

IMAX

THE CLEAREST IMAGES ON THE LARGEST SCREENS

IMAX

FILMS TO THE FULLEST

IMAX China Half-Year 2020 Financial Results

July 29, 2020

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Why IMAX China is Well-Positioned as Theatres Reopen?

Poised for recovery

- ❑ Trusted brand to both audience and exhibitors
- ❑ Located in top-performing theatre complexes
- ❑ Pent-up demand for domestic, out-of-home entertainment
- ❑ Strong content pipeline through 2021 with IMAX DNA
- ❑ Continue to build new partnerships and expand existing ones
- ❑ Robust backlog, majority of which does not require capital commitment

Benefit from Structural Tailwinds

- ❑ “Blockbusterization” effect
- ❑ Local content gravitating towards IMAX genres
 - Drives continued box office market share gain
- ❑ Low disruption risks from direct-to-streaming due to unique positioning

Financial Strength

- ❑ Strong, debt-free balance sheet with net cash balance of US\$73.8mn as of June 30, 2020
- ❑ Asset-light business model with limited reopening costs
- ❑ Ample liquidity with controlled monthly cash burn at US\$1mn
- ❑ No exposure to fixed theatre rental commitment or content production cost
- ❑ Consistently return capital to shareholders

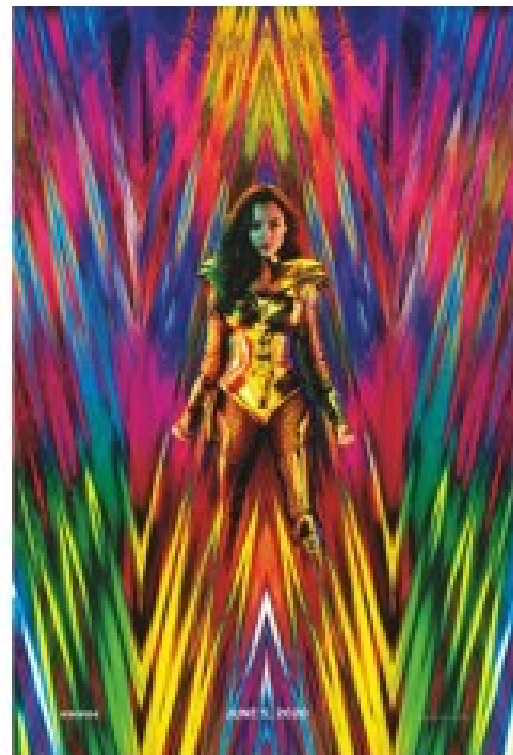
401 of our Chinese mainland theatres have resumed operations; expect at least 600 to reopen by mid-August

Strong IMAX DNA in Upcoming Film Slate (as of July 29, 2020)

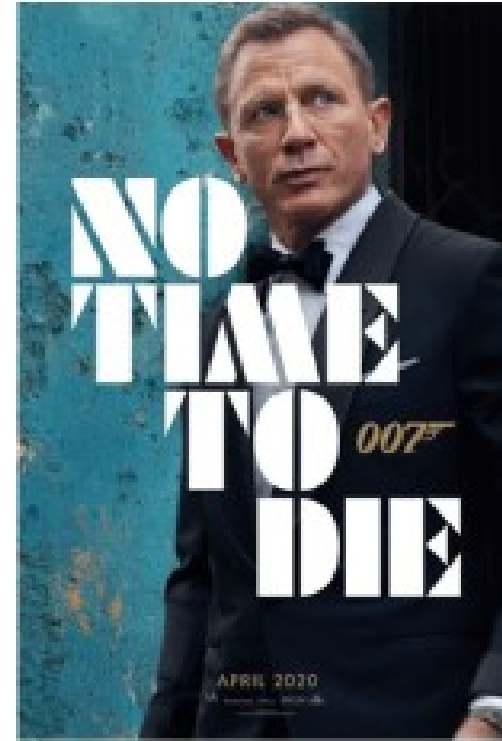
Hollywood⁽¹⁾



Tenet (TBD)
Filmed with IMAX Cameras



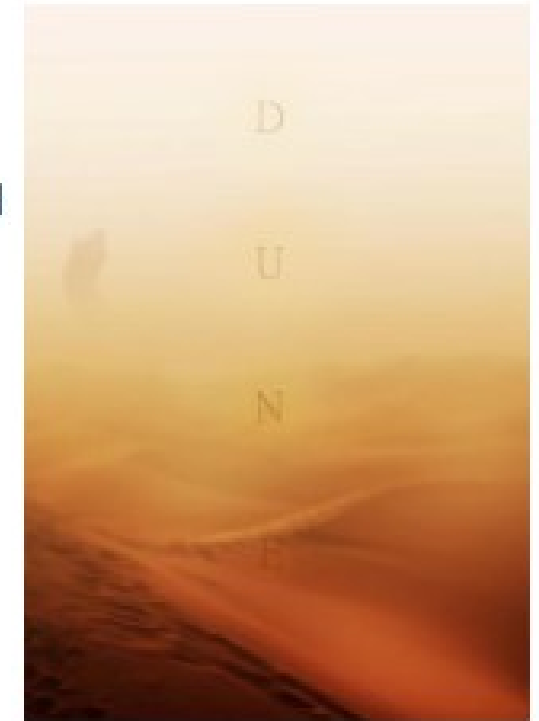
Wonder Woman 1984 (Oct 2020)
Filmed with IMAX Cameras



No Time to Die (Nov 2020)
Filmed with IMAX Cameras



Black Widow (Nov 2020)
Exhibited in IMAX expanded aspect ratio²



Dune (Dec 2020)
Filmed in IMAX

Local language



Detective Chinatown 3 (TBD)
Filmed with IMAX Cameras
Presents up to 26% more pictures



The Rescue (TBD)
Exhibited in IMAX expanded aspect ratio

Heavy involvement of IMAX DNA bodes well for greater box office share

Note 1: 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.
Note 2: Approximately 30 minutes in IMAX expanded aspect ratio

