

**YNVISIBLE INTERACTIVE INC.****MANAGEMENT DISCUSSION AND ANALYSIS****NINE MONTHS ENDED SEPTEMBER 30, 2020****Date of Report: November 30, 2020**

The following management discussion and analysis ("MD&A") of the financial position and results of operations for Ynvisible Interactive Inc. (the "Company" or "Ynvisible") should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended December 31, 2019 and 2018 and the condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and 2019 (the "Financial Statements"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overall Performance**

Ynvisible Interactive Inc. is a public company listed on the TSX Venture Exchange under the trading symbol "YNV".

Ynvisible aims to be a leading company in the emerging printed electronics sector. 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 proprietary electrochromic displays can be the face of smart labels and other smart printable surfaces. Ynvisible's displays use almost no power. They are ultra-low weight, microscopically thin, flexible, yet robust. When combined with various sensors, they bring functionality and life to smart products. Given the cost and power consumption advantages over conventional electronics, printed electronics are a key enabler of mass adoption of the Internet of Things (IoT). Electrochromics-based smart labels offer simple, non-obtrusive human interfaces to smart IoT objects.

Ynvisible's mix of services, materials, and technology is a unique combination, which is gaining traction among brand owners developing their IoT products for a huge market in its infancy. Since Ynvisible's displays are printed, product designers can easily adapt electrochromics to the desired product design and required user experience.

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 – 1005 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company maintains a website at [www.ynvisible.com](http://www.ynvisible.com).

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

## Business Highlights for Q3 2020

On September 10, 2020, Ynvisible announced the appointment of Michael Robinson as Chief Operating Officer (“COO”) of the Company. Within Ynvisible’s management team he takes responsibility for global operations and innovation development. Mr. Robinson joins the Company from L’Oréal USA, where he was an Operations Business Development and Open Innovation lead. Mr. Robinson has been an independent Director of the Company since November 2019.

On September 16, 2020, Dr. Inês Henriques, the Company’s previous COO, was appointed to the Board of Directors.

On September 24, 2020, Ynvisible announced that it has partnered with Agiler Oy, a Finnish high tech company to prototype a trailblazing smart label technology to verify that the surfaces in public spaces, such as mass transit vehicles, have been successfully sterilized with modern ultraviolet C (UVC) sterilization technology. The sensor label will demonstrate cost-effective, scalable printed and flexible electronics and displays produced by Ynvisible. The work is funded by the European Union Horizon 2020 financial instrument, under the Smartees 2 project.

On September 29, 2020, Ynvisible announced that Mimply Ab, a Swedish GreenTech start-up that creates sustainable laundry solutions, has chosen Ynvisible’s energy-efficient electrochromic displays as the display solution for its product, the Mimbox.

## Sales

In Q3 2020, the Company followed up on the positive customer momentum created with marketing actions carried out in Q1 and the active digital marketing campaigns carried out in Q2, in response to the changing working environment caused by the COVID-19 pandemic. In Q3 nearly all marketing and sales actions, and customer engagements continued to be carried out via on-line channels.

Despite the global market impacts and challenging operating environment brought on by COVID-19, Ynvisible’s combined sales and prototype projects revenue for Q3 2020 increased by 156% to \$197,196, compared to \$77,070 in Q3 2019. The Company’s combined sales and prototype projects revenue for the first nine months of 2020 was \$383,831. This is an increase of 200% compared to \$127,780 for the first nine months of 2019.

As a result of its recent the acquisition of rdot AB’s electrochromic displays business in May 2020, the Company’s marketing initiatives and a transition to increased on-line sales and more standardized products, the Company’s client base has grown and customer pipeline has strengthened during the first nine months of 2020. The Company invoiced 75 customers during the first nine months of the year. In fiscal year 2019, the Company invoiced 49 customers during the full year.

While the pandemic continued to keep certain client cases and orders on hold or caused some delays to on-going or planned deliveries from Ynvisible, other new customers and market opportunities emerged as a result of the crisis. In 2019 the Company’s management team set the target of reaching “seven digit” revenues in fiscal 2020. Throughout the quarter, the Company remained optimistic about reaching this annual target in orders booked. However, the delays caused by COVID-19 on individual component and material deliveries, will make it challenging for the Company to reach \$1 million in revenue for the year.

