the Company recorded share-based compensation of \$20,675 and \$126,105, respectively related to the vesting of these options.

For the period March 15, 2018, through September 15, 2020, Prime granted 4,800,000 options to original Prime shareholders with an exercise price of \$0.10 CDN per share. These options were revalued on the RTO date utilizing the Black-Scholes option pricing model. The options expire from March 27, 2023, through October 2, 2024. The grant date fair value of the options were determined to be \$121,968 and vested immediately upon grant date (Note 4).

On April 1, 2022, RYAH granted 3,000,000 stock options to the CFO, who of which commenced his employment on the same date, with an exercise price of \$0.075 CDN. The options vest in equal tranches of 33.3% every 3 months with the first 33.3% vesting on June 30, 2022, up to December 31, 2022. The grant fair value of the options was determined to be \$41,259 (\$51,599 CDN). Additionally on the same date, the Company granted 21,675,427 options to the new CEO, who of which commenced his employment on the same date, with an exercise price of \$0.075 CDN. 10,000,000 options vest on the 90th and 180th day after commencement, and an additional 1,675,427 options vest on the 270th day after commencement. The grant fair value of the options was determined to be \$298,102 (\$372,814 CDN).

Both the CFO and CEO options issued were valued using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 2.44%, volatility of 78.3%, dividend rate of 0% and an expected life of five years from grant date. For the six-month period ended June 30, 2022, and 2021, the Company recorded share-based compensation of \$239,189 and \$nil, respectively.

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended June 30, 2022, and 2021
(Expressed in US Dollars)

7. Share Capital (continued)

(b) Options (continued)

	Options issued	Options vested and outstanding	Weighted average exercise price (CAD)	Weighted average life remaining (years)
January 1, 2021	10,439,832	1,092,211	\$ 0.076	9.79
RTO issuance	4,800,000	4,800,000	0.10	2.78
Other options	-	5,219,916	0.076	8.79
December 31, 2021	15,239,832	11,112,127	0.093	5.58
Other options	24,675,427	11,212,768	0.075	5.07
June 30, 2022	39,915,259	22,324,895	\$ 0.081	5.23

(c) Warrants

	Warrants outstanding	Weighted average exercise price (CAD)	Weighted average life remaining (years)
January 1, 2021	583,907	\$ 1.02	0.03
Issued	153,570,637	0.077	4.28
Exercised	(4,000,000)	0.075	5.00
Expired	(583,907)	1.02	-
December 31, 2021	149,570,637	0.092	3.59
Issued	12,056,000	0.054	1.87
June 30, 2022	161,626,637	\$ 0.089	2.87

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
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7. Share Capital (continued)

(c) Warrants (continued)

As of June 30, 2022, the issued and outstanding warrants to purchase shares gave the holders the rights to subscribe to an equal number of common shares as follows:

Expiration date	Original term	Remaining life at period-end	Share price (CAD)	Exercise price (CAD)	Number of warrants	Valuation inputs			Fair value (USD)
						Remaining life at valuation	Volatility	Risk-free rate	
9/15/2022	60 months	3 months	\$ 0.073	\$ 0.20	5,502,000	17 months	78.8%	0.03%	\$ 32,773
9/29/2022	60 months	3 months	0.073	0.20	734,900	17 months	78.8%	0.03%	4,556
11/28/2022	60 months	5 months	0.073	0.20	1,393,737	19 months	84.6%	0.03%	12,200
1/18/2023	60 months	7 months	0.073	0.20	1,000,000	21 months	84.6%	0.03%	9,731
2/15/2023	60 months	8 months	0.073	0.20	550,000	22 months	84.6%	0.03%	5,642
5/24/2023	60 months	11 months	0.073	0.20	900,000	25 months	84.6%	0.03%	10,854
7/24/2023	60 months	13 months	0.073	0.20	850,000	27 months	84.6%	0.03%	11,170
8/28/2023	60 months	14 months	0.073	0.20	130,000	28 months	84.6%	0.03%	1,787
11/20/2023	60 months	17 months	0.073	0.20	2,100,000	31 months	84.6%	0.03%	31,842
1/14/2024	60 months	19 months	0.073	0.20	650,000	33 months	84.6%	0.03%	10,438
3/18/2024	60 months	21 months	0.073	0.20	1,700,000	35 months	84.6%	0.03%	29,021
5/23/2024	60 months	23 months	0.073	0.20	1,100,000	37 months	81.4%	0.77%	18,676
8/20/2024	60 months	26 months	0.073	0.20	1,300,000	40 months	81.4%	0.77%	23,740
10/2/2024	60 months	27 months	0.073	0.20	2,050,000	41 months	81.4%	0.77%	38,671
4/6/2025	60 months	33 months	0.073	0.075	1,100,000	48 months	81.0%	0.77%	36,541
8/24/2025	60 months	38 months	0.073	0.075	3,300,000	44 months	81.0%	0.77%	113,803
9/14/2025	60 months	39 months	0.073	0.075	2,800,000	52 months	81.0%	0.77%	97,067
12/1/2025	60 months	41 months	0.073	0.075	52,560,000	55 months	79.7%	0.77%	1,833,676
12/15/2025	60 months	42 months	0.073	0.075	47,850,000	56 months	79.7%	0.77%	1,674,842
1/25/2026	60 months	43 months	0.073	0.075	20,000,000	57 months	79.7%	0.77%	706,664
4/27/2023	24 months	10 months	0.073	0.10	2,000,000	24 months	84.6%	0.03%	42,193
1/20/2024	24 months	19 months	0.078	0.065	3,556,000	24 months	80.9%	1.13%	107,826
6/27/2024	24 months	24 months	0.025	0.050	8,500,000	24 months	73.5%	3.09%	36,529
161,626,637									\$ 4,890,242

During the year ended December 31, 2021, the Company received \$235,242 for 4,000,000 warrants exercised equating to a fair value of \$202,659. No warrants were exercised during the period ended June 30, 2022.