Blockbuster 2021 Around the Corner



**THE
ETERNALS**



**FAST &
FURIOUS 9**



**SHANG-CHI
and the
Legend of
the Ten
Rings**



**GODZILLA
VS. KONG**



**JURASSIC
WORLD 3**



VENOM 2




**Top Gun:
Maverick**



**THE
BATMAN**



**MISSION
IMPOSSIBLE:
7**



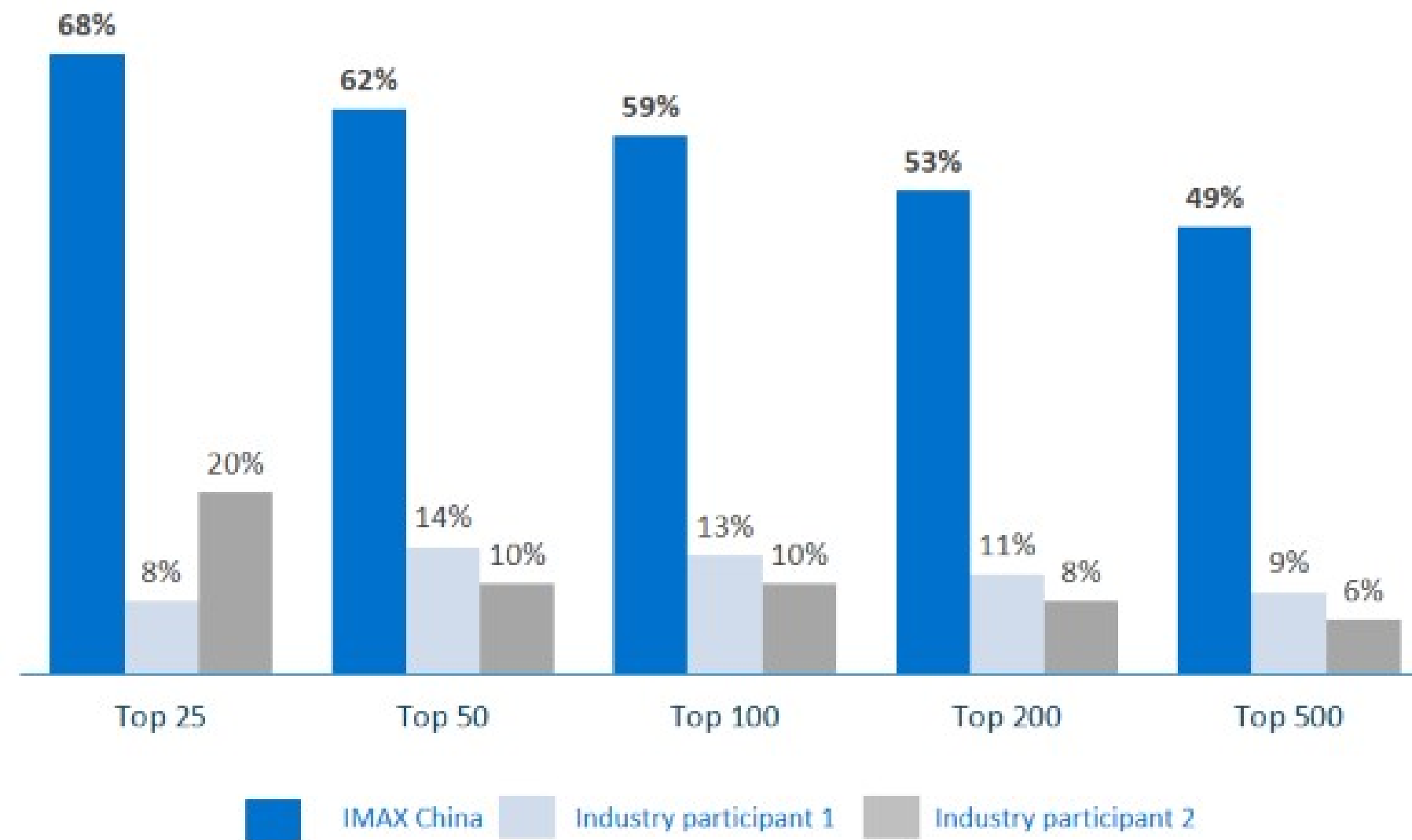
**SPIDER-MAN
(Untitled)**

Blockbuster slate extends through 2021

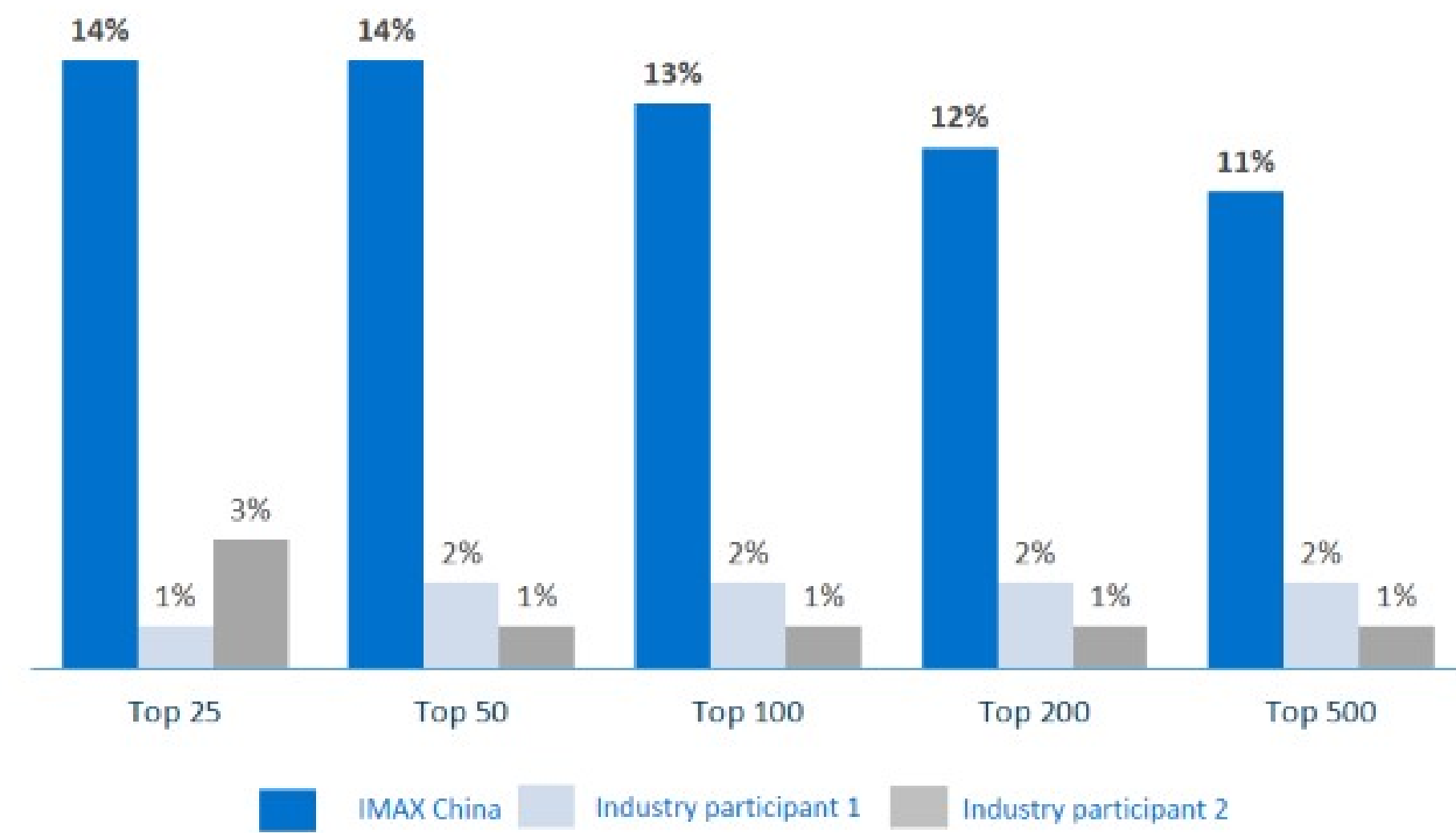
Note: Titles have been confirmed to be released in North America but such release schedule might be postponed due to the coronavirus pandemic. Release schedule in China to be determined.

