

IMAX

IMAX China Full-Year 2022 Financial Results

Feb 23, 2023



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Covid Easing and Recovery in Content Supply Drives Sharp Turnaround

Major easing of Covid restrictions

China pivots away from 'Covid-zero' policy since December 2022

Vast majority of IMAX China theaters are reopened

Theaters no longer require PCR test

Lockdown and quarantine is fully lifted

Recovery in content supply

Return of Hollywood blockbusters highlighted by *'Avatar: The Way of Water'* and *'Ant-man and the Wasp: Quantumania'* – first day-and-date Marvel release since 2019

Accelerating pipeline of import titles including *'Shazam: Fury of the Gods'*, *'Dungeons and Dragons: Honor Among Thieves'* and *'Suzume'*

Strong Hollywood film slate that extends beyond 2023

An IMAX-catered local language film slate in Chinese New Year, led by *'The Wandering Earth 2'* and *'Full River Red'*, drives IMAX year-to-date market share to 4.4%¹, double that from same period last year

Strong consumer demand for IMAX

Chinese New Year industry box office grew by a healthy 12% year-over-year to RMB6.8 billion– **second-best in history**

IMAX Chinese New Year box office reached **record-high** of RMB231 million, up 54% year-over-year

Highest-grossing January box office of all-time for IMAX China

Record 22% IMAX indexing in *'Avatar: The Way of Water'* – second highest-grossing IMAX China film of all-time

'The Wandering Earth 2', a Filmed-for-IMAX title, became the highest-grossing local language film and third highest-grossing release of all-time for IMAX China

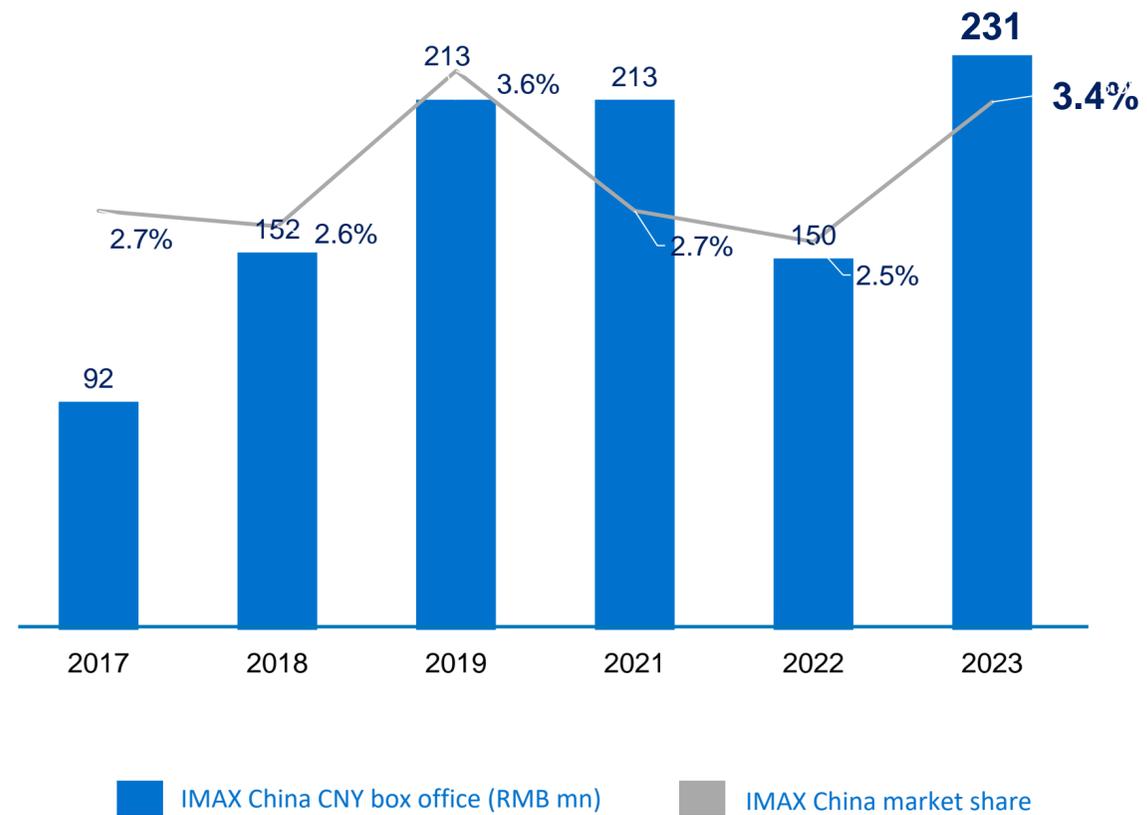
IMAX Hong Kong per-screen average in 2022 came in c.70% higher than pre-pandemic level in 2019, driven by blockbuster film slate and growing demand for the IMAX Experience

Note 1: As of Feb 19

Poised for reaccelerating growth upon a normalizing content supply and release of strong pent-up demand

Early Signs of Recovery Shows Growing Demand for the IMAX Experience

IMAX Chinese New Year⁽¹⁾ Box Office and Market Share



Note (1): Box office during the six-day holiday period including any midnight show/preview grossing
Source: Company data



Avatar: The Way of Water (IMAX 3D)

- **Record** IMAX indexing of 22%
- **Second highest-grossing** IMAX China film of all-time
- IMAX accounts for **18 out of top 20** highest-grossing theaters
- **Highest** per-screen average, attendance and average ticket price among all branded offerings



The Wandering Earth 2 (IMAX)

- A Filmed-for-IMAX title
- RMB3.9bn box office with IMAX indexing of **9%**
- **Third highest-grossing** IMAX China film of all-time
- **Highest-grossing** local language title for IMAX China
- Tenth highest-grossing title of all-time in China

IMAX China delivered record-high Chinese New Year box office and record indexing in 'Avatar: The Way of Water'

Promising Pipeline of Potential Local Language Titles



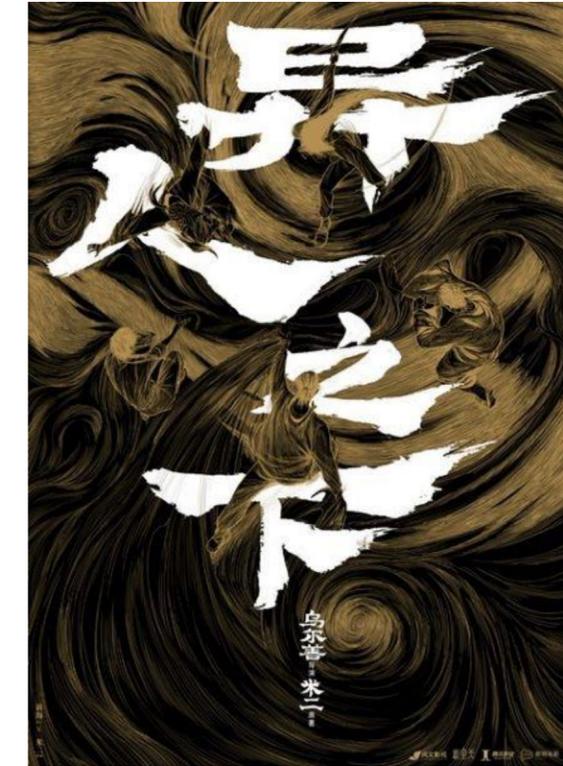
Post Truth 
(March 10, 2023)



Born to Fly
(April 28, 2023)



Creation of Gods: I
(TBD)



