REACT GAMING GROUP

(formerly Intema Solutions Inc.)

Management's Discussion and Analysis

For the second quarter ended June 30, 2022

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") of the results of operations and financial position of React Gaming Group Inc. (formerly Intema Solutions Inc.) ("**React Gaming**" or the "**Company**") must be read in conjunction with the unaudited interim financial statements of the Company and the accompanying notes for the three-month period ended June 30, 2022, and with the most recent audited annual financial statements and MD&A for the year ended December 31, 2021. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are available on SEDAR (www.sedar.com). This MD&A reflects information available to the Company as at August 24, 2022.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements." All statements other than statements of historical facts included in this MD&A, including, without limitation, those regarding the projected financial performance of the Company; the expected development of the Company's business and projects; execution of the Company's vision and growth strategy; sources and availability of financing for the Company's projects; renewal of the Company's current customer, supplier and other material agreements; and future liquidity, working capital, and capital requirements, are forward-looking statements. Although the forward-looking statements in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that they will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

The term EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other issuers. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes on the result. Management believes that EBITDA is an important measurement tool as it allows us to evaluate the performance of the Company arising from operating activities irrespective of elements that depend mainly on non-operating factors such as the historical cost. EBITDA allows us to compare the operating performance of the Company consistently. Several analysts and investors use EBITDA to evaluate and measure the Company's ability to repay its debt and meet its various payment obligations.

OVERVIEW

React Gaming, incorporated under the Canada Business Corporations Act, is a publicly traded holding company that stands at the forefront of the esports and iGaming industry, the fastest growing subsector of the digital entertainment space. By investing in innovative technologies that enhance tournaments, teams, and wagering, we provide our users with gaming platforms that produce non-stop action, exciting outcomes, and unparalleled enjoyment. Through the use of intelligent data, we also connect our sponsors to robust communities within the rapidly evolving industry, ensuring maximum engagement and substantial reward. React Gaming's common shares are listed on the TSX Venture Exchange under the symbol "**RGG**".

On February 18, 2022, React Gaming completed the game-changing acquisition of Livestream Gaming Ltd. ("**Livestream**"), the parent company of LOOT.BET, which has become the Company's main asset.

LOOT.BET is one of the global leaders in esports betting, with a focus on live betting and online gaming and building an exceptional product for its 500,000+ registered users. Supported by a professional operational and software development team of over 50 employees, LOOT.BET is world-renowned not only as an established and reliable esports betting platform but also as a supporter of the esports industry.

React Gaming's goal as an emerging esports and iGaming company is to bring the excitement of esports betting to the entire world through fully licensed, safe, and secure online platforms. The Company holds an online gaming license from the Isle of Man, one of the world's most prestigious gaming jurisdictions, allowing it to deploy its LOOT.BET platform in new promising markets.

The Company is also developing an online esports tournament platform through its compete.gg site and has one of the most competitive Rainbow 6 teams through Parabellum Esports.

More information about React Gaming is available at reactgaming.ca.

DESCRIPTION OF MAIN ASSET

Principal Services

Livestream's principal activity is to provide online betting and online gambling services. Livestream offers these services through its LOOT.BET website platform at LOOT.BET. The LOOT.BET website platform offers an esports sportsbook, traditional sportsbook, and random number generator casino games. LOOT.BET has over 500,000 registered users, and is available in English, Spanish, German, Portuguese, Filipino, Russian, and Chinese. Livestream regularly sponsors notable professional esports tournaments and partners with leading esports operators, studios, and esports influencers.

Livestream's revenue is generated by the services provided to users on LOOT.BET. In 2020, 91% of Livestream's revenue was generated from betting activity on the LOOT.BET platform, with the remaining 9% generated from RNG (random number generator) games on the LOOT.BET platform.

Overview of Global Regulatory Environment and Gaming Licenses

There are broadly two types of gaming licences in the world: (a) local; and (b) multi-jurisdictional (or point-of-supply). Local licences are jurisdiction-specific and permit holders to offer gaming services to residents of that jurisdiction while preventing unlicensed entities from doing so. Currently there are over 30 jurisdictions which require a licence to provide gaming services to their respective residents, including the United Kingdom and the United States. Multijurisdictional licences, like the Isle of Man (IOM) licence, enable gaming companies to operate in other territories which do not expressly prohibit offshore gaming operators by relying on the well-established general principle of e-commerce and internet law that deems online product offerings to take place where the operator's server and/or the operator itself is established and located. This principle is widely relied upon by offshore online gaming operators as well as by many other e-commerce businesses.

Market

Livestream's target market is men ages 18 to 29, with a strong interest in esports and video games, and sports in general. In many countries betting on esports has become a common hobby for Livestream's target audience. With adoption among so many individuals, the trend is towards responsible and higher regulated gaming.

