



RYAH GROUP, INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Nine-Months Ended September 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 nine-month periods ended September 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 September 30, 2022, and December 31, 2021
(Expressed in US Dollars)

	Notes	September 30, 2022	December 31, 2021
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		\$ 7,808	\$ 226,680
Accounts receivable		11,258	68,840
Marketable securities		225	225
Prepaid expenses	<u>4</u>	6,615	78,523
Inventories	<u>5</u>	100,430	115,570
		126,336	489,838
NON-CURRENT ASSETS			
Equipment		672	1,298
TOTAL ASSETS		\$ 127,008	\$ 491,136
<u>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</u>			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	<u>6</u>	\$ 918,790	\$ 776,418
Due to related party	<u>8</u>	210,631	98,478
Deferred revenue		24,339	45,585
Loans payable	<u>9</u>	20,785	19,975
		1,174,545	940,456
Loans payable	<u>9</u>	197,583	-
TOTAL LIABILITIES		1,372,128	940,456
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	<u>7</u>	36,485,753	36,127,171
Obligation to issue shares	<u>7</u>	98,879	213,908
Reserves		7,017,301	6,525,176
Accumulated other comprehensive income		322,691	322,361
Accumulated deficit		(45,169,744)	(43,637,936)
TOTAL SHAREHOLDER'S EQUITY		(1,245,120)	(449,320)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 127,008	\$ 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 10, 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 September 30, 2022, and 2021
(Expressed in US Dollars)

	Notes	For the three-months ended		For the nine-months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
CONTINUING OPERATIONS					
Revenues		\$ 7,748	13,250	\$ 56,449	100,095
Cost of sales	5	(1,505)	(5,571)	(21,223)	(31,229)
Gross profit		6,243	7,679	35,226	68,866
Operating expenses					
Accretion expense		-	5,321	-	39,980
Consulting fees	8	60,541	696,424	288,935	1,146,197
Depreciation expense		209	11,132	626	27,460
General and administrative		2,360	9,944	17,029	124,337
Insurance expenses		39,339	108,404	78,273	122,806
Interest expense		12,118	6,095	25,316	15,258
Licenses and subscriptions		9,579	1,617	31,677	9,507
Marketing		16,795	239,565	116,003	529,453
Occupancy expenses		13,293	8,290	38,548	8,290
Payroll expenses		648	57,363	181,476	156,089
Professional fees		54,380	101,034	365,448	368,485
Research and development	8	21,931	74,833	104,106	328,818
Share-based compensation	7	180,107	60,352	347,769	474,081
Travel		(19)	671	7,712	6,009
Total operating expenses		411,281	1,381,045	1,602,918	3,356,770
NET LOSS BEFORE OTHER ITEMS		(405,038)	(1,373,366)	(1,567,692)	(3,287,904)
Other income (expense)					
Income from government assistance	9	-	-	-	30,612
Other income		36,054	27,417	37,968	30,161
Other expense		(576)	(836)	(2,084)	(836)
Listing expenses		-	-	-	(16,948,176)
Change in fair value of marketable securities		-	(4)	-	77
NET LOSS		\$ (369,560)	(1,346,789)	\$ (1,531,808)	(20,176,066)
Cumulative translation adjustment		1,242	(238,596)	329	(408,738)
COMPREHENSIVE LOSS		(368,318)	(1,535,385)	(1,531,479)	(20,584,804)
Net loss per common share, basic and diluted		\$ (0.00)	(0.00)	\$ (0.00)	(0.05)
Weighted average number of common shares outstanding, basic and diluted		519,879,990	495,356,321	511,053,172	421,640,828

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 September 30, 2022, and 2021
(Expressed in US Dollars)

