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IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

INSIDE INFORMATION OUR CONTROLLING SHAREHOLDER IMAX CORPORATION

RELEASED ITS THIRD QUARTER 2025 FINANCIAL RESULTS AND QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2025

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our controlling shareholder, IMAX Corporation has, on 23 October 2025 (New York time), announced its third quarter 2025 financial results, and on 23 October 2025 (New York time) released its quarterly report for the quarter ended 30 September 2025.

This is an announcement made by IMAX China Holding, Inc. (“we” or “**IMAX China**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKSE**”).

IMAX China’s controlling shareholder, IMAX Corporation, is a company listed on the New York Stock Exchange in the United States. As of the date of this announcement, IMAX Corporation beneficially owns approximately 71.72% of the issued share capital of IMAX China.

On 23 October 2025 (New York time), IMAX Corporation made an announcement regarding its unaudited results for the fiscal quarter ended 30 September 2025 (the “**Earnings Release**”). If you wish to review the Earnings Release, please visit: <https://www.sec.gov/ix?doc=/Archives/edgar/data/921582/000162828025045977/imax-20251023.htm>. Unless otherwise provided therein, all dollar amounts in the Earnings Release are denominated in U.S. dollars.

On 23 October 2025 (New York time), IMAX Corporation filed its unaudited quarterly report on the Form 10-Q for the fiscal quarter ended 30 September 2025 (the “**Quarterly Report**”) with the United States Securities and Exchange Commission (the “**SEC**”), in accordance with the ongoing disclosure obligations applicable to the companies listed on the New York Stock Exchange. If you wish to review the Quarterly Report as filed with the SEC, please visit: <https://www.sec.gov/ix?doc=/Archives/edgar/data/921582/000162828025045982/imax-20250930.htm>. Unless otherwise provided therein, all dollar amounts in the Quarterly Report are denominated in United States dollars.

The financial information disclosed in the Earnings Release, the unaudited condensed consolidated financial results contained in the Quarterly Report and the financial information included in this announcement have been prepared in accordance with the Generally Accepted Accounting Principles of the United States. They are different from the International Financial Reporting Standards, which is the standard employed by IMAX China as a company listed on the Main Board of the HKSE for preparing and presenting financial information. As such, financial information of IMAX China in the Earnings Release and in the Quarterly Report are not directly comparable to the financial results reported directly by IMAX China in its filings with the HKSE.

The Earnings Release and Quarterly Report include certain quarterly financial information and operating statistics regarding the Company. To ensure that all shareholders of, and potential investors in, our Company have equal and timely access to the information pertaining to our Company, we have provided links to the Earnings Release and Quarterly Report above. We have also set forth below key highlights of the Quarterly Report that relate to our Company, some of which may constitute material inside information about our Company.

IMAX CORPORATION

PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

IMAX CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. Dollars, except share amounts)

(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 143,106	\$ 100,592
Accounts receivable, net of allowance for credit losses	108,418	107,669
Financing receivables, net of allowance for credit losses	118,944	119,885
Variable consideration receivables, net of allowance for credit losses	83,792	82,593
Inventories	41,435	32,840
Prepaid expenses	15,054	13,121
Film assets, net of accumulated amortization	11,976	8,686
Property, plant and equipment, net of accumulated depreciation	243,836	240,133
Other assets	24,002	22,441
Deferred income tax assets, net of valuation allowance	12,728	14,499
Goodwill	52,815	52,815
Other intangible assets, net of accumulated amortization	33,467	35,124
Total assets	\$ 889,573	\$ 830,398
Liabilities		
Accounts payable	\$ 22,484	\$ 19,803
Accrued and other liabilities	96,136	100,916
Deferred revenue	64,505	52,686
Revolving credit facility borrowings, net of unamortized debt issuance costs	26,477	36,356
Convertible notes and other borrowings, net of unamortized discounts and debt issuance costs	230,743	229,901
Deferred income tax liabilities	12,521	12,521
Total liabilities	452,866	452,183

	September 30, 2025	December 31, 2024
Commitments, contingencies and guarantees (see Note 7)		
Non-controlling interests	<u>721</u>	<u>680</u>
Shareholders' equity		
Capital stock common shares — no par value. Authorized — unlimited number. 53,798,934 issued and outstanding (December 31, 2024 — 52,946,200 issued and outstanding)	415,617	401,420
Other equity	181,998	185,268
Statutory surplus reserve	4,219	4,051
Accumulated deficit	(240,604)	(274,675)
Accumulated other comprehensive loss	<u>(11,696)</u>	<u>(16,598)</u>
Total shareholders' equity attributable to common shareholders	349,534	299,466
Non-controlling interests	<u>86,452</u>	<u>78,069</u>
Total shareholders' equity	<u>435,986</u>	<u>377,535</u>
Total liabilities and shareholders' equity	<u>\$ 889,573</u>	<u>\$ 830,398</u>

(See the accompanying notes, which are an integral part of these Condensed Consolidated Financial Statements.)

IMAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands of U.S. Dollars, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenues				
Technology sales	\$ 19,360	\$ 26,305	\$ 51,726	\$ 54,629
Image enhancement and maintenance services	61,029	46,891	162,636	149,428
Technology rentals	23,336	16,122	61,763	48,766
Finance income	2,929	2,134	8,880	6,713
	<u>106,654</u>	<u>91,452</u>	<u>285,005</u>	<u>259,536</u>
Costs and expenses applicable to revenues				
Technology sales	9,454	10,605	26,029	24,594
Image enhancement and maintenance services	23,065	23,087	63,886	73,371
Technology rentals	6,864	6,741	21,041	19,736
	<u>39,383</u>	<u>40,433</u>	<u>110,956</u>	<u>117,701</u>
Gross margin	67,271	51,019	174,049	141,835
Selling, general and administrative expenses	34,219	31,466	102,983	100,287
Research and development	1,505	(265)	4,365	3,953
Amortization of intangible assets	1,906	1,544	5,446	4,208
Credit loss expense (reversal), net	596	(1,137)	287	(963)
Restructuring and other charges	—	—	843	—
	<u>29,045</u>	<u>19,411</u>	<u>60,125</u>	<u>34,350</u>
Income from operations	29,045	19,411	60,125	34,350
Realized and unrealized investment gains	34	32	99	94
Retirement benefits non-service recovery (expense)	17	(109)	(186)	(323)
Interest income	557	625	2,211	1,720
Interest expense	(1,832)	(2,240)	(5,560)	(6,467)
	<u>27,821</u>	<u>17,719</u>	<u>56,689</u>	<u>29,374</u>
Income before taxes	27,821	17,719	56,689	29,374
Income tax expense	(5,205)	(2,376)	(13,688)	(3,538)
	<u>22,616</u>	<u>15,343</u>	<u>43,001</u>	<u>25,836</u>
Net income	22,616	15,343	43,001	25,836
Net income attributable to non-controlling interests	(1,959)	(1,447)	(8,762)	(5,083)
	<u>20,657</u>	<u>13,896</u>	<u>34,239</u>	<u>20,753</u>
Net income attributable to common shareholders	\$ 20,657	\$ 13,896	\$ 34,239	\$ 20,753

	Three Months Ended September 30, 2025		2024		Nine Months Ended September 30, 2025		2024	
Net income per share attributable to common shareholders:								
Basic	<u>\$</u>	<u>0.38</u>	<u>\$</u>	<u>0.26</u>	<u>\$</u>	<u>0.64</u>	<u>\$</u>	<u>0.39</u>
Diluted	<u>\$</u>	<u>0.37</u>	<u>\$</u>	<u>0.26</u>	<u>\$</u>	<u>0.62</u>	<u>\$</u>	<u>0.39</u>
Weighted average shares outstanding (in thousands):								
Basic		<u>53,788</u>		<u>52,682</u>		<u>53,561</u>		<u>52,605</u>
Diluted		<u>55,565</u>		<u>54,089</u>		<u>55,242</u>		<u>53,628</u>

(See the accompanying notes, which are an integral part of these Condensed Consolidated Financial Statements.)

IMAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of U.S. Dollars)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net income	\$ 22,616	\$ 15,343	\$ 43,001	\$ 25,836
Other comprehensive income before tax				
Unrealized net (loss) gain from cash flow hedging instruments	(1,223)	337	582	(944)
Realized net loss from cash flow hedging instruments	120	162	1,747	240
Foreign currency translation adjustments	1,637	3,775	2,658	2,779
Defined benefit and postretirement benefit plans	2,090	(149)	1,744	(547)
Total other comprehensive income before tax	2,624	4,125	6,731	1,528
Income tax (expense) benefit related to other comprehensive income	(268)	(92)	(1,076)	328
Other comprehensive income, net of tax	2,356	4,033	5,655	1,856
Comprehensive income	24,972	19,376	48,656	27,692
Comprehensive income attributable to non-controlling interests	(2,422)	(2,521)	(9,515)	(5,872)
Comprehensive income attributable to common shareholders	\$ 22,550	\$ 16,855	\$ 39,141	\$ 21,820

(See the accompanying notes, which are an integral part of these Condensed Consolidated Financial Statements.)

IMAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of U.S. Dollars)

(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
Operating Activities		
Net income	\$ 43,001	\$ 25,836
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	46,415	48,902
Amortization of deferred financing costs	1,492	1,478
Credit loss expense (reversal), net	287	(963)
Write-downs, including asset impairments	1,303	3,034
Deferred income tax expense (recovery)	734	(7,339)
Share-based and other non-cash compensation	19,050	17,261
Unrealized foreign currency exchange gain	(170)	(527)
Realized and unrealized investment gain	(99)	(94)
Changes in assets and liabilities:		
Accounts receivable	(1,131)	23,001
Inventories	(8,587)	(6,181)
Film assets	(16,435)	(17,892)
Deferred revenue	11,724	(13,393)
Changes in other operating assets and liabilities	110	(13,771)
	<u>97,694</u>	<u>59,352</u>
Net cash provided by operating activities		
Investing Activities		
Purchase of property, plant and equipment	(6,750)	(3,816)
Investment in equipment for joint revenue sharing arrangements	(24,114)	(21,728)
Acquisition of other intangible assets	(3,915)	(4,802)
	<u>(34,779)</u>	<u>(30,346)</u>
Net cash used in investing activities		

	Nine Months Ended	
	September 30,	
	2025	2024
Financing Activities		
Revolving credit facility borrowings	85,000	55,000
Repayments of revolving credit facility borrowings	(93,000)	(32,000)
Credit facility amendment fees paid	(2,041)	—
Repayments of other borrowings	(538)	(489)
Repurchase of common shares	—	(18,102)
Repurchase of common shares – IMAX China	(1,454)	—
Taxes withheld and paid on employee stock awards vested	(9,742)	(4,978)
Common shares issued – stock options exercised	1,394	98
Principal payment under finance lease obligations	—	(480)
	<hr/>	<hr/>
Net cash used in financing activities	(20,381)	(951)
	<hr/>	<hr/>
Effects of exchange rate changes on cash	(20)	249
	<hr/>	<hr/>
Increase in cash and cash equivalents during period	42,514	28,304
Cash and cash equivalents, beginning of period	100,592	76,200
	<hr/>	<hr/>
Cash and cash equivalents, end of period	\$ 143,106	\$ 104,504
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(See the accompanying notes, which are an integral part of these Condensed Consolidated Financial Statements.)

IMAX CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands of U.S. Dollars, unless otherwise stated)

1. Basis of Presentation

Accounting Principles

IMAX Corporation (together with its subsidiaries, unless the context requires otherwise, the “**Company**” or “**IMAX**”), prepares financial statements in accordance with United States Generally Accepted Accounting Principles (“**U.S. GAAP**”) and pursuant to the rules and regulations of the Securities and Exchange Commission (the “**SEC**”). Certain information and footnote disclosures have been condensed or omitted as permitted by such rules and regulations. In the opinion of the Company’s management, the unaudited Condensed Consolidated Financial Statements reflect all necessary adjustments for a fair statement of interim results. The Condensed Consolidated Balance Sheet at December 31, 2024 was derived from the Company’s audited annual Consolidated Financial Statements in the Company’s 2024 Annual Report on Form 10-K (the “**2024 Form 10-K**”). The interim results presented in the Company’s Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows are not necessarily indicative of results for a full year.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements in the 2024 Form 10-K, which includes significant accounting policies adopted by the Company.

Principles of Consolidation

These unaudited Condensed Consolidated Financial Statements include the accounts of IMAX Corporation together with its consolidated subsidiaries, except for subsidiaries which have been identified as variable interest entities (“**VIEs**”) where the Company is not the primary beneficiary. All intercompany accounts and transactions have been eliminated. The Company has evaluated its various variable interests to determine whether they are VIEs as required by U.S. GAAP.

Estimates and Assumptions

In preparing the Company's Condensed Consolidated Financial Statements, management makes judgments in applying various accounting policies. The areas of policy judgment are consistent with those reported in Note 2 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K. The significant estimates made by management include, but are not limited to: (i) the allocation of the transaction price in an IMAX System arrangement to distinct performance obligations; (ii) the amount of variable consideration to be earned on sales of IMAX Systems based on projections of future box office performance and inflation; (iii) expected credit losses on accounts receivable, financing receivables, and variable consideration receivables; (iv) provisions for the write-down of excess and obsolete inventory; (v) the fair values of the reporting units used in assessing the recoverability of goodwill; (vi) the cash flow projections used in testing the recoverability of long-lived assets such as the system equipment supporting joint revenue sharing arrangements; (vii) the economic lives of the system equipment supporting joint revenue sharing arrangements; (viii) the useful lives of intangible assets; (ix) the ultimate revenue forecasts used to test the recoverability of film assets; (x) the discount rates used to determine the present value of financing receivables, variable consideration and lease liabilities, as well as to determine the fair values of the Company's reporting units for the purpose of assessing the recoverability of goodwill; (xi) pension plan assumptions; (xii) estimates related to the fair value and projected vesting of share-based payment awards; (xiii) the valuation of deferred income tax assets; and (xiv) reserves related to uncertain tax positions.

3. Receivables

The ability of the Company to collect its receivables is principally dependent on the viability and solvency of individual theater operators which is significantly influenced by consumer behavior and general economic conditions. Theater operators, or other customers, may experience financial difficulties that could result in them being unable to fulfill their payment obligations to the Company.

In order to mitigate the credit risk associated with the Company's receivables, management performs an initial credit evaluation prior to entering into an arrangement with a customer and then regularly monitors the credit quality of each customer through an analysis of collections history and aging. This monitoring process includes meetings on at least a monthly basis to identify credit concerns and potential changes in credit quality classification. A customer may improve their credit quality classification once a substantial payment is made on an overdue balance or when the customer has agreed to a payment plan and payments have commenced in accordance with that plan. Changes in credit quality classification are dependent upon management approval. The Company's internal credit quality classifications are reported in Note 4 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K.

During the period when the accretion of Finance Income is suspended for Financing Receivables, any payments received from a customer are applied against the outstanding balance owed. If payments are sufficient to cover any unreserved receivables, a reversal of the provision is recorded to the extent of the residual cash received. Once the collectability issues are resolved and the customer has returned to being in good standing, the Company will resume recognition of Finance Income.

When a customer's aging exceeds 90 days, the Company's policy is to perform an enhanced review to assess collectability of the theater's past due accounts. The over 90 days past due category may be an indicator of potential impairment as up to 90 days outstanding is considered to be a reasonable time to resolve any issues.

The Company develops an estimate of expected credit losses by class of receivable and customer type through a calculation that utilizes historical loss rates, which are then adjusted for specific receivables that are judged to have a higher-than-normal risk profile after considering management's internal credit quality classifications. Additional credit loss provisions are also recorded taking into account macro-economic and industry risk factors. The write-off of any billed receivable balance requires the approval of management.

Management's judgments regarding expected credit losses are based on the facts available to management and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. The impacts of inflation, and rising interest rates may impact future credit losses. The Company will continue to monitor economic trends and conditions and portfolio performance and adjust its allowance for credit loss accordingly.

Accounts Receivable

Accounts receivable principally includes amounts currently due to the Company under IMAX System sale and sales-type lease arrangements, contingent fees owed by theater operators as a result of box office performance, and fees for maintenance services. Accounts receivable also includes amounts due to the Company from movie studios and other content creators principally for digitally remastering films into IMAX formats, as well as for film distribution and post-production services.

The following tables summarize the activity in the allowance for credit losses related to Accounts Receivable for the three and nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended September 30, 2025				Nine Months Ended September 30, 2025			
	Theater				Theater			
	Operators	Studios	Other	Total	Operators	Studios	Other	Total
Beginning balance	\$ 11,568	\$ 1,277	\$ 429	\$ 13,274	\$ 11,678	\$ 1,017	\$ 583	\$ 13,278
Current period provision (reversal), net	545	(186)	54	413	512	336	(100)	748
Write-offs, net of recoveries	(65)	(62)	—	(127)	(79)	(324)	—	(403)
Foreign exchange	(23)	—	—	(23)	(86)	—	—	(86)
Ending balance	<u>\$ 12,025</u>	<u>\$ 1,029</u>	<u>\$ 483</u>	<u>\$ 13,537</u>	<u>\$ 12,025</u>	<u>\$ 1,029</u>	<u>\$ 483</u>	<u>\$ 13,537</u>

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended September 30, 2024				Nine Months Ended September 30, 2024			
	Theater				Theater			
	Operators	Studios	Other	Total	Operators	Studios	Other	Total
Beginning balance	\$ 14,095	\$ 651	\$ 1,080	\$ 15,826	\$ 14,355	\$ 616	\$ 1,006	\$ 15,977
Current period (reversal) provision, net	(2,079)	600	(13)	(1,492)	(2,120)	638	61	(1,421)
Write-offs, net of recoveries	—	—	—	—	(178)	(3)	—	(181)
Foreign exchange	118	—	—	118	77	—	—	77
Ending balance	<u>\$ 12,134</u>	<u>\$ 1,251</u>	<u>\$ 1,067</u>	<u>\$ 14,452</u>	<u>\$ 12,134</u>	<u>\$ 1,251</u>	<u>\$ 1,067</u>	<u>\$ 14,452</u>

For the three and nine months ended September 30, 2025, the Company's allowance for current expected credit losses related to Accounts Receivable increased by \$0.3 million and \$0.3 million, respectively (2024 — decreased by \$1.4 million and \$1.5 million, respectively).

