Real Luck Group Ltd.

Management's Discussion and Analysis

For the 6 months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") is dated August 23, 2022, and provides information concerning the financial condition and results of operations of Real Luck Group Ltd. ("**Real Luck**" or the "**Company**"), for the six months ended June 30, 2022 ("**Q2 2022**"). This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the six months ended June 30, 2022 and 2021 and the related notes thereto, and the audited consolidated financial statements for the years ended December 31, 2021 and 2020 and the related notes thereto. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All currency amounts are expressed in Canadian dollars, unless otherwise noted.

Additional information relating to the Company is available on the Company's website at www.realluckgroup.com. The Company's annual information form ("AIF") and other public filings made by the Company with Canadian securities regulatory authorities can be found under the Company's SEDAR profile at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Such forward-looking information involves 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 information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under section "Risks and Uncertainties" in this MD&A.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "expects" or "does not expect", "estimates", "outlook", "prospects"; "projection", "intends", "believes", "should", "will", "would" or the negative of these terms, and similar expressions intended to identify forward looking statements. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A, and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information 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 information.

NON-IFRS FINANCIAL MEASURES

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to compliment those IFRS measures by providing further understanding of the results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Non-IFRS measures including "Working Capital" (calculated as current assets less current liabilities) were used in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets and forecasts.

OVERVIEW

Real Luck Group Ltd. (“Real Luck” or the “Company”) was incorporated under the Business Corporations Act of Alberta on January 15, 2018. The head office, principal address and registered office of the Company are located at 350 7th Avenue SW, Suite 3400, Calgary, Alberta, T2P 3N9.

On December 11, 2020, the Company completed a reverse takeover (the “**Transaction**”) with EH IOM SubCo Limited (“Elephant Hill Sub Co.”), the Company’s wholly-owned subsidiary), and Esports Limited (“EL”), a private company limited by share capital, incorporated and domiciled in the Isle of Man. The Company acquired all of the issued and outstanding common shares of EL. The Transaction was completed by way of a three-cornered amalgamation under the laws of Isle of Man and resulted in EL becoming a wholly owned subsidiary of the Corporation.

On December 16, 2020, the Company changed its name to “Real Luck Group Ltd.” and began trading on the TSX Venture Exchange as a Tier 2 Industrial Issuer under ticker symbol “LUCK”. Effective April 5, 2021, the Company is also listed on the OTCQB Venture Market under the ticker symbol “LUKEF”.

DESCRIPTION OF BUSINESS

General

The Company is a fully licensed operator of an award-winning global online betting platform, called “Luckbox” (“the Luckbox platform” or “the platform”), which offers real-money wagering on esports, sports and casino games.

Through its proprietary Luckbox platform, the Company currently offers players the ability to bet on professional competitive video game events and matches across 13 game titles, and more than 100 sports. The Company added a third revenue stream in the form of casino betting in December 2021.

Through its Isle of Man license, the Luckbox platform is currently able to accept players from more than 80 countries.

COMPANY STRATEGY AND OBJECTIVES

The Company works to maintain healthy margins through various methods, including odds creation, lowering costs and intelligent player acquisition and retention - working to decrease cost per acquisition (“**CPA**”) and increase player lifetime value (“**LTV**”).

During the fiscal year 2021, the Company focused on continuing to enhance its proprietary Luckbox platform by building a superior business intelligence infrastructure, which enables the Company to offer a unique and modern user experience tailored to the next generation of bettors, while ensuring maximum coverage of esports betting opportunities.

The Company was, through much of 2021 and the beginning of 2022, engaged in an extensive process of improving its proprietary Luckbox platform, in order to optimize player conversion and retention. A key milestone was reached in December 2021 with the launch of the Luckbox casino, which is intended to complement the existing esports and sports betting offers and to add an expected near-term revenue stream to the business. The Luckbox casino now features more than 700 games thanks to new key partnerships with game providers including Microgaming and Pragmatic Play.

The Company believes the Luckbox casino is now competitive with the offerings from many casino-dedicated operators (based on metrics such as number of games available, variety of features, user interface and user experience). Player marketing efforts were soft-launched in July with the intent to gradually increase the spend during the rest of the year. The casino vertical is designed to complement our esports and sports betting offering with a high margin product that will extend the cash runway.

The Company believes the platform is now at a strong baseline. This has enabled the Company to engage in meaningful player marketing efforts for the first time in the Company’s life. These efforts are expected to gain momentum during Q3, 2022. Robust business intelligence tools enable the Company to closely monitor the effectiveness of player marketing campaigns. Management believes customer acquisition via player referral sites, or affiliate networks, is particularly important. The Company has, during the first months of 2022, established partnerships with more than 50 global sites as well as announced deals with Raketech which operates more than 1,700 player referral sites.

In 2022, the Company also worked to strengthen its leadership team, appointing Benn Timbury as Chief Operating Officer and Bo Wänghammar to its board of directors. Mr. Timbury's most recent role was with one of Europe's fastest growing igaming start-ups, the Gibraltar-based Lottoland Group, which is active in 15 global markets, has over 350 employees and more than 15 million customers. Mr. Wänghammar was formerly Managing Director of Casino at PokerStars (acquired by Flutter Entertainment for US$6 billion in October 2019) and the CEO at Mr. Green & Co online casino (acquired by William Hill for £242 million In October 2018). Most recently, the Company appointed Daniel Sanders, as Director of Marketing. With these key hires, our core leadership team is now in place.