The LOOT.BET website is accessible globally, except in those jurisdictions which either require a local license, or are prohibited by local laws. Accordingly, Livestream does not offer services to individuals located in those jurisdictions and its platform has multiple checks to ensure access to such individuals is prohibited.

Competitive Landscape

Livestream operates in a highly competitive environment featuring existing traditional gaming companies as well as similar endemic esports betting operators. There are a variety of principal competitive factors that separate service providers within the industry. These factors include the geographic reach of the LOOT.BET platform; gaming licences and player protections; number of esports titles supported; number of betting markets that are included; esports industry statistics provided; overheads and customer acquisition cost; brand awareness; accessibility of the customer interface; number and quality of payment methods per territory; and the level of customer support provided.

The gaming industry's strict licensing regime provides a strong barrier to entry of one to three years for any new start-ups, thereby providing a substantial advantage to those who already have experience and a history of operation. While competition is still expected to grow, due to the high cost of obtaining applicable licences and the general lack of compliance expertise, management believes that the Company's position in the market and its potential growth within the market are not jeopardized by new entrants.

HIGHLIGHTS (as at the date of this MD&A)

- **On August 4, 2022** – Wholly-owned LOOT.BET subsidiary receives GLI-19 certification from Gaming Laboratories International, confirming that the LOOT.BET esports online betting platform complies with the requirements of applicable technical standards.
- **On August 2, 2022** – LOOT.BET launched on July 31, 2022 its Isle of Man-licensed online esports betting platform.
- **On July 20, 2022** – React Gaming starts trading on the OTCQB Venture Market in the United States. The Company upgraded to the OTCQB from the Pink market.
- **On July 19, 2022** – Wholly-owned Parabellum Esports subsidiary secures first paid sponsorship with Shakepay, a Canadian technology company, as its first entry into esports.
- **On July 12, 2022** – Wholly-owned subsidiary Compete.gg has been granted access to the Riot Games API (application programming interface), allowing Compete to break into an entirely new realm of competitive esports with multiplayer online battle arena titles such as League of Legends, considered as one of the top-played games in the esports space.
- **On July 7, 2022** – LOOT.BET enters into a partnership agreement with Oddin.gg to provide LOOT.BET with its renowned esports odds feed and help it scale its operations worldwide.
- **June 28, 2022** – Appointment of Leigh Hughes as Interim Chief Executive Officer.
- **May 17, 2022** – Signing of white label revenue sharing agreement with HHRP Inc. to operate LOOT.BET's esports wagering platform in the Philippines.

SELECTED FINANCIAL HIGHLIGHTS

(In Canadian dollars)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
FINANCIAL PERFORMANCE				
Revenue	845,543	39,902	1,179,504	63,007
Gross profit	322,922	39,902	614,187	63,007
EBITDA (1)	(2,535,197)	(699,393)	(4,623,372)	(998,156)
Net loss	(1,532,382)	(712,167)	(4,909,351)	(1,042,256)
Loss per share — basic and diluted	(0.009)	(0.006)	(0.031)	(0.010)

	As of June 30 2022	As at Dec. 31 2021
FINANCIAL SITUATION		
Cash and cash equivalents	1,536,871	2,949,609
Working capital	(1,927,291)	2,229,114
Shareholder's equity	11,734,775	3,205,021
Long-term debt, performance contingencies (including current portions), and debentures	3,652,599	362,438

(1) The term EBITDA (earnings before interest, taxes, depreciation, and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes.

RECONCILIATION OF NET LOSS TO EBITDA

(In Canadian dollars)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Net loss	(1,532,382)	(712,167)	(4,909,351)	(1,042,256)
Interest expense	3,290	12,959	13,322	22,779
Depreciation of assets and other intangible assets	326,227	(185)	486,964	21,321
Loss on assets written off	5,300	-	32,165	-
Stock-based compensation expense	(21,842)	-	1,069,318	-
Gain on revaluation of performance contingency	(1,315,790)	-	(1,315,790)	-
EBITDA	(2,535,197)	(699,393)	(4,623,372)	(998,156)

OPERATING RESULTS

Revenue

For the second quarter of 2022, revenue increased to $845,543, from $39.902 for the same quarter a year ago. The increase was mainly driven by Livestream and its operating entity LOOT.BET. For the six-month period, revenue increased to $1,179,504, from $63,007 for the same period a year ago.

Gross profit

Gross profit for the second quarter totaled $322,922 (38.2% of total revenue), compared to $39,020 in 2021. For the six-month period, gross profit increased to $614,187 (52.1% of total revenue), from $63,007 for the same period a year ago.

