Condensed Consolidated Interim Financial Statements
(In thousands of Canadian dollars)

OVERACTIVE MEDIA CORP.

For the three months ended March 31, 2021 and 2020
(Unaudited)

OVERACTIVE MEDIA CORP.

Condensed Consolidated Interim Statements of Financial Position
(expressed in thousands of Canadian dollars, unaudited)
As at March 31, 2021 and December 31, 2020

	Note	March 31, 2021	December 31, 2020 (audited)
Assets			
Current assets:			
Cash and cash equivalents		$ 3,917	$ 5,585
Cash held in trust	9	15,307	1,098
Trade and other receivables		675	1,920
Prepaid expenses and other current assets		2,357	1,594
Total current assets		22,256	10,197
Non-current assets:			
Investments		2,784	2,784
Property and equipment	5	2,056	1,749
Right-of-use assets	6	2,501	2,750
Intangible assets	4	90,111	92,093
Goodwill	4	5,577	5,714
Total non-current assets		103,029	105,090
Total assets		$ 125,285	$ 115,287
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade payable and accrued liabilities		$ 2,613	$ 2,616
Provisions		1,988	1,987
Note payable to previous owners of MediaXP		63	63
Current portion of lease liabilities	6	1,030	1,041
Current portion of notes payable to previous owners of Splyce		513	513
Current portion of contract liability		1,956	1,566
Current portion of payable related to franchise assets	14	3,684	3,918
Current portion of long-term debt	7	191	152
Current portion of deferred grant income		32	34
Total current liabilities		12,070	11,890
Non-current liabilities:			
Deferred tax liability		15,686	16,050
Long-term portion of lease liabilities	6	1,551	1,760
Long-term portion of contract liability		796	1,041
Long-term payable related to franchise assets	14	22,973	22,559
Long-term debt	7	447	481
Long-term deferred grant income		107	123
Other long-term liabilities		92	101
Total non-current liabiltiies		41,652	42,115
Total liabilities		53,722	54,005
Shareholders' equity:			
Share capital	9	108,870	93,479
Contributed surplus		2,842	2,687
Accumulated other comprehensive (gain) loss		(1,369)	111
Deficit		(38,780)	(34,995)
Total shareholders' equity		71,563	61,282
Total liabilities and shareholders' equity		$ 125,285	$ 115,287

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

OVERACTIVE MEDIA CORP.

Condensed Consolidated Interim Statement of Net Loss and Comprehensive Loss
(expressed in thousands of Canadian dollars, except per share amounts, unaudited)

For the three months ended March 31, 2021 and 2020

	Note	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue	3	$ 1,298	$ 952
Operating costs	8	4,411	5,114
Loss before the undernoted		(3,113)	(4,162)
Depreciation	5 and 6	298	156
Amortization on intangible assets	4	427	160
Foreign exchange (gain) loss	12	(401)	4,552
Finance cost		990	2,101
Share-based compensation	10	281	323
Other income		(682)	(26)
Loss before income taxes		(4,026)	(11,428)
Income tax (recovery) expense		(241)	1,854
Net loss for the period		(3,785)	(13,282)
Other comprehensive income (loss):			
Foreign currency translation		(1,480)	568
Comprehensive loss for the period		$ (5,265)	$ (12,714)
Loss per share:			
Basic and Diluted		$ (0.07)	$ (0.25)

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

OVERACTIVE MEDIA CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars and thousands of shares)
(Unaudited)

