IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND INSIDE INFORMATION

OUR CONTROLLING SHAREHOLDER IMAX CORPORATION RELEASED ITS UNAUDITED RESULTS AND QUARTERLY REPORT FOR THE SECOND QUARTER AND THE FIRST HALF OF FISCAL YEAR 2026

INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of IMAX China Holding, Inc. (the "**Company**" or "**IMAX China**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026. The interim results have been reviewed by the Group's external auditor and the Audit Committee.

INSIDE INFORMATION

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 July 2026 (New York time), released its unaudited results for the second quarter of 2026 and its quarterly report for the second quarter of 2026.

FINANCIAL INFORMATION

The financial information set out below in this announcement represents an extract from the condensed consolidated interim financial information, which is unaudited but has been reviewed by the Group's external auditor, PricewaterhouseCoopers ("**PwC**"), in accordance with International Standard on Review Engagements 2410 and by the audit committee of the Company. PwC's unmodified review report is included in the Interim Report to be sent to Shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(In thousands of U.S. dollars)

		Six months ended 30 June	
		2026	2025
	Notes	***(Unaudited)***	*(Unaudited)*
Revenues	*4*	**34,449**	57,802
Cost of sales	*5*	**(16,032)**	(17,702)
Gross profit	*4*	**18,417**	40,100
Selling, general and administrative expenses	*5*	**(7,183)**	(6,994)
Other operating expenses	*5*	**(2,049)**	(3,011)
(Provisions) reversals of net impairment losses on financial assets	*5*	**(1,055)**	55
Other income		**257**	46
Other gains – net		**899**	–
Operating profit		**9,286**	30,196
Interest income		**1,019**	857
Interest expense		**(22)**	(29)
Profit before income tax		**10,283**	31,024
Income tax expense	*6*	**(2,179)**	(7,131)
Profit for the period attributable to owners of the Company		**8,104**	23,893
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Change in foreign currency translation adjustments		**8,161**	1,393
Other comprehensive income:		**8,161**	1,393
Total comprehensive income for the period, attributable to owners of the Company		**16,265**	25,286
Profit per share attributable to owners of the Company – basic and diluted (expressed in U.S. dollars per share):			
From profit for the period – basic	*7*	**0.02**	0.07
From profit for the period – diluted	*7*	**0.02**	0.07

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(In thousands of U.S. dollars)

	Notes	**As at 30 June 2026 *(Unaudited)***	As at 31 December 2025 *(Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	*8*	**66,416**	66,357
Other assets		**363**	769
Deferred tax assets	*10*	**4,188**	3,150
Variable consideration receivables from contracts		**6,544**	5,766
Financing receivables		**50,337**	50,725
		127,848	126,767
Current assets			
Other assets		**633**	573
Contract acquisition costs		**407**	388
Film assets		**32**	114
Inventories		**5,852**	5,989
Prepayments		**3,493**	3,641
Variable consideration receivables from contracts		**1,932**	1,404
Financing receivables		**29,017**	29,537
Trade and other receivables	*9*	**77,501**	79,620
Cash and cash equivalents		**143,900**	129,861
		262,767	251,127
Total assets		**390,615**	377,894

	Notes	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
LIABILITIES			
Non-current liabilities			
Accruals and other liabilities		**474**	634
Deferred revenue	*12*	**9,560**	9,466
Deferred tax liabilities	*10*	**12,521**	12,521
		22,555	22,621
Current liabilities			
Trade and other payables	*11*	**14,691**	15,759
Accruals and other liabilities		**6,553**	8,271
Income tax liabilities		**916**	1,796
Deferred revenue	*12*	**13,163**	13,454
		35,323	39,280
Total liabilities		**57,878**	61,901
EQUITY			
Equity attributable to owners of the Company			
Share capital		**34**	34
Share premium and reserves		**230,416**	221,776
Retained earnings		**102,287**	94,183
Total equity		**332,737**	315,993
Total equity and liabilities		**390,615**	377,894

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

1. General information

IMAX China Holding, Inc. (the "**Company**") was incorporated in the Cayman Islands on 30 August 2010, as an exempted company with limited liability under the laws of the Cayman Islands. The ultimate holding company of the Company is IMAX Corporation (the "**Controlling Shareholder**"), incorporated in Canada. The Company's registered office is located at Post Office Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104.

The Company is an investment holding company, and its subsidiaries (together the "**Group**") are principally engaged in the entertainment industry specialising in digital film technologies in Chinese Mainland, Hong Kong, Taiwan and Macau ("**Greater China**").

The Group refers to all the theatres using the IMAX theatre system in Greater China as "**IMAX theatres**".

The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 October 2015.

The condensed consolidated interim financial information is presented in United States dollars ("**US$**" or "**$**"), unless otherwise stated.

2. Summary of material accounting policy information

The material accounting policies applied in the preparation of the condensed consolidated interim financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 ("**IAS 34**"), "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("**IFRS Accounting Standards**").

The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(b) Summary of significant accounting policies

Except as described in note 3, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

Taxes on income during the six months ended 30 June 2026 and 2025 are accrued using the tax rate that would be applicable to expected total annual profits.

3. New accounting standards and accounting changes

A number of new, or amended, standards became applicable for the annual reporting period commencing on 1 January 2026. The Group did not have to change its accounting policies, or make retrospective adjustments, as a result of adopting these standards.

		Applicable to reporting periods commencing on or after the given date
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments, Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026

Certain new accounting standards and interpretations have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2026 and have not been early adopted by the Group.

		Applicable to reporting periods commencing on or after the given date
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IAS 28	Amendments to the Fair Value Option	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Except for the above-mentioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. Revenue and segment information

Management, including the Group's executive directors, assesses segment performance based on segment revenues, gross margins and film performance. Selling, general and administrative expenses, other operating expenses, reversals of net impairment losses on financial assets, other income, other gains – net, interest income, interest expense and income tax expense are not allocated to the segments.

The Group has the following reportable segments:

(i) Content Solutions, which principally includes the digital remastering of films and other content into IMAX formats for distribution to the IMAX network.

(ii) Technology Products and Services, which includes results 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 theatre business activities, including after-market sales of IMAX System parts and 3D glasses.

The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Inter-segment profits are eliminated upon consolidation, as well as for the disclosures below.

Transactions between the other segments are not significant.

(a) Operating Segments

	Six months ended 30 June	
	2026	2025
	(Unaudited)	*(Unaudited)*
Revenue		
Content Solutions	**6,265**	20,801
Technology Products and Services	**26,177**	36,230
Subtotal for reportable segments	**32,442**	57,031
All Other	**2,007**	771
Total	**34,449**	57,802
Gross profit		
Content Solutions	**4,687**	19,197
Technology Products and Services	**12,009**	20,686
Subtotal for reportable segments	**16,696**	39,883
All Other	**1,721**	217
Total gross profit	**18,417**	40,100
Selling, general and administrative expenses	**(7,183)**	(6,994)
Other operating expenses	**(2,049)**	(3,011)
(Provisions) reversals of net impairment losses on financial assets	**(1,055)**	55
Other income	**257**	46
Other gains – net	**899**	–
Interest income	**1,019**	857
Interest expense	**(22)**	(29)
Profit before income tax	**10,283**	31,024

The Group's operating assets and liabilities are located in Greater China. All revenue earned by the Group is generated by the activities of IMAX theatres operating in Greater China.

The following table summarizes revenue recognised under IFRS 15 and IFRS 16, respectively.

	Six months ended 30 June			
	Recognised under IFRS 15		**Recognised under IFRS 16**	
	2026	2025	**2026**	2025
Revenue				
Content Solutions				
Film Remastering	**6,265**	20,801	**–**	–
	6,265	20,801	**–**	–
Technology Products and Services				
System Sales	**5,278**	6,721	**–**	–
System Rentals	**–**	–	**6,148**	14,442
Maintenance	**13,320**	13,345	**–**	–
Finance Income	**1,431**	1,722	**–**	–
	20,029	21,788	**6,148**	14,442
Subtotal for reportable segments	**26,294**	42,589	**6,148**	14,442
All Other	**2,007**	771	**–**	–
Total	**28,301**	43,360	**6,148**	14,442

Of the revenue recognised under IFRS 15, approximately $21.7 million for the six months ended 30 June 2026 (2025: $36.6 million) were recognised over time, while approximately $6.6 million were recognised at a point in time (2025: $6.8 million).

Of the system rentals accounted for under IFRS 16, approximately $5.3 million for the six months ended 30 June 2026 (2025: $12.6 million) were from revenues under operating leases and approximately $0.8 million for the six months ended 30 June 2026 (2025: $1.8 million) were from revenues under finance leases.

The selling profit for the Group's finance leases was $0.5 million for the six months ended 30 June 2026 (2025: $0.7 million).

(b) Significant customers

Revenue from the Group's significant customers (individually defined as greater than 10% of total revenues) as reported in segments are as follows:

Customer A

Revenues of approximately $11.0 million during the six months ended 30 June 2026 (30 June 2025: $17.9 million) are derived from a single external customer. These revenues are attributable to Content Solutions and Technology Products and Services.

Customer B

Revenues of $4.5 million during the six months ended 30 June 2026 (30 June 2025: $2.8 million) are derived from a related party. These revenues are attributable to Content Solutions and All Other.

Customer C

Revenues of $nil during the six months ended 30 June 2026 (30 June 2025: $15.7 million) are derived from a single external customer. These revenues are attributable to Content Solutions.

No other single customer comprises more than 10% of total revenues during the six months ended 30 June 2026 or 2025.

5. Expenses by nature

A breakdown of the Group's expenses by nature is provided in the table below:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	*(Unaudited)*
Depreciation, including joint revenue sharing arrangements and film costs	**7,072**	6,999
Employee salaries and benefits	**5,530**	5,075
Theatre maintenance fees	**4,273**	3,856
Advertising and marketing expenses	**2,052**	2,003
Technology and trademark fees	**2,034**	2,994
Cost of theatre system sales and finance leases	**1,607**	3,598
Share-based compensation expenses	**1,360**	1,197
Professional fees	**704**	634
Travel and transportation expenses	**185**	194
Utilities and maintenance expenses	**66**	32
Net lease expenses (recovery) (note)	**(117)**	91
Other film (recoveries) costs	**(141)**	7
Foreign exchange (gains) losses	**(65)**	1
Increase (decrease) in allowance for expected credit losses	**1,055**	(55)
Recoveries of write-downs	**(41)**	(26)
Other costs	**286**	554
Other expenses	**269**	305
Auditor's remuneration		
– Non-audit services	**11**	30
– Audit services	**179**	163
Total cost of sales, selling, general and administrative expenses, other operating expenses and provisions (reversals) of net impairment losses on financial assets	**26,319**	27,652

Note:

Lease expenses are net of rent subsidy and exclude rental expenses under right-of-use assets.

6. Income tax expense

	Six months ended 30 June	
	2026	2025
	(Unaudited)	*(Unaudited)*
Current income tax:		
Current tax on profits for the period	**3,085**	7,595
Adjustments in respect of prior years	**6**	10
Total current income tax	**3,091**	7,605
Deferred income tax:		
Origination of deductible temporary differences and losses	**(912)**	(474)
Total deferred income tax	**(912)**	(474)
Income tax expense	**2,179**	7,131

Income tax expense for the six months ended 30 June 2026 and 2025 is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

7. Profit per share

Reconciliations of the numerator and denominator of the basic and diluted per-share computations are comprised of the following:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	*(Unaudited)*
Profit for the period	**8,104**	23,893
Weighted average number of common shares (in '000s):		
Issued and outstanding, beginning of period	**339,114**	340,268
Weighted average number of shares increased during the period	**386**	126
Weighted average number of shares used in computing basic profit per share	**339,500**	340,394
Adjustments for:		
Restricted share units	**806**	1,214
Performance stock units	**317**	429
Weighted average number of shares used in computing diluted profit per share	**340,623**	342,037

8. Property, plant and equipment

	Theatre System Components	Office and Production Equipment	Right-of-use Assets	Leasehold Improvements	Construction in Process	Total
As at 1 January 2026 (audited)						
Cost	142,042	3,419	1,863	368	2,236	149,928
Accumulated depreciation and impairment	(80,141)	(2,592)	(816)	(22)	–	(83,571)
Net book amount	61,901	827	1,047	346	2,236	66,357
Six months ended 30 June 2026 (unaudited)						
Opening net book amount	61,901	827	1,047	346	2,236	66,357
Exchange differences	2,093	22	24	9	8	2,156
Additions	–	79	–	–	4,397	4,476
Transfers	3,500	–	–	–	(3,500)	–
Disposals	(38)	–	–	–	–	(38)
Depreciation charge	(6,095)	(190)	(194)	(56)	–	(6,535)
Closing net book amount	61,361	738	877	299	3,141	66,416
As at 30 June 2026 (unaudited)						
Cost	146,805	3,607	1,923	386	3,141	155,862
Accumulated depreciation and impairment	(85,444)	(2,869)	(1,046)	(87)	–	(89,446)
Net book amount	61,361	738	877	299	3,141	66,416
As at 1 January 2025 (audited)						
Cost	139,424	3,421	1,822	560	3,737	148,964
Accumulated depreciation and impairment	(74,440)	(2,397)	(411)	(112)	–	(77,360)
Net book amount	64,984	1,024	1,411	448	3,737	71,604
Six months ended 30 June 2025 (unaudited)						
Opening net book amount	64,984	1,024	1,411	448	3,737	71,604
Exchange differences	682	10	7	2	3	704
Additions	–	6	–	–	3,078	3,084
Transfers	4,507	–	–	–	(4,507)	–
Transfer out	(30)	–	–	–	–	(30)
Disposals	(109)	–	–	–	–	(109)
Depreciation charge	(6,017)	(190)	(195)	(55)	–	(6,457)
Closing net book amount	64,017	850	1,223	395	2,311	68,796
As at 30 June 2025 (unaudited)						
Cost	138,929	3,440	1,830	564	2,311	147,074
Accumulated depreciation and impairment	(74,912)	(2,590)	(607)	(169)	–	(78,278)
Net book amount	64,017	850	1,223	395	2,311	68,796

The recognised right-of-use assets all relate to the type of leased properties.

9. Trade and other receivables

	As at 30 June 2026 *(Unaudited)*	As at 31 December 2025 *(Audited)*
Trade receivables:		
Trade receivables from third parties	**35,009**	31,194
Less: allowance for expected credit losses of trade receivables from third parties	**(7,821)**	(7,274)
Trade receivables from third parties – net	**27,188**	23,920
Trade receivables from IMAX Corporation	**46,760**	49,034
Accrued trade receivables	**4,390**	7,508
Less: allowance for expected credit losses of accrued trade receivables	**(864)**	(842)
Accrued trade receivables – net	**3,526**	6,666
Total trade receivables	**77,474**	79,620
Other receivables:		
Amount due from a Director	**27**	–
Total other receivables	**27**	–
Total trade and other receivables	**77,501**	79,620

The fair value of trade and other receivables approximates the carrying value.

The aging analysis of the trade receivables, including receivables from IMAX Corporation, based on invoice date is as follows:

	As at 30 June 2026 *(Unaudited)*	As at 31 December 2025 *(Audited)*
0 – 30 days	**8,150**	9,799
31 – 60 days	**1,639**	5,858
61 – 90 days	**2,162**	3,101
Over 90 days	**69,818**	61,470
	81,769	80,228

No interest income was intended to be charged and therefore accrued for the overdue receivable balances as of 30 June 2026 (31 December 2025: $nil).

10. Deferred income tax

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	As at 30 June 2026 ***(Unaudited)***	As at 31 December 2025 *(Audited)*
Deferred income tax assets		
Opening balance	**3,150**	2,670
Exchange differences	**126**	82
Credited to profit or loss	**912**	398
Closing balance	**4,188**	3,150
Deferred income tax liabilities		
Opening and closing balance	**12,521**	12,521

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

11. Trade and other payables

	As at 30 June 2026 ***(Unaudited)***	As at 31 December 2025 *(Audited)*
Trade payables to third parties	**739**	703
Payables to IMAX Corporation	**13,601**	14,614
Other payables	**351**	442
	14,691	15,759

The aging analysis of trade and other payables based on recognition date is as follows:

	As at 30 June 2026 ***(Unaudited)***	As at 31 December 2025 *(Audited)*
0 – 30 days	**4,731**	4,579
31 – 60 days	**577**	304
61 – 90 days	**870**	147
Over 90 days	**8,513**	10,729
	14,691	15,759

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and other payables approximated their fair values due to short maturity. Trade and other payables over 90 days primarily consist of amounts due to IMAX Corporation. No interest expense was intended to be charged and therefore accrued for the overdue payable balances as of 30 June 2026 (31 December 2025: $nil).

12. Deferred revenue

	As at 30 June 2026 *(Unaudited)*	As at 31 December 2025 *(Audited)*
Theatre system deposits	**14,080**	12,311
Maintenance prepayments	**8,643**	10,609
	22,723	22,920
Deferred revenue, current	**13,163**	13,454
Deferred revenue, non-current	**9,560**	9,466
	22,723	22,920

The following table shows the amount of revenue recognised in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2026 and 2025 relating to deferred revenue brought forward:

	Six months ended 30 June	
	2026 *(Unaudited)*	2025 *(Unaudited)*
Upfront revenue	**364**	–
Maintenance revenue	**5,017**	4,662
Total	**5,381**	4,662

The unsatisfied performance obligations out of the carrying value of the Group's backlog as at 30 June 2026 was approximately $78.6 million (31 December 2025: $119.0 million). The decrease was primarily driven by installations along with restructuring of certain contracts resulting in cancellation of backlog for certain system locations deemed mutually to no longer be beneficial to the Group and its exhibition customers during the six months ended 30 June 2026.

13. Dividends

No dividends in respect of the six months ended 30 June 2026 or 2025 have been proposed.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The management discussion and analysis is based on the Company's condensed consolidated interim financial information for 1HFY2026 prepared in accordance with International Accounting Standard 34 and must be read together with the condensed consolidated interim financial information and the notes which form an integral part of the condensed consolidated interim financial information.

DESCRIPTION OF SELECTED LINE ITEMS IN THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group derives a majority of its revenue from two primary segments – Content Solutions and Technology Products and Services. The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Content Solutions

Content Solutions derives revenue from a certain percentage of IMAX box office received by the studio partners for the conversion and release of Hollywood films, Chinese language films and other films to the IMAX theatre network. The revenue is recognized when reported by the exhibitor partners of the Group.

Technology Products and Services

Technology Products and Services derives revenue from exhibitor partners through sales and sales-type lease, revenue sharing arrangements, maintenance services, and other theatre.