The Company has commenced development of innovative software products designed to engage with and convert a new and growing digital audience. Importantly, this effort will not increase our current cash burn from the roughly $2 million per quarter run-rate which we have maintained since Q1 2021. Over time, we expect that these new products could significantly expand our growth trajectory and accelerate our path to cash flow break-even. We are witnessing an unprecedented shift in entertainment where gaming is increasingly dominant, and we are working to build products and a brand to target this demographic in a way no other operator is.

The Company knows what this audience enjoys, how to reach them and, importantly, how to monetize them, based upon the Company's leadership team's prior responsibilities and accomplishments. Much of the Company's targeted players' current behavior is already attuned to igaming and the Company is building products and features to enrich their viewing and playing experiences. This provides the Company with a unique B2C opportunity and adds potential for a significant B2B element to our Luckbox platform. A B2B offering can be served to players via other operators as a white label solution which adds an additional revenue stream for the Company. These products and tools will be highly social and can be used by influencers, communities and peers, increasing potential virality and adoption.

The Company also plans to add further in-house capabilities, including the addition of its own odds compilation team which will aid the Company in capturing greater value in addition to providing a more streamlined platform.

Most third-party odds providers in the market provide limited event coverage, increasing the complexity of user facing platforms. To get to market quickly and with as broad an offering as possible, the Company has elected to use a best-of-breed third-party supplier for odds.

As the Company expands and seeks to scale, there is a business rationale to bring odds creation in-house. A proprietary solution will not only reduce costs and help ensure the highest quality but will also enable the Company to control the only part of the esports betting value chain that it does not currently perform in-house.

The Company is also targeting growth opportunities in new market segments and geographical regions by seeking to acquire additional licenses in selected regulated markets.

SUMMARY OF SIGNIFICANT EVENTS

The Company has undergone an intense and necessary phase of recalibrating the Luckbox platform, with "under the hood" improvements designed to provide a frictionless customer acquisition experience as well as improving player retention.

The Luckbox platform's technology now allows the Company to not only develop its own in-house solutions to seamlessly plug into the platform and user experience but also partner with relevant third parties in a modular fashion. In order to rapidly adapt to business needs. During the current fiscal year, the Company announced the following partnerships, integrations and appointments which make the platform more extensible and adaptable to the growing business needs, including sports betting and casino:

Re-commences affiliate marketing activity

February 14, 2022: Real Luck Group signed agreements with several key affiliate marketing networks to increase player traffic to the Luckbox platform's next-generation esports, sports and casino real-money betting products.

COO Appointed

March 1, 2022: Appointed Benn Timbury as COO. Mr. Timbury's most recent role was with one of Europe's fastest growing start-ups, the Gibraltar-based Lottoland Group, which is active in 15 global markets, has over 350 employees, and more than 15 million customers.

Board of Director Changes

March 9, 2022: Appointed Bo Wänghammar to the Company's board of directors. Mr. Wänghammar was formerly Managing Director of Casino at PokerStars (acquired by Flutter Entertainment for US$6 billion in October 2019), and the CEO at Mr. Green & Co online casino (acquired by William Hill for £242 million In October 2018). Mike Stevens resigned from his position as a director to focus on his family and charity work.

Agreement with leading performance marketing firm Raketech Group

March 24, 2022: Announced a partnership with leading affiliate and performance marketing company Raketech Group Holding (STO: RAKE). The agreement builds upon prior agreements that Real Luck Group has signed with several key affiliate marketing networks to increase player traffic. Raketech, headquartered in Malta, operates more than 1,760 sites, driving active players to igaming brands.

Partnership with Microgaming to enhance online casino

April 13, 2022: A partnership with online casino software supplier Microgaming adds more than 100 games to Luckbox's casino, including 9 Masks of Fire, Book of Oz, Immortal Romance™ and branded titles such as Jurassic World™, Game of Thrones™ and Lara Croft®. The Luckbox platform is built for a new generation of gaming and esports players that the Company plans to monetize for decades to come. This ethos extends to casino, where the Luckbox platform is striving to offer the best possible content and user experience, built upon a strong data analytics driven approach and the Company is already seeing a promising initial uptake from players.

Luckbox shortlisted in two categories at EGR Marketing & Innovation Awards 2022

May 11, 2022: Luckbox was shortlisted in two categories at the EGR Marketing & Innovation Awards 2022. The EGR Marketing & Innovation Awards recognizes the most innovative and creative operators, suppliers and affiliates in the online gaming industry, honoring those that have brought something new to the industry within the last 12 months. Luckbox was shortlisted in the *Innovation In Esports* and *Brand of the Year* categories.