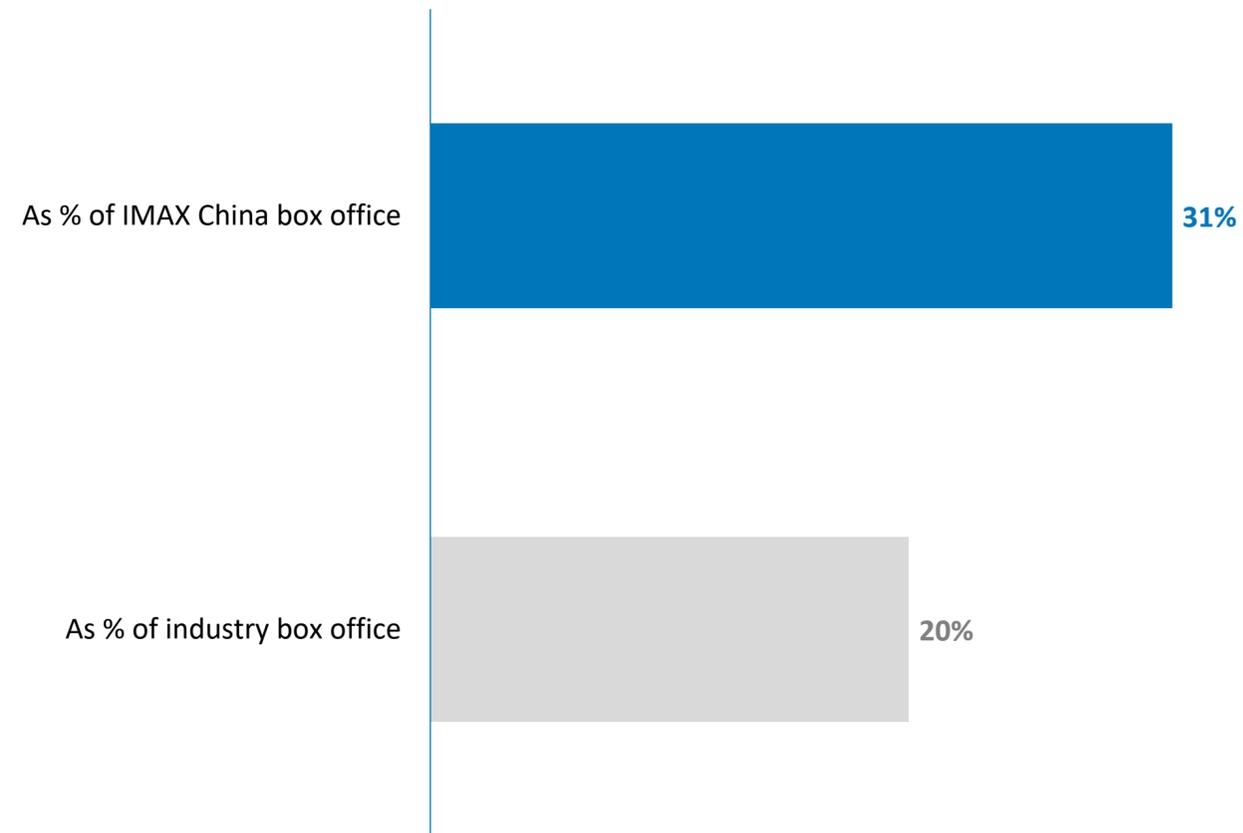
Outcast 
(TBD)

 = indicates IMAX DNA

Multiple blockbuster caliber potential local language titles

IMAX DNA Empowers Blockbuster Filmmaking

IMAX DNA box office contribution (2022)



Source: Company data

Filmed-for-IMAX releases consistently top the chart



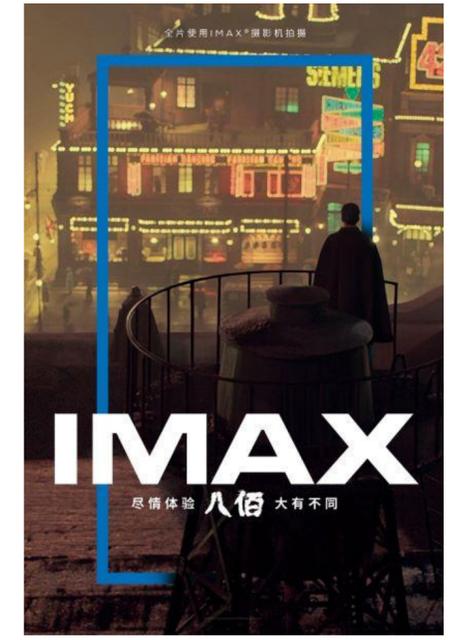
Watergate Bridge (2022)

- 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

Each of the yearly top-grossing title in 2020-2022 was Filmed-for-IMAX

Revitalizing Hollywood Content



Avatar: The Way of Water
(Dec 16, 2022)



**Black Panther:
Wakanda Forever**
(Feb 7, 2023) 📷



**Ant-Man and Wasp:
Quantumania**
(Feb 17, 2023) 📷



Shazam! Fury by the Gods
(March 17, 2023)



**Dungeons and Dragons:
Honor Among Thieves**
(March 31, 2023)

📷 = indicates IMAX DNA

Box office recovery further supported by a normalizing cadence of Hollywood content in China

Strong Pipeline of Blockbuster Releases (2023)

 Shazam! Fury of the Gods <i>March 2023</i>	 Guardians of the Galaxy Vol.3 <i>May 2023</i> 	 Fast & Furious 10 <i>May 2023</i> 	 Transformers: Rise of the Beasts <i>June 2023</i>	 Indiana Jones <i>July 2023</i>
 Oppenheimer <i>July 2023</i> 	 Mission Impossible 7 <i>July 2023</i> 	 Captain Marvel 2: The Marvels <i>Nov 2023</i> 	 Dune Part II <i>Nov 2023</i> 	 Aquaman and the Lost Kingdom <i>Dec 2023</i> 