- Sales and sales-type lease arrangements consist of the design, manufacture and installation of IMAX theatre system for upfront payments and ongoing fees, which may include stipulated minimum payments per annum, variable consideration and contingent rent in excess of minimum payments. The upfront payments vary depending on the system configuration and the location of the theatre. Upfront payments for installation are paid according to the contractual terms. The present value of future minimum payments, variable consideration and estimated contingent rent in excess of minimum payments on sales arrangements for the term of the respective agreement along with upfront payments is recognized as revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system as well as on the commencement date of any respective renewal term;

- Revenue sharing arrangements are categorized into two sub-types: 1) full revenue sharing arrangements; and 2) hybrid revenue sharing arrangements. Under full revenue sharing arrangements, the Group leases IMAX theatre systems to its exhibitor partners and provides related maintenance and technical support services in exchange for future revenue sharing based on certain percentages of the IMAX box office from the IMAX theatre. Under full revenue sharing arrangements, the Group receives no or limited upfront payments for the system installation. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors. Under hybrid revenue sharing arrangements, the Group receives a reduced upfront payment for the system installation and recognizes the revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors;

- IMAX Maintenance generates revenue from the provision of ongoing maintenance, warranty, and technical support services. The revenue recognized is primarily comprised of annual maintenance fees due to the Group by theatre exhibitors under all sales and sales-type lease arrangements and revenue sharing arrangements; and

- Other theatre generates revenue from the aftermarket sales of 3D glasses, screen sheets, parts and other items.

All Other

The Company's activities that do not meet the criteria to be considered a reportable segment will be reported within All Other.

The following table sets out the revenue for the Group's respective reportable segments for the periods indicated, as well as the percentage of total revenue they each represent:

	1HFY2026		1HFY2025	
	US$'000	***%***	*US$'000*	*%*
Content Solutions	**6,265**	**18.2%**	20,801	36.0%
Technology Products and Services	**26,177**	**76.0%**	36,230	62.7%
Subtotal for reportable segments	**32,442**	**94.2%**	57,031	98.7%
All Other	**2,007**	**5.8%**	771	1.3%
Total	**34,449**	**100.0%**	57,802	100.0%

Cost of Sales

The Group's cost of sales is primarily comprised of: (i) the costs for the rights of all digital re-mastered films purchased under its intercompany agreement with IMAX Corporation (excluding costs on Hollywood films which are recorded as a reduction of film revenue received from IMAX Corporation according to IFRS 15); (ii) the costs of IMAX theatre systems and related services under sales, sales-type lease and hybrid revenue sharing arrangements; (iii) depreciation of IMAX theatre systems capitalized under full revenue sharing arrangements; and (iv) certain one-time costs at the time of system installation, including marketing for IMAX theatre launches, sales commissions and the cost for providing any maintenance and technical support services during a warranty period.

The following table sets out the cost of sales for the Group's respective reportable segments for the periods indicated, as well as the percentage of respective revenue they each represent:

	1HFY2026		1HFY2025	
	US$'000	***%***	*US$'000*	*%*
Content Solutions	**1,578**	**25.2%**	1,604	7.7%
Technology Products and Services	**14,168**	**54.1%**	15,544	42.9%
Subtotal for reportable segments	**15,746**	**48.5%**	17,148	30.1%
All Other	**286**	**14.3%**	554	71.9%
Total	**16,032**	**46.5%**	17,702	30.6%

Gross Profit and Gross Profit Margin

The following table sets out the gross profit and gross profit margin for the Group's respective reportable segments for the periods indicated:

	1HFY2026		1HFY2025	
	US$'000	***%***	*US$'000*	*%*
Content Solutions	**4,687**	**74.8%**	19,197	92.3%
Technology Products and Services	**12,009**	**45.9%**	20,686	57.1%
Subtotal for reportable segments	**16,696**	**51.5%**	39,883	69.9%
All Other	**1,721**	**85.7%**	217	28.1%
Total	**18,417**	**53.5%**	40,100	69.4%

Selling, General and Administrative Expenses

The following table sets out the selling, general and administration expenses the Group incurred as well as the percentage of total revenue they represented for the periods indicated:

	1HFY2026		1HFY2025	
	US$'000	***%***	*US$'000*	*%*
Employee salaries and benefits	**3,827**	**11.1%**	3,464	6.0%
Share-based compensation expenses	**1,360**	**3.9%**	1,197	2.1%
Professional fees	**894**	**2.6%**	827	1.4%
Advertising and marketing	**305**	**0.9%**	395	0.7%
Depreciation	**230**	**0.7%**	228	0.4%
Travel and transportation	**185**	**0.6%**	194	0.3%
Foreign exchange and other expenses	**163**	**0.5%**	279	0.5%
Facilities	**143**	**0.4%**	318	0.6%
Other employee expense	**76**	**0.2%**	92	0.2%
Total	**7,183**	**20.9%**	6,994	12.1%

Other Operating Expenses

Other Operating Expenses primarily include the annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License Agreements, at an aggregate of approximately 5% of the Group's revenue. The Group's other operating expenses for 1HFY2026 and 1HFY2025 were US$2.0 million and US$3.0 million, respectively.

(Provisions) Reversals of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1HFY2026 and 1HFY2025 were a loss of US$1.1 million and a reversal of US$0.1 million, respectively. The loss of US$1.1 million in 1HFY2026 was primarily due to the provision for current expected credit losses, principally reflecting a reduction in the credit quality of its trade receivables and financing receivables.

Other Income

Other income was US$0.3 million and less than US$0.1 million in 1HFY2026 and 1HFY2025, which mainly includes subsidy received during the period.

Other Gains – Net

Other gains – net of US$0.9 million represents the recognition of the initial payment retained from a customer prior to the scheduled installation arising from the termination of a sales arrangement in 1HFY2026 (1HFY2025: US$nil) as the customer was unable to proceed with the system installation.

Interest Income

Interest income mainly represents interest earned on various term deposits. None of the deposits had a term of longer than 90 days. The Group's interest income was US$1.0 million and US$0.9 million for 1HFY2026 and 1HFY2025, respectively.

Income Tax Expenses

The Group is subject to Chinese Mainland and Hong Kong income tax. The Group is also subject to withholding taxes in Taiwan. The enterprise income tax ("**EIT**") rate generally levied in Chinese Mainland is 25%. The entities incorporated in Hong Kong are subject to Hong Kong income tax at a rate of 8.25% on assessable profits up to HK$2 million and 16.5% on any part of assessable profits over HK$2 million. For the years presented, the Group's effective tax rate differs from the statutory tax rate and varies from year to year primarily due to numerous permanent differences, subsidies, the provision for income taxes at different rates in different jurisdictions, the application of Hong Kong's territorial tax system and changes due to its recoverability assessments of deferred tax assets.

The income tax expense of the Group for 1HFY2026 and 1HFY2025 was US$2.2 million and US$7.1 million, respectively.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Condensed Consolidated Interim Statements of Comprehensive Income

The following table sets out items in the Group's condensed consolidated interim statements of comprehensive income and as a percentage of revenue for the periods indicated:

	1HFY2026		1HFY2025	
	US$'000	***%***	*US$'000*	*%*
Revenues	**34,449**	**100.0%**	57,802	100.0%
Cost of sales	**(16,032)**	**(46.5)%**	(17,702)	(30.6)%
Gross profit	**18,417**	**53.5%**	40,100	69.4%
Selling, general and administrative expenses	**(7,183)**	**(20.9)%**	(6,994)	(12.1)%
Other operating expenses	**(2,049)**	**(5.9)%**	(3,011)	(5.2)%
(Provisions) reversals of net impairment losses on financial assets	**(1,055)**	**(3.1)%**	55	0.1%
Other income	**257**	**0.7%**	46	0.1%
Other gains – net	**899**	**2.6%**	–	–
Operating profit	**9,286**	**27.0%**	30,196	52.2%
Interest income	**1,019**	**3.0%**	857	1.5%
Interest expense	**(22)**	**(0.1)%**	(29)	(0.1)%
Profit before income tax	**10,283**	**29.8%**	31,024	53.7%
Income tax expense	**(2,179)**	**(6.4)%**	(7,131)	(12.4)%
Profit for the period, attributable to owners of the Company	**8,104**	**23.5%**	23,893	41.3%
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation adjustments	**8,161**	**23.7%**	1,393	2.4%
Other comprehensive income:	**8,161**	**23.7%**	1,393	2.4%
Total comprehensive income for the period, attributable to owners of the Company	**16,265**	**47.2%**	25,286	43.7%

Adjusted Profit

Adjusted profit is not a measure of performance under IFRS. This measure does not represent and should not be used as a substitute for, gross profit or profit for the year as determined in accordance with IFRS. This measure is not necessarily an indication of whether cash flow will be sufficient to fund the Group's cash requirements or whether the Group's business will be profitable. In addition, the definition of adjusted profit may not be comparable to other similarly titled measures used by other companies.

The following table sets out the Group's adjusted profits for the periods indicated:

	1HFY2026	1HFY2025
	US$'000	*US$'000*
Profit for the period	**8,104**	23,893
Adjustments:		
Share-based compensation	**1,360**	1,197
Tax impact on items listed above	**(288)**	(275)
Adjusted profit	**9,176**	24,815

1HFY2026 COMPARED WITH 1HFY2025

Revenue

The Group's revenue decreased 40.5% from US$57.8 million in 1HFY2025 to US$34.4 million in 1HFY2026 driven by a decrease of US$14.5 million in Content Solutions revenue, a decrease of US$10.1 million in Technology Products and Services revenue, and an increase of US$1.2 million in All Other revenue, as further explained below.

Content Solutions

Revenue from Content Solutions decreased 69.7% from US$20.8 million in 1HFY2025 to US$6.3 million in 1HFY2026 primarily due to a decrease in box office revenue in 1HFY2026 compared to 1HFY2025, and a much lower proportion of local language box office resulting in a lower box office take rate for the Group. The box office revenue generated by IMAX formatted films decreased 55.5% from US$205.5 million in 1HFY2025 to US$91.5 million in 1HFY2026. 1HFY2025 included a record-breaking GBO performance during the Chinese New Year period, led by Ne Zha 2, the top grossing IMAX film of all time in Chinese Mainland at US$160.2 million, that was not repeated in 1HFY2026.

Box office revenue per screen decreased 58.6% from US$0.29 million in 1HFY2025 to US$0.12 million in 1HFY2026 due to the reasons explained above.

The following table sets out the number of films released in the IMAX format in 1HFY2026 and 1HFY2025 in Greater China:

	1HFY2026	1HFY2025
Hollywood films	**20**	10
Hollywood films (Hong Kong and Taiwan only)	**6**	8
Chinese language films	**9**	11
Other films	**–**	3
Other films (Hong Kong and Taiwan only)	**6**	1
Total IMAX films released	**41**	33

Technology Products and Services

Revenue from Technology Products and Services decreased 27.6% from US$36.2 million in 1HFY2025 to US$26.2 million in 1HFY2026 which is mainly driven by a decrease of US$8.3 million in revenue sharing arrangements revenue driven by the lower year over year box office performance, a decrease of US$1.5 million in sales and sales-type lease revenue, and a decrease of US$0.2 million in other theatre revenue as explained further below.

The following table provides a breakdown of IMAX theatres in operation in Greater China by type and geographic location as at the dates indicated:

	As at 30 June		
	2026	2025	Growth (%)
Commercial			
Chinese Mainland	**784**	779	0.6%
Hong Kong	**5**	5	–
Taiwan	**10**	11	(9.1)%
Macau	**1**	1	–
	800	796	0.5%
Institutional(1)	**12**	13	(7.7)%
Total	**812**	809	0.4%

Notes:

(1) Institutional IMAX theatres include museums, zoos, aquaria and other destination entertainment sites that do not exhibit commercial films. One (1) institutional IMAX theatre in Hong Kong was closed in 1HFY2026.

The following table sets out the number of IMAX theatre systems installed by business arrangements in 1HFY2026 and 1HFY2025:

	1HFY2026	1HFY2025
Sales and sales-type lease arrangements	**4**	9
Revenue sharing arrangements	**13**	15
Total theatre systems installed	**17**(1)	24(2)

Notes:

(1) Includes 4 sales and sales-type lease arrangements (1 new theatre system, 2 upgrades, and 1 redeployed system) and 13 revenue sharing arrangements (1 new theatre system, 11 upgrades and 1 redeployed system).

(2) Includes 9 sales and sales-type lease arrangements (3 new theatre systems, 2 upgrades, and 4 redeployed systems) and 15 revenue sharing arrangements (3 new theatre systems and 12 upgrades).

Sales and Sales-Type Lease Arrangements

Revenue from sales and sales-type lease arrangements decreased 18.3% from US$8.2 million in 1HFY2025 to US$6.7 million in 1HFY2026, primarily due to a decrease of US$2.5 million due to two fewer sales and sales-type lease installations (excluding redeployed system installations) in 1HFY2026 and a decrease of US$0.5 million due to three fewer redeployed system installations than 1HFY2025. The Group recognized sales revenue on the installation of 5 new theatre systems (including 2 IMAX Laser upgrades) with a total value of US$5.5 million in 1HFY2025 as compared to 3 new theatre systems (including 2 IMAX Laser upgrades) with a total value of US$3.0 million in 1HFY2026. The decrease in sales revenue was partially offset by US$1.5 million of revenue recognized in 1HFY2026 from the renewal of certain theatre agreements as sales arrangements.

Average revenue per new system under sales and sales-type lease arrangements, excluding redeployed systems, decreased from US$1.1 million in 1HFY2025 to US$1.0 million in 1HFY2026 due to a mix of fewer higher priced IMAX Commercial Laser ("**COLA**") theatre installations in 1HFY2026.

Revenue Sharing Arrangements

Revenue from revenue sharing arrangements includes upfront revenue from hybrid revenue sharing arrangements and contingent rent from both full revenue sharing arrangements and hybrid revenue sharing arrangements.

Contingent rent from revenue sharing arrangements decreased 57.6% from US$14.4 million in 1HFY2025 to US$6.1 million in 1HFY2026 primarily due to lower box office in the current year as explained previously. This included: (i) contingent rent from full revenue sharing arrangements that decreased 57.9% from US$12.6 million in 1HFY2025 to US$5.3 million in 1HFY2026; and (ii) contingent rent from hybrid revenue sharing arrangements that decreased 55.6% from US$1.8 million in 1HFY2025 to US$0.8 million in 1HFY2026. There were 487 theatres operating under revenue sharing arrangements at the end of 1HFY2025 as compared to 463 at the end of 1HFY2026.

IMAX Maintenance

IMAX maintenance revenue remained consistent at US$13.3 million in both 1HFY2025 and 1HFY2026. Maintenance revenue was earned from 812 theatres as at 30 June 2026 as compared to 809 theatres as at 30 June 2025.

All Other

Revenue from All Other increased 150% from US$0.8 million in 1HFY2025 to US$2.0 million in 1HFY2026 mainly related to the revenue recognized from the arrangement entered into by the Group with a new partner to collaborate in the development and commercialization of IMAX-branded automotive entertainment solutions in Greater China.

Cost of Sales

The Group's cost of sales decreased 9.6% from US$17.7 million in 1HFY2025 to US$16.0 million in 1HFY2026. This decrease was primarily due to a decrease of US$1.4 million in Technology Products and Services, and a decrease of US$0.3 million in All Other, as explained below.

Content Solutions

The cost of sales for Content Solutions stayed consistent at US$1.6 million in both 1HFY2026 and 1HFY2025.

Technology Products and Services

The cost of sales for Technology Products and Services decreased 8.4% from US$15.5 million in 1HFY2025 to US$14.2 million in 1HFY2026, mainly driven by a decrease of US$1.7 million in sales and sales-type lease arrangements, partially offset by a cost increase of US$0.5 million in maintenance, as explained further below.

Sales and Sales-Type Lease Arrangements

Cost of sales under sales and sales-type lease arrangements decreased 52.9% from US$3.4 million in 1HFY2025 to US$1.6 million in 1HFY2026, primarily due to two fewer sales and sales-type lease arrangements (excluding redeployed system installations) in 1HFY2026 with a lower average cost per new system under sales and sales-type lease arrangements, excluding redeployed systems, due to a mix of fewer higher costed IMAX Commercial Laser ("**COLA**") theatre installations than 1HFY2025.

Revenue Sharing Arrangements

The cost of sales for contingent rent from revenue sharing arrangements slightly increased 1.5% from US$6.7 million in 1HFY2025 to US$6.8 million in 1HFY2026 was due to higher depreciation costs from an increased network. This was partially offset by decreased one-time upfront costs related to the installation of three fewer full revenue sharing arrangements in 1HFY2026 versus 1HFY2025.

IMAX Maintenance

Cost of sales with respect to theatre system maintenance increased 9.6% from US$5.2 million in 1HFY2025 to US$5.7 million in 1HFY2026, primarily reflecting higher labor costs and increased logistics expenses driven by increased imports of maintenance parts to support customer service requirements.

All Other

Costs from All Other for 1HFY2026 and 1HFY2025 were US$0.3 million and US$0.6 million, respectively.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased 54.1% from US$40.1 million in 1HFY2025 to US$18.4 million in 1HFY2026, and gross profit margin decreased from 69.4% in 1HFY2025 to a gross profit margin of 53.5% in 1HFY2026. The decrease in gross profit was largely attributable to a US$14.5 million decrease from Content Solutions, a US$8.7 million decrease in Technology Products and Services and partially offset by a US$1.5 million increase in All Other, as explained further below.

Content Solutions

The gross profit from Content Solutions decreased 75.5% from a profit of US$19.2 million in 1HFY2025 to a profit of US$4.7 million in 1HFY2026, and the gross profit margin for Content Solutions decreased from a profit of 92.3% in 1HFY2025 to a profit of 74.8% in 1HFY2026. The decrease in gross profit was primarily driven by a 55.5% decrease in overall box office revenue and an increase in DMR conversion cost as a result of a greater number of Hollywood films exhibited in Chinese Mainland in 1HFY2026.

Technology Products and Services

The gross profit for Technology Products and Services decreased 42.0% from US$20.7 million in 1HFY2025 to US$12.0 million in 1HFY2026. During the same period, the gross profit margin decreased from 57.1% to 45.9%. The decrease in gross profit and gross profit margin is explained further below.

Sales and Sales-Type Lease Arrangements

The gross profit increased 4.2% from US$4.8 million in 1HFY2025 to US$5.0 million in 1HFY2026 primarily due to the renewal of certain theatre agreements as sales arrangements in 1HFY2026 previously explained, partially offset by two fewer installations (excluding redeployed system installation) in 1HFY2026 versus 1HFY2025. Gross profit margin increased from 59.0% in 1HFY2025 to 74.6% in 1HFY2026.

