



**YNVISIBLE INTERACTIVE INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Three and Nine Months Ended September 30, 2024 and 2023**

**(Expressed in Canadian Dollars – Unaudited)**

# Ynvisible Interactive Inc.

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(Expressed in Canadian Dollars – Unaudited)

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**Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim consolidated financial statements.



**YNVISIBLE INTERACTIVE INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars – Unaudited)

	As at	
	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,046,064	\$ 7,445,758
Amounts receivable	426,489	808,879
Inventories	225,932	276,288
Prepaid expenses	131,594	125,173
<b>Total current assets</b>	<b>4,830,079</b>	<b>8,656,098</b>
<b>Non-current assets</b>		
Deposits	7,034	6,877
Right-of-use assets (Note 6)	244,868	407,625
Fixed assets (Note 7)	1,228,901	1,379,014
Intangible assets (Note 8)	191,490	248,641
<b>Total non-current assets</b>	<b>1,672,293</b>	<b>2,288,199</b>
<b>Total assets</b>	<b>\$ 6,502,372</b>	<b>\$ 10,698,255</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 747,025	\$ 1,088,608
Current portion of lease liabilities (Note 6)	259,918	261,063
Deferred project grants	33,450	140,893
<b>Total current liabilities</b>	<b>1,040,393</b>	<b>1,490,564</b>
<b>Non-current liabilities</b>		
Lease liabilities (Note 6)	-	164,673
<b>Total liabilities</b>	<b>1,040,393</b>	<b>1,655,237</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 10)	37,532,180	37,532,180
Reserve (Note 10)	1,710,924	2,682,102
Obligation to issue shares (Note 10)	46,084	46,084
Deficit	(33,495,016)	(31,078,666)
Accumulated other comprehensive loss	(332,193)	(138,682)
<b>Total shareholders' equity</b>	<b>5,461,979</b>	<b>9,043,018</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 6,502,372</b>	<b>\$ 10,698,255</b>

**Note 1 – Corporate Information and Going Concern**

**Note 15 – Subsequent event**

Approved and authorized for issue on behalf of the Board of Directors on November 29, 2024:

“Alexander Helmel”

Director

Alex Langer”

Director

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



## YNVISIBLE INTERACTIVE INC.

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Expressed in Canadian Dollars – Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Sales (Note 5)	\$ 214,693	\$ 197,675	\$ 804,358	\$ 620,587
Cost of sales (Note 5)	(124,446)	(210,481)	(435,741)	(444,716)
<b>Gross profit</b>	<b>90,247</b>	<b>(12,806)</b>	<b>368,617</b>	<b>175,871</b>
<b>Expenses</b>				
Compensation and consulting (Note 9)	766,621	768,091	2,314,832	2,377,170
Depreciation (Notes 6, 7, and 8)	151,145	145,523	444,789	447,570
Development and production	133,952	284,743	895,445	725,497
Interest and bank charges	1,697	2,492	7,207	8,270
Marketing and promotion	39,785	25,629	77,699	115,741
Office facilities and services	36,514	67,060	99,199	267,231
Professional fees	59,513	69,514	218,976	265,876
Share-based compensation (recovery) (Notes 9 and 10)	(6,312)	69,061	73,395	464,432
Transfer and listing fees	14,672	11,669	57,188	43,465
Travel and project investigation	16,495	36,017	80,827	108,744
<b>Total operating expenses</b>	<b>1,214,082</b>	<b>1,479,799</b>	<b>4,269,557</b>	<b>4,823,996</b>
<b>Loss from operations</b>	<b>(1,123,835)</b>	<b>(1,492,605)</b>	<b>(3,900,940)</b>	<b>(4,648,125)</b>
<b>Other items</b>				
Rental income	-	65,464	-	199,690
Interest revenue	42,720	91,760	145,811	364,452
Income and gains	96,363	72,901	260,886	139,262
Other recoveries (expenses and losses)	9,672	(311)	(13,722)	(1,765)
EU co-funded projects grants	10,484	49,641	50,100	174,786
Gain on forgiveness of debt	-	-	-	-
Write-off tangible assets	(678)	-	(3,058)	(6,103)
<b>Total other items</b>	<b>158,561</b>	<b>279,455</b>	<b>440,017</b>	<b>870,322</b>
<b>Net loss for the period</b>	<b>(965,274)</b>	<b>(1,213,150)</b>	<b>(3,460,923)</b>	<b>(3,777,803)</b>
<b>Other comprehensive (loss) income</b>				
Foreign currency translation adjustment	7,243	13,420	(193,511)	(350,038)
<b>Comprehensive loss for the period</b>	<b>\$ (958,031)</b>	<b>\$ (1,199,730)</b>	<b>\$ (3,654,434)</b>	<b>\$ (4,127,841)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>124,671,915</b>	<b>124,671,915</b>	<b>124,671,915</b>	<b>124,671,915</b>