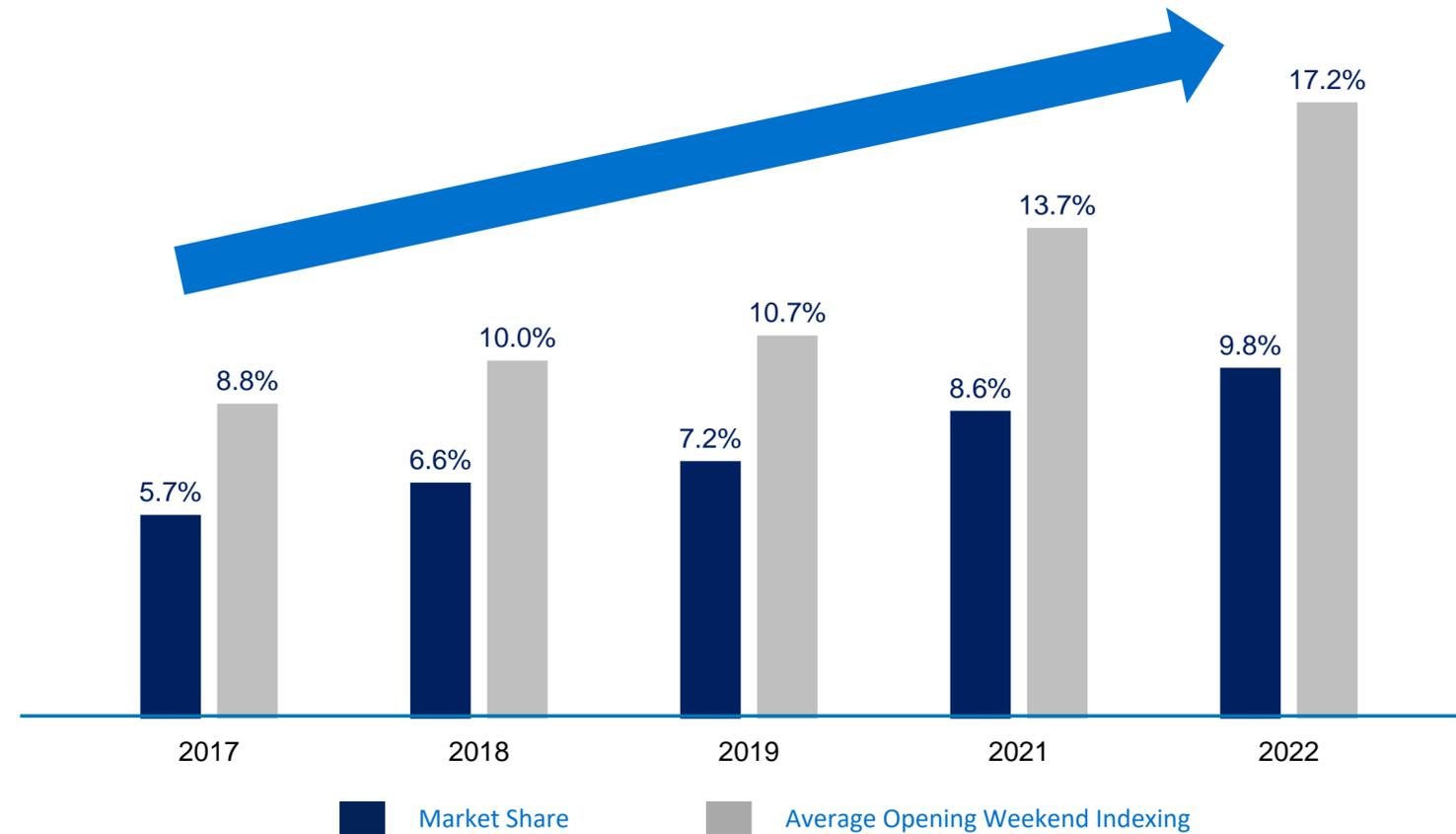
IMAX China is well-positioned to reap the rewards from a franchise-heavy and IMAX-friendly slate in 2023

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

Well-positioned to Capitalize on a Revitalizing Hollywood Film Slate

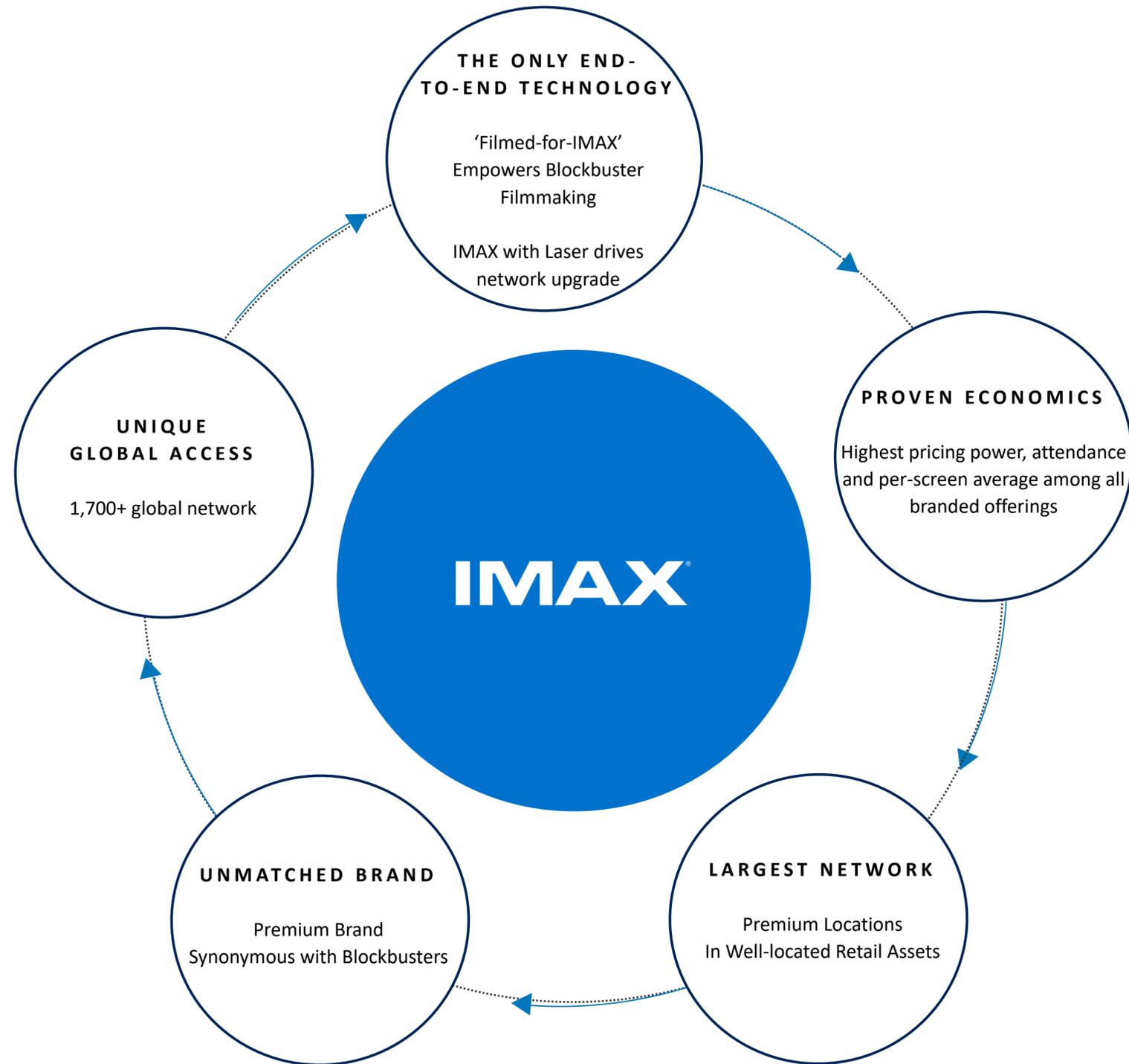
IMAX China Box Office Market Share and Indexing⁽¹⁾
in Hollywood Titles



Note (1): Indexing = IMAX China's box office of a single title/ total box office of a single title
Source: Company data

IMAX China's average indexing and market share in Hollywood titles accelerated to 17% and 10% respectively in 2022

Uniquely Positioned for Long-term Success



Expanding the IMAX Experience Beyond Theatrical

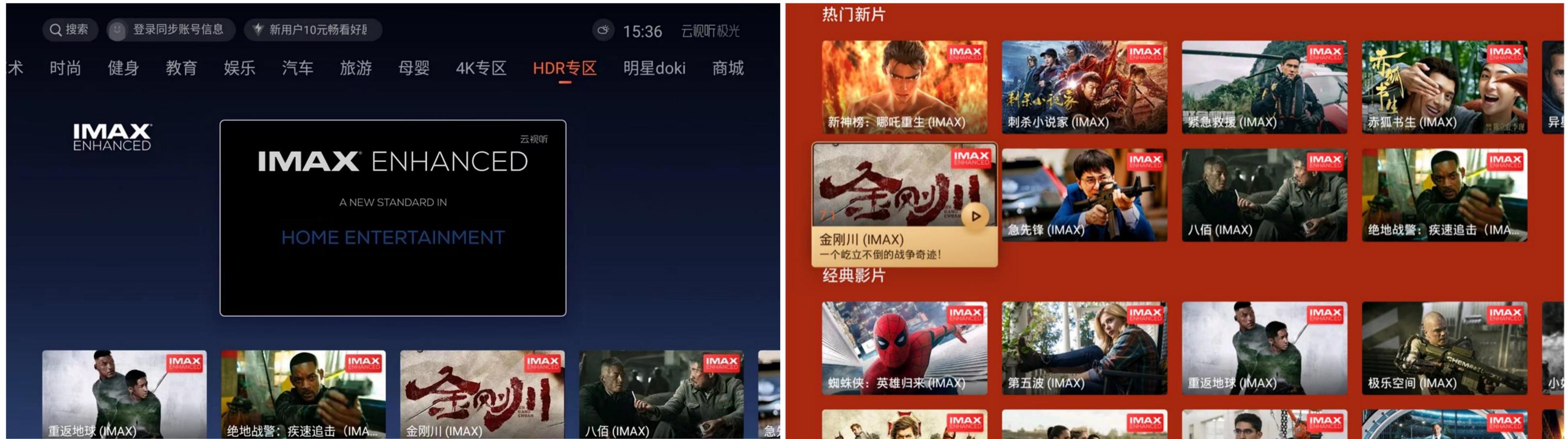
Studios & streaming services	TVs, projectors and cellphones
	<p>SONY</p> <p>TCL</p> <p>Hisense</p> <p>xiaomi</p> <p>HONOR</p>

