

YNVISIBLE INTERACTIVE INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED DECEMBER 31, 2020****Date of Report: April 30, 2021**

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, 2020 and 2019 (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".

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

Business Highlights for 2020

People & Company – COVID-19 Safety, Business Continuity & Expertise

Ynvisible's lean, multi-national team is at the center of everything the Company does. For Ynvisible to fulfill its customer commitments, the Company took measures in early 2020 to protect its employees while remaining operational within multiple local government regulations guidelines. The Company established a flexible work from home policy, strengthened cleanliness requirements and social distancing measures in its three facilities. Ynvisible development and volume production continued at near-normal levels. Illnesses were confined to individual cases. All employees have been able to return to work due to undertaking an abundance of caution.

In 2020, Ynvisible took operational steps to realize the transformation from a primarily contracted research organization into an integrated manufacturer and solutions provider with a dedicated sales team.

Ynvisible broadened its access to customers, hired critical expertise, and broadened the scope of its partner networks. The Company also integrated cross-industry and consumer expertise into its Board of Directors, Advisory Board, management team, and operational team.

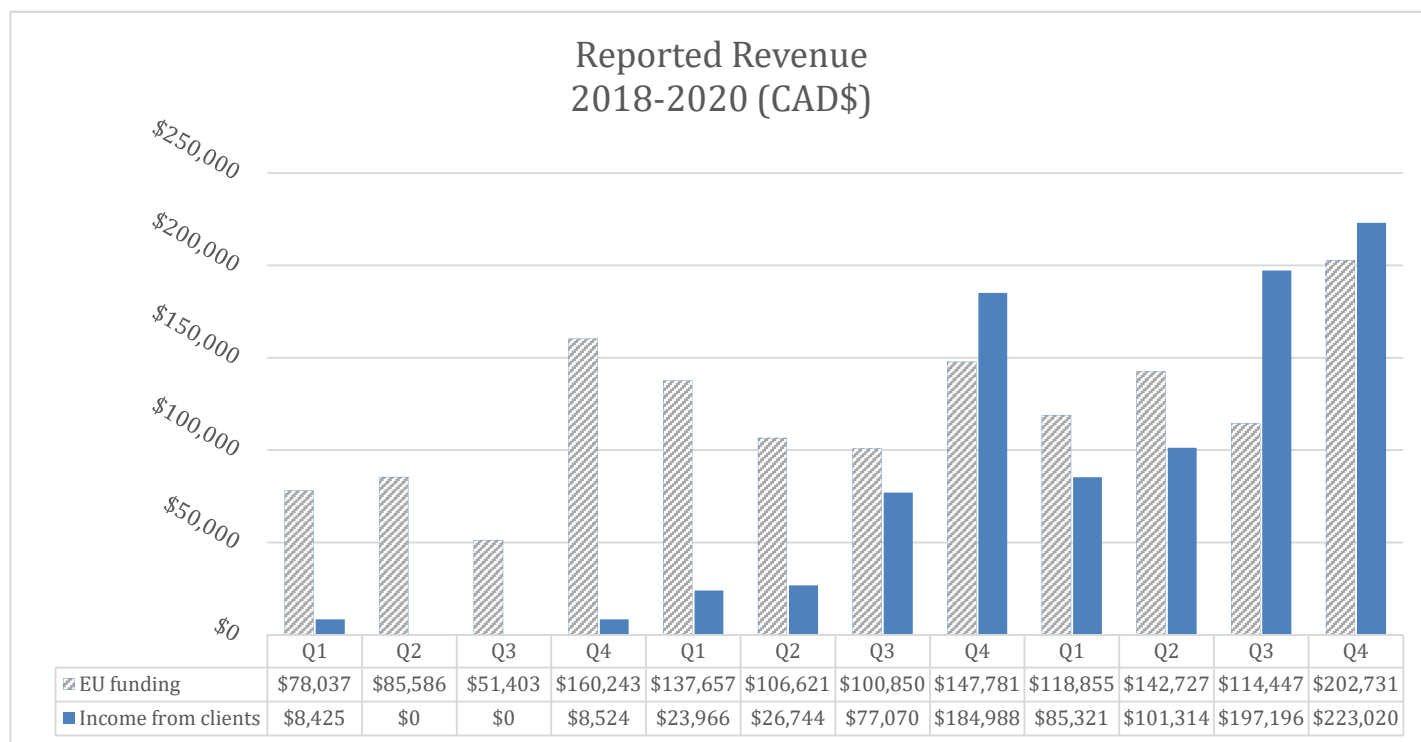
Key developments:

- Acquiring rdot, an early-stage electrochromics start-up;
- Acquiring new customers and launching new revenue-generating products and services;
- Hiring Piotr Wierchowicz, Ph.D., as Head of Functional Ink Products & Development, most recently with Merk KGaA as Head of Print Labs for the Performance Materials Innovation & Application division, and Michael Robinson as Chief Operating Officer, most recently with L'Oréal Americas' as Director Open Innovation & Business Development;
- Adding Ramin Heydarpour to its Board of Directors and expanding the Company's Advisory Board to include leaders from Sales & Marketing, Manufacturing, Investment, Emerging Technology, and Academic sectors.

Sales & Marketing – Revenue and Sales Growth Through COVID-19

Despite the many global market impacts and challenging operating environment, Ynvisible's 2020 income from customers, net of EU funding, was \$606,851, a 94% increase compared to total income from customers, net of EU funding, of \$312,768 in 2019. Other income in the 2020 Financial Statements includes "Prototype project revenue". The aforementioned recognizes that Ynvisible's 2020 revenue comes from a mix of funded research, development, prototyping, and contract manufacturing services and that customer funded development and prototyping precedes pilot and full scale manufacturing. This recognition provides a holistic view of the Company's investment and growth strategy as an emerging technology firm.

The Company is continuing to see steady growth in income from customers. The Company's cumulative income & gains for 2020 was \$1,544,852, from \$973,276 in 2019. 2020 sales and prototype project revenue was \$606,851 and cost of sales was \$272,534, compared to \$312,768 and \$89,123 respectively, in 2019. Adjusted for EU co-funded project grants, income from customers was \$1,185,611 in 2020, compared to \$805,677 in 2019.



Since the Company's RTO in 2018, Ynvisible's revenue mix has included contracted research, prototyping, development, and contract production services. Historically, the most substantial revenue-generating segment of the Company has been the sale of research, development, and contract production services.

The Company anticipates revenues from customized printed electrochromic display development contracts will increase in the short term. In the medium term, the Company is preparing customers for pilot and recurring scale manufacturing.

To date, the Company offers the following 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 (Monthly "CDP" runs)
- Product development & prototyping services
- Pilot and scale display print production
- Contract electronics development and printing services

Investment & Acquisition – Customer Growth

During 2018 and 2019, Ynvisible built operational capabilities in the design, 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), Ynvisible extended its offering to include roll-to-roll printed displays. Through the purchase, the Company further expanded its services to include contract electronics printing services for customers in the printed electronics, energy, and energy storage sector.

COVID-19 increased the Company's focus on three lead business arenas with technology applications and proven market pull for Ynvisible interactive printed graphics:

- Logistics & Retail (in particular, cold-chain)
- Health & Wellness (in particular, medical technology and pharma)
- Premium Consumer Products (in particular, tobacco, cannabis, and alcohol)

On May 19, 2020, Ynvisible announced the acquisition of rdot AB's electrochromic displays business. The acquisition added:

- New customers and pre-qualified customer leads;
- Two additional Sales & Marketing team members; and
- Two new revenue-generating products and services;
 - Ready-made electrochromic display kit for early-stage, self-guided customer development;
 - Monthly CDP runs for producing electrochromic displays at low volume and substantially increasing the likelihood of customer transformation to scale manufacturing.

