

YNVISIBLE INTERACTIVE INC.
(formerly Network Exploration Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS

SIX MONTHS ENDED JUNE 30, 2019

Date of Report: August 29, 2019

The following management discussion and analysis (“MD&A”) of the financial position and results of operations for Ynvisible Interactive Inc. (the “Company” or “Ynvisible”) (formerly Network Exploration Ltd.) should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto for the years ended December 31, 2018 and 2017 and condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and 2018. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

Overall Performance

Ynvisible Interactive Inc. is a public company listed on the TSX Venture Exchange under the trading symbol “YNV”. On January 11, 2018, the Company changed its name from Network Exploration Ltd. to Ynvisible Interactive Inc. and on January 19, 2018 (see news release dated January 19, 2018) the Company completed its reverse take-over transaction (“RTO”) with YD Ynvisible, S.A. (“YD Ynvisible”), whereby it acquired 94.19% of its issued and outstanding common shares. The Company’s condensed interim consolidated financial statements for the three and six months ended June 30, 2019 have been prepared on a continuity of interest basis that present the comparative results of YD Ynvisible prior to the RTO.

Ynvisible aims to be a leading company in the emerging printed electronics sector. Printed electronics use new materials with electronic properties that are processable into inks and can be printed into thin layers (using conventional print house equipment) onto flexible materials, such as plastic and paper.

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

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

The address of the Company’s head office and principal place of business is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, and the registered and records office is located at 1500 – 1005 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company maintains a website at www.ynvisible.com.

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 expanding its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Corporate Activities

In January 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 "January 2019 Offering"). Each unit consists of one common share in the capital of the Company and one-half of a share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share in the capital of the Company at a price of \$0.60 per warrant for a period of three years from the closing of the January 2019 Offering.

If at any time commencing 4 months from the date the warrants are issued, if for the preceding 7 consecutive trading days, the daily volume weighted average trading price of the Company's shares is greater than \$0.75, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th calendar day after the date of such notice ("Accelerated Expiry").

In April 2019, the Company granted 1,675,000 stock options to various directors, officers, and consultants of the Company at an exercise price of \$0.37 per share for a period of five years, vested as follows: 1/3 on four months after the date of grant, 1/3 on eight months after the date of grant and 1/3 on twelve months after the date of grant.

In May 2019, the Company cancelled a total of 200,000 stock options held by a director.

In June 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 "June 2019 Offering"). Each unit consists of one common share in the capital of the Company and one-half of a share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share in the capital of the Company at a price of \$0.60 per warrant for a period of three years from the closing of the June 2019 Offering. The warrants are subject to the Accelerated Expiry.

In July 2019, Ynvisible entered into a binding Letter of Intent ("LOI") with Consensum Production AB ("Consensum") which sets out the basic terms and conditions pursuant to which Ynvisible will acquire 100% of the issued and outstanding shares of Consensum (the "Acquisition"), a printed electronics contract manufacturing company based in Linköping, Sweden. Subsequently on August 7, 2019 the Company entered into a definitive agreement to acquire Consensum (the "Definitive Agreement"), and on August 21, 2019 Ynvisible announced that the acquisition of Consensum had been completed.

Pursuant to the terms of the Definitive Agreement and in consideration of the Acquisition, Ynvisible issued to the former Consensum shareholders an aggregate of 3,564,474 common shares of the Company (the "Payment Shares") at a deemed price of \$0.474 per Payment Share. The Payment Shares will be subject to a statutory hold period expiring December 21, 2019 as well as a voluntary hold period until February 20, 2020 for 25% of the Payment Shares and August 20, 2020 on an additional 25% of the Payment Shares.

Consensum is a contract manufacturer of printed electronics and hybrid systems. Consensum is located in Sweden in the city of Linköping and has active collaborations with partners in the neighboring city Norrköping. The Twin-city region has been a leading hub in printed and paper based electronics for over 25 years. Linköping University and applied research institute RISE (formerly Acreo) have a long history of research and development in printable electrochromics dating back to the 1980's.

Consensum's team and owners are tightly connected to this ecosystem. The team has accumulated over a decade of experience in roll-to-roll printing of different electronic components, including displays. The company operates a full-scale roll-to-roll production line and processes required for manufacturing, converting and testing of printed electronics components and systems. Until now the focus has been that of a contract manufacturer of printed electronics and hybrid systems, and Ynvisible has been one of Consensum's clients.

