

YNVISIBLE INTERACTIVE INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED DECEMBER 31, 2023****Date of Report: April 29, 2024**

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, 2023 and 2022 (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.sedarplus.ca.

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.

These consolidated financial statements have been prepared by management using IFRS Accounting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they come due in the normal course of business for the foreseeable future. The Company is in the commercialization stage, has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations.

For the year ended December 31, 2023, the Company recorded a net loss and comprehensive loss of \$4,965,272 (2022 – \$5,213,270). The Company's ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds and realization of profitable operations. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. There is a material uncertainty related to these conditions that may cast significant doubt on the ability of the Company to meet its obligations as they come due and, accordingly, the ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Management Discussion & Business Highlights

Overview

In 2023, Ynvisible showcased the success of its transition from research and development (R&D) to an e-paper product company. With a shift in sales mix from 100% projects/services in 2022 to 54% products + 46% projects/services in 2023, and a robust pipeline of new e-paper products set for launch in 2024 and 2025, the company is now poised for substantial growth.

In 2023, Ynvisible made significant strides in expanding its market presence and engaging with customers across various sectors, such as Retail, Medical & Pharma, Logistics & Transport, and Industrial. By introducing innovative products and forming strategic partnerships, the company has demonstrated its commitment to providing customizable solutions that meet the market needs for cost effective and sustainable digital displays.

In 2023, the Company secured and delivered important commercial purchase orders, and received additional customer commitments, which reflects a growing demand for Ynvisible's e-paper solutions. Investments in manufacturing capabilities and supply chain optimization are ensuring the Company can meet this growing demand effectively.

In addition, Ynvisible continued to focus on product performance, technology refinement, and breakthrough innovation, along with its commitment to fostering an inclusive and entrepreneurial workplace culture, which underlines its dedication to both customer satisfaction and employee well-being.

Looking ahead to 2024, Ynvisible remains confident in its ability to capitalize on growth opportunities in the e-paper display market, driven by a dedicated team, strong partnerships, and a clear strategic direction.

Products & Services

In 2023, Ynvisible made significant progress in shifting its focus from customer-funded R&D projects and contract manufacturing services towards commercializing and manufacturing e-paper products for key customers. Engaging strategically across four e-paper product categories – 1. Indicators, 2. Digital Signage, 3. Electronic Labels, and 4. Smart Cards – the Company targeted diverse sectors, including Retail, Medical & Pharma, Logistics & Transport, and Industrial.

A focal point of Ynvisible's product strategy was the launch of innovative offerings, notably the commercial introduction of a new digital signage for retail applications. This addition exemplified the Company's commitment to addressing a substantial and growing market demand for cost-effective, energy-efficient, and sustainable digital display solutions.

Furthermore, Ynvisible expanded its product range to include a broader category of e-paper products, with a specific emphasis on digital product information – indicators. These e-paper indicators can be customized and seamlessly integrated into various applications, spanning from industrial and supply chain labels to medical/diagnostics products. Ynvisible's e-paper products serve not only to replace existing solutions, but also to pioneer new product applications, solidifying the Company's position as an innovative leader in the e-paper industry.

Ynvisible has historically generated revenue through a combination of different sources. These include:

- Customer-funded R&D and product development projects;
- Prototyping of printed e-paper displays;
- Sales of printed e-paper display products; and
- Production up-scaling and contract manufacturing services.

Among these revenue sources, historically, the most significant segments for Ynvisible have been the sale of R&D and product development projects, and production up-scaling services.

However, in 2023, there was a strong shift in the Company's revenue segmentation, with a total of \$576,488, representing 54% of the total revenue, coming from sales of e-paper display products.

Ynvisible kicked off 2023 with the launch of its Large Format Electronic Shelf Label Display product at NRF Big Show in New York City; this product was developed in response to customers' expressed needs within the retail sector, in particular for use in grocery stores.

During 2023, in collaboration with Fortech S.r.l., Italy's leading provider of bespoke solutions for the fuel retail sector, the Company developed a large outdoor display sign for gas stations, designed to withstand a range of environmental conditions, with regular fuel price updates. The Company completed the mass production and delivery of 25,000 units of these signs during 2023 and Q1 2024. Ynvisible and Fortech have now strengthened their partnership to engage in additional business throughout 2024 and beyond.