Financing Receivables

Financing receivables are due from theater operators and consist of the Company's net investment in sales-type leases and receivables associated with financed sales of IMAX Systems. As of September 30, 2025 and December 31, 2024, financing receivables consisted of the following:

<i>(In thousands of U.S. Dollars)</i>	September 30, 2025	December 31, 2024
Net investment in leases:		
Gross minimum payments due under sales-type leases	\$ 30,931	\$ 30,890
Unearned finance income	<u>(1,057)</u>	<u>(887)</u>
Present value of minimum payments due under sales-type leases	29,874	30,003
Allowance for credit losses	<u>(456)</u>	<u>(664)</u>
Net investment in leases	<u>29,418</u>	<u>29,339</u>
Financed sales receivables:		
Gross minimum payments due under financed sales	124,797	127,906
Unearned finance income	<u>(25,378)</u>	<u>(27,199)</u>
Present value of minimum payments due under financed sales	99,419	100,707
Allowance for credit losses	<u>(9,893)</u>	<u>(10,161)</u>
Net financed sales receivables	<u>89,526</u>	<u>90,546</u>
Total financing receivables	<u><u>\$ 118,944</u></u>	<u><u>\$ 119,885</u></u>
Net financed sales receivables due within one year	\$ 28,459	\$ 30,136
Net financed sales receivables due after one year	<u>61,067</u>	<u>60,410</u>
Total financed sales receivables	<u><u>\$ 89,526</u></u>	<u><u>\$ 90,546</u></u>

As of September 30, 2025 and December 31, 2024, the weighted-average remaining lease term and weighted-average interest rate associated with the Company's sales-type lease arrangements and financed sales receivables, as applicable, were as follows:

<i>(In thousands of U.S. Dollars)</i>	September 30, 2025	December 31, 2024
Weighted-average remaining lease term (in years):		
Sales-type lease arrangements	<u><u>8.3</u></u>	<u><u>8.5</u></u>
Weighted-average interest rate		
Sales-type lease arrangements	<u><u>7.24%</u></u>	<u><u>7.24%</u></u>
Financed sales receivables	<u><u>8.85%</u></u>	<u><u>8.95%</u></u>

The tables below provide information on the Company's net investment in leases by credit quality indicator as of September 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis as per the origination year of the relationship, and include both billed and unbilled amounts.

<i>(In thousands of U.S. Dollars)</i>	By Origination Year						
As of September 30, 2025	2025	2024	2023	2022	2021	Prior	Total
Net investment in leases:							
Credit quality classification:							
In good standing	\$ 1,819	\$ 3,383	\$ 2,968	\$ 2,906	\$ 8,565	\$ 9,832	\$ 29,473
Credit Watch	—	—	—	—	—	—	—
Pre-approved transactions	—	—	—	—	—	—	—
Transactions suspended	—	—	—	—	—	401	401
Total net investment in leases	<u><u>\$ 1,819</u></u>	<u><u>\$ 3,383</u></u>	<u><u>\$ 2,968</u></u>	<u><u>\$ 2,906</u></u>	<u><u>\$ 8,565</u></u>	<u><u>\$ 10,233</u></u>	<u><u>\$ 29,874</u></u>

<i>(In thousands of U.S. Dollars)</i>	By Origination Year						
As of December 31, 2024	2024	2023	2022	2021	2020	Prior	Total
Net investment in leases:							
Credit quality classification:							
In good standing	\$ 3,469	\$ 3,190	\$ 3,057	\$ 6,625	\$ 1,963	\$ 1,931	\$ 20,235
Credit Watch	—	—	—	—	—	—	—
Pre-approved transactions	—	—	—	2,800	1,477	4,664	8,941
Transactions suspended	—	—	426	—	—	401	827
Total net investment in leases	<u><u>\$ 3,469</u></u>	<u><u>\$ 3,190</u></u>	<u><u>\$ 3,483</u></u>	<u><u>\$ 9,425</u></u>	<u><u>\$ 3,440</u></u>	<u><u>\$ 6,996</u></u>	<u><u>\$ 30,003</u></u>

The tables below provide information on the Company's financed sales receivables by credit quality indicator as of September 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis as per the origination year of the relationship, and include both billed and unbilled amounts.

(In thousands of U.S. Dollars)

As of September 30, 2025	By Origination Year						Total
	2025	2024	2023	2022	2021	Prior	
Financed sales receivables:							
Credit quality classification:							
In good standing	\$ 6,130	\$ 6,476	\$ 7,570	\$ 5,018	\$ 5,172	\$ 39,351	\$ 69,717
Credit Watch	—	—	—	—	—	368	368
Pre-approved transactions	—	612	1,063	—	3,313	9,206	14,194
Transactions suspended	—	—	—	525	503	14,112	15,140
Total financed sales receivables	\$ 6,130	\$ 7,088	\$ 8,633	\$ 5,543	\$ 8,988	\$ 63,037	\$ 99,419

(In thousands of U.S. Dollars)

As of December 31, 2024	By Origination Year					Total	
	2024	2023	2022	2021	2020		
Financed sales receivables:							
Credit quality classification:							
In good standing	\$ 6,217	\$ 7,249	\$ 5,980	\$ 6,152	\$ 4,974	\$ 41,570	\$ 72,142
Credit Watch	—	—	—	—	—	567	567
Pre-approved transactions	411	779	298	3,468	1,899	8,132	14,987
Transactions suspended	—	—	—	114	143	12,754	13,011
Total financed sales receivables	\$ 6,628	\$ 8,028	\$ 6,278	\$ 9,734	\$ 7,016	\$ 63,023	\$ 100,707

The following tables provide an aging analysis for the Company's net investment in leases and financed sales receivables as of September 30, 2025 and December 31, 2024:

<i>(In thousands of U.S. Dollars)</i>	As of September 30, 2025							Net
	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Recorded Receivable	Allowance for Credit Losses	
Net investment in leases	\$ 242	\$ 183	\$ 2,613	\$ 3,038	\$ 26,836	\$ 29,874	\$ (456)	\$ 29,418
Financed sales receivables	1,341	1,425	11,429	14,195	85,224	99,419	(9,893)	89,526
Total	<u>\$ 1,583</u>	<u>\$ 1,608</u>	<u>\$ 14,042</u>	<u>\$ 17,233</u>	<u>\$ 112,060</u>	<u>\$ 129,293</u>	<u>\$ (10,349)</u>	<u>\$ 118,944</u>

<i>(In thousands of U.S. Dollars)</i>	As of December 31, 2024							Net
	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Recorded Receivable	Allowance for Credit Losses	
Net investment in leases	\$ 222	\$ 218	\$ 3,185	\$ 3,625	\$ 26,378	\$ 30,003	\$ (664)	\$ 29,339
Financed sales receivables	895	1,019	12,462	14,376	86,331	100,707	(10,161)	90,546
Total	<u>\$ 1,117</u>	<u>\$ 1,237</u>	<u>\$ 15,647</u>	<u>\$ 18,001</u>	<u>\$ 112,709</u>	<u>\$ 130,710</u>	<u>\$ (10,825)</u>	<u>\$ 119,885</u>

The following tables provide information about the Company's net investment in leases and financed sales receivables with billed amounts past due for which it continues to accrue finance income as of September 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis and include both billed and unbilled amounts.

<i>(In thousands of U.S. Dollars)</i>	As of September 30, 2025							Net
	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Allowance for Credit Losses		
Net investment in leases	\$ 223	\$ 183	\$ 2,613	\$ 3,019	\$ 17,929	\$ (6)	\$ 20,942	
Financed sales receivables	744	1,035	8,606	10,385	31,886	(1,176)	41,095	
Total	<u>\$ 967</u>	<u>\$ 1,218</u>	<u>\$ 11,219</u>	<u>\$ 13,404</u>	<u>\$ 49,815</u>	<u>\$ (1,182)</u>	<u>\$ 62,037</u>	

<i>(In thousands of U.S. Dollars)</i>	As of December 31, 2024						Net
	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Allowance for Credit Losses	
Net investment in leases	\$ 222	\$ 218	\$ 3,185	\$ 3,625	\$ 20,176	\$ (6)	\$ 23,795
Financed sales receivables	<u>727</u>	<u>610</u>	<u>10,143</u>	<u>11,480</u>	<u>42,208</u>	<u>(1,086)</u>	<u>52,602</u>
Total	<u>\$ 949</u>	<u>\$ 828</u>	<u>\$ 13,328</u>	<u>\$ 15,105</u>	<u>\$ 62,384</u>	<u>\$ (1,092)</u>	<u>\$ 76,397</u>

The following table provides information about the Company's net investment in leases and financed sale receivables that were on non-accrual status as of September 30, 2025 and December 31, 2024:

<i>(In thousands of U.S. Dollars)</i>	As of September 30, 2025			As of December 31, 2024		
	Recorded Receivable	Allowance for Credit Losses	Net	Recorded Receivable	Allowance for Credit Losses	Net
Net investment in leases	\$ 401	\$ (401)	\$ -	\$ 827	\$ (614)	\$ 213
Net financed sales receivables	<u>29,702</u>	<u>(9,242)</u>	<u>20,460</u>	<u>28,565</u>	<u>(8,317)</u>	<u>20,248</u>
Total	<u>\$ 30,103</u>	<u>\$ (9,643)</u>	<u>\$ 20,460</u>	<u>\$ 29,392</u>	<u>\$ (8,931)</u>	<u>\$ 20,461</u>

For the three and nine months ended September 30, 2025 and 2024, the Company did not recognize Finance Income related to the net investment in leases on non-accrual status. For the three and nine months ended September 30, 2025, the Company recognized \$0.1 million and \$0.2 million, respectively (2024 — \$0.4 million and \$1.0 million) in Finance Income related to the financed sales receivables in non-accrual status.

The following tables summarize the activity in the allowance for credit losses related to the Company's net investment in leases and financed sale receivables for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30, 2025		Nine Months Ended September 30, 2025	
	Net Investment in Leases	Net Financed Sales Receivables	Net Investment in Leases	Net Financed Sales Receivables
<i>(In thousands of U.S. Dollars)</i>				
Beginning balance	\$ 454	\$ 9,819	\$ 664	\$ 10,161
Current period provision (reversal), net	2	83	(208)	(263)
Foreign exchange	—	(9)	—	(5)
Ending balance	<u>\$ 456</u>	<u>\$ 9,893</u>	<u>\$ 456</u>	<u>\$ 9,893</u>

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	Net Investment in Leases	Net Financed Sales Receivables	Net Investment in Leases	Net Financed Sales Receivables
<i>(In thousands of U.S. Dollars)</i>				
Beginning balance	\$ 450	\$ 9,625	\$ 453	\$ 9,617
Current period provision (reversal), net	67	(148)	70	(135)
Foreign exchange	—	27	(6)	22
Ending balance	<u>\$ 517</u>	<u>\$ 9,504</u>	<u>\$ 517</u>	<u>\$ 9,504</u>

For the three and nine months ended September 30, 2025, the Company's allowance for current expected credit losses related to its net investment in leases increased by less than \$0.1 million and decreased by \$0.2 million, respectively, and net financed sale receivables increased by \$0.1 million and decreased by \$0.3 million, respectively.

For the three and nine months ended September 30, 2024, the Company's allowance for current expected credit losses related to its net investment in leases increased by \$0.1 million, respectively, and net financed sale receivables decreased by \$0.1 million, respectively.

Variable Consideration Receivables

In sale arrangements, variable consideration may become due to the Company from theater operators if certain annual minimum box office receipt thresholds are exceeded. Such variable consideration is recorded as revenue in the period when the sale is recognized and adjusted in future periods based on actual results and changes in estimates. Variable consideration is only recognized to the extent the Company believes there is not a risk of significant revenue reversal.

The following table summarizes the activity in the Allowance for Credit Losses related to Variable Consideration Receivables for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
	Theater	Theater	Theater	Theater
	Operators	Operators	Operators	Operators
<i>(In thousands of U.S. Dollars)</i>				
Beginning balance	\$ 120	\$ 677	\$ 116	\$ 633
Current period provision, net	—	116	4	160
Foreign exchange	—	3	—	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ending balance	<u>\$ 120</u>	<u>\$ 796</u>	<u>\$ 120</u>	<u>\$ 796</u>

For the three and nine months ended September 30, 2025, the Company's allowance for current expected credit losses related to Variable Consideration Receivables did not change and increased by less than \$0.1 million, respectively (2024 — increased by \$0.1 million and \$0.2 million respectively).

4. Lease Arrangements

IMAX Corporation as a Lessor

The Company provides IMAX Systems to customers through long-term lease arrangements that for accounting purposes are classified as sales-type leases. Under these arrangements, in exchange for providing the IMAX System, the Company earns fixed upfront and ongoing consideration. Certain arrangements that are legal sales are also classified as sales-type leases as certain clauses within the arrangements limit transfer of title or provide the Company with conditional rights to the system. The customer's rights under the Company's sales-type lease arrangements are described in Note 2 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K. Under the Company's sales-type lease arrangements, the customer has the ability and the right to operate the hardware components or direct others to operate them in a manner determined by the customer. The Company's lease portfolio terms are typically non-cancellable for 10 to 20 years with renewal provisions from inception. The Company's sales-type lease arrangements do not contain a guarantee of residual value at the end of the lease term. The customer is required to pay for executory costs such as insurance and taxes and is required to pay the Company for maintenance and an extended warranty generally after the first year of the lease until the end of the lease term. The customer is responsible for obtaining insurance coverage for the IMAX System commencing on the date specified in the arrangement's shipping terms and ending on the date the IMAX System is returned to the Company.

The Company also provides IMAX Systems to customers through joint revenue sharing arrangements ("**JRSAs**"). Under the traditional form of these arrangements, in exchange for providing the IMAX System under a long-term lease, the Company earns rent based on a percentage of contingent box office receipts and, in some cases, concession revenues, rather than a fixed upfront fee or annual minimum payments.

Under certain other JRSAs, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX System.

Under JRSAs, the customer has the ability and the right to operate the hardware components or direct others to operate them in a manner determined by the customer. The Company's JRSAs are typically non-cancellable for ten years or longer with renewal provisions. Title to the IMAX System under a JRSA generally does not transfer to the customer. The Company's JRSAs do not contain a guarantee of residual value at the end of the lease term. The customer is required to pay for executory costs such as insurance and taxes and is required to pay the Company for maintenance and an extended warranty throughout the term. The customer is responsible for obtaining insurance coverage for the IMAX System commencing on the date specified in the arrangement's shipping terms and ending on the date the IMAX System is returned to the Company.

The following lease payments are expected to be received by the Company for its sales-type leases and JRSAs in each of the remainder of 2025, next four years and thereafter following the September 30, 2025 balance sheet date:

<i>(In thousands of U.S. Dollars)</i>	Sales-Type Leases
2025 (three months remaining)	\$ 825
2026	3,322
2027	3,267
2028	3,121
2029	3,121
Thereafter	<u>17,275</u>
Total	<u>\$ 30,931</u>

5. Inventories

As of September 30, 2025 and December 31, 2024, Inventories consisted of the following:

<i>(In thousands of U.S. Dollars)</i>	September 30, 2025	December 31, 2024
Raw materials	\$ 30,482	\$ 29,162
Work-in-process	2,324	1,611
Finished goods	<u>8,629</u>	<u>2,067</u>
Total	<u>\$ 41,435</u>	<u>\$ 32,840</u>

As of September 30, 2025, Inventories included finished goods of \$4.1 million (December 31, 2024 — \$1.8 million) for which title had passed to the customers, but the criteria for revenue recognition were not met as of the balance sheet date.

During the three and nine months ended September 30, 2025, the Company recorded write-downs of less than \$0.1 million and \$0.2 million, respectively (2024 — write-downs of \$0.1 million and \$0.3 million during each such period) in Costs and Expenses Applicable to Revenues — Technology Sales.

6. Borrowings

Bank of China Facility

As of September 30, 2025, and December 31, 2024, there were no borrowings outstanding under the Bank of China Facility (as defined and described in Note 13 to the Company's audited Consolidated Financial Statements in its 2024 Form 10-K) and outstanding letters of guarantee were RMB1.0 million (less than \$0.1 million).

As of September 30, 2025, the amount available for future borrowings under the Bank of China Facility was RMB190.0 million (\$26.7 million) and the amount available for letters of guarantee was RMB9.0 million (\$1.3 million). The amount available for future borrowings under the Bank of China Facility is not subject to a standby fee. The effective interest rate for the three and nine months ended September 30, 2025 was 0% for each such period (2024 — 0% for each such period). There were no amounts drawn under the Bank of China Facility for the three and nine months ended September 30, 2025.

HSBC China Facility

In June 2022, IMAX (Shanghai) Multimedia Technology Co., Ltd. (“**IMAX Shanghai**”) entered into an unsecured revolving facility for up to RMB200.0 million (\$28.1 million) with HSBC Bank (China) Company Limited, Shanghai Branch to fund ongoing working capital requirements (the “**HSBC China Facility**”). As of September 30, 2025 and December 31, 2024, no borrowings were outstanding under the HSBC China Facility. As of September 30, 2025, the amount available for future borrowings under the HSBC China Facility was RMB200.0 million (\$28.1 million). The effective interest rate for the three and nine months ended September 30, 2025 was 0% for each such period (2024 — 0%).