	<u>Shares Outstanding</u>			<u>Reserves</u>				<u>Accumulated Other Comprehensive Loss</u>	<u>Accumulated Deficit</u>	<u>Obligation to issue shares</u>	<u>Total Shareholders' Equity</u>
	<u>Class A Common</u>	<u>Class B Common</u>	<u>Share Capital</u>	<u>Equity Component of Convertible Notes</u>	<u>Contributed Capital</u>	<u>Option Reserves</u>	<u>Warrant reserves</u>				
As at January 1, 2022	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	-	-	-	-	-	-	24,971	190,405
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
Warrant expiration	-	-	-	-	37,329	-	(37,329)	-	-	-	-
Option grant	-	-	-	-	-	347,770	-	-	-	-	347,770
Net and total comprehensive loss	-	-	-	-	-	-	-	329	(1,531,808)	-	(1,531,479)
September 30, 2022	448,131,390	717,486	\$ 36,485,754	\$ 39,807	\$ 242,378	\$ 1,882,205	\$ 4,852,913	\$ 322,690	\$(45,169,744)	\$ 98,879	\$ (1,245,120)
As at January 1, 2021	-	3,136,419	24,974,696	39,807	167,310	454,506	37,739	-	(27,419,860)	25,000	(1,720,803)
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	86,099,200	(860,992)	-	-	-	-	-	-	-	-	-
Note conversion	-	-	-	25,112	-	-	-	-	-	-	25,112
Warrant exercises	3,600,000	-	264,391	-	-	-	(264,391)	-	-	-	-
Stock-based payments	3,821,878	-	648,071	-	25,899	-	-	-	-	-	673,970
Net and total comprehensive loss	-	-	-	-	-	-	-	(408,738)	(20,176,066)	-	(20,584,804)
As at September 30, 2021	271,151,438	2,279,680	\$ 37,418,735	\$ 64,919	\$ 193,209	\$ 1,998,616	\$ 7,846,277	\$ (408,738)	\$(47,595,928)	\$ 25,000	\$ (457,910)

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

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

	For the nine-months ended September 30,	
	2022	2021
Cash flows used in operating activities		
Net loss	\$ (1,531,808)	\$ (20,176,066)
Adjustments for non-cash items:		
Listing expense	-	16,948,176
Accretion expenses	-	44,220
Depreciation	626	27,460
Shares issued for services	190,405	648,071
(Gain) loss on change in fair value of marketable securities	-	(77)
Forgiveness of government loan assistance	-	(30,612)
Non-cash interest expense	19,986	-
Share-based compensation	347,769	-
Changes in non-cash working capital items:		
Prepaid expenses	71,908	(53,764)
Accounts receivable	57,305	16,944
Inventories	15,140	23,940
Due to related party	112,122	-
Deferred revenue	(21,246)	-
Accounts payable and accrued liabilities	133,974	(833,763)
Net cash used in operating activities	(603,819)	(3,473,911)
Cash flows from investing activities:		
Purchase of equipment	-	(43,174)
Net cash generated from investing activities	-	(43,174)
Cash flows from financing activities:		
Proceeds from issuance of shares	197,504	-
Proceeds from loans	189,696	17,962
Preacquisition financing by Prime	-	3,625,961
Net cash generated from financing activities	387,200	3,643,923
Effect of exchange rate changes on cash	(2,253)	15,140
Net increase(decrease) in cash	(218,872)	406,369
Cash beginning of year	226,680	153,285
Cash end of the year	\$ 7,808	\$ 559,654

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

1. Nature and Continuation 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 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 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 September 30, 2022, the Company incurred accumulated losses of \$45,169,744. 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.

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, 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 10, 2023.

(b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and all of 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 so as 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
For the periods ended September 30, 2022, and 2021
(Expressed in US Dollars)

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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4. Prepaid Expenses

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

		September 30, 2022		December 31, 2021
Security deposit	\$	6,615	\$	6,615
Prepaid rent		-		11,676
Prepaid advertising expenses		-		60,232
	\$	6,615	\$	78,523

5. Inventories

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

As at:		September 30, 2022		December 31, 2021,
Vaporizers	\$	25,689	\$	33,382
Cartridge herb		38,821		43,549
Cartridge packaging		24,191		26,910
Filling machine		11,729		11,729
Total Inventories	\$	100,430	\$	115,570

The Company's inventories are finished goods and are measured at the lower of cost and net realizable value. During the nine-months ended September 30, 2022, the Company recognized \$17,215 (2021 - \$23,938) 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 September 30, 2022, and December 31, 2021, are as follows:

		September 30, 2022		December 31, 2021
Accounts payable	\$	596,749	\$	470,732
Litigation payable (note 10)		322,041		305,686
	\$	918,790	\$	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 September 30, 2022, and 2021
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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 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 nine-month period ended September 30, 2022, and September 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 nine-month period ended September 30, 2022, and 2021, the Company recorded share-based compensation of \$327,096 and \$nil, respectively.