Industry Consolidation an Opportunity, Not a Risk

Theatre penetration in top 500 complexes in China



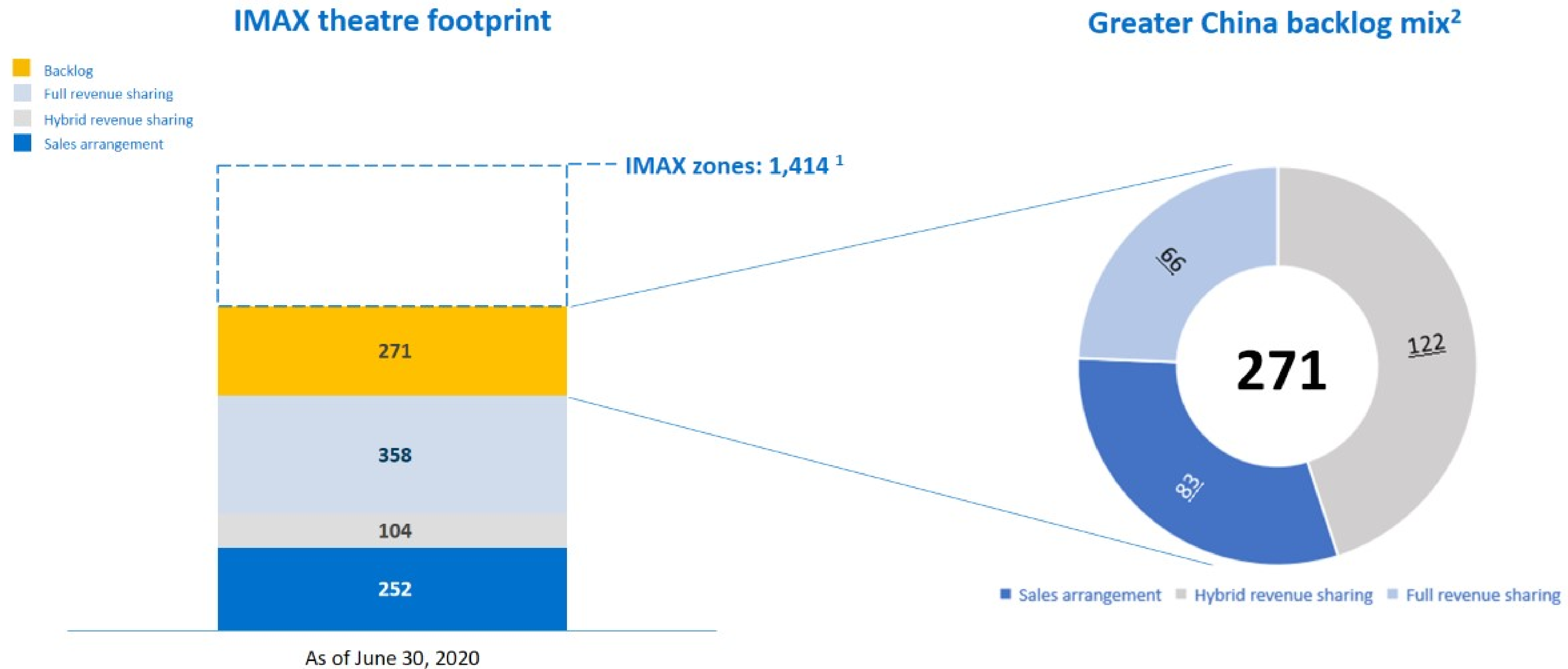
Gross box office share in top 500 complexes in China



Source: TOP Consulting

IMAX China is present in 17 out of top 25 highest-grossing complexes

Continued Network and Partnership Expansion



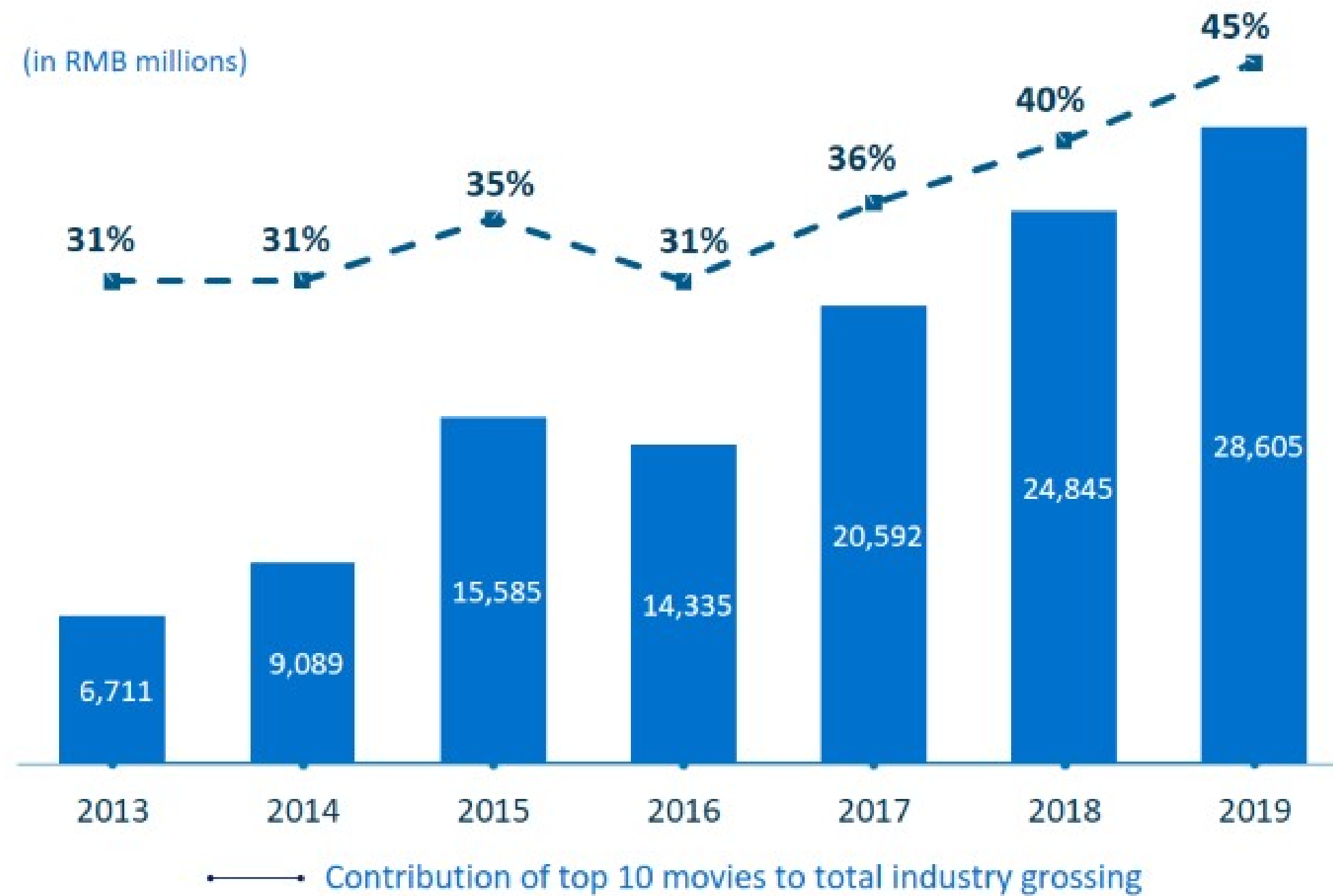
Note 1: As of Dec 31, 2019
Source: Company Data

Note 2: As of June 30, 2020
Source: Company Data

Continued signings and robust backlog provides good visibility to future installations

Favorable Structural Tailwind Will Continue to Play Out...

