



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR THREE (3) MONTHS ENDED JANUARY 31, 2020 (Q1)



REPORT TO STOCKHOLDERS

Three (3) Months Ended January 31, 2020 (Q1)

The Board of Directors of Main Event Entertainment Group Limited is pleased to present the Company's audited financial statements for three months ending January 31, 2020.

Performance Highlights:

	Nine Months Ended January 31, 2020	Nine Months Ended January 31, 2019	Year Over Year		Audited, Year Ended October 31, 2018
			\$	%	
Revenues	\$ 598.142 M	\$ 457.687 M	\$ 140.455 M	31%	\$ 1,799.445 M
Gross Profit	\$ 272.683 M	\$ 197.117 M	\$ 75.566 M	38%	\$ 776.719 M
Net Profit	\$ 70.007 M	\$ 31.602 M	\$ 38.405 M	122%	\$ 97.336 M
Earnings Per Share (EPS)	23 cents	11 cents	12 cents	118%	32 cents
Total Assets	\$ 1,054.521 M	\$ 926.924 M	\$ 127.597 M	14%	\$ 1,029.688 M
Shareholder's Equity	\$ 648.845 M	\$ 554.591 M	\$ 94.254 M	17%	\$ 578.838 M

It has been a great start to the financial year. We are very pleased to report strong top and bottom line results for the first quarter of the 2020 fiscal year.

We have delivered another record first quarter, with our highest quarterly revenue ever of \$598.142 million. The Company has achieved revenue growth of \$140.455 million or 31% over the same period last year. This performance was fueled by strong growth in all areas of our business. We have continued to execute well, with continuing focus on ensuring only the highest service value for our customers. We are keen on maintaining current levels of success. We are approaching the upcoming quarters with caution, given the current global conditions.

During the quarter, we advanced our margin re-alignment project activities. We have made solid progress toward achieving the vision we have laid out for job efficiencies and process improvements. The gross margins have improved; and gross profits have grown by 38%, from \$197.117 million for the same period in 2019 to \$272.683 million in the current year.

REPORT TO STOCKHOLDERS

Three (3) Months Ended January 31, 2020 (Q1)

Cont'd

Administrative and general expenses have increased to \$197.270 million for the first quarter. This is a 22% increase relative to the previous year, with the more material increases coming from depreciation charges from our material capital investments in previous periods, salaries and related costs, transportation expenses and general office expenses. Cost savings were realized in legal and professional fees and advertising and promotions.

We remain pleased with the pace of improvements from an operational efficiency standpoint. Total administrative and general expenses represent 33% of revenues, compared to 35% of revenues in 2019. The finance charges and foreign currency adjustments associated with loan facilities were stable as a result of our ongoing risk management policies. Income tax expense represents deferred tax expense, and results from unfavorable accounting timing differences on depreciation and currency conversions.

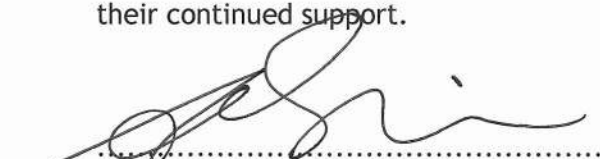
The Balance Sheet shows a \$127.597 million or 14% increase in total assets over the similar period last year. From a cash perspective, net available at end of the quarter amounted to \$100.782 million; compared to \$ 38.457 million in 2019. This positive result was driven by the increase in cash generated by operating activities. We generated positive operating cash flows of \$ 135.103 million in the current quarter, compared to \$39.510 for the same period in 2019. We are gratified with the utilization of cash from operations for the purchase of fixed assets this quarter. No new debt was added in the current period.

We have maintained our asset base. The \$37.586 million investment in new assets has been offset by depreciation charges of \$ 31.430 million. Our current asset base has been a key element in our strong performance this quarter. We have benefitted from high utilization rates and operating efficiencies.

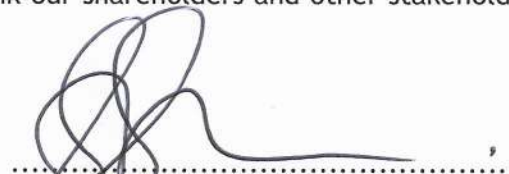
With profits and earnings per share increasing by over 100% this quarter, shareholder's equity has increased by 13% this quarter; and by 17% year over year to \$648.845 million.