Virtual AGM matters

The Company held its "virtual" AGM on August 11, 2022 and all matters put forward before the shareholders for consideration and approval were approved. It was also stated that the Company has commenced player acquisition as of August, 2022 and that the Balance Sheet remains strong, with no debt. Additionally, management highlighted new business initiatives that included the development of innovative (e)sportsbook products and B2B offerings to drive revenue growth with the anticipation that the Company can achieve profitability in H1, 2023.

RESULT OF OPERATIONS

	For the six months ended June 30, 2022	For the six months ended June 30, 2021	$ Change	% Change
Revenue	$ 32,468	$ 8,002	$ 24,466	306%
Cost of sales	126,237	145,695	(19,458)	(13%)
	(93,769)	(137,693)	43,924	(32%)
Operating expenses				
Advertising and marketing	346,489	582,682	(236,193)	(41%)
Depreciation	41,257	37,574	3,683	10%
Bad debt recovery	-	(127)	127	(100%)
Consulting fees	872,949	637,909	235,040	37%
Foreign exchange loss	164,212	31,043	133,169	429%
Legal and professional fees	327,020	703,330	(376,310)	(54%)
General and administrative	571,115	279,315	291,800	104%
Insurance	80,582	70,417	10,165	14%
Investor relations	8,417	38,934	(30,517)	(78%)
Salaries and director fees	932,203	959,411	(27,208)	(3%)
Share-based payments	484,653	1,094,115	(609,462)	(56%)
Transfer agent and filing fees	58,287	85,033	(26,746)	(31%)
Travel and accommodation	71,040	24,765	46,275	187%
	(3,958,224)	(4,544,401)	586,177	(13%)
Other items	20,639	1,158	19,481	1,682%
Loss from operations before income taxes	(4,031,354)	(4,680,936)	649,582	(14%)
Income tax recovery	723	754	31	(4%)
Net loss for the period	(4,030,631)	(4,680,182)	649,551	(14%)
Other comprehensive income (loss)	160,776	(48,363)	209,139	432%
Total loss and comprehensive loss	$ (3,869,855)	$ (4,728,545)	$ 858,690	18%

Revenue

Throughout fiscal 2021, the Company was focussed on developing its proprietary Luckbox platform and offerings to deliver an exceptional customer value proposition. While development has largely been a success, minimal revenue was expected and generated during this development period. An increase in revenue of $24,466 for the current reporting period is mainly due to the new stream of revenue generated from casino betting, as well as a more favourable conversion of revenue from bets placed vs. winning bets returned to players. The Company plans to continue scaling revenue in 2022 by engaging players through marketing efforts.

Cost of sales

Cost of sales decreased by $19,458 during the six months ending June 30, 2022, primarily due to a decrease in the volume of free bets taking place during the period compared to that of the comparative period and a write-off of player liabilities prior to the migration to the new platform.

Operating expenses

The Company incurred operating expenses of $3,958,224 during the six months ended June 30, 2022, compared to $4,544,401 for the six months ended June 30, 2021.

The variances in operating costs were attributable to the following factors:

- A decrease in advertising and marketing of $236,193 is a result of a larger marketing budget in the comparative period to engage third-party consultants on esports and gaming ads, media campaign projects to enhance brand recognition, and building an in-house content studio in support of delivering the Company's content marketing strategy.
- An increase in consulting fees of $235,040 is a result of the Company having entered more contracts with corporate, capital market, and other consultants in the current fiscal year in support of the Company's focus of growing operations.
- An increase in foreign exchange loss of $133,169 is mostly due to fluctuations in the exchange rates between Euro, Pound Sterling, Bulgarian Lev and Canadian Dollar, as well as an increase in balances denominated in currencies other than the Company's reporting currency.
- A decrease in legal and professional fees of $376,310 is mainly derived from higher costs incurred in the comparative period in connection with the application for trading on the OTCQB Venture Market exchange and subscriber unit warrant exercises.
- An increase in general and administrative expenses of $291,800 mostly stems from fees incurred in the current fiscal year associated with the Company's use of BtoBet's sportsbook solution and casino games within the Luckbox platform. This supplier replaced Omega during 2021. The increase in general and administrative expenses also stems from new supplier, Solitics, and an increase in recruitment fees.
- A decrease in investor relations by $30,517 due to higher amounts incurred in the comparative period as there was more investor awareness and communications activity during the raising of capital.
- A decrease in share-based payments of $609,462 is mostly attributed to the timing of the vesting periods of previously issued options.
- A decrease in transfer agent and filing fees of $26,746 is mainly derived from higher costs incurred in the comparative period for fees associated with the application for trading on the OTCQB market and higher fees stemming from a higher volume of news releases filed in the comparative period.
- Travel and accommodation increased by $46,275 due to resumption of business travel, trade shows and conferences which was paused during the six months ended June 30, 2021 due to Covid-19 factors.

Other items and comprehensive income (loss)

- Other income increased by $19,481 as interest was earned on cash deposits. In Q3, 2021, the Company switched financial institutions and made significant deposits to the new account. In the current period, the Company earned interest on the significant amounts it holds with the new financial institution, whereas interest was not earned with the previous bank in the comparative period.
- Other comprehensive income increased by $209,139 due to fluctuations in the foreign exchange rates among the presentation currency (the Canadian Dollar) and the functional currencies of the subsidiaries (the Pound Sterling and Bulgarian Lev) that, upon translation, resulted in a gain.