Revenue Sharing Arrangements

The gross profit from upfront fees derived from hybrid revenue sharing arrangements remained at US$nil as no hybrid revenue sharing installation in both 1HFY2026 and 1HFY2025.

The gross profit for contingent rent from full revenue sharing arrangements decreased from a profit of US$6.0 million in 1HFY2025 to a loss of US$1.3 million in 1HFY2026. Gross profit decreased primarily due to much lower overall box office, partially offset by decreased one-time upfront costs related to the installations of three fewer full revenue sharing arrangements in 1HFY2026 versus 1HFY2025.

The gross profit for contingent rent from hybrid revenue sharing arrangements decreased from US$1.7 million in 1HFY2025 to US$0.6 million in 1HFY2026, driven by lower IMAX box office.

IMAX Maintenance

The gross profit for theatre system maintenance decreased 6.2% from US$8.1 million in 1HFY2025 to US$7.6 million in 1HFY2026 and gross profit margin decreased from 60.9% in 1HFY2025 to 57.1% in 1HFY2026 mainly due to higher maintenance cost this year as explained above.

All Other

The gross profit for All Other increased from a profit of US$0.2 million in 1HFY2025 to a profit of US$1.7 million in 1HFY2026 mainly generated from the arrangement entered into by the Group with a new partner to power the development and commercialization of IMAX-branded automotive entertainment solutions in Greater China.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased 2.9% from US$7.0 million in 1HFY2025 to US$7.2 million in 1HFY2026, primarily due to: (i) a US$0.3 million increase in employee salaries and benefits; (ii) a US$0.2 million increase related to share-based compensation expenses; (iii) partially offset by a US$0.2 million subsidy received from the government for office rent in 1HFY2026; and (iv) a US$0.1 million reduction in advertising and marketing fees.

Other Operating Expenses

Other operating expenses decreased from US$3.0 million in 1HFY2025 to US$2.0 million in 1HFY2026, due to a decrease in annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License Agreements which reflects lower revenues in 1HFY2026.

(Provisions) Reversals of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1HFY2026 and 1HFY2025 were a loss of US$1.1 million and a reversal of US$0.1 million, respectively. The loss of US$1.1 million in 1HFY2026 was primarily due to the provision for current expected credit losses, principally reflecting a reduction in the credit quality of its trade receivables and financing receivables.

Other Income

Other income was US$0.3 million and less than US$0.1 million in 1HFY2026 and 1HFY2025, which mainly includes subsidy received during the period.

Other Gains – Net

Other gains – net of US$0.9 million represents the recognition of the initial payment retained from a customer prior to the scheduled installation arising from the termination of a sales arrangement in 1HFY2026 (1HFY2025: US$nil) as the customer was unable to proceed with the system installation.

Interest Income

Interest income increased from US$0.9 million in 1HFY2025 to US$1.0 million in 1HFY2026 due to increased cash and cash equivalents, partially offset by lower interest rates on term deposits.

Interest Expense

Interest expense stayed flat at less than US$0.1 million in both 1HFY2026 and 1HFY2025.

Income Tax Expense

Income tax expense decreased 69.0% from US$7.1 million in 1HFY2025 to US$2.2 million in 1HFY2026. The decrease in income tax expense was primarily due to a decrease of operating income before income tax from US$31.0 million in 1HFY2025 to US$10.3 million in 1HFY2026.

Profit for the Period

The Group reported a profit for the period of US$8.1 million in 1HFY2026 as compared to a profit of US$23.9 million in 1HFY2025.

Other Comprehensive Income for the Period

The Group reported other comprehensive income for the period of US$8.2 million in 1HFY2026 as compared to other comprehensive income of US$1.4 million in 1HFY2025, which is the result of foreign currency translation adjustments in 1HFY2026 (3.20% appreciation of RMB relative to USD) compared to the 1HFY2025 (0.41% appreciation of RMB relative to USD).

Adjusted Profit

Adjusted profit, which consists of profit for the period adjusted for the impact of share-based compensation and the related tax impact, was US$9.2 million in 1HFY2026 as compared to US$24.8 million in 1HFY2025.

LIQUIDITY AND CAPITAL RESOURCES

	As at 30 June 2026	As at 31 December 2025
	US$'000	*US$'000*
Current assets		
Other assets	**633**	573
Contract acquisition costs	**407**	388
Film assets	**32**	114
Inventories	**5,852**	5,989
Prepayments	**3,493**	3,641
Variable consideration receivable from contracts	**1,932**	1,404
Financing receivables	**29,017**	29,537
Trade and other receivables	**77,501**	79,620
Cash and cash equivalents	**143,900**	129,861
Total Current Assets	**262,767**	251,127
Current liabilities		
Trade and other payables	**14,691**	15,759
Accruals and other liabilities	**6,553**	8,271
Income tax liabilities	**916**	1,796
Deferred revenue	**13,163**	13,454
Total Current Liabilities	**35,323**	39,280
Net Current Assets	**227,444**	211,847

As at 30 June 2026, the Group had net current assets of US$227.4 million compared to net current assets of US$211.8 million as at 31 December 2025. The increase in net current assets in 1HFY2026 was mainly attributable to a US$14.0 million increase in cash and cash equivalents, a US$1.7 million decrease in accruals and other liabilities, a US$1.0 million decrease in trade and other payables, a US$0.9 million decrease in income tax liabilities, a US$0.5 million increase in variable consideration receivable from contracts, and a US$0.3 million decrease in deferred revenue. This was partially offset by a US$2.1 million decrease in trade and other receivables, a US$0.5 million decrease in financing receivables, a US$0.1 million decrease in inventories, and a US$0.1 million decrease in prepayments.

The Group has cash and cash equivalent balances denominated in various currencies. The following is a breakdown of cash and cash equivalent balances by currency as at the end of each period/year:

		As at 30 June 2026		As at 31 December 2025
		US$'000		*US$'000*
Cash and cash equivalents denominated in RMB	**$**	**110,570**	$	97,218
Cash and cash equivalents denominated in US$	**$**	**33,039**	$	32,471
Cash denominated in Hong Kong dollars	**$**	**291**	$	172
	$	**143,900**	$	129,861

CAPITAL MANAGEMENT

The Group's objectives for capital management include: (i) to safeguard the Group's ability to continue as a going concern; (ii) to maximize returns to shareholders and other stakeholders; and (iii) to maintain an optimal capital structure by reducing the weighted average cost of capital.

The Group considers and evaluates its capital structure based on the aggregate of the total equity and long-term debt less cash and short-term deposits. The Group manages the capital structure and makes adjustments to the structure in order to have funds available to support the business activities which the Board intends to pursue in addition to maximizing the return to shareholders. The Board does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Group will spend the existing working capital and raise additional amounts as needed. Management evaluates the capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

CASH FLOW ANALYSIS

The following table shows our net cash from operating activities, net cash used in investing activities and net cash used in financing activities for the periods indicated:

	1HFY2026	1HFY2025
	US$'000	*US$'000*
Net cash provided by operating activities	**15,598**	19,295
Net cash used in investing activities	**(3,903)**	(3,187)
Net cash used in financing activities	**(800)**	(2,209)
Effects of exchange rate changes on cash	**3,144**	224
Increase in cash and cash equivalents during period	**14,039**	14,123
Cash and cash equivalents, beginning of period	**129,861**	80,049
Cash and cash equivalents, end of period	**143,900**	94,172

Cash Provided by Operating Activities

1HFY2026

The Group's net cash provided by operations was approximately US$15.6 million in 1HFY2026. We had profit before income tax for the period of US$10.3 million in 1HFY2026, and positive adjustments for depreciation of property, plant and equipment of US$6.5 million, amortization of film assets of US$3.1 million, allowance for expected credit losses of US$1.1 million, and equity settled and other non-cash compensation of US$1.0 million, reduced by changes in working capital of US$1.0 million, and taxes paid of US$5.3 million. Changes in working capital primarily consisted of: (i) an increase in film assets of US$3.0 million; (ii) a decrease in trade and other payables of US$2.2 million; (iii) a decrease in deferred revenue of US$1.7 million; (iv) a decrease in accruals and other liabilities of US$1.7 million; and (v) an increase in variable consideration receivable from contracts of US$1.1 million; partially offset by: (i) a decrease in trade and other receivables of US$6.0 million; (ii) a decrease in financing receivables of US$2.1 million; (iii) a decrease in inventories of US$0.4 million; and (iv) a decrease in prepayments of US$0.2 million.

1HFY2025

The Group's net cash provided by operations was approximately US$19.3 million in 1HFY2025. We had profit before income tax for the period of US$31.0 million in 1HFY2025, and positive adjustments for depreciation of property, plant and equipment of US$6.5 million, amortization of film assets of US$1.8 million, settlement of equity and other non-cash compensation of US$1.0 million, amortization of contribution to Enhanced Business of US$0.5 million, and loss on disposal of property, plant and equipment of US$0.1 million, reduced by changes in working capital of US$13.8 million, and taxes paid of US$7.8 million. Changes in working capital primarily consisted of: (i) an increase in trade and other receivables of US$14.0 million; (ii) an increase in film assets of US$1.8 million; (iii) a decrease in deferred revenue of US$1.6 million; and (iv) an increase in other assets of US$0.5 million; partially offset by: (i) an increase in trade and other payables of US$1.7 million; (ii) a decrease in financing receivables of US$0.8 million; (iii) a decrease in inventories of US$0.7 million; (iv) a decrease in variable consideration receivable from contracts of US$0.6 million; (v) an increase in accruals and other liabilities of US$0.3 million; and (vi) a decrease in prepayments of US$0.1 million.

Cash Used in Investing Activities

1HFY2026

The Group's net cash used in investing activities was approximately US$3.9 million for 1HFY2026, primarily related to investments in IMAX theatre equipment amounting to US$3.8 million installed in our exhibitor partners' theatres under full revenue sharing arrangements, and purchase of property, plant and equipment of US$0.1 million.

1HFY2025

The Group's net cash used in investing activities was approximately US$3.2 million for 1HFY2025, primarily related to investments in IMAX theatre equipment amounting to US$3.2 million installed in our exhibitor partners' theatres under full revenue sharing arrangements.

Cash Used in Financing Activities

1HFY2026

The Group's net cash used in financing activities was approximately US$0.8 million for 1HFY2026 primarily due to settlement of restricted share units and performance stock units of US$0.5 million, and principal elements of lease payments of US$0.3 million.

1HFY2025

The Group's net cash used in financing activities was approximately US$2.2 million for 1HFY2025 primarily due to: (i) payments for shares bought back of US$1.5 million; (ii) settlement of restricted share units and performance stock units of US$0.5 million; and (iii) principal elements of lease payments of US$0.2 million.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

Lease Commitments

The Group has lease commitments within one year amounting to less than US$0.1 million related primarily to leased office.

Capital Commitments

As at 30 June 2026, the Group had capital expenditures contracted but not provided for of US$0.4 million (31 December 2025: US$1.0 million) primarily related to acquisition of property, plant and equipment.

CAPITAL EXPENDITURES AND CONTINGENT LIABILITIES

Capital Expenditures

The Group's capital expenditures primarily relate to the acquisition of IMAX theatre systems. Capital expenditures were US$3.9 million and US$3.2 million for 1HFY2026 and 1HFY2025, respectively.

Going forward, the Group plans to allocate a significant portion of the capital expenditures to the continued upgrade and expansion of the IMAX theatre network under revenue sharing arrangements by executing on the existing contractual backlog and future signings.

Contingent Liabilities

Lawsuits, claims and proceedings arise in the ordinary course of business. In accordance with the Group's internal policies, in connection with any such lawsuits, claims or proceedings, the Group will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

The Directors confirm that there has been no material change in the Group's commitments and contingent liabilities since 30 June 2026.

WORKING CAPITAL

The Group finances its working capital needs primarily through cash flow from operating activities and working capital loans. Cash flow generated from operating activities was US$15.6 million in 1HFY2026 as compared to the cash flow generated from operating activities of US$19.3 million in 1HFY2025. As the IMAX theatre network continues to grow, the Group believes the cash flow from operating activities will continue to increase and fund existing business operations and any initial capital expenditures required under revenue sharing arrangements.

The Group has an unsecured revolving facility with Bank of China Limited for up to RMB200.0 million (approximately US$29.4 million) to fund ongoing working capital requirements, including RMB10.0 million (approximately US$1.5 million) to fund letter of guarantee requirements. The total amounts drawn and available under the working capital loan as of 30 June 2026 were RMB nil and RMB190.0 million for bank borrowing facility, and RMB nil and RMB10.0 million for letter of guarantee facility, respectively.

The Group has an unsecured revolving facility with HSBC Bank (China) Company Limited, Shanghai Branch for up to RMB200.0 million (approximately US$29.4 million) to fund ongoing working capital requirement. The total amounts drawn and available under the working capital loan at 30 June 2026 were RMB nil and RMB200.0 million, respectively.

Except as disclosed above or as otherwise disclosed herein, as of 30 June 2026, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

STATEMENT OF INDEBTEDNESS

As at 30 June 2026:

- The Group did not have any outstanding bank borrowings;
- The Group did not have any borrowing from IMAX Corporation or any related parties; and
- The Group did not have any hire purchase commitments or bank overdrafts.

Since 30 June 2026, being the latest date of the condensed interim statements, there has been no material adverse change to the Group's indebtedness.

RECENT DEVELOPMENTS

No important event affecting the Group has occurred since 30 June 2026.

OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

The Group had no off-balance sheet arrangements as at 30 June 2026.

KEY FINANCIAL RATIOS

The following table lays out certain financial ratios as of the dates and for the years indicated. The Group presents adjusted gearing ratio and adjusted profit margin because the Group believes they present a more meaningful picture of the financial performance than unadjusted numbers as they exclude the impact from share-based compensation, restructuring expenses and associated impairments, and the related tax impact.

	As at 30 June 2026	As at 31 December 2025
Gearing ratio[(1)]	**17.4%**	19.6%
	1HFY2026	1HFY2025
Adjusted profit margin[(2)]	**26.6%**	42.9%

Notes:

(1) Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100.

(2) Adjusted profit margin is calculated by dividing adjusted profit for the period by revenue and multiplying the result by 100.

Gearing Ratio

The Group's gearing ratio decreased from 19.6% as at 31 December 2025 to 17.4% as at 30 June 2026, primarily due to an increase in equity of US$16.7 million, a decrease in accruals and other liabilities of US$1.9 million, a decrease in trade and other payable of US$1.1 million, a decrease in income tax liabilities of US$0.9 million, and a decrease in deferred revenue of US$0.2 million.

Adjusted Profit Margin

The Group's adjusted profit margin decreased from 42.9% in 1HFY2025 to 26.6% in 1HFY2026, for reasons explained above.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

The proposal of payment and the amount of the dividends will ultimately be made at the discretion of the Board and will depend on the general business conditions and strategies, cash flow situation, financial results, capital requirements and expenditure plans, the interests of the Shareholders, statutory and regulatory restrictions as well as other factors that the Board may consider relevant.

Taking into consideration that the IMAX theatre network has not significantly expanded in recent years, the inherent unpredictability of film performance in the Chinese Mainland market, lower first half performance due to film slate, the uncertainty around China's economic recovery and general market conditions, and the Board's deliberate decision to retain capital in order to support a clearly articulated, multi pronged growth strategy for IMAX China, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

The Board has determined that the retention of capital represents an active and value generative allocation decision, and is intended to fund numerous strategic initiatives requiring sustained investment. These initiatives include, among others, the IMAX Enhanced business (through continued investment in technology development, content partnerships and ecosystem build out); the launch and development of new merchandise and IP driven businesses designed to leverage the IMAX brand; and the expansion and optimization of the Company's network across Greater China.

In addition, as the Company is a holding company registered in the Cayman Islands and the operations are conducted through its subsidiaries, four of which are incorporated in Chinese Mainland, the availability of funds to pay distributions to Shareholders and to service the debts depends on dividends received from these subsidiaries. The subsidiaries in Chinese Mainland are restricted from distributing profits before the losses from previous years have been remedied and amounts for mandated reserves have been deducted.

As at 30 June 2026, the Company had a total equity of US$35.2 million. Under the Companies Act of the Cayman Islands, subject to the provisions of memorandum of association of the Company or the articles of association (the "**Articles of Association**"), the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group has not undertaken any material acquisition or disposal for the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS AND DIVESTMENTS

The Group has no significant investment and divestment for the period ended 30 June 2026. There was no plan authorized by the Board for any material investments or divestments at the date of this announcement.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its Shareholders. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Pursuant to code provision C.1.6 of the CG Code, Independent Non-executive Directors and other Non-executive Directors of the Company should attend general meetings of the Company, and pursuant to code provision F.2.2 of the CG Code, the Chair of the Board and the Chair of each Committee of the Company should attend the annual general meeting. However, the Chairman and Non-executive Director of the Company, Mr. Richard Gelfond, Non-executive Directors of the Company, namely, Mr. Robert Lister and Ms. Natasha Fernandes, and Independent Non-executive Directors of the Company, namely, Ms. Yue-Sai Kan, Ms. Janet Yang and Mr. Peter Loehr, were unable to attend the annual general meeting of the Company convened on 11 June 2026 due to other important business commitments. Mr. Richard Gelfond appointed Mr. Daniel Manwaring, an Executive Director of the Company, to be his delegate as the Chair of the Board and as the Chair of the Nomination Committee to attend, chair and answer questions at the annual general meeting. Save as disclosed above, during the Reporting Period, the Company has complied with all the code provisions of the CG Code.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, 32,900 listed Shares, 151,060 listed Shares, 151,060 listed Shares and 151,060 listed Shares were purchased through Computershare Hong Kong Trustees Limited, the professional trustee engaged by the Company for administering its share schemes, on 11 June 2026 at an average price per Share of HK$8.1480, on 12 June 2026 at an average price per Share of HK$8.8331, on 15 June 2026 at an average price per Share of HK$8.6139, and on 16 June 2026 at an average price per Share of HK$8.8299 on the Stock Exchange, for satisfying, or preparing for the satisfaction of, the vesting of the relevant restricted share units or performance share units.

Save for the above, there have been no convertible securities issued or granted by the Group, no exercise of any conversion or subscription rights, nor any purchase, sale or redemption by the Group of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026. As at 30 June 2026, there were no treasury shares (as defined in the Listing Rules) held by the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Directors' dealing policy on 21 September 2015 in order to ensure compliance with the Model Code. The terms of the Directors' dealing policy are no less exacting than those set out in the Model Code. Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code and the Company's own Directors' dealing policy for the six months ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules throughout the six months ended 30 June 2026.

REVIEW OF INTERIM REPORT

The interim report, including the unaudited condensed consolidated interim financial information of the Group, for the six months ended 30 June 2026 has been reviewed by PwC, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The audit committee members have reviewed the interim report, including the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026.