This first quarter performance confirms the positive momentum in the execution of our strategy. We remain energized, with increased confidence in our direction and vision for our business. We look to continue to deliver solid revenue growth, strong profits and robust cash flow. We will continue to strategically balance the pace of asset investments with new initiatives, and ongoing cost reductions and efficiencies. We look to continue to execute effectively, and to creating value for our shareholders.

We would like to thank all employees and key associates across the Company for their hard work in delivering these strong results. We also wish to thank our shareholders and other stakeholders for their continued support.



.....
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 ENDING JANUARY 31, 2020 (Q1)

MAIN EVENT ENTERTAINMENT GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
THREE (3) MONTHS ENDING JANUARY 31, 2020 (Q1)

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MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT JANUARY 31, 2020

	Unaudited January 31, 2020 \$'000	Unaudited January 31, 2019 \$'000	Audited October 31, 2019 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	652,800	544,585	646,646
Deferred tax asset	1,169	5,881	2,508
	653,969	550,466	649,154
CURRENT ASSETS:			
Receivables	270,653	300,130	267,943
Due from related parties	21,360	10,671	44,192
Taxation recoverable	990	708	990
Cash and bank balances	107,549	64,949	67,409
	400,552	376,458	380,534
Total Assets	1,054,521	926,924	1,029,688
EQUITY AND LIABILITIES			
Equity			
Share capital	103,652	103,652	103,652
Retained earnings	545,193	450,939	475,186
	648,845	554,591	578,838
Non-current Liabilities			
Related party loans	28,189	62,736	33,115
Loans	124,354	85,250	137,808
Finance lease obligations	16,323	23,304	17,916
	168,866	171,290	188,839
Current Liabilities			
Payables	170,845	120,777	167,482
Due to related parties	14,219	12,227	8,925
Bank overdraft	6,767	26,492	44,658
Current portion of loans	38,839	35,447	34,588
Finance lease obligations	6,140	6,100	6,359
	236,810	201,043	262,011
Total Equity and Liabilities	1,054,521	926,924	1,029,688

Approved and signed on behalf of the Board on March 12, 2020 by:



Dr. Ian Blair
Director



Mr. Solomon Sharpe
Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2020 (Q1)

	Unaudited Quarter ended January 31, 2020 \$'000	Unaudited Quarter ended January 31, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
REVENUE	598,142	457,687	1,799,445
Direct expenses	<u>(325,459)</u>	<u>(260,570)</u>	<u>(1,022,726)</u>
Gross profit	272,683	197,117	776,719
Other operating income	<u>306</u>	<u>150</u>	<u>10,344</u>
	272,989	197,267	787,063
EXPENSES			
Administrative and general	161,618	129,996	533,263
Selling and promotion	4,222	5,955	16,878
Depreciation	31,430	25,911	116,909
	<u>197,270</u>	<u>161,862</u>	<u>667,050</u>
OPERATING PROFIT	75,719	35,405	120,013
Finance costs	<u>(4,374)</u>	<u>(3,803)</u>	<u>(19,304)</u>
PROFIT BEFORE TAXATION	71,345	31,602	100,709
Taxation	<u>(1,338)</u>	<u>-</u>	<u>(3,373)</u>
Net profit	70,007	31,602	97,336
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>70,007</u></u>	<u><u>31,602</u></u>	<u><u>97,336</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>0.23</u></u>	<u><u>0.11</u></u>	<u><u>0.32</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2020 (Q1)

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT OCTOBER 31, 2019	103,652	475,186	578,838
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	70,007	70,007
TRANSACTIONS WITH OWNERS:			
Dividends	-	-	-
BALANCE AT JANUARY 31, 2020	103,652	545,193	648,845
BALANCE AT OCTOBER 31, 2018	103,652	437,337	540,989
TOTAL COMPREHENSIVE INCOME:			
Net profit	-	31,602	31,602
TRANSACTIONS WITH OWNERS:			
Dividends	-	(18,000)	(18,000)
BALANCE AT JANUARY 31, 2019	103,652	450,939	554,591

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2020 (Q1)