Content	Devices	Streaming
<p>Unleash the power of IMAX beyond theatres</p>		

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

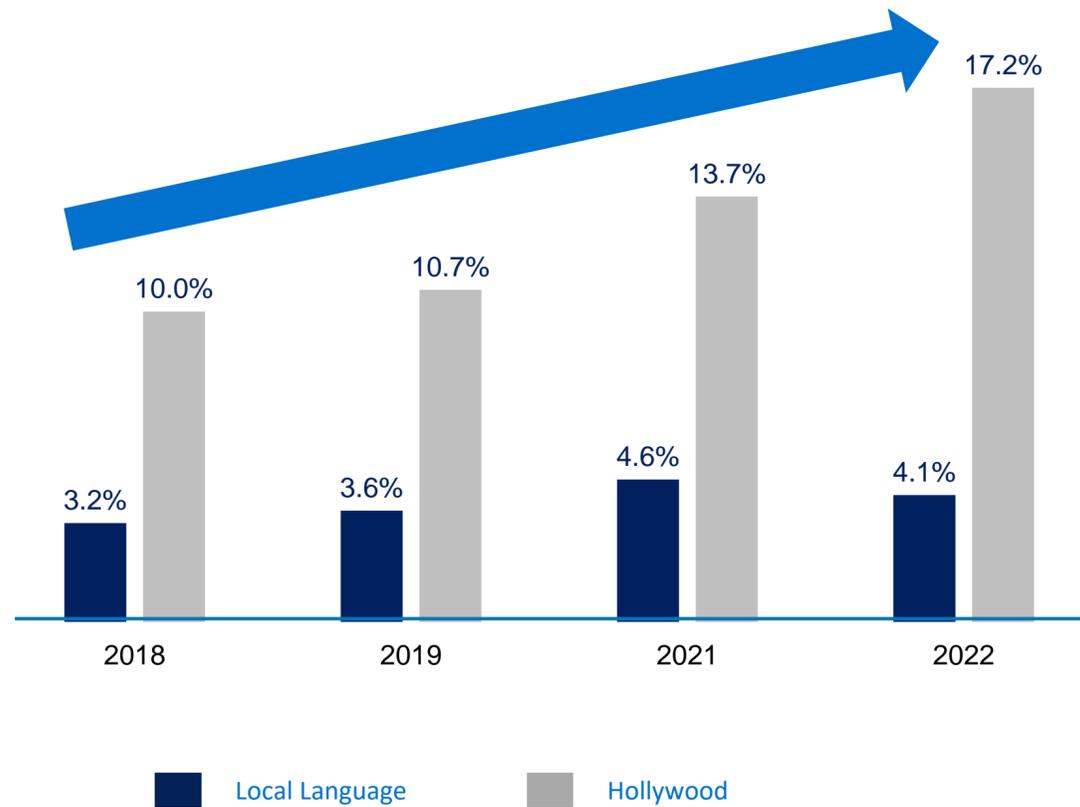
Note: China domestic OEMs refers to CE manufacture companies that are ultimately owned or otherwise controlled by companies that are organized and primarily headquartered in Greater China

IMAX Enhanced Creates Further Value for Our Fans and Partners



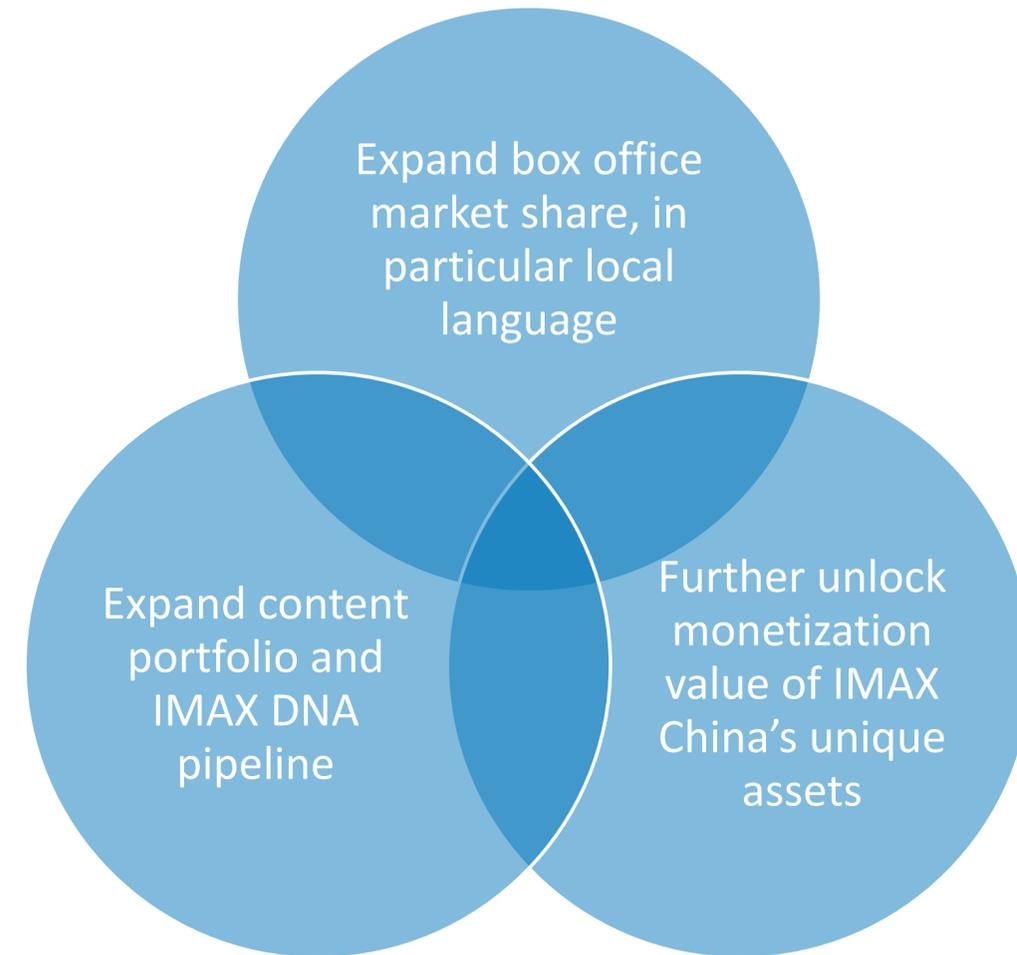
Staying at the Forefront of China's Premiumization

IMAX China Box Office Average Opening Weekend Indexing⁽¹⁾
In Local Language and Hollywood Titles



