

IMAX

IMAX China Half-Year 2022 Financial Results

July 29, 2022



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IMAX China is Benefitting from Reopening and Positioned for Long-term Success

Benefitting from reopening

- 91% of IMAX China theaters have reopened
- Demonstrated pent-up demand in moviegoing
- Franchise-heavy and IMAX-friendly film slate that extends beyond 2022

Strong financial position

- Asset-light technology licensing business model
- Strong balance sheet with ample liquidity
- Increasing contribution from recurring revenue ⁽¹⁾
- Interim dividend of US\$0.4 million or US\$0.001 per share (HK\$0.008 per share) based on 50% payout ratio

Positioned for long-term success

Exposure to industry tailwinds

- Blockbusterization in content consumption continues to be proven globally and in Hong Kong and Taiwan
- Local content gravitating towards high-production value and IMAX-friendly genres
- Increasing involvement of IMAX DNA in content production

Insulated from industry headwinds

- 95% of IMAX box office generated from top 20% of multiplexes in China

Offering premium content on our premium network with our premium technology

(1): Recurring revenue refers to box-office based revenue sharing fees from studios and exhibitors as well as annual maintenance revenue from exhibitors

Promising Pipeline of Potential Local Language Titles



Moon Man (July 29, 2022)



Warriors of Future
(IMAX release on Aug 12, 2022)



The Wandering Earth 2
(CNY 2023)



Outcast (TBD)



Homecoming (TBD)



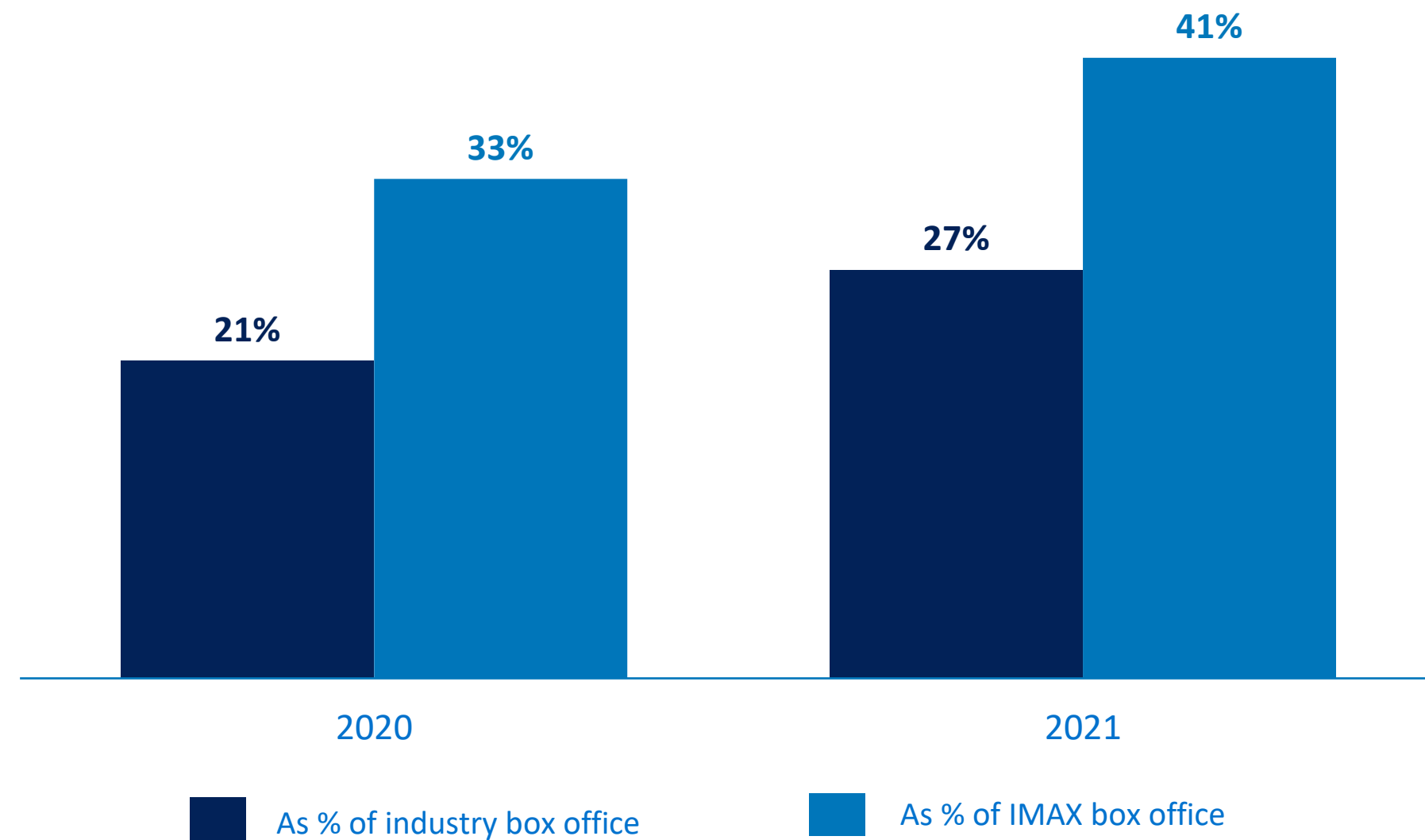
Multiple blockbuster caliber potential local language titles

Note: Release schedule of the abovementioned titles in China to be determined.

