

**YNVISIBLE INTERACTIVE INC.****MANAGEMENT'S DISCUSSION AND ANALYSIS****NINE MONTHS ENDED SEPTEMBER 30, 2021****Date of Report: November 29, 2021**

The following management discussion and analysis ("MD&A") of the financial position and results of operations for Ynvisible Interactive Inc. (the "Company" or "Ynvisible") should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended December 31, 2020 and 2019 and the condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 (the "Financial Statements"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overall Performance**

Ynvisible Interactive Inc. is a public company listed on the TSX Venture Exchange under the trading symbol "YNV", on the OTCQB under the symbol "YNVYF", and FSE under the symbol "1XNA".

Ynvisible is a manufacturer that has developed and integrated know-how, design skill, development acumen, scale manufacturing capability, intellectual property in electrochromic displays ("ECDs"), materials, inks, display systems, and complementing electronic components. Printed electronics use new materials with electronic properties that are processable into inks and can be printed into thin layers (using conventional print house equipment) onto flexible materials, such as plastic and paper.

Ynvisible's printed displays can be easily scaled up in production and integrated into finished, scalable product solutions like packaging labels, smart cards, and at-home electronic devices.

Ynvisible sells a mix of standard and customized ultra-low-power and easy-to-use electronic displays and indicators for everyday smart objects, Internet of Things ("IoT") devices, and ambient intelligence (intelligent surfaces). The Company sells other products and services, including contracted research, prototyping, development, pilot production, production, and contract manufacturing services based on printed electronics, pilot and volume production of electrochromic displays, and tailored display solutions.

Ynvisible focuses on the marketing, sale, and development of ultra-low-power ECDs and devices, printable onto flexible substrates, using widely available industrial printing and converting techniques in its early market growth stage. The Company's products are less complicated to integrate and are a more cost-effective replacement to conventional LCDs, electrophoretic displays (e-paper), and LED indicators. The Company's vision is to bring everyday objects and surfaces to life, benefitting people in a smart and connected world.

Ynvisible aims to be a leading company in the emerging printed and flexible electronics sector. Ynvisible's mix of services, materials, and technology is unique in the general electronics and electronic display industry. The Ynvisible brand is gaining traction and notoriety among brand owners developing their IoT products.

The address of the Company's head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company maintains a website at [www.ynvisible.com](http://www.ynvisible.com).

The Company's ability to continue as a going concern, to fund its technology and market development and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. These factors may cast significant doubt on the Company's ability to continue as a going concern. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

**Business Highlights for Q3 2021**

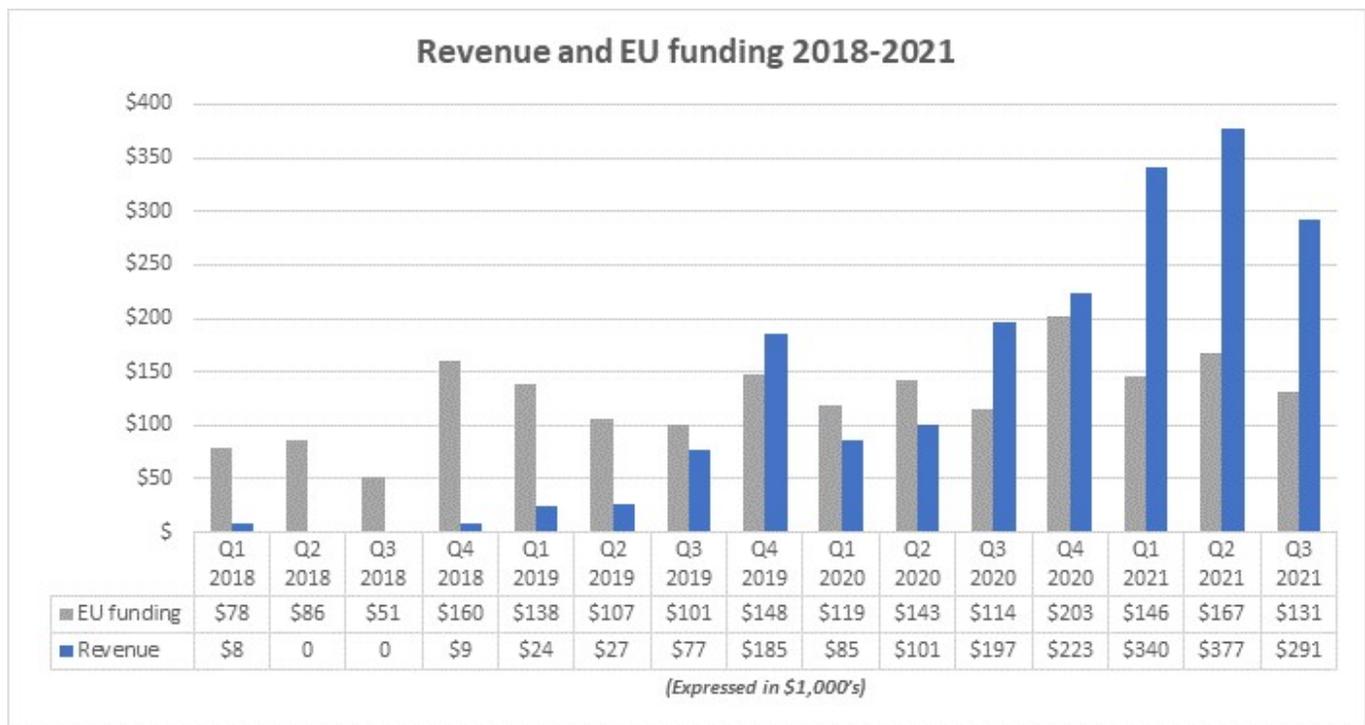
**Sales & Marketing – Revenue and Sales Growth Through COVID-19**