		Total shareholders' capital								
	Note	Number of common shares issued	Amount	Number of Class B exchangeable shares issued (note 15)	Amount	Total shareholders' capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balance, December 31, 2019		52,125	$ 69,431	8,743	$ 22,984	$ 92,415	$ 1,917	$ (173)	$ (28,734)	$ 65,425
Net loss for the period		–	–	–	–	–	–	–	(13,282)	(13,282)
Foreign currency translation		–	–	–	–	–	–	568	–	568
Share-based compensation		–	–	–	–	–	201	–	–	201
Balance, March 31, 2020		52,125	$ 69,431	8,743	$ 22,984	$ 92,415	$ 2,118	$ 395	$ (42,016)	$ 52,912
Balance, December 31, 2020		52,430	$ 70,495	8,743	$ 22,984	$ 93,479	$ 2,687	$ 111	$ (34,995)	$ 61,282
Net loss for the period		–	–	–	–	–	–	–	(3,785)	(3,785)
Foreign currency translation		–	–	–	–	–	–	(1,480)	–	(1,480)
Shares issued on private placement	9	6,848	15,391	–	–	15,391	–	–	–	15,391
Share-based compensation	10	–	–	–	–	–	155	–	–	155
Balance, March 31, 2021		59,278	$ 85,886	8,743	$ 22,984	$ 108,870	$ 2,842	$ (1,369)	$ (38,780)	$ 71,563

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

OVERACTIVE MEDIA CORP.

Condensed Consolidated Interim Statements of Cash Flows
(expressed in thousands of Canadian dollars, unaudited)

For the three months ended March 31, 2021 and 2020

		Three months ended March 31, 2021	Three months ended March 31, 2020
Cash provided by (used in):			
Operating activities:			
Net loss for the period		$ (3,785)	$ (13,282)
Adjustments for:			
Depreciation	5 and 6	298	156
Amortization on intangible assets	4	427	160
Foreign exchange (gain) loss	12	(401)	4,552
Share-based compensation	10	281	323
Finance cost		990	2,101
Income tax (recovery) expense		(241)	1,854
Other		(8)	–
Change in non-cash operating working capital			
Decrease in trade and other receivables		1,245	950
Increase in prepaid expenses and other current assets		(889)	(261)
Decrease in accounts payable and accrued liabilities		(3)	(528)
Increase (decrease) in contract liabilities		145	(80)
		(1,941)	(4,055)
Financing activities:			
Repayment of note payable to previous owners of Splyce and MediaXP		–	(692)
Repayments of franchise asset payables		–	–
Proceeds on shares issued on private placement, net	9	1,199	4,594
		1,199	3,902
Investing activities:			
Purchase of property and equipment	5	(393)	(260)
Purchase of player contracts	4	(66)	(32)
Investments acquired		–	(2,633)
Principal payment of lease liability	6	(255)	–
		(714)	(2,925)
Decrease in cash and cash equivalents		(1,456)	(3,078)
Cash and cash equivalents, beginning of period		5,585	10,208
Effect of exchange rate changes on cash and cash equivalents		(212)	198
Cash and cash equivalents, end of period		$ 3,917	$ 7,328

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

1. Nature of operations:

OverActive Media Corp (formerly The Ledger Group Inc.) was incorporated on November 6, 2017 by certificate of incorporation pursuant to the provisions of the Canada Business Corporations Act. The office of the Corporation is located at 41 Fraser Avenue, Toronto, Ontario, M6K 1Y7. These condensed consolidated interim financial statements comprise OverActive Media Corp. and its controlled subsidiaries (together referred to as the "Company" or "OAM").

On March 2, 2021 the Company announced it entered into a non-binding letter of intent dated February 13, 2021, which outlines the terms and conditions pursuant to which Abigail Capital Corporation and the Company will complete a transaction that will result in a go-public event for the Company.

The business activities of OAM consist of owning and operating an integrated portfolio of esports teams as well as audience engagement. Team operations are primarily based in North America and Europe.

The Company reports results of operations in two reportable segments, including the Team Operations and Business Operations. Refer to note 3.

The Company's financial results generally vary from quarter to quarter as a result of changes in general economic conditions and seasonal fluctuations, among other things, in each of the reportable segments.The majority of the Company's revenue in the Team Operations segment is expected to be related to our franchises receiving a share of the revenue from the associated leagues, which is typically recognized by the Company subsequent to the completion of the season and as amounts can become reasonably estimated or guaranteed by the Franchise Leagues. Prize money is less predictable and the timing of such revenues would be related to the timing of tournaments, typically in the second and third fiscal quarters. However, revenues related to sponsorships and partnerships, and merchandise are more evenly earned and recognized through the year. Revenues related to live events and ticket admission sales are earned as those events are delivered.