 = indicates IMAX DNA

IMAX DNA Empowers Blockbuster Filmmaking

IMAX DNA box office contribution



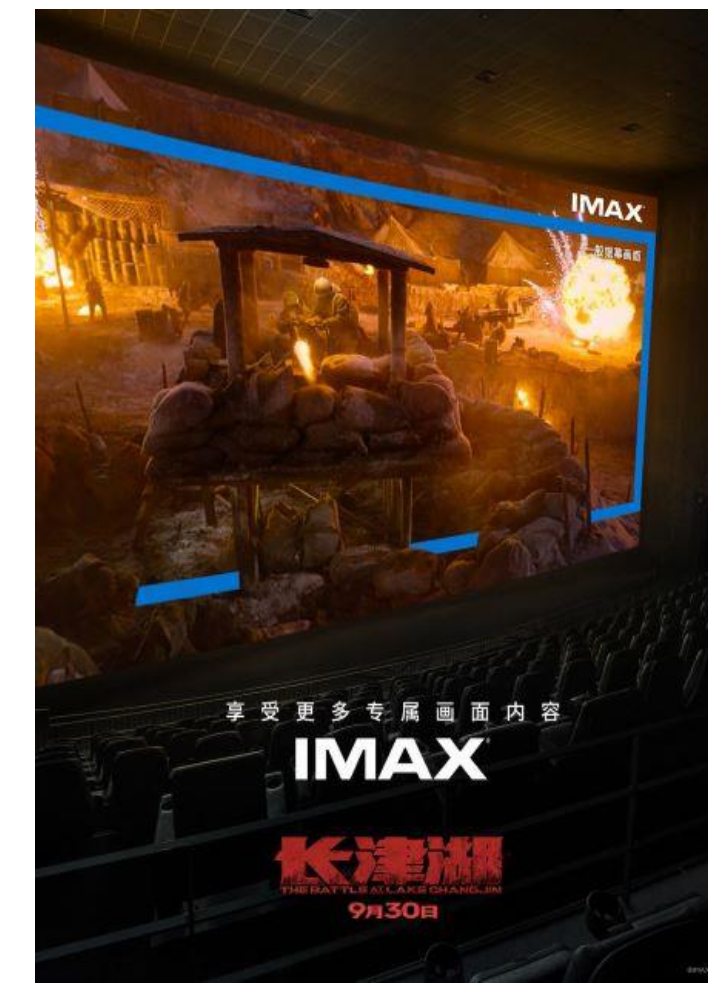
Source: Company data

Filmed-for-IMAX releases consistently top the chart



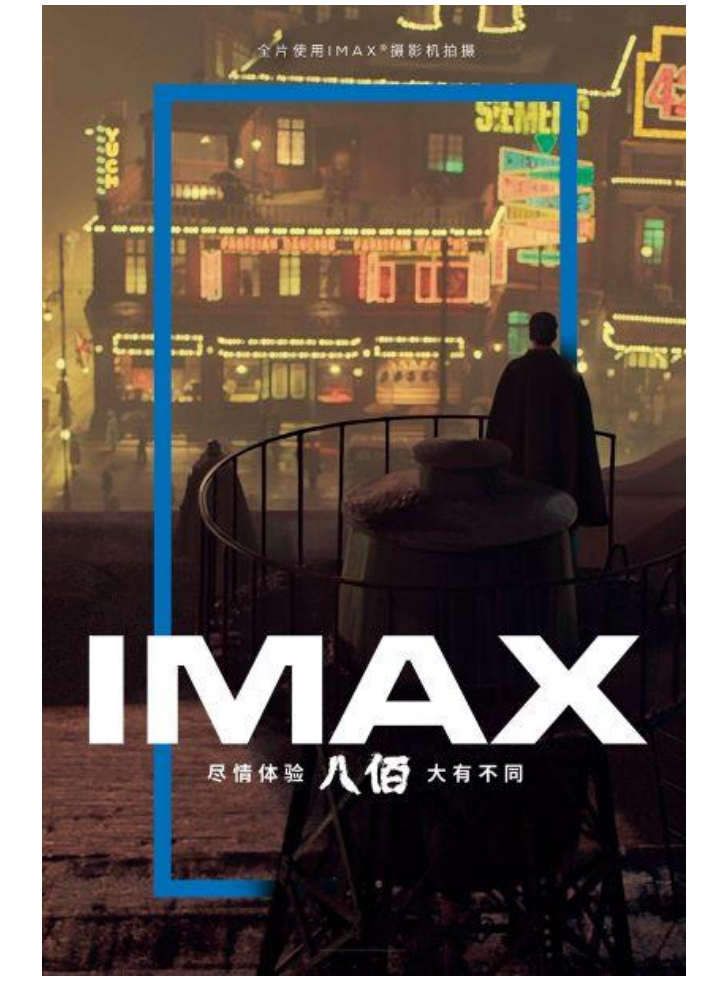
Watergate Bridge (2022)

- IMAX expanded aspect ratio
- RMB4.1 billion box office
- **6% IMAX indexing** in opening weekend



