

YNVISIBLE INTERACTIVE INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS****THREE MONTHS ENDED MARCH 31, 2022****Date of Report: May 30, 2022**

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, 2021 and 2020 and the condensed interim consolidated financial statements for the three months ended March 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.

Business Highlights for Q1 2022

Focus on Printed E-Paper Display Products Strategy

In January 2022, the Company made changes to its executive leadership team by appointing Chairman of the Board, Ramin Heydarpour, as interim CEO and hiring a seasoned display industry sales executive, Keith Morton, as VP Sales & Marketing. These appointments strengthen the Company's management team and bring experience in product commercialization, sales, distribution, and operations management.

Subsequently in April 2022, Mr. Heydarpour was appointed as permanent CEO and Inês Henriques as COO, to strengthen the Company's operations management.

In Q4 2021, the Company announced its short to medium term market focus on four application markets with the highest unmet market needs and where Ynvisible's printed e-paper displays are competitively positioned. These markets are:

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

During Q1 2022, the Company strongly steered its actions and resources to accelerate the implementation of the strategy kicked off in 2021, to transition from a primarily project sales-based organization to a product-based company with the aim of building recurring revenues and repeat business from printed e-paper display products. In addition, the Company's sales and marketing, production and development teams' time and resources were prioritized on the first printed e-paper display product, which was announced on March 2, 2022.

Sales & Marketing

Ynvisible revenue comes from a mix of (i) customer funded product development projects, (ii) electrochromic (EC) display prototyping, (iii) sales of EC displays, and (iv) production upscaling 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.

The implementation of the new strategy and prioritization of Company resources toward accelerating the transition toward printed e-paper display products-based business, led to a drop in customer sales and total income & gains. 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 for their profitability. This transition is also expected to impact total revenue development in Q2 and Q3 2022.

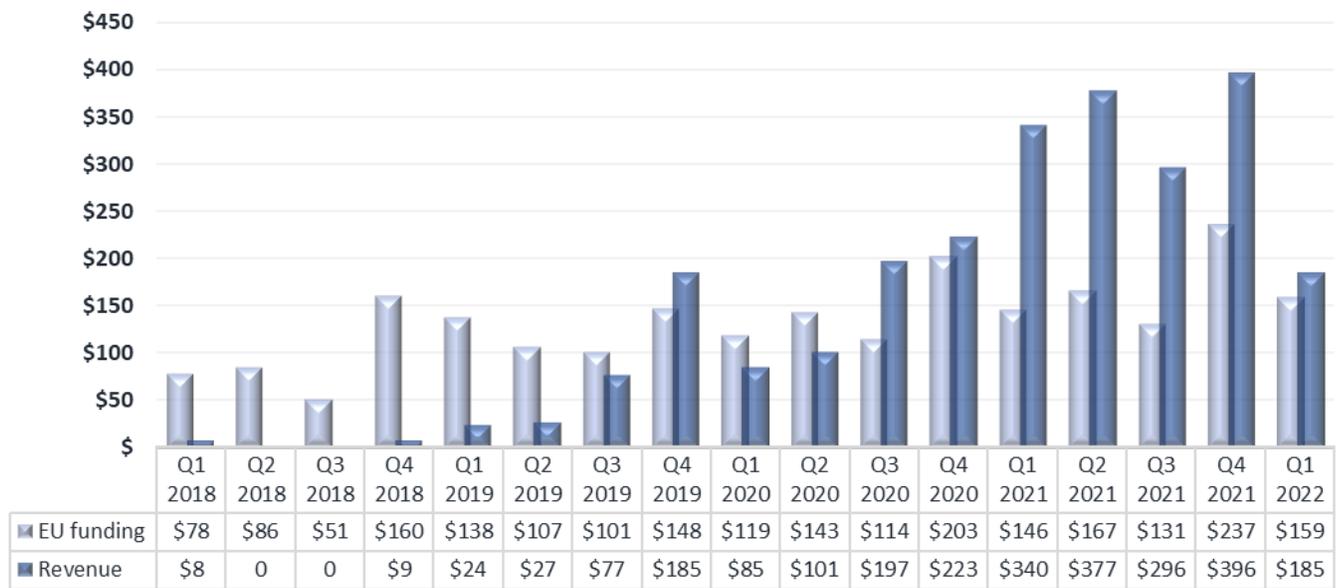
Q1 2022, income from customer sales was \$185,246, which represents a 41% decrease compared to total income from customers, of \$313,449 in the same period of 2021. The drop in revenue is partly a result of reduced invoicing in customer funded product development projects, due to project time-lines invoicing. The company expects customer funded product development project revenue to be on track by Q3 2022. Meanwhile, revenue from production upscaling and contract manufacturing services dropped due to the Company ending one of its confidential production upscaling customer relationships in H2 2021, because of the client's material being incompatible with Ynvisible's safety and cleanliness requirements in its facilities. In Q1 2022, the Company was not able to make up for the reduction in production upscaling, but new client opportunities are being pursued. The Company expects total customer sales to be back on track in Q4 2022.