Q3 2021 income from Customer Sales was of \$295,908, which represents a 173% increase compared to total income from customers, of \$108,442 in the same period of 2020 and a 22% decrease from the \$377,044 of the previous quarter. The revenue decrease from Q1 and Q2 is from a specific, contract manufacturing printing service customer ending a short term contract. Other income from customers in the Financial Statements includes "Prototype project revenue".

Cost of Sales for the third quarter of 2021 was of \$265,303, increasing 192%, when compared with the \$90,750 registered in the same period of last year and decreasing 2% from the \$270,390 in Q2 2021.

Ynvisible revenue comes from a mix of development, prototyping, and contract manufacturing services and customer funded development and prototyping, precedes pilot and full-scale manufacturing. This recognition provides a holistic view of the Company's investment and growth strategy as an emerging technology firm. Year-to-date, Ynvisible income from customer sales is of \$1,013,127, representing an increase of 164% compared with the previous year.

The Company's cumulative total income & gains for 2021 was \$1,695,410, from \$579,327 in Q1 2021 and \$1,193,414 in Q2 2021. Total income & gains include customer sales, other minor income & gains and EU funding of \$444,338 in 2021.



Since the Company's RTO in 2018, Ynvisible's revenue mix has included contracted research, prototyping, development, and contract production services. Historically, the most substantial revenue-generating segment of the Company has been the sale of research, development, and contract production services.

The Company anticipates revenues from customized printed electrochromic display development contracts will increase in the short term. In the medium term, the Company is preparing customers for pilot and recurring scale manufacturing.

To date, the Company offers the following revenue-generating products and services:

- Contract research services
- DIY ink kits for design and prototyping
- Ready-made electrochromic display kits
- Pre-pilot scale customized display production
- Product development & prototyping services
- Pilot and scale display print production
- Contract electronics development and contract manufacturing printing services

Contract development and scale-up electronics printing services continue to provide recurring revenue for the Company. In July 2021, Ynvisible discontinued contract printing and scale-up services for a large specific customer, which impacted Ynvisible's quarterly revenue. The Company anticipates that, while contract manufacturing printing services continue to play a vital role in supporting other start-up companies in the energy generation/storage sector, revenues from those services will fluctuate as a function of:

- Customers' material needs and their own internal production scale-up
- Capacity of Ynvisible's Roll-to-Roll manufacturing line
- Competition within the contract manufacturing printing market

As Ynvisible's segmented display developments transform into commercial pre-production and production, the Company will necessarily balance contract manufacturing printing services with Ynvisible display pre-production and production printing. The Company continues to execute strategies that balance and potentially expand its contract manufacturing printing services in the future.

### ***Customer Growth, Sales & Operations***

During 2018 and 2019, Ynvisible built operational capabilities in the design, R&D, prototyping, and manufacturing of its ultra-low-power consuming printed electrochromic display technology. With the acquisition of Consensus Production AB in August 2019 (renamed Ynvisible Production AB), Ynvisible extended its offering to include roll-to-roll printed displays.