The Battle at Lake Changjin (2021)

- IMAX expanded aspect ratio
- **Highest-grossing title in China film history**
- Highest-grossing film globally in the year 2021
- RMB5.8 billion box office
- **6% IMAX indexing** in opening weekend























The Eight Hundred (2020)

- Filmed with IMAX cameras
- Highest-grossing film globally in the year 2020
- RMB3.1 billion box office
- **6% IMAX indexing** in opening weekend

Movies with IMAX DNA contributed close to 30% of industry box office and over 40% of IMAX China's in 2021

Strong Pipeline of Blockbuster Releases (2022-2023)

 <p>Black Panther 2: Wakanda Forever Nov 2022</p> 	 <p>Avatar 2: The Way of Water Dec 2022</p> 	 <p>Ant-man and the Wasp: Quantumania Feb 2023</p> 	 <p>Aquaman and the Lost Kingdom March 2023</p> 	 <p>Fast & Furious 10 May 2023</p> 
 <p>Transformers: Rise of the Beasts June 2023</p> 	 <p>Oppenheimer July 2023</p> 	 <p>Captain Marvel 2: The Marvels July 2023</p> 	 <p>Mission Impossible 7 July 2023</p> 	 <p>Dune Part II Nov 2023</p> 

Franchise-heavy and IMAX-friendly slate continues into 2023

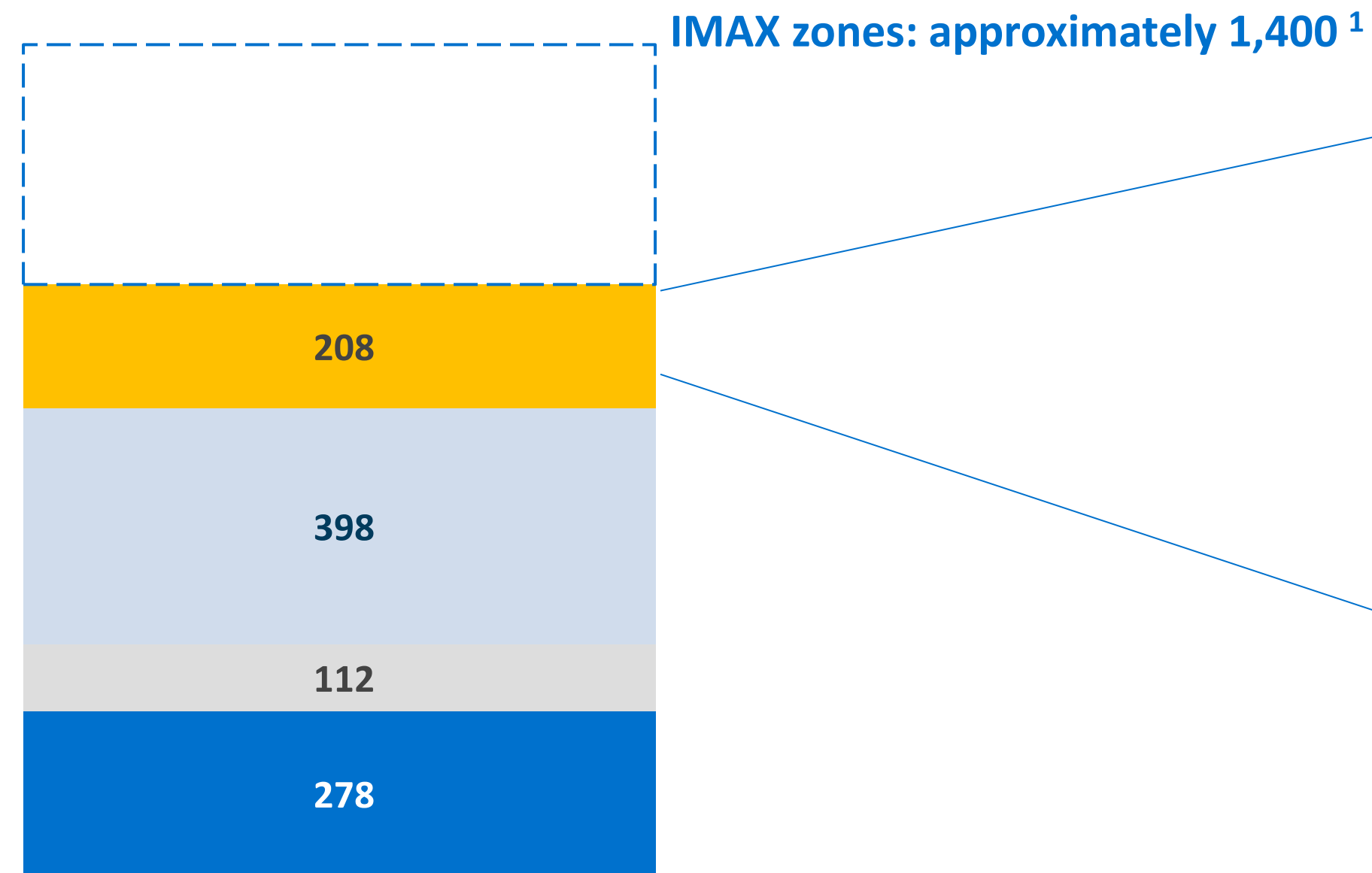
Note: Titles have been confirmed to be released in North America but such release schedule might be postponed due to the coronavirus pandemic. Release schedule in China to be determined.

