OverActive Media Corp.

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 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 and nine months ended September 30, 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 November 17, 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.

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.

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 sports, media and entertainment industry delivering media and entertainment products to 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

On July 9, 2021, the Company completed its Qualifying Transaction (as defined in TSXV Policy 2.4) resulting from the reverse takeover of OverActive Media Corp. by Abigail Capital Corporation. The Company received final TSXV approval for the transaction and the Resulting issuer became publicly traded on the TSXV under the ticker "OAM".

The Qualifying Transaction was executed against the terms of the Definitive Agreement as a three-cornered amalgamation. As part of that, Abigail Capital Corp incorporated a direct wholly-owned subsidiary ("Subco") which amalgamated with OverActive Media Corp. As consideration for the amalgamation, each outstanding OverActive Media Corp common share was exchanged for one common share of Abigail Capital Corp, and each outstanding OverActive Media Corp option was exchanged for one Abigail Replacement Option. Pursuant to the amalgamation agreement, an aggregate of 78,903 shares of the Resulting Issuer were issued to OverActive Media Corp. shareholders. Abigail Capital Corp. consolidated its common shares on a 9:1 basis and acquired all of the issued and outstanding securities of OverActive Media Corp, a non-reporting issuer, in exchange for securities of Abigail Capital Corp subject to a number of conditions within the Definitive Agreement. Subsequent to the transaction, Abigail Capital Corp renamed to OverActive Media Corp.

Prior to the aforementioned Qualifying Transaction, OverActive Media Corp amalgamated with Toronto Esports (Kimel Group) Inc. ("Toronto Esports") on July 7, 2021. Toronto Esports was a holding company that was formed for the primary purpose of investing in OverActive Media Corp and jointly held by the

Kimel family board members of OverActive Media Corp. As a result of the reorganization, (i) each shareholder of OverActive Media Corp other than Toronto Esports received one common share of Amalco ("OverActive Media Corp") in exchange for every common share of OverActive Media Corp held immediately prior to the reorganization and (ii) the shareholders of Toronto Esports collectively received the same number of shares of OverActive Media Corp held by Toronto Esports immediately prior to the reorganization, with the result that the same number of shares was held directly post-amalgamation in the resulting entity.

Financings

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. 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. Total transaction costs incurred were $150.

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 was automatically converted into one common share of the Company (a "Company Share") which was 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. Upon completion of the Qualifying Transaction on July 9, 2021, these proceeds were collected net of transaction costs of $1,529 to the Agents. An additional $1,163 in professional service fees related to the completion of the Qualifying Transaction were capitalized, inclusive of $586 related to the issuance of the Agents' broker warrants. Total net proceeds were $20,928.

Performance Venue

Subsequent to quarter-end, the Company received approval from the Exhibition Place Board of Governors on the concept design and lease terms related to the Company's building plans for a world-class sports and entertainment venue. The Company anticipates the final review by the Toronto City Council will be held in December of this year and is optimistic it will gain the approvals sought. There are no financial commitments or guarantees entered into at this time.

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 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, reverse takeover 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 $5,476 for the three month period ended September 30, 2021, compared to $4,989 in 2020.
- Net loss for the period was $6,418 for the three month period ended September 30, 2021, compared to a net loss for the period of $1,129 in 2020.

- Adjusted EBITDA was $(268) for the three month period ended September 30, 2021, compared to $418 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 September 30, 2021 and 2020.

	Three months ended	
	September 30, 2021	September 30, 2020
(In thousands of Canadian dollars, except per share amount, unaudited)		
Revenue	**$5,476**	**$4,989**
Operating costs	**5,852**	**4,275**
(Loss) income before the undernoted	**(376)**	**714**
Depreciation	303	232
Amortization	100	211
Foreign exchange loss (gain)	452	(833)
Decrease in net present value of franchise obligations	(388)	-
Finance cost	1,355	2,083
Share-based compensation	1,787	321
Other income	(108)	(167)
Reverse takeover costs	2,756	-
Loss before income taxes	(6,633)	(1,133)
Income tax recovery	(215)	(4)
Net loss for the period	**(6,418)**	**(1,129)**
Other comprehensive income (loss):		
Foreign currency translation	(65)	471
Comprehensive loss for the period	**(6,483)**	**(658)**

Loss per share:		
Basic and Diluted	**(0.08)**	**(0.02)**
Adjusted EBITDA[1]	**($268)**	**$418**
Revenue by segment:		
Team Operations	3,600	3,690
Business Operations	1,876	1,299
(Loss) income before income taxes by segment:		
Team Operations	(556)	(1,336)
Business Operations	(6,077)	203

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

The selected financial information below was derived from the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2021 and 2020.