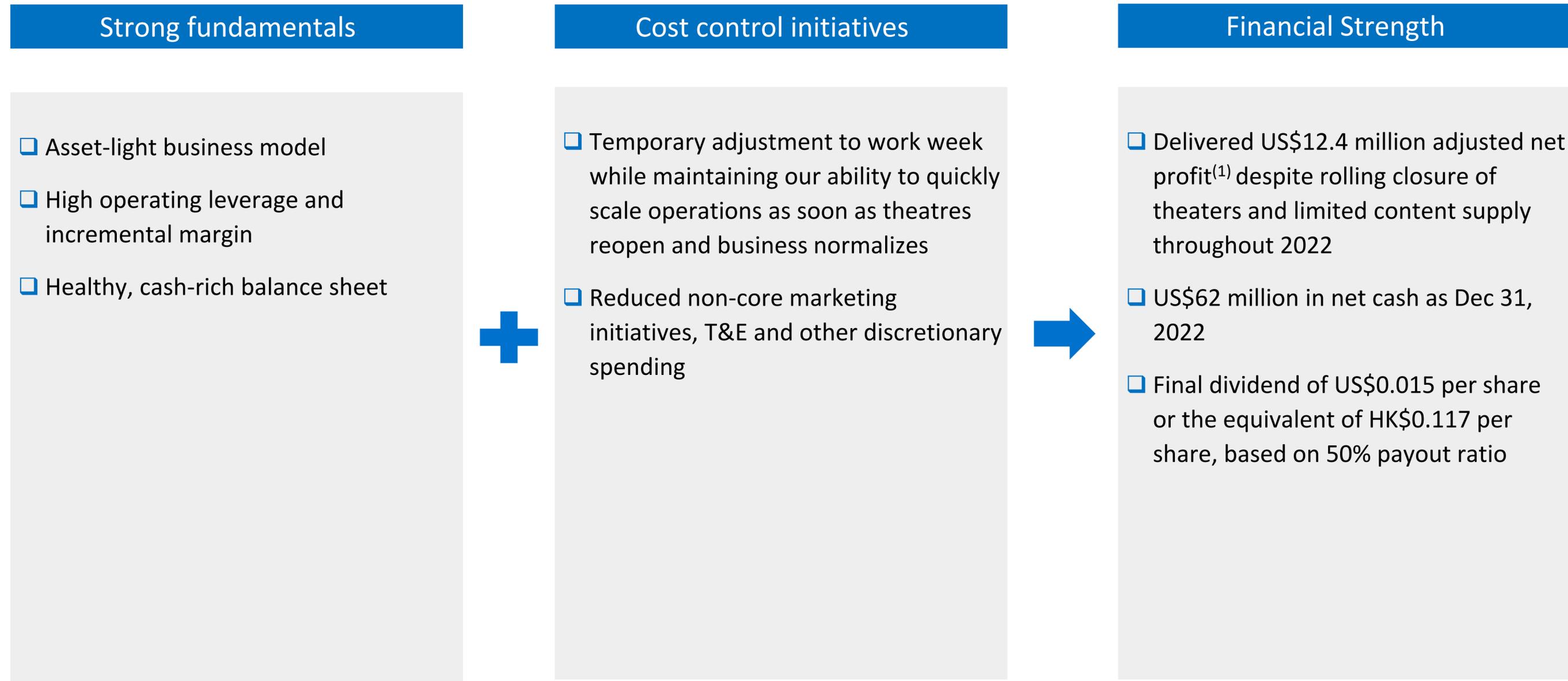
Note (1): Indexing = IMAX China's box office of a single title/ total box office of a single title
Source: Company data

Key Strategic Priorities



Blockbusterization in content consumption and creation sets a favorable backdrop for IMAX China's market share gain

Unique Asset-Light Business Model Positions Us Well for Meaningful Financials Recovery When Business Normalizes



Strong financial position with ample liquidity and balance sheet flexibility

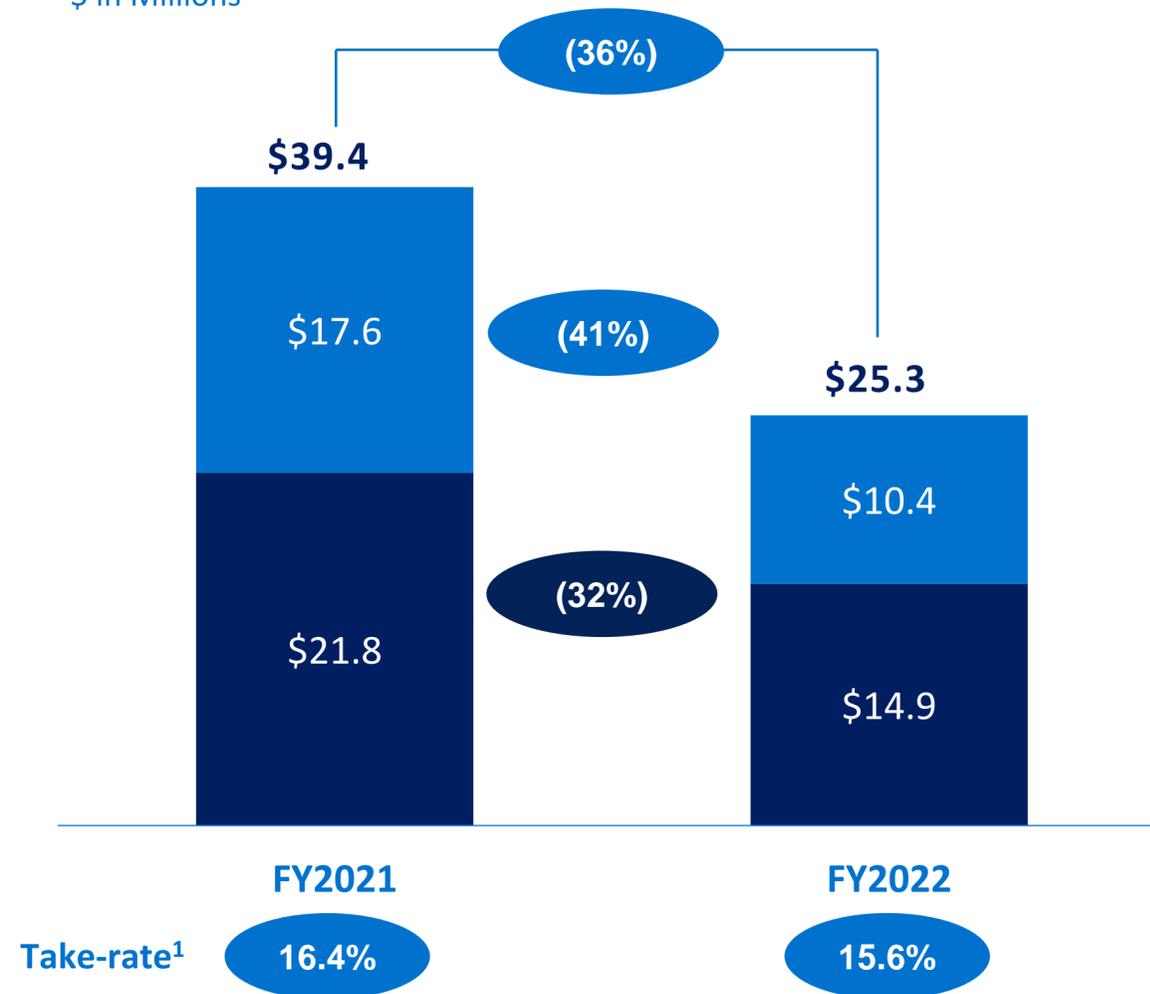
Note 1: adjusted net profit excludes share-based compensation and the related tax impact