 = indicates IMAX DNA with expanded aspect ratio or filmed with IMAX certified cameras

Exhibitor Partners Continue to See the Value of IMAX to Their Business

IMAX Greater China Theater Footprint

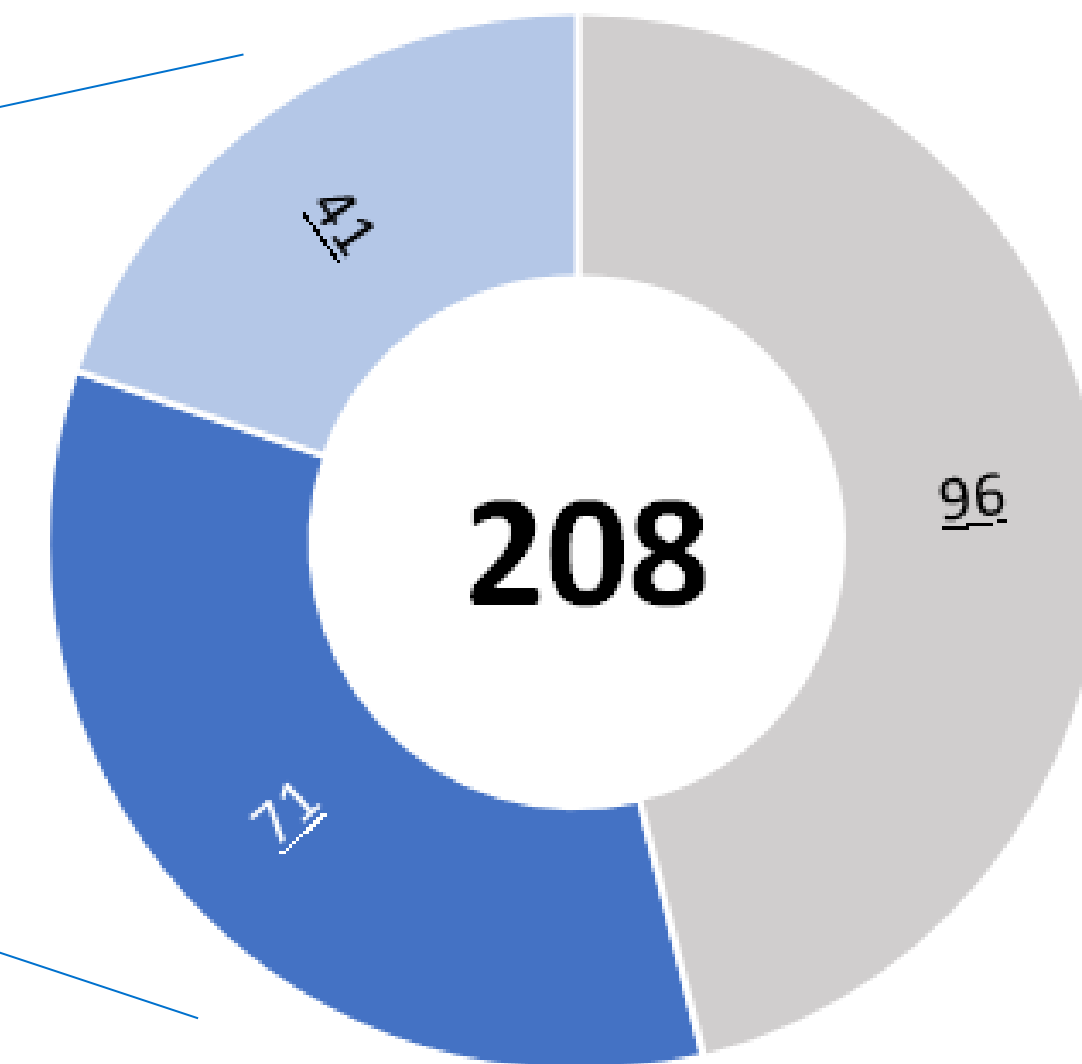
- Backlog
- Full revenue sharing
- Hybrid revenue sharing
- Sales arrangement



As of June 30, 2022

Note 1: As of December 31, 2021
Source: Company Data

Greater China Backlog Mix²



■ Sales arrangement ■ Hybrid revenue sharing ■ Full revenue sharing

Note 2: As of June 30, 2022
Source: Company Data

Ample runway for growth towards targeted 1,400 IMAX zones

IMAX Accounts for Eight of The Top Ten Highest-Grossing Titles in China's Film History



#1 The Battle at Lake Changjin 
(RMB5.8bn GBO)



#4 Nezha
(RMB5.0bn GBO)



#5 The Wandering Earth
(RMB4.7bn GBO)



#6 Detective Chinatown 3 
(RMB4.5bn GBO)



#7 Avengers Endgame 
(RMB4.3bn GBO)



#8 Water Gate Bridge 
(RMB4.1bn GBO)



#9 Operation Red Sea
(RMB3.7bn GBO)




#10 Detective Chinatown 2
(RMB3.4bn GBO)