(In thousands of Canadian dollars, except per share amount, unaudited)	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue	**$8,878**	**$7,168**
Operating costs	**14,367**	**12,635**
Loss before the undernoted	**(5,489)**	**(5,467)**
Depreciation	900	498
Amortization	612	614
Foreign exchange (gain) loss	(239)	2,030
Decrease in net present value of franchise obligations	(388)	(324)
Finance cost	3,688	6,308
Share-based compensation	3,444	1,023
Other income	(939)	(218)
Reverse takeover costs	2,756	-
Loss before income taxes	(15,323)	(15,398)
Income tax (recovery) expense	(695)	2,050
Net loss for the period	**(14,628)**	**(17,448)**
Other comprehensive income (loss):		
Foreign currency translation	(1,600)	323
Comprehensive loss for the period	**(16,228)**	**(17,125)**
Loss per share:		
Basic and Diluted	**(0.22)**	**(0.33)**

Adjusted EBITDA[2]	**($4,550)**	**($6,260)**
Revenue by segment:		
Team Operations	4,335	4,902
Business Operations	4,543	2,266
Loss before income taxes by segment:		
Team Operations	(6,129)	(9,011)
Business Operations	(9,194)	(6,387)

(In thousands of Canadian dollars, unaudited)	September 30, 2021	December 31, 2020
Balance Sheet Summary:		
Total assets	144,026	115,287
Total liabilities	55,002	54,005

[2] 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 September 30, 2021 and 2020:

	Three months ended	
	September 30, 2021	September 30, 2020
(In thousands of Canadian dollars)	$	$
Net loss for the period	(6,418)	(1,129)
Income tax recovery	(215)	(4)
Depreciation	303	232
Amortization	100	211
Decrease in net present value of franchise obligations	(388)	-
Finance cost	1,355	2,083
Foreign exchange loss (gain)	452	(833)
Payroll subsidies	-	(514)
Share-based compensation	1,787	321
Restructuring costs	-	51
Reverse takeover costs	2,756	-
Adjusted EBITDA	**(268)**	**418**

The following table presents a reconciliation of net loss to adjusted EBITDA for the nine months ended September 30, 2021 and 2020:

	Nine months ended	
	September 30, 2021	September 30, 2020
(In thousands of Canadian dollars)	$	$
Net loss for the period	(14,628)	(17,448)
Income tax (recovery) expense	(695)	2,050
Depreciation	900	498
Amortization	612	614
Decrease in net present value of franchise obligations	(388)	(324)
Finance cost	3,688	6,308
Foreign exchange (gain) loss	(239)	2,030
Payroll subsidies	-	(1,194)
Share-based compensation	3,444	1,023
Restructuring costs	-	183
Reverse takeover costs	2,756	-
Adjusted EBITDA	**(4,550)**	**(6,260)**

RESULTS OF OPERATIONS

Revenues

For the three months ended September 30, 2021, revenues amounted to $5,476 as compared to $4,989 for the three months ended September 30, 2020, representing an increase of $487.

Revenues for our Team Operations segment decreased by $90 to $3,600 for the three months ended September 30, 2021, as compared to $3,690 for the same period in 2020. The decrease was primarily due to the timing differences in league share revenue, offset by increases in prize money as a result of better competitive performance from our teams.

Revenues for our Business Operations segment increased by $577 to $1,876 for the three months ended September 30, 2021, as compared to $1,299 for the same period in 2020. The increase was primarily due to higher sponsorship revenues from new sponsors signed or extended in the period including Crave and imagin.

For the nine months ended September 30, 2021, revenues amounted to $8,878 as compared to $7,168 for the nine months ended September 30, 2020, representing an increase of $1,710.

Revenues for our Team Operations segment decreased by $567 to $4,335 for the nine months ended September 30, 2021, as compared to $4,902 for the same period in 2020. The decrease was primarily due to the timing differences in league share revenue, offset by increases in prize money as a result of better competitive performance from our teams.

Revenues for our Business Operations segment increased by $2,277 to $4,543 for the nine months ended September 30, 2021, as compared to $2,266 for the same period in 2020. The increase was primarily due to higher sponsorship revenues from new sponsors signed or extended in the period including EPOS, AOC, Razer, Jack Link's, SEAT, GLS, Red Bull, Bud Light, Crave, imagin and TD Bank.

