



YNVISIBLE INTERACTIVE INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended March 31, 2025 and 2024

(Expressed in Canadian Dollars – unaudited)

Ynvisible Interactive Inc.

Table of Contents

(Expressed in Canadian Dollars – unaudited)

	Page
Contents	2
Notice of Reader	3
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	4
Condensed Interim Consolidated Statements of Comprehensive Loss	5
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	6
Condensed Interim Consolidated Statements of Cash Flows	7
Notes to Condensed Interim Consolidated Financial Statements	8

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

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

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



YNVISIBLE INTERACTIVE INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars – unaudited)

	As at	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,595,855	\$ 3,348,851
Amounts receivable	498,891	238,922
Inventories	251,104	348,194
Prepaid expenses	94,613	106,781
Total current assets	3,440,463	4,042,748
Non-current assets		
Deposits	7,537	7,240
Right-of-use assets (Note 6)	126,301	170,382
Fixed assets (Note 7)	1,185,773	1,140,889
Intangible assets (Note 8)	167,472	174,732
Total non-current assets	1,487,083	1,493,243
Total assets	\$ 4,927,546	\$ 5,535,991
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 932,867	\$ 821,631
Current portion of lease liabilities (Note 6)	90,407	182,313
Deferred revenue	-	32,600
Total current liabilities	1,023,274	1,036,544
Non-current liabilities		
Lease liabilities (Note 6)	48,203	-
Total liabilities	1,071,477	1,036,544
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	38,564,036	38,034,281
Reserve (Note 10)	1,660,151	1,570,599
Obligation to issue shares (Note 10)	46,084	46,084
Deficit	(36,460,177)	(34,991,766)
Accumulated other comprehensive income (loss)	45,975	(159,751)
Total shareholders' equity	3,856,069	4,499,447
Total liabilities and shareholders' equity	\$ 4,927,546	\$ 5,535,991

Note 1 – Corporate Information and Going Concern

Note 14 – Commitments

Note 15 – Subsequent Events

Approved and authorized for issue on behalf of the Board of Directors on May 30, 2025:

“Alexander Helmel”

Director

“Alex Langer”

Director

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



YNVISIBLE INTERACTIVE INC.

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

	Three Months Ended March 31,	
	2025	2024
Revenue		
Sales (Note 5)	\$ 334,741	\$ 375,729
Cost of sales (Note 5)	(275,035)	(101,274)
Gross profit	59,706	274,455
Expenses		
Compensation and consulting (Note 9)	856,633	789,932
Depreciation (Notes 6, 7, and 8)	153,040	143,987
Development and production	119,419	495,867
Interest and bank charges	2,450	3,444
Marketing and promotion	60,687	26,294
Office facilities and services	125,072	20,303
Professional fees	70,461	73,102
Share-based compensation (Notes 9 and 10)	90,790	61,818
Transfer and listing fees	24,666	23,320
Travel and project investigation	25,644	23,458
Total operating expenses	1,528,862	1,661,525
Loss from operations	(1,469,156)	(1,387,070)
Other items		
Income and gains	9,499	14,479
Interest revenue	17,405	62,663
Other expenses	(35,039)	(11,509)
Projects grants	7,860	19,964
Write-off of tangible assets	(218)	(975)
Total other items	(493)	84,622
Net loss for the period	(1,469,649)	(1,302,448)
Other comprehensive income (loss)		
Item which may be subsequently reclassified to profit or loss		
Foreign currency translation adjustment	205,726	(63,173)
Comprehensive loss for the period	\$ (1,263,923)	\$ (1,365,621)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	130,229,709	124,671,915

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



YNVISIBLE INTERACTIVE INC.

