



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR SIX(6) MONTHS ENDED APRIL 30, 2020 (Q2)



REPORT TO STOCKHOLDERS

Six (6) Months Ended April 30, 2020 (Q2)

The Board of Directors of Main Event Entertainment Group Limited is pleased to present the Company's unaudited financial statements for six months ending April 30, 2020.

Performance Highlights:

	Nine Months Ended April 30, 2020	Nine Months Ended April 30, 2019	Year Over Year		Audited, Year Ended October 31, 2019
			\$	%	
Revenues	\$ 884.805 M	\$ 895.829 M	\$ (11.023) M	-1%	\$ 1,799.445 M
Gross Profit	\$ 382.715 M	\$ 405.774 M	\$ (23.059) M	-6%	\$ 776.719 M
Net Profit	\$ 54.208 M	\$ 93.361 M	\$ (39.153) M	-42%	\$ 97.336 M
Earnings Per Share (EPS)	18 cents	31 cents	(13) cents	-42%	32 cents
Total Assets	\$ 940.359 M	\$ 1,050.485 M	\$ (110.126) M	-10%	\$ 1,029.688 M
Shareholder's Equity	\$ 606.045 M	\$ 616.350 M	\$ (10.305) M	-2%	\$ 578.838 M

This quarter's results show the onset of the economic impacts of the Covid-19 (Novel Corona) Virus on our business overall, the entertainment industry, and the world at large.

The strong growth momentum achieved in the first quarter was carried into the start of this second quarter. However, a drastic downturn in customer activities in the final six (6) weeks of the quarter has been the main driver of the shift in our financial performance. Revenues for the quarter have fallen short of our targets and reflect a decline of 35% or \$151.479 million year over year.

Of positive note, our revenue performance year to date shows only a 1% or \$11.023 million decline over the corresponding period last year. Revenues for the first six months of the current year was \$884.805 million as compared to \$895.829 million in 2019.

As we continue to navigate the Covid crisis, we anticipate this lull in revenue activity to persist throughout the third quarter. We are cautiously optimistic that some partial recovery can occur in the final quarter of the year as a number of rescheduled events are now slated for a staging between October and December 2020.

REPORT TO STOCKHOLDERS

Six (6) Months Ended April 30, 2020 (Q2)

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Cost management measures were introduced in March, 2020 to help mitigate for declining revenues. Measures have included cutbacks in most key operation costs during the final six (6) weeks of the quarter. We intend to continue to exercise cost discipline in the coming months. We continue to negotiate with key partners to manage and minimize our fixed costs.

We have sought to capitalize on this downtime by continuing refinements in our internal processes. We have been focused on strengthening our client relations and cash management. Our efforts have resulted in a marked reduction in receivables balances, which have decreased from \$267.943 million at the start of the current fiscal year to \$109.227 million at the end of the current quarter. Our efforts have necessitated taking some permanent write offs, but the reduced carrying value of receivables has also meant a reduction in the carrying value of the expected credit losses (ECL). The net effect was a \$24.180 million reversal in provisions for impairment in the current quarter, which has contributed positively to the Company's performance.

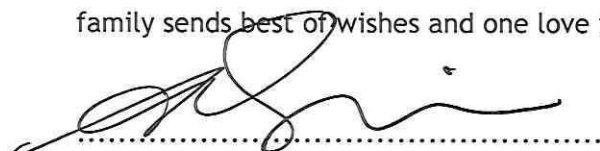
The Balance Sheet shows a \$110.126 million or 10% decline in total assets year over year, which is indicative of the contraction in business activity. Current assets have declined by 38%, while current liabilities show a 24% reduction. We have also paused asset investments since the onset of the pandemic. For the current year to-date, we have added \$57.957 million in equipment to our asset base, compared to \$102.947 for the same period last year.

Net cash available has increased from \$22.751 million at the start of the financial year to \$143.570 million at the end of the current quarter. The Company has generated \$241.463 million in cash flows from operations in the current year to date, which is \$169.104 million or 234% more than the \$72.359 million generated last year to date. We have taken steps to secure amended debt payment schedules to provide more flexibility in the months ahead. A dividend of 9 cents per share, was declared and paid in the current quarter.

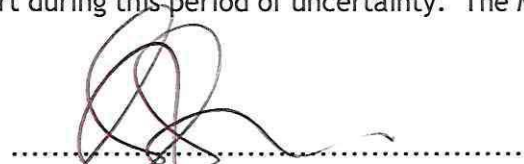
We are cautiously optimistic as we continue to assess the impact of the pandemic on our business. The full impact and duration of the pandemic are still unknown variables; and we accept that the road to recovery will be a challenging one given the Government of Jamaica's macro-economic projections. At this point, we are exploring possibilities and seeking avenues to offer more support and be of higher value to our customers, key partners, and our staff during this unprecedented period of business interruption.

We are currently re-assessing the appropriateness of our short to medium-term financial targets and will review and revise our plans and strategies accordingly. Our aim is to emerge from this as a more fortified business; better equipped to navigate the new normal ahead.

