



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR THREE MONTHS ENDED JANUARY 31, 2022



REPORT TO STOCKHOLDERS

Three Months Ended January 31, 2022 (Q1)

The Board of Directors of Main Event Entertainment Group Limited presents the Company's unaudited financial statements for the period ended January 31, 2022 (Q1).

Performance Highlights:

	Three (3) Months January 31, 2022	Three (3) Months January 31, 2021	Year Over Year		Audited, Year Ended October 31, 2021
			\$	%	
Revenues	\$ 201.716 M	\$ 175.838 M	\$ 25.878 M	15%	\$ 758.393 M
Gross Profit	\$ 78.997 M	\$ 110.729 M	\$ (31.732) M	-29%	\$ 454.388 M
Net Profit / (Loss)	\$ (40.643) M	\$ 8.073 M	\$ (48.716) M	-603%	\$ 16.138 M
Earnings Per Share (EPS)	(14) cents	3 cents	(17) cents	-620%	5 cents
Total Assets	\$ 824.758 M	\$ 860.504 M	\$ (35.746) M	-4%	\$ 791.255 M
Shareholder's Equity	\$ 509.105 M	\$ 541.683 M	\$ (32.578) M	-6%	\$ 549.748 M

The results reflect the persisting volatilities faced by our business in this ongoing pandemic. Operations have resulted in a net loss of \$40.643 million, following a quarter of mixed opportunities and elevated operating costs.

We began the year with strong, positive energy. November, in particular, offered a promising start with encouraging client interest for core services. Total revenues in the current quarter reflect this trend toward improvement, having increased by 15%, or \$25.878 million over the same period in 2021. The total of \$201.716 million also shows a 21% growth over the fourth quarter of 2021.

The positive trends and conditions changed, however, with the emergence of the Omicron variant by mid-December. The re-imposition of restrictive measures brought immediate and sharp declines in demand for services, and we faced multiple requests to scale back or defer holiday season projects. In some instances, planning and preparatory work had already begun, and certain costs already incurred. Such sunken costs have contributed to elevated operating costs this quarter.

REPORT TO STOCKHOLDERS
Three Months Ended January 31, 2022 (Q1)

Cont'd

The revenue earned in the latter half of the quarter came primarily from low contact, facilitation type executions. Such projects are viewed as a necessary way to maintain our contact with and relevance to our customers throughout this period. Client-assistance services are offered with very limited mark-up being passed to the customers. The impact this quarter is very visible in the gross margins realized. The current quarter gross profits of \$78.997 million represents a 29% decline from \$110.729 million earned in the prior year. The gross margin of 39% is considerably below the 63% reported in the prior year, where recurring digital signage services were the stronger contributors to the performance.

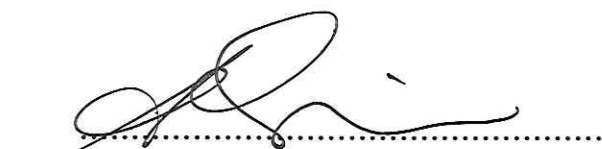
The net loss of \$40.643 million this quarter reflects a \$48.816 million decline in profitability year over year, from a profit of \$8.073 million last year. Administrative and general expenses are up 15% to \$117.060 million this quarter, from \$101.410 million last quarter and compared to \$101.368 million last year. The increase in administrative and general expenses is primarily attributable to increases in salaries and logistics and travel costs.

The balance sheet as at January 31, 2022 remains stable, with total assets of \$824.758 million. This is a 4% decline from the previous quarter. Total assets include \$135.742 million in receivables, and \$221.412 million in cash and cash equivalents. Of particular note, current liabilities as at January 31, 2022 include \$71.047 million in client billing which has been deferred to future periods. These funds have been collected from our customers and have boosted the cash balance at the reporting date.

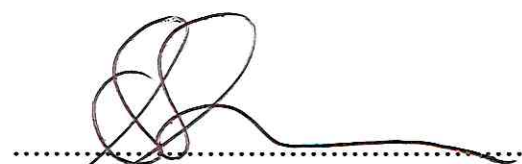
The Company has generated \$43.802 million in positive cash flow from operations this quarter. This was partially offset by financing activities of \$12.931 million and \$4.953 million in investing activities. The resulting increase in cash and cash equivalents is \$25.918 million. We are grateful for the continuing growth in cash resources over this period.

We are grateful also for our team, who again extended themselves in order to care of our customers while being there for each other. We wish to extend special commendations to each of them, for once again being nimble, and levelling up to the new challenges.

In closing, we thank you, our stakeholders for your continued support. We can affirm that our confidence remains strong. The lifting of COVID-19 restrictions on the entertainment industry now seems imminent. While trends and conditions are difficult to predict, we are eager to restore interest following this latest setback.