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



**YNVISIBLE INTERACTIVE INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars – Unaudited)

	Class A Common Shares		Reserve	Obligation to issue shares	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Number	Amount					
	#	\$					
<b>Balance, December 31, 2022</b>	<b>124,671,915</b>	<b>37,532,180</b>	<b>3,084,335</b>	<b>46,084</b>	<b>(26,979,750)</b>	<b>(75,875)</b>	<b>13,606,974</b>
Share-based compensation	-	-	464,432	-	-	-	464,432
Stock options cancelled	-	-	(779,536)	-	779,536	-	-
Net loss for the period	-	-	-	-	(3,538,495)	-	(3,538,495)
Other comprehensive loss	-	-	-	-	-	(350,038)	(350,038)
<b>Balance, September 30, 2023</b>	<b>124,671,915</b>	<b>37,532,180</b>	<b>2,769,231</b>	<b>46,084</b>	<b>(29,738,709)</b>	<b>(425,913)</b>	<b>10,182,873</b>
Share-based compensation	-	-	(63,116)	-	-	-	(63,116)
Stock options cancelled	-	-	(24,013)	-	24,013	-	-
Net loss for the period	-	-	-	-	(1,363,970)	-	(1,363,970)
Other comprehensive income	-	-	-	-	-	287,231	287,231
<b>Balance, December 31, 2023</b>	<b>124,671,915</b>	<b>37,532,180</b>	<b>2,682,102</b>	<b>46,084</b>	<b>(31,078,666)</b>	<b>(138,682)</b>	<b>9,043,018</b>
Share-based compensation	-	-	73,395	-	-	-	73,395
Stock options cancelled	-	-	(543,260)	-	543,260	-	-
Warrants expired	-	-	(501,313)	-	501,313	-	-
Net loss for the period	-	-	-	-	(3,460,923)	-	(3,460,923)
Other comprehensive loss	-	-	-	-	-	(193,511)	(193,511)
<b>Balance, September 30, 2024</b>	<b>124,671,915</b>	<b>37,532,180</b>	<b>1,710,924</b>	<b>46,084</b>	<b>(33,495,016)</b>	<b>(332,193)</b>	<b>5,461,979</b>

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



## YNVISIBLE INTERACTIVE INC.

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Expressed in Canadian Dollars – Unaudited)

	Nine Months Ended September 30,	
	2024	2023
<b>Operating activities</b>		
Net loss for the period	\$ (3,460,923)	\$ (3,777,803)
<i>Items not involving the use of cash:</i>		
Depreciation	444,789	447,570
Depreciation included in Cost of Sales	17,071	16,755
Interest expense on lease liabilities	2,770	3,670
Share-based compensation	73,395	464,432
<i>Changes in working capital items:</i>		
Amounts receivable	382,390	(127,578)
Inventories	50,356	(96,494)
Prepaid expenses	(6,421)	(3,162)
Accounts payable and accrued liabilities	(341,583)	28,022
Deferred income	-	(20,163)
Deferred project grants	(107,443)	(52,034)
<b>Cash used in operating activities</b>	<b>(2,945,599)</b>	<b>(3,116,785)</b>
<b>Investing activities</b>		
Purchase of fixed assets	(44,132)	(20,440)
Purchase (sale) of intangible assets	14,957	(4,646)
Deposits	(157)	(729)
<b>Cash used in investing activities</b>	<b>(29,332)</b>	<b>(25,815)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(213,617)	(209,794)
<b>Cash used in financing activities</b>	<b>(213,617)</b>	<b>(209,794)</b>
<b>Effect of foreign exchange</b>	<b>(211,146)</b>	<b>52,630</b>
<b>Net change in cash</b>	<b>(3,399,694)</b>	<b>(3,405,024)</b>
<b>Cash, beginning of period</b>	<b>7,445,758</b>	<b>11,844,266</b>
<b>Cash, end of period</b>	<b>\$ 4,046,064</b>	<b>\$ 8,439,242</b>
<b>Non-cash transactions</b>		
Reclassification of stock options cancelled	543,260	779,536
Reclassification of warrants expired	\$ (501,313)	\$ -