All significant ongoing customer-tailored developments continue to be covered by confidentiality agreements and are focused on product initiatives driven by end customers. The Company invoiced one hundred and fifty (150) customers in 2020. In the fiscal year 2019, the Company had invoiced forty nine (49) customers during the whole year. Customer relationships and cases announced during 2020 include:

- January 28, 2020, Ligna Energy AB
- March 26, 2020, NXN-IP
- September 24, 2020, Agiler Oy
- September 29, 2020, Mimbly AB
- October 20, 2020, HyPrint GmbH
- October 22, 2020, Pickletech, LLC
- November 24, 2020, Innoscentia AB

Subsequent Events

In January 2021, Ynvisible announced the appointment of Mr. Michael Robinson as its new Chief Executive Officer ("CEO"). Mr. Jani-Mikael Kuusisto was appointed as Senior Vice President Ventures ("Sr VP Ventures") and continued as Vice Chairman of the Board of Directors. Ynvisible began implementing its plans to focus on speed to market for customer products and sustainable financial growth through a "2023 Transformation & Growth Strategy" led by Mr. Robinson. Mr. Kuusisto will help reduce the risk and uncertainty of emerging technologies and provide a new growth arena for Ynvisible through a "2025 Venture Partnership Strategy".

In January 2021, the Company closed a private placement and issued 12,857,142 units of the Company at \$0.35 per unit for gross proceeds of \$4,500,000, whereby each unit consists of one Class A common share and one-third of a share purchase warrant of the Company. Each whole warrant, subject to acceleration provision, will be exercisable into an additional common share at an exercise price of \$0.50 for a period of 18 months from the date of issuance. In connection with the offering, the Company paid cash commissions in the aggregate amount of \$62,580 and issued 452,280 finders' units to eligible finders. The finders' units will bear the same terms and conditions of the units issued with the offering. All securities issued as part of this offering are subject to a statutory hold period of four months from the date of closing.

In February 2021, the Company announced the appointment of Ramin Heydarpour as Chairman of the Board.

In February 2021, the Company announced its first customer collaboration to bring new temperature indication solutions to market with SpotSee, the global leader in shock, vibration, and temperature monitoring through low-cost connectivity and data. Both companies are partners in the CHARISMA project, funded by The European Union, Horizon 2020 Marie Skłodowska-Curie Actions program.

In March 2021, Ynvisible, Creavis (the strategic innovation unit of Evonik Industries AG - an Essen, Germany headquartered global specialty chemicals group), and Epishine AB, a world technological leader for organic photovoltaic (OPV) light energy harvesting devices, jointly announced the creation of a new joint demonstrator featuring TAeTTOOz® printed battery from Evonik, Epishine's solar cells, and Ynvisible's electrochromic display. All technologies can be printed. When they are assembled, they can create self-powered signage, functional packaging, or device solutions

In March 2021, the Company elected to exercise its right to accelerate the expiry date of its warrants issued on January 9, 2019 and June 5, 2019 with each exercisable into a common share of the Company at an exercise price of \$0.60. These warrants expired on April 17, 2021.

In March 2021, the Company announced its first commercial delivery of a new temperature indication solution to market with SpotSee, the global leader in shock, vibration, and temperature monitoring through low-cost, connected solutions.

Subsequent to December 31, 2020, the Company issued 7,543,813 Class A common shares in connection with the exercise of 7,543,813 warrants with an exercise price of \$0.60 for total proceeds of \$4,509,288. In addition, the Company also issued 450,000 Class A 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.

Subsequent to December 31, 2020, the Company granted 265,000 stock options to various employees and consultants of the Company at an exercise price of \$1.29 per share for a period of five years. Furthermore, 95,000 stock options expired.

Enhancement of Ynvisible's Products Offering

Ynvisible offers a full palette of value-adding research, development, and prototyping services. Those services help customers get started with printed electrochromics and incorporate Ynvisible's proprietary interactive printed graphics solutions into their smart products and IoT devices. Also, to complement roll-to-roll printed electronics pilot contract manufacturing, the Company offers production up-scaling services.

To date, the Company offers the following 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 (Monthly "CDP" runs)
- Product development & prototyping services
- Pilot and scale display print production
- Contracted electronics print development and printing services

The Company is developing a portfolio of products built around Ynvisible's core printed electrochromics technology platform, which is in parts complemented with in-licensed or acquired technologies. The Company's product vision includes tools for designers, inks and process parameters for manufacture, quality control systems, technology transfer, and out-licensing.

The Company continued to develop the team's abilities in Product Management. The aim is to build a more focused, product-centered approach to business and enabling speed to revenue. In November 2020, the Company appointed Piotr Wierzchowiec, Ph.D., as the Head of Functional Ink Products & Development. Dr. Wierzchowiec has over twelve years of experience developing materials, inks, and printing processes for organic and printed electronics, including display applications. He joins the Company from Merck KGaA, an internationally leading science and technology company in healthcare, life science, and performance materials. At Merck, Piotr Wierzchowiec was Head of Print Labs for the Performance Materials Innovation & Application division.

