



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR THREE MONTHS ENDED JANUARY 31, 2023



REPORT TO STOCKHOLDERS

Three Months Ended January 31, 2023 (Q1)

The Board of Directors of Main Event Entertainment Group Limited presents the Company's unaudited financial statements for the quarter ended January 31, 2023 (Q1).

Performance Highlights:

	Quarter Ended January 31, 2023	Quarter Ended January 31, 2022	1st Quarter Year Over Year		Audited, Year Ended October 31, 2022
			\$	%	
Revenues	\$ 626.987 M	\$ 201.716 M	\$ 425.271 M	211%	\$ 1,549.003 M
Gross Profit	\$ 312.611 M	\$ 78.997 M	\$ 233.614 M	296%	\$ 754.822 M
Net Profit	\$ 117.949 M	\$ (40.643) M	\$ 158.592 M	390%	\$ 151.249 M
Earnings Per Share (EPS)	39 cents	(14) cents	53 cents	379%	50 cents
Total Assets	\$ 1,173.966 M	\$ 824.758 M	\$ 349.208 M	42%	\$ 1,094.673 M
Shareholder's Equity	\$ 788.946 M	\$ 509.105 M	\$ 279.841 M	55%	\$ 670.997 M

The company's operations produced a net profit of \$117.949M for the quarter ended January 31, 2023. These results represent an improvement over the net loss of \$40.643 million suffered in the corresponding period in January 2022.

For the first quarter ended January 31, 2023, revenue amounted to \$626.987M and represents a 211% increase over the 201.716M earned at the end of January 2022. This marks the second largest quarterly performance and the strongest ever January performance. The company's performance continues to be driven by the resurgence of entertainment, promotional and marketing activities, following a return to pre-covid market conditions.

Continuing with our emphasis on operational efficiency and cost containment efforts, gross profit for the quarter was \$312.611M. Compared to January 2022, this represents an increase of 296%, and importantly, saw our gross margins improve to 50%, up from 39% in the corresponding period. In addition to our operational efficiency and cost containment efforts, the company benefited from improvement in sales activities from revenue streams that requires little external support.

REPORT TO STOCKHOLDERS
Three Months Ended January 31, 2023 (Q1)

Cont'd

Administrative and general expenses for the quarter increased by 57% or \$66.594M over the corresponding period. This increase was primarily driven by increased execution activities and the resulting associated costs. Increased staff costs resulting from bolstering of our staff complement, automobile related expenses, advertising and promotions activities accounted for 87% of the \$66.5M increase.

Finance costs show a 26% decline to \$2.519 million for the quarter, as the company continue to benefit from reduced debt exposure. Taxation charges show a large increase of \$12.321 million over the corresponding quarter. It is important to note that the company benefited from its final quarter of 100% tax remission at the end of January 2022.

The company's asset base grew by \$349.208M or 42% to \$1,173.966M, compared to \$824.758M at January 31, 2022. This solid performance was driven primarily by increases in receivables of \$154,456M% or 114%; and cash and short-term deposits of \$198.915M or 90%. This shows a strong performance in business activities since the end of January 2022. These business activities lead to cash generated from operating activities of \$155.823M versus the \$43.802M generated in the quarter of the corresponding period.

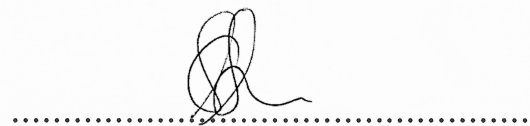
Current liabilities have increased to \$305.906M or 48%. This also highlights the increase in business activities and is in line with our forecasts. Loans and lease liabilities decreased by \$31.340M or 21% as the company continues its debt-reduction strategy.

We are grateful to our entire team, who continue to be the driving force behind our strong recovery and success. It is their hard work, creativity and dedication that enables us to deliver phenomenal experiences.

Thanks to our customers for their support and loyalty, and to suppliers, who continue to positively impact the way we work, through co-operation, coordination, and agile responsiveness. We also want to thank you, our shareholders, for your continuing support, your confidence and above all your faith in us.