RESULT OF OPERATIONS

	For the three months ended June 30, 2022	For the three months ended June 30, 2021	$ Change	% Change
Revenue	$ 13,855	$ 8,002	$ 5,853	73%
Cost of sales	62,405	57,878	4,527	8%
	(48,550)	(49,876)	1,326	(3%)
Operating expenses				
Advertising and marketing	153,629	199,776	(46,147)	(23%)
Depreciation	20,264	18,511	1,753	9%
Bad debt recovery	-	2	(2)	(100%)
Consulting fees	421,567	322,020	99,547	31%
Foreign exchange loss	103,632	2,097	101,535	4,842%
Legal and professional fees	152,992	416,954	(263,962)	(63%)
General and administrative	248,154	143,696	104,458	73%
Insurance	40,514	32,500	8,014	25%
Investor relations	8,417	38,934	(30,517)	(78%)
Salaries and director fees	467,105	472,919	(5,814)	(1%)
Share-based payments	236,519	542,584	(306,065)	(56%)
Transfer agent and filing fees	34,075	40,413	(6,338)	(16%)
Travel and accommodation	34,501	(33)	34,534	104,648%
	(1,921,369)	(2,230,373)	309,004	(14%)
Other items	9,878	789	9,089	1,152%
Loss from operations before income taxes	(1,960,041)	(2,279,460)	319,419	(14%)
Income tax expense	(730)	(806)	76	(9%)
Net loss for the period	(1,960,771)	(2,280,266)	(319,495)	(14%)
Other comprehensive income (loss)	105,565	(47,599)	153,164	322%
Total loss and comprehensive loss	$ (1,855,206)	$ (2,327,865)	$ 472,659	(20%)

Revenue

Minimal revenue was generated in both periods as the Company was focused on developing its proprietary Luckbox platform and service offerings. An increase in revenue of $5,853 for the three month period ended June 30, 2022 over the comparable three month period ended June 30, 2021 is mostly due to revenue generated from casino betting as well as a more favourable conversion of revenue from bets placed vs. winning bets returned to players in the current period.

Cost of sales

Cost of sales decreased by $4,527 during the three months ending June 30, 2022 primarily due to a decrease in the volume of free bets taking place during the period compared to that of the comparative period.

Operating expenses

The Company incurred operating expenses of $1,921,369 during the three months ended June 30, 2022, compared to $2,230,373 for the three months ended June 30, 2021.

The variances in operating costs were attributable to the following factors:

- A decrease in advertising and marketing of $46,147 is a result of a larger marketing budget in the comparative period to engage third-party consultants on esports and gaming ads, and media campaign projects to enhance brand recognition. Player acquisition spend will increase in Q3 2022 now that Casino content and CRM tools have been improved.

- An increase in consulting fees of $99,547 is a result of the Company being a party to more contracts with corporate, capital market, and other consultants in the current reporting period in support of the Company's focus of growing operations.

- An increase in foreign exchange loss of $101,535 is mostly due to fluctuations in the exchange rates between the Euro, Pound Sterling, Bulgarian Lev and Canadian Dollar, as well as an increase in balances denominated in currencies other than the Company's reporting currency.

- A decrease in legal and professional fees of $263,962 is mainly derived from higher costs incurred in the comparative period in connection with the application for trading on the OTCQB Venture Market and subscriber unit warrant exercises

- An increase in general and administrative expenses of $104,458 mostly stems from fees incurred in the current period associated with the Company's use of BtoBet's platform which was provided in the comparative period by Omega. The increase in general and administrative expenses also stems from a new supplier, Solitics, and an increase in recruitment fees.

- A decrease in investor relations by $30,517 due to higher amounts incurred in the comparative period as there was more investor awareness and communications activity during the raising of capital.

- A decrease in share-based payments of $306,065 is mostly attributed to the timing of the vesting periods of previously issued options.

- Travel and accommodation increased by $34,534 due to the pausing of business trips, trade shows and conferences due to Covid-19 factors in the comparative period last year.

Other income and comprehensive income (loss)

- Other income increased by $9,089 as the Company earned interest on its cash deposits. In Q3, 2021, the Company switched financial institutions and made significant deposits to the new financial institution. In the current period, the Company earned interest on the significant amounts it holds with the new financial institution, whereas interest was not earned with the previous bank in the comparative period.

- Other comprehensive income increased by $153,164 due to fluctuations in the foreign exchange rates among the presentation currency (the Canadian Dollar) and the functional currencies of the subsidiaries (the Pound Sterling and Bulgarian Lev) that, upon translation, resulted in a gain.