Expanding R&D Ecosystem

The Company developed its technology platform and products to support ongoing customer deliveries, enhance the product offering, and pursue customer needs for ultra-low power visual indicators.

As the Company is proving the business for its visual indicators, it builds the design tools, inks, and quality control systems for expanding its interactive printed graphics platform to global markets and even wider application spaces.

In addition to its in-house R&D resources and focus on printable electronic displays and visual indicators, Ynvisible aims to capitalize on the value of its ecosystem. The Company engages in joint EU-funded initiatives that ultimately create demand for the Company's technologies, and moves the results of these developments into Ynvisible's product pipeline.

Ynvisible actively engages with leading applied research institutes, universities, and technology companies to complement its printed and flexible electronics components and systems. These collaborations aim to optimize R&D resources, accelerate next-generation developments by world-leading R&D resources, de-risk emerging technology development, and establish more comprehensive solutions for everyday smart objects and IoT devices.

In 2020, Ynvisible was a partner in three EU co-funded project consortia, with funding from the European Union's Horizon 2020 and Marie Curie research and innovation programs. These projects help Ynvisible strengthen its ecosystem and provide important technical research and developments. These project engagements also help build awareness and understanding of Ynvisible's technologies and printed electronics in general.

Ynvisible also announced the following collaborations:

- March 26, 2020, Ynvisible announced a collaboration agreement with NxtGen Nano, Inc. DBA NXN Licensing (NXN) to expand the range of electrochromic colors and global product reach.
- May 26, 2020, Ynvisible and Evonik Creavis GmbH, the strategic innovation unit of Evonik Industries AG (FSE:EVNK01), announced a collaboration in the field of printable electronics and introduced a first joint technology demonstrator. Evonik, with revenues of €13.1 billion, is one of the world leaders in specialty chemicals. In printed electronics, it develops, produces, and markets under the brand name TAeTTOOz® polymer-based energy storage materials and has significant expertise in such materials and their use in batteries, particularly in printed rechargeable batteries. The collaboration combines Evonik's printable battery materials with electrochromic displays from Ynvisible, opening up novel product design possibilities for IoT and other everyday smart product applications.
- June 23, 2020, Ynvisible announced it had entered into a non-exclusive licensing agreement with RISE Research Institutes of Sweden ("RISE") covering RISE's intellectual property rights for printed electrochromic displays and related inks. Ynvisible aims to converge RISE's technology with its own proprietary technologies, products, and services offering. With the license agreement and its proven high-volume production capability in Linköping Sweden, the research institute's customers can work with Ynvisible to bring RISE's printed electronics developments into high volume production for commercial use.

Income From Clients Increased Despite Challenging Global Market Situation

The Company entered 2020 with the following key targets and milestones for the year:

- Generate income from customer developments, publicly show more customer uses of Ynvisible's technology in the market
- Expand and enhance Ynvisible's product offering, and show an increasing share of sales from products
- Streamline and strengthen organizational processes and external partnerships for growth

The impacts of COVID-19 on the Company's operations and increased delivery times of certain components and materials made it challenging for the Company to reach \$1 million in revenue for the year.

The customer put developments and orders on hold due to the impacts of the pandemic. Also, in other cases, the pandemic caused delays to ongoing or planned deliveries from Ynvisible. Fortunately, also new customer and market opportunities emerged as a result of the global pandemic.

As a result of its acquisition of rdot AB's electrochromic displays business, the Company's increased marketing initiatives, and a transition to increased online sales and more standardized products, the Company's customer base has grown. The customer pipeline strengthened during the fiscal year.

The Company sold a growing number of printed electrochromics prototyping and printed electronics production upscaling projects during the year. Deliveries of Ynvisible Ink Kits and display demonstrator kits also began contributing to sales. All significant ongoing customer-tailored developments continue to be covered by confidentiality agreements and are focused on product initiatives driven by end customers.