Operating costs

For the three months ended September 30, 2021, operating costs amounted to $5,852 as compared to $4,275 for the three months ended September 30, 2020, representing an increase of $1,577. The increase in operating costs was primarily due to increases in corporate payroll costs, which was further increased by payroll subsidies received in the comparative period. These were partially offset by non-recurring and ongoing public company compliance related expenses incurred as part of our Qualifying Transaction.

For the nine months ended September 30, 2021, operating costs amounted to $14,367 as compared to $12,635 for the nine months ended September 30, 2020, representing an increase of $1,732. The increase in operating costs was primarily due to payroll subsidies received in the comparative period. This was further increased by non-recurring and ongoing public company compliance related expenses incurred as part of our Qualifying Transaction.

Adjusted EBITDA

For the three months ended September 30, 2021 adjusted EBITDA amounted to $(268) as compared to $418 for the three months ended September 30, 2020, representing a decrease of $686. The decrease is attributable to an increase in revenue of $487, offset by an increase of operating costs of $1,577. Included within operating costs in the comparative period were payroll subsidies and restructuring costs of $(514) and $51, respectively. These items were presented separately from adjusted EBITDA given their non-recurring nature, resulting in a net increase of operating costs of $1,114 in comparing adjusted EBITDA. In addition, there was a decrease of $59 in other income primarily attributable to player sales in the comparative period.

For the nine months ended September 30, 2021 adjusted EBITDA amounted to $(4,550) as compared to $(6,260) for the nine months ended September 30, 2020, representing an increase of $1,710. The increase is attributable to an increase in revenue of $1,710, offset by an increase of operating costs of $1,732. Included within operating costs in the comparative period were payroll subsidies and restructuring costs of $(1,194) and $183, respectively. These items were presented separately from adjusted EBITDA given their non-recurring nature, resulting in a net increase of operating costs of $721 in determining adjusted EBITDA. Increases in operating costs were fully offset by an increase of $721 in other income primarily attributable to player contract transfers.

Net loss

For the three months ended September 30, 2021, net loss after income taxes amounted to $6,418 as compared to a net loss after income taxes of $1,129 for the three months ended September 30, 2020, representing an increase in net loss of $5,289. The decrease is attributable to an increase in revenue of $487, offset by an increase of operating costs of $1,577 and an increase in non-operating costs of $4,410. The remaining difference is attributable to increases in income tax recovery of $211.

For the nine months ended September 30, 2021, net loss after income taxes amounted to $14,628 as compared to a net loss after income taxes of $17,448 for the nine months ended September 30, 2020, representing an improvement of net loss of $2,820. The increase is attributable to an increase in revenue of $1,710 and a decrease in non-operating costs of $97, offset by an increase of operating costs of $1,732. The remaining difference is attributable to an income tax recovery in the period versus an income tax expense in the comparative period which was a movement of $2,745.

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. 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 September 30, 2021 and 2020 were as follows:

	September 30, 2021	December 31, 2020
(In thousands of Canadian dollars)	$	$
Cash and cash equivalents	36,218	5,585
Total current assets	40,312	10,197
Total current liabilities	16,016	11,890
Working capital	24,296	(1,693)
Total assets	144,026	115,287
Total liabilities	55,002	54,005

Cash flows

	September 30, 2021	September 30, 2020
(In thousands of Canadian dollars)	$	$
Cash flow used in operating activities	(6,662)	(4,561)
Cash flow from financing activities	37,938	4,433
Cash flow used in investing activities	(182)	(3,838)
Increase (decrease) in cash and cash equivalents	31,094	(3,966)
Cash and cash equivalents, beginning of period	5,585	10,208
Effect of exchange rate changes on cash and cash equivalents	(461)	(26)
Cash and cash equivalents, end of period	36,218	6,216

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.

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.