	Unaudited Quarter ended January 31, 2020 \$'000	Unaudited Quarter ended January 31, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	70,007	31,602	97,336
Items not affecting cash resources -			
Depreciation	31,430	25,911	116,909
Interest expense	4,374	4,472	19,304
Interest income	(65)	(62)	(650)
Exchange loss / (gain) on foreign balances	4,166	3,708	3,126
Taxation expense	1,338	-	3,373
(Gain) / loss on disposal of property, plant and equipment	-	-	-
Operating cash flows before movements in working capital	111,250	65,631	239,398
Changes in operating assets and liabilities			
Receivables	(2,710)	16,859	6,888
Related party balances	23,200	(26,527)	(76,455)
Payables	3,363	(16,453)	30,251
	135,103	39,510	200,082
Taxation paid	-	-	(282)
Cash provided by operating activities	135,103	39,510	199,800
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(37,586)	(55,059)	(248,117)
Interest received	65	62	650
Cash used in investing activities	(37,521)	(54,997)	(247,467)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	-	-	(18,000)
Loans received	-	8,418	70,978
Finance lease	-	5,721	5,721
Loan repayments	(14,978)	(17,006)	(25,215)
Lease payments	(1,812)	(1,548)	(6,359)
Interest paid	(4,374)	(4,472)	(19,304)
Cash provided by financing activities	(21,164)	(8,888)	7,821
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	76,418	(24,375)	(39,846)
Exchange (gain) / loss on foreign cash balances	1,613	(2,220)	(2,455)
Cash and cash equivalents at beginning of year	22,751	65,052	65,052
CASH AND CASH EQUIVALENTS AT END OF YEAR	100,782	38,457	22,751

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
THREE (3) MONTHS ENDING JANUARY 31, 2020 (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 70-72 Lady Musgrave Road, 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, 2020 (Q1)

4. MOVEMENT IN FIXED ASSETS

	<u>Equipment</u>	<u>Building</u>	<u>Leasehold Improvements</u>	<u>Furniture & Fixtures</u>	<u>Rentals, Décor & Tent Fittings</u>	<u>Computer Equipment</u>	<u>Audio and Filming</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At Cost/Valuation									
Beginning of period	301,180	40,610	13,325	11,340	113,631	58,827	529,089	76,031	1,144,032
Current period Additions	5,087	-	285	539	16,916	2,475	8,671	3,614	37,586
Current period Disposals	-	-	-	-	-	-	-	-	-
End of Period	<u>306,267</u>	<u>40,610</u>	<u>13,610</u>	<u>11,880</u>	<u>130,546</u>	<u>61,301</u>	<u>537,760</u>	<u>79,644</u>	<u>1,181,618</u>
Accumulated Depreciation									
Beginning of year	137,567	1,062	3,693	4,527	27,394	34,925	247,574	40,644	497,386
Charge for period	10,804	354	337	240	5,254	1,984	10,485	1,972	31,430
Disposals	-	-	-	-	-	-	-	-	-
End of period	<u>148,371</u>	<u>1,416</u>	<u>4,030</u>	<u>4,767</u>	<u>32,648</u>	<u>36,909</u>	<u>258,059</u>	<u>42,616</u>	<u>528,816</u>
Net Book Value									
End of period	<u>157,896</u>	<u>39,194</u>	<u>9,580</u>	<u>7,113</u>	<u>97,898</u>	<u>24,392</u>	<u>279,701</u>	<u>37,028</u>	<u>652,800</u>
End of prior period	<u>163,613</u>	<u>39,548</u>	<u>9,632</u>	<u>6,813</u>	<u>86,237</u>	<u>23,902</u>	<u>281,515</u>	<u>35,386</u>	<u>646,646</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, 2020 (Q1)

5. SHARE CAPITAL	Unaudited January 31, 2020 \$'000	Unaudited January 31, 2019 \$'000	Audited October 31, 2019 \$'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 AND BORROWINGS	Unaudited January 31, 2020 \$'000	Unaudited January 31, 2019 \$'000	Audited October 31, 2019 \$'000
MEEG Holdings Limited - Related Party Loan	28,190	62,736	33,116
National Commercial Bank - Amortised Loan	22,541	23,268	22,730
Sagicor Bank Jamaica Limited - Finance Leases	22,463	29,404	24,275
Sagicor Bank Jamaica Limited - Other Loans	2,961	-	6,051
Sagicor Bank Jamaica Limited - USD Loan	<u>137,690</u>	<u>97,428</u>	<u>143,615</u>
	213,845	212,836	229,786
Less Current portions	<u>(44,979)</u>	<u>(41,546)</u>	<u>(40,947)</u>
Non-Current portions	<u>168,866</u>	<u>171,290</u>	<u>188,839</u>