



MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED RESULTS

FOR NINE (9) MONTHS ENDED JULY 31, 2020 (Q3)



REPORT TO STOCK HOLDERS

Nine (9) Months Ended July 31, 2020 (Q3)

I

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

PERFORMANCE HIGHLIGHTS:

	Nine Months Ended July 31, 2020	Nine Months Ended July 31, 2019	Year Over Year		Audited, Year Ended October 31, 2019
			\$	%	
Revenues	\$ 944.589 M	\$ 1,364.442 M	\$ (419.853) M	-31%	\$ 1,799.445 M
Gross Profit	\$ 423.289 M	\$ 603.606 M	\$ (180.317) M	-30%	\$ 776.719 M
Net Profit	\$ 8.674 M	\$ 108.091 M	\$ (99.417) M	-92%	\$ 97.336 M
Earnings Per Share (EPS)	3 cents	36 cents	(33) cents	-92%	32 cents
Total Assets	\$ 848.692 M	\$ 1,060.277 M	\$ (211.585) M	-20%	\$ 1,029.688 M
Shareholder's Equity	\$ 560.512 M	\$ 631.081 M	\$ (70.569) M	-11%	\$ 578.838 M

Our results for this quarter and for the nine-month period ended July 31, 2020 have been significantly impacted by the on-going global pandemic.

We have been challenged to weather a very unfavourable environment for our industry, with government imposed social distancing protocols and the shutdown of outdoor events. As a result, both revenues and profitability have retracted significantly.

Year to date revenues and gross margins are down 31% and 30% respectively; but our profits have been substantially reduced in this pandemic-marred quarter. Revenues for the quarter was \$59.784 million compared to \$468.613 billion last year, down 87%. Our operating loss for the quarter was \$42.778 million compared to \$23.162 million in operating income last year; and net loss for the quarter was \$45.535 million compared to net income of \$14.730 million in 2019.

REPORT TO STOCK HOLDERS

Nine (9) Months Ended July 31, 2020 (Q3)

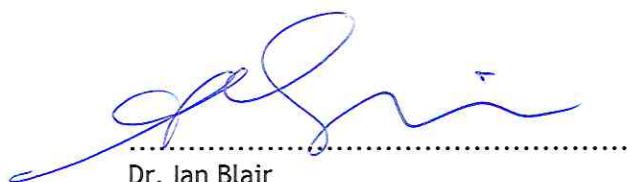
II

Over the past three months, our top priority has been strengthening our financial position to ensure that we have the liquidity and flexibility to get through an extended period with very limited revenues. We have taken significant actions to reduce our costs, to carefully manage our cash flows and liquidity position, and to fortify our balance sheet. We have had positive results for our efforts. Operating and administrative expenses have contracted by 66% or \$101.235 million for the third quarter; and for this year to-date, expenses are down by 24% or \$99.935 million. Also, of positive note, cash and cash equivalents has increased by \$93.443 million or 186%.

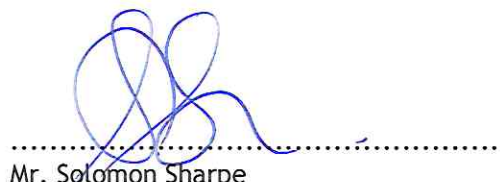
The Balance Sheet shows a \$211.585 million or 20% contraction in total assets over the similar period last year. Our current assets show a \$235.703 million or 50% decrease due primarily to lower trade receivables balances. Non-current assets have seen a net increase of 4% or \$24.118 million over the prior year. Investments in fixed assets in the current year to date of \$59.025 have been offset by more significant depreciation charges of \$94.784 million. It is not expected that any material new equipment will be purchased for the remainder of this fiscal year.

As we look forward to the final quarter of a most challenging year, we expect a continuation of the trends of this quarter. The Company continues to operate with an appropriately tailored and targeted workforce, focused on maintaining basic operations. Admittedly, it will be some time before we can re-engage at the scale we knew. We continue to look to innovate and find new, creative ways to stay connected to our customers.

We would like to thank all our team members and valued stakeholders for their continued support, dedication, and patience during this difficult time. We are well positioned to weather this crisis, and we will get through this.