COVID-19 increased the Company's focus on three lead business arenas with technology applications and proven market pull for Ynvisible interactive printed graphics:

- Logistics & Retail (in particular, cold-chain logistics)
- Health & Wellness (in particular, medical technology and pharma)
- Premium Consumer Products (in particular toys and premium devices)

In Q3 2021, the Company continued focusing its sales and marketing strategy on acquiring and supporting both B2C and B2B customers and implementing its outbound sales strategy in the US and Asia.

Specifically, Ynvisible focused on:

- Training and Deployment of Outbound US and China Sales and Distributor Representatives
- Developing Ynvisible displays to fit customers' needs and finished product designs
- Establishing technology partnerships to build and sell more value-added products

## **Product Development & Commercialization**

Ynvisible Interactive, Inc has the potential opportunity to participate in the printed electronics market through the sale of printed electrochromic displays, as well as by incorporating additional functionality with our displays to create highly valued sensing and intelligent solutions. Ynvisible continues to partner business to business with leading companies in the printed electronics field to integrate displays within products that are sold to end customers. Ynvisible continues to make inroads with major B2B and B2C brands and we continue to monitor and actively pursue spaces that need low power, flexibility, durability and high-volume, like supply chain and logistics packaging for high-value items like vaccines, as well as distributed diagnostics and disposable wound care to help ensure better human health outcomes.

**UV-C SMART LABEL**– In September of 2021, Agiler Oy, Porta Saber, S.A. and Ynvisible Interactive, Inc. completed development of the ultra-violet C sensing label that demonstrates cost-effective, scalable printed and flexible electronics and displays developed and produced by Ynvisible. The demonstrator hardware is patent pending and being used by Ynvisible’s Sales team to both demonstrate the integration and function of Ynvisible’s displays, as well as being presented as a semi-finished solution for established sanitization solution providers wholesale. The work was funded by the European Union Horizon 2020 financial instrument, under the Smartees 2 project.

**IDENTIV TEMPERATURE TRACKER** – In September of 2021, IDENTIV presented the combination of Ynvisible’s electrochromic (EC) display technology-based visual indicators within Identiv’s range of uTrust Sense Temperature Tracker products, the result of a collaboration begun in December 2019. Identiv’s award-winning uTrust Sense Temperature Tracker is a compact datalogging NFC smart sensor that tracks and stores temperature readings. Identiv has designed the latest iteration and functionality of this industry-leading product line by incorporating Ynvisible’s EC display and technology. The partnership makes it possible to instantly visually identify the NFC smart sensors (or labels) on temperature-regulated products like vaccines. The product is being sold by Identiv, and expected to pilot launch in Q1 2022.

**PRAGMATIC DISPLAY MODULES** – In September 2021, PragmatlC and Ynvisible entered into non-binding Technology Partnership and Supply Agreement, for a period of 3 years for services and deliverables of up to 2 Million U.S. dollars, focused on fully integrated flexible display modules. The two companies also see strong synergies in their vision of enabling customers to create optimized custom designs in a fraction of the time and cost required using traditional electronics. Under the signed agreement, PragmatlC will develop and supply a range of FlexICs (flexible integrated circuits) that Ynvisible will integrate into both standard and customer-bespoke display modules. Ynvisible’s printed displays, combined with PragmatlC printed transistors can scale quickly using respective high volume manufacturing processes.

## ***2023 Transformation & Growth Strategy***

In January 2021, Ynvisible began implementing its plans to focus on speed to market for customer products and sustainable financial growth through a “2023 Transformation & Growth Strategy” led by its CEO, Michael Robinson. Jani-Mikael Kuusisto, currently Senior Vice-President Ventures and previously Ynvisible’s CEO, will help reduce the risk and uncertainty of emerging technologies and provide a new growth arena for Ynvisible through a “2025 Venture Partnership Strategy”.

Ynvisible’s short term revenue growth strategy is based on integrating Ynvisible displays within the development and launch of value-added solutions, providing contract electronics development and printing services and establishing external Contract Manufacturing partnerships.

By providing integrated contract electronics development and printing services, and by establishing external Contract Manufacturing partnerships, Ynvisible is able to supply customers and Brand Owners with value-added printed electronics and IoT solutions.

## Events

In March 2021, the Company announced its first commercial delivery of a new temperature indication solution to market with SpotSee, the global leader in shock, vibration, and temperature monitoring through low-cost, connected solutions. Ynvisible looks forward to continuing to commercially supply its displays to support SpotSee's sales expansion and innovation of the TempSafe product.

Subsequently in April 2021, Ynvisible and ALMAX announced their partnership to bring sensing cold chain logistics, and Human Machine Interface (HMI) solutions to market for distributors and end customers.