All major ongoing client developments continue to be covered by confidentiality agreements and are focused on product initiatives driven by end clients.

## Marketing

Since the completion of its reverse takeover ("RTO") on January 19, 2018, the Company has systematically focused on building its team and in-house design, prototyping and production infrastructure for printed electrochromic displays and other printed electronic functionality. Ynvisible has also announced external partnerships complementing this capability. In Q4 2019 and during first nine months of fiscal 2020, Ynvisible has made changes to the management of its sales and marketing, enhanced its sales process and has strengthened its sales and customer support teams, for example, through the acquisition of rdot AB's electrochromic display business on May 19, 2020. The Company has also taken systematic steps to expand beyond its services business toward more standardized and potentially more scalable printed electrochromic products and solutions.

In response to the rapid spread of the COVID-19 in March 2020, the Company altered its marketing plans to take more advantage of digital platforms. These plans were put into action in Q2 and Q3 with several digital marketing campaigns were carried out during those quarters.

On July 9, 2020, Ynvisible carried out the 5<sup>th</sup> session of its "Making Things Alive with Printed Electronics" webinar series, with the session focused on investors. Ynvisible's CEO, Jani-Mikael Kuusisto, plus other management team members and members of the Board, discussed recent news and other information made public and answered questions from the investor community. The guest speaker in the session was Raghu Das, CEO of IDTechEx. IDTechEx is the leading independent market research, business intelligence and events organizers in the field of organic, printed and flexible electronics. In his talk, Raghu Das provided an overview of the wider printed and flexible electronics markets, plus insights on the printed electrochromic display markets, projecting a US\$30 million market by 2025 and US\$80 million by 2030.

In response to the success of Ynvisible's webinar series, the printed electronics commercialization community PrintoCent employed the services of Ynvisible to host its webinar series on printed intelligence to bring visibility to companies in the network. Hosting the webinar series has brought positive visibility to Ynvisible and highlights the strength of the company's networks. This 6 part series started off with three sessions in June, and a further three sessions were carried out in September 2020.

- June 4, *Boosting the Industrialization and Commercialization of Printed Intelligence*
- June 16, *Health & Medical Everywhere with You – rapid diagnostics, smart patches, wearables*
- June 25, *Structural Electronics – embedded intelligence around You*
- Sept. 10, *Printed Intelligence for a Safe, Secure & Sustainable World*
- Sept. 22, *Trillion Sensors*
- Sept. 29, *Investing in Printed Intelligence*

On September 18, 2020, Jani-Mikael Kuusisto, CEO, gave an invited talk in OE-A's (Organic and Printed Electronics Association, [oe-a.org](http://oe-a.org)) Web-Seminar Series - Printed Electronics Insights.

In Q2, the Company kicked off a revamp of its core digital assets. The work continued throughout Q3. The central aim is to facilitate the customer path to purchase for both Ynvisible's services and ynvisible® branded products.

## Impacts of COVID-19 Pandemic on Business Operations

During Q3 2020, Ynvisible's operations continued to be moderately impacted by the COVID-19 pandemic. As the virus began to spread in Q1, the Company took immediate measures to protect its employees and customers, while staying as operational as possible within the guidelines of local governments in its different locations. These procedures were continued throughout Q2 and Q3.

During Q3, most people returned to working in the office, but robust cleanliness requirements and social distancing measures were enforced. Production continued at near normal levels at Ynvisible Production AB in Linköping, Sweden and Customer Solutions Center in Charneca de Caparica, Portugal. Despite one case of COVID-19 in the team, the Company's team was saved from any severe cases of the virus.

Business travel and customer visits stayed low during the quarter and all marketing activities were conducted online.

COVID-19 moderately impacted Ynvisible's sales growth during Q3, 2020. Certain customer deliveries and product developments continued to be delayed due to delays in material and component deliveries.