Dr. Ian Blair
Chairman, Finance Committee



Mr. Solomon Sharpe
Chief Executive Officer

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

MAIN EVENT ENTERTAINMENT GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

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 - 7

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

	Unaudited July 31, 2020 \$'000	Unaudited July 31, 2019 \$'000	Audited October 31, 2019 \$'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	610,885	583,956	646,646
Deferred tax asset	3,070	5,881	2,508
	613,955	589,837	649,154
CURRENT ASSETS:			
Receivables	75,106	375,135	267,943
Due from related parties	14,804	44,063	44,192
Taxation recoverable	1,014	871	990
Cash and bank balances	143,813	50,371	67,409
	234,737	470,440	380,534
Total Assets	848,692	1,060,277	1,029,688
EQUITY AND LIABILITIES			
Equity			
Share capital	103,652	103,652	103,652
Retained earnings	456,860	527,429	475,186
	560,512	631,081	578,838
Non-current Liabilities			
Related party loans	21,170	32,164	33,115
Loans	137,854	138,661	137,808
Finance lease obligations	13,616	18,708	17,916
	172,640	189,533	188,839
Current Liabilities			
Payables	84,664	145,890	167,482
Due to related parties	6,541	22,565	8,925
Bank overdraft	-	28,646	44,658
Current portion of loans	17,693	35,236	34,588
Finance lease obligations	6,643	7,327	6,359
	115,540	239,663	262,011
Total Equity and Liabilities	848,692	1,060,277	1,029,688

Approved and signed on behalf of the Board on September 10, 2020 by:


Dr. Ian Blair
Director


Mr. Solomon Sharpe
Director

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(unaudited)
NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

	Unaudited Nine (9) Months Ended July 31, 2020 \$'000	Unaudited Nine (9) Months Ended July 31, 2019 \$'000	Unaudited Quarter Ended July 31, 2020 \$'000	Unaudited Quarter Ended July 31, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
REVENUE	944,589	1,364,442	59,784	468,613	1,799,445
Direct expenses	(521,300)	(760,835)	(19,210)	(270,780)	(1,022,726)
Gross profit	423,289	603,606	40,574	197,833	776,719
Other operating income	530	14,156	147	7,520	10,344
	423,819	617,763	40,721	205,353	787,063
EXPENSES					
Administrative and general	299,989	395,734	51,938	149,397	533,263
Selling and promotion	8,474	12,664	282	4,110	16,878
Depreciation	94,784	83,463	31,279	28,684	116,909
	403,247	491,861	83,499	182,191	667,050
OPERATING PROFIT	20,572	125,902	(42,778)	23,162	120,013
Finance costs	(12,460)	(17,811)	(4,223)	(8,432)	(19,304)
PROFIT BEFORE TAXATION	8,112	108,091	(47,001)	14,730	100,709
Taxation	562	-	1,466	-	(3,373)
Net profit	8,674	108,091	(45,535)	14,730	97,336
Other Comprehensive Income:	-	-	-	-	-
NET PROFIT, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,674	108,091	(45,535)	14,730	97,336
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	0.03	0.36	(0.15)	0.04	0.32

MAIN EVENT ENTERTAINMENT GROUP LIMITED
 STATEMENT OF CHANGES IN SHAREHOLDERS' NET EQUITY
 (unaudited)
 NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

	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>8,674</u>	<u>8,674</u>
TRANSACTIONS WITH OWNERS:			
Dividends	<u>-</u>	<u>(27,001)</u>	<u>(27,001)</u>
BALANCE AT JULY 31, 2020	<u>103,652</u>	<u>456,860</u>	<u>560,512</u>
BALANCE AT OCTOBER 31, 2018	103,652	437,337	540,989
TOTAL COMPREHENSIVE INCOME:			
Net profit	<u>-</u>	<u>108,091</u>	<u>108,091</u>
TRANSACTIONS WITH OWNERS:			
Dividends	<u>-</u>	<u>(18,000)</u>	<u>(18,000)</u>
BALANCE AT JULY 31, 2019	<u>103,652</u>	<u>527,428</u>	<u>631,081</u>

