

YNVISIBLE INTERACTIVE INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED DECEMBER 31, 2022****Date of Report: May 1, 2023**

The following management's 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, 2022 and 2021 (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.

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.

The Company's ability to continue as a going concern, to fund work commitments and to ensure adequate working capital is dependent upon achieving profitable operations or upon obtaining sufficient additional financing. Management believes that the Company has sufficient working capital to meet the Company's obligations over the next twelve months.

Management Discussion & Business Highlights

Strategic Transition into Printed E-Paper Products Company

During 2022, Ynvisible strongly steered its actions and resources to accelerate its transition, from a primarily project sales-based organization to a product-based company. The Company aims to accelerate time to market for its low power-consuming printed e-paper displays and exploit opportunities in the new rapidly growing e-paper market, valued at 1.6 billion USD in 2020, growing at a CAGR 17.3% and projected to reach 9.5 billion USD in 2030 (*Source: Allied Market Research, October 2022*).

The Company is in a solid financial position to focus the efforts of its team on implementing the strategic shift and continues to manage its finances judiciously.

The implementation of the e-paper product strategy shift has resulted in a drop in revenue in 2022. Income from customer sales in 2022 was \$686,315, which is 50% lower than 2021. The drop in revenue is a result of the decision to reduce activity in customer funded development projects and contract manufacturing services, that do not show strategic fit with the Company's objectives, for sustainable product-based business, beyond projects. This shift freed up internal resources to prioritize the implementation of the new product-based business strategy. The Company expects revenues to rapidly increase once it begins shipping its first products in volume.

Ynvisible began marketing the first generation of printed e-paper products in March 2022. During Q2, Q3 and Q4 the Company continued to build its sales team and global distribution channels. Market feedback has been positive and during the last quarters of 2022, customers have started to place purchase orders for Non-Recurring Engineering (NRE) costs with an intent to place purchase orders for commercial products.

Meanwhile, Ynvisible's team has been trained, aligned, and united around the strategy and one shared goal. The team has been further strengthened to support the product strategy.

The Company aims to deliver its first mass deployable products to pending client purchase orders by Q3/Q4 2023. Ynvisible and its partners are currently working to ensure that the performance of the products and underlying technology fully meet target market requirements. This work includes testing and enhancing the products for sufficient life-time durability, improving product performance in certain extreme temperature and environmental conditions, and scaling-up and optimizing production. Some delays were incurred during Q3 in the development process and production up-scaling, due to technical challenges. The Company responded by increasing internal resources dedicated to product development and intensifying outsourced development efforts with partners such as the Research Institutes of Sweden (RISE). Despite these unforeseen hurdles, the Company was successful in introducing its Electronic Signage (new product) in Q4 at Electronica 2022.

Operational Capabilities Development & Background to Strategic Shift

During 2018 and 2019, Ynvisible built operational capabilities in the design, research and development (R&D), prototyping, and manufacturing of its proprietary, ultra-low power, printed electrochromic display technology. Several European Union (EU) publicly co-funded projects were won and leveraged for financing to build the Company's technology base, expand collaborative networks, and establish a critical base for future products.

Due to the Company's small size and earlier limited financial resources for own product developments, the speed and direction of developments were largely defined through customer funded product development projects. Such customer tailored development projects continue to be carried out under confidentiality agreements. In customer paid projects the budgets and speed of developments to market entry are largely decided by said clients.

During H1 2020, Ynvisible rapidly adjusted to the COVID pandemic by expanding its sales efforts to a wider range of cash generating customer project work. In particular, the Company leveraged the resources of Consensus Production AB acquired in August 2019 (renamed Ynvisible Production AB) to sell production up-scaling and contract manufacturing services to a diverse set of end clients. These services quickly became the biggest source of revenue for the Company.

In Q2 2020, the Company in-licensed an electrochromic display technology from RISE to expand Ynvisible's technology platform to better respond to diverse client needs around low power display business. Also, in Q2 2020 Ynvisible acquired the electrochromic display business of rDot Displays in Sweden. The Company productized its prototyping process and the volumes for display kit deliveries and prototype sales increased rapidly.