Dr. Ian Blair
Chairman, Finance Committee



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

THREE (3) MONTHS ENDING JANUARY 31, 2022 (Q1)

MAIN EVENT ENTERTAINMENT GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDING JANUARY 31, 2022 (Q1)

CONTENTS

	Page(s)
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF COMPREHENSIVE INCOME	2
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS	5 - 8

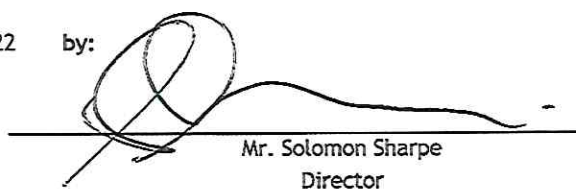
MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT JANUARY 31, 2022

	Unaudited January 31, 2022 \$'000	Unaudited January 31, 2021 \$'000	Audited October 31, 2021 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	431,092	546,766	454,391
Deferred tax asset	3,127	3,817	2,369
Right of use assets	9,319	49,633	12,425
	<u>443,538</u>	<u>600,216</u>	<u>469,185</u>
CURRENT ASSETS:			
Receivables	135,742	77,359	95,847
Due from related parties	21,912	17,810	29,209
Taxation recoverable	2,154	1,158	1,992
Cash and bank balances	221,412	163,961	195,022
	<u>381,220</u>	<u>260,288</u>	<u>322,070</u>
Total Assets	<u><u>824,758</u></u>	<u><u>860,504</u></u>	<u><u>791,255</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	103,652	103,652	103,652
Retained earnings	405,453	438,031	446,096
	<u>509,105</u>	<u>541,683</u>	<u>549,748</u>
Non-current Liabilities			
Related party loans	-	20,053	-
Loans	104,851	103,348	110,415
Lease liabilities	4,022	47,538	8,136
	<u>108,873</u>	<u>170,939</u>	<u>118,551</u>
Current Liabilities			
Payables	83,375	79,373	74,199
Deferred revenues	71,047	-	-
Due to related parties	12,514	7,397	8,913
Bank overdraft	-	1,888	-
Current portion of loans	22,885	38,760	22,885
Current portion of lease liabilities	16,959	20,464	16,959
	<u>206,780</u>	<u>147,882</u>	<u>122,956</u>
Total Equity and Liabilities	<u><u>824,758</u></u>	<u><u>860,504</u></u>	<u><u>791,255</u></u>

Approved and signed on behalf of the Board on March 17, 2022


Dr. Ian Blair
Director

by:


Mr. Solomon Sharpe
Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2022 (Q1)

	Unaudited Three (3) Months January 31, 2022 \$'000	Unaudited Three (3) Months January 31, 2021 \$'000	Audited Year ended October 31, 2021 \$'000
REVENUE	201,716	175,838	758,393
Direct expenses	<u>(122,719)</u>	<u>(65,109)</u>	<u>(304,005)</u>
Gross profit	78,997	110,729	454,388
Other operating income	<u>66</u>	<u>16</u>	<u>2,193</u>
	79,063	110,745	456,581
EXPENSES			
Administrative and general	83,780	63,723	279,480
Selling and promotion	1,404	829	4,436
Depreciation	28,770	31,641	121,989
Amortisation	3,106	5,175	17,821
	<u>117,060</u>	<u>101,368</u>	<u>423,727</u>
OPERATING PROFIT / (LOSS)	(37,997)	9,377	32,854
Finance costs	<u>(3,404)</u>	<u>(2,376)</u>	<u>(16,339)</u>
(LOSS) / PROFIT BEFORE TAXATION	(41,401)	7,001	16,515
Taxation	<u>758</u>	<u>1,072</u>	<u>(377)</u>
Net (loss) / profit	(40,643)	8,073	16,138
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>
NET (LOSS) / PROFIT, BEING TOTAL COMPREHENSIVE INCOME	<u><u>(40,643)</u></u>	<u><u>8,073</u></u>	<u><u>16,138</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>(0.14)</u></u>	<u><u>0.03</u></u>	<u><u>0.05</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2022 (Q1)

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT OCTOBER 31, 2021	103,652	446,096	549,748
TOTAL COMPREHENSIVE INCOME:			
Net loss	-	(40,643)	(40,643)
TRANSACTIONS WITH OWNERS:			
Dividends	-	-	-
BALANCE AT JANUARY 31, 2022	103,652	405,453	509,105
BALANCE AT OCTOBER 31, 2020	103,652	429,958	533,610
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	8,073	8,073
TRANSACTIONS WITH OWNERS:			
Dividends	-	-	-
BALANCE AT JANUARY 31, 2021	103,652	438,032	541,683

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2022 (Q1)