The Company's interim report for the six months ended 30 June 2026 containing all the relevant information required by Appendix D2 of the Listing Rules will be published on the websites of the Company and the Stock Exchange and dispatched to Shareholders in due course.

LITIGATION

The Group did not have any material litigation outstanding as at 30 June 2026.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

INSIDE INFORMATION

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 Listing Rules.

Results of IMAX Corporation

Our 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 71.57% of the issued share capital of the Company.

On 23 July 2026 (New York time), IMAX Corporation made an announcement regarding its unaudited results for the second quarter of 2026 (the "**Earnings Release**"). If you wish to review the Earnings Release, please visit: https://www.sec.gov/ix?doc=/Archives/edgar/data/921582/000162828026049290/imax-20260723.htm. Unless otherwise provided therein, all dollar amounts in the Earnings Release are denominated in United States dollars.

On 23 July 2026 (New York time), IMAX Corporation filed its unaudited quarterly report on the Form 10-Q for the second quarter of 2026 (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/921582/000162828026049300/imax-20260630.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, and the unaudited condensed consolidated financial results contained in the Quarterly Report have been prepared in accordance with the Generally Accepted Accounting Principles of the United States. These principles are different from the IFRS, the standard employed by the Company, as a company listed on the Main Board of the Stock Exchange, to prepare and present financial information. As such financial information of the Company in the Earnings Release and in the Quarterly Report is not directly comparable to the financial results published directly by the Company.

Our Shareholders and potential investors are advised to exercise caution in dealing in securities in the Company

The Earnings Release and Quarterly Report may contain forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, changes of government policies and regulations and other factors detailed in the Company's prospectus dated 24 September 2015. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

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:

(1) QUARTERLY REPORT EXTRACTS

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)

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	**$ 159,917**	$ 151,168
Accounts receivable, net of allowance for credit losses	**114,561**	108,079
Financing receivables, net of allowance for credit losses	**118,396**	121,954
Variable consideration receivables, net of allowance for credit losses	**97,461**	91,402
Inventories	**39,245**	32,505
Prepaid expenses	**14,333**	14,881
Film assets, net of accumulated amortization	**18,401**	15,529
Property, plant and equipment, net of accumulated depreciation	**238,950**	242,910
Lease incentives and other assets	**28,613**	24,820
Deferred income tax assets, net of valuation allowance	**12,465**	12,577
Goodwill	**45,815**	45,815
Other intangible assets, net of accumulated amortization	**29,740**	32,391
Total assets	**$ 917,897**	$ 894,031
Liabilities		
Accounts payable	**$ 22,511**	$ 19,478
Accrued and other liabilities	**96,554**	105,293
Deferred revenue	**53,242**	50,395
Revolving credit facility borrowings, net of unamortized debt issuance costs	**38,837**	34,577
Convertible notes and other borrowings, net of unamortized discounts and debt issuance costs	**243,800**	244,034
Deferred income tax liabilities	**12,521**	12,521
Total liabilities	**467,465**	466,298

	June 30, 2026	December 31, 2025
Commitments, contingencies and guarantees (see Note 7)		
Non-controlling interests	**715**	666
Shareholders' equity		
Capital stock common shares – no par value. Authorized – Unlimited number. 54,842,114 issued and outstanding (December 31, 2025 — 53,921,676 issued and outstanding)	**441,338**	419,162
Other equity	**148,201**	164,782
Statutory surplus reserve	**4,219**	4,219
Accumulated deficit	**(230,817)**	(239,967)
Accumulated other comprehensive loss	**(7,052)**	(10,305)
Total shareholders' equity attributable to common shareholders	**355,889**	337,891
Non-controlling interests	**93,828**	89,176
Total shareholders' equity	**449,717**	427,067
Total liabilities and shareholders' equity	**$ 917,897**	$ 894,031

(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 June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Revenues				
Technology sales	**$ 26,654**	$ 18,842	**$ 40,068**	$ 32,366
Image enhancement and maintenance services	**53,160**	50,854	**101,744**	101,607
Technology rentals	**20,000**	19,116	**36,624**	38,427
Finance income	**3,028**	2,872	**5,785**	5,951
	102,842	91,684	**184,221**	178,351
Costs and expenses applicable to revenues				
Technology sales	**9,606**	9,352	**15,162**	16,575
Image enhancement and maintenance services	**22,558**	21,376	**45,494**	40,821
Technology rentals	**7,782**	7,354	**14,858**	14,177
	39,946	38,082	**75,514**	71,573
Gross margin	**62,896**	53,602	**108,707**	106,778
Selling, general and administrative expenses	**34,528**	35,302	**67,016**	68,764
Research and development	**1,655**	1,542	**3,459**	2,860
Amortization of intangible assets	**2,164**	1,809	**4,192**	3,540
Credit loss expense (reversal), net	**1,481**	(183)	**1,021**	(309)
Restructuring charges and other impairments	**2,294**	786	**2,294**	843
Income from operations	**20,774**	14,346	**30,725**	31,080
Realized and unrealized investment gains	**18**	33	**54**	65
Retirement benefits non-service expense	**(67)**	(133)	**(134)**	(203)
Interest income	**651**	1,114	**1,119**	1,654
Interest expense	**(1,961)**	(1,927)	**(3,857)**	(3,728)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Income before taxes	**19,415**	13,433	**27,907**	28,868
Income tax expense	**(3,507)**	(1,198)	**(5,928)**	(8,483)
Net income	**15,908**	12,235	**21,979**	20,385
Net income attributable to non-controlling interests	**(506)**	(980)	**(2,351)**	(6,803)
Net income attributable to common shareholders	**$ 15,402**	$ 11,255	**$ 19,628**	$ 13,582
Net income per share attributable to common shareholders:				
Basic	**$ 0.28**	$ 0.21	**$ 0.36**	$ 0.25
Diluted	**$ 0.27**	$ 0.20	**$ 0.35**	$ 0.25
Weighted average shares outstanding (in thousands):				
Basic	**54,951**	53,751	**54,537**	53,448
Diluted	**56,569**	55,161	**56,475**	55,064

(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 June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Net income	**$ 15,908**	$ 12,235	**$ 21,979**	$ 20,385
Other comprehensive income before tax				
Unrealized net (loss) gain from cash flow hedging instruments	**(804)**	2,520	**(1,435)**	1,805
Realized net loss (gain) from cash flow hedging instruments	**(106)**	292	**(448)**	1,627
Foreign currency translation adjustments	**3,758**	600	**7,643**	1,021
Amortization of defined benefit and postretirement benefit plans net gain	**(167)**	(141)	**(334)**	(346)
Total other comprehensive income before tax	**2,681**	3,271	**5,426**	4,107
Income tax recovery related to other comprehensive income	**–**	(699)	**–**	(808)
Other comprehensive income, net of tax	**2,681**	2,572	**5,426**	3,299
Comprehensive income	**18,589**	14,807	**27,405**	23,684
Comprehensive income attributable to non-controlling interests	**(1,575)**	(1,149)	**(4,524)**	(7,093)
Comprehensive income attributable to common shareholders	**$ 17,014**	$ 13,658	**$ 22,881**	$ 16,591

(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)

	Six Months Ended June 30,	
	2026	2025
Operating Activities		
Net income	**$ 21,979**	$ 20,385
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	**30,911**	30,809
Amortization of deferred financing costs	**1,056**	984
Credit loss expense (reversal), net	**1,021**	(309)
Write-downs, including asset impairments	**2,299**	1,047
Deferred income tax recovery	**238**	72
Share-based and other non-cash compensation	**13,174**	12,767
Unrealized foreign currency exchange loss (gain)	**104**	(278)
Realized and unrealized investment gain	**(54)**	(65)
Changes in assets and liabilities:		
Accounts receivable	**(8,563)**	(18,702)
Inventories	**(6,850)**	(4,027)
Film assets	**(13,031)**	(11,318)
Lease incentives provided to exhibitor customers	**(9,882)**	(2,143)
Deferred revenue	**2,914**	3,116
Changes in other operating assets and liabilities	**698**	(2,157)
Net cash provided by operating activities	**36,014**	30,181
Investing Activities		
Purchase of property, plant and equipment	**(2,153)**	(4,006)
Investment in equipment for joint revenue sharing arrangements	**(8,723)**	(14,666)
Acquisition of other intangible assets	**(2,152)**	(3,376)
Net cash used in investing activities	**(13,028)**	(22,048)

	Six Months Ended June 30, 2026	2025
Financing Activities		
Revolving credit facility borrowings	**38,000**	29,000
Repayments of revolving credit facility borrowings	**(34,000)**	(18,000)
Redemption of capped calls related to convertible notes	**96**	–
Settlement of convertible notes	**(743)**	–
Debt issuance costs related to convertible notes	**(946)**	–
Credit facility amendment fees paid	**(9)**	–
Repayments of other borrowings	**(326)**	(372)
Repurchase of common shares	**(13,737)**	–
Repurchase of common shares – IMAX China	–	(1,454)
Taxes withheld and paid on employee stock awards vested	**(17,879)**	(9,742)
Common shares issued – stock options exercised	**15,269**	1,048
Net cash (used in) provided by financing activities	**(14,275)**	480
Effects of exchange rate changes on cash	**38**	46
Increase in cash and cash equivalents during period	**8,749**	8,659
Cash and cash equivalents, beginning of period	**151,168**	100,592
Cash and cash equivalents, end of period	**$ 159,917**	$ 109,251

(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**" or "**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, 2025 was derived from the Company's audited annual Consolidated Financial Statements in the Company's 2025 Annual Report on Form 10-K (the "**2025 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. Certain prior period comparatives have been revised to conform with the current period presentation.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements in the 2025 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 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 2025 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 inventories; (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 ("**JRSAs**"); (vii) the economic lives of the system equipment supporting joint revenue sharing arrangements; (viii) the useful lives of tangible and 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 allowance 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 2025 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 six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026				Six Months Ended June 30, 2026			
(In thousands of U.S. Dollars)	**Theater Operators**	**Studios**	**Other**	**Total**	**Theater Operators**	**Studios**	**Other**	**Total**
Beginning balance	**$ 12,157**	**$ 1,343**	**$ 434**	**$ 13,934**	**$ 12,170**	**$ 1,310**	**$ 444**	**$ 13,924**
Current period provision (reversal), net	**408**	**136**	**3**	**547**	**546**	**229**	**(7)**	**768**
Write-offs, net of recoveries	**(537)**	**(177)**	**–**	**(714)**	**(630)**	**(242)**	**–**	**(872)**
Foreign exchange	**443**	**(1)**	**–**	**442**	**385**	**4**	**–**	**389**
Ending balance	**$ 12,471**	**$ 1,301**	**$ 437**	**$ 14,209**	**$ 12,471**	**$ 1,301**	**$ 437**	**$ 14,209**

	Three Months Ended June 30, 2025				Six Months Ended June 30, 2025			
(In thousands of U.S. Dollars)	Theater Operators	Studios	Other	Total	Theater Operators	Studios	Other	Total
Beginning balance	$ 11,483	$ 1,236	$ 455	$ 13,174	$ 11,678	$ 1,017	$ 583	$ 13,278
Current period provision (reversal), net	83	115	(26)	172	(33)	522	(154)	335
Write-offs, net of recoveries	(14)	(74)	–	(88)	(14)	(262)	–	(276)
Foreign exchange	16	–	–	16	(63)	–	–	(63)
Ending balance	$ 11,568	$ 1,277	$ 429	$ 13,274	$ 11,568	$ 1,277	$ 429	$ 13,274

For the three and six months ended June 30, 2026, the Company's allowance for current expected credit losses related to Accounts Receivable increased by $0.3 million, respectively (2025 — increased by $0.1 million and decreased by less than $0.1 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 June 30, 2026 and December 31, 2025, financing receivables consisted of the following:

(In thousands of U.S. Dollars)	**June 30, 2026**	December 31, 2025
Net investment in leases:		
Gross minimum payments due under sales-type leases	**$ 31,991**	$ 32,628
Unearned finance income	**(902)**	(1,015)
Present value of minimum payments due under sales-type leases	**31,089**	31,613
Allowance for credit losses	**(24)**	(458)
Net investment in leases	**31,065**	31,155
Financed sales receivables:		
Gross minimum payments due under financed sales	**122,472**	127,099
Unearned finance income	**(24,416)**	(26,160)
Present value of minimum payments due under financed sales	**98,056**	100,939
Allowance for credit losses	**(10,725)**	(10,140)
Net financed sales receivables	**87,331**	90,799
Total financing receivables	**$ 118,396**	$ 121,954
Net financed sales receivables due within one year	**$ 31,907**	$ 30,660
Net financed sales receivables due after one year	**55,424**	60,139
Total financed sales receivables	**$ 87,331**	$ 90,799

As of June 30, 2026 and December 31, 2025, 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:

(In thousands of U.S. Dollars)	**June 30, 2026**	December 31, 2025
Weighted-average remaining lease term (in years):		
Sales-type lease arrangements	**8.5**	8.6
Weighted-average interest rate		
Sales-type lease arrangements	**6.53%**	6.91%
Financed sales receivables	**8.40%**	8.68%

The tables below provide information on the Company's net investment in leases by credit quality indicator as of June 30, 2026 and December 31, 2025. 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)	**By Origination Year**						
As of June 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Total**
Net investment in leases:							
Credit quality classification:							
In good standing	**$ 851**	**$ 4,705**	**$ 3,367**	**$ 2,528**	**$ 2,609**	**$ 17,029**	**$ 31,089**
Credit Watch	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Pre-approved transactions	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions suspended	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total net investment in leases	**$ 851**	**$ 4,705**	**$ 3,367**	**$ 2,528**	**$ 2,609**	**$ 17,029**	**$ 31,089**

(In thousands of U.S. Dollars)	By Origination Year						
As of December 31, 2025	2025	2024	2023	2022	2021	Prior	Total
Net investment in leases:							
Credit quality classification:							
In good standing	$ 4,843	$ 3,277	$ 2,638	$ 2,721	$ 8,562	$ 9,171	$ 31,212
Credit Watch	–	–	–	–	–	–	–
Pre-approved transactions	–	–	–	–	–	–	–
Transactions suspended	–	–	–	–	–	401	401
Total net investment in leases	$ 4,843	$ 3,277	$ 2,638	$ 2,721	$ 8,562	$ 9,572	$ 31,613

The tables below provide information on the Company's financed sales receivables by credit quality indicator as of June 30, 2026 and December 31, 2025. 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)	**By Origination Year**						
As of June 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Total**
Financed sales receivables:							
Credit quality classification:							
In good standing	**$ 3,523**	**$ 9,139**	**$ 4,677**	**$ 6,382**	**$ 4,214**	**$ 38,103**	**$ 66,038**
Credit Watch	**–**	**–**	**–**	**–**	**–**	**830**	**830**
Pre-approved transactions	**21**	**331**	**389**	**1,131**	**534**	**12,990**	**15,396**
Transactions suspended	**–**	**–**	**153**	**–**	**529**	**15,110**	**15,792**
Total financed sales receivables	**$ 3,544**	**$ 9,470**	**$ 5,219**	**$ 7,513**	**$ 5,277**	**$ 67,033**	**$ 98,056**

(In thousands of U.S. Dollars)	By Origination Year						
As of December 31, 2025	2025	2024	2023	2022	2021	Prior	Total
Financed sales receivables:							
Credit quality classification:							
In good standing	$ 11,069	$ 6,537	$ 7,638	$ 4,796	$ 7,642	$ 38,792	$ 76,474
Credit Watch	–	–	–	–	114	629	743
Pre-approved transactions	316	165	369	–	428	6,870	8,148
Transactions suspended	–	–	–	527	391	14,656	15,574
Total financed sales receivables	$ 11,385	$ 6,702	$ 8,007	$ 5,323	$ 8,575	$ 60,947	$100,939

The following tables provide an aging analysis for the Company's net investment in leases and financed sales receivables as of June 30, 2026 and December 31, 2025:

	As of June 30, 2026							
(In thousands of U.S. Dollars)	**Accrued and Current**	**30-89 Days**	**90+ Days**	**Billed**	**Unbilled**	**Recorded Receivable**	**Allowance for Credit Losses**	**Net**
Net investment in leases	**$ 296**	**$ 305**	**$ 2,487**	**$ 3,088**	**$ 28,001**	**$ 31,089**	**$ (24)**	**$ 31,065**
Financed sales receivables	**1,558**	**1,601**	**9,617**	**12,776**	**85,280**	**98,056**	**(10,725)**	**87,331**
Total	**$ 1,854**	**$ 1,906**	**$ 12,104**	**$ 15,864**	**$ 113,281**	**$ 129,145**	**$ (10,749)**	**$ 118,396**

	As of December 31, 2025							
(In thousands of U.S. Dollars)	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Recorded Receivable	Allowance for Credit Losses	Net
Net investment in leases	$ 670	$ 223	$ 2,278	$ 3,171	$ 28,442	$ 31,613	$ (458)	$ 31,155
Financed sales receivables	1,361	887	10,308	12,556	88,383	100,939	(10,140)	90,799
Total	$ 2,031	$ 1,110	$ 12,586	$ 15,727	$ 116,825	$ 132,552	$ (10,598)	$ 121,954

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 June 30, 2026 and December 31, 2025. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis and include both billed and unbilled amounts.

	As of June 30, 2026						
(In thousands of U.S. Dollars)	**Accrued and Current**	**30-89 Days**	**90+ Days**	**Billed**	**Unbilled**	**Allowance for Credit Losses**	**Net**
Net investment in leases	**$ 195**	**$ 226**	**$ 2,487**	**$ 2,908**	**$ 9,916**	**$ (4)**	**$ 12,820**
Financed sales receivables	**787**	**1,233**	**6,461**	**8,481**	**29,553**	**(1,518)**	**36,516**
Total	**$ 982**	**$ 1,459**	**$ 8,948**	**$ 11,389**	**$ 39,469**	**$ (1,522)**	**$ 49,336**

	As of December 31, 2025						
(In thousands of U.S. Dollars)	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Allowance for Credit Losses	Net
Net investment in leases	$ 337	$ 165	$ 2,281	$ 2,783	$ 16,129	$ (10)	$ 18,902
Financed sales receivables	684	690	7,440	8,814	32,211	(1,252)	39,773
Total	$ 1,021	$ 855	$ 9,721	$ 11,597	$ 48,340	$ (1,262)	$ 58,675

The following table provides information about the Company's net investment in leases and financed sales receivables that were on nonaccrual status as of June 30, 2026 and December 31, 2025:

	As of June 30, 2026			As of December 31, 2025		
(In thousands of U.S. Dollars)	**Recorded Receivable**	**Allowance for Credit Losses**	**Net**	Recorded Receivable	Allowance for Credit Losses	Net
Net investment in leases	**$ –**	**$ –**	**$ –**	$ 401	$ (401)	$ –
Net financed sales receivables	**23,418**	**(10,025)**	**13,393**	24,467	(9,243)	15,224
Total	**$ 23,418**	**$ (10,025)**	**$ 13,393**	$ 24,868	$ (9,644)	$ 15,224

For the three and six months ended June 30, 2026 and 2025, the Company did not recognize Finance Income related to the net investment in leases on nonaccrual status. For the three and six months ended June 30, 2026, the Company recognized $0.1 million, respectively (2025 — less than $0.1 million, respectively) in Finance Income related to the financed sales receivables on nonaccrual status.