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7. Share Capital (continued)

(d) Stock-based compensation

For the six-months ended June 30, 2021, the Company recognized \$91,212 in shares awarded for services performed by consultants (\$8,100 recognized in research and development and \$83,112 recognized on professional fees).

For the six-months ended June 30, 2022, the Company recognized \$69,115 in shares awarded for services performed by consultants, recognized in professional fees. The Company also recognized \$25,000 for services performed by directors, recognized as part of professional fees.

(e) Common shares issued

During the year ended December 31, 2021, the Company issued 19,340 Class B Super Voting Shares and 3,540,090 Class A Subordinated Voting Shares for consulting services received.

During the year ended December 31, 2021, the Company issued 80 Class B Super Voting Shares under settlement agreements to a shareholder that had made a previous investment 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, 2021, the Company issued 4,253 Class B Super Voting Shares and 49,000 Class A Subordinated Voting Shares on cash received in prior periods.

As at the RTO, the Company converted 1,681,747 Class B Super Voting Shares into 168,174,700 Class A Subordinated Voting Shares.

During the six-month period ended June 30, 2022, the Company issued 3,556,000 Class A Subordinated Voting Shares in exchange for \$140,000 cash paid from shareholders in a prior period.

During the six-month period ended June 30, 2022, the Company issued 8,500,000 Class A Subordinated Voting Shares in exchange for \$197,504 cash paid from shareholders.

During the six-month period ended June 30, 2022, the Company converted 760,859 Class B Super Voting Shares into 76,085,900 Class A Subordinated Voting Shares.

During the six-month period ended June 30, 2022, the Company issued 6,595,340 Class A Subordinated Voting Shares for consulting services received.

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8. Related Party Transactions

(a) Key management personnel 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 periods ended June 30, 2022, and 2021, is as follows:

Six-month periods ended June 30,	2022	2021
Salaries to a director	\$ 9,000	\$ 60,000
Salaries to a former director	-	92,500
Consulting fees paid to directors	20,000	33,000
Consulting fees paid to a former director	5,000	10,000
Research and development fees paid to a director	-	30,000
Share-based compensation paid to officers	239,189	-
Share-based compensation paid to a former officer	20,675	126,105
Total	\$ 293,864	\$ 351,605

As at June 30, 2022 and December 31, 2021, the Company had \$199,665 and \$98,478 due to related parties. Included in these balances as of June 30, 2022 and December 31, 2021, \$198,965 and \$97,778, respectively, are due to the directors and prior directors of the Company and \$700 and \$700, are due to a Company controlled by a director.

(b) Loans from Related Parties

During 2021, the Company repaid \$5,500 towards the remaining balance. On March 26, 2021, the Company settled all remaining loans and interest owed to the related party for a total of \$223,400. As of June 30, 2022 and December 31, 2021, there are no related party loans outstanding.

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 matured on August 23, 2021. Interest expense of \$540 was recognized for the six-month periods ended June 30, 2022 and 2021.

As a result of the RTO, all loans issued from Prime during the period from September 14, 2020 and January 28, 2021 to Potbotics and RYAH Medtech were converted to intercompany loans and eliminated upon consolidation.

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9. Loans Payable (continued)

During May and June, 2022, the Company received \$109,000 (\$140,111 CAD) and \$3,974 (\$5,000 CAD) as advances from a shareholder. The notes are unsecured oral agreements. The Company and lender mutually agreed the notes would bear interest at 12% per annum with a maturity date yet to be determined. Interest expense of \$1,814 was recognized for the six-month period ended June 30, 2022.

	Long-term loans	Short-term loans
Balance, December 31, 2020	\$ 644,067	\$ 18,916
Issuance of promissory notes	933,830	-
Income from government assistance	(31,612)	-
Reclassification of loans payable to intercompany	(1,567,394)	-
Accrual of interest expense	21,109	1,059
Balance, December 31, 2021	-	19,975
Issuance of promissory note	112,974	-
Accrual of interest expense	1,814	540
Balance, June 30, 2022	\$ 114,788	\$ 20,515

10. Contingencies

(a) Litigation payable

One of the convertible notes issued by the Company amounting to \$200,000 with an original expiration of August 2016 was not paid by the Company when due. The purchaser of the convertible note commenced litigation against the Company in June 2018 under New York Supreme Court. During the year ended December 31, 2018, the Company was ordered by the Supreme Court of New York to pay \$254,560 relating to the litigation. As of June 30, 2022, the balance owed amounts to \$316,529 and is included in accounts payable on the statement of financial position. The litigation payable accrues interest at 9% per annum. During the six-month periods ended June 30, 2022 and 2021, the Company accrued interest of \$10,844 and \$9,586, respectively.