While the Company's primary focus in 2023 was on printed e-paper display products, customer-funded R&D and product development projects, and production up-scaling and contract manufacturing services continued to provide recurring revenue, and overall represented 46% of the Company's revenues, a total of \$500,982, compared to \$686,315 (100% of total revenues) in the previous year.

Within the production up-scaling and contract manufacturing services revenue category, the Company anticipates that its capabilities and revenue associated with the cost-effective design and production of printed systems in the high growth sector of energy generation/storage, where Ynvisible has been supporting several start-up companies, will fluctuate as a function of:

- Customers' material needs and their own internal production and scale-up capabilities;
- Capacity of Ynvisible's manufacturing line in Linköping, Sweden; and
- Competition within the contract manufacturing and process scale-up services market.

Currently, Ynvisible's primary goal is to streamline the product launch process, by offering printed e-paper displays in four different product categories, namely:

- Indicators;
- Digital Signage;
- Electronic Labels; and
- Smart Cards.

Ynvisible's short to medium term goal is to gain market share by offering standard products in the indicators and digital signs categories, while, in the cards and labels markets, Ynvisible will collaborate with chosen industry leaders to create innovative products tailored for emerging markets.

Ynvisible's displays are tailored to meet the specific requirements of different segments within the e-paper market. These segments exhibit unmet market needs and require mass producible displays with ultra-low power consumption. As mentioned, Ynvisible's targeted market segments include:

- Retail;
- Medical & Pharma;
- Logistics & Transport;
- Industrial; and
- Banking.

Sales & Marketing

In 2023, Ynvisible's sales and marketing operations continued to strengthen global sales and distribution networks for its printed e-paper display products. Outbound efforts targeted specific end-user markets and customers, with a focus on project sales for Non-Recurring Engineering (NRE) and strategic development projects.

Key initiatives included:

- Establishing sales and distribution channels in the US, Europe, and China;
- Optimizing and scaling up production to meet the needs of selected target markets; and
- Forming technology partnerships to enhance product offerings.

Ynvisible's sales mix encompassed a full range of services related to e-paper displays, including contract research, electronics development, production up-scaling, and contract manufacturing printing services. However, the Company became more discerning in pursuing opportunities with stronger long-term business potential and/or alignment with strategic objectives.

During 2023, the Company experienced heightened customer interest and engagement, resulting in a surge in NRE orders, particularly within the signs and indicators segments. This increase reflected Ynvisible's proactive outreach to specific customer segments, leading to a reduction in the sales cycle for potential orders. While maintaining its inbound sales lead strategy, Ynvisible also focused on direct engagement with targeted customers in strategic markets.

The Company's product strategy centered on offering custom solutions for digital signs and indicators, resulting in excellent customer engagements:

- In digital signs, as mentioned above, Ynvisible secured and delivered a large purchase order from Fortech S.r.l., Italy's leading provider of bespoke solutions for the fuel retail sector, for sustainable signage displays, with plans to expand further through direct outreach to market leaders. Ynvisible's cost-effective, energy-efficient e-paper products address a crucial unmet need for sustainable digital signs.
- For indicators, Ynvisible initiated a collaboration with a leading customer in the Medical/Diagnostics industry to develop a novel, energy-efficient, visual indicator. Once optimized and approved, the solution will enter mass production in 2024, creating significant revenue potential. Additionally, Ynvisible is developing a maintenance time Indicator solution industrial equipment, in partnership with a European industrial equipment manufacturer. The estimated market potential for Ynvisible's indicator solutions is substantial, serving industries demanding simple and energy-efficient visual indicators, such as Logistics & Transport, Industrial, and Medical & Pharma. With continuous technological advancements, Ynvisible remains at the forefront of the evolving visual indicator space.

Marketing events in 2023:

In 2023, marketing highlights encompassed the Company's participation in different industry exhibitions and conferences, including:

- NRF 2023, New York City, USA, January 14-17, 2023 – Exhibition booth
- EuroShop, Düsseldorf, Germany, February 26-March 2, 2023 – Exhibition booth
- LOPE-C, Munich, Germany, March 1-2, 2023 – Joint exhibition booth in the Swedish Printed Electronics Pavilion, invited speech
- Embedded World, Nuremberg, Germany, 14-16 March, 2023 – Exhibition booth and presentation by Carlos Pinheiro, Ynvisible's CTO
- Advance Engineering, Gothenburg, Sweden, 19-20 April, 2023 – Exhibition booth
- Del Mar Electronics & Manufacturing, San Diego, California, USA, 26-27 April, 2023 – Exhibition booth by Display Logic, Ynvisible's sales partner, showcasing Ynvisible's products and services
- SID Display Week, Los Angeles, USA, 23-25 May, 2023 – Exhibition booth by Display Logic, Ynvisible's sales partner, showcasing Ynvisible's products and services, and exhibiting a new technology in the Innovation Zone (I-Zone)
- Embedded World China, Shanghai, China, 14-16 June, 2023 – Exhibition booth by Ynvitech, Ynvisible's sales partner, showcasing Ynvisible's products and services
- AIOTE Smart Expo, Shanghai, China, 28-30 August, 2023 – Exhibition booth by Ynvitech, Ynvisible's sales partner, showcasing Ynvisible's products and services
- IOTE, Shenzhen, China, 20-22 September, 2023 – Exhibition booth by Ynvitech, Ynvisible's sales partner, showcasing Ynvisible's products and services
- Medica, Düsseldorf, Germany, 13-16 November, 2023 – Exhibition booth
- Digital Signage Experience, Las Vegas Convention Center, 4-5 December, 2023 – Exhibition booth by Display Logic, Ynvisible's sales partner, showcasing Ynvisible's products and services

Other Marketing activities in 2023:

- On May 2, 2023, Ynvisible organized a webinar in which the focus was to highlight the progress made since last year in developing its standard products, discuss current and future customers, as well as announce its growth strategy until 2025.
- During the months of June and July 2023, the Company ran an online contest that incentivized the target audience to design their own e-paper display; the winner got a free-of-charge prototyping project.
- On 28 June 2023, Ynvisible and Epishine attended Stuart Cording's "The Electronics Reporter" podcast, powered by Elektor.
- On October 23, 2023, Ynvisible organized a webinar in which the focus was to give an update on the progress the company is making on product development and commercialization, as well as customer acquisition and partnership building.

Team, Management & Culture

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

Ynvisible builds and promotes a strong company culture, aligned with the Company's vision, values and goals. The three pillars of the Company's values are: Ethics and Integrity, Collaboration and Teamwork, and Resilience and Agility.

To make sure each team member feels well integrated within the team and maintains a sense of contribution to the Company's goals, Ynvisible has a Performance Management Program (PMP), through which individual goals for each person are set and aligned with the Company's goals. The PMP includes quarterly reviews of performance and goals, to ensure constructive feedback is shared and that the individual goals continue to be meaningful and updated on a regular basis.

During 2023, Ynvisible continued to build its team with skill sets in product development, quality control, display sales, and customer support. The Company has also continued to place significant emphasis on promoting teamwork and collaboration across all departments, teams and locations, recognizing that a strong sense of shared goals and values is essential for achieving sustained success and growth as an enterprise. The motto "One Ynvisible" is frequently used in Company meetings and initiatives, to help strengthen this sense of shared goals and values among the entire team.

The Company also nurtures a culture of continuous learning and refinement of product and services, based on lessons learned from customer interactions, coupled with careful assessment of market needs, size and future profitability of opportunity, and clear decisive execution.

In September 2023, Ynvisible introduced an important change in its management team with the appointment of Lúcia Gomes as the Chief Operating Officer of the Company. As Chief Operating Officer, Ms. Gomes now oversees the Company's day-to-day activities, ensuring seamless coordination across the different functional units and locations. Inês Henriques, the previous Chief Operating Officer of the Company, has been appointed as Executive Vice-President of People, Culture and Corporate Affairs. In this capacity, Ms. Henriques focuses on all aspects of human resources, including talent management and team morale, team development and cultural change, through innovative and inclusive leadership. Ms. Henriques also continues to work closely with the CEO to drive profitable growth.

Financial Performance

Throughout 2023, Ynvisible focused on enhancing its processes and systems through the implementation of a global ERP (Enterprise Resource Planning) solution. This initiative aimed to consolidate finance, sales, marketing, production, and other support data, providing a comprehensive 360-degree view of the customer. By gaining visibility into the complete customer lifecycle, the Company aims to improve efficiency and alignment across the business.