The Acquisition is intended to position Ynvisible as a leading provider of electrochromic printed display solutions for high volume applications. The combined entity will leverage Ynvisible's technical expertise, customer base and experienced management team, will establish high volume roll-to-roll printing of electrochromic displays, and will further expand its production and system integration capabilities of other printed electronic components and systems.

In August 2019, the Company appointed Petteri Strömberg as Head of Product Management of the Company.

Business Highlights and Second Quarter 2019

Marketing

During the first half of 2019 the Company continued to refine and build its sales, marketing, and customer support processes to more effectively handle the increasing number of client requests and accelerate time to market. In addition to systematically qualifying and processing in-bound client prospects, the Company aims to boost its outbound marketing and sales efforts in select lead market sectors. In Q1 2019 the Company identified three lead business arenas with strong interest and proven market pull for ynvisible interactive printed graphics:

- Premium consumer products
- Logistics & retail (smart labels)
- Health & wellness

A central theme in Ynvisible's marketing in 2019 is to build visibility and awareness of its interactive printed graphics solutions beyond the printed and flexible electronics sector. Brand owner clients with smart product initiatives targeting product launches in 2019 and 2020 are a priority for Ynvisible's team. During the year the Company expects to sell a growing number of prototyping and production projects within the lead business arenas. As a next step to these projects, Ynvisible's further aim is to sell first volume production of electrochromic displays from its sheet-based production line in Charneca de Caparica, Portugal. In parallel to producing for customer orders, the facility will be used to train outside design and production houses to work with the Company's proprietary technologies, and the first technology transfer cases to outside production houses will be developed.

During Q2, the Company participated in the following industry events:

- On April 10-11, 2019 Ynvisible had a booth at the IDTechEx Printed Electronics Europe Show, in Berlin, Germany. Electrochromic display and indicator samples and prototypes produced in Ynvisible's production line in Portugal attracted a high number of visitors to the Company's booth. CEO Jani-Mikael Kuusisto gave an invited talk titled: "Applications of Printed Electrochromics: Improving the Communications Potential of Smart Objects and Surfaces".
- On June 5, 2019 PrintoCent printed intelligence commercialization network hosted a "Rapid Diagnostics" seminar in Oulu, Finland. Ynvisible participated with a stand and samples of its technology tailored to Health and Wellness products.
- On June 6-7, in Oulu Finland, Ynvisible joined partners from the EU publicly funded DecoChrom project, to showcase electrochromics prototyping at PrintoCent INNOFEST, the world's largest open innovation competition around printed intelligence. At the innovation event, competition participants had the chance to try prototyping with Ynvisible's materials.
- On June 12-13, 2019 the Institute of Microelectronics of Barcelona IMB-CNM, a part of The Spanish National Research Council (CSIC), hosted the OE-A (Organic Electronics Association) working group meetings in Barcelona, Catalonia, Spain. The association members met with the special topic "Healthy Growth: Printed Electronics for Medicine and Wellbeing". From Ynvisible, Project Development Specialist, Rúben Ferreira gave a talk at the event. In Q1 2019 IMB-CNM (CSIC) had won the best new product prototype award at LOPE-C (Large-area, Organic & Printed Electronics Convention) for its concept of a fully printable, single-use, self-powered glucometer using Ynvisible's displays as the visual indicator. Also the same research group's paper "Self-powered smart patch for sweat conductivity monitoring" was published by Nature Research, showcasing also a use of Ynvisible's displays with a "body powered" sweat conductivity sensor, being developed to help screen for cystic fibrosis. The groundbreaking work by IMB-CNM (CSIC) showcases potential for Ynvisible's ultra-low power display technology in applications for healthcare and the rapidly growing field of point-of-care disposable diagnostics.

- On June 25, 2019, Ynvisible organized and hosted a DecoChrom project related open conference “Bringing Electrochromics to New Markets and Products” at the New University of Lisbon, Faculty of Sciences and Technology (Faculdade de Ciências e Tecnologia da Universidade Nova de Lisboa) in Almada, Portugal. Speakers at the event included Ynvisible’s management and the Company’s Advisory Board members, Dr. Harlan Byker, Dr. Harri Kopola and Dr. Michael Okoroafor. The conference filled up the auditorium. Participants had a chance to visit Ynvisible’s production and customer training facilities situated close to the university.

Starting June 2019 the Company has hired the services of Elyssia Patterson, based in Vancouver, BC, as Manager of Investor Relations. Ms. Patterson is actively involved also in the Company’s communications as the Company looks to increase its social media visibility.