2022 Segment Details

IMAX Technology Network

- Revenue sharing arrangements – contingent rent
- Film Revenue

\$ in Millions

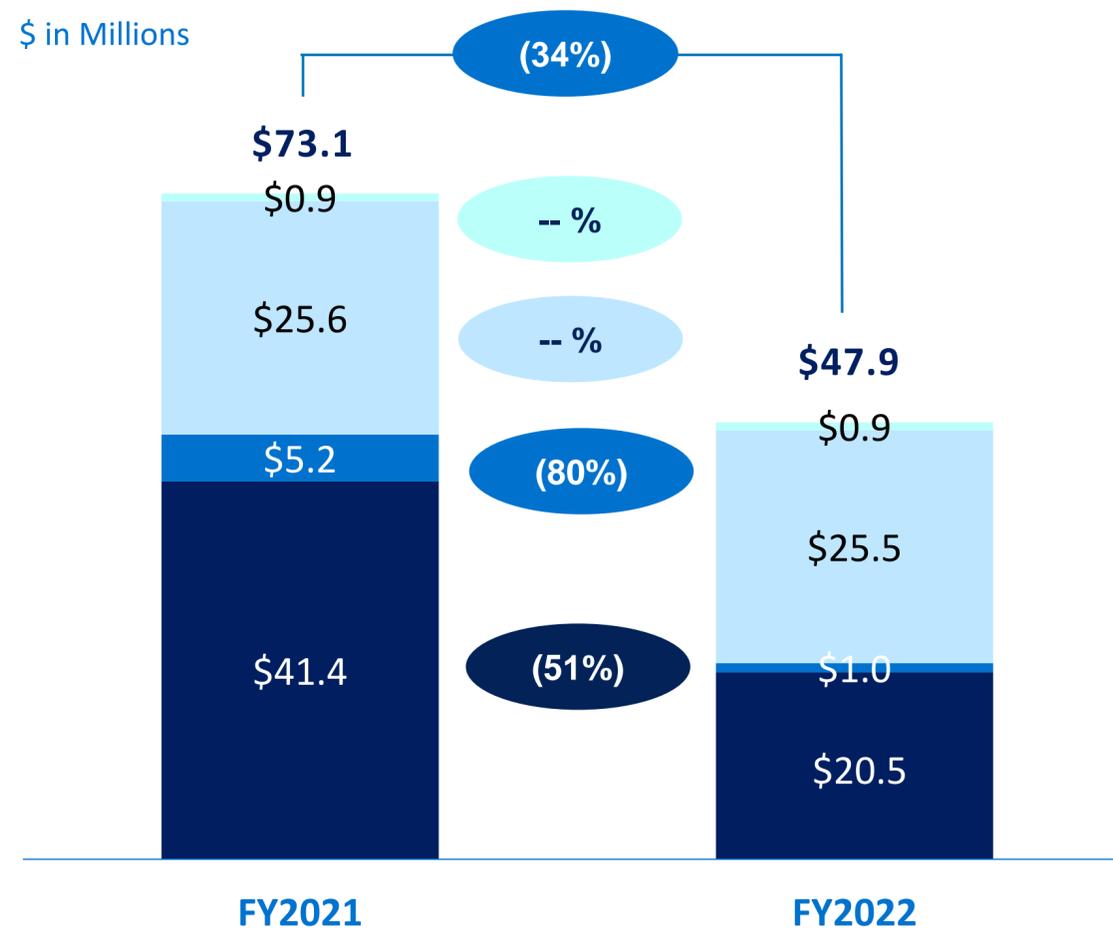


Note 1: Take-rate defined as network revenue divided by total IMAX box office
 Source: Company data