2. Significant accounting policies:

(a) Statement of compliance and basis of presentation

(i) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were approved by the Board of Directors (the “Board”) and authorized for issue by the Board on July 2, 2021.

(ii) Basis of presentation:

The notes presented in these condensed consolidated interim financial statements include only significant transactions and changes occurring for the three months since the Company’s year end of December 31, 2020 and do not include all disclosures required by the IASB for annual financial statements. These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB and the basis of presentation outlined in note 2(a)(i).

(b) Significant accounting policies:

The Company’s accounting policies, as described in Note 2, Significant accounting policies, of the Company’s audited annual consolidated financial statements for the year ended December 31, 2020, have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

No new standards, interpretations or amendments were adopted in the three months ended March 31, 2021 that had a material impact on the Company.

(c) Use of estimates and judgments:

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates. As additional information becomes available or actual amounts are determinable, the recorded estimates are revised and reflected in operating results in the year in which they are determined.

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a pandemic and since then the Company has been closely monitoring related developments and the impact on the business. Due to the uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic, and the unpredictable and continuously changing impacts and related government responses, there is more uncertainty associated with the Company's assumptions, expectations, and estimates.

There have been no significant changes to the Company’s significant accounting judgments, estimates and uncertainties, as described in Note 2, Significant Accounting Policies, of the Company’s audited annual consolidated financial statements for the year ended December 31, 2020. Refer to the audited annual consolidated financial statements for the significant accounting judgments, estimates and uncertainties which remain unchanged as at March 31, 2021.

3. Segmented information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. As the chief operating decision maker evaluates performance using two industry segments, the "Team Operations" segment and the "Business Operations" segment, the Company has determined it has two reportable segments.

The Team Operations segment captures revenues and expenses from league share payouts in the Company's various e-sports pro leagues, performance-based revenue and tournament prize winnings.

The Business Operations captures revenues and expenses surrounding partnerships, team merchandise sales, live event sales, and costs relating to corporate and executive office operations.

The Company operates in three major geographic areas: Canada, as the Company's country of domicile, the United States of America and Europe as regions with material foreign revenues.

The Company has made significant judgment in determining the operating segments. These are segments that engage in business activities from which they may earn revenue and incur expenses, for which operating results are regularly reviewed by the Company's chief operating decision maker to assess respective performance, and for which discrete financial information is available. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

Revenues by segment and segment loss before tax, is summarized below:

	Reportable segments					
	Team Operations		Business Operations		Total	Total
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total revenue	$ 79	$ 320	$ 1,219	$ 632	$ 1,298	$ 952
Loss before income taxes	(2,613)	(4,510)	(1,413)	(6,918)	(4,026)	(11,428)

Revenue by geography:

	March 31, 2021	March 31, 2020
Canada	$ 876	$ 549
United States	131	201
Europe	291	202
Total revenue	$ 1,298	$ 952

Major customers:

For the three months ended March 31, 2021 and 2020, one customer represented more than 10% of the Company's consolidated revenues. Revenues from this customer represented approximately 20% (March 31, 2020 – 26%) of the Company's consolidated revenues.

4. Intangible Assets:

As at March 31, 2021, the intangibles balance was $90,111 (December 31, 2020 - $92,093). The movement is a result of $427 in amortization of intangible assets (three months ended March 31, 2020 - $160) and $66 (three months ended March 31, 2020 - $32) in additions relating to player contracts acquired in the period. The remaining movement between the balance at December 31, 2020 and March 31, 2021 is a decrease of $1,621 attributable to changes in foreign exchange.

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

5. Property and Equipment:

As at March 31, 2021, the property and equipment balance was $2,056 (December 31, 2020 - $1,749). The movement is a result of $73 in depreciation of property and equipment (three months ended March 31, 2020 - $156) and $393 in additions to property and equipment (three months ended March 31, 2020 - $260). The remaining movement between the balance at December 31, 2020 and March 31, 2021 is a decrease of $13 attributable to changes in foreign exchange.