Total box office of top-10 grossing movies



Source: TOP Consulting

Top 50 movies generated on average RMB1bn box office in 2019

Local content gravitating towards IMAX genres



The Wandering Earth (Feb 2019)
 Highest-grossing local title in IMAX history
 Third highest-grossing title in China's film history



Ne Zha (July 2019)
 Second highest-grossing local title in IMAX history
 Second highest-grossing title in China's film history



The Rescue (TBD)
 Exhibited in IMAX special aspect ratio

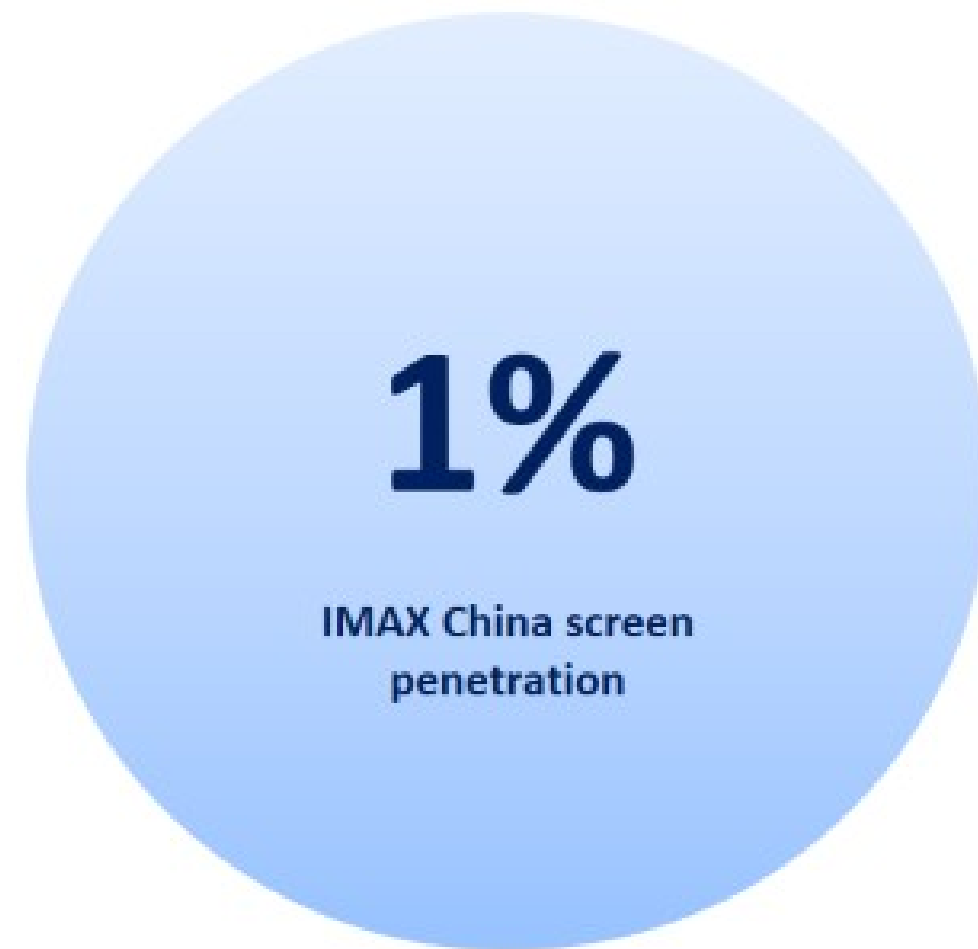


Detective Chinatown 3 (TBD)
 Filmed with IMAX Cameras
 Presents up to 26% more pictures

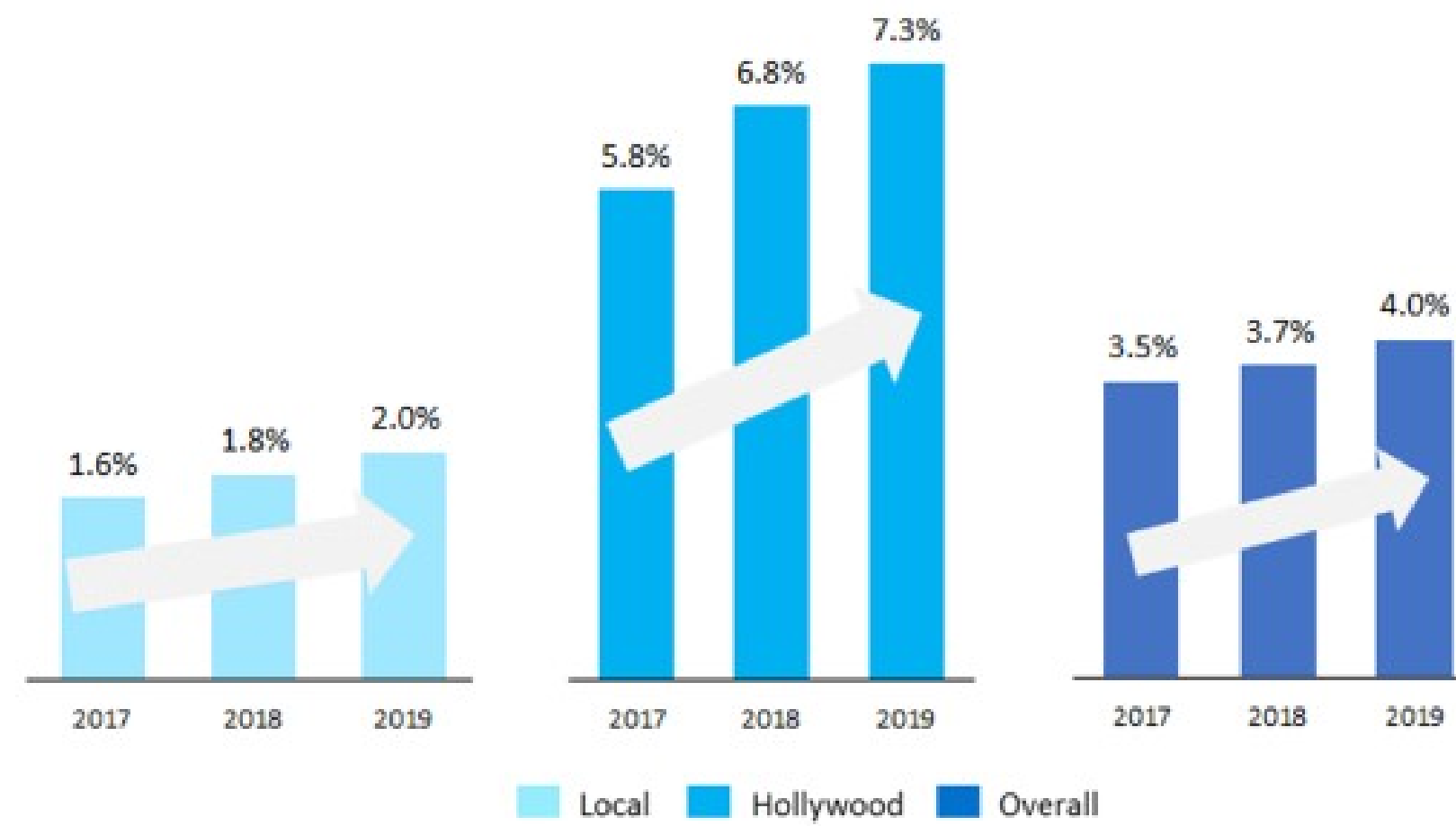
Industry tailwind of "Blockbusterization" and "IMAX-able" genres plays into our favor

