



OVERACTIVE MEDIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THREE AND SIX MONTHS ENDED
JUNE 30, 2025 AND 2024**

OverActive Media Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2025, and 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following has been prepared for the purposes of providing management's discussion and analysis ("MD&A") of the condensed consolidated interim financial position and results of OverActive Media Corp. ("OverActive", "we" or the "Company"). The following information should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended June 30, 2025 and 2024 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 2024 Annual MD&A; the 2024 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 August 20, 2025, 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.

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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 income and 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 and business development 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.

BUSINESS OVERVIEW

OverActive Media Corp. (TSXV: OAM) (OTC: OAMCF) is a premier global esports and entertainment company for today's generation of fans headquartered in Toronto, Canada, with additional operations in Madrid, Spain, and Berlin, Germany. The company delivers premium experiences by operating top-tier competitive teams and complementary business units across media, content, and live events.

OverActive operates through two core business segments:

Team Operations

This segment captures revenues and expenses from league share payouts in the Company's various esports pro leagues, performance-based revenue, sticker sales, and tournament prize winnings.

OverActive owns and manages elite competitive teams under two brands:

- Movistar KOI
 - League of Legends EMEA Championship (LEC)
 - VALORANT Champions Tour EMEA (VCT EMEA)
 - LVP Superliga (Spain)
 - LVP Free Fire (Mexico)
 - Esports World Cup Partnership Program

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Movistar KOI is OverActive's flagship brand and is recognized for having one of the largest and most engaged fan bases in the world. The brand consistently ranks at or near the top of viewership leaderboards across its titles. In League of Legends, the world's most watched esports by peak viewership, and other competitive games, Movistar KOI matches are appointment viewing, drawing dedicated audiences and driving cultural relevance.

- Toronto Ultra
 - Call of Duty League (CDL)

Business Operations

This segment includes the Company's commercial activities such as sponsorship and partnership programs, merchandising, original content, and fan experiences. OverActive also operates a digital media agency, an influencer agency, a content production studio, and a live event business. Through strategic partnerships with influencers and content providers, the Company expands the reach and impact of its brands across global digital platforms.

On March 1, 2024, OverActive completed two strategic acquisitions: the full share acquisition of Team Randomk Esports S.L. (Movistar Riders) and the asset purchase of esports properties from Goatch Global S.L. (KOI), (collectively, the "Transactions"). These Transactions significantly strengthened the Company's position across EMEA and Latin America by adding complementary titles, industry-leading talent, and highly engaged communities.

OverActive's brands compete and connect at the highest levels of performance and cultural relevance. The Company is focused on building globally recognized, fan-driven media brands that go beyond gameplay through digital storytelling, immersive experiences, and expansion into high-growth markets such as Latin America and China.

Second Quarter 2025 Operations Highlights

- OverActive Media hosted LEC on the Road event in Madrid Arena on April 26th and 27th. The event drew over 18,000 fans and peaked at 348,000 online viewers.
- OverActive Media's Movistar KOI launched Fenix Club Gaming, the company's first ever subscription based direct-to-consumer platform offering members exclusive benefits including merchandise discounts, early access to event ticket sales, exclusive giveaways, and access to dedicated channels for community engagement.
- OverActive Media's Toronto Ultra partnered with Little Caesars to be the Official Pizza QSR of the Call of Duty Championship Weekend.
- OverActive Media's Movistar KOI captured the LEC Spring Split title, guaranteeing participation in both MSI 2025 in Vancouver, Canada and Esports World Cup in Riyadh, Saudi Arabia.

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- OverActive Media's Toronto Ultra hosted the Call of Duty Championship Weekend in Kitchener, Ontario. The event attracted 12,000 fans and surpassed the Call of Duty League viewership record, peaking at 353,000 online viewers.

Significant Announcements Subsequent to Quarter End

- OverActive Media launched *ActiveVoices*, a SaaS-based AI powered global content localization platform for creators. The platform will enable creators to share content globally with instant translation, authentic dubbing and seamless multi-platform publishing.
- OverActive Media's Toronto Ultra, renamed as Movistar KOI for the event, finished 3rd place at the Esports World Cup, earning \$200,000 USD.