Sales

Ynvisible targets its marketing and sales efforts to leading brand owners in its lead business arenas, but also builds partnerships with established and highly innovative design and production companies serving these value chains. All major on-going client developments continue to be covered by confidentiality agreements and are focused on product initiatives driven by end clients. In Q2 2019, the company’s sales were from prototyping activity for clients in different end markets.

On April 4, 2019, the Company announced that it has entered into a commercial agreement with a globally leading security and identity solutions group which is exploring the use of Ynvisible’s proprietary intellectual property and expertise in electrochromics in its electronic identification document solutions. The results of this agreement were expected to be delivered by the end of Q2/2019, but were extended into Q3/2019 upon request of the Client. The Parties aim to build the collaboration and develop printed electrochromics into the Client’s secure document offering for increased levels of authentication.

Technology & Products

In addition to the production scale up and roll out of the current generation of Ynvisible’s proprietary electrochromic solutions, the Company works actively to enhance the performance of its technologies and products to build market leadership. Ynvisible builds partnerships designed to accelerate the development and ultimate market introduction of next generation functionalities for electrochromics.

In the EU co-funded project DecoChrom (www.decochrom.eu), the aim is to elevate printed graphics products to the age of interactivity, and empower the creative industries with the tools and innovative advanced material sets to design and build aesthetically pleasing practical human interfaces to smart consumer goods and environments. In Q1 2019 DecoChrom partners Aalborg University and University of Lapland, with support from Ynvisible, began offering hands-on electrochromics workshops and courses. Project partners were also active in producing prototypes and design examples using materials and know-how from Ynvisible. These examples were presented at different events, e.g. University of Lapland won the best demo award at the 8th ACM International Symposium on Pervasive Displays (in Palermo, Italy June 12-14, 2019) with its work titled "Exploring the Design Space of Electrochromic Displays".

The DecoChrom workshops, as well as the project partners’ speeches at several different events, and the design demo examples from the project have brought added visibility to printable electrochromics. During the first half of 2019 Ynvisible received a growing number of requests from designers requesting ink and other materials for their own prototyping needs. During Q2 2019 the Company developed an “ynvisible Ink Kit” aimed at industrial and academic R&D groups, as well as professional designers, who are interested in hands on learning about electrochromics and demonstrating application possibilities. The first version of the kits was made available for purchase via the Company’s website (www.ynvisible.com/ec-kit) for shipments into the EU and North America.

Selected Quarterly Information

All financial information in this MD&A has been prepared in accordance with IFRS.

The following financial data is derived from the condensed interim consolidated financial statements:

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
EU co-funded projects grants	106,621	85,586	244,278	163,623
Prototyping projects revenue	26,744	-	50,710	8,425
Operating expenses	(948,907)	(661,019)	(1,745,862)	(2,709,059)
Net loss	(842,021)	(619,814)	(1,486,551)	(3,808,496)
Total comprehensive loss	(830,378)	(570,644)	(1,455,940)	(3,865,959)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.03)	(0.08)

	As at June 30,	
	2019	2018
	\$	\$
Working capital	3,849,670	1,696,651
Total assets	6,000,266	3,443,030
Total liabilities	1,630,233	1,806,627

Operations

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the three and six months ended June 30, 2019 and 2018:

Expenses	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Depreciation	43,478	12,730	84,933	14,409
Compensation and consulting	317,630	308,356	671,453	939,674
Interest and bank charges	8,211	65	8,348	17,258
Marketing and promotion	10,387	61,279	14,184	61,279
Office facilities and services	4,067	12,070	11,265	16,101
Professional fees	73,909	34,038	137,565	313,024
Share-based compensation	187,010	-	256,010	793,600
Supplies and external services	302,051	192,353	520,409	428,764
Transfer and listing fees (recovery)	(181)	7,917	20,387	79,560
Travel and project investigation	2,345	32,211	21,308	45,390
Total operating expenses	948,907	661,019	1,745,862	2,709,059

Results of Operations for the three and six months ended June 30, 2019

General and Administrative Expenses

Net loss for the six month period ended June 30, 2019 decreased to \$1,486,551 compared to \$3,808,496 during the six months ended June 30, 2018. Key contributors to the decrease in net loss are as follows:

- Compensation and Consulting decreased by \$268,221 to \$671,453 (six months ended June 30, 2018 - \$939,674) due to the Company using additional consultants in connection with the RTO transaction in the prior period.
- Professional fees decreased by \$175,459 to \$137,565 (six months ended June 30, 2018 - \$313,024) as the Company paid more legal costs associated with the RTO transaction in the prior period.
- Share-based compensation recognized in the current period was \$256,010 for vesting of options granted, while 3,800,000 options with a value of \$793,600 were granted and partially vested in the prior period. The stock options were fair-valued using the Black-Scholes option pricing model.
- Supplies and external services fees increased by \$91,645 to \$520,409 (six months ended June 30, 2018 - \$428,764). The Company paid additional fees corresponding with the increase in prototyping projects revenue.
- The Company expensed \$1,199,141 in transaction costs relating to the RTO in the prior period, of which \$402,264 was the fair value assigned to 1,340,881 finder's fees shares issued in connection with the transaction, \$719,332 was a non-cash purchase price allocation, and \$77,545 was for related expenses.

Net loss for the three month period ended June 30, 2019 increased to \$842,021 compared to \$619,814 during the three months ended June 30, 2018 ("Q2 2018"). Key contributors to the increase in operating costs are as follows:

- Share-based compensation recognized in the current period was \$187,010 for vesting of options granted, while there was no options granted in the prior period.
- Supplies and external services fees increased by \$109,698 to \$302,051 (Q2 2018 - \$192,353). The Company paid additional fees corresponding with the increase in prototyping projects revenue.

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	Prototyping Project Revenues	EU Co-Funded Project Grants	Net Loss	Loss Per Share (Basic and Diluted)
	\$	\$	\$	\$
June 30, 2019	26,744	106,621	(842,021)	(0.01)
March 31, 2019	23,966	137,657	(644,530)	(0.01)
December 31, 2018	8,524	160,243	(941,514)	(0.02)
September 30, 2018	-	51,403	(668,504)	(0.01)
June 30, 2018	-	85,586	(619,814)	(0.01)
March 31, 2018	8,425	78,037	(3,188,682)	(0.07)
December 31, 2017	27,697	12,143	(511,874)	(0.10)
September 30, 2017	12,576	16,626	(169,516)	(0.03)

Variances quarter over quarter can be explained as follows:

- In the quarter ended March 31, 2018, net loss includes \$1,199,141 in mostly non-cash RTO transaction fees and \$793,600 in non-cash share-based compensation.
- The 2017 results are those of YD Ynvisible alone following the continuity of interest principle and were converted from European Euros to Canadian dollars.

Liquidity

In management's view, given the nature of the Company's operations, the Company does not expect to receive significant income from any of its projects in the near term.

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

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These factors may cast significant doubt on the Company's ability to continue as a going concern. While the Company is expanding its best efforts in this regard, the outcome of these matters cannot be predicted at this time. The condensed interim consolidated 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:

	June 30, 2019	December 31, 2018
	\$	\$
Cash	4,777,821	957,078
Amounts receivable	298,633	637,128
Prepaid expenses	53,464	10,699
Total current assets	5,129,918	1,604,905
Accounts payables and accrued liabilities	571,338	637,047
Current portion of right of use liability	78,690	-
Deferred project grants	630,220	1,028,534
Working capital (deficit)	3,849,670	(60,676)

During the first quarter of 2019, the Company closed a non-brokered private placement of 3,339,200 units of the Company at \$0.30 per unit for gross proceeds of \$1,001,760. The proceeds of the financing will be used for general working capital.

During the second quarter of 2019, the Company closed a non-brokered private placement of 12,571,429 units of the Company at \$0.35 per unit for gross proceeds of \$4,400,000. The proceeds of the financing will be used for general corporate and working capital, productization, marketing, and increasing production capacity.

The net proceeds from the financings are included in the Company's working capital of \$3,849,670 as at June 30, 2019 (December 31, 2018 – deficit of \$60,676).

Common Share Exchange

On October 26, 2018, the Company issued 925,479 common shares at a deemed price of \$0.30 per share to the minority shareholders of YD Ynvisible in exchange for 925,479 common shares of YD Ynvisible. The remaining minority shareholders, who have not signed a voluntary share exchange agreement with the Company, are subject to a compulsory share exchange or “squeeze-out” of their shares in YD Ynvisible on a one-for-one basis for the Class A common shares of the Company.

Cash Flows

Net cash used in operating activities for the six months ended June 30, 2019 was \$1,331,506 (June 30, 2018 - \$2,385,463). 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. The prior period saw increased activity highlighted by the reverse takeover transaction.

During the six months ended June 30, 2019, cash used in investing activities was \$53,392 (June 30, 2018 - \$141,911) for the purchase of fixed and intangible assets.