Operating loss

Operating loss for the second quarter totaled $(2,729,558) compared to $(695,668) in 2021. The increase was mainly due to LOOT.BET's operating costs and professional fees related to Livestream's ongoing operations. For the six-month period, operating loss stood at $(6,195,107) versus $(1,016,477).

EBITDA

EBITDA loss increased to $(2,535,197) for the second quarter of 2022, from $(699,393) a year ago, mainly due to the increase in net loss and the gain on revaluation of the performance contingency. For the six-month period, EBITDA loss stood at $(4,623,372) versus $(998,156) a year ago.

Net loss

For the second quarter ended June 30, 2022, the Company recorded a net loss of $(1,532,382), or $(0.009) per basic and diluted share, compared to $(712,167), or $(0.006) per basic and diluted share, for the corresponding period of 2021. For the six-month period, the net loss was $(4,909,351) or $(0.031) per basic and diluted share, compared to $(1,042,256), or $(0.010) per basic and diluted share a year ago.

SUMMARY OF QUARTERLY RESULTS

(In Canadian dollars, except per share amounts)	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Revenue	**845,543**	333,961	31,136	32,918
EBITDA(1)	**(2,535,197)**	(2,088,175)	(2,319,900)	(1,283,387)
Net loss	**(1,532,382)**	(3,376,969)	(2,297,837)	(1,843,088)
Net loss per share – basic and diluted	**(0.009)**	(0.022)	(0.020)	(0.017)

(In Canadian dollars, except per share amounts)	2021 Q2	2021 Q1	2020 Q4	2020 Q3
Revenue	39,020	23,987	42,922	12,267
EBITDA(1)	(699,393)	(298,763)	(106,351)	(156,019)
Net loss	(712,167)	(330,089)	(131,820)	(173,115)
Net loss per share – basic and diluted	(0.006)	(0.003)	(0.004)	(0.002)

(1) The term EBITDA (earnings before interest, income taxes, depreciation, and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains, or losses on disposal of assets, gains on debt settlement, gains or losses on foreign exchange and income taxes.

Several factors can cause quarterly variances, such as seasonality, vacations and statutory holidays, and React Gaming's software solutions sales cycle, which may not necessarily be indicative of future results.

In Q1 2022, the Company acquired Livestream, which reflects the increase in revenue in Q1 and Q2 2022. The higher losses incurred in Q3 2021, Q4 2021, Q1 2022 and Q2 2022 are mainly due to acquisitions made by the Company during those periods, including Livestream.

CASH FLOWS

Three months ended June 30: (In Canadian dollars)	**2022**	**2021**	**Variance**
Cash flows used in operating activities	(4,642,548)	(1,817,798)	(2,824,750)
Cash flows used in investing activities	(7,379,582)	(138,443)	(7,241,139)
Cash flows provided by financing activities	10,409,245	4,907,525	5,501,720
Effect of exchange rate changes	200,147	-	200,147
Net (decrease) increase in cash and cash equivalents	(1,412,738)	2,951,284	(4,364,022)

Operating Activities

Cash flows used in operating activities totaled $4,642,548 in 2022, compared to $1,817,798 in 2021. The $2,824,750 variation was mainly due to the increase in net loss and the gain on revaluation of performance contingency, partially offset by changes in stock-based compensation expense, changes in non-cash working capital items and the increase in amortization.

Investing Activities

Cash flows used in investing activities totaled $7,379,582 in 2022, compared to $138,443 a year ago. The $7,241,139 variation was mainly due to the acquisition of businesses and the timing of the cash payout portion of the Livestream acquisition.

Financing Activities

Cash flows provided by financing activities totaled $10,409,245 in 2022, compared to $4,709,270 a year ago. The $5,501,720 variation was mainly due to the closing of the $10 million private placement in February 2022.

FINANCIAL POSITION

The following table shows the main variances that have occurred in the financial position of the Company for the three months ended June 30, 2022:

(In Canadian dollars)	June 30, 2022	Dec. 31, 2021	Variance	
Cash and cash equivalents	1,536,871	2,949,609	(1,412,738)	Decrease due to operations in the normal course of business
Restricted cash	-	8,983,100	(8,983,100)	Released restricted cash relative to the completion of the Livestream transaction
Trade and other receivables	850,526	164,000	686,526	Increase in advances and sales tax receivable
Intangible assets, net	3,124,090	300,705	2,823,385	Increase from software purchased through Livestream acquisition
Goodwill	13,579,355	525,289	13,054,066	Increase from Livestream and Parabellum acquisitions
Accounts payable and other liabilities	3,823,131	603,417	3,219,714	Increase from VAT liability on Livestream financials as well as Livestream payable balances
Performance contingency	1,154,202	-	1,154,202	Performance contingency related to the Livestream transaction
Long-term debt, including current portion of long-term debt	2,407,514	362,438	2,045,076	Increase from holdback related to Livestream purchase

FINANCING

On February 18, 2022, the Company closed a private placement in escrow of 20,014,000 units for gross proceeds of $10,007,000. Each unit consisted of one share and half a warrant. Each whole warrant entitles its holder to purchase an additional common share at $0.90 per share for a period of 12 months following the closing of the private placement.