We thank our stakeholders for their continued support during this period of uncertainty. The MEEG family sends best of wishes and one love to all.



Dr. Ian Blair
Chairman, Finance Committee



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

MAIN EVENT ENTERTAINMENT GROUP LIMITED
UNAUDITED FINANCIAL STATEMENTS
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

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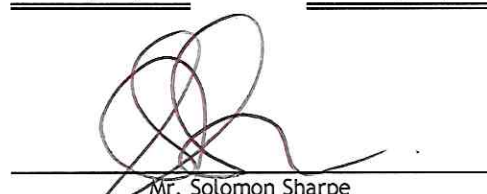
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MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
(unaudited)
AS AT APRIL 30, 2020

	Unaudited April 30, 2020 \$'000	Unaudited April 30, 2019 \$'000	Audited October 31, 2019 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	641,096	563,606	646,646
Deferred tax asset	1,604	5,881	2,508
	<u>642,700</u>	<u>569,487</u>	<u>649,154</u>
CURRENT ASSETS:			
Receivables	109,227	354,241	267,943
Due from related parties	28,656	28,350	44,192
Taxation recoverable	990	709	990
Cash and bank balances	158,786	97,698	67,409
	<u>297,659</u>	<u>480,998</u>	<u>380,534</u>
Total Assets	<u><u>940,359</u></u>	<u><u>1,050,485</u></u>	<u><u>1,029,688</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	103,652	103,652	103,652
Retained earnings	502,393	512,699	475,186
	<u>606,045</u>	<u>616,350</u>	<u>578,838</u>
Non-current Liabilities			
Related party loans	19,752	48,900	33,115
Loans	132,853	143,310	137,808
Finance lease obligations	13,952	21,460	17,916
	<u>166,557</u>	<u>213,670</u>	<u>188,839</u>
Current Liabilities			
Payables	115,070	124,061	167,482
Due to related parties	13,135	15,546	8,925
Bank overdraft	15,216	38,927	44,658
Current portion of loans	17,693	35,646	34,588
Finance lease obligations	6,643	6,285	6,359
	<u>167,757</u>	<u>220,465</u>	<u>262,011</u>
Total Equity and Liabilities	<u><u>940,359</u></u>	<u><u>1,050,485</u></u>	<u><u>1,029,688</u></u>

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


Dr. Ian Blair
Director


Mr. Solomon Sharpe
Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

	Unaudited Six (6) Months Ended April 30, 2020 \$'000	Unaudited Six (6) Months Ended April 30, 2019 \$'000	Unaudited Quarter Ended April 30, 2020 \$'000	Unaudited Quarter Ended April 30, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
REVENUE	884,805	895,829	286,663	438,142	1,799,445
Direct expenses	<u>(502,090)</u>	<u>(490,055)</u>	<u>(176,631)</u>	<u>(229,485)</u>	<u>(1,022,726)</u>
Gross profit	382,715	405,774	110,032	208,657	776,719
Other operating income	<u>383</u>	<u>6,636</u>	<u>77</u>	<u>6,486</u>	<u>10,344</u>
	383,098	412,410	110,109	215,143	787,063
EXPENSES					
Administrative and general	248,051	246,337	86,433	116,341	533,263
Selling and promotion	8,192	8,554	3,970	2,599	16,878
Depreciation	63,505	54,779	32,075	28,868	116,909
	<u>319,748</u>	<u>309,670</u>	<u>122,478</u>	<u>147,808</u>	<u>667,050</u>
OPERATING PROFIT	63,350	102,740	(12,369)	67,335	120,013
Finance costs	<u>(8,238)</u>	<u>(9,379)</u>	<u>(3,863)</u>	<u>(5,576)</u>	<u>(19,304)</u>
PROFIT BEFORE TAXATION	55,112	93,361	(16,232)	61,759	100,709
Taxation	<u>(904)</u>	<u>-</u>	<u>434</u>	<u>-</u>	<u>(3,373)</u>
Net profit	54,208	93,361	(15,798)	61,759	97,336
Other Comprehensive Income:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>54,208</u>	<u>93,361</u>	<u>(15,798)</u>	<u>61,759</u>	<u>97,336</u>
Earnings per share for profit attributable to the equity holders of the company:					
Number of shares	300,005	300,005	300,005	300,005	300,005
Earnings per share	<u>0.18</u>	<u>0.31</u>	<u>(0.05)</u>	<u>0.20</u>	<u>0.32</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
(unaudited)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