During the six months ended June 30, 2019, cash provided from financing activities was \$5,175,030 (June 30, 2018 - \$5,163,988). In the current period, the Company closed a private placement with gross proceeds of \$1,001,760 with \$20,628 in cash costs in January 2019 and closed a private placement with gross proceeds of \$4,400,000 with \$148,869 in cash costs in June 2019. In the prior period, the Company completed a prospectus offering for gross proceeds of \$4,600,000 and incurred share issuance costs of \$102,803. The Company repaid \$949,251 in loans in the prior period. In the current period, the Company repaid long term debt of \$42,109 (2018 - \$75,936). As a result of the RTO, the Company acquired \$1,691,978 in cash in the prior period.

The Company's cash increased by \$3,820,743 from \$957,078 at December 31, 2018 to \$4,777,821 at June 30, 2019.

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 June 30, 2019 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 June 30, 2019 and the date of this report, the Company had the following directors and officers:

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

The Company has incurred charges during the six months ended June 30, 2019 and 2018 from directors and officers, or companies controlled by them, for management and consulting fees and share-based compensation as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2018
	\$	\$
Jani-Mikael Kuusisto – Salary	80,609	82,743
Jani-Mikael Kuusisto – Share based compensation	14,648	101,189
Inês Henriques – Salary	49,763	51,815
Inês Henriques – Share based compensation	14,648	67,459
Alexander Helmel – Consulting fees	15,000	12,500
Alexander Helmel – Share based compensation	9,765	44,973
Duarte Mineiro – Share based compensation	-	44,973
Martin Burian – Consulting fees	6,000	3,000
Martin Burian – Share based compensation	9,765	22,486
Carlos Pinheiro Baptista – Salary	49,636	51,081
Carlos Pinheiro Baptista – Share based compensation	14,648	84,324
Benjamin Leboe – Consulting fees	6,000	1,000
Benjamin Leboe – Share based compensation	20,654	-
Darren Urquhart – Consulting fees	15,000	15,000
Darren Urquhart – Share based compensation	4,883	22,486
Total cash consulting and management fees	222,008	217,139
Total share-based compensation	89,011	387,890
Total compensation for officers and directors	311,019	605,029

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 June 30, 2019, accounts payable and accrued liabilities include \$135,077 (December 31, 2018 - \$122,252) due to officers and directors. Accounts payable and accrued liabilities due to related parties are unsecured and have no specified terms of repayment.

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

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

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

	As at June 30, 2019	Date of this MD&A
Common shares	69,714,534	73,293,008
Stock options	4,400,000	4,325,000
Warrants	8,978,478	8,978,478
Fully Diluted	83,093,012	86,596,486

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	1,925,000	1,925,000
February 21, 2023	0.40	275,000	275,000
May 25, 2023	0.30	300,000	300,000
September 25, 2023	0.31	150,000	116,667
April 29, 2024	0.37	1,675,000	558,333
	0.33	4,325,000	3,175,000

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

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

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 “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.

Accounting Policies Adopted During the Period

IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company’s estimated incremental borrowing rate as at January 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company. The Company has implemented the following accounting policies permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

As at January 1, 2019, the Company recognized \$314,186 in right-of-use assets and \$314,186 in lease liabilities as summarized below.

	\$
Minimum lease payments under operating leases as of December 31, 2018	337,431
Effect from discounting at the incremental borrowing rate as of January 1, 2019	<u>(23,245)</u>
Right-of-use assets and lease liabilities recognized as of January 1, 2019	<u>314,186</u>

The lease liabilities were discounted at a discount rate of 1% per annum for the European lease and 12% per annum for the Canadian lease as at January 1, 2019

The following is the accounting policy for leases as of January 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Critical Judgments and Accounting Estimates

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

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

- a. The amounts disclosed related to fair values of stock options and warrants issued and the resulting effects on profit or loss are based on estimates of future volatility of the Company's share price, expected lives of the options and expected dividends.

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

Risks and Uncertainties

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

Operational Risks

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

Governmental Regulation

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

Customer Demand

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

Financial Risks

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

Credit Risk

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

Interest Rate Risk

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

Liquidity Risk

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

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company funds the operations of its Subsidiary in Portugal by using Euros converted from its Canadian dollar bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. Based on the Company's Euro denominated financial instruments at June 30, 2019, a 10% change in exchange rates between the Canadian dollar and the Euro would result in an approximately \$69,000 change in foreign exchange gain or loss.

Other MD&A Requirements

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

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

Approval

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

- the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and 2018; and
- the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017.

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