The following customer relationships and cases were announced during 2020:

- January 28, 2020, Ynvisible announced the sale of production up-scaling and manufacturing services to Ligna Energy AB. Ynvisible Production carried out the first industrial-scale production of Ligna's groundbreaking energy storage technology based on residual forest materials.
- March 26, 2020, NXN and Ynvisible announced the sale of a prototyping project to a Fortune 500 medical and diagnostics devices company. Confidentiality agreements bound the name of the customer company and the product application.
- September 24, 2020, Ynvisible announced that it has partnered with Agiler Oy, a Finnish high tech company to prototype a trailblazing smart label technology to verify that the surfaces in public spaces, such as mass transit vehicles, have been successfully sterilized with modern ultraviolet C (UVC) sterilization technology. The sensor label will demonstrate cost-effective, scalable printed and flexible electronics and displays produced by Ynvisible. The work is funded by the European Union Horizon 2020 financial instrument, under the Smartees 2 project.
- September 29, 2020, Ynvisible announced that Mimply AB, a Swedish GreenTech start-up that creates sustainable laundry solutions, has chosen Ynvisible's energy-efficient electrochromic displays as the display solution for its product, the Mimbox.
- October 20, 2020, Ynvisible announced a collaboration with HyPrint GmbH. Hyprint is now offering Ynvisible's electrochromic displays as a visual indicator to the hybrid electronics based solutions it designs for its customers in the logistics, pharmaceutical and packaging industries.
- October 22, 2020, the Company announced the first commercial delivery of wholly customized roll-to-roll printed segment displays to Pickletech, LLC, a technology company providing portable scoreboards for use in Pickleball tournaments and events.
- November 24, 2020, Ynvisible announced that Innoscentia AB has chosen Ynvisible's displays for its dynamic expiry date labels on food packages. Innoscentia is moving ahead with prototyping its solution. In addition to choosing Ynvisible's display technology, Innoscentia is currently using Ynvisible's R&D services for the label development, including system design and adapting the sensor for large scale production with printing processes.

Increased Investments in Sales & Marketing, Strengthened Customer Pipeline

The central theme in Ynvisible's marketing for 2020 was growth in sales and continued increase of visibility and awareness for the Company, its interactive printed graphics solutions, and the Ynvisible® brand.

The Company increased its marketing and sales team, and continued to enhance its customer delivery and support processes to more effectively handle increasing number of customer requests and to accelerate time to market.

The Company continued to focus its sales and marketing on three lead business arenas with strong interest and proven market pull for Ynvisible interactive printed graphics:

- Logistics & Retail (in particular, cold-chain)
- Health & Wellness (in particular, medical technology and pharma)
- Premium Consumer Products (in particular, tobacco, cannabis and alcohol)

Ynvisible targets its marketing and sales efforts to insights driven large companies in these sectors, but also builds partnerships with established and highly innovative design and production companies serving these value chains.

During 2020, the Company took on more start-up customers, which are quicker to test and introduce their novel IoT products in the market.

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

The Company had aggressive marketing and sales plans for the year 2020. In the two first months of the year, Ynvisible participated in multiple high profile industry events:

- Consumer Electronics Show 2020, Las Vegas, Nevada – Booth at Organic Electronics Association's Pavilion.
- Retail Innovation Week Demo Day by PSFK (part of NRF), New York, New York – Invited pitch by CEO, Jani-Mikael Kuusisto. Ynvisible partnered with HappyOrNot, the global leader in instant customer and employee satisfaction reporting to demonstrate mass scalable, thin form-factor feedback collection systems.
- Emerging Technologies 2020, Shanghai, China – Invited talk by Head of Business Development, Samuli Strömberg.
- PRINSE20 Oulu, Finland – Keynote talk by CEO, Jani-Mikael Kuusisto. Demonstrator table and DecoChrom printed electrochromics workshop at the printed intelligence conference.

Ynvisible responded to the subsequent event cancellations by immediately transitioning its communications more strongly onto online channels. In the second quarter, Ynvisible carried out its five-part webinar series, "Making Things Alive with Printed Electronics." The webinar series included talks from Ynvisible and visiting speakers from Electroniks, Georgia Institute of Technology, Identiv, IDTechEx, Material Connexion, NXN-IP, RFIDJournal, and the University of Lapland. The series received over 1,000 live viewers in 42 different countries.