Ynvisible will continue to work together with ALMAX for printed electronics solution development, integration, and mass-production.

Ynvisible will continue to mass-produce the screen-printed displays and supply them to ALMAX for system integration.

In May 2021, the Company closed a private placement and issued 19,992,003 units of the Company at \$0.61 per unit for gross proceeds of \$12,195,122, whereby each unit consists of one Class A common share and one share purchase warrant of the Company. Each warrant will be exercisable into an additional Class A common share at an exercise price of \$0.76 for a period of 3 years from the date of issuance. In connection with the offering, the Company paid cash commissions in the amount of \$853,658 and issued 999,600 finders' warrants to the finder agent. The finders' warrant will be exercisable into a Class A common share at an exercise price of \$0.61 for a period of 3 years from the date of issuance. The common shares and warrants issued under the private placement were qualified by way of a prospectus supplement under the Company's base shelf prospectus dated May 10, 2021 (collectively, the "Prospectus Supplement") which was filed in each of the provinces of Canada, except Québec, copies of which are available under the Company's profile at [www.sedar.com](http://www.sedar.com). In the United States, the common shares, warrants and the shares issuable upon the exercise of the warrants were offered on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and certain other jurisdictions in accordance with applicable securities laws.

In June 2021, the Company announced its appointment of Alex Langer as a new independent member of its Board of Directors. Concurrent to the appointment of Alex Langer, Duarte Mineiro stepped down from his position as a Director of Ynvisible's Board. Ynvisible's Board is now composed of six directors, four of whom are independent.

In June 2021, Richard Ellinger joined Ynvisible Interactive Inc. as its US Sales representative, covering the United States.

In June 2021, Keith Morton joined Ynvisible's Advisory Board as the current Chief Technology Officer and Founder of Display Logic, located in Hauppauge, New York.

In July 2021, Ynvisible signed an exclusive North American distribution agreement with Display Logic to offer its electrochromic displays (ECD), drivers, driving protocols, and ECD kits to customers in the United States and Canada.

In September 2021, Ynvisible began its first production of electrochromic displays for Circuit Scribe Science Technology Engineering and Math (STEM) learning kits. The new product within the Circuit Scribe product line will be on sale for Holiday 2021 in the United States.

In September 2021, Ynvisible signed a non-binding \$2M USD Technology Supply and Partnership Agreement, for a period of 3 years for services and deliverables of up to 2 Million U.S. dollars, focused on fully integrated flexible display modules.

In October 2021, the Company approved and adopted a restricted share unit plan ("RSU Plan"), subject to TSXV approval. The RSU Plan allows the Company to grant restricted share units, under and subject to the terms and conditions of the RSU Plan, which may be issued up to a maximum of 12,466,691 common shares, being approximately 10% of the issued and outstanding common shares of the Company.

In November 2021, Ynvisible signed a distribution agreement with YnviTech for the purpose of marketing and selling Ynvisible's products in the Territory of China, Malaysia, Singapore, and Taiwan.

### Selected Quarterly Information

All financial information in this MD&A has been prepared in accordance with IFRS. The following financial data is derived from the Financial Statements:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Sales	295,908	108,442	981,944	245,538
Operating expenses	2,099,308	1,125,119	5,206,802	3,546,943
Other items	153,374	272,688	569,502	767,305
Net loss	(1,912,767)	(834,747)	(4,358,908)	(2,722,136)
Total comprehensive loss	(1,903,554)	(847,732)	(4,467,535)	(2,832,318)
Loss per share (basic and diluted)	(0.02)	(0.01)	(0.04)	(0.04)

	As at September 30,	
	2021	2020
	\$	\$
Working capital (deficit)	16,702,600	(11,885)
Total assets	21,730,021	5,727,774
Total liabilities	2,240,093	2,849,139

### Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the three and nine months ended September 30, 2021 and 2020:

Expenses	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Bad debt	34,061	-	34,061	-
Compensation and consulting	514,938	689,819	2,248,430	1,799,011
Depreciation	169,035	168,451	533,418	492,218
Development and production	60,214	16,657	235,212	72,185
Interest and bank charges	4,318	6,567	12,182	21,261
Marketing and promotion	587,659	8,764	655,887	284,055
Office facilities and services	60,388	97,775	152,368	285,150
Professional fees	222,255	45,307	453,994	256,412
Share-based compensation	408,893	62,777	713,586	228,358
Transfer and listing fees	19,567	12,754	137,051	51,872
Travel and project investigation	17,980	16,248	30,613	56,421
Total operating expenses	2,099,308	1,125,119	5,206,802	3,546,943