SUMMARY OF QUATERLY RESULTS

Three months ended,	September 30, 2021	December 30, 2021	March 31, 2022	June 30, 2022 2022
Total revenue	7,238	9,934	18,613	13,855
Net loss	(1,920,603)	(2,030,648)	(2,069,860)	(1,960,771)
Total comprehensive loss	(1,883,422)	(1,993,372)	(2,014,649)	(1,855,206)
Basic and diluted net loss per share	(0.03)	(0.05)	(0.03)	(0.03)
Three months ended,	**September 30, 2020**	**December 31, 2020**	**March 31, 2021**	**June 30, 2021**
Total revenue	33,992	16,423	-	8,002
Net loss	(772,023)	(2,456,664)	(2,399,916)	(2,280,266)
Total comprehensive loss	(769,670)	(2,513,021)	(2,400,680)	(2,327,865)
Basic and diluted net loss per share	(0.02)	(0.05)	(0.05)	(0.04)

Quarter to quarter fluctuations are typically due to the following factors:

Net loss:

- Additional costs incurred as a result of the Company entering into new agreements and contracts with consultants for professional services as the Company expands its operations.
- Timing of grants of share-based payment awards with variations in the associated fair values of each award unit, being either common shares or stock options, calculated at the time of grant, in conjunction with variations in the number of awards granted.
- The fair value movements of the instruments classified as derivative liabilities such as the unit warrants as part of the subscription units and the conversion options of the convertible notes, as a result of the fluctuation in fair value of the underlying share price.
- Timing of recognition of non-recurring expenses such as legal and professional fees in connection with the completion of the reverse takeover transaction and listing expenses.
- Variable spend on advertising and marketing on initiatives to enhance brand recognition, working with third party consultants on esports and gaming ads, and building an in-house content marketing studio

Other comprehensive income or loss

Fluctuations in the foreign exchange rates among the presentation currency (Canadian dollar), and the functional currencies of the subsidiaries (Pound Sterling and Bulgarian Lev), that result in exchange differences recognized in other comprehensive income on translation.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As of the date of this MD&A, the Company is not a party to any proposed transactions.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying financial statements have been prepared on a basis that contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company anticipates that it will have sufficient resources to meet the working capital requirements of the Company for at least the next 12 months.

This assessment is based on management's assumption that the Company will continue to consume approximately $2 million per quarter, a run-rate that has been maintained since Q1, 2021.

During the six months ending June 30, 2022, working capital decreased to $10,555,413 from $13,912,864 as at December 31, 2021. The $3,357,451 decrease in working capital is attributable to a decrease in cash of $3,846,698, offset by a decrease in accounts payable and accrued liabilities of $426,374.

Cash flows

The following table summarizes the Company's cash flows for six months ended June 30, 2022 and 2021:

		June 30, 2022		June 30, 2021
Cash used in operating activities, net	$	(3,963,724)	$	(4,024,929)
Cash used in investing activities		(11,826)		(5,822)
Cash generated by (used in) financing activities		(10,753)		17,485,344
Increase (decrease in cash)		(3,986,303)		13,454,593
Effects of exchange difference		139,605		(58,812)
Cash, beginning of period		14,398,356		3,842,680
Cash, end of period	$	10,551,658	$	17,238,461

At June 30, 2022, the Company had cash of $10,551,658 (December 31, 2021 – $14,398,356). The decrease in cash and cash equivalents compared to the balance at December 31, 2021 was primarily due to operational costs, payment of liabilities, and purchase of prepaids.

Cash used in operating activities for the six months ended June 30, 2022 was $3,963,724 (2021 - $4,024,929). The minor decrease in net cash used in operating activities in Q2 2022 was mostly a result of higher receivable amounts collected and holding a lower balance of restricted cash in Q2 2022.

Cash used in investing activities for the six months ended June 30, 2022 was $11,826 (2021 - $5,822). In both the current and comparative six month periods, cash used in investing activities was used to purchase equipment to be used in operations. A higher amount of cash used in the 2022 period is due the purchase of a website domain.

Net cash used in financing activities for the six months ended June 30, 2022 was $10,753 (2021 – net cash generated of $17,485,344). In both the current and comparative periods cash was used to make payments on the office lease liabilities. For the six months ended June 30, 2021, cash generated from financing activities mainly came from the proceeds of a private placement of special warrant units completed during the period and proceeds from the exercise of warrants and options previously issued

Other factors affecting liquidity

As the Company's focus has been on developing its proprietary Luckbox platform and service offerings, the Company has not generated notable cashflows from revenue. As a result, the Company has relied on its ability to raise financing through the issuance of equity securities to obtain sufficient cash flows. Although the Company anticipates it will have positive cash flows from operating activities in future periods, if needed, the Company may raise additional equity or debt capital or enter into arrangements to secure necessary financing to fund the completion of development projects, to meet obligations or for the general corporate purposes of the Company. Such arrangements may take the form of loans or other agreements. The sale of additional equity could result in additional dilution to the Company's existing stockholders. There is also the possibility that financing arrangements may not be available to the Company, or may not be available in sufficient amounts or on acceptable terms.