Recordings of the webinar series are available on YouTube (in Ynvisible's channel or go to YouTube and search "Making Things Alive with Printed Electronics"). To date, the webinar recordings have received over 8,000 views.

In May 2020, Ynvisible also hosted a joint webinar session with Evonik Creavis GmbH. In the event titled "Printed Electronic Systems: Enabler of New Product Form Factors," the partners introduced their collaboration to interested customers and investors.

Thanks to the success of Ynvisible's webinar series, the printed electronics commercialization community PrintoCent (www.printocent.net) employed the services of Ynvisible to host its six-part webinar series on printed intelligence to bring visibility to companies in the network. Hosting the webinar series has brought positive visibility to Ynvisible and highlights the strength of the Company's networks.

The Company news featured in industry publications: e.g. OPE Journal, Printed Electronics Now, Printed Electronics World. Ynvisible featured in two of the year's top ten articles in E-ink-info.com, "Printed Electrochromics boldly goes where no display has gone before" and "Ynvisible and NXN launch new electrochromic ink colors". Ynvisible was featured in the ResearchAndMarkets.com market report: Global Roll-to-Roll Printed Flexible Electronics Market is Projected to Grow at a CAGR of 20.5% from 2020 to 2025.

Ynvisible strengthened its social media followership, increased digital content creation, and received higher user engagement during the year. Through its social media presence, Ynvisible demonstrates and educates on its products and technologies, highlights customer uses of its displays and visual indicators, and increases awareness in the Company and the rapidly expanding field of printed and flexible electronics.

With the acquisition of rdot AB's printed electrochromics business, the Company kicked off a revamp of its core digital assets. Ynvisible launched a renewed website with easier steps to ordering displays and the Company's R&D, design, prototyping, and manufacturing services in the fourth quarter. The central aim is to facilitate the customer's purchase for both Ynvisible® branded displays and the Company's expert services.

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,		
	2020	2019	2018
	\$	\$	\$
Sales	387,912	205,859	-
Operating expenses	4,940,321	4,155,795	4,510,074
Other items	1,034,042	571,971	(901,684)
Net loss	(3,794,721)	(3,467,088)	(5,418,514)
Total comprehensive loss	(3,520,065)	(3,451,508)	(5,481,562)
Loss per share (basic and diluted)	(0.05)	(0.05)	(0.11)

	As at December 31,		
	2020	2019	2018
	\$	\$	\$
Working capital (deficit)	371,901	1,077,985	(60,676)
Total assets	6,034,184	6,549,592	2,192,314
Total liabilities	2,463,725	2,535,394	1,877,114

Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the years ended December 31, 2020 and 2019:

	For the years ended December 31,	
Expenses	2020	2019
	\$	\$
Compensation and consulting	2,535,203	1,732,494
Depreciation	684,777	333,719
Development and production	115,441	331,288
Interest and bank charges	27,034	19,660
Marketing and promotion	305,678	152,782
Office facilities and services	391,567	279,582
Professional fees	415,638	410,805
Share-based compensation	333,946	625,044
Transfer and listing fees	67,780	49,361
Travel and project investigation	63,257	221,060
Total operating expenses	4,940,321	4,155,795

Results of Operations for the Year Ended December 31, 2020

General and Administrative Expenses

Net loss for the year ended December 31, 2020 increased to \$3,794,721 compared to \$3,467,088 during the year ended December 31, 2019. Key differences between the two years are as follows:

- Compensation and consulting increased by \$802,709 to \$2,535,203 (2019 - \$1,732,494) due to the Company using additional employees and consultants in relation to the acquisition of Ynvisible Production AB, as well as strengthening its Sales & Marketing team.

- Depreciation increased by \$351,058 to \$684,777 (2019 - \$333,719) due to the acquisition of tangible and intangible assets and right of use assets in relation to the acquisition of Ynvisible Production AB.
- Development and production decreased by \$215,847 to \$115,441 (2019 - \$331,288) due to the Company using mostly internal resources for its development needs in the period, rather than hiring 3rd party development services as in the prior period.
- Marketing and promotion increased by \$152,896 to \$305,678 (2019 - \$152,782) due to new marketing and social media campaigns engaged to increase investor awareness in the current period.
- Share-based compensation decreased by \$291,098 to \$333,946 (2019 - \$625,044) due to stock options granted and vested with a higher value in the prior period.
- Travel and project investigation decreased by \$157,803 to \$63,257 (2019 - \$221,060) due to COVID-19 pandemic travel restrictions in the current period limiting many business trips.