QUARTERLY HIGHLIGHTS

- Revenue increased to \$8,360 for the three-month period ended June 30, 2025, compared to \$6,616 for the three-month period ended June 30, 2024.
- Net loss for the period was \$2,966 for the three-month period ended June 30, 2025, compared to a net income for the period of \$6,424 for the three-month period ended June 30, 2024.
- Adjusted EBITDA loss was \$1,016 for the three-month period ended June 30, 2025, compared to \$1,230 for the three-month period ended June 30, 2024.

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 June 30, 2025, and 2024.

	Three months ended	
	June 30, 2025	June 30, 2024
<i>(In thousands of Canadian dollars, except per share amount, unaudited)</i>		
Revenue	\$8,360	\$6,616
Cost of sales	4,324	2,537
Gross profit	4,036	4,079
Operating costs	5,172	6,028

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Other expenses (income):		
Depreciation	563	630
Amortization	340	426
Foreign exchange loss	242	537
Decrease in net present value of franchise obligations	-	(9,838)
Finance income	(11)	(54)
Finance cost	58	331
Share-based compensation	381	170
Other loss (income)	6	(16)
Income (loss) before income taxes	(2,715)	5,865
Income tax expense (recovery)	251	(559)
Net (loss) income for the period	(2,966)	6,424
Other comprehensive income (loss):		
Foreign currency translation	1,473	5
Comprehensive (loss) income for the period	(\$1,493)	\$6,429
Earnings (loss) per share:		
Basic and Diluted	(\$0.02)	\$0.05
Adjusted EBITDA¹	(\$1,016)	(\$1,230)
Balance Sheet Summary:		
Total assets	71,941	72,596
Total liabilities	23,061	18,229
Revenue by segment:		
Team Operations	1,155	2,187
Business Operations	7,205	4,429
Gross profit by segment:		

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

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Team Operations	939	1,932
Business Operations	3,097	2,147
Income (loss) before income taxes by segment:		
Team Operations	(1,610)	9,005
Business Operations	(1,105)	(3,140)

YEAR TO DATE HIGHLIGHTS

- Revenue increased to \$13,364 for the six-month period ended June 30, 2025, compared to \$10,275 for the six-month period ended June 30, 2024.
- Net loss for the period was \$6,642 for the six-month period ended June 30, 2025, compared to a net income for the period of \$2,029 for the six-month period ended June 30, 2024.
- Adjusted EBITDA loss was \$3,285 for the six-month period ended June 30, 2025, compared to \$3,052 for the six-month period ended June 30, 2024.

The selected financial information below was derived from the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2025 and 2024.

	Six months ended	
	June 30, 2025	June 30, 2024
<i>(In thousands of Canadian dollars, except per share amount, unaudited)</i>		
Revenue	\$13,364	\$10,275
Cost of sales	6,684	3,386
Gross profit	6,680	6,889
Operating costs	10,092	11,421
Other expenses (income):		
Depreciation	1,144	1,142
Amortization	675	416
Foreign exchange loss	282	973
Decrease in net present value of franchise obligations	-	(9,838)
Finance income	(24)	(158)

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Finance cost	134	1,453
Share-based compensation	767	114
One-time gain	(162)	-
Other (income) loss	-	(163)
Income (loss) before income taxes	(6,228)	1,519
Income tax expense (recovery)	414	(510)
Net income (loss) for the period	(6,642)	2,029
Other comprehensive loss (gain):		
Foreign currency translation	3,153	(78)
Comprehensive income (loss) for the period	(\$3,489)	\$1,951
Earnings (loss) per share:		
Basic and Diluted	(\$0.05)	\$0.02
Adjusted EBITDA²	(\$3,285)	(\$3,052)
Revenue by segment:		
Team Operations	2,194	4,131
Business Operations	11,170	6,144
Gross profit by segment:		
Team Operations	1,887	3,542
Business Operations	4,793	3,347
Income (loss) before income taxes by segment:		
Team Operations	(2,727)	7,386
Business Operations	(3,501)	(5,867)

² Adjusted EBITDA is a non-IFRS measure. Refer to “Non-IFRS Measures” and “Reconciliation of Net Income (Loss) to Adjusted EBITDA”.