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

	Class A Common Shares					Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number	Amount	Reserve	Obligation to issue shares	Deficit		
	#	\$	\$	\$	\$	\$	\$
Balance, December 31, 2023	124,671,915	37,532,180	2,682,102	46,084	(31,078,666)	(138,682)	9,043,018
Share-based compensation	-	-	61,818	-	-	-	61,818
Net loss for the period	-	-	-	-	(1,302,448)	-	(1,302,448)
Other comprehensive income	-	-	-	-	-	(63,173)	(63,173)
Balance, March 31, 2024	124,671,915	37,532,180	2,743,920	46,084	(32,381,114)	(201,855)	7,739,215
Shares issued for private placement	5,000,000	500,000	-	-	-	-	500,000
Write off of finder fees	-	2,101	-	-	-	-	2,101
Share-based compensation(recovery)	-	-	(71,918)	-	-	-	(71,918)
Stock options cancelled	-	-	(600,090)	-	600,090	-	-
Warrants expired	-	-	(501,313)	-	501,313	-	-
Net loss for the period	-	-	-	-	(3,712,055)	-	(3,712,055)
Other comprehensive loss	-	-	-	-	-	42,104	42,104
Balance, December 31, 2024	129,671,915	38,034,281	1,570,599	46,084	(34,991,766)	(159,751)	4,499,447
Shares issued for private placement	4,563,765	547,652	-	-	-	-	547,652
Finder's fees	-	(17,897)	-	-	-	-	(17,897)
Share-based compensation	-	-	90,790	-	-	-	90,790
Stock options cancelled	-	-	(1,238)	-	1,238	-	-
Net loss for the period	-	-	-	-	(1,469,649)	-	(1,469,649)
Other comprehensive income	-	-	-	-	-	205,726	205,726
Balance, March 31, 2025	134,235,680	38,564,036	1,660,151	46,084	(36,460,177)	45,975	3,856,069

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



YNVISIBLE INTERACTIVE INC.

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

	Three Months Ended March 31,	
	2025	2024
Operating activities		
Net loss for the period	\$ (1,469,649)	\$ (1,302,448)
<i>Items not involving the use of cash:</i>		
Depreciation	153,040	143,987
Depreciation included in cost of sales	5,915	5,704
Lease modification	19,202	-
Share-based compensation	90,790	61,818
<i>Changes in working capital items:</i>		
Amounts receivable	(259,969)	78,951
Interest expense on lease liabilities	459	1099
Inventories	97,090	95,734
Prepaid expenses	12,168	20,102
Accounts payable and accrued liabilities	111,236	(74,145)
Deferred project grants	(32,600)	(33,113)
Cash used in operating activities	(1,272,318)	(1,002,311)
Investing activities		
Purchase of fixed assets	(25,175)	(14,826)
Purchase (sale) of intangible assets	-	14,857
Deposits	(297)	50
Cash (used in) received from investing activities	(25,472)	81
Financing activities		
Proceeds on issuance of shares	547,652	-
Finder's fee	(17,897)	
Repayment of lease liabilities	(75,935)	(71,910)
Cash received from (used in) financing activities	453,820	(71,910)
Effect of foreign exchange	90,974	(13,381)
Net change in cash and cash equivalents	(752,996)	(1,087,521)
Cash and cash equivalents, beginning of period	3,348,851	7,445,758
Cash & cash equivalents, end of period	\$ 2,595,855	\$ 6,358,237
Non-cash transactions		
Reclassification of stock options cancelled	\$ 1,238	\$ -

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

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

1. CORPORATE INFORMATION

Ynvisible Interactive Inc. (the “Company”) was incorporated on September 2, 1983, under the laws of British Columbia, Canada. The address of the Company’s head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

The Company’s principal business activity is the development and sale of electrochromic displays (“ECDs”). The Company’s shares trade on the TSX Venture Exchange (“TSXV”) under the symbol “YNV”, on the OTCQB under the symbol “YNVYF”, and on the FSE under the symbol “1XNA”.

These condensed interim consolidated financial statements have been prepared by management 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.

During the three months ended March 31, 2025, the Company incurred a net loss of \$1,469,649 (March 31, 2024 - \$1,302,448) and as at March 31, 2025, had an accumulated deficit of \$36,460,177 (March 31, 2024 - \$32,381,14).

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 continue as a going concern.

These condensed interim 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.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with ‘IFRS® Accounting Standards’ and related interpretations of the IFRS Interpretations Committee ‘IFRIC® Interpretations’ as issued by the ‘International Accounting Standards Board (IASB)’.