$1,270 of the property and equipment balance as at March 31, 2021 consists of construction in progress relating to the Company's arena initiative. Since these assets are not ready for their intended use, no depreciation was recognized for these assets during the period. Total construction in progress as at March 31, 2021 was $1,270 (December 31, 2020 - $967).

6. Leases:

The Company leases office buildings relating to our corporate and player operations. The non-cancellable contract periods for our leases typically range from 1 to 5 years. Variable lease payments for the period ended March 31, 2021 were nil (December 31, 2020 - nil).

Below is a summary of the activity related to our lease liabilities for the period ended March 31, 2021. Our lease liabilities are secured by the underlying right-of-use assets; the underlying right-of-use assets have a net carrying amount of $2,501 as at March 31, 2021 (December 31, 2020 – $2,750). The Company's incremental borrowing rate for the period ended March 31, 2021 is 8.95% (December 31, 2020 – 8.95%). The Company did not have any leases as of March 31, 2020.

Lease liabilities, beginning of the year	$ 2,801
Additions to lease liabilities	–
Interest expense on lease liabilities	61
Principal payments of lease liabilities	(255)
Impact of foreign exchange	(26)
Lease liabilities, March 31, 2021	$ 2,581
Current portion of lease liabilities	$ 1,030
Long-term portion of lease liabilities	1,551
Lease liabilities	$ 2,581

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

Right-of-use assets, January 1, 2021	$ 2,750
Additions to right-of-use assets	–
Depreciation on right-of-use assets	(225)
Impact of foreign exchange	(24)
Right-of-use assets, March 31, 2021	$ 2,501

7. Debt:

On April 1, 2020, the Company entered into long-term loan ("the Loan") in the amount of $812 (EUR - $517). 80% of the loan is collateralized by the "Instituto de Crédito Oficial" ("ICO"), a Spanish government institution. The purpose of the Loan is to provide support to businesses from the economic impacts of COVID-19. The Loan carries a below-market interest rate of 1.504% over a term of 60 months with repayment terms commencing subsequent to the initial 12-month period. As the Loan was issued at below market rates, a portion of the principal amount is recognized as deferred grant income and recognized over the term of the Loan.

The effective interest rate used to measure the fair value of the loan is 8.95% and the benefit of the interest rate concession is a grant which gives the Company economic benefits over the term of the Loan and recorded as deferred grant income in other income on the consolidated statements of net loss and comprehensive loss. For the three months ended March 31, 2021, principal repayments were nil (December 31, 2020 – nil) and accretion expense was $12.

8. Operating costs:

A breakdown of operating costs by nature of expense for the three months ended March 31, 2021 and 2020, are as follows:

	March 31, 2021	March 31, 2020
Corporate payroll	$1,087	$1,334
Selling, general and administrative	687	986
Roster and team payroll	1,929	1,954
Team operations	454	749
Live event expenses	254	72
Restructuring costs	–	19
Total operating costs	$ 4,411	$ 5,114

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

9. Share capital:

The Company is authorized to issue an unlimited number of common shares, issuable in series. As at March 31, 2021 and December 31, 2020, there were no preferred shares issued and outstanding.

During the three months ended March 31, 2021 the Company collected proceeds of $1,098 (March 31, 2020 – $4,594) related to previously issued shares from the prior period and $101 (March 31, 2020 – nil) related to shares issued in the current period.

During the three months ended March 31, 2021 and 2020 the Company issued the following shares:

	Number of common shares		Total amount net of issuance
December 31, 2019	52,125	$	69,431
Common shares issuances:			
Shares issued on private placement	–		–
March 31, 2020	52,125	$	69,431
December 31, 2020	52,430	$	70,495
Common shares issuances:			
Shares issued on private placement	6,848		15,391
March 31, 2021	59,278	$	85,886

On March 26, 2021, the Company issued a total of 6,848 common shares at an offering price of $2.25 per common share and private placement offering basis for aggregate gross proceeds of $15,407 and incurred $16 in transaction costs. Of this total, $15,307 is cash held in trust by counsel as at March 31, 2021. The initial closing was followed by a subsequent closing (see note 15).