## Results of Operations for the Three and Nine Months Ended September 30, 2021

### General and Administrative Expenses

Operating expense for the three months ended September 30, 2021 increased to \$2,085,228 compared to \$1,125,119 during the three months ended September 30, 2020. Key differences between the two periods are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Increase of \$187,466	Increased due to the Company expanding its market.
Cost of sales	Increase of \$174,553	Increased due to related increase in sales.
Marketing and promotion	Increase of \$578,895	Increased due to the Company engaging new marketing and social media campaigns to increase investor awareness.
Professional fees	Increase of \$176,948	Increased due to increased corporate activities.
Share-based compensation	Increase of \$346,116	Increased due to the Company granting new stock options and vested with higher value.

Operating expense for the nine months ended September 30, 2021 increased to \$5,206,802 compared to \$3,546,943 during the nine months ended September 30, 2020. Key differences between the two periods are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Increase of \$736,406	Increased due to the Company expanding its market.
Cost of sales	Increase of \$518,905	Increased due to related increase in sales.
Compensation and consulting	Increase of \$449,419	Increased due to the Company using additional employees and consultants as well as strengthening its Sales & Marketing team.
Marketing and promotion	Increase of \$371,832	Increased due to the Company engaging new marketing and social media campaigns to increase investor awareness.
Professional fees	Increase of \$197,582	Increased due to increased corporate activities.
Share-based compensation	Increase of \$485,228	Increased due to the Company granting new stock options and vested with higher value.

Other than items disclosed within this MD&A, there are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operation, other than uncertainty as to the speculative nature of the business, and the uncertainty of fundraising activities.

### Summary of Quarterly Results

Three months ended	Sales	EU Co-Funded Project Grants	Net Loss	Loss Per Share (Basic and Diluted)
	\$	\$	\$	\$
September 30, 2021	295,908	131,290	(1,915,329)	(0.02)
June 30, 2021	377,044	166,688	(1,324,842)	(0.01)
March 31, 2021	313,449	146,360	(1,116,853)	(0.01)
December 31, 2020	142,374	202,731	(1,072,585)	(0.01)
September 30, 2020	108,442	114,447	(834,747)	(0.01)
June 30, 2020	77,264	142,727	(995,641)	(0.01)
March 31, 2020	59,832	118,855	(891,748)	(0.01)
December 31, 2019	128,763	147,781	(884,132)	(0.01)

Variances quarter over quarter can be explained as follows:

- In the quarter ended September 30, 2021, June 30, 2021, March 31, 2021, and December 31, 2020, net loss includes \$408,893, \$190,249, \$114,444, and \$105,588, respectively, in non-cash share-based compensation.

## Liquidity

In management's view, given the nature of the Company's operations and the focus on delivering recurring revenues in the short term, profitability is a medium and longer term goal for the Company.

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of stock options or warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These factors may cast significant doubt on the Company's ability to continue as a going concern. While the Company is exerting its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

## Capital Resources

The Company's liquidity and capital resources are as follows:

	September 30, 2021	December 31, 2020
	\$	\$
Cash and cash equivalents	17,518,239	1,809,637
Amounts receivable	1,045,700	466,292
Inventories	8,842	-
Prepaid expenses	223,044	159,799
Total current assets	18,795,825	2,435,728
Accounts payables and accrued liabilities	(1,026,790)	(1,285,465)
Current portion of lease liabilities	(306,643)	(351,906)
Deferred project grants	(759,792)	(426,456)
Working capital	16,702,600	371,901

During the second quarter of 2020, the Company closed a non-brokered private placement of 7,500,000 shares of the Company at \$0.20 per share for gross proceeds of \$1,500,000. During the fourth quarter of 2020, the Company issued 487,500 common shares in connection with the exercise of 487,500 stock options with a weighted average exercise price of \$0.31 for total proceeds of \$149,750. In addition, the Company issued 997,505 common shares in connection with the exercise of 997,505 warrants with an exercise price of \$0.60 for total proceeds of \$598,503. The proceeds of the financing, options exercised, and warrants exercised will be used for general corporate and working capital, development, marketing, and increasing production capacity.