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RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

The following table presents a reconciliation of net income (loss) to adjusted EBITDA for the three months ended June 30, 2025, and 2024:

	Three months ended	
	June 30, 2025	June 30, 2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Net (loss) income for the period	(2,966)	6,424
Income tax recovery	251	(559)
Depreciation	563	630
Amortization	340	426
Decrease in net present value of franchise obligations	-	(9,838)
Finance income	(11)	(54)
Finance cost	58	331
Foreign exchange loss (gain)	242	537
Share-based compensation	381	170
Restructuring and business development costs	126	703
Adjusted EBITDA	(1,016)	(1,230)

The following table presents a reconciliation of net income (loss) to adjusted EBITDA for the six months ended June 30, 2025, and 2024:

	Six months ended	
	June 30, 2025	June 30, 2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Net income (loss) for the period	(6,642)	2,029
Income tax recovery	414	(510)
Depreciation	1,144	1,142
Amortization	675	426
Decrease in net present value of franchise obligations	-	(9,838)
Finance income	(24)	(158)

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Finance cost	134	1,453
Foreign exchange loss (gain)	282	973
Share-based compensation	767	114
One-time gain (loss)	(162)	-
Restructuring and business development	127	1,317
Adjusted EBITDA	(3,285)	(3,052)

RESULTS OF OPERATIONS

Revenues

For the three months ended June 30, 2025, revenues amounted to \$8,360 as compared to \$6,616 for the three months ended June 30, 2024, representing an increase of \$1,744.

Revenues for our Team Operations segment decreased by \$1,032 to \$1,155 for the three months ended June 30, 2025, as compared to \$2,187 for the same period in 2024. The decrease reflects a shift in payment structure from a higher annual minimum guarantee in 2024 to a lower base guarantee supplemented by milestone-based incentives in 2025. As a result, monthly recognized revenue is lower in the current period, with the potential for higher recognition in the second half of the year upon achievement of targeted incentives. Further, with the elimination of the Counter Strike (CS) roster, the Company lost the opportunity to sell digital goods, Stickers.

Revenues for our Business Operations segment increased by \$2,776 to \$7,205 for the three months ended June 30, 2025, as compared to \$4,429 for the same period in 2024. The increase is primarily due to the successful execution of two major events, LEC on the Road and Call of Duty Championship Weekend, during the period. Further, the Agencies business in Europe performed very well, promoting growth in business operations overall.

For the six months ended June 30, 2025, revenues amounted to \$13,364 as compared to \$10,275 for the six months ended June 30, 2024, representing an increase of \$3,089.

Revenues for our Team Operations segment decreased by \$1,937 to \$2,194 for the six months ended June 30, 2025, as compared to \$4,131 for the same period in 2024. The decrease is attributable to the shift in payment structure from a higher annual minimum guarantee in 2024 to a lower base guarantee supplemented by milestone-based incentives in 2025. As a result, monthly recognized revenue is lower in the current period, with the potential for higher recognition in the second half of the year upon achievement of targeted incentives. Further, with the elimination of the Counter Strike (CS) roster, the Company lost the opportunity to sell digital goods, Stickers. Lastly, Toronto Ultra underperformed compared to their 2024 season, resulting in lower prize money earned in their respective season.

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Revenues for our Business Operations segment increased by \$5,026 to \$11,170 for the six months ended June 30, 2025, as compared to \$6,144 for the same period in 2024. The increase was primarily driven by the successful delivery of three major events—Major 1, LEC on the Road, and the Call of Duty Championship Weekend—versus one major event (Major 3) in the prior year. Additional contributions came from the strong performance of the Agencies business, as well as modest year-over-year growth in Partnerships, Production and Broadcast as well as Merchandising.

Gross profit

For the three months ended June 30, 2025, the Company reported gross profit of \$4,036 compared to \$4,079 for the same period in 2024, a decrease of \$43. The decline reflects a shift in revenue mix, with higher top-line contributions from lower-margin activities in the current period. In the prior year, stronger Counter-Strike-related revenue, which carried a lower cost of sales, supported higher gross profit margins.