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

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months ended September 30, 2024 and 2023  
(Expressed in Canadian Dollars Unless Otherwise Noted – Unaudited)

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**1. CORPORATE INFORMATION**

Ynvisible Interactive Inc. (the “Company”) was incorporated on September 2, 1983, under the laws of British Columbia, Canada. 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’s principal business activity is the development and sale of electrochromic displays (“ECDs”). The Company’s shares trade on the TSX Venture Exchange (“TSXV”) under the symbol “YINV”, on the OTCQB under the symbol “YNVYF”, and on the FSE under the symbol “1XNA”.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. During the nine months ended September 30, 2024, the Company incurred a net loss of \$3,460,923 (September 30, 2023 - \$3,777,803), used \$2,945,599 in cash for operations (September 30, 2023 - \$3,116,785) and as at September 30, 2024, had an accumulated deficit of \$33,495,016 (September 30, 2023 - \$29,738,709).

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.

**2. BASIS OF PRESENTATION**

***Statement of Compliance***

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”), Interim Financial Reporting (“IAS 34”).

This financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the years ended December 31, 2023 and 2022.

***Basis of Consolidation***

These condensed interim consolidated financial statements include the accounts of the Company, its 100% owned subsidiary YD Ynvisible, S.A., Portugal (“Ynvisible SA”), Ynvisible GmbH, Germany, which is 100% owned by Ynvisible SA, and Ynvisible Production AB (“Ynvisible Production”), Sweden, which is 100% owned by the Company. All intercompany transactions and balances were eliminated on consolidation.

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. BASIS OF PRESENTATION (continued)**

***Basis of Measurement and Presentation***

The Company's condensed interim consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS and may have been reclassified to conform to the current period's presentation.

The preparation of condensed interim consolidated financial statements requires the use of certain critical accounting estimates and the exercise of management's judgment in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity and areas where assumptions and estimates are significant to the Company's condensed interim consolidated financial statements are discussed in Note 4.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The condensed interim consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information and as otherwise specified, as set out in the accounting policies below.

***Foreign Currency Translation***

The functional currency of the Company is the Canadian dollar. The Company's functional currency is also the presentation currency. The functional currency of Ynvisible SA and Ynvisible GmbH is the European Euro. The functional currency of Ynvisible Production is the Swedish krona.

Transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. The Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. The resulting gains or losses are reflected in profit or loss in the period of translation.

Where applicable, the functional currency is translated into the presentation currency using the period end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

**New accounting standards issued and not yet effective**

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of this amendment on its consolidated financial statements.

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months ended September 30, 2024 and 2023  
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**4. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES**

When preparing the condensed interim consolidated 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 condensed interim consolidated financial statements are as follows:

**ACCOUNTING ESTIMATES**

- 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 application of IFRS 16 requires the Company to make judgments that affect the measurement of the right-of-use assets and lease liabilities. These include determining agreements in the scope of IFRS 16, determining the contract term and determining the interest rate used for discounting 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 rate, observed in the period when the lease agreement commences or is modified.
- c. Depreciation of tangible and intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. 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.
- d. The amounts receivable balance is recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.

**CRITICAL JUDGMENTS**

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 exists 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.