On March 26, 2021, the Company completed an initial closing of a brokered private placement led by the Company's agents (the "Brokered Financing") by issuing 10,119 Subscription Receipts (each a "Subscription Receipt") at a price of $2.25 per Subscription Receipt (the "Issue Price") for aggregate gross proceeds of $22,768 and incurred $976 in transaction costs payable on initial closing. The initial closing was followed by a subsequent closing (see note 15). These proceeds are not receivable until the completion of the Qualifying Transaction as defined in our Filing Statement. Management has the intention and legal right to offset the proceeds held in trust against the payable to refund the proceeds if the Qualifying Transaction is not completed and therefore has netted these amounts in the statement of financial position as at March 31, 2021.

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

10. Stock-based compensation:

The purpose of the Company's stock option plan (the "Plan") is to assist the Company in attracting, retaining key employees, officers, directors, and consultants who will contribute to the Company's long-term success by providing them incentives that align their interests with those of the shareholders of the Company. The Plan is administered by the Board.

The following reconciles the number of options available for grant under the Plan as of March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Options available for grant, beginning of period	3,074	157
Granted	–	(110)
Forfeited	–	400
Increase in ESOP pool	–	2,627
Options available for grant, end of period	3,074	3,074

Options granted under the Plan generally vest as follows:

- one third of the options granted vest on the anniversary of the grant date specified in the option agreement that is one year after the date of grant with the remaining options vesting on second and third anniversary of the grant date respectively.

Options generally expire ten years following the grant date.

A summary of the status of the Plan as at March 31, 2021 and December 31, 2020 presented below:

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

	March 31, 2021		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Beginning of period - options outstanding	2,926	$ 1.76	3,216	$ 1.82
Granted	–	–	110	3.60
Exercised	–	–	–	–
Forfeited	–	–	(400)	2.66
Balance, end of period	2,926	$ 1.76	2,926	$ 1.76
Exercisable, end of period	1,705	$ 1.48	1,494	$ 1.47

For the three months ended March 31, 2021, the Company recorded share-based compensation of $281 (March 31, 2020 - $323). Included within share-based compensation for the three months ended March 31, 2021 is $126 (March 31, 2020 - $122) for services received from third parties in exchange for equity consideration.

The Company paid nil to holders of stock options, as none were exercised in the period.

11. Financial Instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- Level 1 - This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

11. Financial Instruments (continued):

- Level 2 - This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

- Level 3 - This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

Categories of financial instruments and details as at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Financial assets:		
Amortized cost:		
Cash and cash equivalents	$ 3,917	$ 5,585
Cash held in trust	15,307	1,098
Trade and other receivables	675	1,920
FVTOCI		
Investments - Level 3	2,784	2,784
Financial liabilities:		
Amortized cost:		
Trade payables and accrued liabilities	2,613	2,616
Note payable to previous Splyce Owners	513	513
Note payable to previous owners of MediaXP	63	63
Payables related to franchise assets	26,657	26,477

The Company estimates that the carrying amounts of its amortized cost financial assets and financial liabilities approximate fair values. Investments in private companies are recognized at fair value using available information including implied valuations from follow-on financing rounds, third-party sale negotiations, or market-based approaches. Investments in publicly traded companies are recognized at fair value based on publicly quoted prices.

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

12. Risk management:

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are discussed below:

(a) Foreign currency risk:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company holds cash balances denominated in U.S. dollars at March 31, 2021 of U.S. $1,295 (December 31, 2020 - U.S. $767).

The Company holds cash balances denominated in Euros at March 31, 2021 of EUR $172 (December 31, 2020 - EUR - $60).