For the six months ended June 30, 2025, the Company reported gross profit of \$6,680, compared to \$6,889 for the same period in 2024, a decrease of \$209. The decrease is primarily driven by the cessation of Counter-Strike related revenues, which historically carried a significantly lower cost of sales. This was partially offset by the growth in lower margin segments, specifically Events and Agencies.

Operating costs

For the three months ended June 30, 2025, operating costs amounted to \$5,172 as compared to \$6,028 for the three months ended June 30, 2024, representing a decrease of \$856. The decrease is attributable to the reduction in roster-specific restructuring costs and business development costs related to the acquisitions. However, this was partially offset by an increase in Roster and Team Payroll as the Company incurred higher costs year over year.

For the six months ended June 30, 2025, operating costs amounted to \$10,092 as compared to \$11,421 for the six months ended June 30, 2024, representing a decrease of \$1,329. While Corporate Payroll as well as Roster and Team Payroll increased to support the Company's expanding operations this was more than offset by the one-time elimination of restructuring and business development costs, resulting in overall cost reduction year to date.

Adjusted EBITDA

For the three months ended June 30, 2025, adjusted EBITDA loss amounted to \$1,016 as compared to \$1,230 for the three months ended June 30, 2024, representing a decreased loss of \$214. The year-over-year change was driven by savings in Corporate Payroll, SG&A, and Team Operations, partially offset by higher Roster and Team Payroll as well as movements in Other Income (Loss) and Adjustments. These adjustments—primarily restructuring and business development costs—were significantly higher in the prior year but did not outweigh the current period savings.

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For the six months ended June 30, 2025, adjusted EBITDA loss amounted to \$3,285 as compared to \$3,052 for the six months ended June 30, 2024, representing an increased loss of \$233. While restructuring and business development costs decreased significantly year to date, these items are added back in calculating adjusted EBITDA. As a result, increased Corporate Payroll costs to support the Company's expanding operations was the main driver in the loss year over year.

Net income (loss) after income taxes

For the three months ended June 30, 2025, net loss after income taxes amounted to \$2,966, as compared to net income after income taxes of \$6,424 for the three months ended June 30, 2024. The net loss is primarily attributable to the elimination of the gain in the net present value of franchise payables of \$9,838, which was recognized in the prior year period. This gain was a result of a restructuring of an agreement the Company had with the Call of Duty League on April 16, 2024.

For the six months ended June 30, 2025, net loss after income taxes amounted to \$6,642, as compared to a net income after income taxes of \$2,029, for the six months ended June 30, 2024. The major source of the net loss is the elimination of the gain in the net present value of franchise payables of \$9,838 resulting from the agreement with the Call of Duty League.

LIQUIDITY AND CAPITAL RESOURCES

Capital management

As of June 30, 2025, the Company had a working capital surplus of \$1,866 and used \$134 of cash in operating activities for the six months then ended. Based on the Company's current growth trajectory, management expects that additional funding will be required by the fourth quarter of the current fiscal year to support working capital needs and to fund expansion across its influencer agency business, live events, and new product initiatives such as *ActiveVoices*. These conditions indicate the existence of a material uncertainty that casts substantial doubt on the Company's ability to continue as a going concern.

The Company is debt free and expects to maintain financial flexibility by exploring a range of financing options over the next twelve months, including the potential establishment of operating lines of credit, equity or debt financings, and other available funding sources. Management reasonably expects these sources of liquidity will be available to satisfy both short-term and long-term obligations.

While the Company continues to work toward generating positive cash flows from operations, it will seek to remedy any working capital requirements through one or more of the funding measures noted above. Management has a track record of successfully raising capital to fund operations, growth initiatives, and acquisitions, and believes it can do so again if required.

The Company's objective in managing capital is to ensure sufficient liquidity to operate effectively, preserve capital, and deliver competitive returns on invested capital.