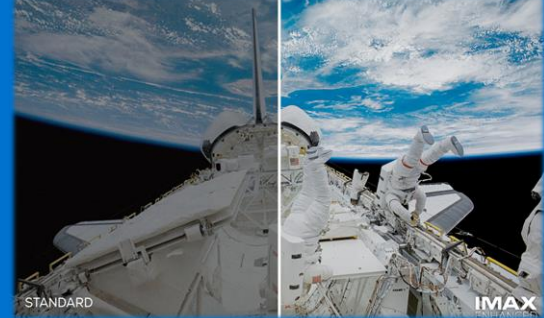


Four of the top ten highest-grossing titles of all-time are 'Filmed-For-IMAX'

 = indicates IMAX DNA

Expanding the IMAX Experience Beyond Theatrical

Studios & streaming services	TVs, projectors and cellphones
	<p data-bbox="1159 671 1412 727">SONY</p> <div data-bbox="1079 765 1492 1384" style="border: 2px dashed blue; padding: 10px;"> <p data-bbox="1212 802 1372 896">TCL</p> <p data-bbox="1136 983 1446 1039">Hisense</p> <p data-bbox="1136 1133 1446 1189">xiaomi</p> <p data-bbox="1136 1283 1446 1339">HONOR</p> </div>

IMAX[®] ENHANCED

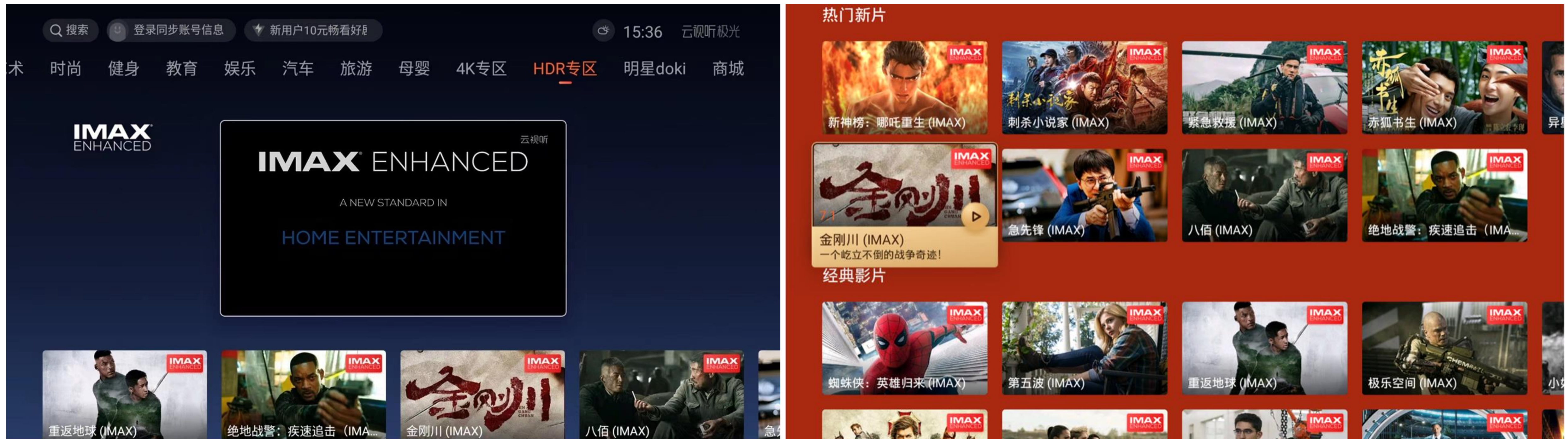
<p data-bbox="1835 840 2045 896">Content</p> 	<p data-bbox="2292 840 2502 896">Devices</p> 	<p data-bbox="2712 840 2968 896">Streaming</p> 
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Unleash the power of IMAX beyond theatres

IMAX Enhanced partners with leading domestic TV, smartphone manufacturers and major streaming platforms

Note: China domestic OEMs refers to CE manufacture companies that are ultimately owned or otherwise controlled by companies that are organized and primarily headquartered in Greater China

IMAX Enhanced Creates Further Value for Our Fans and Partners



Strong Financial Position with Ample Liquidity and Balance Sheet Flexibility

Strong fundamentals

- Healthy balance sheet
- No exposure to fixed rental commitment or content production cost
- Flexible, asset-light business model
- Majority of capex is growth-related



Cost control actions

- Temporary adjustment to work week while maintaining our ability to quickly scale operations as soon as theatres reopen and business normalizes
- Reduced non-core marketing initiatives, T&E and other discretionary spending