8. Condensed Consolidated Statements of Operations – Supplemental Information

Selling Expenses

The following table summarizes the Company's selling expenses, including sales commissions and marketing and other, which are recognized within Costs and Expenses Applicable to Revenues in the Condensed Consolidated Statements of Operations, for the three and nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended September 30,			
	2025		2024	
	Sales Commissions	Marketing and Other	Sales Commissions	Marketing and Other
Technology sales ⁽¹⁾	\$ 364	\$ 234	\$ 258	\$ 139
Image enhancement and maintenance services ⁽²⁾	—	4,218	—	5,172
Technology rentals ⁽³⁾	233	276	128	811
Total	\$ 597	\$ 4,728	\$ 386	\$ 6,122

(1) Sales commissions paid prior to the recognition of the related revenue are deferred and recognized upon the client acceptance of the IMAX System. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

(2) Film exploitation costs, including advertising and marketing costs, are expensed as incurred.

(3) Sales commissions related to joint revenue sharing arrangements accounted for as operating leases are recognized in the month they are earned by the salesperson, which is typically the month in which the IMAX System is installed, and are subject to subsequent performance-based adjustments. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

<i>(In thousands of U.S. Dollars)</i>	Nine Months Ended September 30,			
	2025		2024	
	Sales Commissions	Marketing and Other	Sales Commissions	Marketing and Other
Technology sales ⁽¹⁾	\$ 762	\$ 361	\$ 684	\$ 485
Image enhancement and maintenance services ⁽²⁾	—	10,068	—	11,848
Technology rentals ⁽³⁾	490	1,276	378	1,811
Total	\$ 1,252	\$ 11,705	\$ 1,062	\$ 14,144

- (1) Sales commissions paid prior to the recognition of the related revenue are deferred and recognized upon the client acceptance of the IMAX System. Direct advertising and marketing costs for each IMAX System are expensed as incurred.
- (2) Film exploitation costs, including advertising and marketing costs, are expensed as incurred.
- (3) Sales commissions related to joint revenue sharing arrangements accounted for as operating leases are recognized in the month they are earned by the salesperson, which is typically the month in which the IMAX System is installed, and are subject to subsequent performance-based adjustments. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

Foreign Exchange

Included in Selling, General and Administrative Expenses for the three and nine months ended September 30, 2025 is a foreign currency net loss of \$0.2 million and loss of \$0.4 million, respectively (2024 — net losses of \$0.3 million and \$0.8 million, respectively) resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities. See Note 15 for additional information.

Government Assistance

For the three and nine months ended September 30, 2025, the Company recognized \$0.1 million and \$4.0 million in benefits received from the Internal Revenue Service under the Employee Retention Credit (“ERC”) program which provides for a refundable tax credit for eligible businesses that had employees and were affected during the COVID-19 pandemic. During the nine months ended September 30, 2025, the ERC was recognized as a reduction to Selling, General and Administrative Expenses (\$2.7 million) and Costs and Expenses Applicable to Revenues (\$1.3 million).

Collaborative Arrangements

Joint Revenue Sharing Arrangements

The accounting policy for the Company’s JRSAs is disclosed in Note 2 of the Company’s audited Consolidated Financial Statements in its 2024 Form 10-K.

Revenue attributable to transactions arising between the Company and its customers under JRSAs is recorded within Revenues — Technology Sales (for hybrid JRSAs) and Revenues — Technology Rentals (for traditional JRSAs). For the three and nine months ended September 30, 2025, such revenues totaled \$23.0 million and \$60.9 million, respectively (2024 — \$15.9 million and \$48.4 million, respectively).

IMAX Film Remastering and Distribution

The Company earns revenue through the digital remastering of films and other content into IMAX formats for distribution to the IMAX network (“**IMAX Film Remastering**”). The accounting policy for IMAX Film Remastering and distribution arrangements is disclosed in Note 2 of the Company’s audited Consolidated Financial Statements in its 2024 Form 10-K.

Revenue attributable to transactions arising between the Company and its customers under IMAX Film Remastering and distribution arrangements is included in Revenues — Image Enhancement and Maintenance Services. For the three and nine months ended September 30, 2025, such revenues totaled \$41.9 million and \$105.7 million, respectively (2024 — \$26.7 million and \$77.7 million, respectively). See Note 12 for a disaggregated presentation of the Company’s revenues.

Co-Produced Film Arrangements

The accounting policies relating to co-produced film arrangements are disclosed in Notes 2 and 3 of the Company’s audited Consolidated Financial Statements in its 2024 Form 10-K.

As of September 30, 2025, the Company is party to one co-produced film arrangement, which represented the VIE total assets balance of \$1.8 million and liabilities balance of \$0.4 million, and four other co-produced film arrangements, the terms of which are similar.

For the three and nine months ended September 30, 2025, expenses of \$0.2 million and \$0.3 million, respectively (2024 — \$0.2 million and \$3.2 million, respectively) attributable to transactions between the Company and other parties involved in the production of the films have been included in Costs and Expenses Applicable to Revenues – Image Enhancement and Maintenance Services.

10. Income Taxes

Income Tax Expense

For the three months ended September 30, 2025, the Company recorded an income tax expense of \$5.2 million (2024 — \$2.4 million). The Company’s effective tax rate of 18.7% for the three months ended September 30, 2025 reflects the geographic allocation of income earned in taxing jurisdictions and reflects a decrease in the valuation allowance.

For the nine months ended September 30, 2025, the Company recorded an income tax expense of \$13.7 million (2024 — tax expense of \$3.5 million). The Company’s effective tax rate of 24.1% for the nine months ended September 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and also reflects a decrease in the valuation allowance, withholding taxes and a tax benefit related to share-based compensation.

On July 4, 2025, the One Big Beautiful Bill Act (the “Act”) was enacted, introducing substantial changes to U.S. tax law that will take effect for the Company beginning in fiscal year 2026. Key provisions of the Act include revisions to Interest Deductibility (IRC §163(j)), Bonus Depreciation, and Section §179. The Company is currently evaluating the Act’s potential impact on its Consolidated Financial Statements and will update its assessment as further guidance becomes available.

As of September 30, 2025, the Company’s Condensed Consolidated Balance Sheets included net deferred income tax assets of \$12.7 million (December 31, 2024 — \$14.5 million). Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years to obtain benefit from the reversal of temporary differences, net operating loss carryforwards and tax credit carryforwards. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

As of September 30, 2025, the Company’s Condensed Consolidated Balance Sheets also included deferred tax liabilities of \$12.5 million (December 31, 2024 — \$12.5 million) primarily related to foreign withholding taxes associated with the remaining balance of non-repatriated historical earnings that will not be indefinitely reinvested outside of Canada.

11. Capital Stock and Reserves

Share-Based Compensation

For the three and nine months ended September 30, 2025, share-based compensation expense totaled \$6.3 million and \$18.9 million, respectively (2024 — \$5.4 million and \$16.9 million, respectively) and is reflected in the following accounts in the Condensed Consolidated Statements of Operations:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30, 2025	2024	September 30, 2025	2024
Costs and expenses applicable to revenues	\$ 348	\$ 251	\$ 944	\$ 726
Selling, general and administrative expenses	5,763	5,036	17,345	15,879
Research and development	190	112	574	333
Total	<u>\$ 6,301</u>	<u>\$ 5,399</u>	<u>\$ 18,863</u>	<u>\$ 16,938</u>

The following table summarizes the Company's share-based compensation expense by each award type:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Restricted Share Units	\$ 3,812	\$ 3,111	\$ 11,198	\$ 9,986
Performance Stock Units	2,057	2,048	5,958	5,866
IMAX China Long Term Incentive Plan				
Restricted Share Units	299	297	1,346	1,019
IMAX China Long Term Incentive Plan				
Performance Stock Units	133	(57)	361	67
	<u>\$ 6,301</u>	<u>\$ 5,399</u>	<u>\$ 18,863</u>	<u>\$ 16,938</u>

For the three and nine months ended September 30, 2025, the Company's share-based compensation expense included restricted share units to non-employees of less than \$0.1 million and \$1.7 million respectively, of which \$1.7 million granted during the nine month period vested immediately (2024 — \$0.1 million and \$1.8 million respectively).

Stock Option Summary

The following table summarizes the activity under the Company's Stock Option Plan ("SOP") for the nine months ended September 30, 2025 and 2024:

	Number of Shares		Weighted Average Exercise Price Per Share	
	2025	2024	2025	2024
Stock options outstanding, beginning of period	2,469,238	3,329,422	\$ 26.27	\$ 26.23
Exercised	(63,863)	(4,687)	21.83	20.85
Expired	(470,582)	(607,114)	29.53	28.15
Cancelled	—	(1,768)	—	24.38
Stock options outstanding, end of period	<u>1,934,793</u>	<u>2,715,853</u>	25.62	25.81
Stock options exercisable, end of period	<u>1,934,793</u>	<u>2,715,853</u>	25.62	25.81

Stock options are no longer granted under the SOP.

IMAX LTIP Restricted Share Units (“RSU”) Summary

The following table summarizes the activity in respect of RSUs issued under the IMAX Corporation Second Amended and Restated Long-Term Incentive Plan (as may be amended, “**IMAX LTIP**”) for the nine months ended September 30, 2025 and 2024:

	Number of Shares		Weighted Average Grant Date Fair Value Per Share	
	2025	2024	2025	2024
RSUs outstanding, beginning of period	1,465,977	1,286,830	\$ 17.16	\$ 18.53
Granted	555,819	948,261	25.22	16.44
Vested and settled	(713,130)	(698,187)	18.18	18.67
Forfeited	(40,513)	(47,474)	20.27	18.08
RSUs outstanding, end of period	<u>1,268,153</u>	<u>1,489,430</u>	20.02	17.15

IMAX LTIP Performance Stock Units (“PSU”) Summary

The Company grants two types of PSU award, one which vests based on a combination of employee service and the achievement of certain Adjusted EBITDA targets and one which vests based on a combination of employee service and the achievement of total shareholder return (“**TSR**”) targets. The achievement of these targets is assessed over a three-year performance period, with vesting ranging from 0% to 175% of the initial Adjusted EBITDA PSU award or 150% of the initial TSR PSU award, depending upon actual performance.

The grant date fair value for Adjusted EBITDA PSUs is equal to the closing price of the Company’s common shares on the date of grant or the average closing price of the Company’s common shares for five days prior to the date of grant. The grant date fair value for TSR PSUs is determined using a Monte Carlo Model, influenced by share price and various assumptions, such as market conditions and expected share price volatility over the term of the awards.

The compensation expense attributable for each type of PSU is recognized on a straight-line basis over the requisite service period. If, as a result of management’s assessment, it is projected that a greater or lesser number of PSUs will vest than previously anticipated, a life-to-date adjustment to increase or decrease compensation expense is recorded in the period that such determination is made. The expense recognized in the nine months ended September 30, 2025 and 2024 includes adjustments reflecting management’s estimate of the number of Adjusted EBITDA PSUs expected to vest.

The following table summarizes the activity in respect of PSUs issued under the IMAX LTIP for the nine months ended September 30, 2025 and 2024:

	Number of Awards		Weighted Average Grant Date Fair Value Per Share	
	2025	2024	2025	2024
PSUs outstanding, beginning of period	1,097,634	922,621	\$ 17.99	\$ 19.16
Granted ⁽¹⁾	555,247	580,336	24.19	17.97
Vested and settled ⁽¹⁾	(463,212)	(316,226)	19.88	19.71
Forfeited	(34,301)	(85,764)	20.77	21.00
PSUs outstanding, end of period	<u>1,155,368</u>	<u>1,100,967</u>	20.13	18.32

(1) For the nine months ended September 30, 2025, the balance of shares granted includes 176,751 additional shares, at a weighted average grant date fair value per share of \$19.53, as PSUs granted in 2022 with Adjusted EBITDA targets vested at 175% on account of full achievement of the targets and TSR targets vested at 123.5%, which reflects actual performance.

As of September 30, 2025, the maximum number of common shares that may be issued with respect to PSUs outstanding was 1,940,472, assuming full achievement of the Adjusted EBITDA and TSR targets.

Issuer Purchases of Equity Securities

In 2024, IMAX China's shareholders granted its Board of Directors a general mandate authorizing IMAX China's Board of Directors, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of issued shares as of June 7, 2024 (34,000,845 shares). This program expired on the date of the 2025 Annual General Meeting of IMAX China on June 12, 2025. During the 2025 Annual General Meeting, shareholders granted its Board of Directors a general mandate authorizing the Board of Directors of IMAX China, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of shares as of June 12, 2025 (33,919,122 shares). This program will be valid until the 2026 Annual General Meeting of IMAX China. The repurchases may be made in the open market or through other means permitted by applicable laws. IMAX China has no obligation to repurchase its shares and the share repurchase program may be suspended or discontinued by IMAX China at any time.

During the three months ended September 30, 2025, IMAX China did not repurchase any common shares. During the nine months ended September 30, 2025, IMAX China repurchased 1,495,900 common shares, at an average price of HKD7.56 per share (\$0.96 per share) for a total of HKD \$11.3 million (\$1.4 million), excluding commissions. During the three months ended September 30, 2024, IMAX China did not have any repurchases of common shares. During the nine months ended September 30, 2024, IMAX China repurchased 119,900 common shares, at an average price of HKD7.43 per share (\$0.95 per share) for a total of HKD0.9 million (\$0.1 million). The change in the non-controlling interest attributable to IMAX China as a result of common shares repurchased is recorded as a reduction to Non-Controlling Interests in the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Shareholders' Equity. The difference between the consideration paid and the ownership interest obtained as a result of IMAX China share repurchases is recorded within Other Equity in the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Shareholders' Equity.

Statutory Surplus Reserve

Pursuant to the corporate law of the People's Republic of China ("PRC"), entities registered in the PRC are required to maintain certain statutory reserves, which are appropriated from after-tax profits (after offsetting accumulated losses from prior years), as reported in their respective statutory financial statements, before the declaration or payment of dividends to equity holders. All statutory reserves are created for specific purposes.

The statutory surplus reserve of RMB37.7 million (\$4.2 million) has reached 50% of the Company's PRC subsidiaries' registered capital, and as such, no further contributions to the reserve are required.

12. Revenue from Contracts with Customers

Disaggregated Information About Revenue

The following tables summarize the Company's Revenues by reportable segment and revenue stream type for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30, 2025				Total
	Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	
<i>(In thousands of U.S. Dollars)</i>					
Content Solutions Segment:					
Film Remastering and Distribution	\$ —	\$ 41,913	\$ —	\$ —	\$ 41,913
Other Content Solutions	—	2,630	289	—	2,919
	—	44,543	289	—	44,832
Technology Products and Services Segment:					
System Sales	18,660	—	—	—	18,660
System Rentals	—	—	23,047	—	23,047
Maintenance	—	15,784	—	—	15,784
Finance Income	—	—	—	2,929	2,929
	18,660	15,784	23,047	2,929	60,420
Sub-total for reportable segments	18,660	60,327	23,336	2,929	105,252
All Other	700	702	—	—	1,402
Total	\$ 19,360	\$ 61,029	\$ 23,336	\$ 2,929	\$ 106,654

Nine Months Ended September 30, 2025

**Image
Enhancement
and**

<i>(In thousands of U.S. Dollars)</i>	Technology Sales	Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment					
Film Remastering and Distribution	\$ —	\$ 105,720	\$ —	\$ —	\$ 105,720
Other Content Solutions	—	6,454	872	—	7,326
	<u>—</u>	<u>112,174</u>	<u>872</u>	<u>—</u>	<u>113,046</u>
Technology Products and Services Segment					
System Sales	49,380	—	—	—	49,380
System Rentals	—	—	60,891	—	60,891
Maintenance	—	47,501	—	—	47,501
Finance Income	—	—	—	8,880	8,880
	<u>49,380</u>	<u>47,501</u>	<u>60,891</u>	<u>8,880</u>	<u>166,652</u>
Sub-total for reportable segments	<u>49,380</u>	<u>159,675</u>	<u>61,763</u>	<u>8,880</u>	<u>279,698</u>
All Other	<u>2,346</u>	<u>2,961</u>	<u>—</u>	<u>—</u>	<u>5,307</u>
Total	<u><u>\$ 51,726</u></u>	<u><u>\$ 162,636</u></u>	<u><u>\$ 61,763</u></u>	<u><u>\$ 8,880</u></u>	<u><u>\$ 285,005</u></u>

Three Months Ended September 30, 2024

		Image Enhancement and			
	Technology Sales	Maintenance Services	Technology Rentals	Finance Income	Total
<i>(In thousands of U.S. Dollars)</i>					
Content Solutions Segment					
Film Remastering and Distribution	\$ —	\$ 26,687	\$ —	\$ —	\$ 26,687
Other Content Solutions	—	3,356	86	—	3,442
	<u>—</u>	<u>30,043</u>	<u>86</u>	<u>—</u>	<u>30,129</u>
Technology Products and Services Segment					
System Sales	24,365	—	—	—	24,365
System Rentals	—	—	16,029	—	16,029
Maintenance	—	15,443	—	—	15,443
Finance Income	—	—	—	2,134	2,134
	<u>24,365</u>	<u>15,443</u>	<u>16,029</u>	<u>2,134</u>	<u>57,971</u>
Sub-total for reportable segments	<u>24,365</u>	<u>45,486</u>	<u>16,115</u>	<u>2,134</u>	<u>88,100</u>
All Other	<u>1,940</u>	<u>1,405</u>	<u>7</u>	<u>—</u>	<u>3,352</u>
Total	<u><u>\$ 26,305</u></u>	<u><u>\$ 46,891</u></u>	<u><u>\$ 16,122</u></u>	<u><u>\$ 2,134</u></u>	<u><u>\$ 91,452</u></u>

	Nine Months Ended September 30, 2024				
	Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
<i>(In thousands of U.S. Dollars)</i>					
Content Solutions Segment					
Film Remastering and Distribution	\$ —	\$ 77,712	\$ —	\$ —	\$ 77,712
Other Content Solutions	—	21,292	214	—	21,506
	—	99,004	214	—	99,218
Technology Products and Services Segment					
System Sales	50,926	—	—	—	50,926
System Rentals	—	—	48,545	—	48,545
Maintenance	—	45,835	—	—	45,835
Finance Income	—	—	—	6,713	6,713
	50,926	45,835	48,545	6,713	152,019
Sub-total for reportable segments	50,926	144,839	48,759	6,713	251,237
All Other	3,703	4,589	7	—	8,299
Total	<u>\$ 54,629</u>	<u>\$ 149,428</u>	<u>\$ 48,766</u>	<u>\$ 6,713</u>	<u>\$ 259,536</u>

For the three and nine months ended September 30, 2025, revenues earned from Technology Sales include variable consideration of \$5.1 million and \$11.4 million, respectively (2024 — \$8.2 million and \$17.6 million, respectively).