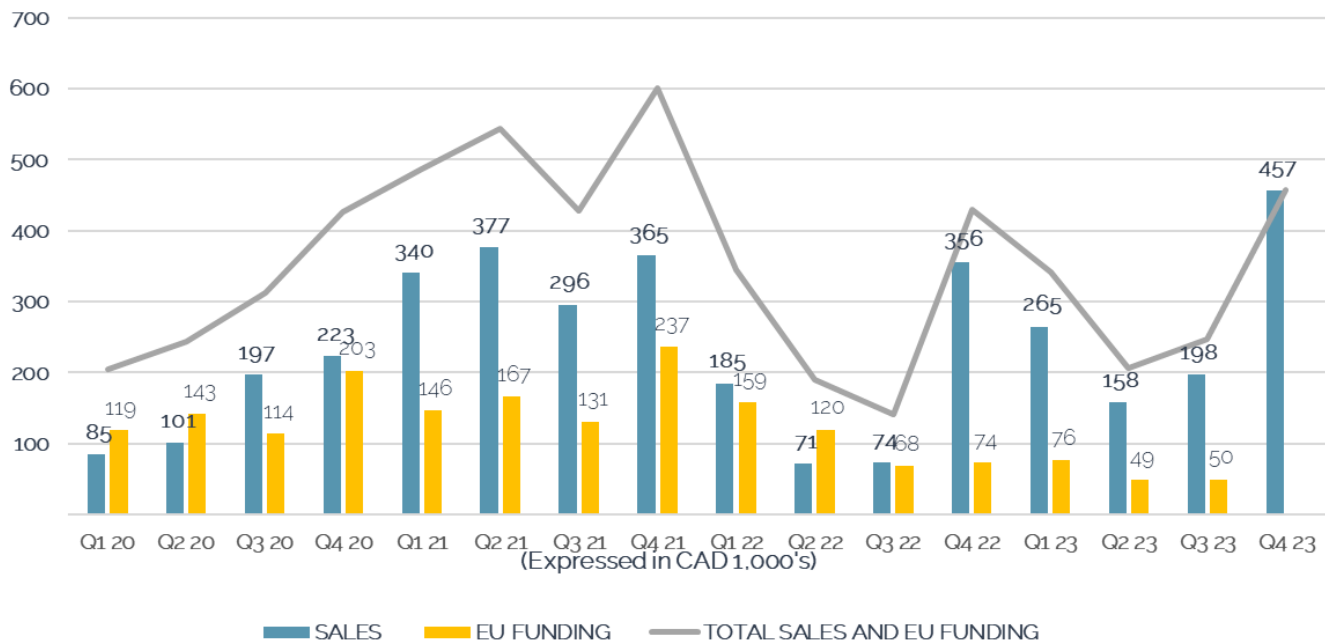
While investing in product development, processes, systems, and personnel, Ynvisible also maintained a prudent approach to financial management.

In Q4 2023, the Company's revenue from customer sales amounted to \$456,884, totaling \$1,077,471 in 2023 and marking a 57% increase compared to the total revenue from customers of \$686,315 in 2022. This positive variation is a result of the Company delivering its first volume product orders to customers, aligned with the strategic shift from the focus on product development and optimization in 2022, to customer products in 2023.

As the Company continues to pursue revenue growth, it expects to reinforce its position and create further commercial success through necessary product optimization and scaling efforts throughout 2024.

During 2023, income from European Union (EU) funding was \$166,057, a 61% decrease compared to the prior year, with most of the European projects coming to an end. This decrease is a result of the intentional focus of Ynvisible in allocating its full resources to product development and production scale-up activities, and carefully choosing any new projects, to ensure alignment with its strategy and long-term goals.

SALES AND EU FUNDING 2020-2023



The Company's total income & gains for 2023 was \$1,857,134, an increase of 13% from 2022, of \$1,647,568. Total income & gains include customer sales, EU co-funded project grants, and other income and gains, such as rental income, interest and other minor sources.

In 2023, the cost of sales amounted to \$652,266, reflecting a 129% increase compared to \$285,104 in the previous year. The yearly gross margin of 39% reflects a 19 p.p. decrease from the previous year's. The gross margin tends to fluctuate due to changes in the sales mix.

News & Events

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

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

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.