.....
Dr. Ian Blair
Chairman, Finance Committee



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Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

MAIN EVENT ENTERTAINMENT GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

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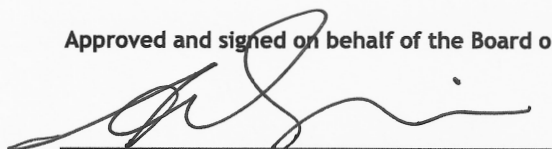
MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

	Unaudited Three (3) Months January 31, 2023 \$'000	Unaudited Three (3) Months January 31, 2022 \$'000	Audited Year ended October 31, 2022 \$'000
REVENUE	626,987	201,716	1,549,003
Direct expenses	<u>(314,376)</u>	<u>(122,719)</u>	<u>(794,181)</u>
Gross profit	312,611	78,997	754,822
Other operating income	<u>3,047</u>	<u>66</u>	<u>2,540</u>
	315,658	79,063	757,362
EXPENSES			
Administrative and general	144,153	83,780	(446,810)
Selling and promotion	6,517	1,404	(9,787)
Depreciation	30,497	28,770	(109,728)
Amortisation	2,487	3,106	(12,425)
	<u>183,654</u>	<u>117,060</u>	<u>(578,750)</u>
OPERATING PROFIT	132,004	(37,997)	178,612
Finance costs	<u>(2,519)</u>	<u>(3,404)</u>	<u>(11,387)</u>
PROFIT BEFORE TAXATION	129,485	(41,401)	167,225
Taxation	<u>(11,536)</u>	<u>758</u>	<u>(15,976)</u>
Net profit	117,949	(40,643)	151,249
Other Comprehensive Income:			
	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME	<u><u>117,949</u></u>	<u><u>(40,643)</u></u>	<u><u>151,249</u></u>
Earnings per share for profit attributable to the equity holders of the company:			
Number of shares	300,005	300,005	300,005
Earnings per share	<u><u>0.39</u></u>	<u><u>(0.14)</u></u>	<u><u>0.50</u></u>

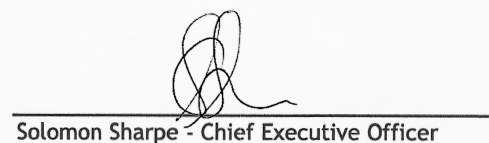
MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT JANUARY 31, 2023

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	350,513	431,092	376,679
Deferred tax asset	2,213	3,127	2,213
Deposit - long term	21,928	-	21,928
Right of use assets	27,355	9,319	29,842
	<u>402,009</u>	<u>443,538</u>	<u>430,662</u>
CURRENT ASSETS:			
Receivables	290,198	135,742	355,737
Due from related parties	61,432	21,912	29,527
Taxation recoverable	-	2,154	-
Deposit - short term	153,148	-	150,814
Cash and bank balances	267,179	221,412	127,933
	<u>771,957</u>	<u>381,220</u>	<u>664,011</u>
Total Assets	<u><u>1,173,966</u></u>	<u><u>824,758</u></u>	<u><u>1,094,673</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	103,652	103,652	103,652
Retained earnings	685,294	405,453	567,345
	<u>788,946</u>	<u>509,105</u>	<u>670,997</u>
Non-current Liabilities			
Long term loans	60,983	104,851	68,564
Lease liabilities	18,131	4,022	22,818
	<u>79,114</u>	<u>108,873</u>	<u>91,382</u>
Current Liabilities			
Payables	205,222	154,422	248,829
Due to related parties	37,313	12,514	34,492
Taxation payable	25,110	-	13,627
Current portion of loans	23,622	22,885	21,768
Current portion of lease liabilities	14,639	16,959	13,578
	<u>305,906</u>	<u>206,780</u>	<u>332,294</u>
Total Equity and Liabilities	<u><u>1,173,966</u></u>	<u><u>824,758</u></u>	<u><u>1,094,673</u></u>

Approved and signed on behalf of the Board on March 15, 2023 by:



Dr. Ian Blair - Chairman, Finance Committee



Solomon Sharpe - Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT OCTOBER 31, 2022	103,652	567,345	670,997
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	117,949	117,949
BALANCE AT JANUARY 31 2023	<u>103,652</u>	<u>685,294</u>	<u>788,946</u>
BALANCE AT OCTOBER 31, 2021	103,652	446,096	549,748
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	(40,643)	(40,643)
BALANCE AT JANUARY 31 2022	<u><u>103,652</u></u>	<u><u>405,453</u></u>	<u><u>509,105</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