Adopting a "two speed model", Ynvisible began to engage with small companies, particularly start-ups, as they often bring more immediate public visibility on customer use cases and a drive for fast market entry.

As a result of the multiple actions taken in 2020 and 2021, Ynvisible achieved fast growth both in the number of paying customers and in total revenues. The Company gained valuable insights to various market needs and opportunities. However, as the diversity of client demands increased, the Company's limited resources continued to be spread thinly across many different initiatives. As customer project deliveries took precedence the Company's own product initiatives proceeded slowly.

With the financing raised during the first half of 2021, Ynvisible began a strategic shift from a largely project-based business to a more scalable product-based business. An assessment of different target markets was carried out to identify the markets with the highest short term market potential for Ynvisible's flexible ultra low power display offering.

In Q4 2021 the Company announced its short to medium term market focus to the following application spaces:

- Digital signage
- Smart monitoring labels
- Retail labels & signage
- Authenticity & security

The Company began to focus its team and resources on the development, manufacturing and commercialization of printed e-paper display products that address needs and opportunities within these application markets. The decision was made to build the Company's first printed e-paper products based on technology in-licensed from RISE, given its expected higher level of technology readiness in feature requirements and the high volume producibility demands of the selected target market sectors.

A strategic shift to become an e-paper product company was initiated in Q1 2022. The Company's intent on commercializing its first printed e-paper display product was announced on March 2, 2022. This shift impacted Ynvisible target setting for 2022 with a visible slowdown of revenue, with the aim to prioritize operations. This prioritization continued strongly during the remainder of 2022.

On April 27, 2022, Ynvisible announced the expansion of its license from RISE. The amended license agreement includes exclusive worldwide rights to key RISE patent families in printed low power displays. During 2022, Ynvisible has worked closely with RISE to ensure that the performance of the products and underlying technology fully meet target market requirements. As stated above, this work includes testing and enhancing the products for sufficient lifetime durability, and improving product performance, in certain extreme temperature and environmental conditions, and optimizing and scaling-up production to improve production yield rates. The Company is also expanding its collaboration with RISE to accelerate the development of Ynvisible's future product offering.

Ynvisible continues to further develop its own proprietary intellectual property as a base for developing future products and continues to deliver customer tailored development and R&D projects.

Products & Services

Ynvisible's revenue comes from a mix of (i) customer funded product development projects, (ii) printed e-paper display prototyping, (iii) sales of printed e-paper displays, and (iv) production up-scaling and contract manufacturing services. Historically, the most substantial revenue-generating segment of the Company has been the sale of research, development, and production up-scaling services. This recognition provides a holistic view of the Company's investment and growth strategy up to now, as an emerging technology firm.

Today, Ynvisible's central aim is to accelerate speed to market, by offering printed e-paper displays to identified e-paper market segments, with unmet market needs, for ultra low power mass producible displays.

Contract electronics development, production up-scaling, and contract manufacturing services, continue to provide recurring revenue for the Company. However, during 2021, the Company discontinued contract printing and scale-up services for a large, low margin customer, to create time for its own product scale-up and to acquire new customers with better strategic fit for the Company. The Company anticipates that its capabilities and revenues associated with the cost-effective design and production of printed systems in the high growth sector of energy generation/storage where Ynvisible has been supporting several start-up companies, will fluctuate as a function of:

- Customers' material needs and their own internal production and scale-up capabilities
- Capacity of Ynvisible's manufacturing lines in Linköping and Charneca de Caparica
- Competition within the contract manufacturing and process scale-up services market

Sales & Marketing

During 2022 the Company continued to strengthen its sales and marketing operations to build global sales and distribution networks for printed e-paper display product roll-out. Outbound sales and marketing actions focused on selected e-paper display end-user markets and customers. Project sales were focused on selling strategic development projects to key customers.

Specifically, Ynvisible focused on:

1. Establishing sales and distribution channels in the US, Europe and China
2. Optimizing and scaling-up the production of Ynvisible displays for selected target markets with clear addressable market needs
3. Establishing technology partnerships to design, build and sell more value-added products

Ynvisible sales mix continues to include a full palette of services relating to the sale of e-paper displays, as well as contract research, electronics development, production up-scaling, and contract manufacturing printing services. However, the Company is no longer taking in every customer project opportunity but is instead more carefully selecting opportunities that show stronger long-term business potential or are aligned with the Company's strategic objectives.