For the three and nine months ended September 30, 2025, revenues earned from leasing arrangements total \$23.3 million and \$61.8 million, respectively (2024 — \$15.9 million and \$48.4 million, respectively), including \$23.3 million and \$61.8 million, respectively, in Revenues – Technology Rentals (2024 — \$16.0 million and \$48.5 million, respectively), and \$nil and \$0.1 million in the three and nine months ended September 30, 2025, respectively, in Revenues – Technology Sales (2024 — a reversal of \$0.1 million).

Deferred Revenue

IMAX System sale and lease arrangements include a requirement for the Company to provide maintenance services over the life of the arrangement, some of which maintenance services are subject to a consumer price index adjustment each year. In circumstances where customers prepay the entire term's maintenance fee based on the original arrangement, additional payments are due to the Company for the years after its extended warranty and maintenance obligations expire. Payments, upon renewal each year, are either prepaid or made in arrears and can vary in frequency from monthly to annually. As of September 30, 2025, \$21.3 million of consideration has been deferred in relation to outstanding maintenance services to be provided on existing maintenance contracts (December 31, 2024 — \$26.5 million).

During the three and nine months ended September 30, 2025, \$9.6 million and \$29.4 million of revenue, respectively, was recognized from the \$52.7 million balance of deferred revenue as of December 31, 2024. During the three and nine months ended September 30, 2024, \$11.5 million and \$35.7 million of revenue, respectively, was recognized from the \$67.1 million balance of deferred revenue as of December 31, 2023.

13. Segment Reporting

The Company's Chief Executive Officer ("CEO") is its Chief Operating Decision Maker ("CODM"), as such term is defined under U.S. GAAP. The CODM assesses segment performance based on segment revenues and segment gross margins. Selling, general and administrative expenses, research and development costs, the amortization of intangible assets, provision for (reversal of) current expected credit losses, certain write-downs, interest income, interest expense, and income tax (expense) benefit are not allocated to the Company's segments.

The accounting policies of the reportable segments are the same as those described in Note 2 – Summary of Significant Accounting Policies of the 2024 Form 10-K. Intercompany profit or loss is not included in the evaluation of performance and allocation of resources.

Segment Financial Information

The following table presents the Company's revenue and gross margin by reportable segment for the three months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Revenue ⁽¹⁾		Gross Margin	
	2025	2024	2025	2024
Content Solutions	\$ 44,832	\$ 30,129	\$ 31,923	\$ 16,449
Technology Products and Services	<u>60,420</u>	<u>57,971</u>	<u>34,820</u>	<u>31,964</u>
Sub-total for reportable segments	<u>105,252</u>	<u>88,100</u>	<u>66,743</u>	<u>48,413</u>
All Other	<u>1,402</u>	<u>3,352</u>	<u>528</u>	<u>2,606</u>
Total	<u>\$ 106,654</u>	<u>\$ 91,452</u>	<u>\$ 67,271</u>	<u>\$ 51,019</u>

(1) The Company's largest customer represents 10% of total Revenues for the three months ended September 30, 2025 (2024 — 13%). No single customer comprised more than 10% of the Company's total Accounts Receivable balance as of September 30, 2025. No single customer accounted for more than 10% of the Company's total Accounts Receivable balance as of December 31, 2024.

The following table presents the Company's revenue and gross margin by reportable segment for the nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Revenue ⁽¹⁾		Gross Margin	
	2025	2024	2025	2024
Content Solutions	\$ 113,046	\$ 99,218	\$ 77,908	\$ 54,686
Technology Products and Services	<u>166,652</u>	<u>152,019</u>	<u>94,084</u>	<u>81,331</u>
Sub-total for reportable segments	<u>279,698</u>	<u>251,237</u>	<u>171,992</u>	<u>136,017</u>
All Other	<u>5,307</u>	<u>8,299</u>	<u>2,057</u>	<u>5,818</u>
Total	<u>\$ 285,005</u>	<u>\$ 259,536</u>	<u>\$ 174,049</u>	<u>\$ 141,835</u>

(1) The Company's largest customer represented 9% of total Revenues for the nine months ended September 30, 2025 (2024 — 11%). No single customer comprised more than 10% of the Company's total Accounts Receivable as of September 30, 2025. No single customer comprised more than 10% of the Company's total Accounts Receivable as of December 31, 2024.

The following table presents the Costs and Expenses Applicable to Revenues for the Content Solutions segment that is made available to the CODM as part of the Company's annual and quarterly financial reporting requirements in accordance with U.S. GAAP:

Content Solutions Segment:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenue	\$ 44,832	\$ 30,129	\$ 113,046	\$ 99,218
Film asset amortization	4,571	4,792	14,100	18,659
Marketing and other selling expenses	4,218	5,172	10,068	11,848
Co-produced film participation expenses	164	166	343	3,151
Other segment expenses ⁽¹⁾	3,956	3,550	10,627	10,874
Total Costs and Expenses Applicable to Revenues	<u>12,909</u>	<u>13,680</u>	<u>35,138</u>	<u>44,532</u>
Gross Margin	<u>\$ 31,923</u>	<u>\$ 16,449</u>	<u>\$ 77,908</u>	<u>\$ 54,686</u>

(1) Included within the Other segment expenses are costs related to film distribution, post production costs, production costs, and network connectivity fees.

The following table presents the Costs and Expenses Applicable to Revenues for the Technology Products and Services reportable segment that is made available to the CODM as part of the Company's annual and quarterly financial reporting requirements in accordance with U.S. GAAP:

Technology Products and Services Segment:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenue	\$ 60,420	\$ 57,971	\$ 166,652	\$ 152,019
Depreciation of equipment supporting JRSAs	5,841	5,516	17,219	17,011
Marketing and other selling expenses	597	386	1,252	1,062
Write-down of equipment supporting JRSAs	478	523	566	2,660
Write-down of inventory	98	150	201	266
Other segment expenses ⁽¹⁾	18,586	19,432	53,330	49,689
Total Costs and Expenses Applicable to Revenues	<u>25,600</u>	<u>26,007</u>	<u>72,568</u>	<u>70,688</u>
Gross Margin	<u>\$ 34,820</u>	<u>\$ 31,964</u>	<u>\$ 94,084</u>	<u>\$ 81,331</u>

- (1) Included within the Other segment expenses are costs related to the manufacturing and build of IMAX Systems recognized in the period, maintenance and warranty costs, and other product related costs. Also included is a recovery of \$0.5 million for insurance proceeds received during the nine months ended September 30, 2025, associated with inventory costs that were previously written off. The total proceeds received were \$0.7 million, and the incremental gain of \$0.2 million was recognized in selling, general and administrative expenses.

Geographic Information

Revenue by geographic area is based on the location of the customer. Revenue related to IMAX Film Remastering process is presented based upon the geographic location of the IMAX System that exhibits the remastered films. IMAX Film Remastering and distribution revenue is generated through contractual relationships with studios and other third parties that may not be in the same geographical location as the IMAX Systems that exhibit the remastered films.

The following table summarizes the Company's revenues by geographic area for the three and nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
United States	\$ 39,507	\$ 38,363	\$ 104,469	\$ 103,263
Greater China	20,270	21,324	78,072	65,527
Asia (excluding Greater China)	23,235	16,930	41,838	35,643
Western Europe	14,050	3,741	35,715	28,440
Latin America	3,034	2,954	7,141	6,672
Canada	3,041	1,687	6,937	7,254
Rest of the World	3,517	6,453	10,833	12,737
Total	<u>\$ 106,654</u>	<u>\$ 91,452</u>	<u>\$ 285,005</u>	<u>\$ 259,536</u>

The United States, Greater China (which includes the mainland of the People's Republic of China, Hong Kong, Macau, and Taiwan), Western Europe, and Asia (excluding Greater China) each comprise greater than 10% of the Company's total revenues for the three and nine months ended September 30, 2025 and 2024.

15. Financial Instruments

Financial Instruments

The Company's cash is invested with various major financial institutions. The Company's \$143.1 million balance of cash and cash equivalents as of September 30, 2025 (December 31, 2024 — \$100.6 million) included \$129.8 million in cash held outside of Canada (December 31, 2024 — \$85.4 million), of which \$85.8 million was held in the PRC (December 31, 2024 — \$47.5 million).

Foreign Exchange Risk Management

The Company is exposed to market risk from changes in foreign currency rates.

A majority of the Company's revenues are denominated in U.S. Dollars while a significant portion of its costs and expenses are denominated in Canadian Dollars. A portion of the Company's net U.S. Dollar cash is converted to Canadian Dollars to fund Canadian Dollar expenses through the spot market. In China and Japan, the Company has ongoing operating expenses related to its operations in RMB, HKD and Japanese Yen, respectively. Net cash flows are converted to and from U.S. Dollars through the spot market. The Company also has cash receipts under leases denominated in RMB, Japanese Yen, Canadian Dollars and Euros which are converted to U.S. Dollars through the spot market. In addition, because IMAX films generate box office receipts in 89 different countries, unfavorable exchange rates between applicable local currencies and the U.S. Dollar could have an impact on box-office receipts and the Company's revenues and results of operations. The Company's policy is to not use any financial instruments for trading or other speculative purposes.

The Company has entered into a series of foreign currency forward contracts to manage the risks associated with the volatility of foreign currencies. Certain of these foreign currency forward contracts met the criteria required for hedge accounting under the Derivatives and Hedging Topic of the FASB ASC at inception, and continued to meet hedge effectiveness tests as of September 30, 2025 (the "**Foreign Currency Hedges**"), with settlement dates throughout 2025 and 2026. Foreign currency derivatives are recognized and measured on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value (i.e., gains or losses) are recognized in the Condensed Consolidated Statements of Operations except for derivatives designated and qualifying as foreign currency cash flow hedging instruments. The Company currently has cash flow hedging instruments associated with Selling, General and Administrative Expenses. For foreign currency cash flow hedging instruments related to Selling, General and Administrative Expenses, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported in Accumulated Other Comprehensive Loss ("**AOCL**") and reclassified to the Condensed Consolidated Statements of Operations when the forecasted transaction occurs. Any ineffective portion is recognized immediately in the Condensed Consolidated Statements of Operations.

The following tabular disclosures reflect the impact that derivative instruments and hedging activities have on the Company's Condensed Consolidated Financial Statements:

Notional value of derivatives in foreign exchange contracts:

<i>(In thousands of U.S. Dollars)</i>	September 30, 2025	December 31, 2024
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Derivatives designated as hedging instruments:

Foreign exchange contracts — Forwards	<u>\$ 48,713</u>	<u>\$ 48,376</u>
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Fair value of derivatives in foreign exchange contracts:

<i>(In thousands of U.S. Dollars)</i>	Balance Sheet Location	September 30, 2025	December 31, 2024
Derivatives designated as hedging instruments:			
Foreign exchange contracts — Forwards	Other assets	\$ 563	\$ —
	Accrued and other liabilities	<u>(263)</u>	<u>(2,029)</u>
		<u>\$ 300</u>	<u>\$ (2,029)</u>

Derivatives in foreign currency hedging relationships are as follows:

<i>(In thousands of U.S. Dollars)</i>		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Foreign exchange contracts — Forwards	Derivative (Loss) Gain Recognized in OCI (Effective Portion)	<u>\$ (1,223)</u>	<u>\$ 337</u>	<u>\$ 582</u>	<u>\$ (944)</u>

<i>(In thousands of U.S. Dollars)</i>	Location of Derivative Loss Reclassified from AOCI (Effective Portion)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Foreign exchange contracts — Forwards	Selling, general and administrative expenses	<u>\$ (120)</u>	<u>\$ (162)</u>	<u>\$ (1,747)</u>	<u>\$ (240)</u>

The Company's estimated net amount of the existing gain as of September 30, 2025 is \$0.3 million, which is expected to be reclassified to the Condensed Consolidated Statements of Operations within the next twelve months.

16. Non-Controlling Interests

IMAX China Non-Controlling Interest

As of September 30, 2025, the Company indirectly owned 71.72% of the outstanding equity interest in IMAX China, whose shares trade on the Hong Kong Stock Exchange (December 31, 2024 — 71.40%). IMAX China remains a consolidated subsidiary of the Company. As of September 30, 2025, the balance of the Company's non-controlling interest in IMAX China was \$86.5 million (December 31, 2024 — \$78.1 million). For the three and nine months ended September 30, 2025, the net income attributable to the non-controlling interest in IMAX China was \$1.9 million and \$8.7 million, respectively (2024 — \$1.4 million and \$5.1 million, respectively).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Presented below is Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for IMAX Corporation (together with its consolidated subsidiaries, unless the context requires otherwise, "IMAX" or the "Company") for the three and nine months ended September 30, 2025 and 2024. This MD&A should be read in conjunction with Note 13, "Segment Reporting," in the accompanying Condensed Consolidated Financial Statements in Item 1 as well as the Company's audited consolidated financial statements and related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal year ended December 31, 2024 included in the Company's 2024 Annual Report on Form 10-K (the "**2024 Form 10-K**").

As of September 30, 2025, the Company indirectly owned 71.72% of the outstanding equity interest in IMAX China Holding, Inc. ("IMAX China"), whose shares trade on the Hong Kong Stock Exchange. IMAX China is a consolidated subsidiary of the Company. For the nine months ended September 30, 2025, net income attributable to IMAX China was \$30.5 million, of which \$21.9 million was attributable to the shareholders of the Company (2024 — \$17.7 million and \$12.7 million, respectively).

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this quarterly report may constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 or “forward-looking information” within the meaning of Canadian securities laws. These forward-looking statements include, but are not limited to, statements regarding business and technology strategies and measures to implement strategies, statements about the Company’s belief and expectations, competitive strengths, goals, market opportunity and penetration, including opportunities in and expected growth from international markets, momentum and runway for, expansion and growth of business, network, operations and technology, future capital expenditures (including the amount and nature thereof), the Company’s technological capabilities and the differentiation thereof, brand equity and brand awareness and the benefits thereof, industry prospects and consumer behavior, future industry developments, including expected releases and the timing and effects thereof, plans and references to the future success of the Company and expectations regarding its future operating, financial and technological results. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of the Company is subject to a number of risks and uncertainties, including, but not limited to, risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States, Canada, and China, including with respect to escalating and uncertain tariffs and other trade regulations, as well as economic and trade tensions, trade wars, and geopolitical conflicts and the effects thereof; risks related to the Company’s growth and operations in China; industry conditions in China affecting both the Company and its partners; risks related to the failure of the Company’s exhibitors being able to fulfill their contractual payment obligations; risks related to the Company’s failure to attract and retain its employee population; the performance of IMAX remastered films and other films released to the IMAX network; the signing of IMAX theater system agreements; conditions, changes and developments in the commercial exhibition industry; risks related to the Company’s inability to enter into new sales and lease agreements adversely affecting revenue; risks related to the Company’s operating results and cash flow increasing the volatility of the Company’s share price; risks related to currency fluctuations and foreign exchange controls; the potential impact of increased competition in the markets within which the Company operates, including competitive actions by other companies; the failure to respond to change and advancements in technology; risks relating to consolidation among commercial exhibitors and studios; risks related to brand extensions and new business initiatives; conditions in the in-home and out-of-home entertainment industries; the opportunities (or lack thereof) that may be presented to and pursued by the Company; risks related to cybersecurity and data privacy; risks related to the Company’s inability to protect its intellectual property and to avoid infringing, misappropriating, or violating the intellectual property rights of others; risks associated with the Company’s use of artificial intelligence (“AI”) and exploration of additional use cases of AI; risks related to climate change; risks related to weather conditions and natural disasters that may disrupt or harm the Company’s business; risks related to the Company’s indebtedness and compliance with its debt agreements; general economic, market or business conditions; risks related to sustained inflationary pressure; risks related to political, economic and social instability; the failure to convert system backlog into revenue and cash

flows; changes in laws or regulations; any statements of belief and any statements of assumptions underlying any of the foregoing; other factors and risks outlined in the Company's periodic filings with the United States Securities and Exchange Commission (the "SEC") or in Canada, the System for Electronic Data Analysis and Retrieval ("SEDAR+"); and other factors, many of which are beyond the control of the Company. Consequently, all of the forward-looking statements made in this quarterly report are qualified by these cautionary statements, and actual results or anticipated developments by the Company may not be realized, and even if substantially realized, may not have the expected consequences to, or effects on, the Company. The forward-looking statements herein are made only as of the date hereof and the Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise.