On March 8, 2021, the Company closed a non-brokered private placement for total gross proceed of $5,000,000. In exchange, the Company issued 25,000,000 common shares at $0.20 per share and 25,000,000 warrants. Each whole warrant entitles its holder to purchase an additional common share at $0.265 per share for a period of 12 months following the closing of the private placement.

TRANSACTIONS BETWEEN RELATED PARTIES

During the six-month periods ended June 30, 2022 and 2021, the Company performed transactions with some officers and directors and companies controlled by officers or directors of React Gaming.

The Company's key management personnel are members of the Board of Directors, the President and Chief Executive Officer, and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

(In Canadian dollars)	Six months ended June 30	
	2022	2021
Salaries and benefits	212,700	50,500
Share based compensation	569,851	-
Professional fees	69,010	-
	851,561	50,500

Directors and officers of the Company subscribed for a total of 1,086,000 units in the $10,007,000 private placement dated February 18, 2022.

An officer of the Company subscribed for a total of 500,000 units in the $5,000,000 private placement dated March 8, 2021.

CAPITAL STRUCTURE

The following table sets out the common shares, stock options and warrants of the Company that are outstanding as at the date of this MD&A:

	August 24, 2022
Outstanding common shares	**167,124,934**
Warrants	33,653,717
Stock options	10,519,412
Fully diluted common shares	**211,298,063**

DIVIDEND POLICY

Since its incorporation, the Company has not paid any dividend on its common shares. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company may deem relevant.

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

FINANCIAL RISK FACTORS

The Company operates in an industry subject to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks.

These financial risk factors are disclosed in Note 22 of the annual financial statements for the fiscal year ended December 31, 2021.

PRINCIPAL RISK FACTORS

Cash. In the normal course of business, the Company is exposed to a number of risks that may affect its performance. The ability of the Company to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders.

Competition. The Company's competitors are international, national and regional CRM solution developers. These developers constitute a risk in regards with the ability of the Company to attract customers and to exercise its activities successfully. The Company closely monitors the evolution of its competitors and the markets they serve to determine its competitiveness within each sector. The Company, by its size, is more flexible in terms of pricing compared to its main competitors. In addition, the Company is constantly investing in the development of its software solutions in order to quickly adapt to changing markets.

Availability and cost of qualified professionals. Within the information technology sector, qualified personnel are in strong demand. In recent years, the Company has managed to attract and retain competent staff.

Other risk factors are disclosed on page 14 of the filing statement dated March 29, 2022, which was filed on SEDAR.

INTEGRITY OF FINANCIAL INFORMATION

The Company's management and Board of Directors is responsible for setting up and maintaining information systems and controls in place, ensuring the reliability of information disseminated both inside and outside the Company. The Company has implemented a communication policy with shareholders, the relevant regulatory authorities and the public. The objective of this policy is to ensure that the information disclosed is complete and relevant. The Company announces material changes through press releases on time. The press releases are reviewed and approved by the directors and are made available to the public in accordance with the stated policies of the TSX Venture Exchange. The Company informs its shareholders at shareholder meetings as well as through press releases, quarterly and annual financial statements, and MD&As.

The Audit Committee, composed of a majority of independent directors, has a mandate to report to the Board of Directors and evaluate:

a) The integrity of financial statements and related disclosures of the Company.

b) Independence, qualifications, and appointment of the independent auditor of the Company.

c) The Company's compliance with laws and regulations.

d) Management responsibility for reporting on internal controls.

CONTROL SYSTEMS REGARDING FINANCIAL INFORMATION

Management is responsible for the establishment and maintenance of control systems with regard to financial reporting to provide reasonable assurance regarding the reliability of financial information under IFRS. The President and Chief Executive Officer and the Chief Financial Officer, based on their evaluation of these controls for the three months ended June 30, 2022, concluded that the design of internal control is effective in regard to financial reporting and has not made any changes to the internal controls over financial reporting during the three months ended June 30, 2022, which could influence or be likely to materially affect internal controls of the Company with respect to financial reporting.

CONTROLS AND DISCLOSURE PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining controls and disclosure procedures, as defined by National Instrument 52-109 of the Canadian Securities.

ADDITIONAL INFORMATION

Additional information about the Company is available on our website at www.intema.com and on SEDAR at www.sedar.com.