RELATED PARTY DISCLOSURES

The Company's related parties are its key management personnel and the companies controlled by its key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The directors and officers of the Company are:

- Thomas Rosander, CEO and Director of Real Luck (appointed on May 7, 2021)
- Drew Green, Director of Real Luck (appointed on December 11, 2020)
- Maruf Raza, Director of Real Luck (appointed on December 11, 2020)
- Lloyd Melnick, Director of Real Luck (appointed on December 11, 2020)
- Bo Wänghammar, Director of Real Luck (appointed on March 8, 2022)
- Lee Hills, Director of RTGS, a subsidiary of Esports Limited (appointed August 13, 2018)
- William Moore, CFO of Real Luck (appointed on December 17, 2021)
- Benn Timbury, COO of Real Luck (appointed on March 1, 2022)

Former directors and officers

- Michael Stevens, former Director of Real Luck (resigned on March 8, 2022)
- Ran Kaspi, former CFO of Real Luck (resigned on December 17, 2021)
- Quentin Martin, former CEO and Director of Real Luck (resigned on May 7, 2021)

Key Management Compensation

During the six months ended June 30, 2022 and 2021, the Company incurred charges with related parties recorded as follows:

Cash fees and salaries	**2022**	**2021**
Consulting fees		
Bawik Consulting AB, a company controlled by Bo Wänghammar	$ 20,298	$ -
Rost Malta Limited, a company controlled by Thomas Rosander	110,946	27,005
Red 27 Ventures Ltd., a company controlled by Benn Timbury	60,539	-
Grayson Services Limited, a company controlled by William Moore	74,298	-
Michael Stevens	-	34,364
CFO Plan, a company controlled by Ran Kaspi	33,269	104,571
General and Administration		
SolutionsHub, a Company controlled by Lee Hills	19,813	-
Salaries and director fees		
Drew Green	31,500	31,500
Maruf Raza	31,500	30,000
Lloyd Melnick	24,000	15,000
SolutionsHub, a company controlled by Lee Hills	19,813	33,912
Quentin Martin	-	89,433
	$ 425,976	$ 365,785

Share-based payments		2022		2021
Bo Wänghammar	$	12,859	$	-
Thomas Rosander		274,671		284,320
Drew Green		44,979		92,226
Maruf Raza		28,035		36,890
Lloyd Melnick		25,211		27,668
Benn Timbury		33,557		-
William Moore		27,899		-
Michael Stevens		(35,498)		36,890
Ran Kaspi		(73,879)		76,778
Quentin Martin		-		92,226
	$	337,834	$	646,998

The share-based payments, including options granted to related parties, were fair valued on the dates that they were granted. During the 6 months ended June 30, 2022, the Company granted 1,050,000 options at an exercise price of $0.21 to Benn Timbury and Bo Wänghammar. 10% of these options vested immediately on the grant date, 10% will vest six months from the grant date, and 20% will vest each six months thereafter.

Each stock option permits the holder to purchase one common share of the Company at the stated exercise price.

Related party balances

As at June 30, 2022, included in accounts payable and accrued liabilities is $nil (December 31, 2021 - $2,500) of salary owed to Maruf Raza.

As at June 30, 2022, included in accounts payable and accrued liabilities is $4,396 (December 31, 2021 - $14,805) due to Luckbox Limited. This amount is unsecured, non-interest bearing and repayable upon demand. As at December 31, 2021, Michael Stevens was on the Board of Directors for both Real Luck and Luckbox Limited. On March 8, 2022, Michael Stevens resigned from Real Luck's Board of Directors. As a result of his resignation, Luckbox Limited is no longer considered a related party of Real Luck at June 30, 2022.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2022, the Company had a total of 68,781,500 issued and outstanding common shares, total unit warrants outstanding of 16,123,590, total agent warrants outstanding of 1,186,985, total issued and outstanding stock options of 11,970,000, and total exercisable stock options of 4,143,000. As at the date of this MD&A, the number of issued and outstanding common shares, unit warrants outstanding and agent warrants outstanding remain unchanged since June 30, 2022. As of the date of this MD&A, the Company has total issued and outstanding stock options of 12,220,000, of which 4,392,000 are exercisable.

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The significant accounting policies, estimates and judgements followed by the Company are set out in Note 3 to the audited consolidated financial statements for the years ended December 31, 2021 and 2020. There have been no changes in accounting policies as at the date of this report.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and receivables from related party.

The Company limits its exposure to credit losses on cash and cash equivalents by placing its cash and cash equivalents with reputable financial institutions. The Company places the majority of its cash at a brokerage firm in Canada that maintains private insurance for up to $10 million for all self-directed and managed accounts and is a member of both the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF") which provides an additional $1 million in coverage in the event the brokerage goes out of business. The Company believes the credit risk is mitigated by the brokerage's insurance coverage.

The exposure to credit loss on other receivables is limited as other receivables are primarily comprised of money deposited on a reputable and secured payment platform. The exposure to credit loss on the promissory note receivable is partially mitigated as a portion of the note receivable is secured by shares of the Company. However, as the value of the note exceeds the value of the shares (see Note 8), the Company is exposed to possible credit losses on the amount of note receivable.