	Unaudited Three (3) Months January 31, 2023 \$'000	Unaudited Three (3) Months January 31, 2022 \$'000	Audited Year ended October 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	117,949	(40,643)	151,249
Items not affecting cash resources -			
Depreciation	30,497	28,770	109,728
Interest expense	2,519	3,404	11,387
Interest income	(3,047)	(66)	(1,223)
Exchange (gain)/loss on foreign balances	(868)	(1,075)	276
Taxation expense	11,536	(758)	15,976
Right-of-use amortisation	2,487	3,106	12,425
(Gain)/loss on disposal of assets	-	-	(425)
Operating cash flows before movements in working capital	161,073	(7,262)	299,393
Changes in operating assets and liabilities			
Receivables	65,539	(39,895)	(259,890)
Related party balances	(29,084)	10,898	25,261
Payables	(41,705)	9,176	173,897
Deferred revenues	-	71,048	-
	155,823	43,965	238,661
Taxation paid	-	(162)	(201)
Cash provided by operating activities	155,823	43,803	238,460
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(4,331)	(5,469)	(32,017)
Proceeds from disposal of property, plant and equipment	-	450	426
Interest received	713	66	-
Long term deposit	-	-	(21,519)
Short term deposit	-	-	(150,000)
Cash (used in) / provided by investing activities	(3,618)	(4,953)	(203,110)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan repayments	(7,581)	(5,565)	(42,968)
Lease repayments	(4,300)	(3,963)	(19,268)
Interest paid	(1,895)	(3,404)	(10,660)
Dividends paid	-	-	(30,000)
Cash used in financing activities	(13,776)	(12,932)	(102,896)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	138,429	25,918	(67,546)
Exchange gain on foreign cash balances	817	472	457
Cash and cash equivalents at beginning of year	127,933	195,022	195,022
CASH AND CASH EQUIVALENTS AT END OF PERIOD	267,179	221,412	127,933

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Main Event Entertainment Group Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 7-9 Ardenne Road, Unit 2, Kingston 10.
- (b) The principal activities of the company are to carry on the business of entertainment promoter, agent and manager.
- (c) The company is a subsidiary of MEEG Holdings, a company incorporated and domiciled in Saint Lucia.
- (d) The company was listed on the Junior Market of the Jamaica Stock Exchange on 8 February 2017.

2. REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operated ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared in accordance with requirements of the Jamaican Companies Act.

All policies are consistent with those presented in the last audited financial statements.

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

4. MOVEMENT IN FIXED ASSETS:

	<u>Equipment</u>	<u>Building</u>	<u>Leasehold Improvements</u>	<u>Furniture & Fixtures</u>	<u>Computer Equipment</u>	<u>Audio & Filming Equipment</u>	<u>Rentals, Décor & Tent Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At Cost/Valuation									
Beginning of period	321,677	40,610	5,028	12,145	67,969	550,926	137,284	89,421	1,225,060
Current period additions	<u>1,486</u>	<u>-</u>	<u>268</u>	<u>-</u>	<u>-</u>	<u>2,007</u>	<u>570</u>	<u>-</u>	<u>4,331</u>
End of Period	<u>327,031</u>	<u>40,610</u>	<u>5,296</u>	<u>12,145</u>	<u>67,969</u>	<u>552,933</u>	<u>137,854</u>	<u>89,421</u>	<u>1,229,391</u>
Accumulated Depreciation									
Beginning of period	246,960	5,310	2,045	7,583	55,840	373,512	95,265	61,866	848,381
Charge for period	<u>7,972</u>	<u>354</u>	<u>223</u>	<u>240</u>	<u>1,678</u>	<u>10,661</u>	<u>5,820</u>	<u>3,549</u>	<u>30,497</u>
End of period	<u>257,974</u>	<u>5,664</u>	<u>2,268</u>	<u>7,823</u>	<u>57,518</u>	<u>384,173</u>	<u>101,085</u>	<u>65,415</u>	<u>878,878</u>
Net Book Value									
End of period	<u>69,057</u>	<u>34,946</u>	<u>3,028</u>	<u>4,322</u>	<u>10,451</u>	<u>168,760</u>	<u>36,769</u>	<u>24,006</u>	<u>350,513</u>
End of prior period	<u><u>74,717</u></u>	<u><u>35,300</u></u>	<u><u>2,983</u></u>	<u><u>4,562</u></u>	<u><u>12,129</u></u>	<u><u>177,414</u></u>	<u><u>42,019</u></u>	<u><u>27,555</u></u>	<u><u>376,679</u></u>

Assets are depreciated on the straight line basis to depreciate items over their useful lives.