**5. REVENUE AND COST OF SALES**

For the nine months ended September 30, 2024 and 2023, the Company's revenue and related cost of sales is composed of services and products as follows:

Nine Months Ended September 30,												
2024					2023							
	Services		Products		Total	Services		Products		Total		
Sales	\$	416,931	\$	387,427	\$	804,358	\$	377,784	\$	242,803	\$	620,587
Cost of sales		(214,242)		(221,499)	(435,741)		(227,412)		(217,304)	(444,716)		
Gross profit		202,689		165,928	368,617		150,372		25,499	175,871		

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

Right-of-Use Assets

	<b>Leases</b>
<b>Cost:</b>	
At December 31, 2022	\$ 1,246,730
Lease modification	353,408
Foreign exchange adjustment	(16,026)
At December 31, 2023	1,584,112
Lease modification	54,411
Foreign exchange adjustment	28,119
<b>At September 30, 2024</b>	<b>\$ 1,666,642</b>
<b>Depreciation:</b>	
At December 31, 2022	\$ 939,301
Charge for the year	280,271
Foreign exchange adjustment	(43,085)
At December 31, 2023	1,176,487
Charge for the period	213,617
Foreign exchange adjustment	31,670
<b>At September 30, 2023</b>	<b>\$ 1,421,774</b>
<b>Net book value:</b>	
At December 31, 2023	\$ 407,625
<b>At September 30, 2024</b>	<b>\$ 244,868</b>

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

During the year 2023, the Company entered into an amendment to the agreement whereby the lease was extended to August 31, 2024 with a clause that the agreement must be terminated nine months before the due date otherwise the contract will be extended by one year.

The Right-of-Use asset and lease liabilities have been updated to reflect management intention to extend the lease for another twelve-month period expiring August 31, 2025.

Lease Liabilities

At December 31, 2022	\$ 317,581
Lease payments made	(281,261)
Interest expense on lease liabilities	5,630
Lease modification	353,408
Foreign exchange adjustment	30,378
At December 31, 2023	425,736
Lease payments made	(213,617)
Interest expense on lease liabilities	2,770
Lease modification	44,703
Foreign exchange adjustment	326
<b>At September 30, 2024</b>	<b>259,918</b>
Less: current portion	(259,918)
<b>Non-Current Portion</b>	<b>\$ -</b>

The lease liabilities were measured by discounting the lease payments using an incremental borrowing rate of 12%. Interest expense of \$2,770 (September 30, 2023 - \$3,670) is included in interest and bank charges.

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months ended September 30, 2024 and 2023  
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**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**Lease Liabilities (continued)**

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

Fiscal 2024	\$ 78,568
Fiscal 2025	181,350
<u>Total</u>	<u>\$ 259,918</u>

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months ended September 30, 2024 and 2023  
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**7. FIXED ASSETS**

	Equipment	Manufacturing Equipment	Leasehold Building Improvements	Office	Other	Total
<b>Costs</b>						
Balance, December 31, 2022	\$ 590,715	\$ 1,839,109	\$ 71,379	\$ 170,542	\$ 81,090	\$ 2,752,835
Additions	43,988	-	-	22,157	276	66,421
Disposal	(46,253)	-	(17)	(40,995)	(1,179)	(88,444)
Foreign exchange adjustment	(4,281)	(22,418)	(152)	12,214	(14,441)	(29,078)
Balance, December 31, 2023	584,169	1,816,691	71,210	163,918	65,746	2,701,734
Additions	12,204	4,332	4,066	2,816	20,714	44,132
Disposal	-	(619)	-	(2,123)	-	(2,742)
Foreign exchange adjustment	13,168	40,369	1,478	(10,369)	15,312	59,958
<b>Balance, September 30, 2024</b>	<b>\$ 609,541</b>	<b>\$ 1,860,773</b>	<b>\$ 76,754</b>	<b>\$ 154,242</b>	<b>\$ 101,772</b>	<b>\$ 2,803,082</b>
<b>Accumulated Depreciation</b>						
Balance, December 31, 2022	\$ 283,913	\$ 655,934	\$ 27,813	\$ 66,232	\$ 59,515	\$ 1,093,407
Charge for the year	69,830	159,119	9,439	29,868	5,088	273,344
Foreign exchange adjustment	(7,698)	(32,391)	(639)	11,337	(14,640)	(44,031)
Balance, December 31, 2023	346,045	782,662	36,613	107,437	49,963	1,322,720
Charge for the period	51,724	128,074	6,735	21,001	5,886	213,420
Foreign exchange adjustment	6,622	28,011	466	(11,533)	14,475	38,041
<b>Balance, September 30, 2024</b>	<b>\$ 404,391</b>	<b>\$ 938,747</b>	<b>\$ 43,814</b>	<b>\$ 116,905</b>	<b>\$ 70,324</b>	<b>\$ 1,574,181</b>
<b>Carrying Value</b>						
Balance, December 31, 2023	\$ 238,124	\$ 1,034,029	\$ 34,597	\$ 56,481	\$ 15,783	\$ 1,379,014
<b>Balance, September 30, 2024</b>	<b>\$ 205,150</b>	<b>\$ 922,026</b>	<b>\$ 32,940</b>	<b>\$ 37,337</b>	<b>\$ 31,448</b>	<b>\$ 1,228,901</b>