RYAH Group, Inc.
Notes to the Consolidated Financial Statements
For the periods ended September 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	22,212,768	0.075	4.78
September 30, 2022	39,915,259	33,324,895	\$ 0.079	4.90

(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	1.61
Expired	(6,236,900)	0.20	-
September 30, 2022	155,389,737	\$ 0.080	2.86

RYAH Group, Inc.
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7. Share Capital (continued)

(c) Warrants (continued)

As of September 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	
11/28/2022	60 months	2 months	0.073	0.20	1,393,737	19 months	84.6%	0.03%	12,200
1/18/2023	60 months	4 months	0.073	0.20	1,000,000	21 months	84.6%	0.03%	9,731
2/15/2023	60 months	5 months	0.073	0.20	550,000	22 months	84.6%	0.03%	5,642
5/24/2023	60 months	8 months	0.073	0.20	900,000	25 months	84.6%	0.03%	10,854
7/24/2023	60 months	10 months	0.073	0.20	850,000	27 months	84.6%	0.03%	11,170
8/28/2023	60 months	11 months	0.073	0.20	130,000	28 months	84.6%	0.03%	1,787
11/20/2023	60 months	14 months	0.073	0.20	2,100,000	31 months	84.6%	0.03%	31,842
1/14/2024	60 months	15 months	0.073	0.20	650,000	33 months	84.6%	0.03%	10,438
3/18/2024	60 months	18 months	0.073	0.20	1,700,000	35 months	84.6%	0.03%	29,021
5/23/2024	60 months	20 months	0.073	0.20	1,100,000	37 months	81.4%	0.77%	18,676
8/20/2024	60 months	23 months	0.073	0.20	1,300,000	40 months	81.4%	0.77%	23,740
10/2/2024	60 months	24 months	0.073	0.20	2,050,000	41 months	81.4%	0.77%	38,671
4/6/2025	60 months	30 months	0.073	0.075	1,100,000	48 months	81.0%	0.77%	36,541
8/24/2025	60 months	35 months	0.073	0.075	3,300,000	44 months	81.0%	0.77%	113,803
9/14/2025	60 months	36 months	0.073	0.075	2,800,000	52 months	81.0%	0.77%	97,067
12/1/2025	60 months	38 months	0.073	0.075	52,560,000	55 months	79.7%	0.77%	1,833,676
12/15/2025	60 months	39 months	0.073	0.075	47,850,000	56 months	79.7%	0.77%	1,674,842
1/25/2026	60 months	40 months	0.073	0.075	20,000,000	57 months	79.7%	0.77%	706,664
4/27/2023	24 months	7 months	0.073	0.10	2,000,000	24 months	84.6%	0.03%	42,193
1/20/2024	24 months	16 months	0.078	0.065	3,556,000	24 months	80.9%	1.13%	107,826
6/27/2024	24 months	21 months	0.025	0.050	8,500,000	24 months	73.5%	3.09%	36,529
155,389,737									\$ 4,852,913

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 September 30, 2022.

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7. Share Capital (continued)

(d) Stock-based compensation

For the nine-months ended September 30, 2021, the Company recognized \$346,074 in shares awarded for services performed by consultants (\$8,100 recognized in research and development, \$175,000 recognized in general and administrative and \$162,974 recognized on professional fees).

For the nine-months ended September 30, 2022, the Company recognized \$115,405 in shares awarded for services performed by consultants, recognized in consulting fees. The Company also recognized \$75,000 for services performed by directors for service on the board of 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 nine-month period ended September 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 nine-month period ended September 30, 2022, the Company issued 8,500,000 Class A Subordinated Voting Shares in exchange for \$197,504 cash paid from shareholders.

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

During the nine-month period ended September 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 September 30, 2022, and 2021, is as follows:

Nine-month periods ended September 30,	2022	2021
Salaries to a director	\$ -	\$ 100,000
Salaries to a former director	9,000	48,000
Consulting fees paid to directors	30,000	104,200
Consulting fees paid to a former director	5,000	-
Research and development fees paid to a director	-	30,000
Share-based compensation paid to officers	327,096	-
Share-based compensation paid to a former officer	20,675	474,081
Total	\$ 391,771	\$756,281

As at September 30, 2022, and December 31, 2021, the Company had \$210,631 and \$98,478 due to related parties. Included in these balances as of September 30, 2022, and December 31, 2021, \$209,931 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 September 30, 2022, and December 31, 2021, there are no related party loans outstanding.

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9. Loans Payable

During the period May through August 2022, the Company received \$109,000 (\$140,111 CAD) and \$80,696 (\$104,450 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 \$7,888 was recognized for the nine-month period ended September 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	189,428	-
Accrual of interest expense	7,888	540
Balance, September 30, 2022	\$ 197,316	\$ 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 reimbursed by the Company when expired. 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 September 30, 2022, the balance owed amounts to \$322,041 and is included in accounts payable on the statement of financial position. The litigation payable accrues interest at 9% per annum. During the nine-month periods ended September 30, 2022, and 2021, the Company accrued interest of \$16,356 and \$14,379, respectively.