...And Drive Market Share Gain

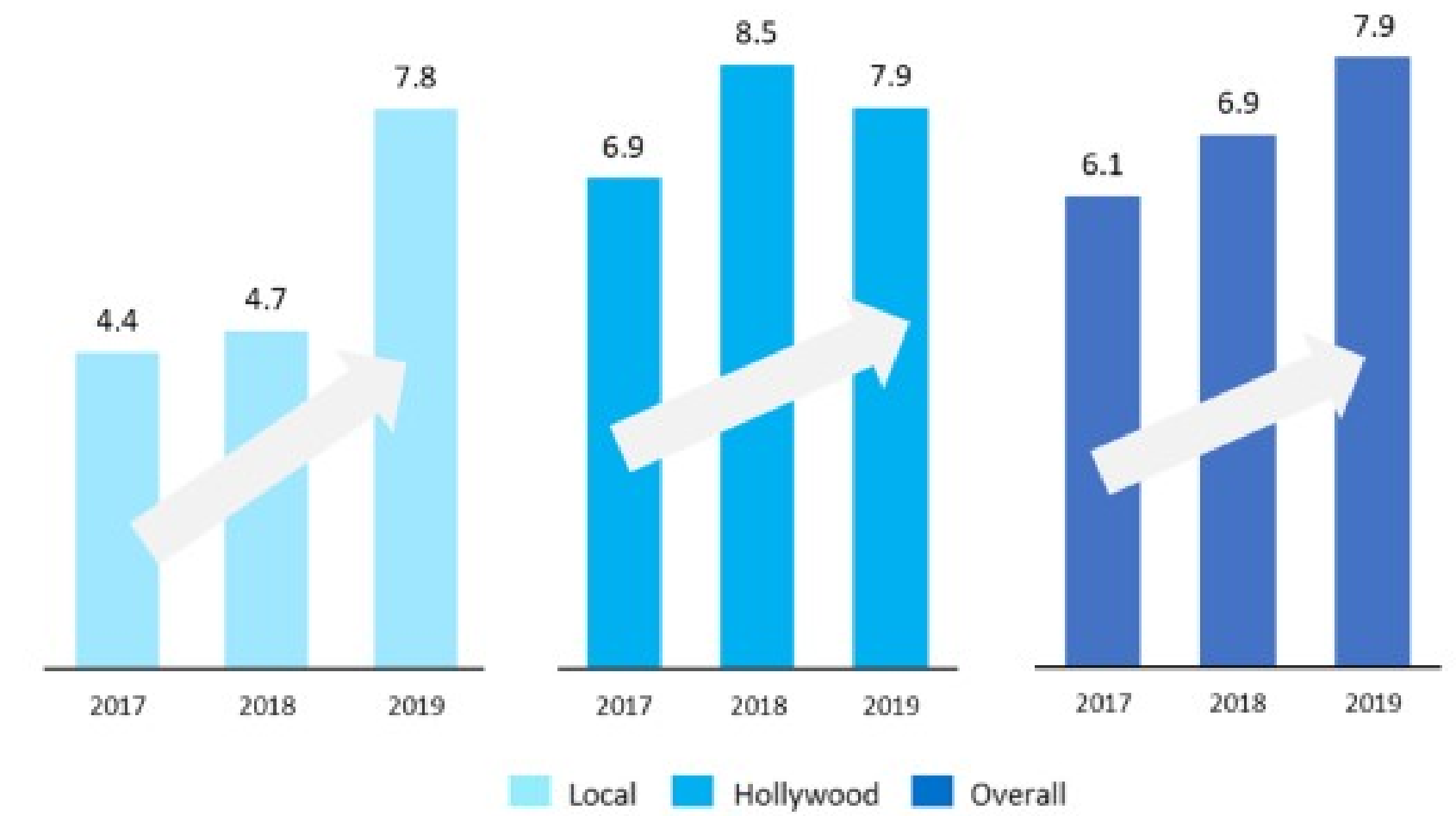
IMAX China Screen Count Share



IMAX China Box Office Market Share



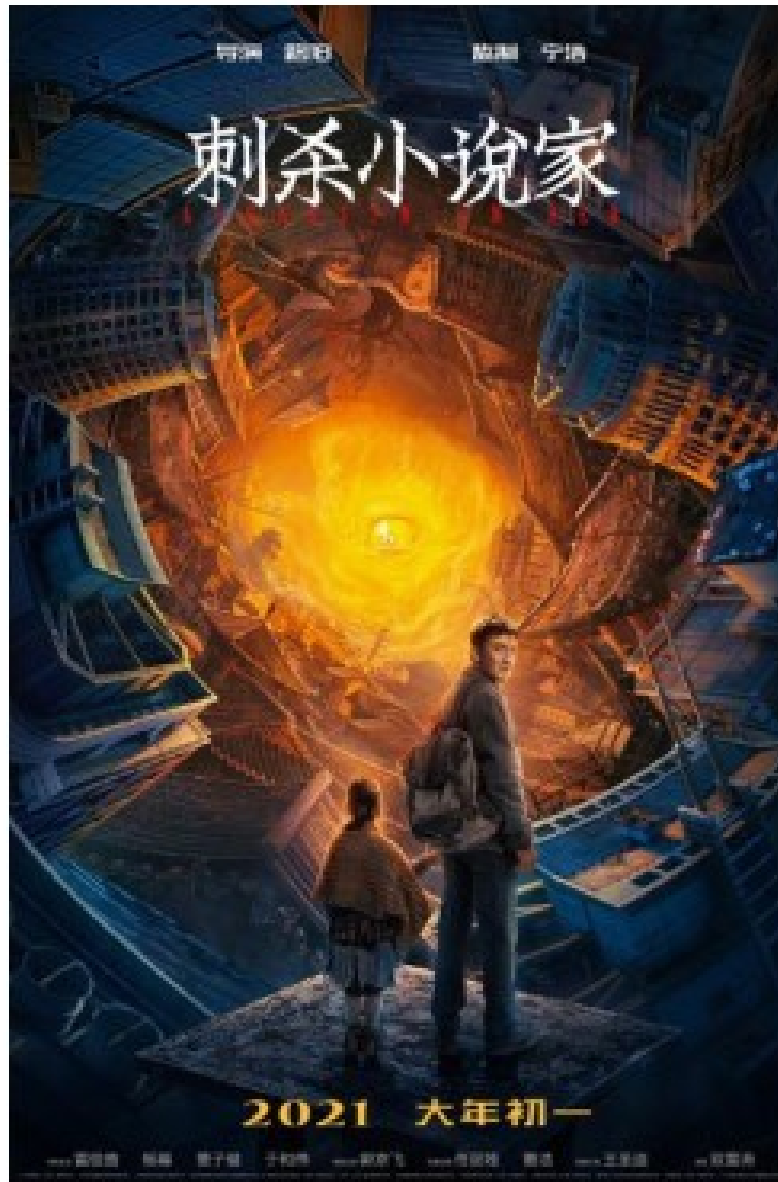
IMAX China Average Box Office Per Title* (in US\$m)



Source: Company Data
Note *: Chinese Mainland only

Promising Pipeline of Potential Local Language Titles

Assassin in Red



Fengshen Trilogy



New Gods: Nezha Reborn



Multiple blockbuster caliber potential local language titles

Note: Release schedule in China to be determined.