During 2022, marketing highlights included:

- On 15th March 2022, through a webinar, Ynvisible announced the release of an updated version of its display technology, positioning it as the lowest energy-consuming printed e-paper display on the market.
- In April 2022 the Company made two announcements on the use of its printed e-paper in market:
 - Exevio engaged Ynvisible on a project in Croatia to produce a digital e-paper road sign that informs drivers of the availability of EV charging stations.
 - Digety, an electronic price labels company in the fashion industry, selected Ynvisible as the supplier of displays for its re-usable digital price labels.

- Ynvisible continued active on-line marketing. On April 28, the Company hosted a webinar focused on digital signage and retail label applications. Exevio's Chief Electrical Engineer and Digety's CEO talked about the work with Ynvisible's printed e-paper displays.
- The Company participated in different industry exhibitions and conferences:
 - SID Display Week in San Jose, USA, May 10-12 – Exhibition booth
 - Prinse'22 in Oulu, Finland, June 8-9 – Exhibition booth, training session & invited talk by Ramin Heydarpour, CEO
 - Elektronikmässan in Stockholm, Sweden, June 15-16 – Exhibition booth, invited talk by Linda Robinson, General Manager Ynvisible Production
 - Embedded World in Nuremberg, Germany, June 21-23 – Exhibition booth, Youtube interview for Elektor International Media
 - Techblick's Innovation Festival, on-line event, June 24 – Talk by Keith Morton, VP Sales & Marketing
 - Almascience Supply Chain workshop in Lisbon, Portugal, July 4 – Speech
 - Techblick Live in Eindhoven, Netherlands, October 12-13 – Exhibition booth
 - Organic Electronics Association (OE-A) seminar on the topic Smart Objects and working group meetings in Tampere, Finland, October 18-19 – Invited talk
 - IOTE @ 2022, the 18th International Internet of Things Exhibition in Shenzhen, China, November 15-17 – Exhibition booth by Ynitech, Ynvisible's sales partner, showcasing Ynvisible's products and services.
 - Electronica 2022 in Munich, Germany, November 15-18 – Exhibition booth, speech, product launch

Marketing events in Q1 2023:

- NRF 2023 in New York City, USA, January 14-17, 2023 – Exhibition booth
- EuroShop in Düsseldorf, Germany, February 26 – March 2, 2023 – Exhibition booth
- LOPE-C, Munich, Germany, March 1–2, 2023 – Joint exhibition booth in the Swedish Printed Electronics Pavilion, invited speech
- Embedded World, Nuremberg, Germany, 14 -16 March, 2023 – Exhibition booth

Team, Management & Culture

Ynvisible's team is a multidisciplinary team of over 30 professionals with diverse backgrounds, nationalities and skill sets. In its operations in Portugal, Sweden and Germany, the Company leverages the highly skilled labor base and competitive labor costs.

In H1 2022, the Company made changes to its executive leadership team to effectively develop into a product-based business and accelerate time to market for its printed e-paper display products. In January 2022, Chairman of the Board, Ramin Heydarpour, was appointed as (interim) CEO and Keith Morton, seasoned display industry sales executive, was hired as VP Sales & Marketing. In April 2022 Mr. Heydarpour was appointed permanent CEO and Inês Henriques as COO, to strengthen the Company's operations management. The changes to the management structure were intended to ensure faster decision-making processes, more homogeneous strategic execution and stronger coherence across Ynvisible.

Also during H1, Ynvisible focused heavily on building and promoting a strong company culture, aligned with the company vision, values and goals. At the end of May, Ynvisible held a team building event to strengthen relationships and teamwork, across operations, paving the way for more effective collaboration and better results.

During the second half of 2022, the Company continued to build its team with skill sets in product development, quality control, displays sales, and customer support. Ynvisible has also continued to place significant emphasis on promoting teamwork and collaboration across all departments, recognizing that a strong sense of shared goals and values is essential for achieving sustained success and growth as an enterprise.