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. This financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the years ended December 31, 2024 and 2023.

Basis of Consolidation

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

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

2. BASIS OF PRESENTATION (continued)

Basis of Measurement and Presentation

The Company's consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

The consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Foreign Currency Translation

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

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

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

4. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

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

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

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

4. CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES (continued)

ACCOUNTING ESTIMATES

- a. The amounts disclosed related to fair values of stock options issued are based on estimates of future volatility of the Company's share price, expected forfeiture rates, expected lives of the options and expected dividends.
- b. Depreciation of tangible and intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of estimates. 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.
- c. The amounts receivable balance is recorded at the estimated recoverable amount, which involves the estimate of expected credit losses.

ACCOUNTING JUDGMENTS

The application of IFRS 16 requires the Company to make judgment 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.

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets consisting of fixed assets, intangible assets, and goodwill to determine whether there is any indication that the carrying amount is not recoverable. The determination of whether any such indication exists requires significant management judgment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When an individual asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

5. REVENUE AND COST OF SALES

For the three months ended March 31, 2025 and 2024, the Company's revenue and related cost of sales is composed of services and products as follows:

Three Months Ended March 31,											
2025						2024					
Services		Products		Total		Services		Products		Total	
Sales	\$	141,907	\$	192,834	\$ 334,741	\$	108,884	\$	266,845	\$	375,729
Cost of sales		(79,222)		(195,813)	(275,035)		(68,952)		(32,322)		(101,274)
Gross profit (loss)		62,685		(2,979)	59,706		39,932		234,523		274,455

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
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6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-Use Assets

	Leases
Cost:	
At December 31, 2023	\$ 1,584,112
Lease modification	53,877
Foreign exchange adjustment	(9,749)
At December 31, 2024	1,628,240
Lease modification	71,044
Foreign exchange adjustment	147,417
At March 31, 2025	\$ 1,846,701
Depreciation:	
At December 31, 2023	\$ 1,176,487
Charge for the year	285,325
Foreign exchange adjustment	(3,954)
At December 31, 2024	1,457,858
Charge for the period	125,864
Foreign exchange adjustment	136,678
At March 31, 2025	\$ 1,720,400
Net book value:	
At December 31, 2024	\$ 170,382
At March 31, 2025	\$ 126,301

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

In February 2025, the Company executed the termination of the lease agreement in Sweden that had been extended in 2024. As a result, the lease will end effective May 31, 2025. A new lease agreement for alternative premises in Sweden was signed in January 2025, with commencement scheduled for June 1, 2025. The Right-of-Use asset and corresponding lease liabilities have been updated to reflect the termination of the existing lease. In Portugal, the lease agreement was renewed in March 2025 for an additional two-year term. The Right-of-Use asset and lease liabilities were also updated accordingly to reflect the extension of this contract.

Lease Liabilities

At December 31, 2023	\$ 425,736
Lease payments made	(285,325)
Interest expense on lease liabilities	3,344
Lease modification	44,264
Foreign exchange adjustment	(5,706)
At December 31, 2024	182,313
Lease payments made	(75,935)
Lease modification	19,203
Interest expense on lease liabilities	459
Foreign exchange adjustment	12,570
At March 31, 2025	138,610
Less: current portion	(90,407)
Non-Current Portion	\$ 48,203

The lease liabilities were measured by discounting the lease payments using an incremental borrowing rate of 1%. Interest expense of \$459 (March 31, 2024 - \$1,099) is included in interest and bank charges.