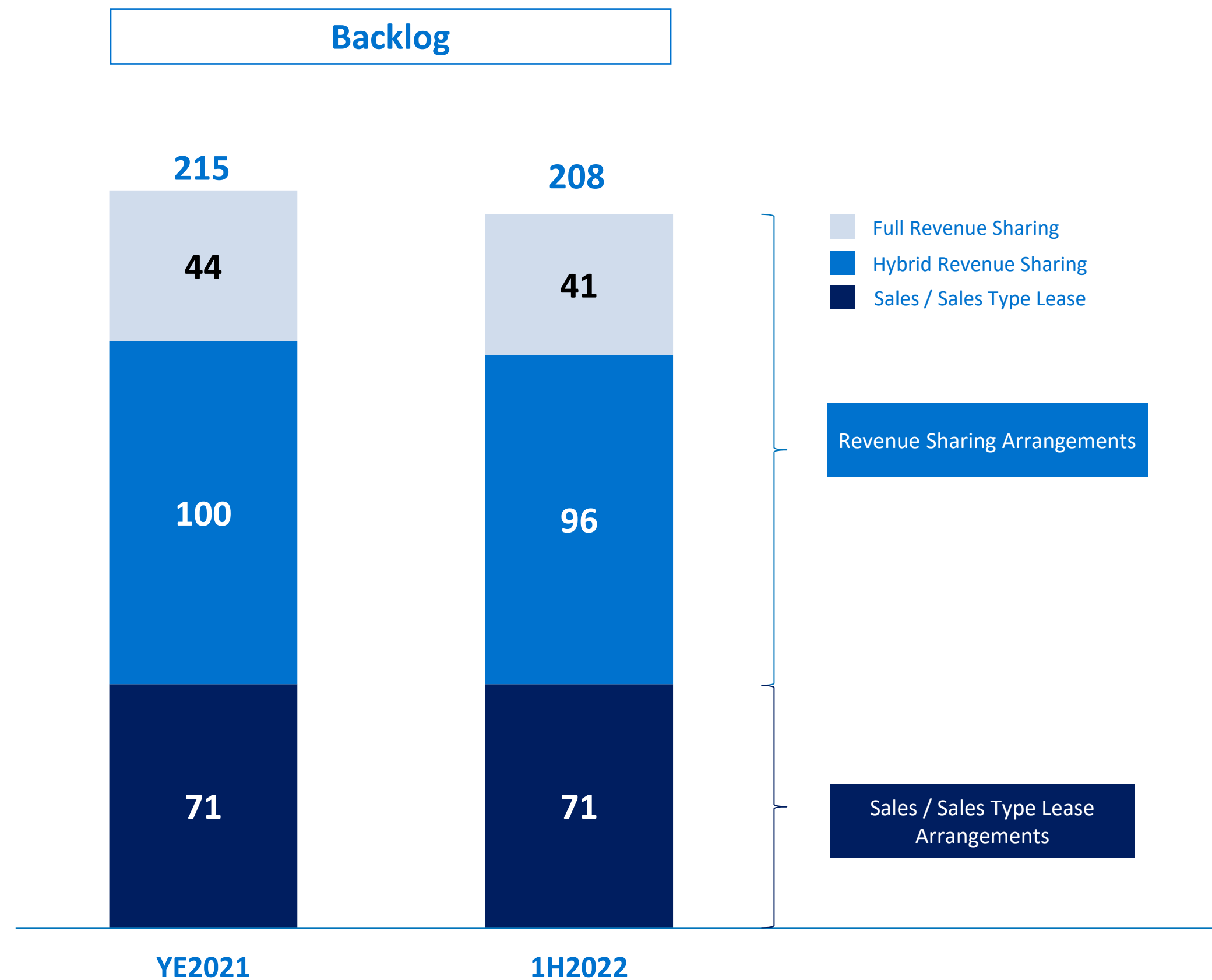
Financial Strength

- Delivered US\$2.1 million adjusted net profit⁽¹⁾ despite extended business shutdown
- US\$77 million in net cash as of June 30, 2022
- Ample cash runway
- Interim Dividend of US\$0.001 per share or the equivalent of HK\$0.008 per share, based on our current 50% payout ratio policy

Disciplined cost management over the years builds financial resilience through an extended operational pause

Note 1: adjusted net profit excludes share-based compensation and the related tax impact