During the period, the Company recognized a foreign exchange gain of $401 (three months ended March 31, 2020 - loss of $4,552) primarily due to the appreciation of the Canadian dollar relative to the U.S. dollar. The summary quantitative data about the Company's material exposure to currency risk is as follows:

USD	March 31, 2021	December 31, 2020
Cash	$ 1,295	$ 767
Receivables	1,007	285
Payables	(17,901)	(17,346)
Net consolidated statement of financial position exposure	$ (15,599)	$ (16,294)

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

12. Risk management (continued):

EUR		March 31, 2021		December 31, 2020
Cash	$	172	$	60
Receivables		389		566
Payables		(3,551)		(3,536)
Net consolidated statement of financial position exposure	$	(2,990)	$	(2,910)

(b) Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company does not provide any guarantees which would expose the Company to credit risk.

The credit risk on cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Trade receivables consist of a significant number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of trade receivables. The Company has not recognized an allowance for doubtful accounts in 2021 or 2020 based on its ongoing evaluation of the credit risk for uncollected receivables.

At March 31, 2021, the aging of trade receivables that were not impaired were as follows:

		March 31, 2021		December 31, 2020
Neither past due nor impaired	$	532	$	967
Past due 1-30 days		20		286
Past due 31-90 days		88		28
Past due > 90 days		35		639
	$	675	$	1,920

(Unaudited – Expressed in thousands of Canadian dollars and thousands of shares)

12. Risk management (continued):

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on the credit worthiness of these customers and evaluation of customer credit risk.

(c) Liquidity risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate cash balances and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table provides details of the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay as of March 31, 2021.

	Carrying amount	Contractual cash flows	On demand	Less than 1 year	1 to 2 years	> 2 years
Trade payable and accrued liabilities	$ 2,613	$ 2,613	$ –	$ 2,613	$ –	$ –
Note payable to previous Owners of MediaXP	63	63	–	63	–	–
Current portion of notes payable to previous owners of Splyce	513	513	–	513	–	–
Payable related to franchise assets	26,657	44,737	–	3,684	13,285	27,768
Lease liabilities	2,581	2,951	–	1,030	955	966
Long-term debt	638	763	–	191	191	381
Total	$ 33,065	$ 51,640	$ –	$ 8,094	$ 14,431	$ 29,115

13. Contingencies:

There exist certain other claims and potential claims against the Company, including certain OWL revenue-sharing valuations, sale and purchase agreement holdbacks and commodity tax liabilities, none of which is expected to have a material adverse effect on the financial position of the Company. A provision is recognized if there is a probable outflow of resources and the amount can be estimated reliably.

14. Franchise payables:

Franchise payment liabilities are recorded at present value using the effective interest rate method. An average discount rate of 18.5% was used to recognize interest expense of $885 for the period ended March 31, 2021 (March 31, 2020 - $2,101).

15. Subsequent events:

On April 9, 2021, the Company completed a subsequent closing of its Brokered Financing by issuing an additional 118 Subscription Receipts at a price of $2.25 per Subscription Receipt for additional aggregate gross proceeds of $266. Upon satisfaction of certain conditions, immediately prior to the closing of the transaction, each Subscription Receipt will be automatically converted into one common share of the Company (a “Company Share”) which will then be immediately exchanged for one common share of the post-amalgamation public entity; OverActive Media Corp. (formerly Abigail) (the “Resulting Issuer”), in each case without any further consideration or action by the holder thereof.

On April 9, 2021, the Company completed a subsequent closing of the Non-Brokered Financing, in connection with the Brokered Financing by issuing an additional 645 common shares at a price of $2.25 per share for additional aggregate gross proceeds of $1,451. In connection with the Brokered Financing, the Company will issue to the Agents a total of 614 broker warrants. Each broker warrant will entitle the holder thereof to purchase one Company Share at a price of $2.25 per share for a period of 24 months from the completion of the Transaction.

During the second quarter of 2021, the Company issued an additional 3,590 stock options under the terms of it is Employee Stock Option Plan, bringing total stock options outstanding to 6,516.

On April 27, 2021, all of the Class B exchangeable shares were exchanged for common shares, in accordance with their terms, on a 1:1 basis.