On May 24, 2023, Ynvisible announced that it had received its first purchase order for the commercial launch of its sustainable sign products. In collaboration with a customer specializing in smart solutions for the fuel distribution business, Ynvisible developed a large outdoor information sign designed to be regularly updated and withstand various weather conditions. The Company followed up this announcement with a press release in April 10, 2024, where it stated that it had completed the mass production and delivery of 25,000 large-format digital signs for Fortech S.r.l., Italy's leading provider of bespoke solutions for the fuel retail sector.

Additionally, Ynvisible announced it was working on another promising opportunity in the signage space by partnering with one of the world's largest outdoor advertising companies. The collaboration focused on the development of an outdoor large city information panel.

In June 2023, Ynvisible announced a major customer commitment for interactive indicator solutions. The product validation phase was expected to conclude by Q4 2023, and, upon successful validation, the customer has committed to launching the product in the market in 2024.

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.

In September 2023, Ynvisible announced the appointment of Lúcia Gomes as the Chief Operating Officer of the Company. Inês Henriques, the previous Chief Operating Officer of the Company, has been appointed to a newly created position within the Company as Executive Vice-President of People, Culture and Corporate Affairs.

In September 2023, Ynvisible announced major strategic partnerships with global market leaders, to develop smart and interactive label solutions. These projects are set to transform the labels market where the printed product information on the labels is static and cannot be updated.

In September 2023, the Company granted 100,000 stock options to an 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. 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 \$3,961 using the Black-Scholes option pricing model.

In March 2024, Ynvisible appointed Felix Karlsson as Director. Mr. Karlsson was the co-founder and CEO of Rdot AB, an e- paper Start -up from Sweden, that was acquired by Ynvisible in 2020.

In March 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.

In April 2024. Ynvisible announced the successful delivery of 25,000 large format digital signs to Fortech S.r.l., Italy’s leading provider of bespoke solutions for the fuel retail sector.

Selected Annual Information

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

	Years Ended December 31,		
	2023	2022	2021
	\$	\$	\$
Sales	1,077,471	686,315	1,377,727
Operating expenses	6,079,558	6,394,991	7,337,840
Other items	752,911	888,537	1,087,154
Net loss	(4,902,465)	(5,109,124)	(5,886,111)
Total comprehensive loss	(4,965,272)	(5,213,270)	(6,306,639)
Loss per share (basic and diluted)	(0.04)	(0.04)	(0.05)

	As at December 31,		
	2023	2022	2021
	\$	\$	\$
Working capital	7,165,534	11,328,085	15,436,089
Total assets	10,698,255	15,080,338	20,179,324
Total liabilities	1,655,237	1,473,364	2,075,272

Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the years ended December 31, 2023 and 2022:

Operations	For the years ended December 31,	
	2023	2022
	\$	\$
Sales	1,077,471	686,315
Cost of sales	(652,266)	(285,104)
Bad debt	(1,758)	-
Compensation and consulting	(3,155,957)	(2,877,362)
Depreciation	(586,698)	(604,708)
Development and production	(980,683)	(786,877)
Interest and bank charges	(6,996)	(11,241)
Marketing and promotion	(100,530)	(201,343)
Office facilities and services	(230,170)	(477,107)
Professional fees	(391,822)	(452,145)
Share-based compensation	(401,316)	(716,192)
Transfer and listing fees	(61,857)	(86,005)
Travel and project investigation	(161,771)	(182,011)
Loss before other items	(5,654,353)	(6,394,991)

Results of Operations for the Years Ended December 31, 2023 and 2022

Loss from operations for the year ended December 31, 2023 decreased to \$5,654,353 compared to \$5,993,780 during the year ended December 31, 2022. Key differences between the two years are as follows:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Sales	Increase of \$391,156	Increased due to the Company converting previous customer initiatives to sales.
Cost of sales	Increase of \$367,162	Increased due to corresponding sales increase.
Development and production	Increase of \$193,806	Increased due to focusing on product development and optimization for scale up.
Compensation and consulting	Increase of \$278,595	Increased due to the Company adding additional employees and consultants to strengthen its sales and management team.
Share-based compensation	Decrease of \$314,876	Decreased due to the timing of the vesting of options granted.
Marketing and promotion	Decrease of \$100,813	Decreased due to scaling down of marketing activities.