**YNVISIBLE INTERACTIVE INC.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the Three and Nine Months ended September 30, 2024 and 2023  
(Expressed in Canadian Dollars Unless Otherwise Noted – Unaudited)

**8. INTANGIBLE ASSETS**

<b>Costs</b>	<b>Patents and Software</b>		<b>Customer List</b>		<b>IP Rights</b>		<b>License</b>		<b>Goodwill</b>		<b>Total</b>	
Balance, December 31, 2022	\$	117,212	\$	162,302	\$	49,357	\$	116,099	\$	71,253	\$	516,223
Additions		-		6,586		-		-		-		6,586
Foreign exchange adjustment		(2,072)		(747)		(694)		18,877		-		15,364
Balance, December 31, 2023		115,140		168,141		48,663		134,976		71,253		538,173
Additions		-		1,418		-		-		-		1,418
Disposal		(16,375)		-		-		-		-		(16,375)
Foreign exchange adjustment		2,767		2,275		700		(18,129)		-		(12,387)
<b>Balance, September 30, 2024</b>	<b>\$</b>	<b>101,532</b>	<b>\$</b>	<b>171,834</b>	<b>\$</b>	<b>49,363</b>	<b>\$</b>	<b>116,847</b>	<b>\$</b>	<b>71,253</b>	<b>\$</b>	<b>510,829</b>

**Accumulated Depreciation**

Balance, December 31, 2022	\$	55,866	\$	71,949	\$	23,128	\$	49,768	\$	-	\$	200,711
Charge for the year		8,291		41,113		12,399		12,677		-		74,480
Foreign exchange adjustment		(2,767)		(1,437)		(498)		19,043		-		14,341
Balance, December 31, 2023		61,390		111,625		35,029		81,488		-		289,532
Charge for the period		3,992		22,837		6,484		9,468		-		42,781
Foreign exchange adjustment		2,846		2,086		698		(18,604)		-		(12,974)
<b>Balance, September 30, 2024</b>	<b>\$</b>	<b>68,228</b>	<b>\$</b>	<b>136,548</b>	<b>\$</b>	<b>42,211</b>	<b>\$</b>	<b>72,352</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>319,339</b>

**Carrying Value**

Balance, December 31, 2023	\$	53,750	\$	56,516	\$	13,634	\$	53,488	\$	71,253	\$	248,641
<b>Balance, September 30, 2024</b>	<b>\$</b>	<b>33,304</b>	<b>\$</b>	<b>35,286</b>	<b>\$</b>	<b>7,152</b>	<b>\$</b>	<b>44,495</b>	<b>\$</b>	<b>71,253</b>	<b>\$</b>	<b>191,490</b>

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**9. RELATED PARTY TRANSACTIONS**

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.

Key Management Compensation

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Compensation and consulting	\$ 646,301	\$ 514,831
Share-based compensation	58,429	117,388
	<b>\$ 704,730</b>	<b>\$ 632,219</b>

As at September 30, 2024, accounts payable and accrued liabilities include \$56,995 (December 31, 2023 - \$25,655) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment.

**10. SHARE CAPITAL AND RESERVE**

***Authorized***

Unlimited number of Class A common shares without par value.

Unlimited number of Class B non-voting convertible common shares without par value, convertible to Class A common shares on a one-for-one basis.