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease Liabilities (continued)

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

Fiscal 2025	\$	74,709
Fiscal 2026		63,901
Total	\$	138,610

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
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7. FIXED ASSETS

	Equipment		Manufacturing Equipment		Leasehold Building Improvements		Office		Other		Total
Costs											
Balance, December 31, 2023	\$	584,169	\$	1,816,691	\$	71,210	\$	163,918	\$	65,746	\$ 2,701,734
Additions		18,171		4,339		4,075		5,204		20,762	52,551
Disposal		-		(599)		-		(961)		-	(1,560)
Foreign exchange adjustment		11,701		20,056		1,237		(10,614)		15,034	37,414
Balance, December 31, 2024		614,041		1,840,487		76,522		157,547		101,542	2,790,139
Additions		16,621		-		-		8,252		302	25,175
Foreign exchange adjustment		86		46,305		627		12,819		(13,501)	46,336
Balance, March 31, 2025	\$	630,748	\$	1,886,792	\$	77,149	\$	178,618	\$	88,343	\$ 2,861,650
Accumulated Depreciation											
Balance, December 31, 2023	\$	346,045	\$	782,662	\$	36,613	\$	107,437	\$	49,963	\$ 1,322,720
Charge for the year		69,764		171,210		7,836		27,348		8,230	284,388
Foreign exchange adjustment		7,167		31,297		551		(11,433)		14,560	42,142
Balance, December 31, 2024		422,976		985,169		45,000		123,352		72,753	1,649,250
Charge for the period		19,138		44,620		1,107		5,554		1,995	72,414
Foreign exchange adjustment		(7,675)		(34,179)		(633)		11,333		(14,633)	(45,787)
Balance, March 31, 2025	\$	434,439	\$	995,610	\$	45,474	\$	140,239	\$	60,115	\$ 1,675,877
Carrying Value											
Balance, December 31, 2024	\$	191,065	\$	855,318	\$	31,522	\$	34,195	\$	28,789	\$ 1,140,889
Balance, March 31, 2025	\$	196,309	\$	891,182	\$	31,675	\$	38,379	\$	28,228	\$ 1,185,773

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

8. INTANGIBLE ASSETS

Costs	Patents and Software	Customer List	IP Rights	License	Goodwill	Total
Balance, December 31, 2023	\$ 115,140	\$ 168,141	\$ 48,663	\$ 134,976	\$ 71,253	\$ 538,173
Additions	-	1,419	-	-	-	1,419
Disposal	(16,743)	-	-	-	-	(16,743)
Foreign exchange adjustment	2,767	861	360	(19,601)	-	(15,613)
Balance, December 31, 2024	101,164	170,421	49,023	115,375	71,253	507,236
Foreign exchange adjustment	(1,503)	963	(80)	22,885	-	22,265
Balance, March 31, 2025	\$ 99,661	\$ 171,384	\$ 48,943	\$ 138,259	\$ 71,253	\$ 529,501
Accumulated Depreciation						
Balance, December 31, 2023	\$ 61,390	\$ 111,625	\$ 35,029	\$ 81,488	\$ -	\$ 289,532
Charge for the year	5,150	30,519	8,652	12,634	-	56,955
Foreign exchange adjustment	2,805	1,599	548	(18,935)	-	(13,983)
Balance, December 31, 2024	69,345	143,743	44,229	75,187	-	332,504
Charge for the period	1,171	7,959	2,247	3,280	-	14,657
Foreign exchange adjustment	(2,772)	(1,132)	(405)	19,177	-	14,868
Balance, March 31, 2025	\$ 67,744	\$ 150,570	\$ 46,071	\$ 97,644	\$ -	\$ 362,029
Carrying Value						
Balance, December 31, 2024	\$ 31,819	\$ 26,678	\$ 4,794	\$ 40,188	\$ 71,253	\$ 174,732
Balance, March 31, 2025	\$ 31,917	\$ 20,814	\$ 2,872	\$ 40,615	\$ 71,253	\$ 167,472

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Key Management Compensation

	Three Months Ended March 31,			
	2025		2024	
Compensation and consulting	\$	206,285	\$	217,765
Share-based compensation		59,843		30,587
	\$	266,128	\$	248,352

As at March 31, 2025, accounts payable and accrued liabilities include \$ 23,245 (December 31, 2024 - \$37,525) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment.

10. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of Class A common shares without par value.

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

Issued

In March 2025, the Company issued 4,563,765 Class A common shares for a private placement at a price of \$0.12 per share for gross proceeds of \$547,652.