The maximum exposure to credit risk is reflected in the carrying amounts for cash and cash equivalents, other receivables and the promissory note receivable

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management controls and monitors the Company’s cash flow on a regular basis, including forecasting future cash flows.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs certain expenditures that are denominated in foreign currencies while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

As outlined in Note 2 of the accompanying financial statements, the Company’s controlled entities Real Time Games Holdings Limited. (“RTGH”) and Real Time Games Services Limited (“RTGS”) conduct business using the Pound Sterling (GBP) as their functional currency. A portion of the financial assets and liabilities held by these two entities are denominated in United States Dollars (USD) and Euros (EUR). If the USD strengthened or weakened against the GBP by 10%, the exchange rate would impact net loss by approximately $500 at June 30, 2022 (December 31, 2021 - $4,069). If the EUR strengthened or weakened against the GBP by 10%, at June 30, 2022, the exchange rate would impact net loss by approximately $1,000 (December 31, 2021 - $35,879).

Capital Management

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern in order to provide future returns for shareholders and maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt.

RISKS AND UNCERTAINTIES

Company has a Limited Operating History

The Company began carrying on business in its current capacity on April 25, 2019 and has not yet generated material income. The Company is, therefore, subject to many of the risks common to early- stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment, and the likelihood of success must be considered in light of the early stage of operations. The Company's lack of operating history may also make it difficult for investors to evaluate the Company's prospects for success and there is no guarantee that the Company's business model will continue to achieve its strategic objectives.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets (in particular as a result of the outbreak of the novel coronavirus ("**COVID-19**") and the global COVID-19 pandemic) has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's business and operations.

COVID-19 Risk

The outbreak of COVID-19 in 2020 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's ability to remain open for business in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries, and future demand of the Company's products and services.

In the event that the prevalence of the coronavirus continues to increase (or fears in respect of the coronavirus continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and the Company's operations, suppliers, customers and distribution channels, and ability to advance its projects, could be adversely affected. Should any employees or consultants of the Company become infected with COVID-19 or similar pathogens, it could have a material negative impact on the Company's operations and prospects.

Changing Economic Conditions

The demand for entertainment and leisure activities, including esports betting and gaming, more generally, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the Company's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as esports betting or online gaming. As a result, the Company cannot ensure that demand for its product and service offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as esports betting and gaming. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Company's product offerings, reducing its cash flows and revenues. If the Company experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Competition in Esports Betting Industry

The industry within which the Company operates is rapidly evolving and intensely competitive and is subject to changing technology, shifting customer needs and frequent introductions of new offerings. The Company's potential competitors include large and established companies as well as other start-up companies. Such competitors may spend more money and time on developing and testing products and services, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies or otherwise develop more commercially successful products or services than the Company, which could negatively impact its business. Furthermore, new competitors, whether licensed or not, may enter the Company's key product and/or geographic markets. There is no assurance that the Company will be able to maintain or grow its position in the marketplace.

As a result of the foregoing, among other factors, the Company will have to continually introduce and successfully market new and innovative technologies, product and service offerings and product and service enhancements to remain competitive and effectively stimulate customer demand, acceptance and engagement. The process of developing new product and service offerings and systems is inherently complex and uncertain, and new product and service offerings may not be well received by customers, even if well-reviewed and of high quality. Furthermore, the Company may not recover the often substantial up-front costs of developing and marketing new technologies and product and service offerings or recover the opportunity cost of diverting management and financial resources away from other technologies and product or service offerings. Additionally, if the Company cannot efficiently adapt its processes and infrastructure to meet the needs of its product and service offering innovations, its business could be negatively impacted.

Reliance on Management

The success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its key executives, including the directors and officers of the Company and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition. The competition for highly skilled technical, management and other employees in the Company's industry is high and there can be no assurance that the Company will be able to engage or retain the services of such qualified personnel in the future.

Esports Betting Industry Is Heavily Regulated

The Company and its officers, directors, major shareholders, key employees and business partners are subject to the laws and regulations relating to online gaming of the jurisdictions in which the Company conducts business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action. There can be no assurance that legally enforceable prohibiting legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to the Company's business to prohibit, legislate or regulate various aspects of the Internet, e-commerce, payment processing, or the online gaming industries. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition and results of operations.

Any gaming licence that the Company currently holds may be revoked, suspended or conditioned at any time, and the industry has recently experienced significantly more enforcement actions, particularly in the United Kingdom, where the Gambling Commission has issued fines against numerous operators for regulatory failings. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect the Company's eligibility for such a licence in another jurisdiction, and any of such losses or potential for such loss, could cause the Company to cease offering some or all of its product offerings, increasing its customer base and/or generating revenues in the impacted jurisdictions.

Additionally, the Company's product and service offerings must be approved in most regulated jurisdictions in which they are offered and will likely need to undergo third party testing by a certified testing lab. Such testing can be costly and time consuming, and this process cannot be assured or guaranteed. Obtaining these approvals is a time-consuming process that can be extremely costly and does not guarantee the Company to obtain such approvals.

Furthermore, some jurisdictions require licence holders to obtain government approval before engaging in some transactions, such as business combinations, reorganizations, stock offerings and repurchases. The Company may not be able to obtain all necessary gaming licences in a timely manner, or at all. Delays in regulatory approvals or failure to obtain such approvals may also serve as a barrier to entry to the market for the Company's product offerings. If the Company is unable to overcome the barriers to entry, it will materially affect its results of operations and future prospects.