	Unaudited Three (3) Months January 31, 2022 \$'000	Unaudited Three (3) Months January 31, 2021 \$'000	Audited Year ended October 31, 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / profit	(40,643)	8,073	16,139
Items not affecting cash resources -			
Depreciation	28,770	31,641	121,990
Interest expense	3,404	2,376	16,339
Interest income	(66)	(15)	(1,676)
Exchange loss on foreign balances	(1,075)	344	289
Taxation expense	(758)	(1,072)	377
Right-of-use amortisation	3,106	5,175	17,821
Loss on disposal of assets	-	-	2,807
Operating cash flows before movements in working capital	(7,262)	46,522	174,086
Changes in operating assets and liabilities			
Receivables	(39,895)	(8,248)	(26,736)
Related party balances	10,898	(1,895)	(31,832)
Payables	9,176	5,760	586
Deferred revenues	71,047	-	-
	43,964	42,139	116,104
Taxation paid	(162)	-	(834)
Cash provided by operating activities	43,802	42,139	115,270
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(5,469)	-	(1,232)
Proceeds from disposal of property, plant and equipment	450	-	451
Interest received	66	15	1,676
Cash (used in) / provided by investing activities	(4,953)	15	895
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans received	-	-	122,610
Loan repayments	(5,565)	(3,442)	(134,428)
Lease repayments	(6,399)	(1,358)	(6,729)
Lease liabilities repayments	2,436	(5,116)	(18,090)
Interest paid	(3,404)	(2,376)	(16,339)
Cash used in financing activities	(12,932)	(12,292)	(52,976)
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,917	29,862	63,189
Exchange gain on foreign cash balances	472	89	(289)
Cash and cash equivalents at beginning of year	195,023	132,123	132,123
CASH AND CASH EQUIVALENTS AT END OF YEAR	221,412	162,074	195,023

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2022 (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 ENDING JANUARY 31, 2022 (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	313,142	40,610	4,648	12,101	61,628	547,640	132,154	84,160	1,196,083
Current period additions	-	-	163	44	-	-	-	5,262	5,469
Current period disposals	-	-	-	-	-	-	-	-	-
End of Period	<u>313,142</u>	<u>40,610</u>	<u>4,811</u>	<u>12,145</u>	<u>61,628</u>	<u>547,640</u>	<u>132,154</u>	<u>89,422</u>	<u>1,201,552</u>
Accumulated Depreciation									
Beginning of year	220,193	3,894	1,555	6,444	49,571	332,721	73,237	54,074	741,690
Charge for period	6,514	354	117	257	1,517	10,648	5,814	3,549	28,770
Disposals	-	-	-	-	-	-	-	-	-
End of period	<u>226,707</u>	<u>4,248</u>	<u>1,672</u>	<u>6,701</u>	<u>51,088</u>	<u>343,369</u>	<u>79,052</u>	<u>57,623</u>	<u>770,460</u>
Net Book Value									
End of period	<u>86,435</u>	<u>36,362</u>	<u>3,139</u>	<u>5,444</u>	<u>10,540</u>	<u>204,271</u>	<u>53,102</u>	<u>31,799</u>	<u>431,092</u>
End of prior period	<u>92,948</u>	<u>36,716</u>	<u>3,093</u>	<u>5,657</u>	<u>12,057</u>	<u>214,919</u>	<u>58,916</u>	<u>30,085</u>	<u>454,391</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 ENDING JANUARY 31, 2022 (Q1)

5. SHARE CAPITAL

	Unaudited January 31, 2022 \$'000	Unaudited January 31, 2021 \$'000	Audited October 31, 2021 \$'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, 2022 \$'000	Unaudited January 31, 2021 \$'000	Audited October 31, 2021 \$'000
MEEG Holdings Limited - Related Party Loan	-	20,053	-
National Commercial Bank - Amortised Loan	20,830	21,732	21,065
Sagicor Bank Jamaica Limited - USD Loan	-	120,375	-
Sagicor Bank Jamaica Limited - JMD Loan	106,906	-	112,235
	<u>127,736</u>	<u>162,161</u>	<u>133,300</u>
Less Current portion:	<u>(22,885)</u>	<u>(38,760)</u>	<u>(22,885)</u>
Non-Current portion	<u>104,851</u>	<u>123,401</u>	<u>110,415</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2022 (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, 2022 \$'000	Unaudited January 31, 2021 \$'000	Audited October 31, 2021 \$'000
Right-of-use assets:			
Buildings	9,319	49,633	12,425
Property, plant and equipment:			
Motor vehicles acquired under finance lease	12,260	18,765	13,003
	<u>21,579</u>	<u>68,398</u>	<u>25,428</u>
Lease liabilities:			
Current portion	16,959	20,464	16,959
Non-current portion	4,022	47,538	8,136
	<u>20,981</u>	<u>68,002</u>	<u>25,095</u>

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

	Unaudited January 31, 2022 \$'000	Unaudited January 31, 2021 \$'000	Audited October 31, 2021 \$'000
Depreciation charge of right-of-use assets:			
Buildings	3,106	5,175	17,821
Motor vehicles	742	990	4,534
	<u>3,848</u>	<u>6,165</u>	<u>22,355</u>