Solid Financial Position to Implement Strategic Shift

The Company is in a good financial position to continue focusing the efforts of its team on the product-based strategy kicked off in 2022. Meanwhile, anticipating a shift towards sales in 2023, the Company continues to manage its finances judiciously during this transitional process.

The implementation of the new strategy, and prioritization of Company resources in order to accelerate the transition toward printed e-paper display products-based business, led to a drop in customer sales and total income & gains in 2022. While Ynvisible continues to offer a mix of services to its clients, project sales opportunities are now more carefully weighed against fit with Ynvisible’s short to medium term strategic targets and their profitability.

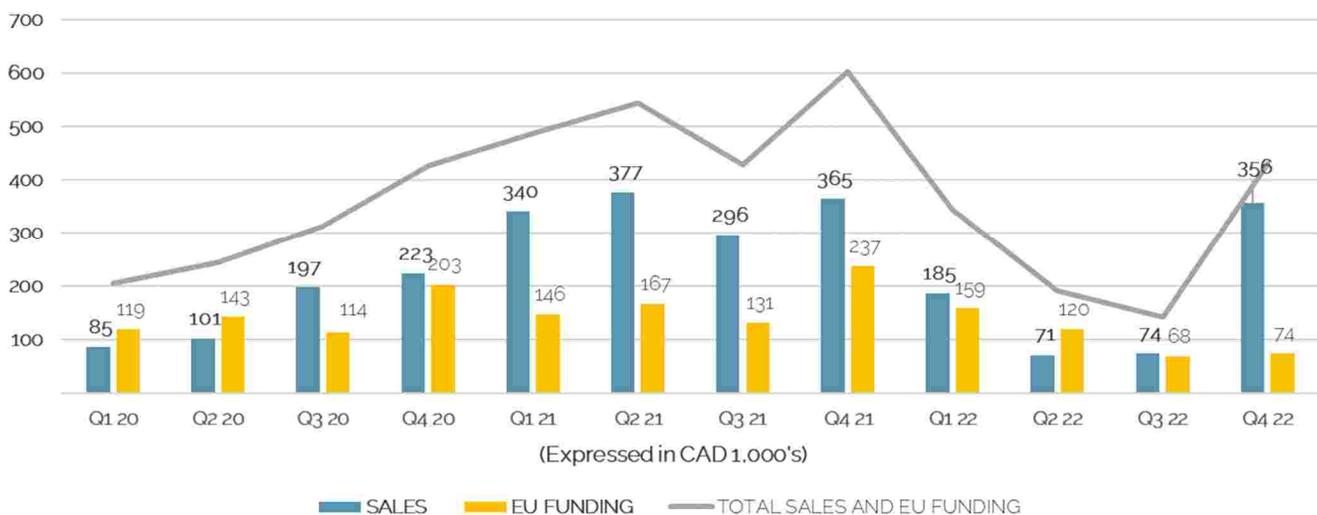
2022 income from customer sales was \$686,315, which represents a 50% decrease compared to total income from customers of \$1,377,727 in 2021. The drop in revenue is a result of the reduced sales from customer-funded product development projects and contract manufacturing services. The Company expects customer-funded product development projects revenue to slightly increase in 2023, while continuing to keep the focus on product optimization and scale-up.

Cost of Sales for 2022 was \$285,104, decreasing 72%, when compared with \$1,011,728 in 2021. The current gross margin fluctuates, as a result of the variation of the sales mix.

2022 income from European Union funding was \$420,690, a 38% decrease compared to the prior year, with some of the European projects coming to an end. Ynvisible intends to focus its full resources on Ynvisible’s product development and scale-up activities, carefully choosing any new projects, to ensure alignment with its strategy and long-term goals.

The Company’s total income & gains for 2022 was \$1,647,568, a decrease of 35% from the prior year of \$2,524,493. Total income & gains include customer sales, other income & gains, rental income, and EU co-funded project grants.

SALES AND EU FUNDING 2020-2022



News & Events

In January 2022, the Company announced that Michael Robinson had resigned as Chief Executive Officer of the Company and Ramin Heydarpour would assume the role of Interim Chief Executive Officer.

In January 2022, the Company announced its appointment of Keith Morton as VP of Sales and Marketing. Concurrently, Tommy Höglund stepped down from his position as VP of Sales and Marketing.