Cost of sales for Q1 2022 was \$63,014, decreasing 61%, when compared with the \$160,064 registered in the same period of 2021 and decreasing 79% from the \$305,473 in Q4 of 2021. The current gross margin fluctuates, as a result of the variation of the sales mix.

The Company continues to deliver project work to earlier commitments, first quarter income from sales and European funding is of \$344,167, a 25% decrease compared to the prior period.

The Company's total income & gains for Q1 2022 was \$444,239, a decrease of 20% from the prior period of \$552,480. Total income & gains include customer sales, other income & gains, rental income, and EU co-funded project grants. EU year-to-date funding in 2022 was \$158,921, a 9% increase compared to the prior period.

Revenue and EU funding 2018-2021



(EXPRESSED IN \$1,000'S)

Products & Services

Even with the primary focus on printed e-paper display products, the Company continues to offer the following customer supporting revenue-generating products and services:

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

During 2021, the Company began to focus its team and resources on the development and productization of printable electrochromic technologies into printed e-paper display products. A major milestone in this development was reached in Q4 2021 with the successful technology transfer of RISE printed electrochromic technologies production capability into Ynvisible's production sites in Charneca de Caparica Portugal and Linköping Sweden. With the on-going transition from being primarily a research and projects based business to a printed e-paper display company with recurring revenues from the sale of products, the Company anticipates revenues from customized printed e-paper display products to become the primary source of revenue in the medium term.

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 customer and is now scrutinizing the short to medium strategic fit and profitability of customer project opportunities to ensure sufficient resources are allocated to client project needs and the Company's own product business needs. The Company anticipates that, while production up-scaling and contract manufacturing printing services continue to play a vital role in developing Ynvisible's capabilities to cost effectively design and produce printed systems, and supporting other start-up companies in the high growth sector of energy generation/storage, revenues from those services will fluctuate as a function of:

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

As Ynvisible's printed e-paper display developments now transform into commercial pre-production and production, the Company is now balancing contract manufacturing printing services with Ynvisible display pre-production and production printing. The Company continues to explore and execute strategies that balance and potentially expand its production up-scaling and contract manufacturing printing services in the future.

Operational Capabilities Development

During 2018 and 2019, Ynvisible built operational capabilities in the design, research and development (R&D), prototyping, and manufacturing of its ultra-low-power consuming printed electrochromic display technology. With the acquisition of Consensus Production AB in August 2019 (renamed Ynvisible Production AB) and with a June 2020 license to intellectual property rights from the Research Institutes of Sweden (RISE), Ynvisible extended its offering to include roll-to-roll printed e-paper displays.

During 2021, the Company continued to focus its sales and marketing operations on acquiring and supporting business to business (B2B) customers and building a sales and distribution network for implementing its outbound sales strategy in USA and Europe. Specifically, Ynvisible focused on:

1. Establishing sales and distribution channels in US, Europe and China
2. Optimize and scale-up Ynvisible displays for select target markets with clear customers' needs
3. Establish technology partnerships to build and sell more value-added products

The transition from project sales to product sales was accelerated during Q1 2022. The teams' objectives and the use of Company's resources were strongly geared toward this target.

Product Development & Manufacturing Scale-Up

Ynvisible has the potential opportunity to participate in the printed electronics market through the sale of printed e-paper displays based on electrochromic technologies, as well as by incorporating additional functionalities with the displays to create highly valued sensing and intelligent solutions.