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The Company's liquidity and capital resources as at June 30, 2025, and December 31, 2024 were as follows:

	June 30, 2025	December 31, 2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Cash and cash equivalents	5,068	6,849
Total current assets	15,955	18,675
Total current liabilities	14,089	12,113
Working capital ³	1,866	6,562
Total assets	71,941	72,873
Total liabilities	23,061	21,271

Cash flows

	June 30, 2025	June 30, 2024
<i>(In thousands of Canadian dollars)</i>	\$	\$
Cash flow used in operating activities	(134)	(7,460)
Cash flow used in financing activities	(1,385)	(1,192)
Cash flow from (used) in investing activities	70	4,285
Decrease in cash and cash equivalents	(1,449)	(4,367)
Cash and cash equivalents, beginning of period	6,849	13,933
Effect of exchange rate changes on cash and cash equivalents	(332)	(373)
Cash and cash equivalents, end of period	5,068	9,193

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.

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.

³ Working capital is a non-IFRS measure and defined as "Current assets less current liabilities."

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For the six months ended June 30, 2025, the Company recognized a foreign exchange loss of \$282 (six months ended June 30, 2024 - loss of \$973) primarily due to the depreciation/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	June 30, 2025	December 31, 2024
Cash	\$ 206	\$ 269
Receivables	1,765	4,586
Payables	(948)	(981)
Net consolidated statement of financial position exposure	\$ 1,023	\$ 3,874

EUR	June 30, 2025	December 31, 2024
Cash	€ 1,846	€ 1,961
Receivables	3,753	2,852
Payables	(3,511)	(3,850)
Net consolidated statement of financial position exposure	€ 2,088	€ 963

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 six months ended June 30, 2025, four major customers each representing more than 10% of consolidated revenues, in aggregate make up 57% of trade receivables as at June 30, 2025 (42% of trade receivables as at December 31, 2024). Ongoing credit evaluation is performed on the financial condition of trade receivables. The Company has not recognized an allowance for doubtful accounts in 2025 or 2024 based on its ongoing evaluation of the credit risk for uncollected receivables.

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At June 30, 2025, the aging of trade receivables that were not impaired were as follows:

	June 30, 2025	December 31, 2024
Neither past due nor impaired	\$ 7,380	\$ 9,356
Past due 1-30 days	365	150
Past due 31-90 days	666	11
Past due > 90 days	136	409
	\$ 8,547	\$ 9,926

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's ability to generate positive cash flows from operations and to raise future capital is subject to uncertainty and the inability to generate positive cash flows from operations and raise such capital may have an adverse impact on the Company's ability to meet obligations and continue as a going concern. Refer to Note 2(a)(iii) of the condensed consolidated interim financial statements for the three and six months ended June 30, 2025.

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 includes the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay as of June 30, 2025.

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	> 2 years
Trade payable and accrued					
Liabilities	\$ 7,552	\$ 7,552	\$ 7,552	\$ -	\$ -
Lease liabilities	3,078	3,206	1,416	545	1,245
Long-term debt	596	666	319	170	177
	\$ 11,226	\$ 11,424	\$ 9,287	\$ 715	\$ 1,422

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OFF BALANCE SHEET ARRANGEMENTS

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

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.

RELATED PARTY TRANSACTIONS

In 2024, the Company made a payment of \$782 to Harlo Capital in relation to its construction in progress asset related to the arena initiative. Harlo Capital is an investment firm jointly held in part by Kimel family board members of OverActive Media Corp. As such, Harlo Capital is considered a related party to OverActive Media Corp. The transaction was conducted in the normal course of business and was recorded at book value. No such transaction was made during the six-month period ended June 30, 2025.

On March 1, 2024, the Company acquired Team Randomk Esports S.L. (operating as "Movistar Riders"). The Company inherited Movistar Riders' existing debt, which includes 3 shareholder loans with certain members of the Board totalling \$163 (EUR 112) and measured at an effective interest rate of 11.64%. \$47 principal payments were made during the three-month period ended June 30, 2025 (June 30, 2024 - \$44).

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 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 teams, 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.