In March 2022, Ynvisible announced plans to release an updated version of the Company's displays, positioning it as the lowest energy-consuming printed e-paper display on the market.

In April 2022, the Company announced its appointment of Inês Henriques as the COO of the Company and Ramin Heydarpour as the permanent CEO of the Company.

In April 2022, the Company announced that Exevio had engaged Ynvisible on a project in Croatia to produce a digital e-paper road sign that informs the availability of EV charging stations.

In April 2022, Ynvisible announced that Digety, an electronic price labels company in the fashion industry, had selected Ynvisible as the supplier of displays for its re-usable digital price labels.

In April 2022, Ynvisible announced the expansion of its license from the Research Institutes of Sweden (RISE). The amended license agreement includes exclusive worldwide rights to key RISE patent families around printed electrochromic devices and displays. The Company will pay RISE annual license fees and royalties that are in line with electronics industry standards. As part of the exclusive license, Ynvisible will purchase R&D services from RISE.

In June 2022, Ynvisible announced that it signed a distribution agreement with Switzerland headquartered Computer Controls AG to distribute Ynvisible's products and solutions for battery-driven or battery-less IoT devices. Computer Controls AG is a supplier of high-quality electronic components, IoT communication modules and technology for test & measurement.

Also in June 2022, Ynvisible announced that it had strengthened the sales team with the appointment of Dirk Becker to the position of European Sales Manager.

In July 2022, the Company granted 2,680,000 stock options to various directors, officers, consultants, and employees of the Company at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. In addition, the Company granted 25,000 stock options to a provider of investor relations services at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at three months from the date of grant, 1/4th at six months from the date of grant, 1/4th at nine months from the date of grant, and 1/4th at twelve months from the date of grant.

In November 2022, Ynvisible announced the launch of its new Digital Signage Solution at Electronica 2022 conference. The product launch strengthens Ynvisible's transition to the new product-based strategy in the rapidly growing e-paper market, and aims to accelerate time to market for its cost-effective, low power-consuming printed e-paper displays.

In November 2022, the Company announced the resignation of Jani-Mikael Kuusisto from the position of SVP Ventures, a part-time role he had held in the Company since stepping down as CEO in January 2021. Jani-Mikael is taking on the position of CEO in The Warming Surfaces Company Ltd., a spin-out from VTT Technical Research Centre of Finland.

In January 2023, Ynvisible announced the launch of its Large Format Electronic Shelf Label Display product. This new display offers an easy-to-read solution for displaying basic product information and pricing, and boasts several unique selling points, including a cost reduction of up to 80% in comparison to competing reflective display technologies, highly customizable options with no minimum order quantity, ultra-low power consumption, and a durable design that can withstand the rigors of daily use in a grocery store environment.

In February 2023, the Company granted 2,427,500 stock options to various directors, officers, consultants, and employees of the Company at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. In addition, the Company granted 25,000 stock options to a provider

of investor relations services at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at three months from the date of grant, 1/4th at six months from the date of grant, 1/4th at nine months from the date of grant, and 1/4th at twelve months from the date of grant.

Selected Annual 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:

	Years Ended December 31,		
	2022	2021	2020
	\$	\$	\$
Sales	686,315	1,377,727	387,912
Operating expenses	6,394,991	7,337,840	4,940,321
Other items	888,537	1,087,154	1,034,042
Net loss	(5,109,124)	(5,886,111)	(3,794,721)
Total comprehensive loss	(5,538,152)	(6,306,639)	(3,520,065)
Loss per share (basic and diluted)	(0.04)	(0.05)	(0.05)

	As at December 31,		
	2022	2021	2020
	\$	\$	\$
Working capital	11,328,085	15,436,089	371,901
Total assets	15,080,338	20,179,324	6,034,184
Total liabilities	1,473,364	2,075,272	2,463,725

Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the years ended December 31, 2022 and 2021:

Operations	For the years ended December 31,	
	2022	2021
	\$	\$
Sales	686,315	1,377,727
Cost of sales	(285,104)	(1,011,728)
Bad debt	-	(39,222)
Compensation and consulting	(2,877,362)	(3,010,647)
Depreciation	(604,708)	(570,162)
Development and production	(786,877)	(292,877)
Interest and bank charges	(11,241)	(15,204)
Marketing and promotion	(201,343)	(728,867)
Office facilities and services	(477,107)	(414,757)
Professional fees	(452,145)	(860,461)
Share-based compensation	(716,192)	(1,166,814)
Transfer and listing fees	(86,005)	(150,623)
Travel and project investigation	(182,011)	(88,206)
Loss from operations	(6,394,991)	(6,971,841)

Results of Operations for the Years Ended December 31, 2022 and 2021

Loss from operations for the year ended December 31, 2022 decreased to \$5,993,780 compared to \$6,971,842 during the year ended December 31, 2021. Key differences between the two periods are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Decrease of \$691,412	Decreased due to the Company's decision to slow down some revenue streams to prioritize and focus the existing resources on product optimization for scale up, aligned with the Company's strategy.
Cost of sales	Decrease of \$726,624	Decreased due to decrease in sales.
Development and production	Increase of \$494,000	Increased due to focusing on the product development and optimization for scale up.
Marketing and promotion	Decrease of \$527,524	Decreased due to scaling down of marketing activities.
Professional fees	Decrease of \$408,316	Decreased due to less corporate activities.

Loss from operations for the year ended December 31, 2021 increased to \$6,971,842 compared to \$4,824,943 during the year ended December 31, 2020. Key differences between the two years are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Increase of \$989,815	Increased due to the Company expanding its market.
Cost of sales	Increase of \$739,194	Increased due to related increase in sales.
Compensation and consulting	Increase of \$476,444	Increased due to the Company using additional employees and consultants as well as strengthening its Sales & Marketing team.
Marketing and promotion	Increase of \$423,189	Increased due to the Company engaging new marketing and social media campaigns to increase customer and investor awareness.
Professional fees	Increase of \$444,823	Increased due to increased corporate activities.
Share-based compensation	Increase of \$832,868	Increased due to the Company granting new stock options and vested with higher value.

Fourth quarter

Loss from operations for the three months ended December 31, 2022 decreased to \$1,197,071 compared to \$2,040,728 during the three months ended December 31, 2021. Key differences between the two periods are as follows:

- Sales decreased by \$39,788 to \$355,995 (2021 - \$395,783) due to the Company's decision to slow down some revenue streams to prioritize and focus the existing resources in product optimization for scale up, aligned with the Company's strategy.
- Cost of sales decreased by \$190,677 to \$114,473 (2021 - \$305,473) due to decrease in sales.
- Professional fees decreased by \$252,928 to \$153,539 (2021 - \$406,467) due to decreased corporate activities.
- Share-based compensation decreased by \$574,476 to \$(121,248) (2021 - \$453,228) due to the timing of the vesting of options granted.

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)
	\$	\$	\$	\$
December 31, 2022	355,995	73,807	(945,918)	(0.01)
September 30, 2022	73,785	68,289	(1,484,263)	(0.01)
June 30, 2022	71,289	119,673	(1,402,450)	(0.01)
March 31, 2022	185,246	158,921	(1,276,493)	(0.01)
December 31, 2021	395,783	236,854	(1,527,203)	(0.01)
September 30, 2021	291,451	131,290	(1,912,877)	(0.02)
June 30, 2021	377,044	166,688	(1,329,178)	(0.01)
March 31, 2021	313,449	146,360	(1,116,853)	(0.01)

Variances quarter over quarter can be explained as follows:

- In the quarter ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022, and December 31, 2021, net loss includes \$203,634, \$287,101, \$183,731, \$366,608, and \$453,228, 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.

Capital Resources

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

	December 31, 2022	December 31, 2021
	\$	\$
Cash	11,844,266	16,107,403
Amounts receivable	769,184	1,067,968
Inventories	61,271	73,522
Prepaid expenses	117,418	189,860
Total current assets	12,792,139	17,438,753
Accounts payables and accrued liabilities	(946,067)	(1,100,268)
Current portion of lease liabilities	(308,271)	(298,757)
Deferred project grants	(209,716)	(603,639)
Working capital	11,328,085	15,436,089

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 \$11,328,085 as at December 31, 2022 (2021 – \$15,436,089).