MAIN EVENT ENTERTAINMENT GROUP LIMITED
STATEMENT OF CASH FLOWS
(unaudited)
NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

	Unaudited Nine (9) Months Ended July 31, 2020 \$'000	Unaudited Nine (9) Months Ended July 31, 2019 \$'000	Audited Year ended October 31, 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	8,674	108,091	97,336
Items not affecting cash resources -			
Depreciation	94,784	83,463	116,909
Interest expense	12,460	17,384	19,304
Interest income	(243)	(189)	(650)
Exchange loss / (gain) on foreign balances	7,074	3,856	3,126
Taxation expense	(562)	-	3,373
(Gain) / loss on disposal of property, plant and equipment	-	-	-
Operating cash flows before movements in working capital	122,187	212,606	239,398
Changes in operating assets and liabilities			
Receivables	192,837	(58,146)	6,888
Taxation recoverable	(23)	(165)	-
Related party balances	15,059	(63,637)	(76,455)
Payables	(82,818)	8,660	30,251
	247,242	99,318	200,082
Taxation paid	(23)	(163)	(282)
Cash provided by operating activities	247,219	99,155	199,800
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(59,025)	(151,981)	(248,117)
Interest received	243	189	650
Cash used in investing activities	(58,782)	(151,792)	(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	(27,140)	(34,041)	(25,215)
Lease payments	(4,015)	(4,917)	(6,359)
Interest paid	(12,460)	(17,384)	(19,304)
Cash (used in) / provided by financing activities	(70,616)	7,227	7,821
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	117,821	(45,410)	(39,846)
Exchange loss / (gain) on foreign cash balances	3,241	2,082	(2,455)
Cash and cash equivalents at beginning of year	22,751	65,052	65,052
CASH AND CASH EQUIVALENTS AT END OF YEAR	143,813	21,724	22,751

MAIN EVENT ENTERTAINMENT GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

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)
NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

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	1,144,033
Current period Additions	10,202	-	397	762	18,191	2,760	17,321	9,392	59,025
Current period Disposals	-	-	-	-	-	-	-	-	-
End of Period	<u>311,382</u>	<u>40,610</u>	<u>13,722</u>	<u>12,102</u>	<u>131,822</u>	<u>61,587</u>	<u>546,410</u>	<u>85,422</u>	<u>1,203,057</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	31,766	1,062	1,023	721	16,718	6,046	31,800	5,648	94,784
Disposals	-	-	-	-	-	-	-	-	-
End of period	<u>169,333</u>	<u>2,124</u>	<u>4,716</u>	<u>5,249</u>	<u>44,112</u>	<u>40,971</u>	<u>279,375</u>	<u>46,292</u>	<u>592,170</u>
Net Book Value									
End of period	<u>142,049</u>	<u>38,486</u>	<u>9,006</u>	<u>6,853</u>	<u>87,710</u>	<u>20,616</u>	<u>267,035</u>	<u>39,130</u>	<u>610,885</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)
NINE (9) MONTHS ENDING JULY 31, 2020 (Q3)

5. SHARE CAPITAL

	Unaudited July 31, 2020 \$'000	Unaudited July 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 July 31, 2020 \$'000	Unaudited July 31, 2019 \$'000	Audited October 31, 2019 \$'000
MEEG Holdings Limited - Related Party Loan	21,170	32,163	33,116
National Commercial Bank - Amortised Loan	22,147	22,914	22,730
Sagicor Bank Jamaica Limited - Finance Leases	20,259	26,035	24,275
Sagicor Bank Jamaica Limited - Other Loans	-	-	6,051
Sagicor Bank Jamaica Limited - USD Loan	<u>133,401</u>	<u>150,983</u>	<u>143,615</u>
	196,976	232,095	229,786
Less Current portions	<u>(24,336)</u>	<u>(42,562)</u>	<u>(40,947)</u>
Non-Current portions	<u>172,640</u>	<u>189,533</u>	<u>188,839</u>

7. DIVIDENDS AND DISTRIBUTIONS

	Unaudited July 31, 2020 \$'000	Unaudited July 31, 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>