Network Update



Source: Company Data

Signings and Installations

1H 2022

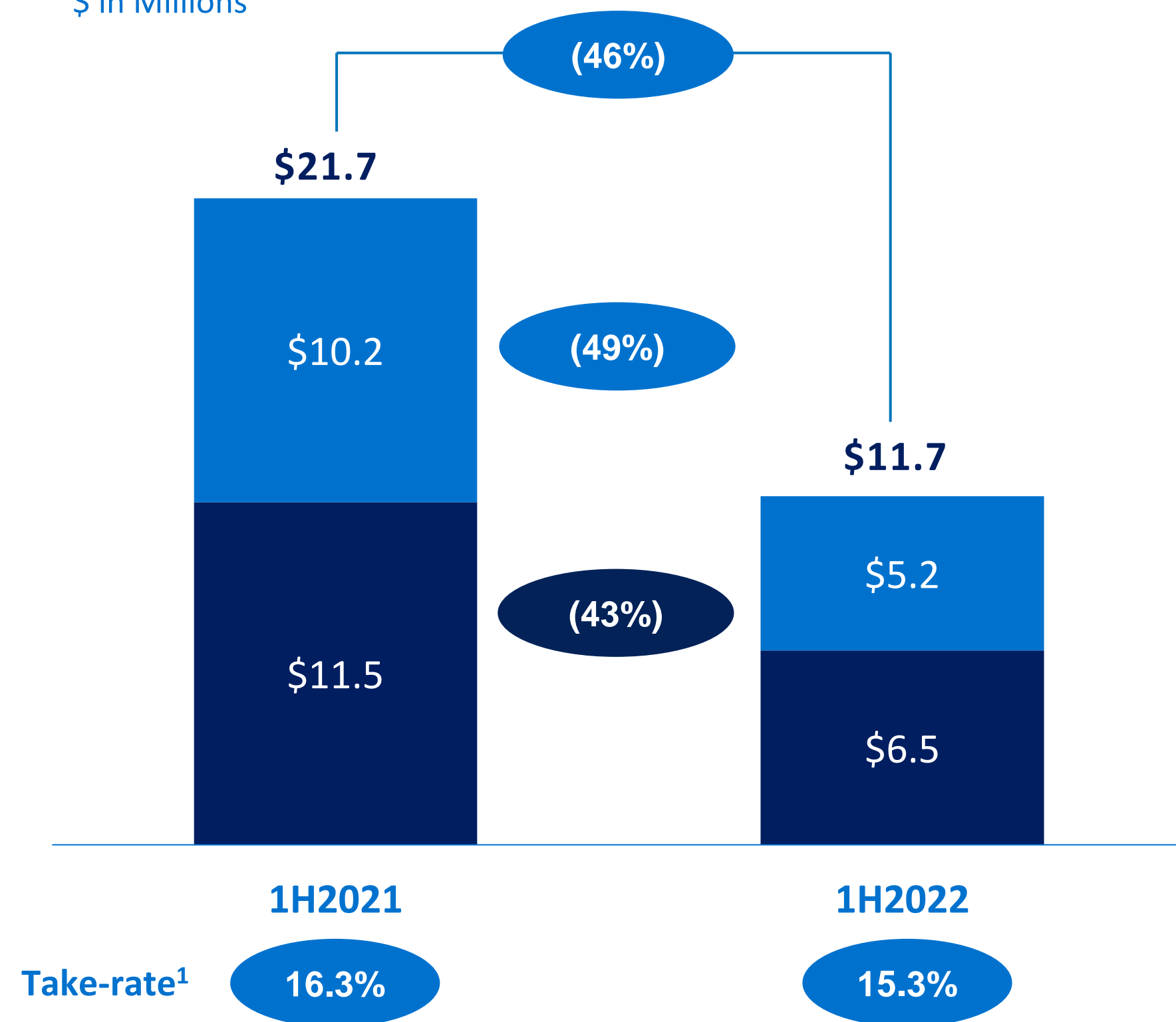
	Total Signings	Total Installations
Sales and STL	-	2
Hybrid	-	1
JV	2	6
Upgrades	-	1
Relocation	-	-
Renewal	-	-
Total	2	10