Loss from operations for the year ended December 31, 2022 decreased to \$5,957,199 compared to \$6,971,842 during the year ended December 31, 2021. Key differences between the two periods are as follows:

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

Fourth quarter

Loss from operations for the three months ended December 31, 2023 decreased to \$1,006,229 compared to \$1,197,071 during the three months ended December 31, 2022. Key differences between the two periods are as follows:

- Sales Increased by \$100,889 to \$456,884 (2022 - \$355,995) due to the Company having a greater focus on customer sales.
- Cost of sales increased by \$92,755 to \$207,551 (2022 - \$114,473) due to aligning with sales increase.

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

Summary of Quarterly Results

Three months ended	Sales	EU Co-Funded Project Grants	Net Loss	Loss Per Share (Basic and Diluted)
	\$	\$	\$	\$
December 31, 2023	456,884	8,729	(1,124,662)	(0.01)
September 30, 2023	197,675	49,641	(1,213,150)	(0.01)
June 30, 2023	158,017	48,670	(1,469,436)	(0.01)
March 31, 2023	264,895	59,017	(1,193,057)	(0.01)
December 31, 2022	355,995	73,807	(945,918)	(0.01)
September 30, 2022	73,785	68,289	(1,448,265)	(0.01)
June 30, 2022	71,289	119,673	(1,402,450)	(0.01)
March 31, 2022	185,246	158,921	(1,276,493)	(0.01)
December 31, 2021	395,783	236,854	(1,527,203)	(0.01)

- In the quarters ended December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022, and December 31, 2021, net loss includes \$63,116, \$69,061, \$253,534, \$141,837, \$203,634, \$287,101, \$183,731, \$366,608, and \$453,228, respectively, in non-cash share-based compensation.

Liquidity and Capital Resources

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

	December 31, 2023	December 31, 2022
	\$	\$
Cash and cash equivalents	7,445,758	11,844,266
Amounts receivable	808,879	769,184
Inventories	276,288	61,271
Prepaid expenses	125,173	117,418
Total current assets	8,656,098	12,792,139
Accounts payables and accrued liabilities	(1,088,608)	(946,067)
Current portion of lease liabilities	(261,063)	(308,271)
Deferred project grants	(140,893)	(209,716)
Working capital	7,165,534	11,328,085

The net proceeds from past financings are included in the Company's working capital of \$7,165,534 as at December 31, 2023 (2022 – \$11,328,085).

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 and cash equivalents used in operating activities for the year ended December 31, 2023 was \$4,080,825 (2022 - \$3,930,197). The cash used consisted primarily of general and administrative expenses, net of non-cash expenditures and a net change in non-cash working capital, detailed in the statement of cash flows.

During the year ended December 31, 2023, cash and cash equivalents used in investing activities was \$74,054 (2022 - \$67,039) for the purchase of fixed and intangible assets and deposits paid.

During the year ended December 31, 2023, cash and cash equivalents used in financing activities was \$275,631 (2022 - \$271,236) for repayment of lease liabilities. The Company's cash decreased by \$4,398,508 from \$11,844,266 at December 31, 2022 to \$7,445,758 at December 31, 2023.

Proposed Transactions

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

Off Balance Sheet Arrangements

At December 31, 2023 and as of the date of this report, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

As of December 31, 2023, the Company had the following directors and officers:

Ramin Heydarpour – Chief Executive Officer and Chairman of the Board
 Jani-Mikael Kuusisto – Senior VP Ventures, Vice Chairman of the Board
 Carlos Pinheiro Baptista, PhD – Chief Technology Officer
 Darren Urquhart, CPA, CA – Chief Financial Officer
 Inês Henriques, PhD – Executive Vice-President of People, Culture and Corporate Affairs, Director
 Alexander Helmel – Director
 Alex Langer – Director
 Benjamin Leboe – Director
 Lucia Gomes – Chief Operating Officer

Subsequent to December 31, 2023, in March 2024, Ynvisible appointed Felix Karlson as Director and Jani-Mikael Kuusisto resigned as a director.