IMAX®, IMAX® 3D, Experience It In IMAX®, The IMAX Experience®, DMR®, Filmed For IMAX®, IMAX Live®, IMAX Enhanced® and IMAX StreamSmart® are trademarks and trade names of the Company or its subsidiaries that are registered or otherwise protected under laws of various jurisdictions.

The Company makes available, free of charge, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to such reports, as soon as reasonably practicable after such filings have been made with the SEC and Canadian securities regulators. Reports may be obtained free of charge through the SEC's website at www.sec.gov or the SEDAR+ website at www.sedarplus.ca and through the Company's website at www.imax.com or by calling the Company's Investor Relations Department at 212-821-0154.

The Company announces material information to the public through a variety of means, including filings with the SEC and Canadian securities regulators, press releases, public conference calls, and its website at www.imax.com. The Company uses these channels to communicate with investors and the public about the Company, its products and services, and other matters. Therefore, investors are encouraged to review the information the Company makes public in these locations, as such information could be deemed to be material information. No information included on the Company's website shall be deemed included or otherwise incorporated into this filing, except where expressly indicated. All references to the Company's website are intended to be inactive textual references only.

OVERVIEW

IMAX is a premier global technology platform for entertainment and events. Through its proprietary software, auditorium architecture, patented intellectual property, and specialized equipment, IMAX offers a unique end-to-end solution to create superior, awe-inspiring immersive content experiences for which the IMAX® brand is globally renowned. Top filmmakers, movie studios, artists, and creators utilize the cutting-edge visual and sound technology of IMAX to connect with audiences in innovative ways. As a result, IMAX is among the most important and successful global distribution platforms for domestic and international tentpole films. The Company's global content portfolio includes blockbuster films, both from Hollywood and local language film industries worldwide; IMAX documentaries, both original and acquired ("**IMAX Documentaries**"); and IMAX events and experiences in emerging verticals, including music, gaming, and sports.

The Company leverages its proprietary technology and engineering in its business, which principally consists of the digital remastering of films and other content into the IMAX format for distribution across the IMAX network ("**IMAX Film Remastering**") and the sale or lease of premium IMAX theater systems ("**IMAX System(s)**").

IMAX Systems are based on proprietary and patented image, audio and other technology developed over the course of the Company's history. The customers for IMAX Systems are principally exhibitors that operate commercial multiplex theaters, and, to a much lesser extent, institutional locations, including museums and science centers, and destination entertainment sites. The Company does not own the locations in the IMAX network, except for one, and is not an exhibitor, but instead sells or leases the IMAX System to exhibitor customers along with licenses to use its trademarks and ongoing maintenance services for which there are annual payments by the exhibitors to IMAX.

IMAX has the largest global premium format network, more than double the size of its nearest competitor. As of September 30, 2025, there were 1,829 IMAX Systems in 89 countries and territories, including 1,759 commercial multiplexes, 10 commercial destinations, and 60 institutional locations in the Company's global network. This compares to 1,788 IMAX Systems in 89 countries and territories as of September 30, 2024, including 1,714 commercial multiplexes, 12 commercial destinations, and 62 institutional locations in the Company's global network. Refer to the table under "IMAX Network and Backlog" for additional information on the composition of the IMAX network.

IMAX Systems provide the Company's exhibitor customers with a combination of the following benefits:

- the ability to exhibit content that has been enhanced through the IMAX Film Remastering process, which results in higher image and sound fidelity than conventional cinema experiences;
- advanced, high-resolution projectors with specialized equipment and automated theater control systems, which generate significantly more contrast and brightness than conventional theater systems;
- large screens and proprietary auditorium geometry, which result in a substantially larger field of view than conventional theatre systems so that the screen extends to the edge of a viewer's peripheral vision and creates more realistic images;
- advanced sound system components, which deliver more expansive sound imagery than conventional theatre systems and pinpointed origination of sound to any specific spot in an auditorium equipped with an IMAX System;
- specialized theater acoustics, which result in a four-fold reduction in background noise compared to conventional cinema experiences;
- ongoing maintenance and extended warranty services; and
- a license to the globally recognized IMAX brand, as well as benefits from IMAX marketing of films being shown in its network and IMAX's growing social media followership.

In addition, select movies shown in the IMAX network are filmed using proprietary IMAX film cameras or IMAX certified digital cameras, which along with IMAX's customized guidance and a workflow process, provide filmmakers enhanced and differentiated image quality and an IMAX-exclusive film aspect ratio that delivers up to 26% more image onto a standard IMAX movie screen. In select IMAX locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, delivering up to 67% more image onto a standard IMAX movie screen.

The Company believes that these benefits enable audiences in IMAX locations to feel as if they are a part of the on-screen action, creating a more intense, immersive, and awe-inspiring experience than a conventional cinematic format.

As a result of the engineering and scientific achievements that are a hallmark of *The IMAX Experience*, the Company's exhibitor customers typically charge a premium for films released in IMAX's format versus films exhibited in their other auditoriums. The premium pricing, combined with the higher attendance levels associated with IMAX films, tends to generate incremental box office receipts ("**box office**") for the Company's exhibitor customers and for the movie studios releasing their films to the IMAX network. The incremental box office generated by IMAX films combined with IMAX's leading global network footprint and scale has helped establish IMAX as a key premium distribution and marketing platform for Hollywood and foreign local language movie studios.

The Company achieved a box office record in the third quarter of 2025 of \$367.6 million, a 50% increase over the prior year comparative period, from 37 new films and other content released during the period, highlighted by the performance of *F1: The Movie*, the Company's highest grossing Hollywood release year-to-date, achieving 15% of the film's total worldwide box office. The third quarter of 2025 included local language box office of \$121 million (or 33% of total box office), led by *Demon Slayer: Infinity Castle* with IMAX box office of \$72 million. The Company has generated over \$343 million in local language box office year to date September 2025, surpassing its previous record of \$243 million set in 2023.

The Company now has four releases on the year: *Sinners*, *Mission: Impossible – The Final Reckoning*, *F1: The Movie*, and *One Battle After Another*, for which IMAX has generated at least 20% of the domestic opening on just over 400 North American screens.

As a premier global technology platform for entertainment and events, the Company strives to remain at the forefront of advancements in technology. The Company offers a suite of laser-based digital projection systems ("**IMAX Laser Systems**"), which deliver increased resolution, sharper and brighter images, deeper contrast, and the widest range of colors available to filmmakers today. The Company further believes that its suite of IMAX Laser Systems is helping facilitate the next major renewal and upgrade cycle for the global IMAX network.

The Company utilizes AI for image enhancement, streaming technology, and data analysis with the goal of improving various aspects of its business. Furthermore, the Company is actively exploring other global use cases for AI to save costs and to improve its products, operations, and efficiency.

The U.S. government has implemented substantial and rapidly evolving changes to U.S. trade policies, including increased tariffs on imports. These actions have resulted in retaliatory measures and uncertainty in global trade relationships. For a description of these risks, see "Risk Factors – The Company's business may be materially adversely affected by the imposition of tariffs and other trade barriers and retaliatory countermeasures implemented by the United States and other governments." in Part II, Item 1A of this Form 10-Q.

SOURCES OF REVENUE

The Company has organized its operating segments into the following two reportable segments: (i) Content Solutions, which principally includes content enhancement and distribution services, and (ii) Technology Products and Services, which principally includes the sale, lease, and maintenance of IMAX Systems. The Company's activities that do not meet the criteria to be considered a reportable segment are disclosed within All Other (See Note 13 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1).

Content Solutions

The Content Solutions segment earns revenue from Film Remastering, including the distribution of this content across the IMAX global network. To a lesser extent, the Content Solutions segment also earns revenue from the distribution of large-format documentary films and IMAX events and experiences, including music, gaming, and sports, as well as the provision of film post-production services.

Content Solutions segment results are influenced by the level of commercial success and box office performance of the films and other content released to the IMAX network, as well as other factors, including the timing of the releases, the timing of documentary downstream sales, the length of play across the IMAX network, the box office share take rates under the Company's Film Remastering and distribution arrangements, the level of marketing spend associated with the releases in the year, and fluctuations in the value of foreign currencies versus the U.S. Dollar.

Film Remastering and Distribution

IMAX Film Remastering is a proprietary technology that digitally remasters films and other content into IMAX formats for distribution across the IMAX network. In a typical IMAX Film Remastering and distribution arrangement, the Company receives a percentage of the box office from a movie studio in exchange for converting a commercial film into the IMAX format and distributing it through the IMAX network. The fee earned by the Company in a typical IMAX Film Remastering and distribution arrangement averages approximately 12.5% of box office (i.e., gross box office ("GBO") less applicable sales taxes), except for within Greater China, where the Company often receives a lower percentage of net box office due to tax. All box office results in this report are inclusive of China booking fees.

IMAX Film Remastering digitally enhances the image quality and/or resolution for projection on IMAX screens while maintaining or enhancing the visual clarity and sound quality to levels for which *The IMAX Experience* is known. IMAX Film Remastering is completed for the image of films released to the IMAX network, creating a unique IMAX version that is optimized for IMAX's proprietary digital projection systems and format. In addition, the original soundtrack of a film to be exhibited across the IMAX locations is remastered into a unique IMAX digital audio format. IMAX sound systems use proprietary loudspeaker systems, designs and proprietary surround sound configurations to ensure every seat in an auditorium is an optimal listening position.

IMAX films also benefit from enhancements made by individual filmmakers exclusively for the IMAX release of the film. Collectively, the Company refers to these enhancements as “IMAX DNA.” Filmmakers and movie studios increasingly seek to infuse more IMAX DNA in theatrical releases to realize a filmmaker’s creative vision more fully, while generating interest and excitement among moviegoers. Such enhancements include shooting films with IMAX cameras to increase the audience’s immersion in the film and to take advantage of the unique dimensions of the IMAX screen by projecting the film in a larger aspect ratio that delivers up to 26% more image onto a standard IMAX movie screen. In select IMAX locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, delivering up to 67% more image. The Company’s Filmed For IMAX® program enables filmmakers to craft films from their inception to optimize *The IMAX Experience* and provides incremental and bespoke marketing support. The box office metrics have demonstrated audiences respond extremely favorably to Filmed For IMAX® titles, resulting in a higher market share for IMAX. In 2025, Filmed for IMAX titles have indexed almost 20% higher than titles with no IMAX DNA.

Management believes that growth in international box office represents an important growth opportunity for the Company. The Company’s strategy to capitalize on this opportunity includes expanding the IMAX network into underpenetrated international markets and growing the number of local language films released, particularly in China, Japan, India, France, and South Korea. As the popularity of local language films has continued to increase, the Company has extended its content strategy to distribute local language content beyond native markets. For the three and nine months ended September 30, 2025, local language films exhibited across the Company’s global network generated \$120 million and \$343 million, respectively, in box office, representing 33% and 36%, respectively, of the Company’s global box office, including the Chinese local language film, *Ne Zha 2*, which became the highest grossing IMAX release of all time in China, and Japanese local language film, *Demon Slayer: Infinity Castle*, which became the highest grossing IMAX release of all time in Japan.

The following table provides the number of new films and other content that were released to the Company's global network during the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Hollywood film releases ⁽¹⁾	<u>7</u>	<u>11</u>	<u>22</u>	<u>27</u>
Local language film releases:				
China	12	10	22	18
Japan	4	4	8	12
South Korea	2	2	6	5
India	1	3	7	7
Vietnam	1	—	2	—
Thailand	1	1	1	1
Germany	1	—	1	—
France	—	—	2	—
Indonesia	—	—	1	1
Egypt	—	—	1	—
Saudi Arabia	—	—	1	—
Malaysia	—	1	—	1
Total local language film releases	<u>22</u>	<u>21</u>	<u>52</u>	<u>45</u>
Other content experiences	<u>8</u>	<u>5</u>	<u>17</u>	<u>11</u>
	<u>37</u>	<u>37</u>	<u>91</u>	<u>83</u>

(1) For the three and nine months ended September 30, 2025, the films released to the Company's global network include four and 13 with IMAX DNA (2024 — five).

The films distributed through the Company's global network during the nine months ended September 30, 2025 that generated the highest IMAX box office totals were Chinese local language film *Ne Zha 2*, *F1 The Movie*, *Mission: Impossible – The Final Reckoning*, and Japanese local language film *Demon Slayer: Infinity Castle*. In addition, during the nine months ended September 30, 2025, a number of alternative content films and events were distributed, including *Becoming Led Zeppelin*, *Pink Floyd at Pompeii – MCMLXXII* and *Prince – Sign O' The Times*.

In addition to the 91 IMAX films and alternative content experiences released on the Company's global network during the nine months ended September 30, 2025, the Company has announced the following additional 22 new films and alternative content experiences to be released throughout the remainder of 2025:

Title	Studio	Scheduled Release Date ⁽¹⁾	IMAX DNA
<i>Tron: Ares</i>	Walt Disney Studios	October 2025	Filmed for IMAX
<i>Chien 51</i> ⁽²⁾	Pathe	October 2025	—
<i>Thama</i> ⁽²⁾	Maddock Films	October 2025	—
<i>Springsteen: Deliver Me from Nowhere</i>	Walt Disney Studios	October 2025	—
<i>Depeche Mode: M</i>	Trafalgar	October 2025	—
<i>G-Dragon</i> ⁽²⁾	CJ ENM	October 2025	—
<i>Back to the Future: 40th Anniversary</i>	Universal Pictures	October 2025	—
<i>Baahubali: The Epic</i> ⁽²⁾	Arka Media Works	October 2025	—
<i>League of Legends</i>	Riot Games	November 2025	—
<i>J-Hope</i> ⁽²⁾	Hybe	November 2025	—
<i>Jujutsu Kaisen Execution</i>	Toho Studios	November 2025	—
<i>Predator: Badlands</i>	Walt Disney Studios	November 2025	—
<i>The Running Man</i>	Paramount Pictures	November 2025	—
<i>Scarlet</i>	Toho Studios	November 2025	—
<i>Wicked: For Good</i>	Universal Pictures	November 2025	—
<i>Zootopia 2</i>	Walt Disney Studios	November 2025	—
<i>Mrs. Green Apple</i>	Toho Studios	November 2025	—
<i>Amsterdammned II</i> ⁽²⁾	Splendid Film	December 2025	—
<i>Stones to the Max</i>	Mercury Studios	December 2025	—
<i>Avatar: Fire and Ash</i>	Walt Disney Studios	December 2025	—
<i>Made in Yiwu</i> ⁽²⁾	Lian Ray	December 2025	Filmed for IMAX
<i>Escape From the Outland</i> ⁽²⁾	Super Lion	December 2025	Filmed for IMAX

(1) The scheduled release dates in the table above are subject to change, may vary by territory, and may not reflect the date(s) of limited premiere events.

(2) Denotes local language release.

The Company remains in active negotiations with studios for additional films to fill out its short – and long-term film slate for the IMAX network. The Company also expects to announce additional local language films and exclusive IMAX events and experiences to be released to its global network in the last quarter of 2025. The Company has announced that a record number of over 14 Filmed for IMAX titles are scheduled to be released in 2025. The Company's Hollywood film slate beyond 2025 is building, including major films such as: *The Odyssey*, *Avengers: Doomsday*, *The Mandalorian and Grogu*, *Dune 3*, *Avengers: Secret Wars*, *Project Hail Mary*, *Toy Story 5*, *Supergirl: Woman of Tomorrow*, *Moana*, *The Batman 2*, *Frozen 3*, and *Dynamic Duo*. Additionally, in January 2025, the Company announced an agreement with Netflix, Inc. to debut Academy Award®-nominated director Greta Gerwig's upcoming film, *Narnia: The Magician's Nephew*, exclusively across the IMAX network with a two-week run beginning Thanksgiving 2026. In addition, the Company believes that at least 15 Filmed for IMAX titles will be released to its global network in 2026, which would break the record set in 2025 for such titles.

Other Content Solutions

The Company distributes large-format documentary feature films through its global commercial network and institutional theaters. Traditionally, the Company receives as its distribution fee either a fixed amount or a fixed percentage of the theater box office and, following the recoupment of its costs, is typically entitled to receive an additional percentage of gross revenues as participation revenues. In 2025, the Company released the institutional 3D version of *Blue Angels* across select IMAX locations in North America, Europe, and Australia. Upcoming documentaries, which are currently in production, include *The Lost Wolves of Yellowstone*, in collaboration with Grizzly Creek Films LLC, which is expected to be released in 2026. Other feature documentary films expected to be released in 2026 include *Stormbound* produced by Academy Award-winning producer, Adam McKay; *Frontier* produced in collaboration with Nocturnal Entertainment Productions, LLC, Atlas Entertainment LL, and Believe Entertainment Group, LLC; and French language *Athos* produced by Federation Studio France. *The Elephant Odyssey*, a documentary in collaboration with Beach House Pictures Pte Ltd and China International Communications Group, is expected to be released in 2027.

The Company continues to believe that the IMAX network is a valuable global platform to launch and distribute original content, including documentaries. The ownership rights to such films may be held by the film sponsors, the film investors and/or the Company. As of September 30, 2025, the Company had distribution rights with respect to approximately 65 films, which cover subjects such as space, wildlife, music, sports, history and natural wonders.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX events and experiences to audiences worldwide. As of September 30, 2025, the Company had a footprint of 253 connected locations in the IMAX network across North America, Europe, Africa, Australia, and Asia configured with connectivity to deliver live and interactive events with low latency and superior sight and sound.