1H 2022 Segment Details

IMAX Technology Network

- Revenue sharing arrangements – contingent rent
- Film Revenue

\$ in Millions

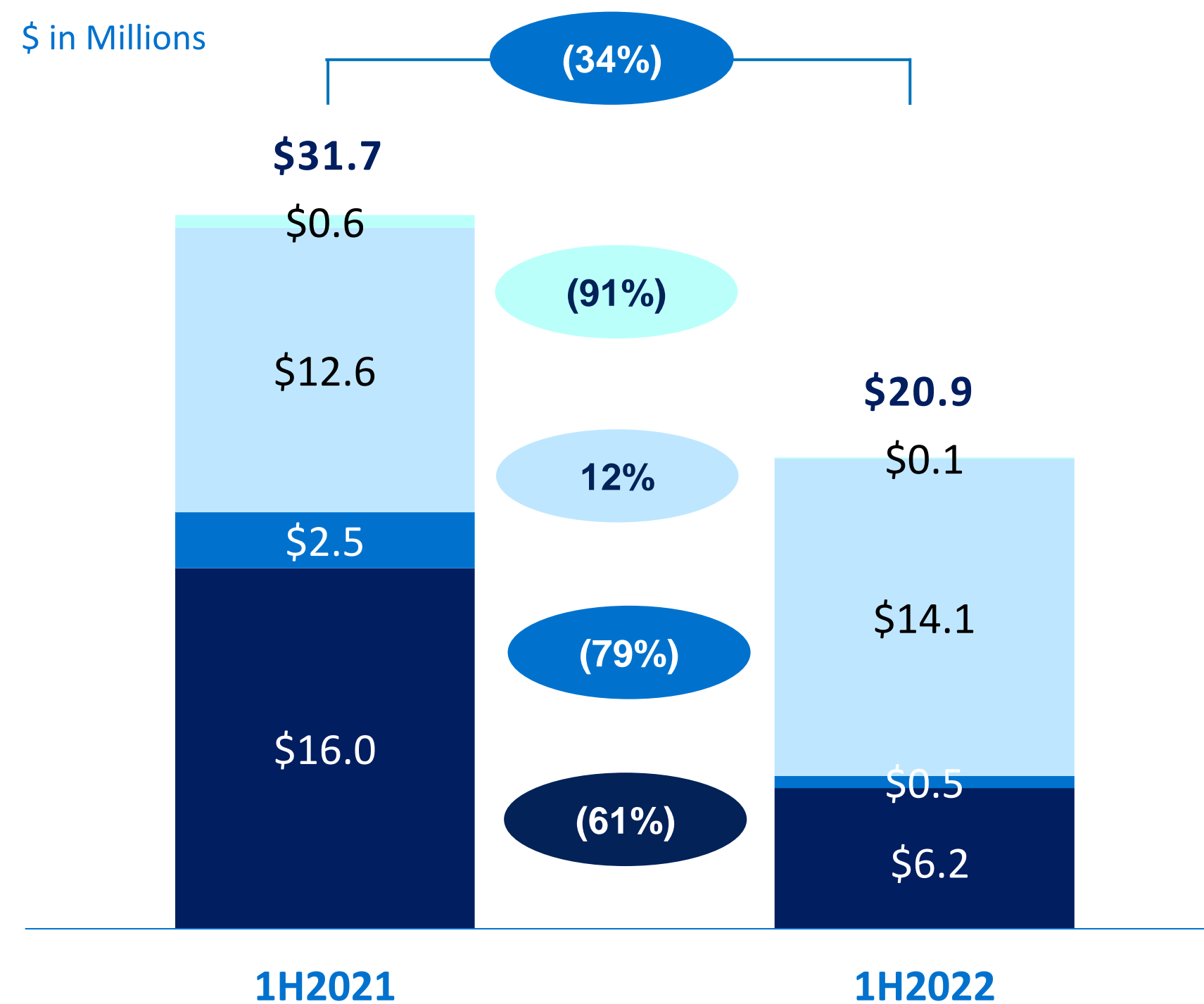


Note 1: Take-rate defined as network revenue divided by total IMAX box office
 Source: Company data

IMAX Technology Sales & Maintenance

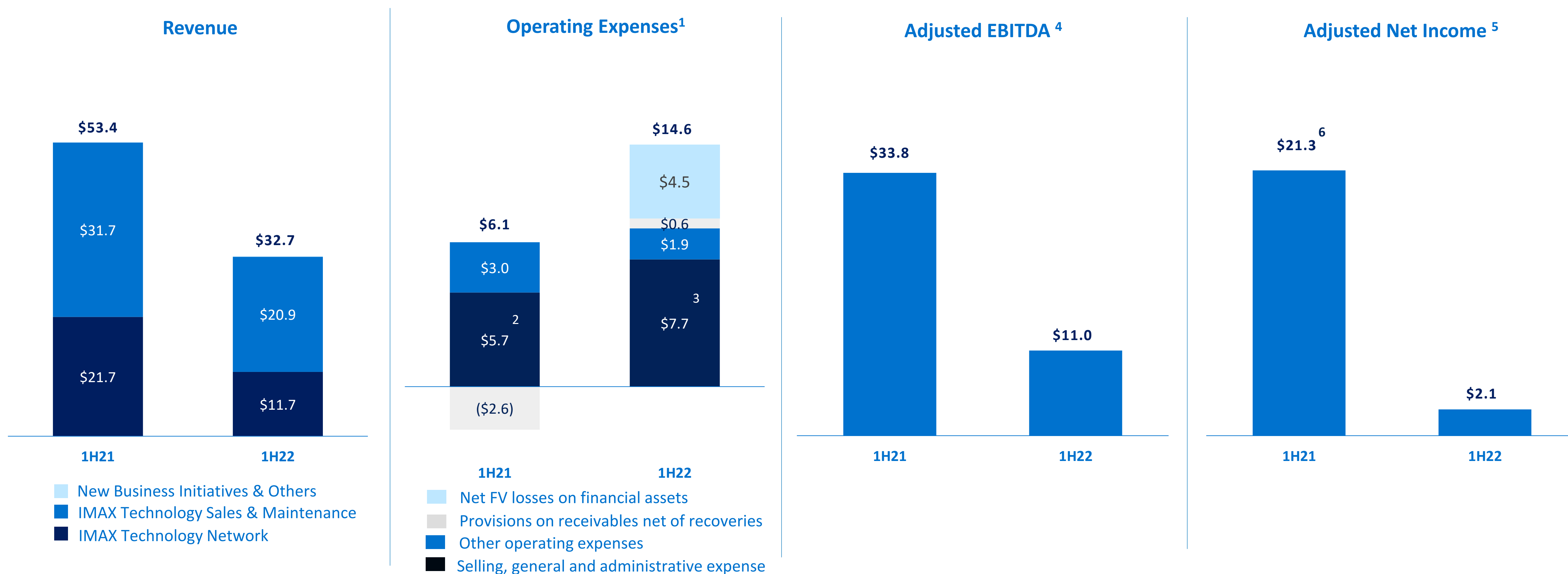
- Others
- Theatre system maintenance
- Revenue sharing arrangements – upfront fees
- Sales & Sales-type lease arrangements

\$ in Millions



1H2022 Financial Summary

\$ in Millions



Note 1: Operating expenses defined as selling, general and administrative expenses and others, less stock-based compensation

Note 2: Includes an FX gain of US\$1.2 million

Note 3: Includes an FX loss of US\$1.1 million

Note 4: adjusted EBITDA refers to operating income before interest, depreciation, amortization and share-based compensation

Note 5: adjusted net profit excludes share-based compensation and the related tax impact

Note 6: Excludes one-off, non-cash deferred income tax charge of US\$18.5 million

Source: Company data