In November 2024, the Company issued 5,000,000 Class A common shares for a private placement at a price of \$0.10 per share for gross proceeds of \$500,000.

For the three months ended March 31, 2024: The Company had no share capital activity.

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

10. SHARE CAPITAL AND RESERVES (continued)

Obligation to Issue Shares

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

On September 4, 2019, the Company implemented a squeeze-out transaction, as per the applicable Portuguese law, pursuant to the RTO transaction, whereby the Company acquired the remaining 499,369 shares of Ynvisible SA, on a one-for-one basis for the Class A common shares of the Company, held by certain minority shareholders of Ynvisible SA (the “Squeeze-Out Minority Shareholders”). Accordingly, the Company recorded an obligation to issue 499,369 Class A common shares with a fair value of \$172,282, which has been reported as RTO transaction costs. As a result of the squeeze-out transaction, the Company now owns 100% of Ynvisible SA. As at March 31, 2025, the Company recorded \$46,084 (December 31, 2024 - \$46,084) for obligation to issue shares.

Stock Options

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

In January 2024, the Company granted 400,000 stock options to officers, directors, employees, and consultants at an exercise price of \$0.09 per share for a period of five years vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$27,032 using the Black-Scholes option pricing model.

In January 2024, the Company granted 120,000 stock options to employees at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$7,427 using the Black-Scholes option pricing model.

In May 2024, the Company granted 130,000 stock options to various directors, officers, consultants, and employees at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$10,557 using the Black-Scholes option pricing model. In addition, the Company granted 50,000 stock options to a provider of investor relations services at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at three months from the date of grant, 1/4th at six months from the date of grant, 1/4th at nine months from the date of grant, and 1/4th at twelve months from the date of grant. These options were valued at \$4,060 using the Black-Scholes option pricing model.

In September 2024, the Company granted 250,000 stock options to director, at an exercise price of \$0.09 per share for a period of five years vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$19,557 using the Black-Scholes option pricing model.

In September 2024, the Company granted 20,000 stock options to employees at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$2,181 using the Black-Scholes option pricing model.

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

10. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

In December 2024, the Company granted 40,000 stock options to various consultants, and employees at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$5,121 using the Black-Scholes option pricing model. In addition, the Company granted 50,000 stock options to a provider of investor relations services at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at three months from the date of grant, 1/4th at six months from the date of grant, 1/4th at nine months from the date of grant, and 1/4th at twelve months from the date of grant. These options were valued at \$6,401 using the Black-Scholes option pricing model.

In February 2025, the Company granted 815,000 stock options to employees at an exercise price of \$0.20 per share for a period of five years, vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$97,113 using the Black-Scholes option pricing model.

In February 2025, the Company granted 200,000 stock options to director, at an exercise price of \$0.15 per share for a period of five years vesting as follows: 1/4th at the date of grant, 1/4th at four months from the date of grant, 1/4th at eight months from the date of grant, and 1/4th at twelve months from the date of grant. The options were valued at \$26,259 using the Black-Scholes option pricing model.

Share-based compensation recognized during the three months ended March 31, 2025 was \$90,790 (March 31, 2024 - \$61,818) from vesting of options.

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

	For the three months ended March 31,	
	2025	2024
Risk-free interest rate	2.70%	3.43%
Expected dividend yield and forfeiture	8.43%	0%
Expected stock price volatility	134%	126%
Expected option life in years	5 Years	5 Years
Exercise price	0.19	0.12
Spot price	0.15	0.08

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

Three Months Ended March 31, 2025			Year Ended December 31, 2024	
	Weighted Average			Weighted Average
	Number of Options	Exercise Price	Number of Options	Exercise Price
	#	\$	#	\$
Outstanding, beginning	8,650,000	0.31	9,575,000	0.35
Granted	1,015,000	0.19	1,060,000	0.13
Cancelled/Forfeited	(20,000)	0.20	(1,985,000)	0.40
Outstanding, ending	9,645,000	0.29	8,650,000	0.31

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

10. SHARE CAPITAL AND RESERVE (continued)

Stock Options (continued)