The following tables summarize the activity in the allowance for credit losses related to the Company's net investment in leases and financed sales receivables for the three and six months ended June 30, 2026 and 2025:

(In thousands of U.S. Dollars)	**Three Months Ended June 30, 2026**		**Six Months Ended June 30, 2026**	
	Net Investment in Leases	**Net Financed Sales Receivables**	**Net Investment in Leases**	**Net Financed Sales Receivables**
Beginning balance	**$ 25**	**$ 10,095**	**$ 458**	**$ 10,140**
Current period (reversal) provision, net	**(1)**	**597**	**(435)**	**522**
Foreign exchange	**–**	**33**	**1**	**63**
Ending balance	**$ 24**	**$ 10,725**	**$ 24**	**$ 10,725**

(In thousands of U.S. Dollars)	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
	Net Investment in Leases	Net Financed Sales Receivables	Net Investment in Leases	Net Financed Sales Receivables
Beginning balance	$ 667	$ 9,957	$ 664	$ 10,161
Current period reversal, net	(213)	(147)	(210)	(346)
Foreign exchange	–	9	–	4
Ending balance	$ 454	$ 9,819	$ 454	$ 9,819

For the three and six months ended June 30, 2026, the Company's allowance for current expected credit losses related to its net investment in leases decreased by less than $0.1 million and $0.4 million, respectively, and net financed sales receivables increased by $0.6 million, respectively.

For the three and six months ended June 30, 2025, the Company's allowance for current expected credit losses related to its net investment in leases decreased by $0.2 million, respectively, and net financed sales receivables decreased by $0.1 million and $0.3 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 six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2026	2025	**2026**	2025
(In thousands of U.S. Dollars)	**Theater Operators**	Theater Operators	**Theater Operators**	Theater Operators
Beginning balance	**$ 6**	$ 107	**$ 20**	$ 116
Current period provision (reversal), net	**–**	13	**(14)**	4
Ending balance	**$ 6**	$ 120	**$ 6**	$ 120

For the three and six months ended June 30, 2026, the Company's allowance for current expected credit losses related to Variable Consideration Receivables had no change and decreased by less than $0.1 million, respectively (2025 – increased by less than $0.1 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 2025 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 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 2026, next four years and thereafter following the June 30, 2026 balance sheet date:

(In thousands of U.S. Dollars)	**Sales-Type Leases**
2026 (six months remaining)	$ 1,844
2027	3,644
2028	3,606
2029	3,611
2030	3,598
Thereafter	15,688
Total	$ 31,991

5. Inventories

As of June 30, 2026 and December 31, 2025, Inventories consisted of the following:

(In thousands of U.S. Dollars)	**June 30, 2026**	December 31, 2025
Raw materials	**$ 31,950**	$ 26,620
Work-in-process	**2,296**	2,280
Finished goods	**4,999**	3,605
Total	**$ 39,245**	$ 32,505

As of June 30, 2026, Inventories included balances of $1.6 million (December 31, 2025 — $1.0 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 six months ended June 30, 2026, the Company recorded write-downs of less than $0.1 million and $0.1 million, respectively (2025 — write-downs of $0.1 million and $0.2 million, respectively) in Costs and Expenses Applicable to Revenues – Technology Sales.

6. Borrowings

Bank of China Facility

As of June 30, 2026, and December 31, 2025, 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 2025 Form 10-K). As of June 30, 2026, there were no outstanding letters of guarantee.

As of June 30, 2026, the amount available for future borrowings under the Bank of China Facility was RMB190.0 million ($27.9 million) and the amount available for letters of guarantee was RMB10.0 million ($1.5 million). The amount available for future borrowings under the Bank of China Facility is not subject to a standby fee. The effective interest rates for the three and six months ended June 30, 2026 was 0% (2025 — 0%). There were no amounts drawn under the Bank of China Facility for the three and six months ended June 30, 2026. The Bank of China Facility has been renewed to April 15, 2027.

HSBC China Facility

As of June 30, 2026 and December 31, 2025, no borrowings were outstanding under the HSBC China Facility (as defined and described in Note 13 to the Company's audited Consolidated Financial Statements in its 2025 Form 10-K). As of June 30, 2026, and December 31, 2025, the amount available for future borrowings under the HSBC China Facility was RMB200.0 million ($29.4 million). The effective interest rate for the three and six months ended June 30, 2026 was 0% (2025 — 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 six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			
	2026		2025	
(In thousands of U.S. Dollars)	**Sales Commissions**	**Marketing and Other**	Sales Commissions	Marketing and Other
Technology sales[(1)]	**$ 368**	**$ 80**	$ 218	$ 72
Image enhancement and maintenance services[(2)]	**–**	**4,584**	–	3,415
Technology rentals[(3)]	**190**	**735**	191	669
Total	**$ 558**	**$ 5,399**	$ 409	$ 4,156

(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 and may be reversed when the contractual obligation ceases to exist.

(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 and may be reversed when the contractual obligation ceases to exist.

(In thousands of U.S. Dollars)	**Six Months Ended June 30, 2026**		2025	
	Sales Commissions	**Marketing and Other**	Sales Commissions	Marketing and Other
Technology sales[1]	**$ 559**	**$ 11**	$ 398	$ 127
Image enhancement and maintenance services[2]	**–**	**10,058**	–	5,850
Technology rentals[3]	**311**	**1,254**	257	1,000
Total	**$ 870**	**$ 11,323**	$ 655	$ 6,977

(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 and may be reversed when the contractual obligation ceases to exist.

(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 and may be reversed when the contractual obligation ceases to exist.

Foreign Exchange

Included in Selling, General and Administrative Expenses for the three and six months ended June 30, 2026 was a foreign currency net gain of $0.4 million and loss of $0.2 million, respectively (2025 – net gain of $0.2 million and loss of $0.2 million, respectively) resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities. See Note 15 for additional information.

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 2025 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 six months ended June 30, 2026, such revenues totaled $19.7 million and $36.2 million, respectively (2025 – $18.7 million and $37.9 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 2025 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 six months ended June 30, 2026, such revenues totaled \$32.5 million and \$61.8 million, respectively (2025 – \$28.7 million and \$60.4 million, respectively). See Note 12 for a disaggregated presentation of the Company's revenues.

10. Income Taxes

For the three months ended June 30, 2026, the Company recorded an income tax expense of \$3.5 million (2025 – \$1.2 million). The Company's effective tax rate of 18.1% for the three months ended June 30, 2026 reflects the geographic allocation of income earned in taxing jurisdictions, a decrease in the valuation allowance and tax reserves, partially offset by withholding taxes. The Company's effective tax rate of 8.9% for the three months ended June 30, 2025 reflects the geographic allocation of income earned in taxing jurisdictions and a decrease in the valuation allowance.

For the six months ended June 30, 2026, the Company recorded an income tax expense of \$5.9 million (2025 – \$8.5 million). The Company's effective tax rate of 21.2% for the six months ended June 30, 2026, reflects the geographic allocation of income earned in taxing jurisdictions, tax benefit from share-based compensation, tax rate differences in foreign jurisdictions, and reversals of tax reserves, partially offset by an increase in the valuation allowance and withholding taxes. The Company's effective tax rate of 29.4% for the six months ended June 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions, tax rate differences in foreign jurisdictions which was offset by an increase in the valuation allowance, tax return adjustments and withholding taxes.

As of June 30, 2026, the Company's Condensed Consolidated Balance Sheets included net deferred income tax assets of $12.5 million (December 31, 2025 – $12.6 million). Management evaluates the realizability of deferred tax assets on a quarterly basis by considering all available positive and negative evidence, including recent operating results, forecasts of future taxable income, and other relevant factors specific to our industry such as the success of new film releases. Based on the Company's recent operating results in Canada and its expectation of continued profitability, management believes there is a reasonable possibility that sufficient positive evidence may become available within the next twelve months to support the release of some or all of the valuation allowance recorded against its Canadian deferred tax assets. However, as of June 30, 2026, management has concluded that the available positive evidence is not yet sufficient to overcome the remaining negative evidence and support realization of those deferred tax assets. Any such release would result in a material income tax benefit in the period the conclusion is reached. At December 31, 2025, the amount of the Canadian valuation allowance was $55.5 million. The timing and amount of a valuation allowance release will depend on the Company's ability to generate sufficient taxable income in Canada, macroeconomic conditions, and other factors affecting management's assessment.

As of June 30, 2026, the Company's Condensed Consolidated Balance Sheets also included deferred tax liabilities of $12.5 million (December 31, 2025 – $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.

As disclosed in Note 2 - Summary of Significant Accounting Policies of the 2025 Form 10-K, the Company is subject to ongoing tax audits. Subsequent to June 30, 2026, the Company received a proposal letter from the Canada Revenue Agency related to an examination of international matters in prior taxation years. Any potential reassessment encompasses an ultimate resolution involving multiple tax jurisdictions, which may result in offsetting tax differences from what was originally recognized in its financial statements. The Company continues to believe that it has adequately accounted for all uncertain tax positions, including this pending notice of reassessment.

11. Capital Stock and Reserves

Share-Based Compensation

For the three and six months ended June 30, 2026, share-based compensation expense totaled $7.3 million and $13.0 million, respectively (2025 – $7.4 million and $12.6 million, respectively) and is reflected in the following accounts in the Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands of U.S. Dollars)	**2026**	2025	**2026**	2025
Costs and expenses applicable to revenues	**$ 292**	$ 305	**$ 591**	$ 596
Selling, general and administrative expenses	**6,881**	6,862	**12,133**	11,582
Research and development	**142**	190	**316**	384
Total	**$ 7,315**	$ 7,357	**$ 13,040**	$ 12,562

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands of U.S. Dollars)	**2026**	2025	**2026**	2025
Restricted Share Units	**$ 4,208**	$ 4,519	**$ 7,097**	$ 7,386
Performance Stock Units	**2,003**	1,969	**4,338**	3,901
IMAX China Long Term Incentive Plan Restricted Share Units	**874**	734	**1,208**	1,047
IMAX China Long Term Incentive Plan Performance Stock Units	**230**	135	**397**	228
	$ 7,315	$ 7,357	**$ 13,040**	$ 12,562

For the three and six months ended June 30, 2026, the Company's share-based compensation expense included restricted share units to non-employees of $1.7 million for each such period, of which $1.7 million granted during the six month period vested immediately (2025 – $1.7 million for each such period).

Stock Option Summary

The following table summarizes the activity under the Company's Stock Option Plan ("**SOP**") for the six months ended June 30, 2026 and 2025:

	Number of Shares		Weighted Average Exercise Price Per Share	
	2026	2025	**2026**	2025
Stock options outstanding, beginning of period	**1,818,698**	2,469,238	**$ 25.82**	$ 26.27
Exercised	**(486,287)**	(48,487)	**31.40**	21.62
Expired	**–**	(470,582)	**–**	29.53
Stock options outstanding, end of period	**1,332,411**	1,950,169	**23.78**	25.60
Stock options exercisable, end of period	**1,332,411**	1,950,169	**23.78**	25.60

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 six months ended June 30, 2026 and 2025:

	Number of Shares		Weighted Average Grant Date Fair Value Per Share	
	2026	2025	**2026**	2025
RSUs outstanding, beginning of period	**1,244,670**	1,465,977	**$ 20.10**	$ 17.16
Granted	**380,807**	542,555	**36.70**	25.21
Vested and settled	**(683,112)**	(712,092)	**19.79**	18.18
Forfeited	**(19,214)**	(25,593)	**27.14**	19.83
RSUs outstanding, end of period	**923,151**	1,270,847	**27.02**	19.98

*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 200% of the initial Adjusted EBITDA PSU award or 200% of the initial TSR PSU award, depending upon actual performance.

For the 2026 grants, the grant date fair value for Adjusted EBITDA PSUs is determined using the volume-weighted average price of the Company’s common shares on the New York Stock Exchange for the sixty calendar 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 six months ended June 30, 2026 and 2025 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 six months ended June 30, 2026 and 2025:

	Number of Awards		**Weighted Average Grant Date Fair Value Per Share**	
	2026	2025	**2026**	2025
PSUs outstanding, beginning of period	**1,140,515**	1,097,634	**$ 20.12**	$ 17.99
Granted[(1)(2)]	**491,275**	551,084	**29.38**	24.17
Vested and settled[(1)(2)]	**(605,004)**	(463,212)	**17.61**	19.88
Forfeited	**(16,823)**	(24,456)	**25.63**	20.44
PSUs outstanding, end of period	**1,009,963**	1,161,050	**26.03**	20.12

(1) For the six months ended June 30, 2026, the balance of shares granted includes 199,473 (2025 – 159,376) additional shares, at a weighted average grant date fair value per share of $16.98 (2025 - $19.18), as PSUs granted in 2023 (2025 – granted in 2022) with Adjusted EBITDA targets vested at 175% (2025 – 175%) on account of full achievement of the targets.

(2) For the six months ended June 30, 2026, the balance of shares granted includes 46,510 (2025 – 17,375) additional shares, at a weighted average grant date fair value per share of $19.73 (2025 -$22.72), as PSUs granted in 2023 (2025 – granted in 2022) with TSR targets vested at 150% on account of full achievement of the targets (2025 – 123.5% based on actual performance versus the targets).

As of June 30, 2026, the maximum number of common shares that may be issued with respect to PSUs outstanding was 1,771,830, assuming full achievement of the Adjusted EBITDA and TSR targets.

Issuer Purchases of Equity Securities

In 2025, 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 12, 2025 (33,919,122 shares). This program expired on the date of the 2026 Annual General Meeting of IMAX China on June 11, 2026. During IMAX China's 2026 Annual General Meeting, shareholders granted its Board of Directors a general mandate, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of issued shares as of June 11, 2026 (33,988,722 shares). This program will be valid until the 2027 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 and six months ended June 30, 2026, IMAX China did not repurchase any common shares. During the three and six months ended June 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 HKD11.3 million ($1.4 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 ($5.8 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 six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026				
(In thousands of U.S. Dollars)	Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment:					
Film Remastering and Distribution	$ –	$ 32,538	$ –	$ –	$ 32,538
Other Content Solutions	–	2,045	103	–	2,148
	–	34,583	103	–	34,686
Technology Products and Services Segment:					
System Sales	25,252	–	–	–	25,252
System Rentals	–	–	19,897	–	19,897
Maintenance	–	16,632	–	–	16,632
Finance Income	–	–	–	3,028	3,028
	25,252	16,632	19,897	3,028	64,809
Sub-total for reportable segments	25,252	51,215	20,000	3,028	99,495
All Other	1,402	1,945	–	–	3,347
Total	$ 26,654	$ 53,160	$ 20,000	$ 3,028	$ 102,842

(In thousands of U.S. Dollars)	Six Months Ended June 30, 2026 Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment:					
Film Remastering and Distribution	$ –	$ 61,765	$ –	$ –	$ 61,765
Other Content Solutions	–	4,139	152	–	4,291
	–	65,904	152	–	66,056
Technology Products and Services Segment:					
System Sales	37,669	–	–	–	37,669
System Rentals	–	–	36,472	–	36,472
Maintenance	–	33,221	–	–	33,221
Finance Income	–	–	–	5,785	5,785
	37,669	33,221	36,472	5,785	113,147
Sub-total for reportable segments	37,669	99,125	36,624	5,785	179,203
All Other	2,399	2,619	–	–	5,018
Total	$ 40,068	$ 101,744	$ 36,624	$ 5,785	$ 184,221

(In thousands of U.S. Dollars)	Three Months Ended June 30, 2025 Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment					
Film Remastering and Distribution	$ –	$ 31,650	$ –	$ –	$ 31,650
Other Content Solutions	–	1,907	408	–	2,315
	–	33,557	408	–	33,965
Technology Products and Services Segment					
System Sales	18,000	–	–	–	18,000
System Rentals	–	–	18,708	–	18,708
Maintenance	–	16,059	–	–	16,059
Finance Income	–	–	–	2,872	2,872
	18,000	16,059	18,708	2,872	55,639
Sub-total for reportable segments	18,000	49,616	19,116	2,872	89,604
All Other	842	1,238	–	–	2,080
Total	$ 18,842	$ 50,854	$ 19,116	$ 2,872	$ 91,684

(In thousands of U.S. Dollars)	Six Months Ended June 30, 2025 Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment					
Film Remastering and Distribution	$ –	$ 63,807	$ –	$ –	$ 63,807
Other Content Solutions	–	3,824	583	–	4,407
	–	67,631	583	–	68,214
Technology Products and Services Segment					
System Sales	30,720	–	–	–	30,720
System Rentals	–	–	37,844	–	37,844
Maintenance	–	31,717	–	–	31,717
Finance Income	–	–	–	5,951	5,951
	30,720	31,717	37,844	5,951	106,232
Sub-total for reportable segments	30,720	99,348	38,427	5,951	174,446
All Other	1,646	2,259	–	–	3,905
Total	$ 32,366	$ 101,607	$ 38,427	$ 5,951	$ 178,351

For the three and six months ended June 30, 2026, revenues earned from Technology Sales include variable consideration of $10.5 million and $14.8 million, respectively (2025 – $3.1 million and $6.4 million, respectively).

For the three and six months ended June 30, 2026, revenues earned from leasing arrangements total $20.1 million and $36.7 million, respectively (2025 – $19.1 million and $38.5 million, respectively), including $20.0 million and $36.6 million, respectively, in Revenues – Technology Rentals (2025 – $19.1 million and $38.4 million, respectively), and $0.1 million in the three and six months ended June 30, 2026, respectively, in Revenues – Technology Sales (2025 – $0.1 million, respectively).

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 June 30, 2026, $19.8 million of consideration has been deferred in relation to outstanding maintenance services to be provided on existing maintenance contracts (December 31, 2025 – $28.3 million).

During the three and six months ended June 30, 2026, $10.6 million and $19.4 million of revenue, respectively, was recognized from the $50.4 million balance of deferred revenue as of December 31, 2025. During the three and six months ended June 30, 2025, $10.8 million and $19.8 million of revenue, respectively, was recognized from the $52.7 million balance of deferred revenue as of December 31, 2024.