In the third quarter, the Company had several releases which included one-night-only concert event *Dead & Company Live in IMAX From Golden Gate Park* with Los Muertos, *The Grateful Dead Movie 2025 Meet-Up* and *David Gilmour Live at the Circus Maximus, Rome* with Trafalgar Releasing, and *Girl Climber* with Red Bull Studios. In collaboration with Runway AI, Inc, *Runway's 2025 AI Film Festival* was released across ten North American IMAX locations. The Company partnered with Mercury Studios for the release of *Prince – Sign O' The Times* and Bleecker Street for the release of *Spinal Tap II: The End Continues*, including a live Q&A event. In the nine months ended September 30, 2025, in addition to the third quarter releases noted, the Company partnered with Sony Pictures for the exclusive release of *Becoming Led Zeppelin*, Magnolia Pictures for the exclusive release of *One to One: John & Yoko* and Trafalgar Releasing for the exclusive release of *Pink Floyd at Pompeii – MCMLXXII*, NBC Universal for the *SNL50 The Homecoming Concert* in select IMAX North American locations and DAZN for the *PSG v Marseille Le Classique Match* in select IMAX locations across France. In addition, the Company continued its partnership with A24 for one-night-only IMAX releases of classic A24 titles, including *Talk to Me*, *Moonlight*, and *Spring Breakers*. The Company collaborated with Fandango Media for the *Fortnite Championship Series: Pro-Am* screening in eight North American IMAX locations and with Wanda Film for the *F1 Spanish Grand Prix* screening across six IMAX locations in China.

The Company provides film post-production and quality control services for films, whether produced by IMAX or third parties, and digital post-production services. In addition, the Company provides IMAX film and digital cameras to content creators under the IMAX certified camera program.

Technology Products and Services

The Technology Products and Services segment earns revenue principally from the sale or lease of IMAX Systems, as well as from the maintenance of IMAX Systems. To a lesser extent, the Technology Products and Services segment also earns revenue from certain ancillary theater business activities, including after-market sales of IMAX Systems parts and 3D glasses.

The primary drivers of Technology Products and Services segment results are the number of IMAX Systems installed in a period, the costs associated with each installation, and lease payments tied to the box office performance of the films released to the IMAX network, as well as the associated maintenance contracts that accompany each installation. The average revenue and gross margin per IMAX System under sale and sales-type lease arrangements vary depending upon the number of IMAX System commitments with a single respective exhibitor, an exhibitor's location, the type of IMAX System sold, and various other factors. The installation of IMAX Systems in theaters or multiplexes, which make up a large portion of the Company's system backlog, depends primarily on the timing of the construction of those projects, which is not under the Company's control.

Sales and Sales-Type Lease Arrangements

The Company provides IMAX Systems to exhibitors through sale arrangements or long-term lease arrangements that for accounting purposes are classified as sales-type leases. Under these arrangements, in exchange for providing the IMAX System, the Company earns initial fees and ongoing consideration, which can include fixed annual minimum payments and contingent fees in excess of the minimum payments, as well as maintenance and extended warranty fees (see "IMAX Maintenance" below). The initial fees vary depending on the system configuration and location of the IMAX System. Initial fees are paid to the Company in installments typically between the time of signing the arrangement and the time of system installation. Once an IMAX System is installed, the initial fees and the present value of future annual minimum payments, which are financing fees, are recognized as revenue. In addition, in sale arrangements, the present value of the estimated contingent fees that may become due if certain annual minimum box office receipt thresholds are exceeded is recorded as revenue in the period when the sale is recognized and is adjusted in future periods based on actual results and changes in estimates. Such variable consideration is only recognized on sales transactions to the extent the Company believes there is not a risk of significant revenue reversal. Finance income is recognized over the term of a financed sale or sales-type lease arrangement.

In sale arrangements, title to the IMAX System equipment generally transfers to the customer. However, in certain instances, the Company retains title or a security interest in the equipment until the customer has made all payments required by the agreement or until certain shipment events for the equipment have occurred. In a sales-type lease arrangement, title to the IMAX System equipment remains with the Company. The Company has the right to remove the equipment for non-payment or other defaults by the customer.

The revenue earned from customers under the Company's IMAX System sale or sales-type lease agreements varies from quarter-to – quarter and year-to-year based on a number of factors, including the number and mix of IMAX System configurations sold or leased, the timing of installation of the IMAX Systems, the nature of the arrangement and other factors specific to individual contracts.

Joint Revenue Sharing Arrangements

The Company also provides IMAX Systems to exhibitors through joint revenue sharing arrangements (“**JRSAs**”). Under the traditional form of these arrangements, the Company provides the IMAX System under a long-term lease in which the Company assumes the majority of the equipment and installation costs. In exchange for its upfront investment, the Company, primarily, earns rent based on a percentage of contingent box office receipts rather than requiring the customer to pay a fixed upfront fee or fixed annual minimum payments. Rental payments from the customer are required throughout the term of the arrangement and are typically due either monthly or quarterly. The Company retains title to the IMAX System equipment components throughout the lease term, and the equipment is returned to the Company at the conclusion of the arrangement.

Under certain other JRSAs, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX System in an amount that is typically half of what the Company would receive from a typical sale transaction. As with a traditional JRSA, the customer also pays the Company a percentage of contingent box office receipts over the term of the arrangement, although this percentage is typically half that of a traditional JRSA.

Under most JRSAs (both traditional and hybrid), the initial non-cancellable term is 10 years or longer and is renewable by the customer for one to two additional terms of between three to five years. The Company has the right to remove the equipment for non-payment or other defaults by the customer. The contracts are non-cancellable by the customer unless the Company fails to perform its obligations.

The revenue earned from customers under the Company's JRSAs can vary from quarter-to-quarter and year-to-year based on a number of factors that drive box office levels including film performance, the mix of IMAX System configurations, the timing of installation of IMAX Systems, the nature of the arrangement, the location, size and management of the theater and other factors specific to individual arrangements.

JRSAs also require IMAX to provide maintenance and extended warranty services to the customer over the term of the lease in exchange for a separate fixed annual fee. These fees are reported within IMAX Maintenance, as discussed below.

JRSAs have been an important factor in the expansion of the Company's commercial system network. JRSAs allow commercial theater exhibitors to install IMAX Systems without the significant initial capital investment required in a sale or sales-type lease arrangement. JRSAs drive recurring cash flows and earnings for the Company as customers under these arrangements pay the Company a portion of their ongoing box office receipts. The Company funds its investment in equipment for JRSAs through cash flows from operations. As of September 30, 2025, the Company had 905 locations under JRSAs in its global commercial multiplex network. The Company also had contracts in backlog for 321 systems under JRSAs as of September 30, 2025, including 126 upgrades to existing locations and 195 new locations.

IMAX Maintenance

IMAX System arrangements also include a requirement for the Company to provide maintenance services over the life of the arrangement in exchange for an extended warranty and annual maintenance fee paid by the exhibitor. Under these arrangements, the Company provides preventative and emergency maintenance services to ensure that each presentation is up to IMAX quality standards. Annual maintenance fees are paid throughout the duration of the term of the system agreements.

All Other

IMAX Enhanced / Streaming and Consumer Technology

IMAX's Streaming and Consumer Technology ("SCT") business offers a single unified program: IMAX Enhanced. This umbrella program builds on IMAX's brand and proprietary VisionScience™ technology to deliver *The IMAX Experience* to users across streaming platforms and consumer devices. The new 'IMAX Enhanced' program for partners includes three core elements:

1. **IMAX Enhanced Live:** Real-time enhancement for sports, concerts, and events using SCT's proprietary technology to measure, enhance, optimize, and validate premium color, contrast, and clarity at the speed of live.
2. **IMAX Enhanced On-Demand:** Quality preservation and optimization for films and series to preserve creative intent with IMAX-calibrated fidelity and remastering, offering viewers a differentiated, premium IMAX-assured experience. IMAX Enhanced on-demand content is currently available for fan-favorite titles across leading services such as Disney+, Sony Pictures Core, and Tencent Video.
3. **Device Certification & Calibration:** Establishes IMAX quality standards for consumer devices to ensure playback meets IMAX benchmarks. It assures that the enhancement and preservation of quality applied upstream for both Live and On-Demand workflows are maintained faithfully and experienced as intended on consumer devices. As of September 30, 2025, over 15 million IMAX Enhanced certified devices are in-market with partners, including Sony Electronics, Hisense, TCL, LG, and Philips.

IMAX’s Streaming and Consumer Technology is part of the Company’s next evolutionary step to extend the IMAX brand and technology into new use cases and programming, including live events, series, and leveraging consumer electronics to deliver premium experiences for users at home.

The products branded as StreamSmart® (encoding optimization) and StreamAware™ (quality assurance and monitoring) have now been streamlined to improve operational efficiency, reduce overhead, and enable partners to deliver differentiated, premium, and monetizable viewing experiences validated through IMAX’s proprietary approach to visual quality.

Other

All Other also includes revenues from sources including one owned and operated IMAX System in Sacramento, California; a commercial arrangement with one theater resulting in the sharing of profits and losses; the provision of management services to three other theaters; and offering production advice and technical assistance to both documentary and Hollywood filmmakers.

IMAX NETWORK AND BACKLOG

IMAX Network

The following table provides detailed information about the IMAX network by type and geographic location as of September 30, 2025 and 2024. For additional information regarding the composition of the IMAX network, see “Marketing and Customers” in Part I, Item 1 of the Company’s 2024 Form 10-K.

	September 30, 2025				September 30, 2024			
	Commercial Multiplex	Commercial Destination	Institutional	Total	Commercial Multiplex	Commercial Destination	Institutional	Total
United States	380	4	24	408	368	4	24	396
Canada	44	1	5	50	42	1	6	49
Greater China ⁽¹⁾	787	—	13	800	795	—	13	808
Asia (excluding Greater China)	194	1	2	197	175	2	2	179
Western Europe	147	3	7	157	131	4	8	143
Latin America ⁽²⁾	63	1	7	71	61	1	7	69
Rest of the World	144	—	2	146	142	—	2	144
Total ⁽³⁾	<u>1,759</u>	<u>10</u>	<u>60</u>	<u>1,829</u>	<u>1,714</u>	<u>12</u>	<u>62</u>	<u>1,788</u>

(1) Greater China includes China, Hong Kong, Taiwan, and Macau.

(2) Latin America includes South America, Central America, and Mexico.

(3) Period-to-period changes in the table above are reported net of the effect of permanently closed locations.

(See “Risk Factors – The Company faces risks in connection with its significant presence in China and the continued expansion of its business there,” “Risk Factors – The Company may not convert all of its backlog into revenue and cash flows,” and “Risk Factors – General political, social and economic conditions can affect the Company’s business by reducing both revenues generated from existing IMAX Systems and the demand for new IMAX Systems” in Part I, Item 1A of the Company’s 2024 Form 10-K.)

IMAX currently estimates a worldwide commercial multiplex addressable market of 3,619 locations (last updated in 2023), of which there are 1,759 IMAX Systems operating as of September 30, 2025, representing a market penetration of only 49%. The Company believes that the majority of its future growth will come from international markets. As of September 30, 2025, 76% of IMAX Systems in the global commercial multiplex network were located within international markets (defined as all countries other than the United States and Canada). Revenues and GBO derived from international markets continue to exceed revenues and GBO from the United States and Canada. Risks associated with the Company’s international business are outlined in “Risk Factors – The Company conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales and future growth prospects” in Part I, Item 1A of the Company’s 2024 Form 10-K.

The following tables provide detailed information about IMAX Systems operating in multiplex locations by arrangement type and geographic location as of September 30, 2025 and 2024:

	September 30, 2025			Total
	Commercial Multiplex Locations in IMAX Network			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements ⁽¹⁾	
Domestic Total (United States & Canada)	<u>278</u>	<u>6</u>	<u>140</u>	<u>424</u>
International:				
Greater China	387	99	301	787
Asia (excluding Greater China)	56	1	137	194
Western Europe	50	13	84	147
Latin America	4	—	59	63
Rest of the World	11	—	133	144
International Total	<u>508</u>	<u>113</u>	<u>714</u>	<u>1,335</u>
Worldwide Total ⁽²⁾	<u><u>786</u></u>	<u><u>119</u></u>	<u><u>854</u></u>	<u><u>1,759</u></u>

(1) Includes Sales and Sales-Type Lease deal types.

(2) Period-to-period changes in the tables above are reported net of permanently closed locations.

	September 30, 2024			
	Commercial Multiplex Locations in IMAX Network			
	Traditional	Hybrid	Sales	
	JRSA	JRSA	Arrangements ⁽¹⁾	Total
Domestic Total (United States & Canada)	275	6	129	410
International:				
Greater China	381	108	306	795
Asia (excluding Greater China)	51	1	123	175
Western Europe	42	14	75	131
Latin America	3	—	58	61
Rest of the World	13	—	129	142
International Total	490	123	691	1,304
Worldwide Total ⁽²⁾	765	129	820	1,714

(1) Includes Sales and Sales-Type Lease deal types.

(2) Period-to-period changes in the tables above are reported net of permanently closed systems.

Backlog

The following tables provide detailed information about the Company's backlog by arrangement type and geographic location as of September 30, 2025 and 2024:

	September 30, 2025			
	IMAX System Backlog			
	Traditional	Hybrid	Sales	
	JRSA	JRSA	Arrangements ⁽¹⁾	Total
Domestic Total (United States & Canada)	108	2	15	125
International:				
Greater China	93	90	44	227
Asia (excluding Greater China)	16	1	36	53
Western Europe	7	—	13	20
Latin America	1	—	6	7
Rest of the World	2	1	43	46
International Total	119	92	142	353
Worldwide Total ⁽²⁾⁽³⁾	227	94	157	478

- (1) Includes Sales and Sales-Type Lease deal types.
- (2) Worldwide Total of 478 includes 247 new IMAX Laser Systems and 137 upgrades of existing locations to IMAX Laser Systems.
- (3) Worldwide Total of 478 includes 341 new system backlog and 137 upgrade system backlog.

	September 30, 2024			Total
	Traditional JRSA	IMAX System Backlog Hybrid JRSA	Sales Arrangements ⁽¹⁾	
Domestic Total (United States & Canada)	60	2	10	72
International:				
Greater China	112	90	52	254
Asia (excluding Greater China)	17	2	43	62
Western Europe	13	1	21	35
Latin America	2	—	3	5
Rest of the World	3	—	41	44
International Total	147	93	160	400
Worldwide Total ⁽²⁾⁽³⁾	<u>207</u>	<u>95</u>	<u>170</u>	<u>472</u>

- (1) Includes Sales and Sales-Type Lease deal types.
- (2) Worldwide Total of 472 includes 262 new IMAX Laser Systems and 109 upgrades of existing locations to IMAX Laser Systems.
- (3) Worldwide Total of 472 includes 363 new system backlog and 109 upgrade system backlog.

The backlog reflects the minimum number of commitments for IMAX Systems according to signed contracts. The Company believes that the contractual obligations for IMAX System installations that are listed in backlog are valid and binding commitments. From time to time, in the normal course of its business, the Company will have customers who are unable to proceed with an IMAX System installation for a variety of reasons, including the inability to obtain certain consents, approvals or financing.

Certain of the Company's contracts contain options for the customer to elect to upgrade system type during the term or to alter the contract structure (for example, from a JRSA to a sale) after signing, but before installation. Current backlog information reflects all known elections.

Approximately 74% of IMAX System arrangements in backlog as of September 30, 2025 were scheduled to be installed in international markets (2024 — 85%).

(See "Risk Factors – The Company may not convert all of its backlog into revenue and cash flows." in Part I, Item 1A of the Company's 2024 Form 10-K.)

RESULTS OF OPERATIONS

Results of Operations for the Three Months Ended September 30, 2025 and 2024

Net Income and Adjusted Net Income Attributable to Common Shareholders

The following table presents the Company's net income attributable to common shareholders and the associated per diluted share amounts, as well as adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share for the three months ended September 30, 2025 and 2024:

	Three Months Ended September 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except per diluted share amounts)</i>	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	<u>\$ 20,657</u>	<u>\$ 0.37</u>	<u>\$ 13,896</u>	<u>\$ 0.26</u>
Adjusted net income attributable to common shareholders*	<u>\$ 26,240</u>	<u>\$ 0.47</u>	<u>\$ 18,855</u>	<u>\$ 0.35</u>

* Refer to "Non-GAAP Financial Measures" for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

Revenues and Gross Margin

During the three months ended September 30, 2025, the Company's revenues and gross margin increased by \$15.2 million, or 17%, and \$16.3 million, or 32%, respectively, when compared to same period in 2024 principally due to stronger global IMAX box office performance.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the three months ended September 30, 2025 and 2024:

	Revenue		Gross Margin		Gross Margin %	
	2025	2024	2025	2024	2025	2024
<i>(In thousands of U.S. Dollars)</i>						
Content Solutions	\$ 44,832	\$ 30,129	\$ 31,923	\$ 16,449	71 %	55 %
Technology Products and Services	<u>60,420</u>	<u>57,971</u>	<u>34,820</u>	<u>31,964</u>	<u>58 %</u>	<u>55 %</u>
Sub-total for reportable segments	<u>105,252</u>	<u>88,100</u>	<u>66,743</u>	<u>48,413</u>	<u>63 %</u>	<u>55 %</u>
All Other ⁽¹⁾	<u>1,402</u>	<u>3,352</u>	<u>528</u>	<u>2,606</u>	<u>38 %</u>	<u>78 %</u>
Total	<u>\$ 106,654</u>	<u>\$ 91,452</u>	<u>\$ 67,271</u>	<u>\$ 51,019</u>	<u>63 %</u>	<u>56 %</u>

(1) All Other includes the results from Streaming and Consumer Technology and other ancillary activities.