Strong Financial Position with Ample Liquidity and Balance Sheet Flexibility

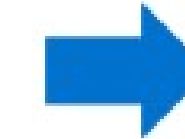
Strong fundamentals

- Healthy, debt-free 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

- Three-day or four-day work week for majority of company since March
- Reduced non-core marketing initiatives, T&E and other non-essential spending

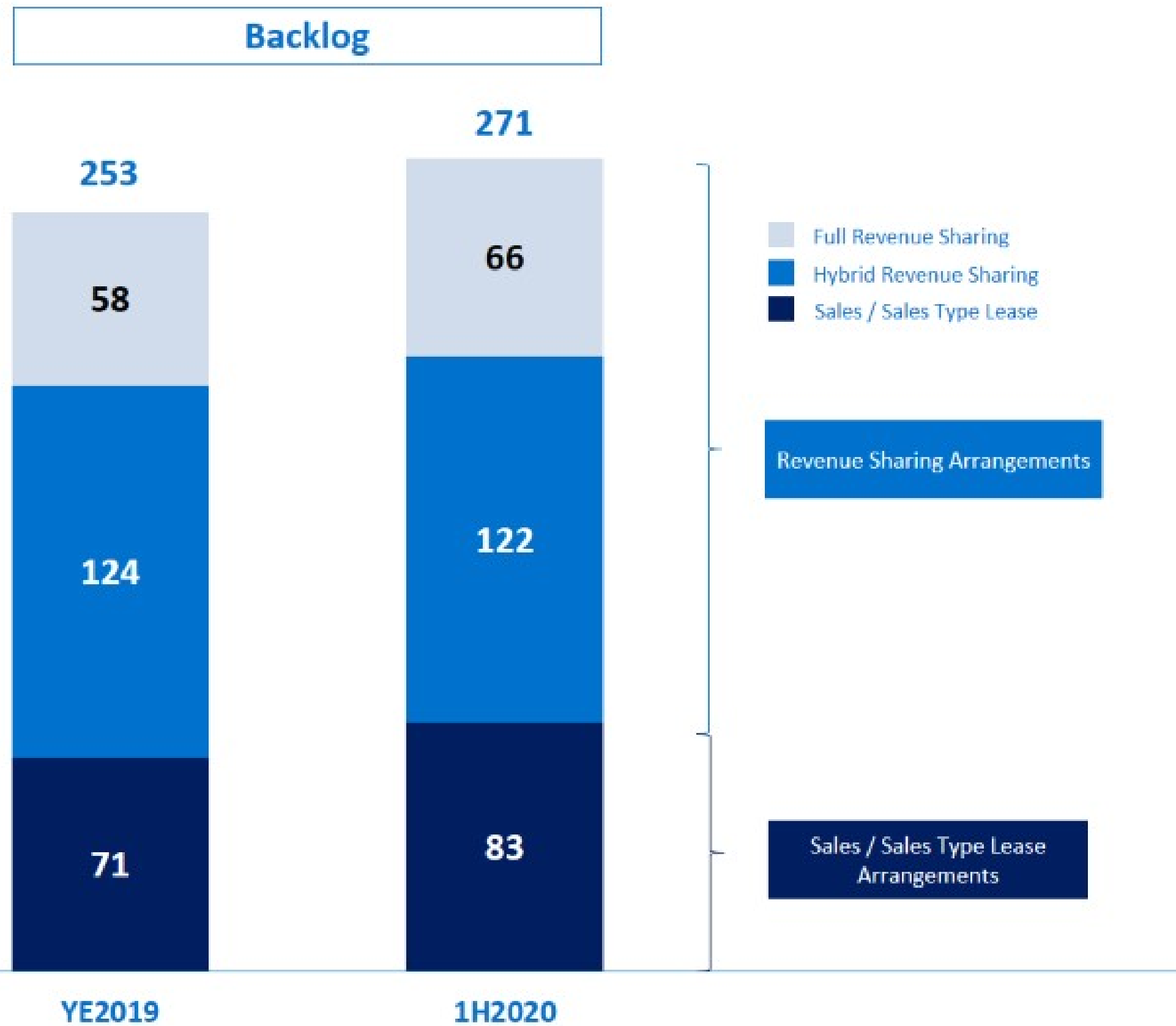


Financial Strength

- US\$73.8 million in net cash as of June 30, 2020
- Controlled monthly cash burn at US\$1 million
- Ample cash runway
- Maintain stable interim dividend payment of US\$7 million

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

Network Update



Source: Company Data

Signings and Installations

1H 2020

	Total Signings	Total Installations
Sales and STL	12	1
Hybrid	0	1
JV	0	1
Upgrades	10	0
Total	22	3

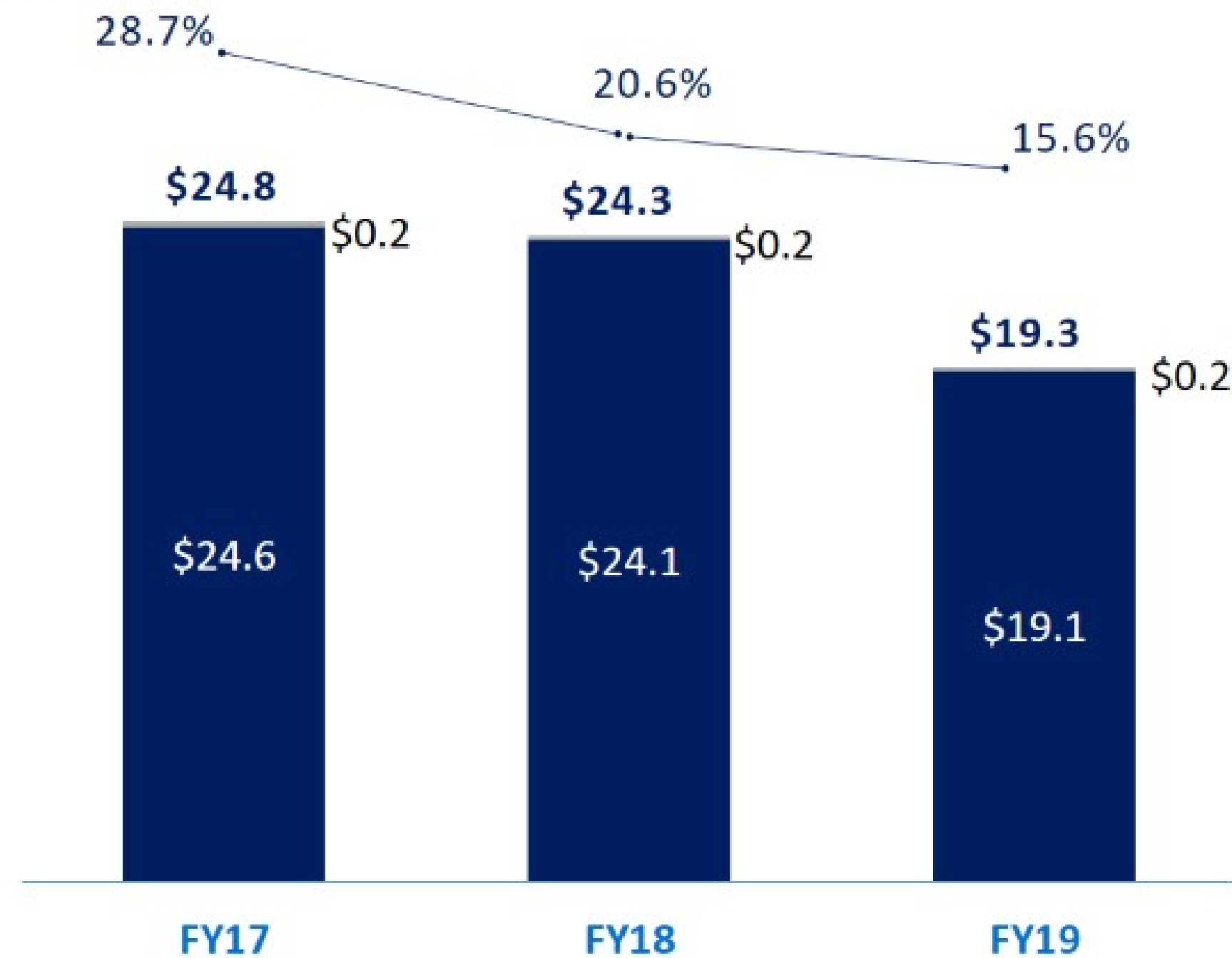
75% of backlog does not require net capital commitment