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 2025 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 June 30, 2026 and 2025:

(In thousands of U.S. Dollars)	**Revenue[1]**		**Gross Margin**	
	2026	2025	**2026**	2025
Content Solutions	**$ 34,686**	$ 33,965	**$ 21,911**	$ 22,431
Technology Products and Services	**64,809**	55,639	**39,017**	30,178
Sub-total for reportable segments	**99,495**	89,604	**60,928**	52,609
All Other	**3,347**	2,080	**1,968**	993
Total	**$ 102,842**	$ 91,684	**$ 62,896**	$ 53,602

(1) The Company's largest customer represents 13% of total Revenues for the three months ended June 30, 2026 (2025 – 12%). No single customer comprised more than 10% of the Company's total Accounts Receivable balance as of June 30, 2026. No single customer accounted for more than 10% of the Company's total Accounts Receivable balance as of December 31, 2025.

The following table presents the Company's revenue and gross margin by reportable segment for the six months ended June 30, 2026 and 2025:

(In thousands of U.S. Dollars)	**Revenue[1]**		**Gross Margin**	
	2026	2025	**2026**	2025
Content Solutions	**$ 66,056**	$ 68,214	**$ 40,231**	$ 45,985
Technology Products and Services	**113,147**	106,232	**65,899**	59,264
Sub-total for reportable segments	**179,203**	174,446	**106,130**	105,249
All Other	**5,018**	3,905	**2,577**	1,529
Total	**$ 184,221**	$ 178,351	**$ 108,707**	$ 106,778

(1) The Company's largest customer represents 15% of total Revenues for the six months ended June 30, 2026 (2025 – 10%). No single customer comprised more than 10% of the Company's total Accounts Receivable balance as of June 30, 2026. No single customer accounted for more than 10% of the Company's total Accounts Receivable balance as of December 31, 2025.

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: *(In thousands of U.S. Dollars)*	Three Months Ended June 30, **2026**	2025	Six Months Ended June 30, **2026**	2025
Revenue	**$ 34,686**	$ 33,965	**$ 66,056**	$ 68,214
Film asset amortization	**4,053**	5,190	**7,895**	9,529
Marketing and other selling expenses	**4,584**	3,415	**10,058**	5,850
Co-produced film participation expenses	**159**	82	**238**	179
Other segment expenses[(1)]	**3,979**	2,847	**7,634**	6,671
Total Costs and Expenses Applicable to Revenues	**12,775**	11,534	**25,825**	22,229
Gross Margin	**$ 21,911**	$ 22,431	**$ 40,231**	$ 45,985

(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: *(In thousands of U.S. Dollars)*	Three Months Ended June 30, **2026**	2025	Six Months Ended June 30, **2026**	2025
Revenue	**$ 64,809**	$ 55,639	**$ 113,147**	$ 106,232
Depreciation of equipment supporting JRSAs	**5,979**	5,716	**11,948**	11,378
Marketing and other selling expenses	**558**	409	**870**	655
Write-down of equipment supporting JRSAs	**167**	311	**174**	399
Write-down of inventory	**70**	91	**120**	166
Other segment expenses[(1)]	**19,018**	18,934	**34,136**	34,370
Total Costs and Expenses Applicable to Revenues	**25,792**	25,461	**47,248**	46,968
Gross Margin	**$ 39,017**	$ 30,178	**$ 65,899**	$ 59,264

(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.

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 six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands of U.S. Dollars)	**2026**	2025	**2026**	2025
United States	**$ 39,407**	$ 42,391	**$ 68,849**	$ 64,962
Greater China	**13,881**	17,677	**34,449**	57,802
Asia (excluding Greater China)	**22,899**	9,312	**35,097**	18,603
Western Europe	**16,882**	14,112	**28,085**	21,665
Latin America	**2,922**	2,150	**5,466**	4,107
Canada	**2,536**	2,494	**4,731**	3,896
Rest of the World	**4,315**	3,548	**7,544**	7,316
Total	**$ 102,842**	$ 91,684	**$ 184,221**	$ 178,351

The United States, Greater China (which includes the mainland of the People's Republic of China, Hong Kong, Macau, and Taiwan), Asia (excluding Greater China), and Western Europe each comprise greater than 10% of the Company's total revenues for the three and six months ended June 30, 2026. The United States, Greater China, Asia and Western Europe each comprise greater than 10% of the Company's total revenues for the three and six months ended June 30, 2025.

15. Financial Instruments

Financial Instruments

The Company's cash is invested with various major financial institutions. The Company's $159.9 million balance of cash and cash equivalents as of June 30, 2026 (December 31, 2025 – $151.2 million) included $150.1 million in cash held outside of Canada (December 31, 2025 – $137.4 million), of which $110.5 million was held in the PRC (December 31, 2025 – $97.2 million).

Fair Value Measurements

The carrying values of the Company's Cash and Cash Equivalents, Accounts Receivable, Variable Consideration, Accounts Payable and Accrued Liabilities due within one year approximate their fair values due to the short-term maturity of these instruments. Including these instruments, the Company's financial instruments consisted of the following:

	As of June 30, 2026		As of December 31, 2025	
(In thousands of U.S. Dollars)	**Carrying Amount**	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
Level 2				
Net financed sales receivables[(1)]	**$ 87,331**	**$ 83,598**	$ 90,799	$ 87,677
Net investment in sales-type leases[(1)]	**31,065**	**28,068**	31,155	28,200
2030 Convertible notes[(2)]	**(250,000)**	**(285,788)**	(250,000)	(278,708)

(1) Fair value is estimated based on discounting future cash flows at currently available interest rates with comparable terms.

(2) Fair value is determined using quoted market prices that are observable in the market or that could be derived from observable market data.

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 91 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 June 30, 2026 (the "**Foreign Currency Hedges**"), with settlement dates throughout 2026 and 2027. 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 ("**AOCI**") 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:

(In thousands of U.S. Dollars)	**June 30, 2026**	December 31, 2025
Derivatives designated as hedging instruments:		
Foreign exchange contracts – Forwards	**$ 46,255**	$ 48,357

Fair value of derivatives in foreign exchange contracts:

(In thousands of U.S. Dollars)	**Balance Sheet Location**	**June 30, 2026**	December 31, 2025
Derivatives designated as hedging instruments:			
Foreign exchange contracts – Forwards	Other assets	**$ –**	$ 992
	Accrued and other liabilities	**(892)**	(2)
		$ (892)	$ 990

Derivatives in foreign currency hedging relationships are as follows:

(In thousands of U.S. Dollars)		Three Months Ended June 30, **2026**	2025	Six Months Ended June 30, **2026**	2025
Foreign exchange contracts – Forwards	Derivative (Loss) Gain Recognized in OCI (Effective Portion)	**$ (804)**	$ 2,520	**$ (1,435)**	$ 1,805

(In thousands of U.S. Dollars)	**Location of Derivative Gain (Loss) Reclassified from AOCI (Effective Portion)**	Three Months Ended June 30, **2026**	2025	Six Months Ended June 30, **2026**	2025
Foreign exchange contracts – Forwards	Selling, general and administrative expenses	**$ 106**	$ (292)	**$ 448**	$ (1,627)

The Company's estimated net amount of the existing loss as of June 30, 2026 is $0.8 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 June 30, 2026, the Company indirectly owned 71.57% of the outstanding equity interest in IMAX China, whose shares trade on the Hong Kong Stock Exchange (December 31, 2025 – 71.57%). IMAX China remains a consolidated subsidiary of the Company. As of June 30, 2026, the balance of the Company's non-controlling interest in IMAX China was $93.8 million (December 31, 2025 – $89.2 million). For the three and six months ended June 30, 2026, the net income attributable to the non-controlling interest in IMAX China was $0.5 million and $2.3 million, respectively (2025 – $1.0 million and $6.8 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 six months ended June 30, 2026 and 2025. This MD&A should be read in conjunction with 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, 2025 included in the Company's 2025 Annual Report on Form 10-K (the "**2025 Form 10-K**").

As of June 30, 2026, the Company indirectly owned 71.57% 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 six months ended June 30, 2026, net income attributable to IMAX China was $8.1 million, of which $5.8 million was attributable to the shareholders of the Company (2025 – $23.7 million and $17.0 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. Words such as "anticipate," "assume," "believe," "continue," "could," "drive," "estimate," "expect," "forecast," "future," "if," "improvement," "likely," "may," "plan," "possibility," "potential," "project," "projection," "prospect," "remain," "runway," "scheduled," "seek," "strategy," "subject to," "upcoming," "will," "would," or the negative thereof, and similar expressions identify forward-looking statements and information. These forward-looking statements and information include, but are not limited to, statements regarding the Company's business and technology strategies and measures to implement such strategies, including with respect to its brand extensions and re-positionings and new business initiatives; the Company's 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, networks, operations and technology; future cash flow and revenue realization; capital allocation, including the amount and nature of future capital expenditures and the sufficiency of capital and liquidity to fund the Company's anticipated operating needs; the Company's capital structure, including the incurrence and repayment of debt and the impact of its restrictive debt covenants on operating and financial flexibility; anticipated contributions to pension and postretirement benefit plans; the Company's technological capabilities and the differentiation thereof, including with respect to artificial intelligence ("**AI**"); the Company's ability to enhance its brand equity and brand awareness and the benefits thereof; industry prospects and developments and shifts in consumer behavior; the Company's upcoming film slate and content pipeline, including the timing and performance thereof; and 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 the Company's investments, operations and future expansion in foreign jurisdictions, including the impact of economic, political and regulatory policies and laws of the United States, Canada, and China, tariffs and other trade regulations, and economic and trade tensions, trade wars, and geopolitical conflicts; risks related to the Company's growth and operations in China, including industry conditions affecting both the Company and its partners; the ability of the Company's exhibitor customers to fulfill their contractual payment obligations; risks related to the Company's ability to attract and retain its employee population or the loss of the Company's key personnel; the performance of IMAX remastered films and other films released to the IMAX network; conditions, changes and developments in the commercial exhibition industry; the Company's ability to enter into new IMAX theater system agreements and sales and lease agreements and the effects thereof; fluctuations in operating results and cash

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

flow; 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 ability of the Company to respond to change and advancements in technology, including with respect to AI products and AI-generated content; the potential impacts of consolidation among commercial exhibitors and studios; success of brand extensions and new business initiatives; conditions and competition in the in-home (including streaming) and out-of-home entertainment industries; the Company's ability to identify and pursue new business opportunities (or lack thereof); cybersecurity and data privacy incidents; the Company's ability to protect its intellectual property and to avoid infringing, misappropriating, or violating the intellectual property rights of others; effects of environmental laws and regulations, including with respect to climate change; weather conditions and natural disasters that may disrupt or harm the Company's business; effects of the Company's indebtedness on its cash flow and business activities and the Company's ability to comply with its debt agreements; general economic, market or business conditions; sustained inflationary pressure; political, economic and social instability and the resulting disruptions to the Company's operations or supply chain; the Company's ability to convert system backlog into revenue and cash flows; accuracy of assumptions underlying goodwill impairment assessment and fair value measurements; changes in laws, regulations or accounting principles; 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.

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 June 30, 2026, there were 1,876 IMAX Systems operating in locations in 91 countries and territories, including 1,809 commercial multiplexes, 10 commercial destinations, and 57 institutional locations in the Company's global network. This compares to 1,821 IMAX Systems operating in locations in 89 countries and territories as of June 30, 2025, including 1,750 commercial multiplexes, 11 commercial destinations, and 60 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 theater 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 theater 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 to ensure a consistent image and sound quality presentation across the IMAX global network; 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.

The Company believes that the benefits related to the enhanced and differentiated image quality and film aspect ratio 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. For additional discussion, see section titled "Sources of Revenue – IMAX Film Remastering and Distribution" below.

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, generates incremental box office receipts ("**global box office**") for the Company's exhibitor customers and for the movie studios releasing their films to the IMAX network. IMAX has become a key premium distribution and marketing platform for Hollywood and local language films driven by IMAX's leading global network footprint and scale, the incremental global box office generated by IMAX films and the growing demand by moviegoers for the differentiated quality of The IMAX Experience.

The Company achieved global box office of $544.5 million in the first half of 2026. The Company's first half global box office was derived from 63 new pieces of content distributed across its global network. The first half was highlighted by the performance of the Filmed For IMAX® title Project Hail Mary, in which IMAX captured 20% of the opening weekend global box office, despite IMAX representing less than 1% of screens worldwide. Global box office in the first half of 2026 also included carry-over of Avatar: Fire and Ash and the break-out biopic music centered film title Michael. The Company continues to expand its local language strategy with 34 releases across 11 countries and territories, including first time releases in Brazil and Taiwan, China. The total first half local language box office was $81 million (or 15% of global box office), led by the Chinese film, Pegasus 3. Despite increasing competition for consumer attention across both out-of-home and in-home entertainment, demand for The IMAX Experience continues to strengthen among theatergoers. During the first half of 2026, the Company's trailing twelve month domestic box office market share was 5.2% and global market share was 3.7%. See "Results of Operations" below for a discussion of the Company's 2026 three and six months results as compared to the prior year periods.

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 IMAX 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 to commercial IMAX theaters, as well as the provision of film post-production services.

Content Solutions segment results are influenced by the level of commercial success and global 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 global 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 global box office from a 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 on a gross basis before sales taxes except within Greater China, where the Company often receives a lower percentage of net box office due to an incremental importation fee paid by the studios. All of the Company's box office results in this Form 10-Q are inclusive of China booking fees to be consistent with market reporting of global box office.

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 versus a conventional 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 conventional movie screen.

Filmed For IMAX is IMAX's filmmaker partnership program. Filmmakers who participate in the program leverage IMAX technology throughout the production process to deliver a movie that is meant to be seen in an IMAX location. From pre-production through to release, the Company works closely with filmmakers to maximize The IMAX Experience for audiences. Filmed For IMAX movies are shot using either an IMAX certified digital camera or an IMAX film camera, with the IMAX Post-Production team working closely with the filmmaker from camera testing before the shoot begins, to on-set support, to test screenings, and post-production. Most Filmed For IMAX movies leverage IMAX's exclusive expanded aspect ratio for select sequences and, occasionally, the entire film, and benefit from unique marketing support. The global box office metrics have demonstrated audiences respond extremely favorably to Filmed For IMAX titles, resulting in a higher market share for IMAX. In the first half of 2026, Filmed For IMAX titles on average indexed approximately 10% higher than titles with no IMAX DNA.

Management believes that growth in global 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 Japan, France, India, 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 six months ended June 30, 2026, local language films exhibited across the Company's global network generated $81 million in box office, representing 15% of the Company's global box office.

The following table provides the number of new films and other content released to the Company's global network during the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Hollywood film releases[1]	**11**	8	**18**	15
Local language film releases:				
China	**7**	4	**10**	10
Japan	**4**	1	**9**	4
France	**2**	–	**3**	2
India	**1**	1	**3**	6
South Korea	**1**	2	**3**	4
Saudi Arabia	**1**	1	**1**	1
Brazil	**1**	–	**1**	–
Vietnam	**–**	–	**1**	1
Indonesia	**–**	–	**1**	1
Thailand	**–**	–	**1**	–
Taiwan, China	**–**	–	**1**	–
Egypt	**–**	1	**–**	1
Total local language film releases	**17**	10	**34**	30
Other content experiences	**4**	3	**11**	9
	32	21	**63**	54

(1) For the three and six months ended June 30, 2026, the films released to the Company's global network include three and seven with IMAX DNA (2025 – six and seven).

In addition to the 63 IMAX new films and other content experiences released on the Company's global network during the six months ended June 30, 2026, the Company has announced the following 32 new films and other content experiences for release in the remainder of 2026:

Title	**Studio**	**Scheduled Release Date**[(1)]	**IMAX DNA**
Minions & Monsters	Universal Pictures	July 2026	–
Keep Real[(2)]	Damai Pictures	July 2026	–
F1® on Apple TV Live in IMAX: Silverstone Race	Apple TV	July 2026	–
Kung Fu Soccer[(2)]	Maoyan	July 2026	–
Moana	Walt Disney Pictures	July 2026	–
Hope[(2)]	Plus M Entertainment	July 2026	–
The Odyssey	Universal Pictures	July 2026	Filmed for IMAX
Kingdom 5[(2)]	Toho Cinemas	July 2026	–
All Wishes Come True! [(2)]	Maoyan	July 2026	–
Chiikawa: The Secret of Mermaid Island[(2)]	Toho Cinemas	July 2026	–
Peng Hu[(2)]	Filmko Pictures	July 2026	–
The Decisive Moment[(2)]	Damai Pictures	July 2026	–
Spider-Man: Brand New Day[(2)]	Sony Pictures	July 2026	–
Blue Lock[(2)]	Toho Cinemas	August 2026	–
The End of Oak Street	Warner Bros. Pictures	August 2026	Filmed for IMAX
The Confession of a Shaman[(2)]	M Studio	August 2026	–
Tokyo Mer 3[(2)]	Toho Cinemas	August 2026	–
Ghost: 2 Big 2 Rig	Trafalgar Releasing	August 2026	–
The Dog Stars	Walt Disney Pictures	August 2026	–
Toxic[(2)]	KVN Productions	August 2026	–
F1® on Apple TV Live in IMAX: Monza Race	Apple TV	September 2026	–
Don't Look Back in Anger	Walt Disney Pictures	September 2026	–
Resident Evil	Sony Pictures	September 2026	Filmed for IMAX
Digger	Warner Bros. Pictures	October 2026	–
Street Fighter	Paramount Pictures	October 2026	Filmed for IMAX
F1® on Apple TV Live in IMAX: Austin Race	Apple TV	October 2026	–

Title	Studio	Scheduled Release Date[1]	IMAX DNA
Ramayana[2]	DNEG	Diwali 2026	Filmed For IMAX
Godzilla Minus Zero[2]	Toho Cinemas	November 2026	Filmed for IMAX
Hunger Games: Sunrise on the Reaping	Lionsgate	November 2026	–
Untitled Fincher Project	Netflix	November 2026	–
Dune: Part Three	Warner Bros. Pictures	December 2026	Filmed for IMAX
Avengers: Doomsday[2]	Walt Disney Studios	December 2026	–

(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 2026.

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 global box office and, following the recoupment of its costs, is typically entitled to receive an additional percentage of gross revenues as participation revenues.

The Company believes 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 June 30, 2026, the Company had distribution rights with respect to approximately 75 films, which cover subjects such as space, wildlife, music, sports, history, and natural wonders.