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

5. SHARE CAPITAL:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
Authorized ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
Issued ordinary shares of no par value	<u>103,652</u>	<u>103,652</u>	<u>103,652</u>
	# of shares	# of shares	# of shares
Authorized ordinary shares of no par value	<u>320,004,000</u>	<u>320,004,000</u>	<u>320,004,000</u>
Issued ordinary shares of no par value	<u>300,005,000</u>	<u>300,005,000</u>	<u>300,005,000</u>

6. LOANS:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
National Commercial Bank - Amortised Loan	-	20,830	-
Sagicor Bank Jamaica Limited - JMD Loan	<u>84,605</u>	<u>106,906</u>	<u>90,332</u>
	84,605	127,736	90,332
Less Current portions	<u>(23,622)</u>	<u>(22,885)</u>	<u>(21,768)</u>
Non-Current portions	<u>60,983</u>	<u>104,851</u>	<u>68,564</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

7. LEASES:**i) Amounts recognized in the statement of financial position**

The statement of financial position shows the following amount relating to leases:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
Right-of-use assets:			
Buildings	27,355	9,319	29,842
Property, plant and equipment:			
Motor vehicles acquired under finance lease	<u>9,410</u>	<u>12,260</u>	<u>10,574</u>
	<u><u>36,765</u></u>	<u><u>21,579</u></u>	<u><u>40,416</u></u>
Lease liabilities:			
Current portion	14,639	16,959	13,578
Non-current portion	<u>18,131</u>	<u>4,022</u>	<u>22,818</u>
	<u><u>32,770</u></u>	<u><u>20,981</u></u>	<u><u>36,396</u></u>

ii) Amounts recognized in the statement of profit or loss:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2021 \$'000
Amortisation charge of right-of-use assets:			
Buildings	2,486	3,106	12,425
Motor vehicles	<u>1,164</u>	<u>742</u>	<u>2,429</u>
	<u><u>3,650</u></u>	<u><u>3,848</u></u>	<u><u>14,854</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

8. PAYABLES:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
Trade payables	70,995	47,824	53,753
GCT payables	12,329	7,645	29,110
Statutory payables	9,567	2,581	6,562
Accruals and other payables	63,666	23,580	74,555
Deferred income	18,680	70,169	63,055
Credit card payables	29,985	2,623	21,794
	<u>205,222</u>	<u>154,422</u>	<u>248,829</u>

9. TAXATION EXPENSE:

- (a) Taxation is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%.

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
Current taxation	11,536	-	15,820
Deffered tax	-	(758)	156
	<u>11,536</u>	<u>(758)</u>	<u>15,976</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDED JANUARY 31, 2023 (Q1)

9. TAXATION EXPENSE (CONT'D):

- (b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate of 25%, as follows:

	Unaudited January 31, 2023 \$'000	Unaudited January 31, 2022 \$'000	Audited October 31, 2022 \$'000
Profit before taxation	<u>132,004</u>	<u>(41,401)</u>	<u>167,225</u>
Tax calculated at 25%	33,001	(10,350)	41,806
Expenses not deductible for tax purposes	7,409	8,345	29,467
Remission of taxes (note (c) below)	(16,480)	12,247	(11,300)
Net effect of other charges and allowances	<u>(12,394)</u>	<u>(10,999)</u>	<u>(43,997)</u>
Taxation charge	<u><u>11,536</u></u>	<u><u>(758)</u></u>	<u><u>15,976</u></u>

- (C) Remission of income tax:

On 8 February 2017, the company's shares were listed on the Junior Market of the Jamaica Stock Exchange. Consequently, the company is entitled to a remission of income tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

Years 1 to 5 100%

Years 6 to 10 50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.