Fourth quarter

Net loss for the three months ended December 31, 2020 increased to \$1,072,585 compared to \$884,132 during the three months ended December 31, 2019. Key differences between the two periods are as follows:

- Compensation and consulting increased by \$255,820 to \$736,192 (2019 - \$480,372) due to the Company using additional employees and consultants in relation to the acquisition of Ynvisible Production AB, as well as strengthening its Sales & Marketing team and hiring its new Chief Operating Officer.
- Share-based compensation decreased by \$62,228 to \$105,588 (2019 - \$167,816) due to stock options granted and vested with a higher value in the prior period.

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, 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)
March 31, 2020	59,832	118,855	(891,748)	(0.01)
December 31, 2019	128,763	147,781	(884,132)	(0.01)
September 30, 2019	77,070	100,850	(1,096,405)	(0.02)
June 30, 2019	-	106,621	(842,021)	(0.01)
March 31, 2019	-	137,657	(644,530)	(0.01)

Variances quarter over quarter can be explained as follows:

- In the quarter ended December 31, 2020, net loss includes \$105,588 in non-cash share-based compensation.
- In the quarter ended September 30, 2019, net loss includes \$178,862 in non-cash RTO transaction fees and \$201,218 in non-cash share-based compensation.

Liquidity

In management's view, given the nature of the Company's operations 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:

	December 31, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	1,809,637	2,126,725
Amounts receivable	466,292	601,172
Prepaid expenses	159,799	174,304
Total current assets	2,435,728	2,902,201
Accounts payables and accrued liabilities	1,285,465	621,949
Current portion of lease liabilities	351,906	337,407
Deferred project grants	426,456	864,860
Working capital	371,901	1,077,985

During the first quarter of 2019, the Company closed a non-brokered private placement of 3,339,200 units of the Company at \$0.30 per unit for gross proceeds of \$1,001,760. The proceeds of the financing was used for general working capital. During the second quarter of 2019, the Company closed a non-brokered private placement of 12,571,429 units of the Company at \$0.35 per unit for gross proceeds of \$4,400,000. The proceeds of the financing was used for general corporate and working capital, development, marketing, and increasing production capacity. During the second quarter of 2020, the Company closed a non-brokered private placement of 7,500,000 shares of the Company at \$0.20 per share for gross proceeds of \$1,500,000. During the fourth quarter of 2020, the Company issued 487,500 common shares in connection with the exercise of 487,500 stock options with a weighted average exercise price of \$0.31 for total proceeds of \$149,750. In addition, the Company issued 997,505 common shares in connection with the exercise of 997,505 warrants with an exercise price of \$0.60 for total proceeds of \$598,503. 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 \$371,901 as at December 31, 2020 (2019 – \$1,077,985).

Subsequent to December 31, 2020, the Company closed a non-brokered private placement of 12,857,142 units of the Company at \$0.35 per unit for gross proceeds of \$4,500,000. The proceeds from this financing are being used for working capital purposes. In addition, the Company also issued 7,543,813 Class A common shares in connection with the exercise of 7,543,813 warrants with an exercise price of \$0.60 for total proceeds of \$4,509,288. In addition, the Company also issued 450,000 Class A 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. The Company intends to use the proceeds from the recent warrant and stock option exercises for working capital purposes.

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.

During the year ended December 31, 2020, the Company issued 318,400 common shares with a value of \$109,848 related to the squeeze-out transaction.

Cash Flows

Net cash used in operating activities for the year ended December 31, 2020 was \$2,494,401 (2019 - \$3,037,686). 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, 2020, cash used in investing activities was \$199,626 (2019 - \$668,073) for the purchase of fixed and intangible assets.

