OverActive Media Corp.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2021 and 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following has been prepared for the purposes of providing management's discussion and analysis ("MD&A") of the consolidated financial position and results of OverActive Media Corp. ("we" or the "Company"). The following information should be read in conjunction with the Company's interim consolidated financial statements for the three months ended March 31, 2021 and 2020 and the notes to those financial statements, which have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB); the 2020 Annual MD&A; the 2020 Annual Audited Consolidated Financial Statements and notes thereto, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB.

This MD&A is dated July 2, 2021, and was prepared with information available at that date. All dollar amounts are stated in thousands of Canadian Dollars and all figures are presented in thousands unless otherwise indicated.

Capitalized terms that are used in this MD&A but not otherwise defined herein have the meanings given to them in the Filing Statement.

CAUTIONARY STATEMENT 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 "Risks and Uncertainties" in this MD&A and well as those set out under "Risk Factors" in the Filing Statement.

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.

BUSINESS OVERVIEW

The Company is active in the global esports, media and entertainment industry with a mandate to build an integrated company delivering media and entertainment products focused on esports, videogames, content, culture and live and online events for today's generation of fans. The Company owns franchises in many of the most important leagues in the world, including the Call of Duty League, the Overwatch League, the League of Legends European Championship, the LVP Superliga, and is a founding shareholder of B Site Inc., an entity owned by team organizations for the purpose of collaborating in esports leagues and tournaments, including Flashpoint, the first team-owned CS:GO league. The Company also operates OverActive Live, a live event business unit offering planning, competition programming, production and broadcast services to teams, leagues and organizations around the world for in person and online events.

Recent developments

Reverse takeover

The Company signed a non-binding letter of intent with Abigail, a capital pool company listed on the TSX Venture Exchange, dated February 13, 2021 pursuant to which the Company will complete a reverse takeover transaction of Abigail by way of an amalgamation of the Company with a wholly-owned subsidiary of Abigail (the "Proposed Transaction"). Upon completion of the Transaction, the resulting company (the "Resulting Issuer") will continue to carry on the business of the Company. On April 19, 2021, the Company and Abigail entered into a definitive amalgamation agreement with respect to the Proposed Transaction.

Financings

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.

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. On April 9, 2021, the Company completed a subsequent closing of the Brokered Financing by issuing an additional 118 Subscription Receipts 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 (the "Resulting Issuer"), in each case without any further consideration or action by the holder thereof.

In connection with the Brokered Financing, the Company also completed a non-brokered private placement of common shares at a price of $2.25 per share (the "Non-Brokered Financing"). On the Brokered Financing Closing Date, the Company completed an initial closing of the Non-Brokered Financing by issuing by issuing 6,848 common shares for gross proceeds of $15,407. At a subsequent closing held on April 9, 2021, the Company completed a subsequent closing of the Non-Brokered Financing by issuing an additional 645 common shares for additional aggregate gross proceeds of $1,451. In aggregate, under the Brokered Financing and Non-Brokered Financing (the "Financing"), the Company issued an aggregate of 10,237 Subscription Receipts and 7,493 common shares for gross proceeds of $39,892.

COVID-19 pandemic

The COVID-19 pandemic has caused significant financial market and social dislocation globally as cities and countries respond in various ways to address the outbreak. Although the pandemic has created uncertainty during this period, videogaming trends have been positively impacted with viewership and player engagement generally increasing.

While there are currently no active agreements in place for live events to be held or operated by the Company, there are ongoing discussions and interest remains high for live events to resume once the pandemic subsides. The Company continued to produce and deliver online and virtual events. The

Company will continue to monitor the pandemic situation and continuously assess any potential further impact on its operations. It is not clear what the impact of a prolonged pandemic would be on the Company's business.