For the nine months ended September 30, 2021, the Company recognized a foreign exchange gain of $239 (nine months ended September 30, 2020 - loss of $2,030) primarily due to the appreciation/depreciation 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	September 30, 2021	December 31, 2020
Cash	$ 2,396	$ 767
Receivables	81	285
Payables	(19,524)	(17,346)
Net consolidated statement of financial position exposure	$ (17,047)	(16,294)

EUR	September 30, 2021	December 31, 2020
Cash	$ 1,133	60
Receivables	1,767	566
Payables	(3,757)	(3,536)
Net consolidated statement of financial position exposure	$ (857)	(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 customers spread across diverse industries. For the nine months ended September 30, 2021, two major customers each representing more than 10% of consolidated revenues, in aggregate make up 18% of trade receivables as at September 30, 2021 (68% of trade receivables as at December 31, 2020). 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 September 30, 2021, the aging of trade receivables that were not impaired were as follows:

	September 30, 2021	December 31, 2020
Neither past due nor impaired	$ 1,341	$ 967
Past due 1-30 days	38	286
Past due 31-90 days	1,103	28
Past due > 90 days	245	639
	$ 2,727	$ 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	$ 2,612	$ 2,612	$ –	$ 2,612	$ –	$ –
Notes payable	576	576	–	576	–	–
Payable related to franchise assets	29,020	45,095	–	7,049	14,393	23,653
Lease liabilities	2,175	2,695	–	1,037	904	754
Long-term debt	583	665	–	190	190	285
Total	$ 34,966	$ 51,643	$ –	$ 11,464	$ 15,487	$ 24,692

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 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.

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 communicated by the Franchise Leagues, typically in the third and fourth fiscal quarters. Prize money is less predictable and the timing of such revenues would be related to the timing of tournaments and success of the teams, typically in the second and third fiscal quarters. However, Business Operations 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

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 September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Options available for grant, beginning of period	3,074	157
Granted	(3,826)	(110)
Forfeited	475	400
Increase in ESOP pool	2,028	2,627
Options available for grant, end of period	1,751	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 September 30, 2021 and December 31, 2020 presented below:

	September 30, 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	3,715	2.23	110	3.60
Re-issue to former ACC holders	111	0.90	–	–
Exercised	(150)	2.00	–	–
Forfeited	(475)	2.17	(400)	2.66
Balance, end of period	6,127	$ 1.92	2,926	$ 1.76
Exercisable, end of period	2,594	$ 1.45	1,494	$ 1.47

The Company used the Black-Scholes-Merton formula to estimate the grant date fair value of options granted during the period based on the following inputs:

	September 30, 2021	December 31, 2020
Weighted average fair value	$1.80	$2.74
Weighted average share price at grant date	$2.23	$3.60
Expected volatility	104%	101%
Expected option life	6.00 years	5.51 years
Expected dividend	0%	0%
Risk-free interest rate (based on government bonds)	1.52%	0.70%

For the three months ended September 30, 2021, the Company recorded share-based compensation of $1,787 (three months ended September 30, 2020 - $321). Included within share-based compensation for the three months ended September 30, 2021 is $122 (September 30, 2020 - $132) for services received from third parties in exchange for equity consideration.

For the nine months ended September 30, 2021, the Company recorded share-based compensation of $3,444 (nine months ended September 30, 2020 - $1,023). Included within share-based compensation for the nine months ended September 30, 2021 is $368 (September 30, 2020 - $374) for services received from third parties in exchange for equity consideration.

Unrecognized stock-based compensation expense related to stock option plans was $4,200 as at September 30, 2021 (December 31, 2020 - $1,365) and will be recognized in net income over the remainder of their respective vesting periods.

In connection with the Qualifying Transaction, the Company issued warrants to it's Agents and the previous Agents of Abigail Capital Corp. As at September 30, 2021, a total of 614 broker warrants at a weighted average exercise price of $2.25 remain outstanding and exercisable (December 31, 2020 – nil). 55 warrants at a weighted average exercise price of $0.90 were redeemed in the period for common shares of $90, for cash proceeds of $50.

A summary of the Company's warrants outstanding as at September 30, 2021 is presented below:

	September 30, 2021		December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Beginning of period - options outstanding	–	$ –	–	$ –
Granted	614	2.25	–	–
Re-issue to former ACC holders	55	0.90	–	–
Exercised	(55)	0.90	–	–
Forfeited	–	–	–	–
Balance, end of period	614	$ 2.25	–	$ –
Exercisable, end of period	614	$ 2.25	–	$ –

OUTSTANDING SHARE DATA

The Company has 80,283 Common Shares, 6,127 stock options, and 614 warrants outstanding as of the date of this MD&A.

On July 9, 2021, the Company completed its Qualifying Transaction (as defined in TSXV Policy 2.4) resulting from the reverse takeover of OverActive Media Corp. by Abigail Capital Corporation. The Company received final TSXV approval for the transaction and the Resulting issuer became publicly traded on the TSXV under the ticker "OAM".