Content Solutions

For the three months ended September 30, 2025, Content Solutions segment revenues and gross margin increased by \$14.7 million, or 49%, and increased by \$15.5 million, or 94%, respectively, when compared to the same period in 2024. The third quarter results were driven by record third quarter IMAX GBO as well as IMAX's highest ever Content Solutions gross margin percentage.

In the third quarter of 2025, box office generated by IMAX films totaled \$367.6 million, an \$122.7 million, or 50% increase versus the prior year comparative period of \$245.0 million. The growth was driven by the stronger IMAX box office performance of the diversified global IMAX film slate during the quarter, compared to the third quarter of 2024 box office performance. In the third quarter of 2025, IMAX box office was generated by the exhibition of 39 films (37 new films and other content and 2 films originally released in a prior year), including the following Hollywood titles: *F1 The Movie* (\$65 million), *Superman* (\$57 million), and *The Fantastic Four: First Steps* (\$49 million). In the third quarter of 2025, local language films exhibited across the Company's global network generated \$120.2 million in box office, representing 33% of its GBO. The Japanese local language film, *Demon Slayer: Infinity Castle*, (\$72 million) became the highest grossing IMAX release of all time in Japan and set numerous opening weekend country records as it released across the IMAX global network. In the third quarter of 2024, IMAX box office was generated by the exhibition of 44 films (37 new films and other content, and 7 films originally released in a prior year).

In the third quarter of 2025, the Company released *Superman* and *The Fantastic Four: First Steps* which were filmed with IMAX proprietary cameras (Filmed For IMAX). Filmed For IMAX movies traditionally result in a higher IMAX share of GBO and for the two Hollywood Filmed for IMAX films released in the three months ended September 30, 2025, IMAX generated 14.2% of the domestic opening weekend box office, despite accounting for only 1% of available screens.

In addition to the level of revenues, Content Solutions segment gross margin is influenced by the costs associated with films and other content (documentaries, live, alternative and other) exhibited in the period. The costs associated with films and other content can include production, post-production, distribution and marketing, which are expensed as incurred. For the three months ended September 30, 2025, gross margin percent was 71% compared to 55% in the prior year period. The increase in gross margin was due to the higher level of IMAX box office and the profit that incrementally ensues when individual titles generate higher levels of box office.

Technology Products and Services

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, IMAX System counts exclude traditional JRSAs as revenue is recognized over the lease term, during the three months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars, except number of systems)</i>	Three Months Ended September 30,			
	2025		2024	
	Number of Systems	Revenue	Number of Systems	Revenue
New IMAX Systems	16	\$ 12,318	12	\$ 11,363
Upgraded IMAX Systems	2	1,881	8	9,424
Total IMAX Systems	<u>18</u>	<u>\$ 14,199</u>	<u>20</u>	<u>\$ 20,787</u>

Included in the table above are two IMAX Systems that were relocated from their original locations, one of which was closed in a prior period (2024 – one IMAX System). When a system under a sale or sales-type lease arrangement is relocated, the amount of revenue earned by the Company may vary from transaction to transaction and is typically lower than a new IMAX system. In certain situations when a system is relocated, the original location is upgraded to an IMAX Laser System.

For the three months ended September 30, 2025, Technology Products and Services segment revenue increased by \$2.4 million, or 4%, while gross margin increased by \$2.9 million, or 9%, when compared to the same period in 2024. The higher level of revenue is primarily driven by a higher level of rental revenues, which is box office driven. Rental revenues increased by \$7.0 million, as IMAX GBO earned from the Company's JRSAs increased by \$37.9 million, or 32%, in the third quarter of 2025 when compared to the prior year comparative period, from \$116.7 million to \$154.6 million. Also contributing to the increase in revenue was an increase in after-market revenue, primarily from higher sales of 3D glasses, during the quarter.

The increases in revenues described above were partially offset by a \$6.6 million decrease in revenue from the installation of IMAX Systems, and lower renewals versus the prior period, under sales and sales-type lease arrangements.

For the three months ended September 30, 2025, Technology Products and Services gross margin percent was 58% compared to 55% in the prior period, which primarily reflects the higher level of revenues generated from stronger IMAX box office performance across the joint revenue sharing network, as described above.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the three months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended			
	September 30, 2025	2024	Variance	%
Total Selling, general and administrative expenses	\$ 34,219	\$ 31,466	\$ 2,753	9%
Less: Share-based compensation ⁽¹⁾	<u>(5,763)</u>	<u>(5,036)</u>	<u>(727)</u>	<u>(14%)</u>
Total Adjusted Selling, general and administrative expenses	<u>\$ 28,456</u>	<u>\$ 26,430</u>	<u>\$ 2,026</u>	<u>8%</u>

(1) A portion of share-based compensation expense is recognized within Costs and Expenses Applicable to Revenues, and Research and Development. (Refer to "Capital Stock and Reserves — Share-Based Compensation" in Note 11 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

For the third quarter of 2025, the higher level of Selling, General and Administrative Expenses year-over-year reflects higher annual performance driven incentive compensation costs and fringe benefits, partially offset by management's continued focus on operational efficiencies. In the prior period, the Company recorded an adjustment of \$1.6 million resulting from a reduction in the SSIMWAVE acquisition performance payout as a reduction to Selling, General and Administrative expenses. No such adjustment to reduce Selling, General and Administrative expenses was recognized in the current period.

Credit Loss Expense (Reversal), Net

For the three months ended September 30, 2025, the Company recorded a credit loss expense of \$0.6 million, as compared to a credit loss reversal of \$1.1 million recognized in the prior year.

The Company estimates credit losses based on both a historical provision rate and customer specific circumstances. Management's judgments regarding expected credit losses are based on the facts available to management at the time that the Condensed Consolidated Financial Statements are prepared and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. (Refer to Note 3 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

Income Taxes

For the three months ended September 30, 2025, the Company recorded an income tax expense of \$5.2 million (2024 — \$2.4 million). The Company's effective tax rate of 18.7% for the three months ended September 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and reflects a decrease in the valuation allowance.

Non-Controlling Interests

For the three months ended September 30, 2025, the net income attributable to non-controlling interests of the Company's subsidiaries was \$2.0 million, an increase of \$0.5 million, when compared to the same period in 2024, primarily due to higher box office performance in Greater China.

Results of Operations for the Nine Months Ended September 30, 2025 and 2024

Net Income and Adjusted Net Income Attributable to Common Shareholders

The following table presents the Company's net income attributable to common shareholders and the associated per diluted share amounts, as well as adjusted net income attributable to common shareholders* and adjusted net income attributable to common shareholders per diluted share for the nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars, except per diluted share amounts)</i>	Nine Months Ended September 30,			
	2025		2024	
	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	<u>\$ 34,239</u>	<u>\$ 0.62</u>	<u>\$ 20,753</u>	<u>\$ 0.39</u>
Adjusted net income attributable to common shareholders*	<u>\$ 48,025</u>	<u>\$ 0.87</u>	<u>\$ 36,542</u>	<u>\$ 0.68</u>

* Refer to "Non-GAAP Financial Measures" for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

Revenues and Gross Margin

For the nine months ended September 30, 2025, the Company's revenues and gross margin increased by \$25.5 million, or 10%, and \$32.2 million, or 23%, respectively, when compared to same period in 2024, principally due to stronger IMAX box office performance driven by a record Chinese New Year, Filmed For IMAX, and local language film slate.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Revenue		Gross Margin		Gross Margin %	
	2025	2024	2025	2024	2025	2024
Content Solutions	\$ 113,046	\$ 99,218	\$ 77,908	\$ 54,686	69 %	55 %
Technology Products and Services	<u>166,652</u>	<u>152,019</u>	<u>94,084</u>	<u>81,331</u>	<u>56 %</u>	<u>54 %</u>
Sub-total for reportable segments	<u>279,698</u>	<u>251,237</u>	<u>171,992</u>	<u>136,017</u>	<u>61 %</u>	<u>54 %</u>
All Other⁽¹⁾	<u>5,307</u>	<u>8,299</u>	<u>2,057</u>	<u>5,818</u>	<u>39 %</u>	<u>70 %</u>
Total	<u>\$ 285,005</u>	<u>\$ 259,536</u>	<u>\$ 174,049</u>	<u>\$ 141,835</u>	<u>61 %</u>	<u>55 %</u>

(1) All Other includes the results from Streaming and Consumer Technology and other ancillary activities.

Content Solutions

For the nine months ended September 30, 2025, Content Solutions segment revenues and gross margin increased by \$13.8 million, or 14%, and increased by \$23.2 million, or 42%, respectively, when compared to the same period in 2024.

In the nine months ended September 30, 2025, box office generated by IMAX films totaled \$946.9 million, a \$234.8 million, or 33%, increase versus the prior year comparative period of \$712.1 million. This growth was primarily driven by the stronger IMAX box office performance of the IMAX Hollywood and local language film slate in 2025. During the nine months ended September 30, 2025, IMAX box office was generated by the exhibition of 94 films and other content (91 new films and 3 films originally released in a prior year), including the following Hollywood titles: *F1 The Movie* (\$97 million), *Mission: Impossible – The Final Reckoning* (\$76 million), *Superman* (\$57 million), *The Fantastic Four: First Steps* (\$49 million) and *Sinners* (\$39 million). In addition, in the nine months ended September 30, 2025, local language films exhibited across the Company's global network generated \$343 million in box office, representing 36% of its GBO. The Chinese local language film, *Ne Zha 2*, became the highest grossing IMAX release of all time in China (\$167 million) and contributed to the highest grossing Chinese New Year in the Company's history. The Japanese local language film, *Demon Slayer: Infinity Castle* (\$72 million) became the highest grossing IMAX release of all time in Japan. In the nine months ended September 30, 2024, IMAX box office revenue was generated by the exhibition of 104 films (83 new films and 21 films originally released in a prior year). These increases in revenue due to higher box office were partially offset by the revenue earned from the completion of the sale of the worldwide commercial and streaming rights of the Company's original documentary, *The Blue Angels*, to Amazon Content recorded in the comparative 2024 period.

In the nine months ended September 30, 2025, the Company released movies that were filmed with IMAX proprietary cameras (Filmed For IMAX), including *Sinners*, *F1 The Movie*, *Mission: Impossible – The Final Reckoning*, *Superman*, and *The Fantastic Four: First Steps*. Filmed For IMAX movies traditionally perform disproportionately well at the box office, and for four of these films, IMAX delivered approximately 20% or more of the opening weekend domestic box office, despite accounting for only 1% of available screens. In the nine months ended September 30, 2025, Filmed For IMAX domestic opening weekend indexing was 15.3% compared to 13.6% in the same period of 2024.

In addition to the level of revenues, Content Solutions segment gross margin is influenced by the costs associated with films and other content exhibited in the period. These costs can include production, post-production, distribution, and marketing, which are expensed as incurred. For the nine months ended September 30, 2025, gross margin percent was 69% compared to 55% in the prior period. This increase was driven by a higher level of IMAX box office and a lower mix of self-produced content expensed compared to the prior period.

Technology Products and Services

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, except for traditional JRSA as revenue is recognized over the lease term, during the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except number of systems)</i>	Number of Systems	Revenue	Number of Systems	Revenue
New IMAX Systems	39	\$ 32,648	25	\$ 22,874
Upgraded IMAX Systems	5	5,219	11	13,727
Total	<u>44</u>	<u>\$ 37,867</u>	<u>36</u>	<u>\$ 36,601</u>

Included in the table above are five IMAX Systems that were relocated from their original locations (2024 – four IMAX Systems). When a system under a sale or sales-type lease arrangement is relocated, the amount of revenue earned by the Company may vary from transaction to transaction and is usually less than the amount earned for a new sale. In certain situations when a system is relocated, the original location is upgraded to an IMAX Laser System.

For the nine months ended September 30, 2025, Technology Products and Services segment revenue and gross margin increased by \$14.6 million, or 10%, and \$12.8 million, or 16%, respectively, when compared to the same period in the prior year. The higher level of revenue is primarily driven by a higher level of rental revenues, which is box office dependent. Rental revenues increased by \$12.3 million, driven by IMAX GBO from joint revenue sharing arrangements which increased by \$95.5 million in the nine months ended September 30, 2025 when compared to the prior year comparative period, from \$324.3 million to \$419.8 million. Also contributing to the increase in revenue was an increase in after-market revenue, primarily from higher sales of 3D glasses, and the number of systems recognized under sales and sales-type lease arrangements, per the table above.

The increases in revenue were partially offset by a \$7.7 million decrease in revenue contribution from the impact of amendments, renewals and other agreements to existing IMAX Systems arrangements.

For the nine months ended September 30, 2025, gross margin percent was 56% compared to 54% in the same period in the prior year, which primarily reflects the higher level of revenues as described above.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the nine months ended September 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Nine Months Ended		Variance	
	September 30,		\$	%
	2025	2024		
Total Selling, general and administrative expenses	\$ 102,983	\$ 100,287	\$ 2,696	3%
Less: Share-based compensation ⁽¹⁾	<u>(17,345)</u>	<u>(15,879)</u>	<u>(1,466)</u>	<u>(9%)</u>
 Total Adjusted Selling, general and administrative expenses ⁽²⁾	 <u>\$ 85,638</u>	 <u>\$ 84,408</u>	 <u>\$ 1,230</u>	 <u>1%</u>

(1) A portion of share-based compensation expense is recognized within Cost and Expenses Applicable to Revenue, and Research and Development. (Refer to "Capital Stock and Reserves — Share-Based Compensation" in Note 11 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

(2) See "Non-GAAP Financial Measures" for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

For the nine months ended September 30, 2025, the higher level of Selling, General and Administrative Expenses year-over-year reflects higher annual, performance driven incentive compensation costs and fringe benefits, partially offset by management's continued focus on operational efficiencies, including workforce reductions. Additionally, in the period, the Company recognized \$2.6 million in benefits resulting from an Employee Retention Credit as a reduction to Selling, General and Administrative expenses, partially offsetting the higher costs. Also impacting the prior period, the Company recorded adjustments relating to payouts in connection with a prior year acquisition as a reduction to Selling, General and Administrative expenses.

Credit Loss Expense (Reversal), Net

For the nine months ended September 30, 2025, the Company recorded a credit loss expense of \$0.3 million, as compared to a credit loss reversal of \$1.0 million recognized in the prior year.

The Company estimates credit losses based on both a historical provision rate and customer specific circumstances. Management's judgments regarding expected credit losses are based on the facts available to management at the time that the Condensed Consolidated Financial Statements are prepared and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. (Refer to Note 3 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1).

Income Taxes

For the nine months ended September 30, 2025, the Company recorded an income tax expense of \$13.7 million (2024 — tax expense of \$3.5 million). The Company's effective tax rate of 24.1% for the nine months ended September 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and also reflects a decrease in the valuation allowance, withholding taxes and a tax benefit related to share-based compensation.

Non-Controlling Interests

For the nine months ended September 30, 2025, the net income attributable to non-controlling interests of the Company's subsidiaries was \$8.8 million, an increase of \$3.7 million, when compared to the same period in 2024, which reflects a higher level of IMAX box office earned in Greater China.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2025, the Company's principal sources of liquidity included: (i) its balances of cash and cash equivalents of \$143.1 million; (ii) the anticipated collection of trade accounts receivable, which includes amounts owed under JRSAs and Film Remastering and distribution agreements with movie studios; (iii) the anticipated collection of financing and variable consideration receivables due in the next 12 months under sale and sales-type lease arrangements for systems currently in operation; and (iv) installment payments expected in the next 12 months under sale and sales-type lease arrangements in backlog. Under the terms of the Company's typical sale and sales-type lease agreements, the Company receives substantial cash payments before it completes the performance of its contractual obligations.

In addition, as of September 30, 2025, the Company had \$346.0 million in available borrowing capacity under its Seventh Amended and Restated Credit Agreement (the "**Credit Agreement**"), \$26.7 million in available borrowing capacity under the IMAX Shanghai revolving credit facility with the Bank of China (the "**Bank of China Facility**"), and \$28.1 million in available borrowing capacity under IMAX Shanghai's revolving credit facility with HSBC Bank (China) Company Limited, Shanghai Branch (the "**HSBC China Facility**"). Refer to "Borrowings — Convertible Notes and Other Borrowings, Net" in Note 6 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.

The Company's \$143.1 million balance of cash and cash equivalents as of September 30, 2025 (December 31, 2024 — \$100.6 million) included \$129.8 million in cash held outside of Canada (December 31, 2024 — \$85.4 million), of which \$85.8 million was held in the People's Republic of China (the "PRC") (December 31, 2024 — \$47.5 million). Management reassessed its strategy with respect to the most efficient means of deploying the Company's capital resources globally and determined that historical earnings of certain foreign subsidiaries in excess of amounts required to sustain business operations would no longer be indefinitely reinvested. During the nine months ended September 30, 2025, no historical earnings from a subsidiary in the PRC were distributed (2024 — \$nil) and, as a result, no foreign withholding taxes were paid to the relevant tax authorities (2024 — \$nil). As of September 30, 2025, the Company's Condensed Consolidated Balance Sheets included a deferred tax liability of \$12.5 million for the applicable foreign withholding taxes associated with the remaining balance of non-repatriated historical earnings that will not be indefinitely reinvested outside of Canada. These taxes will become payable upon the repatriation of any such earnings.

The Company forecasts its future cash flow and short-term liquidity requirements on an ongoing basis. These forecasts are based on estimates and may be materially impacted by factors that are outside of the Company's control (including the factors described in "Risk Factors" in Part I, Item 1A of the Company's 2024 Form 10-K as supplemented by "Risk Factors" in Part II, Item 1A of this Form 10-Q). As a result, there is no guarantee that these forecasts will come to fruition and that the Company will be able to fund its operations through cash flows from operations. In particular, the Company's operating cash flows and cash balances will be adversely impacted if management's projections of future signings and installations of IMAX Systems and box office performance of IMAX content are not realized.