During the first quarter of 2021, the Company closed a non-brokered private placement of 12,857,142 units of the Company at \$0.35 per share for gross proceeds of \$4,500,000. In addition, the Company issued 450,000 common shares in connection with the exercise of 450,000 stock options with a weighted average exercise price of \$0.32 for total proceeds of \$145,600. In addition, the Company issued 7,161,563 common shares in connection with the exercise of 7,161,563 warrants with an exercise price of \$0.60 for total proceeds of \$4,296,938. In connection with the offering, the Company paid share issuance costs totaling \$196,622 in cash and issued 452,280 finders' units and 150,760 finders' warrants to eligible finders.

During the second quarter of 2021, the Company closed a private placement of 19,992,003 units of the Company at \$0.61 per share for gross proceeds of \$12,195,122. In connection with the offering, the Company paid share issuance costs totaling \$1,151,040 in cash and issued 999,600 finders' warrants to the finder agents. The finders' warrants will be exercisable into a Class A common share at an exercise price of \$0.61 for a period of 3 years from the date of issuance. In addition, the Company issued 20,000 common shares in connection with the exercise of 20,000 stock options with an exercise price of \$0.37 for total proceeds of \$7,400. In addition, the Company issued 842,247 common shares in connection with the exercise of 842,247 warrants with a weighted average exercise price of \$0.60 for total proceeds of \$478,348. The proceeds of the financing, options exercised, and warrants exercised will be used for general corporate and working capital, development, marketing, and increasing production capacity.

The net proceeds from the financings are included in the Company's working capital of \$16,702,600 as at September 30, 2021 (December 31, 2020 – \$371,901).

### **Common Share Exchange**

On September 4, 2019, the Company implemented a squeeze-out transaction, as per the applicable Portuguese law, pursuant to the RTO transaction, whereby the Company acquired the remaining 499,369 shares of YD Ynvisible, S.A., on a one-for-one basis for the Class A common shares of the Company, held by certain Minority Shareholders of YD Ynvisible, S.A. Accordingly, the Company recorded an obligation to issue 499,369 Class A common shares with a fair value of \$172,282, which has been reported as RTO transaction costs. As a result of the squeeze-out transaction, the Company now owns 100% of YD Ynvisible, S.A.

During the nine months ended September 30, 2021, the Company issued nil (during the year ended December 31, 2020 - 318,400) common shares with a value of \$nil (during the year ended December 31, 2020 - \$109,848) related to the squeeze-out transaction.

### **Cash Flows**

Net cash used in operating activities for the nine months ended September 30, 2021 was \$3,688,738 (September 30, 2020 - \$1,872,890). The cash used consisted primarily of general and administrative expenses, net of non-cash expenditures and a net change in non-cash working capital, detailed in the statement of cash flows.

During the nine months ended September 30, 2021, cash used in investing activities was \$82,259 (September 30, 2020 - \$209,854) for the purchase of fixed and intangible assets and deposits paid.

During the nine months ended September 30, 2021, cash provided by financing activities was \$19,425,716 (September 30, 2020 – \$1,205,947). The Company repaid long term debt of \$nil (September 30, 2020 - \$5,694) and repaid lease liabilities of \$247,702 (September 30, 2020 - \$256,756). The Company also closed private placements for gross proceeds of \$16,695,122, whereby \$459,130 was received in the 4<sup>th</sup> quarter of 2020 and paid \$1,424,261 in cash for share issuance costs. In addition, the Company received proceeds of \$153,000 in connection with the exercise of 470,000 stock options and \$4,708,687, whereby \$66,600 was received in the 4<sup>th</sup> quarter of 2020, in connection with the exercise of 8,003,810 warrants.

The Company's cash and cash equivalents increased by \$15,708,602 from \$1,809,637 at December 31, 2020 to \$17,518,239 at September 30, 2021.

**Proposed Transactions**

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed elsewhere in this MD&A.

**Off Balance Sheet Arrangements**

At September 30, 2021 and as of the date of this report, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

**Transactions with Related Parties**

As of September 30, 2021, the Company had the following directors and officers:

Michael Robinson – Chief Executive Officer  
Jani-Mikael Kuusisto – Senior VP Ventures, Vice Chairman of the Board  
Carlos Pinheiro Baptista, PhD – Chief Technology Officer  
Tommy Höglund – VP of Sales and Marketing  
Darren Urquhart, CPA, CA – Chief Financial Officer  
Ramin Heydarpour – Chairman of the Board  
Inês Henriques, PhD – Director  
Alexander Helmel – Director  
Benjamin Leboe – Director  
Alex Langer - Director