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.

In April 2022, the Company issued 5,000 Class A common shares to the SEA Minority Shareholders in exchange for 5,000 common shares of Ynvisible SA.

Cash Flows

Net cash used in operating activities for the year ended December 31, 2022 was \$3,930,197 (2021 - \$4,606,505). 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 year ended December 31, 2022, cash used in investing activities was \$67,039 (2021 - \$275,040) for the purchase of fixed and intangible assets and deposits paid.

During the year ended December 31, 2022, cash provided by financing activities was \$271,236 (2021 – \$19,343,744). The Company repaid lease liabilities of \$271,236 (2021 - \$329,674).

The Company's cash decreased by \$4,263,137 from \$16,107,403 at December 31, 2021 to \$11,844,266 at December 31, 2022.

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 December 31, 2022 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 December 31, 2022, the Company had the following directors and officers:

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

The Company has incurred charges during the years ended December 31, 2022 and 2021 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Years ended December 31,	
	2022	2021
	\$	\$
Jani-Mikael Kuusisto – Salary	85,087	155,945
Jani-Mikael Kuusisto – Share based compensation	7,409	-
Inês Henriques – Salary	144,762	96,894
Inês Henriques – Share based compensation	14,817	-
Michael Robinson – Salary	33,916	144,642
Michael Robinson – Share based compensation	-	111,980
Alexander Helm – Management fees	36,000	33,000
Alexander Helm – Share based compensation	7,408	-
Carlos Pinheiro Baptista – Salary	134,878	126,863
Carlos Pinheiro Baptista – Share based compensation	14,817	-
Benjamin Leboe – Non-executive Consultancy	19,000	15,000
Benjamin Leboe – Share based compensation	7,408	-
Ramin Heydarpour - Management fees	180,000	67,000
Ramin Heydarpour – Share based compensation	78,504	72,433
Alex Langer – Non-executive Consultancy	18,000	10,500
Alex Langer – Share based compensation	65,023	51,341
Darren Urquhart – Management fees	30,000	30,000
Darren Urquhart – Share based compensation	7,408	-
Total cash consulting and management fees	681,643	818,067
Total share-based compensation	202,794	248,086
Total compensation for officers and directors	884,437	1,066,153

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 December 31, 2022, accounts payable and accrued liabilities include \$11,611 (2021 - \$37,225) 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 year ended December 31, 2022, the Company received \$nil (2021 - \$39,714) in rent payments from Jordao Capital Corp., a company controlled by Alexander Helm.

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 December 31, 2022	Date of this MD&A
Common shares	124,671,915	124,671,915
Stock options	9,472,500	10,325,000
Warrants	20,891,603	20,891,603
Fully Diluted	155,897,684	155,897,684

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
May 25, 2023	0.30	100,000	100,000
May 1, 2024	0.37	1,110,000	1,110,000
October 2, 2024	0.30	252,500	252,500
May 20, 2025	0.33	195,000	195,000
September 16, 2025	0.25	215,000	215,000
November 11, 2025	0.29	125,000	125,000
March 17, 2026	1.29	60,000	60,000
June 3, 2026	0.63	100,000	100,000
July 1, 2026	0.75	1,735,000	578,332
July 22, 2026	0.62	80,000	26,667
August 26, 2026	0.55	250,000	250,000
October 20, 2026	0.44	370,000	123,333
December 7, 2026	0.32	500,000	166,666
April 13, 2027	0.23	20,000	-
July 20, 2027	0.20	2,705,000	1,346,250
September 22, 2027	0.20	55,000	13,750
February 24, 2028	0.20	2,452,500	606,875
	0.39	10,325,000	4,547,673

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

Expiry Date	Weighted Exercise Price \$	Number of Warrants Outstanding
May 18, 2024	0.76	19,892,003
May 18, 2024	0.61	999,600
	0.75	20,891,603

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 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 remeasurement 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 incremental borrowing of the Company, 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 are exposed to minimal credit risk. The credit risk on cash 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 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.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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 December 31, 2022, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in a \$79,347 and \$626 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 including, not but limited to:

- the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021.

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