The Company also has certain significant contractual obligations and commitments that have been disclosed in "Contractual Obligations" in Part II, Item 7 of the Company's 2024 Form 10-K. There are no material changes to these obligations and commitments as of September 30, 2025.

Based on the Company's current cash balances and operating cash flows, management expects to have sufficient capital and liquidity to fund its anticipated operating needs and capital requirements during the next twelve-month period following the date of this report.

NON-GAAP FINANCIAL MEASURES

GAAP refers to generally accepted accounting principles in the United States of America. In this report, the Company presents financial measures in accordance with GAAP and also on a non-GAAP basis under the SEC regulations. Specifically, the Company presents the following non-GAAP financial measures as supplemental measures of its performance:

- Adjusted net income or loss attributable to common shareholders;
- Adjusted net income or loss attributable to common shareholders per basic and diluted share;

- EBITDA;
- Adjusted EBITDA per Credit Facility; and
- Adjusted Selling, general and administrative expenses.

Adjusted net income or loss attributable to common shareholders and adjusted net income or loss attributable to common shareholders per basic and diluted share exclude, where applicable: (i) share-based compensation; (ii) realized and unrealized investment gains or losses; (iii) restructuring and other charges; and (iv) employee retention credits, and as well as the related tax impact of these adjustments.

The Company believes that these non-GAAP financial measures are important supplemental measures that allow management and users of the Company's financial statements to view operating trends and analyze controllable operating performance on a comparable basis between periods without the after-tax impact of share-based compensation and certain unusual items included in net income attributable to common shareholders. Although share-based compensation is an important aspect of the Company's employee and executive compensation packages, it is a non-cash expense and is excluded from certain internal business performance measures.

Reconciliations of net income attributable to common shareholders and the associated per share amounts to adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share are presented in the tables below.

	Three Months Ended September 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except per share amounts)</i>	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	\$ 20,657	\$ 0.37	\$ 13,896	\$ 0.26
Adjustments ⁽¹⁾ :				
Share-based compensation	6,194	0.11	5,332	0.10
Unrealized investment gains	(34)	—	(32)	—
Employee retention credits	(144)	—	—	—
Tax impact on items listed above	(433)	(0.01)	(341)	(0.01)
Adjusted net income ⁽¹⁾	<u>\$ 26,240</u>	<u>\$ 0.47</u>	<u>\$ 18,855</u>	<u>\$ 0.35</u>
Weighted average shares outstanding — basic		<u>53,788</u>		<u>52,682</u>
Weighted average shares outstanding — diluted		<u>55,565</u>		<u>54,089</u>

(1) Reflects amounts attributable to common shareholders.

	Nine Months Ended September 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except per diluted share amounts)</i>	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	\$ 34,239	\$ 0.62	\$ 20,753	\$ 0.39
Adjustments ⁽¹⁾ :				
Share-based compensation	18,534	0.34	16,686	0.30
Unrealized investment gains	(99)	—	(94)	—
Restructuring and other charges	843	0.01	—	—
Employee retention credits	(3,971)	(0.07)	—	—
Tax impact on items listed above	(1,521)	(0.03)	(803)	(0.01)
Adjusted net income ⁽¹⁾	<u>\$ 48,025</u>	<u>\$ 0.87</u>	<u>\$ 36,542</u>	<u>\$ 0.68</u>
Weighted average shares outstanding — basic		<u>53,561</u>		<u>52,605</u>
Weighted average shares outstanding — diluted		<u>55,242</u>		<u>53,628</u>

(1) Reflects amounts attributable to common shareholders.

In addition to the non-GAAP financial measures discussed above, management also uses “EBITDA,” as such term is defined in the Credit Agreement, and which is referred to herein as “Adjusted EBITDA per Credit Facility.” As defined in the Credit Agreement, Adjusted EBITDA per Credit Facility includes adjustments in addition to the exclusion of interest, taxes, depreciation and amortization. Accordingly, this non-GAAP financial measure is presented to allow a more comprehensive analysis of the Company’s operating performance and to provide additional information with respect to the Company’s compliance with its Credit Agreement requirements, when applicable. In addition, the Company believes that Adjusted EBITDA per Credit Facility presents relevant and useful information widely used by analysts, investors and other interested parties in the Company’s industry to evaluate, assess and benchmark the Company’s results.

EBITDA is defined as net income or loss excluding: (i) income tax expense or benefit; (ii) interest expense, net of interest income; (iii) depreciation and amortization, including film asset amortization; and (iv) amortization of deferred financing costs. Adjusted EBITDA per Credit Facility is defined as EBITDA excluding: (i) share-based and other non-cash compensation; (ii) realized and unrealized investment gains or losses; (iii) restructuring and other charges; and (iv) write-downs, net of recoveries, including asset impairments and credit loss expense or reversal.

Reconciliations of net income attributable to common shareholders, which is the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA per Credit Facility are presented in the tables below:

	Three Months Ended September 30, 2025
<i>(In thousands of U.S. Dollars)</i>	
Reported net income	\$ 22,616
Add (subtract):	
Income tax expense	5,205
Interest expense, net of interest income	766
Depreciation and amortization, including film asset amortization	15,611
Amortization of deferred financing costs ⁽¹⁾	<u>508</u>
EBITDA	44,706
Share-based and other non-cash compensation	6,284
Unrealized investment (gains) losses	(34)
Write-downs, including asset impairments and credit loss expense	<u>853</u>
Total Adjusted EBITDA	\$ <u>51,809</u>
Less: Non-controlling interest	<u>(3,850)</u>
Adjusted EBITDA per Credit Facility – attributable to common shareholders	<u><u>\$ 47,959</u></u>

(1) The amortization of deferred financing costs is recorded within Interest Expense in the Condensed Consolidated Statements of Operations.

	Twelve Months Ended September 30, 2025
<i>(In thousands of U.S. Dollars)</i>	
Reported net income	\$ 49,867
Add (subtract):	
Income tax expense	15,146
Interest expense, net of interest income	2,522
Depreciation and amortization, including film asset amortization	63,021
Amortization of deferred financing costs ⁽¹⁾	<u>1,984</u>
 EBITDA	 132,540
Share-based and other non-cash compensation	24,998
Unrealized investment gains	(132)
Restructuring and other charges	4,592
Write-downs, including asset impairments and credit loss expense	<u>3,042</u>
 Total Adjusted EBITDA	 \$ <u>165,040</u>
 Less: Non-controlling interest	 <u>(18,138)</u>
 Adjusted EBITDA per Credit Facility – attributable to common shareholders	 \$ <u><u>146,902</u></u>

(1) The amortization of deferred financing costs is recorded within Interest Expense in the Condensed Consolidated Statements of Operations.

The Company also adjusts Selling, General and Administrative Expenses to exclude a portion of share-based compensation and related payroll taxes. Management uses non-GAAP and other financial measures such as this, internally for financial and operational decision-making and as a means to evaluate period-to-period comparisons. IMAX believes that this non-GAAP measure provides useful information about operating results, enhances the overall understanding of past financial performance and future prospects, and allows for greater transparency with respect to key metrics used by management and its financial and operational decision making.

A reconciliation of Selling, General and Administrative Expenses, the most directly comparable GAAP measure presented in the Condensed Consolidated Statement of Operations in Part I, Item 1, to Adjusted Selling, General and Administrative Expenses is presented in the table below.

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Total Selling, general and administrative expenses	\$ 34,219	\$ 31,466	\$ 102,983	\$ 100,287
Less: Share-based compensation	(5,763)	(5,036)	(17,345)	(15,879)
Total Adjusted Selling, general and administrative expenses	<u>\$ 28,456</u>	<u>\$ 26,430</u>	<u>\$ 85,638</u>	<u>\$ 84,408</u>

The Company cautions users of its financial statements that these non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. Additionally, the non-GAAP financial measures used by the Company should not be considered in isolation, or as a substitute for, or superior to, the comparable GAAP amounts.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk from foreign currency exchange rates and interest rates, which could affect operating results, financial position and cash flows. Market risk is the potential change in an instrument's value caused by, for example, fluctuations in interest and currency exchange rates. The Company's primary market risk exposure is the risk of unfavorable movements in exchange rates between the U.S. Dollar, the Canadian Dollar, and Chinese Renminbi ("**RMB**"). The Company does not use financial instruments for trading or other speculative purposes.

Foreign Exchange Rate Risk

A majority of the Company's revenue is denominated in U.S. Dollars while a significant portion of its costs and expenses is denominated in Canadian Dollars. A portion of the Company's net U.S. Dollar cash flows is converted to Canadian Dollars to fund Canadian Dollar expenses through the spot market. In addition, IMAX films generate box office in 89 different countries, and therefore unfavorable exchange rates between applicable local currencies and the U.S. Dollar could have an impact on the GBO generated by the Company's exhibitor customers and its revenues. For example, the impact of changes in foreign currency valuations versus the U.S. Dollar led to a decrease in IMAX GBO of approximately \$110 million as compared to those in 2019. The Company has incoming cash flows from its revenue generating IMAX network and ongoing operating expenses in China through its majority-owned subsidiary IMAX Shanghai. In Japan, the Company has ongoing Yen-denominated operating expenses related to its Japanese operations. Net RMB and Japanese Yen cash flows are converted to U.S. Dollars through the spot market. The Company also has cash receipts under leases denominated in RMB, Japanese Yen, British Pound Sterling, Euros and Canadian Dollars.

The Company manages its exposure to foreign exchange rate risks through its regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. These derivative financial instruments are utilized to hedge economic exposures as well as reduce earnings and cash flow volatility resulting from shifts in market rates.

Certain of the Company's PRC subsidiaries held approximately RMB606.9 million (\$85.4 million) in cash and cash equivalents as of September 30, 2025 (December 31, 2024 — RMB341.1 million or \$47.5 million) and are required to transact locally in RMB. Foreign currency exchange transactions, including the remittance of any funds into and out of the PRC, are subject to controls and require the approval of the China State Administration of Foreign Exchange to complete. Any developments relating to the Chinese economy and any actions taken by the Chinese government are beyond the control of the Company; however, the Company monitors and manages its capital and liquidity requirements to ensure compliance with local regulatory and policy requirements. (Refer to "Risk Factors – The Company faces risks in connection with its significant presence in China and the continued expansion of its business there" in Part I, Item 1A. of the Company's 2024 Form 10-K.)

Management also monitors the macroeconomic environment as part of its continuous assessment of credit risk. This includes consideration of developments in the U.S. and global banking sectors, which informs management's assessment of any potential direct and indirect impacts on the Company. There are no concentrations of cash and cash equivalents in any regional banking institutions, such that management considers there to be any material risk in this regard.

For the three and nine months ended September 30, 2025, the Company recorded a foreign exchange net loss of \$0.2 million and net loss of \$0.4 million respectively, resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities (2024 — net losses of \$0.3 million and \$0.8 million, respectively).

The Company has entered into a series of foreign currency forward contracts to manage the risks associated with the volatility of foreign currencies. Certain of these foreign currency forward contracts met the criteria required for hedge accounting under the Derivatives and Hedging Topic of the FASB ASC at inception, and continue to meet hedge effectiveness tests as of September 30, 2025, with settlement dates throughout 2025 and 2026. Foreign currency derivatives are recognized and measured on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value (i.e., gains or losses) are recognized in the Condensed Consolidated Statements of Operations except for derivatives designated and qualifying as foreign currency cash flow hedging instruments. The Company currently has cash flow hedging instruments associated with Selling, General and Administrative Expenses. For foreign currency cash flow hedging instruments related to Selling, General and Administrative Expenses, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported within Accumulated Other Comprehensive Income (Loss) and reclassified to the Condensed Consolidated Statements of Operations when the forecasted transaction occurs. Any ineffective portion is recognized immediately in the Condensed Consolidated Statements of Operations.

The notional value of foreign currency cash flow hedging instruments that qualify for hedge accounting as of September 30, 2025 was \$48.7 million (December 31, 2024 — \$48.4 million). Losses of \$1.2 million and gains of \$0.6 million were recorded to Other Comprehensive Loss with respect to the change in fair value of these contracts for the three and nine months ended September 30, 2025, respectively (2024 — gains of \$0.3 million and losses of \$0.9 million, respectively). Losses of \$0.1 million and \$1.7 million were reclassified from Accumulated Other Comprehensive Loss to Selling, General and Administrative Expenses for the three and nine months ended September 30, 2025, respectively (2024 — losses of \$0.2 million and \$0.2 million, respectively). The Company currently does not hold any derivatives which are not designated as hedging instruments.

For all derivative instruments, the Company is subject to counterparty credit risk to the extent that the counterparty may not meet its obligations to the Company. To manage this risk, the Company enters into derivative transactions only with major financial institutions.

As of September 30, 2025, the Company's Financing Receivables and working capital items denominated in Canadian Dollars, RMB, Japanese Yen, Euros and other foreign currencies translated into U.S. Dollars was \$147.1 million. Assuming a 10% appreciation or depreciation in foreign currency exchange rates from the quoted foreign currency exchange rates as of September 30, 2025, the potential change in the fair value of foreign currency-denominated financing receivables and working capital items would have been \$14.7 million. A significant portion of the Company's Selling, General, and Administrative Expenses is denominated in Canadian Dollars. Assuming a 1% change appreciation or depreciation in foreign currency exchange rates as of September 30, 2025, the potential change in the amount of Selling, General, and Administrative Expenses would be \$0.1 million.

Interest Rate Risk Management

The Company's earnings may also be affected by changes in interest rates due to the impact those changes have on its interest income from cash, and its interest expense from variable-rate borrowings that may be made under the Credit Facility.

As of September 30, 2025, the Company had drawn down \$29.0 million on its Credit Facility (December 31, 2024 — \$37.0 million), and \$nil on its HSBC China Facility (December 31, 2024 — \$nil) and \$nil on its Bank of China Facility (December 31, 2024 — \$nil), which are subject to variable effective interest rates.

The Company had variable rate debt instruments representing 6% and 8% of its total liabilities as of September 30, 2025 and December 31, 2024, respectively. If the interest rates available to the Company increased by 10%, the Company's interest expense would increase by \$0.2 million and interest income from cash would increase by \$0.4 million. These amounts are determined by considering the impact of the hypothetical interest rates on the Company's variable rate debt and cash balances as of September 30, 2025.

PART II. OTHER INFORMATION

Item 1A. *Risk Factors*

This Form 10-Q should be read together with, and supplement, the risk factors in Item 1A “Risk Factors” in the Company’s 2024 Form 10-K, which describes various risks and uncertainties to which the Company is or may become subject. The risk factor below updates certain risk factors included in the Company’s 2024 Form 10-K in light of recent events. The below risk factor and the risk factors included in the Company’s 2024 Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

The Company’s business may be materially adversely affected by the imposition of tariffs and other trade barriers and retaliatory countermeasures implemented by the United States and other governments.

Recently, the U.S. government has implemented substantial and rapidly evolving changes to U.S. trade policies, including increased tariffs and changes in U.S. participation in multilateral trade agreements, while other countries, China and Canada in particular, have undertaken retaliatory measures in response to such changes. These changes could adversely impact the Company’s operations, costs and expenses applicable to revenues, and cash flows. While the Company does not believe these changes will materially impact its results for 2025, there can be no guarantees that further changes to U.S. trade policy and/or retaliatory actions by other countries will not occur.

Additionally, uncertainty about global trade relationships has and may continue to increase market volatility, currency exchange rate fluctuation, and economic instability, which may adversely impact the Company’s results of operations. Furthermore, any resulting downturn or increase in geopolitical tensions may adversely impact consumers’ discretionary income and/or adversely affect consumer purchasing behavior, which could have a material adverse effect on box office receipts and on our results of operations and financial condition.

The extent and duration of increased tariffs, retaliatory actions, and the resulting impact of both on general economic conditions around the world and on the global filmed entertainment industry in particular, are uncertain and depend on numerous factors, such as the responses of and negotiations among the affected countries. As such, we cannot predict the impact to our business from any future changes to the trading relationships between the U.S. and other countries or the impact of new laws or regulations adopted by the U.S. or other countries. Furthermore, any adverse development in these areas could exacerbate risks discussed in “Risk Factors – The Company conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales, and future growth prospects,” “Risk Factors –The Company faces risks in connection with its significant presence in China and the continued expansion of its business there,” and “Risk Factors –General political, social and economic conditions can affect the Company’s business by reducing both revenues generated from existing IMAX Systems and the demand for new IMAX Systems” in Part I, Item 1A of the Company’s 2024 Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Issuer Purchases of Equity Securities

During the 2025 Annual General Meeting of IMAX China, shareholders granted its Board of Directors a general mandate authorizing the Board of Directors of IMAX China, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of shares as of June 12, 2025 (33,919,122 shares). This program will be valid until the 2026 Annual General Meeting of IMAX China. The repurchases may be made in the open market or through other means permitted by applicable laws. IMAX China has no obligation to repurchase its shares and the share repurchase program may be suspended or discontinued by IMAX China at any time. During the three months ended September 30, 2025, IMAX China did not repurchase any shares.

(Refer to Note 6 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for a summary of the material terms and conditions of the Company's revolving credit facility, which includes a limitation of the amount of permitted share repurchases.)

By Order of the Board
IMAX China Holding, Inc.
Yifan (Yvonne) He
Joint Company Secretary

Hong Kong, 23 October 2025

As at the date of this announcement, the directors of the Company are:

Executive Director:

Daniel Manwaring

Non-Executive Directors:

Richard Gelfond

Robert Lister

Jiande Chen

Natasha Fernandes

Independent Non-Executive Directors:

John Davison

Yue-Sai Kan

Janet Yang

Peter Loehr

In the event of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.