***Issued***

*For the nine months ended September 30, 2024:* The Company had no share capital activity.

*For the year ended December 31, 2023:* There were no share issuances during the year ended December 31, 2023.

***Obligation to Issue Shares***

On November 9, 2018, the Board of Directors of the Company approved the issuance of up to 1,032,496 Class A common shares of the Company (the “SEA Shares”) to certain Ynvisible SA minority shareholders (the “SEA Minority Shareholders”) pursuant to the terms of share exchange agreements (the “Post-RTO Share Exchange Agreements”) between the Company and the SEA Minority Shareholders. The Board of Directors corrected the number of SEA Shares being issued to the SEA Minority Shareholders to 1,022,496 on September 4, 2019.

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 Ynvisible SA, on a one-for-one basis for the Class A common shares of the Company, held by certain minority shareholders of Ynvisible SA (the “Squeeze-Out Minority Shareholders”). 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 Ynvisible SA.

As at September 30, 2024, the Company recorded \$46,084 (December 31, 2023 - \$46,084) for obligation to issue shares.

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**10. SHARE CAPITAL AND RESERVE - continued**

***Stock Options***

The Company has a fixed stock option plan, which follows the policies of the TSXV regarding stock option awards granted to employees, directors and consultants. According to the plan, the Company may grant incentive stock options up to a total of 10% of the Company's issued and outstanding common shares issued.

In February 2023, the Company granted 2,427,500 stock options to various directors, officers, consultants, and employees 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. The options were valued at \$162,856 using the Black-Scholes option pricing model. 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 March 2023, the Company granted 20,000 stock options to employees 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. The options were valued at \$1,174 using the Black-Scholes option pricing model.

In June 2023, the Company granted 20,000 stock options to employees 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. The options were valued at \$1,928 using the Black-Scholes option pricing model.

In September 2023, the Company granted 100,000 stock options to the chief operating officer 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. The options were valued at \$7,922 using the Black-Scholes option pricing model. In addition, the Company granted 50,000 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 January 2024, the Company granted 400,000 stock options to officers, directors, employees, and consultants at an exercise price of \$0.09 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. The options were valued at \$27,032 using the Black-Scholes option pricing model.

In January 2024, the Company granted 120,000 stock options to employees 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. The options were valued at \$7,427 using the Black-Scholes option pricing model.

In May 2024, the Company granted 130,000 stock options to various directors, officers, consultants, and employees 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. The options were valued at \$10,557 using the Black-Scholes option pricing model. In addition, the Company granted 50,000 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. These options were valued at \$4,060 using the Black-Scholes option pricing model.

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**10. SHARE CAPITAL AND RESERVE (continued)**

***Stock Options (continued)***

In September 2024, the Company granted 250,000 stock options to director, at an exercise price of \$0.09 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. The options were valued at \$18,673 using the Black-Scholes option pricing model.

In September 2024, the Company granted 20,000 stock options to employees 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. The options were valued at \$2,226 using the Black-Scholes option pricing model.

Share-based compensation recognized during the nine months ended September 30, 2024 was \$73,395 (September 30, 2023 - \$464,432) from vesting of options.

The Company's valuation of share purchase options granted during the period was estimated using the Black-Scholes option pricing model with the following assumptions:

	For the nine months ended September 30,	
	2024	2023
Risk-free interest rate	3.22%	3.58%
Expected stock price volatility	129%	118%
Expected option life in years	5 Years	5 Years
Exercise price	0.11	0.20
Spot price	0.08	0.09

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Nine Months Ended September 30, 2024		Year Ended December 31, 2023	
	Number of Options (#)	Weighted Average Exercise Price (\$)	Number of Options (#)	Weighted Average Exercise Price (\$)
Outstanding, beginning	9,575,000	0.35	9,472,500	0.39
Granted	970,000	0.10	2,642,500	0.20
Cancelled/Forfeited	(1,812,500)	0.41	(2,540,000)	0.35
<b>Outstanding, ending</b>	<b>8,732,500</b>	<b>0.31</b>	<b>9,575,000</b>	<b>0.35</b>

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**10. SHARE CAPITAL AND RESERVE (continued)**

**Stock Options (continued)**

As at September 30, 2024, the following options were granted and vested:

Expiry Date	Weighted Average Exercise Price (\$)	Number of Options Outstanding	Number of Options Vested and Exercisable	Weighted Remaining Contractual Life (years)
October 2, 2024	0.30	167,500	167,500	0.01
May 20, 2025	0.33	195,000	195,000	0.64
September 16, 2025	0.25	215,000	215,000	0.96
November 11, 2025	0.29	125,000	125,000	1.12
March 17, 2026	1.29	10,000	10,000	1.46
June 3, 2026	0.63	100,000	100,000	1.67
July 1, 2026	0.75	1,140,000	1,140,000	1.75
July 22, 2026	0.62	80,000	80,000	1.81
August 26, 2026	0.55	250,000	250,000	1.90
October 20, 2026	0.44	370,000	370,000	2.05
December 7, 2026	0.32	500,000	500,000	2.19
July 20, 2027	0.20	2,400,000	2,400,000	2.80
February 24, 2028	0.20	2,095,000	2,095,000	3.40
June 26, 2028	0.20	20,000	20,000	3.74
September 15, 2028	0.20	150,000	150,000	3.96
January 11, 2029	0.20	100,000	75,000	4.28
January 11, 2029	0.09	400,000	300,000	4.28
May 28, 2029	0.20	145,000	62,500	4.66
September 4, 2029	0.09	250,000	62,500	4.93
September 23, 2029	0.20	20,000	5,000	4.98
	<b>0.31</b>	<b>8,732,500</b>	<b>8,322,500</b>	<b>2.73</b>

**Warrants**

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Nine Months Ended September 30, 2024		Year Ended December 31, 2023	
	Number of Warrants (#)	Weighted Average Exercise Price (\$)	Number of Warrants (#)	Weighted Average Exercise Price (\$)
Outstanding, beginning	20,891,603	0.75	20,891,603	0.75
Expired	(20,891,603)	0.75	-	-
<b>Outstanding, end</b>	<b>-</b>	<b>-</b>	<b>20,891,603</b>	<b>0.75</b>

**11. FAIR VALUES AND RISK MANAGEMENT**

The Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities, and lease liabilities. Cash are measured at fair value based on Level 1 input of the fair value hierarchy. The fair value of amounts receivable, deposits, accounts payable and accrued liabilities, and lease liabilities approximate their carrying values.

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:

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**11. FAIR VALUES AND RISK MANAGEMENT (continued)**

***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 is 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.

***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.

***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: currency risk, interest rate risk and other price risk. The Company's management of market risk has not changed materially from that of the prior year and the Company's financial instruments aren't subject to other price risk.

***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 and cash equivalents at fixed rates of interest in highly liquid instruments, when applicable.

***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, 2024, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$36,544 and \$23,467, respectively, change in foreign exchange gain or loss.

**12. CAPITAL MANAGEMENT**

Management determines the Company's capital structure and makes adjustments to it based on funds available to the Company, in order to support its business operations. The Board of Directors has not established quantitative return on capital criteria for capital management but rather relies upon the expertise of the management team to sustain the future development of the business. As the Company does not generate significant revenue, the Company is dependent upon external financing to fund technology and business development as well as its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new business verticals for its technology and know-how and may seek to acquire an interest in supporting business opportunities, if management feels there is sufficient economic potential, provided it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable. There have been no changes in the Company's approach to capital management during the nine months ended September 30, 2024. The Company is not subject to externally imposed capital requirements.

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**13. SEGMENTED DISCLOSURE**

The Company has one operating segment, being the development and sale of ECDs in Europe. At September 30, 2024, the Company's assets, liabilities and comprehensive loss are geographically located as follows:

	Europe	Canada	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 603,329	\$ 3,442,735	\$ 4,046,064
Amounts receivable	420,982	5,507	426,489
Inventories	225,932	-	225,932
Prepaid expenses	75,666	55,928	131,594
<b>Total current assets</b>	<b>1,325,909</b>	<b>3,504,170</b>	<b>4,830,079</b>
<b>Non-current assets</b>			
Deposits	7,034	-	7,034
Right-of-use assets	244,868	-	244,868
Fixed assets	1,228,901	-	1,228,901
Intangible assets	120,237	71,253	191,490
<b>Total non-current assets</b>	<b>1,601,040</b>	<b>71,253</b>	<b>1,672,293</b>
<b>Total assets</b>	<b>\$ 2,926,949</b>	<b>\$ 3,575,423</b>	<b>\$ 6,502,372</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 542,764	\$ 204,261	\$ 747,025
Current portion of lease liabilities	259,918	-	259,918
Deferred revenue	-	-	0
Deferred project grants	33,450	-	33,450
<b>Total liabilities</b>	<b>\$ 836,132</b>	<b>\$ 204,261</b>	<b>\$ 1,040,393</b>
<b>Comprehensive loss for the nine months ended September 30, 2024</b>	<b>\$ 3,045,834</b>	<b>\$ 608,600</b>	<b>\$ 3,654,434</b>

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**13. SEGMENTED DISCLOSURE (continued)**

The Company has one operating segment, being the development and sale of ECDs in Europe. At December 31, 2023, the Company's assets, liabilities and comprehensive loss are geographically located as follows:

	Europe	Canada	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 978,176	\$ 6,467,582	\$ 7,445,758
Amounts receivable	587,529	221,350	808,879
Inventories	276,288	-	276,288
Prepaid expenses	83,592	41,581	125,173
<b>Total current assets</b>	<b>1,925,585</b>	<b>6,730,513</b>	<b>8,656,098</b>
<b>Non-current assets</b>			
Deposits	6,877	-	6,877
Right-of-use assets	407,625	-	407,625
Fixed assets	1,379,014	-	1,379,014
Intangible assets	177,388	71,253	248,641
<b>Total non-current assets</b>	<b>1,970,904</b>	<b>71,253</b>	<b>2,042,157</b>
<b>Total assets</b>	<b>\$ 3,896,489</b>	<b>\$ 6,801,766</b>	<b>\$ 10,698,255</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 867,511	\$ 221,097	\$ 1,088,608
Current portion of lease liabilities	261,063	-	261,063
Deferred project grants	140,893	-	140,893
<b>Total current liabilities</b>	<b>1,269,467</b>	<b>221,097</b>	<b>1,490,564</b>
<b>Non-current liabilities</b>			
Lease liabilities	164,673	-	164,673
<b>Total non-current liabilities</b>	<b>164,673</b>	<b>-</b>	<b>164,673</b>
<b>Total liabilities</b>	<b>\$ 1,434,140</b>	<b>\$ 221,097</b>	<b>\$ 1,655,237</b>
<b>Comprehensive loss for the year ended December 31, 2023</b>	<b>\$ 4,242,782</b>	<b>\$ 722,490</b>	<b>\$ 4,965,272</b>

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**14. COMMITMENTS**

***RISE Agreement***

On March 12, 2024, the Company signed a technology license agreement (the “Agreement”) with the Research Institutes of Sweden AB (“RISE”) in respect of printed display technology owned by RISE.

The Agreement gives the Company:

- Broad field of use of the technology;
- Six years worldwide exclusive license;
- Perpetual worldwide non-exclusive license;
- Ownership of the product and manufacturing intellectual property;
- Right to buy RISE’s intellectual property; and
- Right to terminate the Agreement if Ynvisible is not able to develop viable products or there is a failure in materials supply.

The Agreement gives RISE:

- License fees for 6 years in the range of €70,000 – €90,000/year;
- Perpetual royalties in the range of 1 - 3%;
- Ynvisible commits to purchase services and materials estimated to be €230,000 in 2024 and €180,000 in 2025;
- Ownership of the materials and devices intellectual property; and
- Right to terminate the Agreement if Ynvisible is not commercially successful.

If the Company decides to purchase the intellectual property, the licence fees, royalties and commitment to purchase services and materials will terminate.

**15. SUBSEQUENT EVENT**

On November 4, 2024, the Company closed a non-brokered private placement financing of 5,000,000 common shares, at a price of \$0.10 per common share for gross proceeds of \$500,000. All common shares issued are subject to a statutory four month hold period expiring March 5, 2025. The Chief Executive Officer and a director of the Company participated in the private placement by purchasing an aggregate of 450,000 common shares.