Capex Breakdown

Annual capex* trend

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

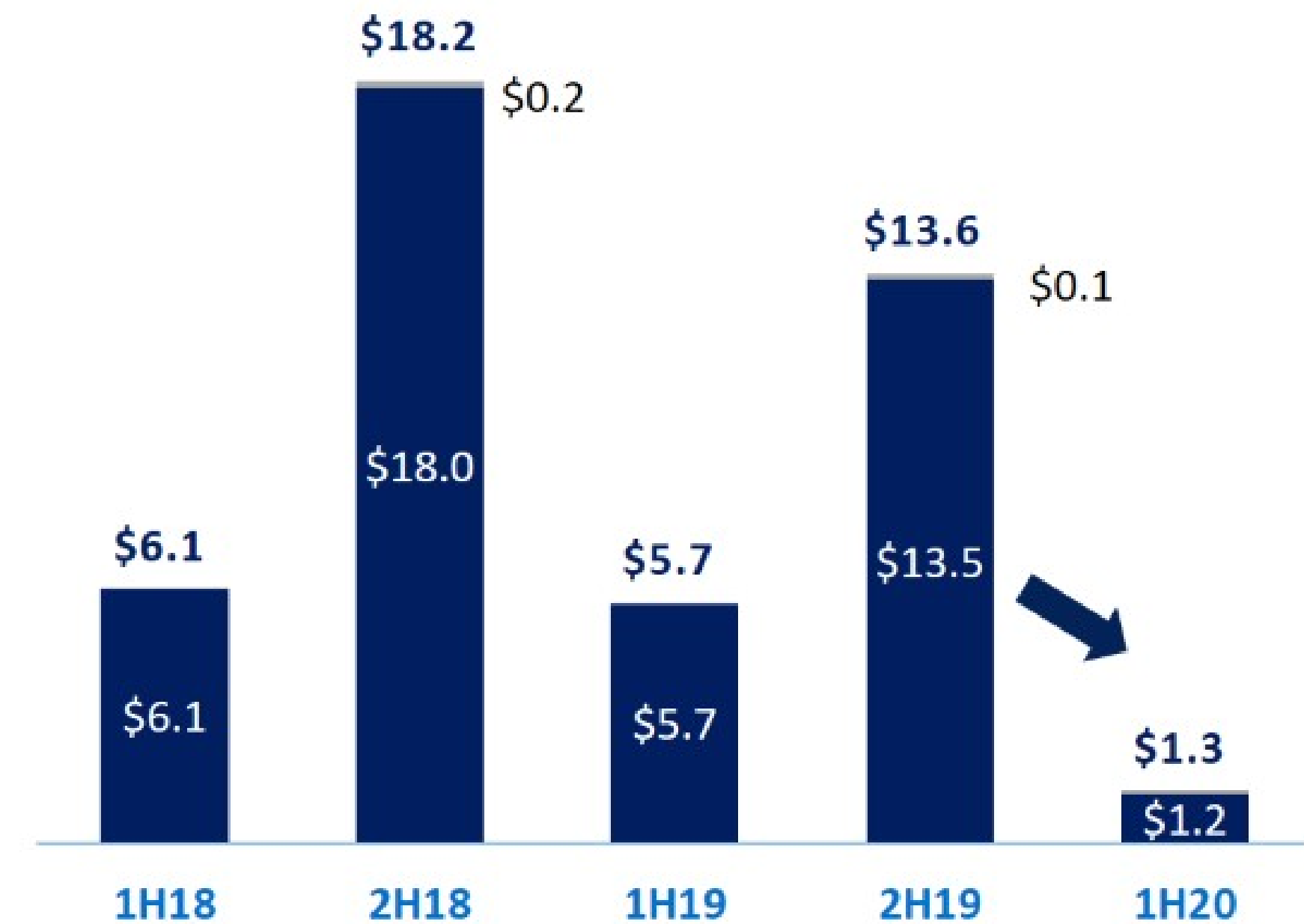
\$ in Millions



Source: Company data

Note*: refers to core business-related capex only = growth + maintenance capex

Semi-annual capex* trend

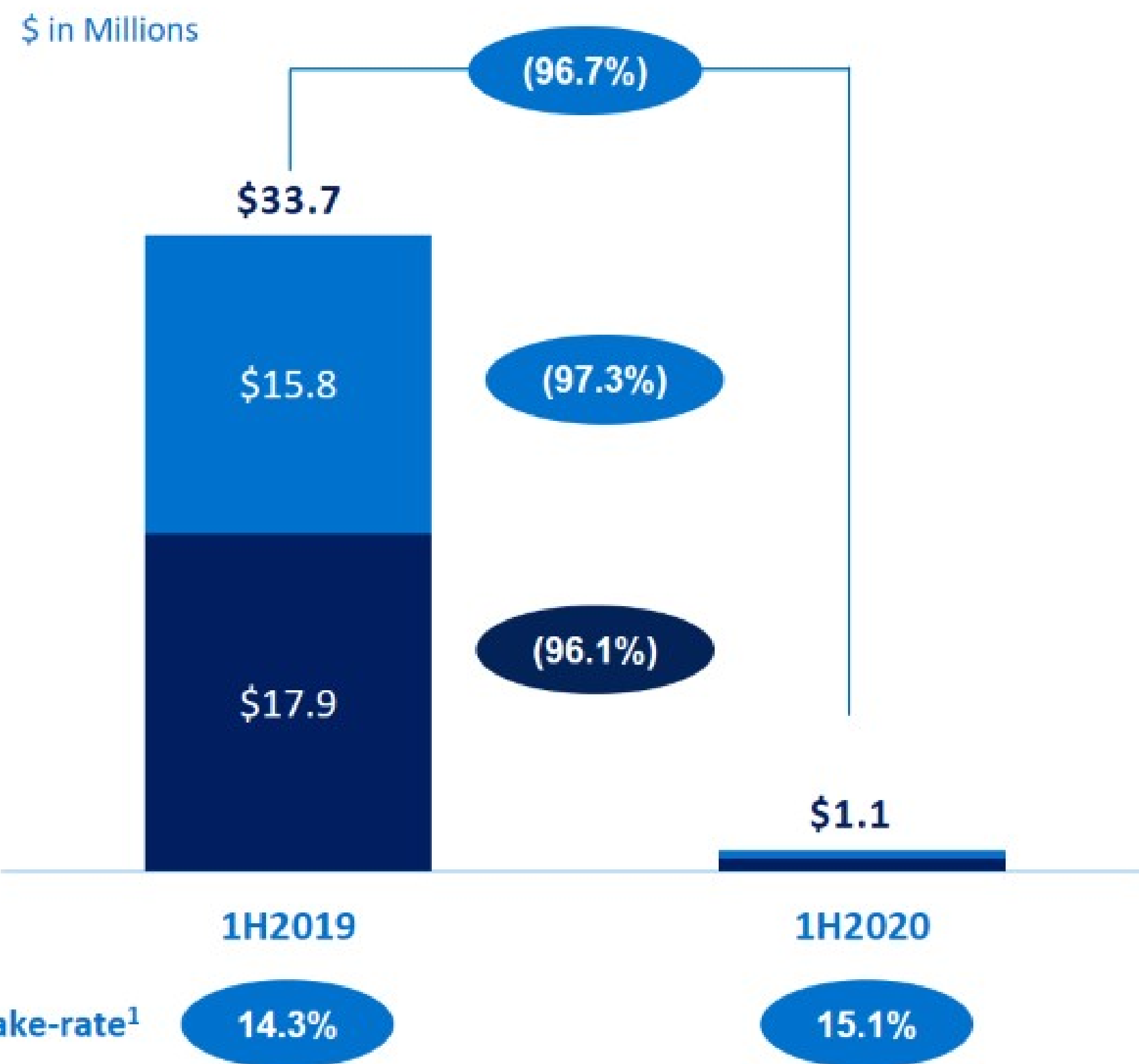


Flexibility in adjusting growth capex spending

1H 2020 Segment Details

IMAX Technology Network

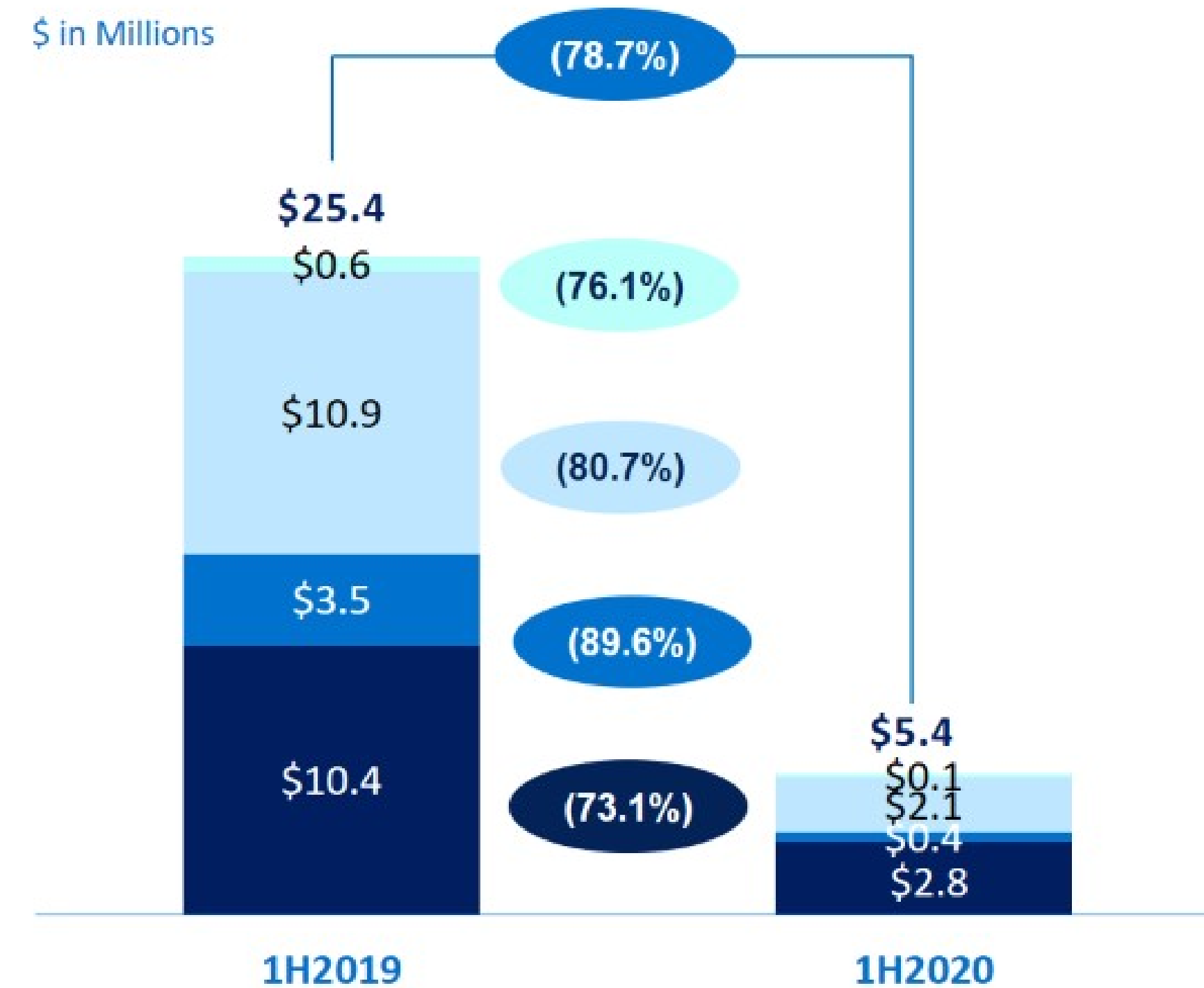
- Revenue sharing arrangements – contingent rent