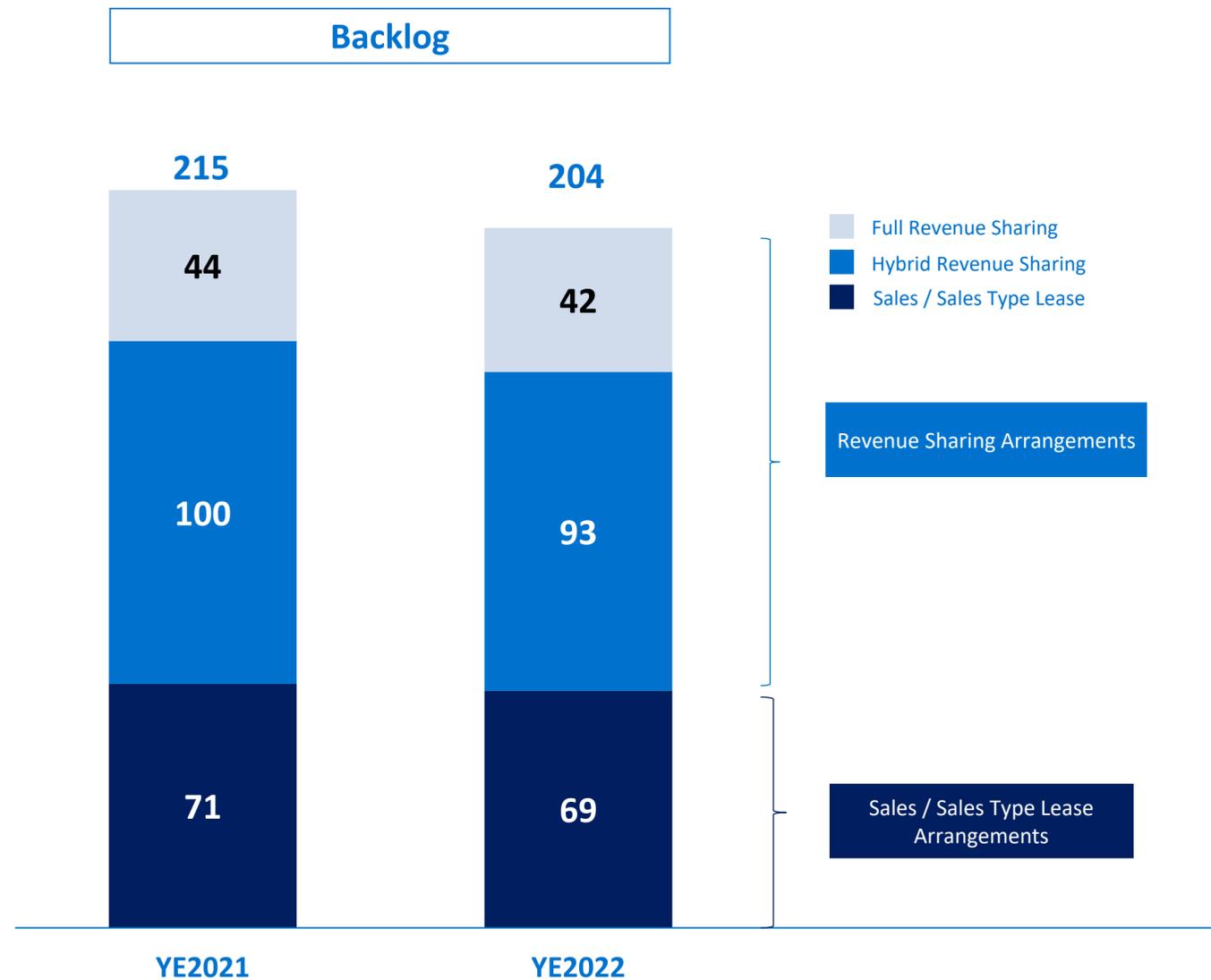
IMAX Technology Sales & Maintenance

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

\$ in Millions



Network Update



Source: Company Data

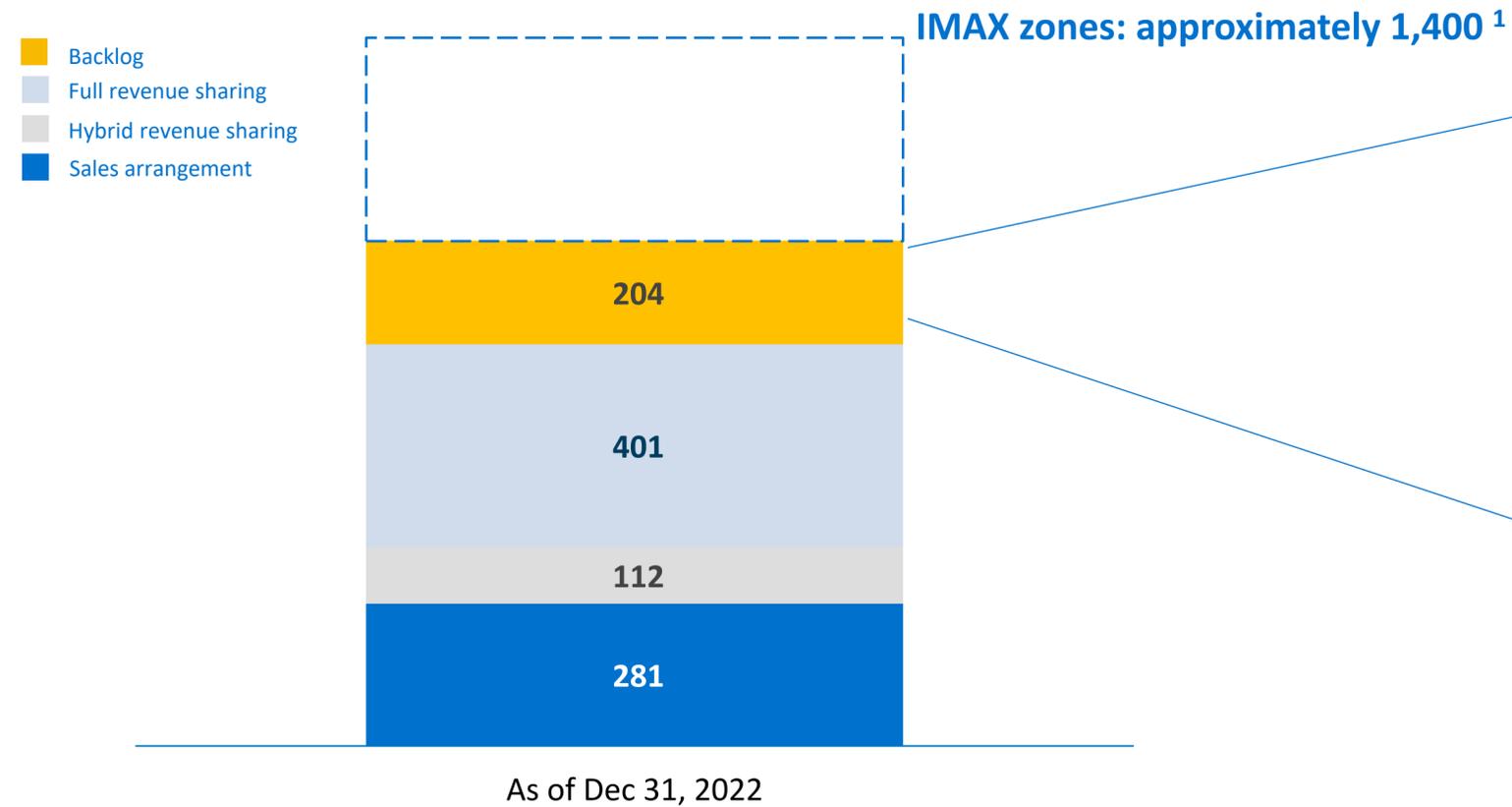
Signings and Installations

2022

	Total Signings	Total Installations
Sales and STL	2	6
Hybrid	1	2
JV	8	11
Upgrades	3	4
Relocation	-	5
Renewals	6	-
Total	20	28

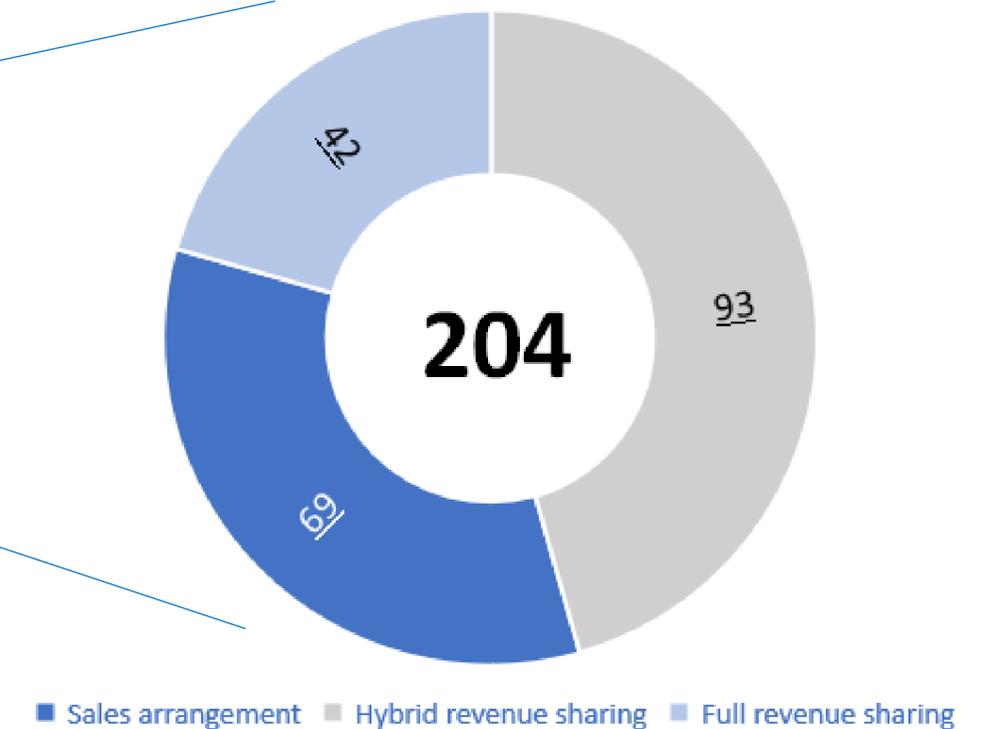
IMAX with Laser and Expanding Filmed-for-IMAX Content Portfolio Further Differentiates IMAX China Offering