## Corporate Activities and Subsequent Events

On October 20, 2020, Ynvisible announced a collaboration with HyPrint GmbH, a German high tech company focused on integrated systems, services and solutions for printed and hybrid electronics to produce the next generation of smart objects and labels linked to cloud computing. Hyprint is now offering Ynvisible's electrochromic (EC) displays as a visual indicator to the hybrid electronics based solutions it designs for its clients in the logistics, pharmaceutical and packaging industries.

Also on October 20, 2020, Ynvisible announced the launch of its new updated web-site at URL: [www.ynvisible.com](http://www.ynvisible.com). Through the update the Company introduced enhanced functionalities for purchasing its products and services online.

On October 22, 2020, the Company announced its first commercial delivery of wholly customized roll-to-roll printed segment displays to Pickletech, LLC, a technology company providing portable scoreboards for use in Pickleball tournaments and events. A proprietary mobile application remotely operates the highly visible display in both indoor and outdoor applications.

On November 5 and November 12, 2020, Ynvisible announced the expansion of its Advisory Board with a total of six new industry experts. The Company's Advisory Board includes the following new members:

- Dr. Michael Okoroafor, VP of Global Sustainability & Packaging Innovation, McCormick & Co.
- Dr. Harlan Byker, Founder & CEO, Pleotint LLC.
- Dr. Harri Kopola, Fellow, Organic Electronics Association

### New members:

- Ramin Heyardarpour, Managing Partner, Flex R&D / Former Global VP R&D Avery Dennison
- Sal Pellingra, VP Global Application & Innovation, ProAmpac
- Tiffany Vasilchik, SVP Growth Strategy, Magid
- Mitchell Huang, Technology Start-Ups / Investment / Product Management
- Adam Laubach, Printed Electronics / Medical Device Lab-to-Fab / Leadership
- Dr. Rudi Leuschner, Associate Prof. of Supply Chain Management, Rutgers Business School

On November 12, 2020, the Company announced the appointment of Piotr Wierzchowiec, Ph.D., as the Head of Functional Ink Products & Development. Dr. Wierzchowiec brings Ynvisible over twelve years of experience in developing materials, inks, and printing processes for organic and printed electronics, including display applications. He joins the Company from Merck KGaA, an internationally leading science and technology company in healthcare, life science, and performance materials. At Merck, Piotr Wierzchowiec was Head of Print Labs for Performance Materials Innovation & Application division.

On November 24, 2020, Ynvisible announced that Innoscentia AB has chosen the Company's displays for its dynamic expiry date labels on food packages. Instead of static expiry date estimations on the packages, Innoscentia has developed materials that combine with the Ynvisible display, enabling real-time quality monitoring of the food. This solution aims to reduce food waste significantly and detect spoiled food in time, even before the expiry date.

During the month of November 2020, the Company granted 600,000 stock options to various consultants of the Company at an exercise price of \$0.285 per share for a period of five years, vesting as follows: 1/3rd on four months from the date of grant, 1/3rd on eight months from the date of grant, and 1/3rd on twelve months from the date of grant. In addition, the Company also granted 25,000 stock options to a consultant of the Company at an exercise price of \$0.285 per share for a period of five years, vesting as follows: 1/4th on three months from the date of grant, 1/4th on six months from the date of grant, 1/4th on nine months from the date of grant, and 1/4th on twelve months from the date of grant. Moreover, the Company also granted 75,000 stock options to an employee of the Company at an exercise price of \$0.30 per share for a period of five years, vesting as follows: 1/3rd on four months from the date of grant, 1/3rd on eight months from the date of grant, and 1/3rd on twelve months from the date of grant.

### Selected Quarterly Information

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Sales	108,442	26,386	245,538	26,386
Operating expenses	1,125,119	1,085,678	3,546,943	2,864,212
Other items	272,688	(27,091)	767,305	264,892
Net loss	(834,747)	(1,096,405)	(2,722,136)	(2,582,956)
Total comprehensive loss	(847,732)	(1,067,274)	(2,832,318)	(2,523,214)
Loss per share (basic and diluted)	(0.01)	(0.02)	(0.04)	(0.04)

	As at September 30,	
	2020	2019
	\$	\$
Working capital (deficit)	(11,885)	1,887,441
Total assets	5,727,774	7,418,298
Total liabilities	2,849,139	2,336,439

## Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the three and nine months ended September 30, 2020 and 2019:

Expenses	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Compensation and consulting	689,819	486,085	1,799,011	1,252,122
Depreciation	168,451	77,226	492,218	162,159
Development and production	16,657	46,015	72,185	252,974
Interest and bank charges	6,567	4,965	21,261	13,313
Marketing and promotion	8,764	64,647	284,055	108,033
Office facilities and services	97,775	71,707	285,150	163,019
Professional fees	45,307	63,711	256,412	247,895
Share-based compensation	62,777	201,218	228,358	457,228
Transfer and listing fees	12,754	15,593	51,872	35,980
Travel and project investigation	16,248	54,511	56,421	171,489
Total operating expenses	1,125,119	1,085,678	3,546,943	2,864,212

## Results of Operations for the Three and Nine Months Ended September 30, 2020

### General and Administrative Expenses

Net loss for the three months ended September 30, 2020 decreased to \$834,747 compared to \$1,096,405 during the three months ended September 30, 2019. Key difference between the two periods are as follows:

- Compensation and consulting increased by \$203,734 to \$689,819 (September 30, 2019 - \$486,085) due to the Company using additional employees and consultants in relation to the acquisition of Ynvisible Production AB.
- Marketing and promotion decreased by \$55,883 to \$8,764 (September 30, 2019 - \$64,647) due to new marketing and social media campaigns engaged to increase investor awareness in the prior period.
- Share-based compensation decreased by \$138,441 to \$62,777 (September 30, 2019 - \$63,711) due to stock options granted and vested with a higher value in the prior period.

Net loss for the nine months ended September 30, 2020 increased to \$3,546,943 compared to \$2,864,212 during the nine months ended September 30, 2019. Key difference between the two periods are as follows:

- Compensation and consulting increased by \$546,889 to \$1,799,011 (September 30, 2019 - \$1,252,122) due to the Company using additional employees and consultants in relation to the acquisition of Ynvisible Production AB.
- Depreciation increased by \$330,059 to \$492,218 (September 30, 2019 - \$162,159) due to the acquisition of tangible and intangible assets and right of use assets in relation to the acquisition of Ynvisible Production AB.
- Development and production decreased by \$180,789 to \$72,185 (September 30, 2019 - \$252,974) due to the Company using mostly internal resources for its development needs in the period, rather than hiring 3rd party development services as in the prior period.
- Marketing and promotion increased by \$176,022 to \$284,055 (September 30, 2019 - \$108,033) due to new marketing and social media campaigns engaged to increase investor awareness in the current period.
- Share-based compensation decreased by \$228,870 to \$228,358 (September 30, 2019 - \$457,228) due to stock options granted and vested with a higher value in the prior period.
- Travel and project investigation decreased by \$115,068 to \$56,421 (September 30, 2019 - \$171,489) due to COVID-19 pandemic travel restrictions in the current period limiting many business trips.



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

### Summary of Quarterly Results

Three months ended	Sales	EU Co-Funded Project Grants	Net Loss	Loss Per Share (Basic and Diluted)
	\$	\$	\$	\$
September 30, 2020	108,442	114,447	(834,747)	(0.01)
June 30, 2020	77,264	142,727	(995,641)	(0.01)
March 31, 2020	59,832	118,855	(891,748)	(0.01)
December 31, 2019	184,988	147,781	(884,132)	(0.01)
September 30, 2019	77,070	100,850	(1,096,405)	(0.02)
June 30, 2019	26,744	106,621	(842,021)	(0.01)
March 31, 2019	23,966	137,657	(644,530)	(0.01)
December 31, 2018	-	160,243	(941,514)	(0.02)

Variances quarter over quarter can be explained as follows:

- In the quarter ended September 30, 2019, net loss includes \$178,862 in non-cash RTO transaction fees and \$201,218 in non-cash share-based compensation.