Complex and Evolving Regulatory Environment for Online Gaming Industry

In addition to regulations governing online gaming, the Company might be subject to a variety of laws and regulations domestically and abroad that involve the Internet, e-commerce, privacy and protection of data and personal information, rights of publicity, acceptable content, intellectual property, advertising, marketing, distribution, data and information security, electronic contracts and electronic communications, competition, protection of minors, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance and online payment and payment processing services. The Company may introduce new products or services, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny.

These laws, regulations and legislation, along with other applicable laws and regulations are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Internet and e-commerce, are often uncertain, particularly in the new and rapidly evolving industry in which the Company operates, and may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

Legislators and regulators also look beyond online gaming regulations specifically to implement restrictive measures on online gaming. In certain jurisdictions, this has included restrictions on payment processing, internet blocking, account and identity verification requirements, and similar measures. Such regulations, if not appropriately mitigated, could materially adversely affect the Company's business, results of operations or financial condition. In addition, such restrictive measures may impact the ability or desire of third-party suppliers, including payment processors, to provide services to the Company globally or in certain jurisdictions. This would adversely affect the Company's financial results due to the potential need to determine whether to change suppliers, which may not be on as favorable terms, or comply with the supplier's requested restrictions.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Company's operating costs, require significant management time and attention, and subject it to remedies that may harm its business, including fines or demands or orders that modify or cease certain or all existing business practices, such as limiting its use of personal information to add value for customers, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Company's business, results of operations or financial condition.

Social Responsibility Concerns

Negative public perception and concerns with safer betting and online gaming could lead to new regulatory restrictions on the Company's current and future operations. Such restrictions on the Company's future marketing or product offerings could result in increased compliance costs and have a material adverse effect on its business, results of operations, financial condition and prospects. In addition, public scrutiny related to betting and gaming activities could negatively impact the Company's reputation and the value of its brand. This can result in a decrease in employee engagement and retention, and the willingness of future customers and the Company's partners to do business with it, which could have a materially adverse effect on its business, results of operations and cash flows.

Success of Esports Betting Products Not Guaranteed

The esports betting industry is characterized by elements of chance. Accordingly, the Company employs theoretical win rates to estimate what a certain type of esports bet, on average, will win or lose in the long run. The actual win rates of esports bets may differ from the theoretical win rates that the Company has estimated and could result in the winnings of the Company's customers exceeding those anticipated. The variability of win rates (hold rates) also has the potential to negatively impact the Company's financial condition, results of operations, and cash flows.

Failure to Retain or Add Customers

The Company operates in a dynamic environment characterized by rapidly changing industry and legal standards, and its products will be subject to changing consumer preferences that cannot be predicted with certainty. The Company will need to keep up with trends in the digital sports entertainment and gaming industries to continually introduce new offerings that complement its existing platforms to maintain or increase customer engagement and growth of its business. If the Company is unable to maintain or increase its customer base or engagement, or effectively monetize its customer base's use of its product offerings, its revenue and financial results may be adversely affected.

Intellectual Property and Risk of Infringement

The Company's success depends on its ability to obtain trademark protection for the names or symbols under which it markets its product offerings and to obtain copyright protection of its proprietary technologies, other game innovations and creative assets. There can be no assurance that any trademark or copyright will provide competitive advantages for the Company or that its intellectual property will not be successfully challenged or circumvented by competitors. Moreover, due to the differences in foreign patent, trademark, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in each jurisdiction where it operates. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could allow competitors to mimic its brands, products, services and methods of operations, and have a material adverse effect on its business, results of operations and financial condition.

Risk of Failing to Adapt to Changing Technology and to Effectively Scale

The Company's future success depends on its ability to adapt and enhance its suite of technology and software, such as its platforms, as well as its product offerings to meet customer needs at competitive prices. Such efforts will require adding new functionality and responding to technological advancements or disruptive technologies, which will increase the Company's research and development costs. The Company's ability to grow is also subject to the risk of future disruptive technologies. If new and/or disruptive technologies emerge that are able to deliver online betting and gaming and/or entertainment products and services at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect the Company's ability to compete.

In addition, as the customer base and the amount and types of product offerings continue to grow and evolve, the Company needs an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of the Company's offerings. As such, the Company could fail to continue to effectively scale and grow its technical infrastructure to accommodate increased demands.

Reliance on technical infrastructure and third-party networks

The Company relies on information technology and other systems and platforms to deliver its product offerings to customers. The Company has experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on the Company; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with the Company's computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect the Company's business, financial condition, results of operations and prospects.

Furthermore, the delivery of the Company's offerings and a significant portion of the Company's revenues is dependent on the continued use and expansion of third-party owned communication networks, including wireless networks, the Internet and mobile operating systems. No assurance can be given as to the continued use and expansion of these networks as a medium of communications for the Company.

SUBSEQUENT EVENT

On July 5, 2022, the Company granted 250,000 options to an employee These options are exercisable for a period of three years from the date of grant; vesting 10% on the grant date, 10% six months from the date of grant and 20% every six months thereafter. These options have an exercise price of $0.21.