IMAX Greater China Theater Footprint



Note 1: As of December 31, 2022
Source: Company Data

Greater China Backlog Mix²

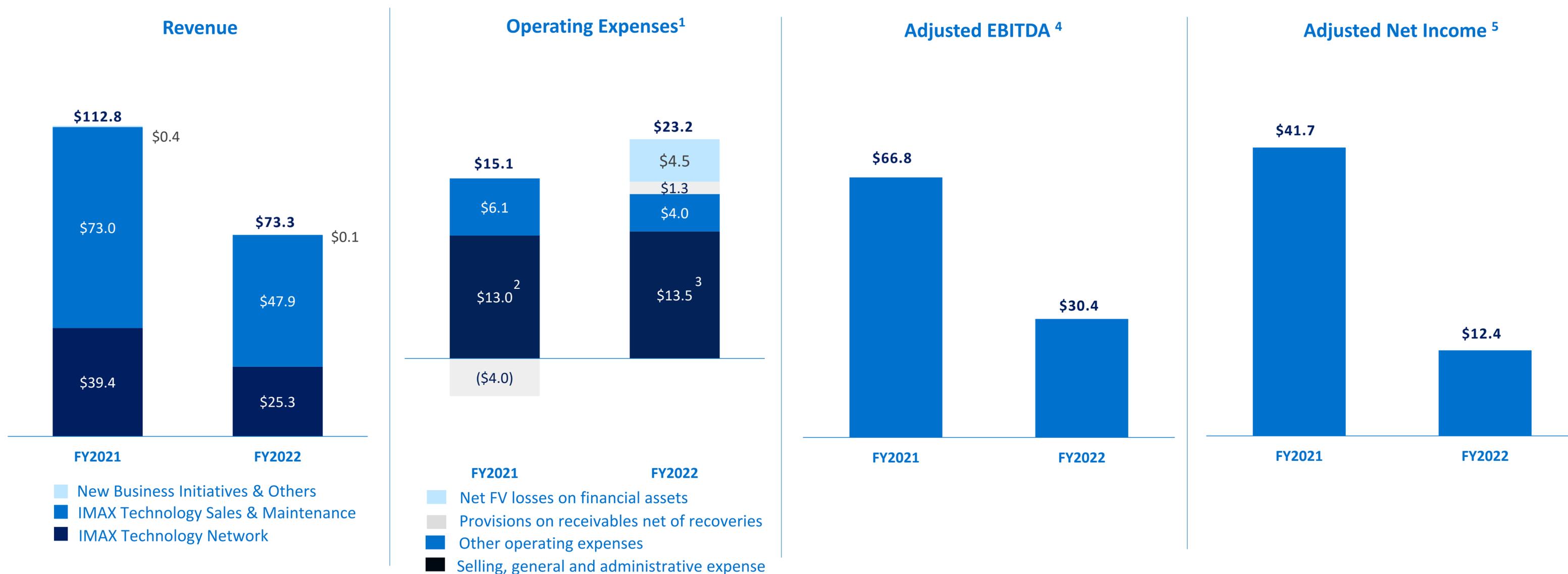


Note 2: As of December 31, 2022
Source: Company Data

Approaching 1,000 theatre milestone with current network of 794 and backlog of 204 systems

2022 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\$1.8 million

Note 3: Includes an FX loss of US\$1.4 million

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

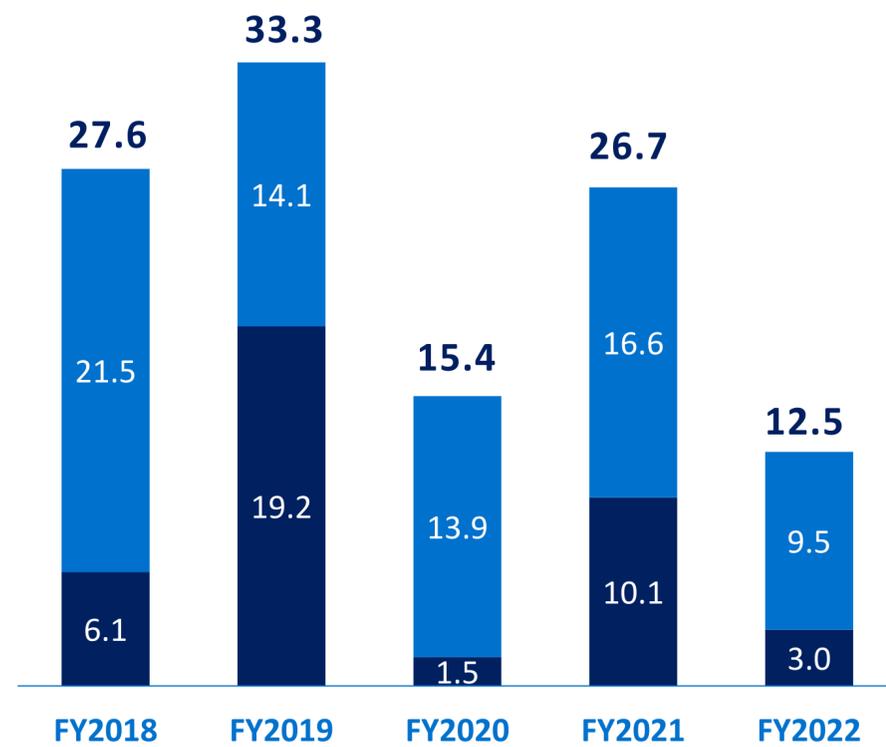
Note 5: adjusted net profit excludes share-based compensation and the related tax impact

Source: Company data

Long-term Shareholder Value Creation

Capital returned to shareholders

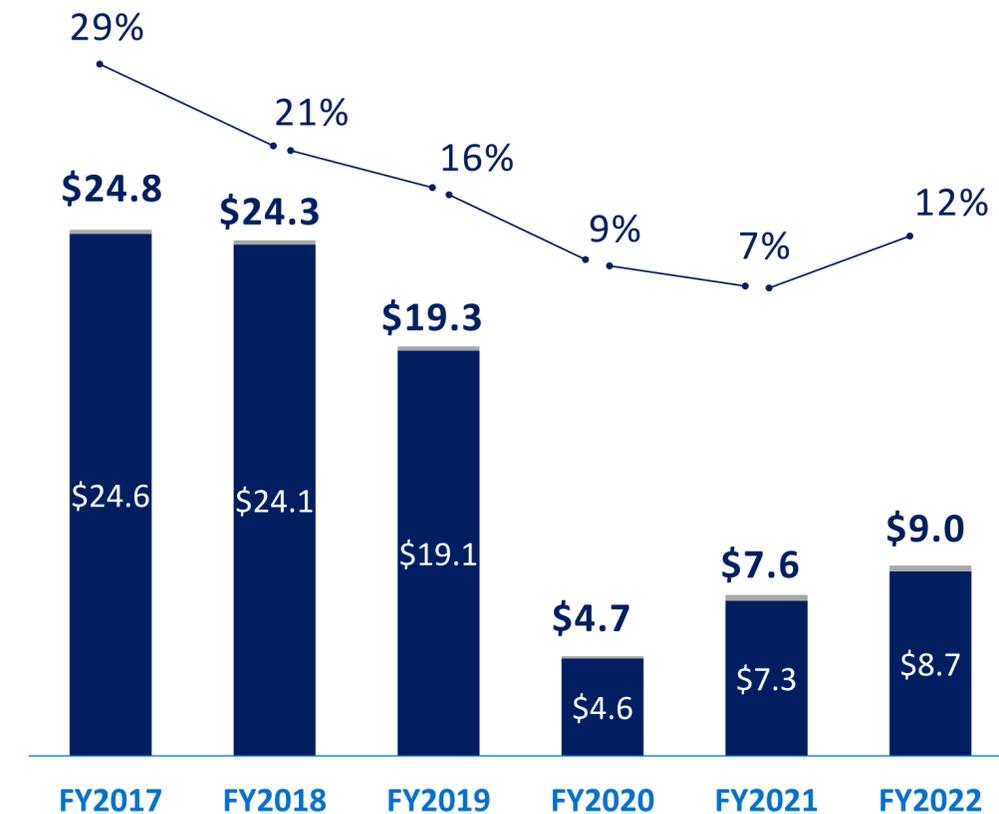
(in USD mn)



■ Dividends paid (as reflected on cash flow statement)
 ■ Share buyback

Capex trend

(in USD mn)



— Capex as % of revenue
 ■ Maintenance capex = purchase of property, plant & equipment
 ■ Growth capex = investment in joint-revenue sharing equipment

Source: Company data

We have returned a total of more than \$115mn capital to shareholders since 2018