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STOCK-BASED COMPENSATION

The purpose of the Company's Omnibus Equity Incentive 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 and is authorized to issue stock option units, restricted stock units ("RSU"), deferred stock units ("DSU") and performance share unit ("PSU"). The total number of common shares reserved for issuance pursuant to awards granted under the Plan and all other security-based compensation outstanding under the legacy Stock Option Plan shall not exceed 10% of the issued and outstanding common shares from time to time.

The following reconciles the number of RSUs outstanding as of June 30, 2025, and December 31, 2024:

	June 30, 2025	December 31, 2024
Beginning balance	4,183	4,342
Granted	-	2,400
Exercised	(1,046)	(400)
Forfeited	-	(2,159)
Ending balance	3,137	4,183

For the three and six months ended June 30, 2025, the Company recorded share-based compensation of \$142 and \$279, respectively (for the three and six months ended June 30, 2024 – \$19 and \$39 respectively) related to its RSUs.

The following reconciles the number of DSUs outstanding as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Beginning balance	1,210	560
Granted	-	650
Exercised	(80)	-
Forfeited	(77)	-
Ending balance	1,053	1,210

For the three and six months ended June 30, 2025, the Company recorded share-based compensation of \$25 and \$60, respectively (for the three and six months ended June 30, 2024 – \$16 and \$32 respectively) related to its DSUs.

OverActive Media Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2025, and 2024

The following reconciles the number of share-based awards available for grant under the Plan as of June 30, 2025, and December 31, 2024:

	June 30, 2025	December 31, 2024
Options available for grant, beginning of the period	5,693	369
Granted	-	-
Forfeited	110	3,874
Increase due to shares issued in acquisitions	-	4,500
	5,803	8,743
Other share-based awards granted during the period:		
RSUs	-	(2,400)
DSUs	-	(650)
Share-based awards available for grant, end of the period	5,803	5,693

Options generally expire ten years following the grant date.

A summary of the status of the options outstanding as at June 30, 2025 is presented below:

	June 30, 2025	
	Number of options	Weighted average exercise price
Beginning of period, options outstanding	820	\$ 2.11
Granted	-	-
Exercised	-	-
Exchanged to RSUs	-	-
Forfeited	(33)	0.22
Balance, end of period	787	\$ 2.15
Exercisable, end of period	776	\$ 2.17

For the three and six months ended June 30, 2025, the Company recorded share-based compensation (recovery) of \$nil and \$1 respectively (three and six months ended June 30, 2024 - recovery of \$261 and \$317 respectively).

Unrecognized stock-based compensation expense as of June 30, 2025 relating to stock option plans was \$467 (June 30, 2024 - \$147). The unrecognized portion will be recognized to net income over the remainder of their respective vesting periods.

OverActive Media Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2025, and 2024

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. As at June 30, 2025, and December 31, 2024, there were no preferred shares issued and outstanding.

A summary of the Company's shares issued and outstanding is as follows:

	Number of common shares		Total amount net of issuance
December 31, 2023	80,308	\$	133,638
Shares issued in acquisitions	45,000		15,245
Stock options exercised	28		—
RSUs vested and exercised	400		—
Shares repurchased	(200)		—
December 31, 2024	125,536	\$	148,883
RSUs and DSUs vested and exercised	906		—
June 30, 2025	126,442	\$	148,883

CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Refer to the 2024 annual MD&A and the 2024 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 results of operations.

OverActive Media Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2025, and 2024

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 long-term 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 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 cannot guarantee absolute protection against cyber attacks or other breaches of network or IT systems ;

OverActive Media Corp.

Management Discussion and Analysis

For the three and six months ended June 30, 2025, and 2024

- The Company cannot guarantee that it will be able to successfully develop its proposed entertainment facility in Toronto;
- If research analysts do not publish research about the Company's business or if they issue unfavourable commentary or downgrade the Company's Shares, the Company's stock price and trading volume could decline;
- The Company does not intend to pay dividends 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 Company's Shares;
- The Company may invest or spend 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 Company's Shares;
- The Company cannot be certain of the longevity or the success of the various esports leagues in which the Company owns franchises; and
- General risks and uncertainties arising out of adverse economic changes.