In early 2026, The Lost Wolves of Yellowstone, in collaboration with Grizzly Creek Films LLC, and French language documentary Athos, produced by Federation Studio France, were released. In April 2026, the Company released the restored for IMAX documentary Cave of Forgotten Dreams, in collaboration with Independent Film Company. In 2026, the Company plans to release the documentary Portrait of an Artist in collaboration with The National Basketball Association ("**NBA**"), Unanimous Media, and Religion of Sports, offering an intimate glimpse into the life of NBA superstar Stephen Curry. Upcoming 2026 documentaries which are currently in production include Stormbound, produced by Academy Award-winning producer, Adam McKay; and Frontier, produced in collaboration with Nocturnal Entertainment Productions, LLC, Atlas Entertainment LLC, and Believe Entertainment Group, LLC. 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.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX events and experiences to audiences worldwide. As of June 30, 2026, the Company has 252 connected IMAX locations worldwide. Furthermore, the Company can use its live streaming technologies to deliver events to additional IMAX locations around the world.

In the six months ended June 30, 2026, the Company partnered with various studios and distributors on a number of alternative content releases and exclusive events. These included the releases of EPiC: Elvis Presley in Concert (Neon Rated and Universal Pictures), Stray Kids: The dominATE Experience (Bleecker Street and Universal Pictures), Twenty One Pilots: More Than We Ever Imagined (Trafalgar Releasing), Eric Church: Evangeline vs. The Machine Comes Alive (Mercury Studios), TOMMY in IMAX (50th Anniversary) (Sony Pictures), and limited releases of Marty Supreme (A24) and Memento (China Film Group). The Company partnered with MGM Studios in March 2026 and Universal Pictures in June 2026 to present exclusive Q&A livestreams in advance of screenings of Project Hail Mary and Disclosure Day, respectively, across select connected IMAX locations in North America. The Company partnered with Apple TV to livestream select races from the 2026 FIA Formula One World Championship across North America, including the Miami Grand Prix in May 2026 and the Monaco Grand Prix in June 2026.

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 also 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 global 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 global 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 ("**JRSA(s)**"). 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, generally, 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 material 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 global 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 June 30, 2026, the Company had 881 locations under JRSAs in its global commercial multiplex network. The Company also had contracts in backlog for 187 IMAX systems under JRSAs as of June 30, 2026, including 88 new locations and 99 upgrades to existing 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

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, including but not limited to TVs, soundbars, automotive, and other device segments. As of June 30, 2026, IMAX Enhanced certified devices in-market are with partners including Goer Dynamics, Sony Electronics, Hisense, TCL, LG, and Philips.

The SCT products previously branded as StreamSmart™ (encoding optimization) and StreamAware™ (quality assurance and monitoring) have been integrated into the IMAX Enhanced program, streamlining operations and enabling partners to deliver premium viewing experiences validated through IMAX's proprietary quality standards.

IMAX's SCT represents an extension of the IMAX brand and technology beyond traditional theatrical programming into live streaming for connected theaters and live and on-demand streaming home entertainment experiences. Leveraging IMAX's globally recognized brand and proprietary technology, IMAX Enhanced is designed to drive consumer engagement and create incremental return on investment for content owners and rights holders.

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 merchandising revenue including IMAX branded merchandise and cooperative merchandising with studios.

IMAX NETWORK AND BACKLOG

IMAX Network

The following table provides detailed information about the IMAX network by type and geographic location as of June 30, 2026 and 2025. For additional information regarding the composition of the IMAX network, see "Marketing and Customers" in Part I, Item 1 of the Company's 2025 Form 10-K.

	June 30, 2026				June 30, 2025			
	Commercial Multiplex	**Commercial Destination**	**Institutional**	**Total**	Commercial Multiplex	Commercial Destination	Institutional	Total
United States	**389**	**4**	**24**	**417**	375	4	24	403
Canada	**37**	**1**	**5**	**43**	44	1	5	50
Greater China[(1)]	**800**	**–**	**12**	**812**	796	–	13	809
Asia (excluding Greater China)	**208**	**1**	**2**	**211**	187	1	2	190
Western Europe	**158**	**3**	**7**	**168**	142	4	7	153
Latin America[(2)]	**64**	**1**	**6**	**71**	62	1	7	70
Rest of the World	**153**	**–**	**1**	**154**	144	–	2	146
Total[(3)]	**1,809**	**10**	**57**	**1,876**	1,750	11	60	1,821

(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 2025 Form 10-K.)

IMAX currently estimates a worldwide commercial multiplex addressable market of 4,466 locations, of which there are 1,809 IMAX Systems operating as of June 30, 2026, representing a market penetration of only 41%. The Company believes that the majority of its future growth will come from international markets. As of June 30, 2026, 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 gross box office ("**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 II, Item 1A of this Form 10-Q.

The following tables provide detailed information about IMAX Systems operating in multiplex locations by arrangement type and geographic location as of June 30, 2026 and 2025:

	June 30, 2026 Commercial Multiplex Locations in IMAX Network			
	Traditional JRSA	**Hybrid JRSA**	**Sales Arrangements[1]**	**Total**
Domestic Total (United States & Canada)	**275**	**2**	**149**	**426**
International:				
Greater China	**397**	**66**	**337**	**800**
Asia (excluding Greater China)	**59**	**1**	**148**	**208**
Western Europe	**50**	**13**	**95**	**158**
Latin America	**5**	**–**	**59**	**64**
Rest of the World	**13**	**–**	**140**	**153**
International Total	**524**	**80**	**779**	**1,383**
Worldwide Total[2][3]	**799**	**82**	**928**	**1,809**

(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.

(3) Includes zero and 31 IMAX Systems that were converted from Hybrid JRSA arrangement types to Sales Arrangements during the three and six months ended June 30, 2026.

	June 30, 2025 Commercial Multiplex Locations in IMAX Network			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements[1]	Total
Domestic Total (United States & Canada)	276	6	137	419
International:				
Greater China	388	99	309	796
Asia (excluding Greater China)	53	1	133	187
Western Europe	48	13	81	142
Latin America	4	–	58	62
Rest of the World	11	–	133	144
International Total	504	113	714	1,331
Worldwide Total[2]	780	119	851	1,750

(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 June 30, 2026 and 2025:

	June 30, 2026 IMAX System Backlog			
	Traditional JRSA	**Hybrid JRSA**	**Sales Arrangements[1]**	**Total**
Domestic Total (United States & Canada)	**84**	**2**	**29**	**115**
International:				
Greater China[4]	**79**	**3**	**114**	**196**
Asia (excluding Greater China)	**12**	**–**	**40**	**52**
Western Europe	**4**	**–**	**7**	**11**
Latin America	**–**	**–**	**6**	**6**
Rest of the World	**3**	**–**	**38**	**41**
International Total	**98**	**3**	**205**	**306**
Worldwide Total[2][3]	**182**	**5**	**234**	**421**

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

(2) Worldwide Total of 421 includes 202 new IMAX Laser Systems and 158 upgrades of existing locations to IMAX Laser Systems.

(3) Worldwide Total of 421 includes 263 new systems and 158 upgrades.

(4) Greater China backlog changes include first half installations along with restructuring of certain contracts resulting in cancellation of backlog for 17 system locations deemed mutually to no longer be beneficial to IMAX and its exhibition customers.

	June 30, 2025 IMAX System Backlog			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements[1]	Total
Domestic Total (United States & Canada)	119	2	10	131
International:				
Greater China	92	90	49	231
Asia (excluding Greater China)	19	2	40	61
Western Europe	9	–	17	26
Latin America	1	–	7	8
Rest of the World	2	–	42	44
International Total	123	92	155	370
Worldwide Total[2][3]	242	94	165	501

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

(2) Worldwide Total of 501 includes 256 new IMAX Laser Systems and 145 upgrades of existing locations to IMAX Laser Systems.

(3) Worldwide Total of 501 includes 356 new systems and 145 upgrades.

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, the Company and its customers may amend the arrangement type of a backlog system, and 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.

As of June 30, 2026, 73% of IMAX System arrangements in backlog were scheduled to be installed in international markets (2025 – 74%).

(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 2025 Form 10-K.)

RESULTS OF OPERATIONS

The Company's results for the first half of 2026 reflect variability driven by the timing, mix and geographic distribution of global box office performance. The year-over-year decline in total global box office was primarily attributable to an unusually strong prior-year comparison in Greater China. Domestic and other international markets experienced strong box office growth, driven by the performance of Hollywood titles and Filmed For IMAX releases. The Company's future results may continue to be affected by the timing and performance of major film releases, the mix of Hollywood and local language content, and the geographic concentration of box office revenues, as well as by variability in system installations and box office-driven revenues. In addition, broader macroeconomic conditions, including global economic uncertainty, supply chain disruptions, inflationary pressures and geopolitical tensions and conflicts, could adversely impact consumer demand and the Company's ability to deliver and install IMAX systems, any of which could materially affect the Company's financial condition and results of operations.

Results of Operations for the Three Months Ended June 30, 2026 and 2025

Net Income and Adjusted Net Income Attributable to Common Shareholders

The following table presents the Company's net income attributable to common shareholders and net income attributable to common shareholders per diluted share amounts, as well as adjusted net income attributable to common shareholders[(1)] and adjusted net income attributable to common shareholders per diluted share for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			
	2026		2025	
(In thousands of U.S. Dollars, except per diluted share amounts)	**Net Income**	**Per Diluted Share**	Net Income	Per Diluted Share
Net income attributable to common shareholders	**$ 15,402**	**$ 0.27**	$ 11,255	$ 0.20
Adjusted net income attributable to common shareholders[(1)]	**$ 24,209**	**$ 0.43**	$ 14,607	$ 0.26

(1) 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 three months ended June 30, 2026, the Company's revenues and gross margin were \$102.8 million and \$62.9 million, respectively. In comparison to the prior year second quarter, the Company's revenues and gross margin increased by \$11.2 million, or 12%, and \$9.3 million, or 17%, respectively, principally due to a higher number of IMAX system installations under sales type arrangements and stronger IMAX box office performance across rest of world markets of 24%.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the three months ended June 30, 2026 and 2025:

	Revenue		**Gross Margin**		**Gross Margin %**	
(In thousands of U.S. Dollars)	**2026**	2025	**2026**	2025	**2026**	2025
Content Solutions	**\$ 34,686**	\$ 33,965	**\$ 21,911**	\$ 22,431	**63%**	66%
Technology Products and Services	**64,809**	55,639	**39,017**	30,178	**60%**	54%
Sub-total for reportable segments	**99,495**	89,604	**60,928**	52,609	**61%**	59%
All Other[(1)]	**3,347**	2,080	**1,968**	993	**59%**	48%
Total	**\$ 102,842**	\$ 91,684	**\$ 62,896**	\$ 53,602	**61%**	58%

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

Content Solutions

For the three months ended June 30, 2026, Content Solutions segment revenues and gross margin increased by \$0.7 million, or 2%, and decreased by \$0.5 million, or 2%, respectively, when compared to the same period in 2025.

In the second quarter of 2026, box office generated by IMAX films totaled \$284.8 million, a \$3.8 million, or 1% increase versus the prior year comparative period of \$281.1 million. In the second quarter of 2026, IMAX box office was generated by the exhibition of 35 films (32 new films and three re-releases), including the following Hollywood titles: Michael (\$69 million), The Mandalorian & Grogu (\$42 million), and The Super Mario Galaxy Movie (\$39 million). Furthermore, in the second quarter of 2026, local language films exhibited across the Company's global network generated \$18.7 million in box office, representing 7% of its global box office including the Japanese local language film, Detective Conan: Fallen Angel of the Highway (\$5 million).

In the second quarter of 2025, IMAX box office was generated by the exhibition of 22 films and other content (21 new films and 1 re-release), including the following Hollywood titles, Mission: Impossible – The Final Reckoning ($75 million), Sinners ($40 million), F1 The Movie ($32 million) and Thunderbolts ($31 million). Furthermore, in the second quarter of 2025, local language films exhibited across the Company's global network generated $19.8 million in box office, representing 7% of its global box office.

In the second quarter of 2026, the Company released three movies that were filmed with IMAX proprietary cameras (Filmed For IMAX): Mortal Kombat II, The Mandalorian & Grogu and Supergirl. Filmed For IMAX movies historically have performed disproportionately well at the box office, and for Supergirl, IMAX delivered approximately 20% or more of the opening weekend domestic 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 exhibited in the period. These costs can include production, post-production, distribution, and marketing, which are expensed as incurred. For the three months ended June 30, 2026, gross margin percent was 63% compared to 66% in the prior year period. The decrease in gross margin reflects the mix of IMAX box office, amount of marketing spend and level of box office outperformance.

Technology Products and Services

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, except for traditional JRSAs as revenue is recognized over the lease term, during the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,			
	2026		2025	
(In thousands of U.S. Dollars, except number of systems)	**Number of Systems**	**Revenue**	Number of Systems	Revenue
New IMAX Systems	**11**	**$ 11,551**	11	$ 11,206
Upgraded IMAX Systems	**7**	**7,005**	2	1,878
Total IMAX Systems	**18**	**$ 18,556**	13	$ 13,084

In the three months ended June 30, 2026, one IMAX System was relocated from its original location (2025 – no IMAX Systems were relocated from their original locations). 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 June 30, 2026, Technology Products and Services segment revenue and gross margin increased by $9.2 million, or 16%, and $8.8 million, or 29%, respectively, when compared to the same period in 2025. The higher level of revenue was primarily driven by higher revenues from variable consideration recognized on IMAX systems installed under sales arrangements in the current period. The increases in revenue were also partially driven by a $1.9 million increase in revenue contribution from the impact of amendments, renewals and other adjustments to existing IMAX Systems arrangements.

In the three months ended June 30, 2026, IMAX GBO from JRSAs decreased $5.1 million compared to the prior year period, from $125.1 million to $120.0 million. While IMAX GBO from JRSAs declined, rental revenues increased by $1.2 million to $19.9 million from $18.7 million in the prior year comparative period, which reflects lower box office performance fully offset by higher average rental rates resulting from the geographic box office mix coupled with additional rent specifically earned from locations in which the Company has invested in lease incentives.

For the three months ended June 30, 2026, gross margin percent was 60% compared to 54% in the prior period, which primarily reflects the impact of higher variable consideration estimates, amendments, renewals and other adjustments as described above.

All Other

For the three months ended June 30, 2026, All Other revenue and gross margin increased by $1.3 million and $1.0 million, respectively, when compared to the same period in 2025, which principally reflects the results of the Company's SCT business expansion of offerings to Goer Dynamics Group Co., Ltd. ("**Goer Dynamics**") under an automotive consumer device partnership, following the re-positioning and relaunch in late 2025 under the brand of IMAX Enhanced, and increased sales of the Company's merchandise.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Variance	
(In thousands of U.S. Dollars)	**2026**	2025	**$**	**%**
Total Selling, general and administrative expenses	**$ 34,528**	$ 35,302	$ (774)	(2%)
Less: Share-based compensation[1]	**(7,315)**	(6,862)	(453)	(7%)
Total selling, general and administrative expenses, excluding share-based compensation[2]	**$ 27,213**	$ 28,440	$ (1,227)	(4%)

(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.)

(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 second quarter of 2026, the lower level of Selling, General and Administrative Expenses year-over-year reflects management's continued focus on operational efficiencies, including workforce reductions, and a shift in timing of annual corporate events and other expenses. Additionally, influencing the prior period, were $2.5 million in benefits resulting from an Employee Retention Credit as a reduction to Selling, General and Administrative expenses, partially offset by higher annual incentive compensation costs.

Credit Loss Expense (Reversal), Net

For the three months ended June 30, 2026, the Company recorded a credit loss expense of $1.5 million, as compared to a credit loss reversal of $0.2 million recognized in the prior year. The year over year change was primarily due to higher reserves established for specific exhibitor customers in China resulting from a deterioration in customer credit quality.

Overall, continued strong global box office performance has contributed to consistent collections. Strong theatrical attendance, driven by a robust film slate, has increased and accelerated cash inflows from studio and exhibitor customers. This trend reflects the continued consumer demand for premium cinematic experiences and effectiveness of IMAX's strategic initiatives to partner with filmmakers, studios, and exhibitors to deliver higher levels of box office.

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 June 30, 2026, the Company recorded an income tax expense of $3.5 million (2025 – $1.2 million). The Company's effective tax rate of 18.1% for the three months ended June 30, 2026 (2025 – 8.9%), reflects the geographic allocation of income earned in taxing jurisdictions and a decrease in the valuation allowance and tax reserves, partially offset by withholding taxes.

Management evaluates the realizability of deferred tax assets on a quarterly basis by considering all available positive and negative evidence, including recent operating results, forecasts of future taxable income, and other relevant factors specific to our industry such as the success of new film releases. Based on the Company's recent operating results in Canada and its expectation of continued profitability, management believes there is a reasonable possibility that sufficient positive evidence may become available within the next twelve months to support the release of some or all of the valuation allowance recorded against its Canadian deferred tax assets. However, as of June 30, 2026, management has concluded that the available positive evidence is not yet sufficient to overcome the remaining negative evidence and support realization of those deferred tax assets. Any such release would result in a material income tax benefit in the period the conclusion is reached. At December 31, 2025, the amount of the Canadian valuation allowance was $55.5 million. The timing and amount of a valuation allowance release will depend on the Company's ability to generate sufficient taxable income in Canada, macroeconomic conditions, and other factors affecting management's assessment.

As disclosed in Note 2 - Summary of Significant Accounting Policies of the 2025 Form 10-K, the Company is subject to ongoing tax audits. Subsequent to June 30, 2026, the Company received a proposal letter from the Canada Revenue Agency related to an examination of international matters in prior taxation years. Any potential reassessment encompasses an ultimate resolution involving multiple tax jurisdictions, which may result in offsetting tax differences from what was originally recognized in its financial statements. The Company continues to believe that it has adequately accounted for all uncertain tax positions, including this pending notice of reassessment.

Non-Controlling Interests

For the three months ended June 30, 2026, the net income attributable to non-controlling interests of the Company's subsidiaries was $0.5 million, a decrease of $0.5 million, when compared to the same period in 2025, which was driven by the lower level of IMAX box office earned in Greater China.