NON-IFRS FINANCIAL MEASURES

This MD&A includes references to adjusted EBITDA. Adjusted EBITDA is a non-IFRS financial measure and is defined by the Company as net income or loss before income taxes, finance costs, depreciation and amortization, decrease in net present value of franchise obligations, foreign exchange gains / loss, assistance payments from Franchise League and government assistance, restructuring costs, impairment charges and share-based compensation. We believe that adjusted EBITDA is a useful measure of financial performance because it provides an indication of the Company's ability to capitalize on growth opportunities in a cost-effective manner, finance its ongoing operations and service its financial obligations.

This non-IFRS financial measure is not an earnings or cash flow measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Our method of calculating such a financial measure may differ from the methods used by other issuers and, accordingly, our definition of this non-IFRS financial measure may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

QUARTERLY HIGHLIGHTS

- Revenue increased to $1,298 for the period ended March 31, 2021, compared to $952 in 2020.
- Net loss for the period was $3,785 for the period ended March 31, 2021, compared to a net loss for the period of $13,282 in 2020.
- Adjusted EBITDA was ($2,431) for the period ended March 31, 2021, compared to ($4,136) in 2020.

SELECTED QUARTERLY FINANCIAL INFORMATION

The selected financial information below was derived from the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021 and 2020.

(In thousands of Canadian dollars, except per share amount, unaudited)	March 31, 2021	March 31, 2020
Revenue	**$1,298**	**$952**
Operating costs	**4,411**	**5,114**
Loss before the undernoted	**(3,113)**	**(4,162)**
Depreciation	298	156
Amortization	427	160
Foreign exchange (gain) loss	(401)	4,552
Finance cost	990	2,101
Share-based compensation	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	**($0.07)**	**($0.25)**
Diluted	**($0.07)**	**($0.25)**

Adjusted EBITDA[1]	**($2,431)**	**($4,136)**
Balance Sheet Summary:		
Total assets	125,285	115,287
Total liabilities	53,722	54,005
Revenue by segment:		
Team Operations	79	320
Business Operations	1,219	632
Loss before income taxes by segment:		
Team Operations	(2,613)	(4,510)
Business Operations	(1,413)	(6,918)

[1] Adjusted EBITDA is a non-IFRS measure. Refer to “Non-IFRS Measures” and “Reconciliation of Net Loss to Adjusted EBITDA”.

RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA

The following table presents a reconciliation of net loss to adjusted EBITDA for the three months ended March 31, 2021 and 2020:

	March 31, 2021	March 31, 2020
(In thousands of Canadian dollars)	$	$
Net loss for the period	(3,785)	(13,282)
Income tax (recovery) expense	(241)	1,854
Depreciation	298	156
Amortization	427	160
Finance cost	990	2,101
Foreign exchange (gain) loss	(401)	4,552
Share-based compensation	281	323
Adjusted EBITDA	**(2,431)**	**(4,136)**

RESULTS OF OPERATIONS

Revenues

For the three months ended March 31, 2021, revenues amounted to $1,298 as compared to $952 for the three months ended March 31, 2020, representing an increase of $346.

Revenues for our Team Operations segment decreased by $241 to $79 for the three months ended March 31, 2021, as compared to $320 for the same period in 2020. The decrease was primarily due to higher prize winnings in the comparative period resulting from competitive play.

Revenues for our Business Operations segment increased by $587 to $1,219 for the three months ended March 31, 2021, as compared to $632 for the same period in 2020. The increase was primarily due to higher sponsorship revenues from new sponsors signed over the course of 2020 and 2021.

Operating costs

For the three months ended March 31, 2021, operating costs amounted to $4,411 as compared to $5,114 for the three months ended March 31, 2020, representing a decrease of $703. The decrease in operating was primarily due to cost savings for travel-related costs as a result of the suspension of travel and live events due to COVID-19 along with lower selling, general and administrative expenses during the three months ended March 31, 2021.

Net loss after income taxes

For the three months ended March 31, 2021, net loss after income taxes amounted to $3,785 after deducting a non-cash income tax recovery of $241 from net income before income taxes, as compared to a net loss after income taxes of $13,282 for the three months ended March 31, 2020 after deducting an income tax expense of $1,854.