	Share Capital <u>\$'000</u>	Retained Earnings <u>\$'000</u>	Total <u>\$'000</u>
BALANCE AT OCTOBER 31, 2019	103,652	475,186	578,838
TOTAL COMPREHENSIVE INCOME:			
Net profit	<u>-</u>	<u>54,208</u>	<u>54,208</u>
TRANSACTIONS WITH OWNERS:			
Dividends	<u>-</u>	<u>(27,001)</u>	<u>(27,001)</u>
BALANCE AT APRIL 30, 2020	<u><u>103,652</u></u>	<u><u>502,393</u></u>	<u><u>606,045</u></u>
BALANCE AT OCTOBER 31, 2018	103,652	437,337	540,989
TOTAL COMPREHENSIVE INCOME:			
Net profit	<u>-</u>	<u>93,361</u>	<u>93,361</u>
TRANSACTIONS WITH OWNERS:			
Dividends	<u>-</u>	<u>(18,000)</u>	<u>(18,000)</u>
BALANCE AT APRIL 30, 2019	<u><u>103,652</u></u>	<u><u>512,698</u></u>	<u><u>616,350</u></u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

	Unaudited Six (6) Months Ended April 30, 2020 \$'000	Unaudited Six (6) Months Ended April 30, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	54,208	93,361	97,336
Items not affecting cash resources -			
Depreciation	63,505	54,779	116,909
Interest expense	8,237	9,379	19,304
Interest income	(132)	(144)	(650)
Exchange loss / (gain) on foreign balances	2,054	3,612	3,126
Taxation expense	904	-	3,373
(Gain) / loss on disposal of property, plant and equipment	-	-	-
Operating cash flows before movements in working capital	128,776	160,987	239,398
Changes in operating assets and liabilities			
Receivables	158,716	(37,252)	6,888
Related party balances	6,383	(38,207)	(76,455)
Payables	(52,412)	(13,169)	30,251
	241,463	72,359	200,082
Taxation paid	-	-	(282)
Cash provided by operating activities	241,463	72,359	199,800
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(57,957)	(102,947)	(248,117)
Interest received	132	144	650
Cash used in investing activities	(57,825)	(102,803)	(247,467)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(27,001)	(18,000)	(18,000)
Loans received	-	75,848	70,978
Finance lease	-	5,721	5,721
Loan repayments	(26,706)	(25,377)	(25,215)
Lease payments	(3,679)	(3,208)	(6,359)
Interest paid	(8,237)	(9,379)	(19,304)
Cash (used in) / provided by financing activities	(65,624)	25,604	7,821
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	118,014	(4,840)	(39,846)
Exchange loss / (gain) on foreign cash balances	2,805	(1,442)	(2,455)
Cash and cash equivalents at beginning of year	22,751	65,052	65,052
CASH AND CASH EQUIVALENTS AT END OF YEAR	143,570	58,770	22,751

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

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)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

4. MOVEMENT IN FIXED ASSETS

	<u>Equipment</u>	<u>Building</u>	<u>Leasehold</u>	<u>Furniture &</u>	<u>Rentals, Décor</u>	<u>Computer</u>	<u>Audio and</u>	<u>Motor</u>	<u>Total</u>
	\$	\$	Improvements	Fixtures	& Tent Fittings	Equipment	Filming	Vehicles	\$
At Cost/Valuation									
Beginning of period	301,180	40,610	13,325	11,340	113,631	58,827	529,089	76,031	1,144,033
Current period Additions	9,565	-	397	762	18,191	2,760	16,890	9,392	57,957
Current period Disposals	-	-	-	-	-	-	-	-	-
End of Period	310,745	40,610	13,722	12,102	131,822	61,587	545,979	85,422	1,201,989
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	21,286	708	680	481	11,007	4,045	21,096	4,201	63,505
Disposals	-	-	-	-	-	-	-	-	-
End of period	158,853	1,770	4,373	5,008	38,401	38,970	268,670	44,845	560,891
Net Book Value									
End of period	151,892	38,840	9,349	7,094	93,421	22,617	277,309	40,577	641,096
End of prior period	163,613	39,548	9,632	6,813	86,237	23,902	281,515	35,386	646,646

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)
SIX (6) MONTHS ENDING APRIL 30, 2020 (Q2)

5. SHARE CAPITAL

	Unaudited April 30, 2020 \$'000	Unaudited April 30, 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 April 30, 2020 \$'000	Unaudited April 30, 2019 \$'000	Audited October 31, 2019 \$'000
MEEG Holdings Limited - Related Party Loan	19,752	48,900	33,116
National Commercial Bank - Amortised Loan	22,346	23,093	22,730
Sagicor Bank Jamaica Limited - Finance Leases	20,595	27,745	24,275
Sagicor Bank Jamaica Limited - Other Loans	234	-	6,051
Sagicor Bank Jamaica Limited - USD Loan	<u>127,966</u>	<u>155,862</u>	<u>143,615</u>
	190,893	255,600	229,786
Less Current portions	<u>(24,336)</u>	<u>(41,930)</u>	<u>(40,947)</u>
Non-Current portions	<u>166,557</u>	<u>213,670</u>	<u>188,839</u>

7. DIVIDENDS AND DISTRIBUTIONS

	Unaudited April 30, 2020 \$'000	Unaudited April 30, 2019 \$'000	Audited October 31, 2019 \$'000
Declared and paid: \$0.09 per Ordinary share (2019: \$0.06)	<u>27,001</u>	<u>18,000</u>	<u>18,000</u>