In connection with the Brokered Financing, the Company issued 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. Subsequent to the

Qualifying Transaction another 55 warrants were issued to Abigail Capital Corporation's Agents, of which all were subsequently exercised.

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.

RELATED PARTY TRANSACTIONS

Toronto Esports was a holding company that was formed for the primary purpose of investing in OverActive Media Corp and jointly held by the Kimel family board members of OverActive Media Corp. As such, Toronto Esports was considered a related party to OverActive Media Corp.

On July 7, 2021, prior to the completion of its Qualifying Transaction, the Company completed an amalgamation with Toronto Esports, with the resulting transaction giving the former shareholders of Toronto Esports direct ownership of the same number of shares of the Company held by Toronto Esports immediately prior to reorganization. $19 of net liabilities were acquired on July 7, 2021, resulting from the transaction. The transaction did not qualify as a business combination as defined in IFRS 3; Business Combinations.

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.

New significant accounting judgements and estimates

The fair value of consideration to acquire the Company in a reverse take-over transaction comprised common shares and replacement warrants and options. Common shares were valued on the date of issuance. Replacement warrants and options were valued using the Black-Scholes model. The Company applied IFRS 2 Share-based Payments in accounting for the Transaction.

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.

RISKS AND UNCERTAINTIES

Due to the nature of the Company's business, the legal and economic climate in which it operates and its present stage of development, the Company may be subject to significant risks. The Company's future development and operating results may be very different from those expected as at the date of this MD&A. Readers should carefully consider all such risks. In addition to those risks discussed under "Risk Management", risk factors relating to the Company include, but are not limited to, the following:

- the Company has a limited operating history;
- the Company's future revenues are uncertain;
- the Company has historical losses and negative operating cash flows;
- the Company cannot be certain that additional financing will be available on reasonable terms when required, or at all;
- the Company's business has been and will continue to be impacted by the on-going COVID-19 pandemic;
- the Company has grown and plans to continue to grow at a very rapid pace;
- the Company's business is substantially dependent on the continued popularity and/or competitive success of esports;
- the Company's reliance on publishers, leagues, sponsors and corporate partners;
- Risks associated with brand development and reputation;
- Dependence on key personnel;

- Risks associated with league and tournament participation;
- the Company's business model and use of technology;
- the Company's intellectual property may be subject to misappropriation;
- League rules and regulations may have a negative effect on the Company;
- the Company's business is highly competitive and competition presents an ongoing threat to the success of its business;
- the Company's esports decisions may have material negative effects on its business and results of operations;
- Injuries to, and illness of, players on the Company's esports teams could hinder its success;
- Risks associated with potential future acquisitions;
- International expansion and operations in foreign markets expose the Company to risks associated with international sales and operations;
- Risks relating to conflicts of interest and general business regulation, including privacy laws;
- the Company's management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of its business
- The requirements of being a public company may strain the Company's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- the Company cannot guarantee absolute protection against unauthorized attempts to access its IT systems;
- the Company cannot guarantee that it will be able to successfully develop its proposed entertainment facility in Toronto;
- The price of the securities of the Resulting Issuer may fluctuate significantly, which may make it difficult for holders of securities of the Resulting Issuer to sell their securities at a time or price they find attractive;
- the Company does not know whether an active, liquid and orderly trading market will develop for the securities of the Resulting Issuer or what the market price of the securities of the Resulting Issuer will be and as a result it may be difficult for investors to sell their securities of the Resulting Issuer;

- If research analysts do not publish research about the Company's business or if they issue unfavourable commentary or downgrade the Resulting Issuer Shares, the Resulting Issuer's stock price and trading volume could decline;

- the Company does not intend to pay dividends on the Resulting Issuer Shares for the foreseeable future;

- The market price of the Company Securities may decline due to the large number of outstanding common shares eligible for future sale;

- The Company may issue additional equity securities, or engage in other transactions that could dilute its book value or affect the priority of the Company Shares, which may adversely affect the market price of the Resulting Issuer Shares;

- The Company may invest or spend the proceeds of the Financing in ways with which investors may not agree or in ways which may not yield a return;

- Tax risks and uncertainties facing the Company;

- Investors may have Canadian and non-Canadian income tax consequences related to holding the Resulting Issuer Shares; and

- General risks and uncertainties arising out of adverse economic changes