The improvement in net loss is a result of higher revenues of $346 over the prior period combined with lower operating costs of $699 over the prior period, as well as lower finance costs of $1,111 resulting from decreases in net present value of franchise obligations recognized over the course of 2020. In addition, there was an increase of $656 resulting primarily from the sale of certain player contracts during the quarter. Furthermore, there was a favorable variance of $4,953 as a result of fluctuations in foreign exchange rates and primarily the strength of the Canadian dollar. This was partially offset by increases of depreciation and amortization of $409.

LIQUIDITY AND CAPITAL RESOURCES

Capital management

The Company's objective in managing its capital is to ensure sufficient liquidity to finance its operations, maximize the preservation of capital and deliver competitive returns on invested capital. To fund its activities until the end of 2022, the Company will rely on the proceeds of the Financings and funds generated from ongoing operations. The Company manages its excess cash to ensure that it has sufficient reserves to fund its operations and capital expenditures.

The Company's liquidity and capital resources as at March 31, 2021 and 2020 were as follows:

	March 31, 2021	December 31, 2020
(In thousands of Canadian dollars)	$	$
Cash and cash equivalents	3,917	5,585
Total current assets	22,256	10,197
Total current liabilities	12,070	11,890
Working capital	10,186	(1,693)
Total assets	125,285	115,287
Total liabilities	53,722	54,005

Cash flows

	March 31, 2021	March 31, 2020
(In thousands of Canadian dollars)	$	$
Cash flow used in operating activities	(1,941)	(4,055)
Cash flow from financing activities	1,199	3,902
Cash flow used in investing activities	(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

RISK MANAGEMENT

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. Certain of these risks and the actions taken to manage them are discussed below. Additional risks are set out in the Filing Statement under "Risk Factors".

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.

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)

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)

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

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.

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.

	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

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-Balance Sheet arrangements.

CONTINGENCIES

Contingencies:

There exist certain other claims and potential claims against the Company, including certain chargebacks based on exceeding certain pre-defined revenue-sharing thresholds, and commodity and other 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.

DIVIDEND POLICY

The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends will be made at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors may deem relevant.

SEASONALITY

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.

STOCK-BASED COMPENSATION

On October 5, 2018, the Company created a stock option plan for its key employees, officers, directors and consultants (the "Plan"). The purpose of 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 provides for the granting of stock options to purchase common shares of the Company. Options are generally subject to service vesting schedule of three years and expire ten years from the grant date. Under the plan, a maximum pool of 10% of the common shares outstanding have been reserved for issuance.

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

	March 31, 2021		December 31, 2020	
	Number of options (000s)	Weighted average exercise price	Number of options (000s)	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.

OUTSTANDING SHARE DATA

The Company has 68,666 Company Shares[2], 6,516 stock options, and 614 warrants outstanding as of the date of this MD&A.

Pursuant to the Brokered Financing, the Company issued 10,237 Subscription Receipts, each of which is exchangeable for one Company Share upon the satisfaction of certain conditions.

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.

In connection with the Company's acquisition of Splyce, Inc, OverActive Limited Partnership, a limited partnership of which a subsidiary of the Company is the general partner and a limited partner, issued a total of 8,743 Class B exchangeable shares ("OAM LP Class B Units") to the former stockholders of Splyce, Inc.

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.

CRITICAL ESTIMATES AND JUDGEMENTS

Refer to the 2020 Annual MD&A and the 2020 annual audited consolidated financial statements and notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of the business operations and result of operations.

[2] Includes 8,743 OAM LP Class B LP Units

New accounting pronouncements

No accounting standards and amendments were effective for the interim and annual consolidated financial commencing January 1, 2021 that had a material impact on the financial results and no new standards or future amendments are expected to have any material impact at this time.

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.