As at March 31, 2025, the following options were granted and vested:

Expiry Date	Weighted Average Exercise Price (\$)	Number of Options Outstanding	Number of Options Vested and Exercisable	Weighted Remaining Contractual Life (years)
May 20, 2025*	0.33	195,000	195,000	0.14
September 16, 2025	0.25	215,000	215,000	0.46
November 11, 2025	0.29	125,000	125,000	0.62
March 17, 2026	1.29	10,000	10,000	0.96
June 3, 2026	0.63	100,000	100,000	1.18
July 1, 2026	0.75	1,140,000	1,140,000	1.25
July 22, 2026	0.62	80,000	80,000	1.31
August 26, 2026	0.55	250,000	250,000	1.41
October 20, 2026	0.44	370,000	370,000	1.56
December 7, 2026	0.32	500,000	500,000	1.69
July 20, 2027	0.20	2,400,000	2,400,000	2.30
February 24, 2028	0.20	2,095,000	2,095,000	2.90
June 26, 2028	0.20	20,000	20,000	3.24
September 15, 2028	0.20	150,000	150,000	3.46
January 11, 2029 (1)	0.20	80,000	60,000	3.79
January 11, 2029	0.09	400,000	300,000	3.79
May 28, 2029	0.20	140,000	105,000	4.16
September 4, 2029	0.09	250,000	125,000	4.43
September 23, 2029	0.20	20,000	10,000	4.48
December 3, 2029	0.20	50,000	12,500	4.68
December 3, 2029	0.20	40,000	10,000	4.68
February 28, 2030	0.20	815,000	203,750	4.92
February 28, 2030	0.15	200,000	50,000	4.92
	0.29	9,645,000	8,526,250	2.58

*Subsequently expired See Note 15.

Restricted Share Units

On December 10, 2024 (the “RSU Grant Date”), the Company awarded 1,100,000 restricted share units (“RSUs”), subject to the terms and conditions of the Company’s omnibus equity incentive compensation plan, to certain directors and officers of the Company. 900,000 of these RSUs vest one year from the RSU Grant Date while the balance of 200,000 RSUs will vest two years from the RSU Grant Date. Using the share price on the RSU Grant Date, the fair value of the RSUs was determined to be \$154,000. During the period ended March 31, 2025, the Company recognized \$38,319 as share based compensation for the vesting of RSUs.

RSUs transactions and the number of RSUs outstanding are summarized as follows:

	March 31, 2025	December 31, 2024
	Number of RSUs Outstanding	Number of RSUs Outstanding
Outstanding, beginning	1,100,000	-
Awarded	-	1,100,000
Outstanding, end	1,100,000	1,100,000

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

10. SHARE CAPITAL AND RESERVE (continued)

Warrants

During the year ended December 31, 2024, 20,891,603 (2023 – Nil) warrants expired, and the fair value of \$501,313 (2023 – \$nil) attributable to these warrants was transferred from reserves to deficit.

As at March 31, 2025, there were no warrants outstanding.

11. FAIR VALUES AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, deposits, and accounts payable and accrued liabilities. The fair value of amounts receivable, deposits, and accounts payable and accrued liabilities, approximate their carrying values because of their short-term nature.

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

Credit Risk

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

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

Liquidity Risk

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

Market Risk

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

Interest Rate Risk

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

Currency Risk

The Company's functional currency is the Canadian dollar. The Company funds the operations of Ynvisible SA in Portugal, Ynvisible GmbH in Germany, and Ynvisible Production in Sweden by using Euros and Swedish krona, respectively, converted from its Canadian dollar bank accounts. Based on the Company's Euro and Swedish krona denominated financial instruments at March 31, 2025, a 10% change in exchange rates between the Canadian dollar and the Euro and Swedish krona, respectively, would result in an approximately \$87,443 and \$36,729, respectively, change in foreign exchange gain or loss.