### Liquidity

In management's view, given the nature of the Company's operations, the Company does not expect to receive significant income from any of its projects in the near term. The Company has financed its operations to date primarily through the issuance of common shares and the exercise of stock options or warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

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

## Capital Resources

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

	September 30, 2020	December 31, 2019
	\$	\$
Cash	1,139,746	2,126,725
Amounts receivable	1,068,702	601,172
Prepaid expenses	154,299	174,304
Total current assets	2,362,747	2,902,201
Accounts payables and accrued liabilities	1,101,144	621,949
Current portion of lease liabilities	365,978	337,407
Deferred project grants	907,510	864,860
Working capital (deficit)	(11,885)	1,077,985

During the first quarter of 2019, the Company closed a non-brokered private placement of 3,339,200 units of the Company at \$0.30 per unit for gross proceeds of \$1,001,760. The proceeds of the financing will be used for general working capital. During the second quarter of 2019, the Company closed a non-brokered private placement of 12,571,429 units of the Company at \$0.35 per unit for gross proceeds of \$4,400,000. The proceeds of the financing will be used for general corporate and working capital, development, marketing, and increasing production capacity. During the second quarter of 2020, the Company closed a non-brokered private placement of 7,500,000 shares of the Company at \$0.20 per share for gross proceeds of \$1,500,000. The proceeds of the financing 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 deficit of \$11,885 as at September 30, 2020 (December 31, 2019 – surplus of \$1,077,985).

## 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 499,639 Class A common shares with a fair value of \$172,282, which has been reported as RTO transaction costs. As a result of the squeeze-out transaction, the Company now owns 100% of YD Ynvisible, S.A. During the year ended December 31, 2019, the Company issued 35,392 common shares with a value of \$12,210 related to squeeze-out transaction. During the nine months ended September 30, 2020, the Company issued 318,400 common shares with a value of \$109,848 related to squeeze-out transaction, and as at September 30, 2020, the Company recorded a balance of \$50,224 (December 31, 2019 – \$160,072) for obligation to issue shares.

## Cash Flows

Net cash used in operating activities for the nine months ended September 30, 2020 was \$1,852,198 (September 30, 2019 - \$2,658,506). The cash used consisted primarily of general and administrative expenses, net of non-cash expenditures and a net change in non-cash working capital, detailed in the statement of cash flows.

During the nine months ended September 30, 2020, cash used in investing activities was \$217,809 (September 30, 2019 - \$606,630) for the purchase of fixed and intangible assets.



During the nine months ended September 30, 2020, cash provided by financing activities was \$1,193,210 (September 30, 2019 - \$5,038,342). The Company repaid long term debt of \$5,694 (September 30, 2019 - \$117,366) and repaid lease liabilities of \$269,493 (September 30, 2019 - \$74,753). The Company also closed a private placement for gross proceeds of \$1,500,000 (September 30, 2019 - \$5,401,760) and paid \$31,603 (September 30, 2019 - \$178,444) in cash for share issuance costs.

The Company's cash decreased by \$986,979 from \$2,126,725 at December 31, 2019 to \$1,139,746 at September 30, 2020.

### **Proposed Transactions**

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

### **Off Balance Sheet Arrangements**

At September 30, 2020 and as of the date of this report, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

### **Transactions with Related Parties**

As of September 30, 2020 and the date of this report, the Company had the following directors and officers:

Jani-Mikael Kuusisto – Chief Executive Officer and Director  
Inês Henriques, PhD – Director  
Alexander Helmelt – Director  
Duarte Mineiro – Director  
Benjamin Leboe – Director  
Michael Robinson – Chief Operating Officer and Director  
Leif Ljungqvist – Director  
Carlos Pinheiro Baptista, PhD – Chief Technology Officer  
Darren Urquhart, CPA, CA – Chief Financial Officer