The Company has incurred charges during the nine months ended September 30, 2021 and 2020 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Nine months ended September 30,	
	2021	2020
	\$	\$
Jani-Mikael Kuusisto – Salary	126,348	145,060
Jani-Mikael Kuusisto – Share based compensation	-	4,970
Inês Henriques – Salary	72,507	72,254
Inês Henriques – Share based compensation	-	4,970
Tommy Höglund – Salary	95,091	-
Tommy Höglund – Share based compensation	12,332	29,887
Michael Robinson – Salary	108,376	9,000
Michael Robinson – Share based compensation	61,884	16,448
Alexander Helmelt – Consulting fees	24,000	22,500
Alexander Helmelt – Share based compensation	-	3,313
Carlos Pinheiro Baptista – Salary	94,944	75,799
Carlos Pinheiro Baptista – Share based compensation	-	4,970
Benjamin Leboe – Consulting fees	10,500	9,000
Benjamin Leboe – Share based compensation	-	3,313
Ramin Heydarpour - Consulting fees	46,000	-
Ramin Heydarpour – Share based compensation	18,935	-
Leif Ljungqvist - Consulting fees	-	48,249
Alex Langer – Consulting fees	6,000	-
Alex Langer – Share based compensation	28,335	-
Darren Urquhart – Consulting fees	22,500	22,500
Darren Urquhart – Share based compensation	-	1,656
Total cash consulting and management fees	606,266	404,362
Total share-based compensation	121,486	69,527
Total compensation for officers and directors	727,752	473,889

Note: Share based compensation is a non-cash expense for valuing stock option grants that is computed using the Black-Scholes Valuation Model.

As at September 30, 2021, accounts payable and accrued liabilities include \$83,118 (December 31, 2020 - \$131,579) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment. During the nine months ended September 30, 2021, the Company received \$39,714 (September 30, 2020 - \$59,571) in rent payments from Jordao Capital Corp., a company controlled by Alexander Helmelt.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Disclosure of Data for Outstanding Common Shares, Stock Options, and Warrants

The following table summarizes the outstanding common shares, stock options, and warrants of the Company:

	As at September 30, 2021	Date of this MD&A
Common shares	124,666,915	124,666,915
Stock options	8,412,500	9,052,500
Warrants	24,898,057	24,898,057
Fully Diluted	157,977,472	158,617,472

Details of the outstanding stock options as at the date of this MD&A:

Expiry Date	Weighted Exercise Price \$	Number of Options Outstanding	Number of Options Vested and Exercisable
January 19, 2023	0.30	1,425,000	1,425,000
February 21, 2023	0.40	175,000	175,000
May 25, 2023	0.30	200,000	200,000
September 25, 2023	0.31	50,000	50,000
May 1, 2024	0.37	1,190,000	1,190,000
October 2, 2024	0.30	347,500	347,500
December 18, 2024	0.20	300,000	300,000
May 20, 2025	0.33	195,000	195,000
September 9, 2025	0.24	300,000	300,000
September 16, 2025	0.25	215,000	215,000
November 11, 2025	0.285	625,000	625,000
November 18, 2025	0.30	75,000	75,000
March 17, 2026	1.29	170,000	113,334
June 3, 2026	0.63	350,000	33,333
July 1, 2026	0.75	2,465,000	-
July 22, 2026	0.62	80,000	-
August 26, 2026	0.55	250,000	-
October 20, 2026	0.44	640,000	-
	<b>0.48</b>	<b>9,052,500</b>	<b>5,244,167</b>

Details of the outstanding warrants as at the date of this MD&A:

Expiry Date	Weighted Exercise Price \$	Number of Warrants Outstanding
January 8, 2023	0.50	4,006,454
May 18, 2024	0.76	19,892,003
May 18, 2024	0.61	999,600
	<b>0.71</b>	<b>24,898,057</b>

## Controls and Procedures

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Forward-Looking Statements**

All statements made in this MD&A, other than statements of historical facts, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to the development of products, sales growth and global expansion, the impact of the Company's products and services on customers and marketplaces, future financial or operating performance of the Company, the ability to capitalize on future opportunities and estimates regarding the size and scope of target markets and their potential for growth.