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

12. CAPITAL MANAGEMENT

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

Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable. There have been no changes in the Company's approach to capital management during the three months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

13. SEGMENTED DISCLOSURE

The Company has one operating segment, being the development and sale of ECDs in Europe. At March 31, 2025, the Company's assets, liabilities and comprehensive loss are geographically located as follows:

Revenue	Portugal	Germany	Sweden	Canada	Total
2025	\$ 179,527	\$ -	\$ 155,214	\$ -	\$ 334,741

	Europe	Canada	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,369,309	\$ 1,226,546	\$ 2,595,855
Amounts receivable	491,229	7,662	498,891
Inventories	251,104	-	251,104
Prepaid expenses	71,822	22,791	94,613
Total current assets	2,183,464	1,256,999	3,440,463
Non-current assets			
Deposits	7,537	-	7,537
Right-of-use assets	126,301	-	126,301
Fixed assets	1,185,773	-	1,185,773
Intangible assets	96,219	71,253	167,472
Total non-current assets	1,415,830	71,253	1,487,083
Total assets	\$ 3,599,294	\$ 1,328,252	\$ 4,927,546

LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$ 713,416	\$ 219,451	\$ 932,867
Current portion of lease liabilities	90,407	-	90,407
Total current liabilities	803,823	219,451	1,023,274
Non-current liabilities			
Lease liabilities	48,203	-	48,203
Total non-current liabilities	48,203	-	48,203
Total liabilities	\$ 852,026	\$ 219,451	\$ 1,071,477
Comprehensive loss for the three months ended March 31, 2025	\$ 960,613	\$ 303,310	\$ 1,263,923

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

13. SEGMENTED DISCLOSURE (continued)

The Company has one operating segment, being the development and sale of ECDs in Europe. At December 31, 2024, the Company's assets, liabilities and comprehensive loss are geographically located as follows:

Revenue	Portugal	Germany	Sweden	Canada	Total	
2024	\$	537,683	\$	-	\$	927,739

	Europe	Canada	Total			
ASSETS						
Current assets						
Cash and cash equivalents	\$	1,139,688	\$	2,209,163	\$	3,348,851
Amounts receivable		231,922		7,000		238,922
Inventories		348,194		-		348,194
Prepaid expenses		75,085		31,696		106,781
Total current assets		1,794,889		2,247,859		4,042,748
Non-current assets						
Deposits		7,240		-		7,240
Right-of-use assets		170,382		-		170,382
Fixed assets		1,140,889		-		1,140,889
Intangible assets		103,479		71,253		174,732
Total non-current assets		1,421,990		71,253		1,493,243
Total assets	\$	3,216,879	\$	2,319,112	\$	5,535,991

LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$	592,904	\$	228,727	\$	821,631
Current portion of lease liabilities		182,313		-		182,313
Deferred revenue		32,600		-		32,600
Total current liabilities		807,817		228,727		1,036,544
Non-current liabilities						
Lease liabilities		-		-		-
Total non-current liabilities		-		-		-
Total liabilities	\$	807,817	\$	228,727	\$	1,036,544

Comprehensive loss for the year ended						
December 31, 2024	\$	4,187,281	\$	848,291	\$	5,035,572

YNVISIBLE INTERACTIVE INC.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars Unless Otherwise Noted – unaudited)

14. COMMITMENTS

RISE Agreement

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

The Agreement gives the Company:

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

The Agreement gives RISE:

- Licence fees of SEK 800,000 per year in the first 3 years, and SEK 1,000,000 per year in years 4 to 6, payable in equal quarterly instalments.
- Perpetual royalties in the range of 0 - 3% of product sales.
- Ownership of the materials and devices intellectual property; and
- Right to terminate the Agreement if Ynvisible is not commercially successful.

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

15. SUBSEQUENT EVENTS

On May 20, 2025, 195,000 options with an exercise price of \$0.33 expired unexercised. (Note 10)

On May 16, 2025, the Company announced the undertaking of a non-brokered LIFE financing offering of a minimum of 8,181,818 Company’s common shares to maximum of 13,636,364 at a price of \$0.22 per share, for aggregate gross proceeds of between \$1,800,000 to \$3,000,000. The Company may pay finder fees in relation to this offering.