The Company has incurred charges during the nine months ended September 30, 2020 and 2019 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Nine months ended September 30,	
	2020	2019
	\$	\$
Jani-Mikael Kuusisto – Salary	145,060	114,026
Jani-Mikael Kuusisto – Share based compensation	4,970	32,474
Inês Henriques – Salary	72,254	70,338
Inês Henriques – Share based compensation	4,970	32,474
Alexander Helmelt – Consulting fees	22,500	22,500
Alexander Helmelt – Share based compensation	3,313	21,649
Martin Burian* – Consulting fees	-	9,000
Martin Burian* – Share based compensation	-	21,649
Carlos Pinheiro Baptista – Salary	75,799	73,817
Carlos Pinheiro Baptista – Share based compensation	4,970	-
Benjamin Leboe – Consulting fees	9,000	9,000
Benjamin Leboe – Share based compensation	3,313	32,538
Tommy Höglund – Share based compensation	29,887	-
Michael Robinson – Consulting fees	9,000	-
Michael Robinson – Share based compensation	16,448	-
Leif Ljungqvist - Consulting fees	48,249	-
Darren Urquhart – Consulting fees	22,500	22,500
Darren Urquhart – Share based compensation	1,656	10,825
Total cash consulting and management fees	404,362	321,181
Total share-based compensation	69,527	151,609
Total compensation for officers and directors	473,889	472,790

\*Martin Burian stepped down from the board during the year ended December 31, 2019.

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

As at September 30, 2020, accounts payable and accrued liabilities include \$48,437 (December 31, 2019 - \$43,453) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment. During the nine months ended September 30, 2020, the Company received \$59,571 (September 30, 2019 - \$59,571) in rent payments from a company controlled by Alexander Helmelt.

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

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

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

	As at September 30, 2020	Date of this MD&A
Common shares	81,399,675	81,406,675
Stock options	5,500,000	6,200,000
Warrants	8,978,478	8,978,478
Fully Diluted	95,878,153	96,585,153

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

<b>Expiry Date</b>	<b>Weighted Exercise Price \$</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested and Exercisable</b>
January 19, 2023	0.30	1,825,000	1,825,000
February 21, 2023	0.40	200,000	200,000
May 25, 2023	0.30	300,000	300,000
September 25, 2023	0.31	50,000	50,000
May 1, 2024	0.37	1,450,000	1,450,000
October 2, 2024	0.30	535,000	535,000
December 18, 2024	0.20	300,000	200,000
May 20, 2025	0.33	325,000	108,333
September 9, 2025	0.24	300,000	-
September 16, 2025	0.25	215,000	-
November 11, 2025	0.285	625,000	-
November 18, 2025	0.30	75,000	-
	<b>0.31</b>	<b>6,200,000</b>	<b>4,668,333</b>

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

<b>Expiry Date</b>	<b>Weighted Exercise Price \$</b>	<b>Number of Warrants Outstanding</b>
January 9, 2022	0.60	1,752,876
June 5, 2022	0.60	7,225,602
	<b>0.60</b>	<b>8,978,478</b>

## Controls and Procedures

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

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

## Forward-Looking Statements

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

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

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

## Critical Judgments and Accounting Estimates

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

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

- a. The amounts disclosed related to fair values of stock options and warrants issued and the resulting effects on profit or loss are based on estimates of future volatility of the Company's share price, expected lives of the options and expected dividends.
- b. The valuation of deferred income tax assets is based on estimates of the probability of the Company utilizing certain tax pools and assets and on the impact of future changes in legislation, tax rates and interpretations by taxation authorities.
- c. The application of IFRS 16 requires the Company to make judgments that affect the valuation of the right-of-use assets and the valuation of lease liabilities. These include: determining agreements in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the Company is comprised of the non-cancellable period of lease agreements, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The present value of the lease payment is determined using a discount rate representing the rate of a commercial mortgage rate, observed in the period when the lease agreement commences or is modified.

**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.

***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.

***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.

***Customer Demand***

The Company is subject to risk from falling customer demand for its 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.

***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 is exposed to minimal credit risk. The credit risk on cash is low because the counterparties are highly rated banks.

**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.

**Foreign Currency Risk**

The Company's functional currency is the Canadian dollar. The Company funds the operations of Ynvisible SA in Portugal, Ynvisible GmbH in Germany, and Ynvisible Production in Sweden by using Euros and Swedish krona, respectively, converted from its Canadian dollar bank accounts. Based on the Company's Euro and Swedish krona denominated financial instruments at September 30, 2020, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$51,300 and \$63,000, respectively, change in foreign exchange gain or loss.

**Other MD&A Requirements**

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

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

**Approval**

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

- the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and 2019; and
- the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018.

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