The Company has incurred charges during the year ended December 31, 2023 and 2022 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Years ended December 31,	
	2023	2022
	\$	\$
Jani-Mikael Kuusisto – Consulting fees	18,000	85,087
Jani-Mikael Kuusisto – Share based compensation	4,911	7,409
Inês Henriques – Salary	153,740	144,762
Inês Henriques – Share based compensation	22,735	14,817
Lucia Gomes – Salary	40,505	-
Lucia Gomes – Share based compensation	4,724	-
Michael Robinson – Salary	-	33,916
Alexander Helmel – Management fees	36,000	36,000
Alexander Helmel – Share based compensation	4,911	7,408
Carlos Pinheiro Baptista – Salary	147,712	134,878
Carlos Pinheiro Baptista – Share based compensation	19,507	14,817
Benjamin Leboe – Non-executive Consultancy	18,000	19,000
Benjamin Leboe – Share based compensation	1,683	7,408
Ramin Heydarpour - Management fees	180,000	180,000
Ramin Heydarpour – Share based compensation	24,990	78,504
Alex Langer – Non-executive Consultancy	18,000	18,000
Alex Langer – Share based compensation	21,356	65,023
Darren Urquhart – Management fees	30,000	30,000
Darren Urquhart – Share based compensation	4,911	7,408
Total cash consulting and management fees	641,957	681,643
Total share-based compensation	109,729	202,794
Total compensation for officers and directors	751,686	884,437

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

As at December 31, 2023, accounts payable and accrued liabilities include \$25,665 (2022 - \$11,611) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment.

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

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

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

	As at December 31, 2023	Date of this MD&A
Common shares	124,671,915	124,671,915
Stock options	9,575,000	10,095,000
Warrants	20,891,603	20,891,603
Fully Diluted	155,138,518	155,658,518

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

Expiry Date	Weighted Exercise Price (\$)	Number of Options Outstanding	Number of Options Exercisable
May 1, 2024	0.37	1,010,000	1,010,000
October 2, 2024	0.30	167,500	167,500
May 20, 2025	0.33	195,000	195,000
September 16, 2025	0.25	215,000	215,000
November 11, 2025	0.29	125,000	125,000
March 17, 2026	1.29	30,000	30,000
June 3, 2026	0.63	100,000	100,000
July 1, 2026	0.75	1,475,000	983,325
July 22, 2026	0.62	80,000	53,333
August 26, 2026	0.55	250,000	250,000
October 20, 2026	0.44	370,000	246,667
December 7, 2026	0.32	500,000	333,332
July 20, 2027	0.20	2,535,000	2,535,000
September 22, 2027	0.20	25,000	25,000
February 24, 2028	0.20	2,317,500	1,738,125
March 28, 2028	0.20	10,000	7,500
June 26, 2028	0.20	20,000	10,000
September 15, 2028	0.20	150,000	37,500
January 11, 2029	0.20	120,000	30,000
January 11, 2029	0.09	400,000	100,000
	0.35	10,095,000	8,192,282

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

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

Controls and Procedures

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

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

Forward-Looking Statements

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

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

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

Critical Judgments and Accounting Estimates

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

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

Accounting Estimates

- a. The amounts disclosed related to the 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 scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. The lease term determined by the Company is comprised of the non-cancellable period of lease agreements, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The present value of the lease payment is determined using a discount rate representing the incremental borrowing 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 Judgements

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.

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.

Global Uncertainties and Economic Risks

The Company's business financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

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 is exposed to minimal credit risk. The credit risk on cash and cash equivalents is low because the counterparties are highly rated banks. Receivables are comprised primarily of amounts due from various customers. The Company is exposed to credit risk through accounts receivable from customers. At December 31, 2023, trade receivables from five customers accounted for 91% of the Company's trade receivable for a total 91% in aggregate. At December 31, 2022, trade receivables from five customers accounted for 91%.

Cash and cash equivalents and amounts receivable are subject to the impairment requirements of IFRS 9; however, impairment was not identified for the year ended December 31, 2023. The carrying amount of cash and cash equivalents, amounts receivable represents the maximum credit exposure.

The Company's management of credit risk has not changed materially from that of the prior year.

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. The Company's management of liquidity risk has not changed materially from that of the prior year.

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar. The Company funds the operations of Ynvisible SA in Portugal, Ynvisible GmbH in Germany, and Ynvisible Production in Sweden by using Euros and Swedish krona, respectively, converted from its Canadian dollar bank accounts. Based on the Company's Euro and Swedish krona denominated financial instruments at December 31, 2023, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, would result in an approximately \$51,092 and \$37,274, 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 includes some statements that may be considered “forward-looking statements”. All statements in this discussion that address the Company’s expectations about the future are forward-looking statements. 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.sedarplus.ca including, not but limited to:

- the Company’s audited consolidated financial statements for the years ended December 31, 2023 and 2022.

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