The Company has identified customers and markets in the e-paper space. During 2021, Ynvisible focused on increasing technical resources to optimize and scale-up the first printed e-paper display products of its manufacturing lines in Charneca de Caparica and Linköping. First products were launched in March 2022.

Ynvisible continues to partner business to business (“B2B”) with leading companies in the printed electronics field to integrate displays within products that are sold to end customers. Ynvisible continues to make inroads with major B2B and business to consumer (“B2C”) brands and to monitor and actively pursue spaces that need low power, flexibility, durability and high-volume, like supply chain and logistics packaging for high-value items like vaccines, as well as distributed diagnostics and disposable wound care to help ensure better human health outcomes.

News & Events

Changes in management team:

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 a VP of Sales and Marketing.

Product, partner and customer developments:

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.

Subsequent Events

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 has 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, has 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.

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 Company’s condensed interim consolidated financial statements for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	\$	\$
Sales	185,246	313,449
Operating expenses	(1,664,110)	(1,536,403)
Other items	265,385	266,165
Net loss	(1,276,493)	(1,116,853)
Total comprehensive loss	(1,532,469)	(1,107,860)
Loss per share (basic and diluted)	(0.01)	(0.01)

	As at March 31,	
	2022	2021
	\$	\$
Working capital	14,489,925	7,669,830
Total assets	18,809,041	12,960,149
Total liabilities	1,870,850	2,162,920

Operations

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

Operations	For the three months ended March 31,	
	2022	2021
	\$	\$
Sales	185,246	313,449
Cost of sales	(63,014)	(160,064)
Compensation and consulting	(727,036)	(896,310)
Depreciation	(159,319)	(184,125)
Development and production	(105,473)	(49,571)
Interest and bank charges	(3,412)	(3,336)
Marketing and promotion	(51,939)	(42,795)
Office facilities and services	(124,849)	(118,907)
Professional fees	(88,006)	(67,311)
Share-based compensation	(366,608)	(114,444)
Transfer and listing fees	(6,673)	(53,998)
Travel and project investigation	(30,795)	(5,606)
Loss from operations	(1,541,878)	(1,383,018)

Results of Operations for the Three Months Ended March 31, 2022 and 2021

Loss from operations for the three months ended March 31, 2022 increased to \$1,541,878 compared to \$1,383,018 during the three months ended March 31, 2021. Key differences between the two periods are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Decrease of \$128,203	Decreased due to transition of the Company's strategy from a project-based business to a printed e-paper display one.
Compensation and consulting	Decrease of \$169,274	Decreased due to the Company engaging less consultants as a result of the transition of the Company's strategy.
Share-based compensation	Increase of \$252,164	Increased due to the Company stock options vested with higher value in the current period.

Summary of Quarterly Results

Three months ended	Sales	EU Co-Funded Project Grants	Net Loss	Loss Per Share (Basic and Diluted)
	\$	\$	\$	\$
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)
December 31, 2020	142,374	202,731	(1,072,585)	(0.01)
September 30, 2020	108,442	114,447	(834,747)	(0.01)
June 30, 2020	77,264	142,727	(995,641)	(0.01)

Variances quarter over quarter can be explained as follows:

- In the quarters ended March 31, 2022, December 31, 2021, September 30, 2021, June 30, 2021, March 31, 2021, and December 31, 2020, net loss includes \$366,608, \$453,228, \$408,893, \$190,249, \$114,444, and \$105,588, respectively, in non-cash share-based compensation.

Liquidity

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

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

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

Capital Resources

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

	March 31, 2022	December 31, 2021
	\$	\$
Cash and cash equivalents	15,076,070	16,107,403
Amounts receivable	1,011,877	1,067,968
Inventories	57,280	73,522
Prepaid expenses	180,000	189,860
Total current assets	16,325,227	17,438,753
Accounts payables and accrued liabilities	(1,053,066)	(1,100,268)
Current portion of lease liabilities	(248,097)	(298,757)
Deferred project grants	(534,139)	(603,639)
Working capital	14,489,925	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 \$14,489,925 as at March 31, 2022 (December 31, 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 three months ended March 31, 2022 was \$779,116 (March 31, 2021 - \$1,289,010). 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 three months ended March 31, 2022, cash used in investing activities was \$41,434 (March 31, 2021 - \$241,232) for the purchase of fixed and intangible assets and deposits paid.