During the year ended December 31, 2020, cash provided by financing activities was \$2,399,575 (2019 - \$4,859,826). The Company repaid long term debt of \$5,694 (2019 - \$197,885) and repaid lease liabilities of \$337,111 (2019 - \$169,696). The Company also closed a private placement for gross proceeds of \$1,500,000 (2019 - \$5,401,760) and paid \$31,603 (2019 - \$196,853) in cash for share issuance costs. In addition, the Company received proceeds of \$149,750 in connection with the exercise of 487,500 stock options, \$598,503 in connection with the exercise of 997,505 warrants, \$66,600 in connection with the exercise of 111,000 warrants (but shares were issued subsequent to year end), and \$459,130 in connection with the private placement that closed subsequent to year end.

The Company's cash and cash equivalents decreased by \$317,088 from \$2,126,725 at December 31, 2019 to \$1,809,637 at December 31, 2020.

Proposed Transactions

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

Off Balance Sheet Arrangements

At December 31, 2020 and as of the date of this report, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Transactions with Related Parties

As of December 31, 2020, the Company had the following directors and officers:

Jani-Mikael Kuusisto – Chief Executive Officer
Michael Robinson – Chief Operating Officer
Carlos Pinheiro Baptista, PhD – Chief Technology Officer
Tommy Höglund – VP of Sales and Marketing
Darren Urquhart, CPA, CA – Chief Financial Officer
Leif Ljungqvist – Director
Ramin Heydarpour – Director
Inês Henriques, PhD – Director
Alexander Helmél – Director
Duarte Mineiro – Director
Benjamin Leboe – Director

The Company has incurred charges during the years ended December 31, 2020 and 2019 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Years ended December 31,	
	2020	2019
	\$	\$
Jani-Mikael Kuusisto – Salary	190,360	158,731
Jani-Mikael Kuusisto – Share based compensation	4,970	42,699
Inês Henriques – Salary	101,390	97,896
Inês Henriques – Share based compensation	4,970	42,699
Alexander Helmél – Consulting fees	30,000	30,000
Alexander Helmél – Share based compensation	3,313	28,466
Martin Burian* – Consulting fees	-	10,500
Martin Burian* – Share based compensation	-	28,466
Carlos Pinheiro Baptista – Salary	101,390	97,896
Carlos Pinheiro Baptista – Share based compensation	4,970	42,699
Benjamin Leboe – Consulting fees	12,000	12,000
Benjamin Leboe – Share based compensation	3,313	39,355
Tommy Höglund – Salary	113,685	-
Tommy Höglund – Share based compensation	45,307	2,028
Michael Robinson – Consulting fees and salary	57,286	1,500
Michael Robinson – Share based compensation	30,747	1,014
Leif Ljungqvist – Consulting fees	51,712	-
Darren Urquhart – Consulting fees	30,000	30,000
Darren Urquhart – Share based compensation	1,656	14,233
Total cash consulting and management fees	687,823	438,523
Total share-based compensation	99,246	241,659
Total compensation for officers and directors	787,069	680,182

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

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

As at December 31, 2020, accounts payable and accrued liabilities include \$131,579 (2019 - \$43,453) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment. During the year ended December 31, 2020, the Company received \$79,428 (2019 - \$79,428) in rent payments from Jordao Capital Corp., a company controlled by Alexander Helmél.

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, 2020	Date of this MD&A
Common shares	82,891,680	104,169,915
Stock options	5,662,500	5,362,500
Warrants	7,980,973	4,411,451
Fully Diluted	96,535,153	113,943,866

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

Expiry Date	Weighted Exercise Price \$	Number of Options Outstanding	Number of Options Vested and Exercisable
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
September 25, 2023	0.31	50,000	50,000
May 1, 2024	0.37	1,190,000	1,190,000
October 2, 2024	0.30	347,500	347,500
December 18, 2024	0.20	300,000	300,000
May 20, 2025	0.33	195,000	195,000
September 9, 2025	0.24	300,000	200,000
September 16, 2025	0.25	215,000	143,333
November 11, 2025	0.285	625,000	212,498
November 18, 2025	0.30	75,000	25,000
March 17, 2026	1.29	265,000	-
	0.36	5,362,500	4,463,331

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

Expiry Date	Weighted Exercise Price \$	Number of Warrants Outstanding
July 8, 2022	0.50	4,411,451

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. 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.

Governmental Regulation

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

Customer Demand

The Company is subject to risk from 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.

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 December 31, 2020, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$49,200 and \$15,700, 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 audited consolidated financial statements for the years ended December 31, 2020 and 2019.

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