In certain cases, forward-looking statements can be identified by the use of words such as "aims", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future costs of materials and labor; speed of technology adoption in target markets and emergence of competing technologies, and other risks of the printed electronics and technology industries; and delays in obtaining financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### **Critical Judgments and Accounting Estimates**

When preparing the financial statements in conformity with IFRS, management undertakes a number of judgments, estimates and assumptions about the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Significant areas of judgments and estimation uncertainty considered by management in preparing the financial statements are as follows:

- a. The amounts disclosed related to fair values of stock options and warrants issued and the resulting effects on profit or loss are based on estimates of future volatility of the Company's share price, expected lives of the options and expected dividends.
- b. The valuation of deferred income tax assets is based on estimates of the probability of the Company utilizing certain tax pools and assets and on the impact of future changes in legislation, tax rates and interpretations by taxation authorities.
- c. The application of IFRS 16 requires the Company to make judgments that affect the valuation of the right-of-use assets and the valuation of lease liabilities. These include: determining agreements in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the Company is comprised of the non-cancellable period of lease agreements, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The present value of the lease payment is determined using a discount rate representing the rate of a commercial mortgage rate, observed in the period when the lease agreement commences or is modified.
- d. Depreciation of tangible and intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.
- e. At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets consisting of Fixed Assets, Intangible Assets, and Goodwill to determine whether there is any indication that the carrying amount is not recoverable. The determination of whether any such indication exist requires significant management judgment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When an individual asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Many factors are used in assessing recoverable amounts and are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments.

- f. Judgement is required to determine if the Company's acquisitions represent a business combination or an asset purchase. The assessments requires management to determine if the acquisitions acquired represented an integrated set of activities with inputs, processes and outputs. The acquisition of rdot AB was considered to be an asset acquisition.

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

- g. The amounts receivable balance is recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.
- h. Inventories are carried at the lower of cost and net realizable value which requires the Company to utilize estimates related to selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell the inventory.
- i. In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm business and results of operations. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

## **Risks and Uncertainties**

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's activities expose the Company to various operational and financial risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below. The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

### ***COVID-19 Pandemic***

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for our product and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

**Global Semiconductor Shortage**

The 2020/2021 semiconductor shortage has highlighted the need for adjustments in capacity and sourcing patterns between automakers, tier-1 suppliers, semiconductor suppliers, and their foundries. The Company's contract manufacturing partners and the Company's clients rely on a supply of semiconductor chips for a wide range of functional electronic and display needs. While the impact on across all electronics sector production is already significant, the situation remains fluid and the Company's contract manufacturing partners and customers are tracking this situation on an ongoing basis.

**Operational Risks**

The Company is subject to operational risk from such factors as personnel and/or environmental accidents at production facilities; fire; patent disputes; changes in supplier pricing; non-performance of obligations under existing agreements; technical difficulties including plant and equipment breakdown; loss of significant customers; problems with product transportation and logistics; legal action from persons or entities adversely impacted by the Company's business; and the ability to obtain financing to maintain operations.

**Customer Demand**

The Company is subject to risk from cyclic customer demand for its services and products. Global, regional and seasonal economic, political and military events including recessions and wars; competition including pricing and availability of similar products from competitors; changes in technology; and changes in laws and regulations affecting the Company's customers.

**Governmental Regulation**

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Electrochromic display production on the Company's facilities is affected by government regulations relating to such matters as environmental protection, health, safety and labour, restrictions on production, price control, and tax increases. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

**Financial Risks**

The Company is exposed to financial risks arising from its financial assets and liabilities. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are:

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents are exposed to minimal credit risk. The credit risk on cash and cash equivalents is low because the counterparties are highly rated banks.

Cash and amounts receivable are subject to the impairment requirements of IFRS 9, however, impairment was not identified. The carrying amount of cash, amounts receivable and deposits represents the maximum credit exposure.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents is exposed to minimal interest rate risk as the Company invests cash at floating rates of interest in highly liquid instruments, when applicable.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its cash on hand.

**Foreign Currency Risk**

The Company's functional currency is the Canadian dollar. The Company funds the operations of Ynvisible SA in Portugal, Ynvisible GmbH in Germany, and Ynvisible Production in Sweden by using Euros and Swedish krona, respectively, converted from its Canadian dollar bank accounts. Based on the Company's Euro and Swedish krona denominated financial instruments at September 30, 2021, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$126,100 and \$13,900, respectively, change in foreign exchange gain or loss.

**Other MD&A Requirements**

This MD&A is intended to assist the reader's understanding of Ynvisible and its operations, business, strategies, performance and future outlook from the perspective of management.

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. Ynvisible's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee is free to meet with the independent auditors at any time.

**Approval**

A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at [www.sedar.com](http://www.sedar.com) including, not but limited to:

- the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020; and
- the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019.

The Board of Directors of Ynvisible has approved the disclosure contained in this MD&A as of the date of this report.