During the three months ended March 31, 2022, cash used in financing activities was \$73,888 (March 31, 2021 cash provided by financing activities - \$8,136,720). The Company repaid lease liabilities of \$73,888 (March 31, 2021 - \$85,566).

The Company's cash and cash equivalents decreased by \$1,031,333 from \$16,107,403 at December 31, 2021 to \$15,076,070 at March 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 March 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 March 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
Keith Morton – VP of Sales and Marketing
Darren Urquhart, CPA, CA – Chief Financial Officer
Inês Henriques, PhD – Director (appointed as COO subsequent to March 31, 2022)
Alexander Helm – Director
Alex Langer – Director
Benjamin Leboe – Director

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

	Three Months ended March 31,	
	2022	2021
	\$	\$
Jani-Mikael Kuusisto – Salary	23,955	82,488
Inês Henriques – Salary	35,979	22,956
Tommy Höglund – Consulting fees	19,845	37,904
Tommy Höglund – Share based compensation	-	6,581
Michael Robinson – Salary	-	38,950
Michael Robinson – Share based compensation	-	6,581
Alexander Helmel – Consulting fees	9,000	7,500
Carlos Pinheiro Baptista – Salary	37,581	29,254
Benjamin Leboe – Consulting fees	4,500	3,000
Ramin Heydarpour - Consulting fees	45,000	7,000
Ramin Heydarpour - Share based compensation	28,673	-
Alex Langer – Consulting fees	4,500	-
Alex Langer – Share based compensation	22,531	-
Darren Urquhart – Consulting fees	7,500	7,500
Total cash consulting and management fees	187,860	236,552
Total share-based compensation	51,204	13,162
Total compensation for officers and directors	239,064	249,714

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 March 31, 2022, accounts payable and accrued liabilities include \$24,225 (December 31, 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 three months ended March 31, 2022, the Company received \$nil (March 31, 2021 - \$19,857) in rent payments from Jordao Capital Corp., a company controlled by Alexander Helmel.

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 March 31, 2022	Date of this MD&A
Common shares	124,666,915	124,671,915
Stock options	8,952,500	7,787,500
Warrants	24,898,057	24,898,057
Fully Diluted	158,517,472	157,357,472

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

Expiry Date	Weighted Average Exercise Price \$	Number of Options Outstanding	Number of Options Vested and Exercisable
January 19, 2023	0.30	1,425,000	1,425,000
February 21, 2023	0.40	175,000	175,000
May 25, 2023	0.30	200,000	200,000
May 1, 2024	0.37	1,130,000	1,130,000
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	0.285	625,000	625,000
November 18, 2025	0.30	75,000	75,000
March 17, 2026	1.29	160,000	160,000
June 3, 2026	0.63	100,000	66,667
July 1, 2026	0.75	2,015,000	671,665
July 22, 2026	0.62	80,000	26,667
August 26, 2026	0.55	250,000	166,667
October 20, 2026	0.44	370,000	-
December 7, 2026	0.32	500,000	-
April 13, 2027	0.225	20,000	-
	0.47	7,787,500	5,384,166

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

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

Controls and Procedures

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

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

Forward-Looking Statements

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

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

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

Critical Judgments and Accounting Estimates

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

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

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

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

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

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

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

Risks and Uncertainties

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

COVID-19 Pandemic

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

Global Semiconductor Shortage

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

Operational Risks

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

Customer Demand

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

Governmental Regulation

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

Financial Risks

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

Credit Risk

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

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

Interest Rate Risk

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

Liquidity Risk

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

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company funds the operations of Ynvisible SA in Portugal, Ynvisible GmbH in Germany, and Ynvisible Production in Sweden by using Euros and Swedish krona, respectively, converted from its Canadian dollar bank accounts. Based on the Company's Euro and Swedish krona denominated financial instruments at March 31, 2022, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$44,200 and \$17,200, 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 including, not but limited to:

- the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022 and 2021; and
- the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

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