- Film Revenue



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

IMAX Technology Sales & Maintenance

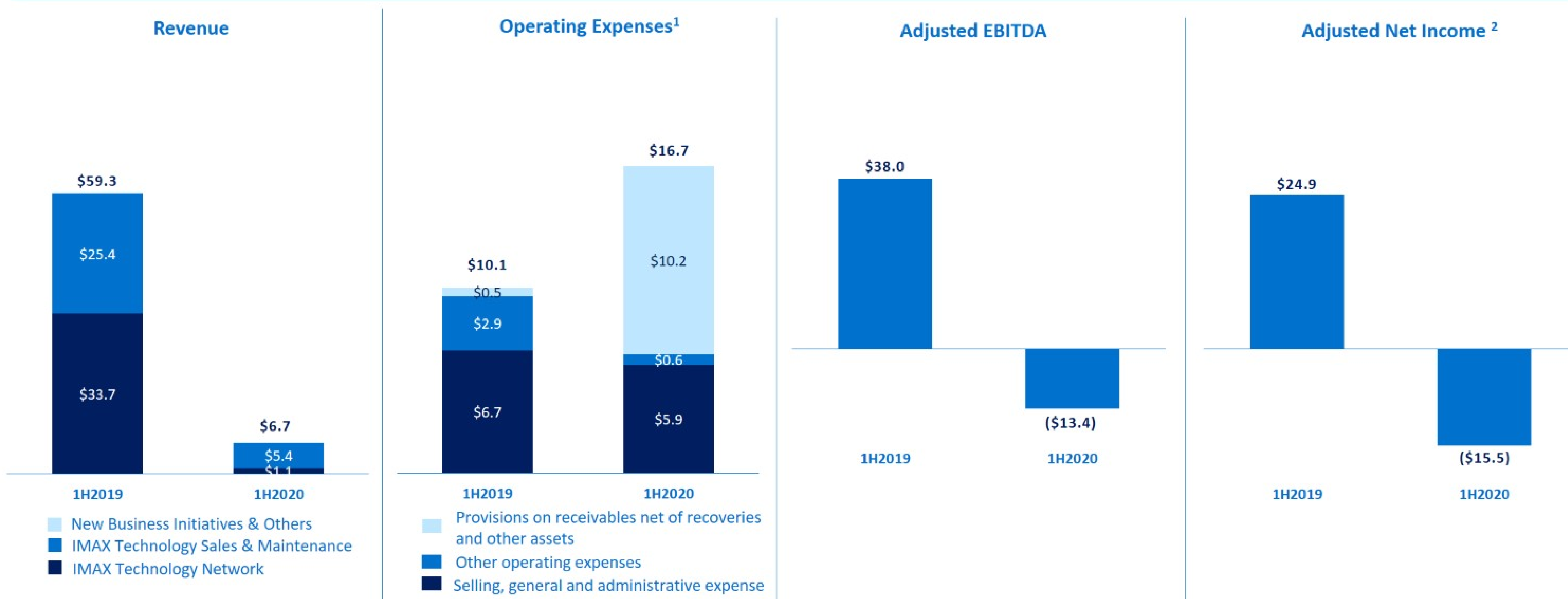
- Others
- Theatre system maintenance
- Revenue sharing arrangements – upfront fees
- Sales & Sales-type lease arrangements



Source: Company data

1H 2020 Financial Summary

\$ in Millions



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

Note 2: Excludes one-off, non-cash deferred income tax charge of US\$18.5 million

Source: Company data