Results of Operations for the Six Months Ended June 30, 2026 and 2025

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[(1)] and adjusted net income attributable to common shareholders per diluted share for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,			
	2026		2025	
(In thousands of U.S. Dollars, except per diluted share amounts)	**Net Income**	**Per Diluted Share**	Net Income	Per Diluted Share
Net income attributable to common shareholders	**$ 19,628**	**$ 0.35**	$ 13,582	$ 0.25
Adjusted net income attributable to common shareholders[(1)]	**$ 33,779**	**$ 0.60**	$ 21,785	$ 0.40

(1) 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 six months ended June 30, 2026, the Company's revenues and gross margin were $184.2 million and $108.7 million, respectively. In comparison to the prior year second quarter, the Company's revenues and gross margin increased by $5.9 million, or 3%, and $1.9 million, or 2%, respectively, principally due to higher revenues recognized for systems installed under sales and sales-type lease arrangements.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the six months ended June 30, 2026 and 2025:

	Revenue		Gross Margin		Gross Margin %	
(In thousands of U.S. Dollars)	**2026**	2025	**2026**	2025	**2026**	2025
Content Solutions	**$ 66,056**	$ 68,214	**$ 40,231**	$ 45,985	**61%**	67%
Technology Products and Services	**113,147**	106,232	**65,899**	59,264	**58%**	56%
Sub-total for reportable segments	**179,203**	174,446	**106,130**	105,249	**59%**	60%
All Other[(1)]	**5,018**	3,905	**2,577**	1,529	**51%**	39%
Total	**$ 184,221**	$ 178,351	**$ 108,707**	$ 106,778	**59%**	60%

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

Content Solutions

For the six months ended June 30, 2026, Content Solutions segment revenues and gross margin decreased by $2.2 million, or 3%, and by $5.8 million, or 13%, respectively, when compared to the same period in 2025.

In the six months ended June 30, 2026, box office generated by IMAX films totaled $544.5 million, a $34.8 million, or 6%, decrease versus the prior year comparative period of $579.2 million. This decrease was primarily driven by lower local language box office in the first half of 2026, due in part to the shift in 2026 local language blockbuster films out of the Chinese New Year period versus a record Chinese New Year in 2025 from the breakout performance of Ne Zha 2 ($167 million), the highest grossing local language film of all time. During the six months ended June 30, 2026, IMAX box office was generated by the exhibition of 69 films and other content (63 new films, 5 re-releases and one carry-over), including the following Hollywood titles: Project Hail Mary ($96 million), Avatar: Fire and Ash ($78 million), Michael ($69 million), The Mandalorian & Grogu ($42 million) and The Super Mario Galaxy Movie ($39 million). In addition, in the six months ended June 30, 2026, local language films exhibited across the Company's global network generated $81 million in box office, representing 15% of its global box office, including the Chinese local language film, Pegasus 3 ($34 million) and Blades of the Guardians ($7 million). In the six months ended June 30, 2025, IMAX box office revenue was generated by the exhibition of 56 films (54 new films and 2 re-releases), including the following Hollywood titles, Mission: Impossible – The Final Reckoning ($75 million), Sinners ($39 million), F1 The Movie ($31 million) and Thunderbolts ($31 million) and local language title Ne Zha 2 discussed above.

In the six months ended June 30, 2026, the Company released seven movies that were filmed with IMAX proprietary cameras (Filmed For IMAX), including Mercy, The Bride! , Project Hail Mary, Mortal Kombat II, The Mandalorian & Grogu, Supergirl, and the IMAX documentary Athos. Filmed For IMAX movies historically have performed 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 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 six months ended June 30, 2026, gross margin percent was 61% compared to 67% in the prior year. The Content Solutions margin decline was driven by a combination of factors including; lower box office performance in Greater China, with no significant breakout title, a lower mix of local language films which carries a higher margin, and an increased level of film marketing spend associated with a higher mix of Hollywood titles.

Technology Products and Services

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, except for traditional JRSAs, for which revenue is recognized over the lease term, during the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,			
	2026		2025	
(In thousands of U.S. Dollars, except number of systems)	**Number of Systems**	**Revenue**	Number of Systems	Revenue
New IMAX Systems	**17**	**$ 16,281**	23	$ 20,330
Upgraded IMAX Systems	**9**	**9,556**	3	3,338
Total	**26**	**$ 25,837**	26	$ 23,668

In the six months ended June 30, 2026, one IMAX System was relocated from its original location (2025 – three 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 six months ended June 30, 2026, Technology Products and Services segment revenue and gross margin increased by $6.9 million, or 7%, and $6.6 million, or 11%, respectively, when compared to the same period in the prior year. The increase in revenue was primarily driven by a $5.0 million increase in revenue contribution from the impact of amendments, renewals and other adjustments to existing IMAX Systems arrangements, coupled with higher revenues for variable consideration recognized from sales arrangements installed in the period.

In the six months ended June 30, 2026, GBO from JRSAs decreased $36.9 million compared to the prior year, from $265.2 million to $228.3 million. Accordingly, rental revenues of $36.5 million, decreased $1.4 million from $37.8 million in the prior year comparative period, were driven by the lower IMAX box office offset mostly higher average rental rates resulting from the geographic box office mix coupled with additional rent specifically earned from locations in which the Company has invested in lease incentives.

For the six months ended June 30, 2026, gross margin percent was 58% compared to 56% in the same period in the prior year, which primarily reflects the impact of amendments, renewals and other adjustments as described above.

All Other

For the six months ended June 30, 2026, All Other revenue and gross margin increased by $1.1 million, and $1.0 million, respectively, when compared to the same period in 2025, which principally reflects the results of the Company's SCT business expansion of offerings across automotive consumer devices under the Goer Dynamics partnership, following the re-positioning and relaunch in late 2025 under the brand of IMAX Enhanced, and increased sales of the Company's merchandise.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the six months ended June 30, 2026 and 2025:

(In thousands of U.S. Dollars)	**Six Months Ended June 30, 2026**	**2025**	**Variance $**	**%**
Total Selling, general and administrative expenses	**$ 67,016**	$ 68,764	$ (1,748)	(3%)
Less: Share-based compensation[1]	**(13,224)**	(11,582)	(1,642)	(14%)
Total selling, general and administrative expenses, excluding share-based compensation[2]	**$ 53,792**	$ 57,182	$ (3,390)	(6%)

(1) A portion of share-based compensation expense is recognized within Costs 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 six months ended June 30, 2026, the lower level of Selling, General and Administrative Expenses year-over-year reflects management's continued focus on operational efficiencies, including workforce reductions and timing. Additionally, influencing the prior period, were $2.5 million in benefits resulting from an Employee Retention Credit as a reduction to Selling, General and Administrative expenses, partially offset by higher annual incentive compensation costs.

Credit Loss Expense (Reversal), Net

For the six months ended June 30, 2026, the Company recorded a credit loss expense of $1.0 million, as compared to a $0.3 million reversal in the same period of the prior year. The year over year change was primarily due to higher reserves established for specific exhibitor customers in China resulting from a deterioration in customer credit quality.

Overall, continued strong global box office performance has contributed to consistent collections. Strong theatrical attendance, driven by a robust film slate, has increased and accelerated cash inflows from studio and exhibitor customers. This trend reflects the continued consumer demand for premium cinematic experiences and effectiveness of IMAX's strategic initiatives to partner with filmmakers, studios, and exhibitors to deliver higher levels of box office.

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 six months ended June 30, 2026, the Company recorded an income tax expense of $5.9 million (2025 – $8.5 million). The Company's effective tax rate of 21.2% for the six months ended June 30, 2026 (2025 – 29.4%), reflects the geographic allocation of income earned in taxing jurisdictions, tax benefit from share-based compensation, tax rate differences in foreign jurisdictions, and reversals of tax reserves, partially offset by an increase in the valuation allowance and withholding taxes.

Management evaluates the realizability of deferred tax assets on a quarterly basis by considering all available positive and negative evidence, including recent operating results, forecasts of future taxable income, and other relevant factors specific to our industry such as the success of new film releases. Based on the Company's recent operating results in Canada and its expectation of continued profitability, management believes there is a reasonable possibility that sufficient positive evidence may become available within the next twelve months to support the release of some or all of the valuation allowance recorded against its Canadian deferred tax assets. However, as of June 30, 2026, management has concluded that the available positive evidence is not yet sufficient to overcome the remaining negative evidence and support realization of those deferred tax assets. Any such release would result in a material income tax benefit in the period the conclusion is reached. At December 31, 2025, the amount of the Canadian valuation allowance was $55.5 million. The timing and amount of a valuation allowance release will depend on the Company's ability to generate sufficient taxable income in Canada, macroeconomic conditions, and other factors affecting management's assessment.

As disclosed in Note 2 - Summary of Significant Accounting Policies of the 2025 Form 10-K, the Company is subject to ongoing tax audits. Subsequent to June 30, 2026, the Company received a proposal letter from the Canada Revenue Agency related to an examination of international matters in prior taxation years. Any potential reassessment encompasses an ultimate resolution involving multiple tax jurisdictions, which may result in offsetting tax differences from what was originally recognized in its financial statements. The Company continues to believe that it has adequately accounted for all uncertain tax positions, including this pending notice of reassessment.

Non-Controlling Interests

For the six months ended June 30, 2026, the net income attributable to non-controlling interests of the Company's subsidiaries was $2.4 million, a decrease of $4.5 million, when compared to the same period in 2025, which was driven by the lower level of IMAX box office earned in Greater China.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2026, the Company's principal sources of liquidity included: (i) its balances of cash and cash equivalents of $159.9 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 June 30, 2026, the Company had $334.0 million in available borrowing capacity under its Credit Facility pursuant to its Seventh Amended and Restated Credit Agreement (the "**Credit Agreement**"), $27.9 million in available borrowing capacity under the IMAX Shanghai revolving credit facility with the Bank of China (the "**Bank of China Facility**"), and $29.4 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 $159.9 million balance of cash and cash equivalents as of June 30, 2026 (December 31, 2025 – $151.2 million) included $150.1 million in cash held outside of Canada (December 31, 2025 – $137.4 million), of which $110.5 million was held in the People's Republic of China (the "**PRC**") (December 31, 2025 – $97.2 million). In prior years, 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 six months ended June 30, 2026, no historical earnings from a subsidiary in the PRC were distributed (2025 – $nil) and, as a result, no foreign withholding taxes were paid to the relevant tax authorities (2025 – $nil). As of June 30, 2026, 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 2025 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 2025 Form 10-K. There are no material changes to these obligations and commitments as of June 30, 2026.

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.

OFF-BALANCE SHEET ARRANGEMENTS

There are currently no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Company's financial condition.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in accordance with U.S. GAAP requires management to make judgments, assumptions, and estimates that affect the amounts reported in the Company's Condensed Consolidated Financial Statements and accompanying notes. Management's judgments, assumptions, and estimates are based on historical experience, future expectations, and other factors that are believed to be reasonable as of the date of the Company's Condensed Consolidated Financial Statements. Actual results may ultimately differ from the Company's original estimates, as future events and circumstances sometimes do not develop as expected, and the differences may be material. For more information on the Company's critical accounting estimates refer to the section entitled "Critical Accounting Estimates" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2025 Form 10-K.

RECENTLY ISSUED ACCOUNTING STANDARDS

Refer to Note 2 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for a discussion of recently issued accounting standards and their impact on the Company's Condensed Consolidated Financial Statements.

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 SG&A 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 charges and other impairments; and (iv) employee retention credits, 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 non-recurring 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 net income attributable to common shareholder per diluted share 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.

(In thousands of U.S. Dollars, except per diluted share amounts)	**Three Months Ended June 30, 2026** Net Income	**Per Diluted Share**	2025 Net Income	Per Diluted Share
Net income attributable to common shareholders	**$ 15,402**	**$ 0.27**	$ 11,255	$ 0.20
Adjustments[1]:				
Share-based compensation	**7,047**	**0.13**	7,128	0.13
Unrealized investment gains	**(18)**	**–**	(33)	–
Restructuring charges and other impairments	**2,294**	**0.04**	786	0.01
Employee retention credits	**–**	**–**	(3,827)	(0.07)
Tax impact on items listed above	**(516)**	**(0.01)**	(702)	(0.01)
Adjusted net income[1]	**$ 24,209**	**$ 0.43**	$ 14,607	$ 0.26
Weighted average shares outstanding – basic		**54,951**		53,751
Weighted average shares outstanding – diluted		**56,569**		55,161

(1) Reflects amounts attributable to common shareholders.

(In thousands of U.S. Dollars, except per diluted share amounts)	**Six Months Ended June 30, 2026** Net Income	**Per Diluted Share**	2025 Net Income	Per Diluted Share
Net income attributable to common shareholders	**$ 19,628**	**$ 0.34**	$ 13,582	$ 0.25
Adjustments[1]:				
Share-based compensation	**12,855**	**0.24**	12,340	0.22
Unrealized investment gains	**(54)**	**–**	(65)	–
Restructuring charges and other impairments	**2,294**	**0.04**	843	0.02
Employee retention credits	**–**	**–**	(3,827)	(0.07)
Tax impact on items listed above	**(944)**	**(0.02)**	(1,088)	(0.02)
Adjusted net income[1]	**$ 33,779**	**$ 0.60**	$ 21,785	$ 0.40
Weighted average shares outstanding – basic		**54,537**		53,448
Weighted average shares outstanding – diluted		**56,475**		55,064

(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 charges and other impairments; (iv) write-downs, net of recoveries, including goodwill, asset impairments and credit loss expense or reversal; and (v) induced conversion expense on settlement of convertible notes.

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:

(In thousands of U.S. Dollars)		**Three Months Ended June 30, 2026**
Net income	**$**	**15,908**
Add (subtract):		
Income tax expense		**3,507**
Interest expense, net of interest income		**782**
Depreciation and amortization, including film asset amortization		**15,685**
Amortization of deferred financing costs[1]		**528**
EBITDA		**36,410**
Share-based and other non-cash compensation		**7,382**
Unrealized investment gains		**(18)**
Restructuring charges and other impairments		**2,294**
Write-downs, including asset impairments and credit loss expense		**1,898**
Total Adjusted EBITDA	**$**	**47,966**
Less: Non-controlling interest		**(2,337)**
Adjusted EBITDA per Credit Facility – attributable to common shareholders	**$**	**45,629**

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

(In thousands of U.S. Dollars)	Twelve Months Ended June 30, 2026
Net income	$ 47,120
Add (subtract):	
Income tax expense	15,212
Interest expense, net of interest income	3,169
Depreciation and amortization, including film asset amortization	62,558
Amortization of deferred financing costs[(1)]	2,056
EBITDA	130,115
Share-based and other non-cash compensation	27,232
Unrealized investment losses	878
Restructuring charges and other impairments	3,929
Write-downs, including goodwill, asset impairments and credit loss expense	9,969
Induced conversion expense on settlement of convertible notes	15,264
Total Adjusted EBITDA	$ 187,387
Less: Non-controlling interest	(13,932)
Adjusted EBITDA per Credit Facility – attributable to common shareholders	$ 173,455

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

The Company also adjusts SG&A 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.

(In thousands of U.S. Dollars)	**Three Months Ended June 30, 2026**	2025	**Six Months Ended June 30, 2026**	2025
Total Selling, general and administrative expenses	**$ 34,528**	$ 35,302	**$ 67,016**	$ 68,764
Less: Share-based compensation	**(7,315)**	(6,862)	**(13,224)**	(11,582)
Total Adjusted Selling, general and administrative expenses	**$ 27,213**	$ 28,440	**$ 53,792**	$ 57,182

The Company cautions 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 91 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. 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 RMB749.7 million ($110.1 million) in cash and cash equivalents as of June 30, 2026 (December 31, 2025 — RMB678.2 million or $96.5 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 2025 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 six months ended June 30, 2026, the Company recorded a foreign exchange net gain of $0.4 million and net loss of $0.2 million respectively, resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities (2025 — net gain of $0.2 million and net loss of $0.2 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 June 30, 2026, with settlement dates throughout 2026 and 2027. 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 June 30, 2026 was $46.3 million (December 31, 2025 — $48.4 million). Losses of $0.8 million and losses of $1.4 million were recorded to Other Comprehensive Loss with respect to the change in fair value of these contracts for the three and six months ended June 30, 2026, respectively (2025 — gains of $2.5 million and gains of $1.8 million, respectively). Gains of $0.1 million and $0.4 million were reclassified from Accumulated Other Comprehensive Loss to Selling, General and Administrative Expenses for the three and six months ended June 30, 2026, respectively (2025 — Losses of $0.3 million and $1.6 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 June 30, 2026, 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 $132.1 million. Assuming a 10% appreciation or depreciation in foreign currency exchange rates from the quoted foreign currency exchange rates as of June 30, 2026, the potential change in the fair value of foreign currency-denominated financing receivables and working capital items would have been $13.2 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 June 30, 2026, the potential change in the amount of Selling, General, and Administrative Expenses would be $0.2 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 June 30, 2026, the Company had drawn down $41.0 million on its Credit Facility (December 31, 2025 — $37.0 million), and $nil on its HSBC China Facility (December 31, 2025 — $nil) and $nil on its Bank of China Facility (December 31, 2025 — $nil), which are subject to variable effective interest rates. 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 $0.3 million.

The Company had variable rate debt instruments representing 9% and 8% of its total liabilities as of June 30, 2026 and December 31, 2025, respectively. 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 June 30, 2026.

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 2025 Form 10-K, which describes various risks and uncertainties to which the Company is or may become subject. The risk factors below update certain risk factors included in the Company's 2025 Form 10-K in light of recent events. The below risk factors and the risk factors included in the Company's 2025 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 conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales, and future growth prospects.

A significant portion of the Company's revenues and of the GBO earned by the Company's exhibitor customers are generated outside the United States and Canada. Approximately 62%, 58%, and 64% of the Company's revenues were derived outside of the United States and Canada in 2025, 2024, and 2023, respectively. As of June 30, 2026, 73% of IMAX Systems in backlog were scheduled to be installed in international markets. The Company's network spanned 91 different countries as of June 30, 2026, and the Company expects its international operations to continue to account for an increasingly significant portion of its future revenues. There are a number of risks associated with operating in international markets that could negatively affect the Company's operations, sales and future growth prospects. These risks, among others, include:

Operational and Supply Chain Risks

- difficulties in obtaining competitively priced key commodities, raw materials, and component parts from various international sources that are needed to manufacture quality products on a timely basis;

- dependence on foreign distributors and their sales channels;

- reliance on local partners in foreign territories, including in connection with JRSAs;

- difficulties in staffing and managing foreign operations;

- inability to complete installations of IMAX Systems, including as a result of material disruptions or delays in the Company's supply chains, or to collect full payment on installations thereof;

- public health concerns, including pandemics or epidemics, and regulations in response thereto, which could adversely affect the Company's and its customers' operations; and

- harm to the IMAX brand from operating in countries with records of controversial government action, including human rights abuses.

Financial and Macroeconomic Risks

- fluctuations in the value of foreign currencies versus the U.S. Dollar, potential currency devaluations, and imposition of foreign exchange controls in foreign jurisdictions;

- adverse changes in foreign government monetary and/or tax policies, and/or difficulties in repatriating cash from foreign jurisdictions (including with respect to China, where approval of the State Administration of Foreign Exchange is required);

- requirements to provide performance bonds and letters of credit to international customers to secure IMAX System component deliveries;

- less accurate and/or less reliable box office reporting;

- difficulties in establishing market-appropriate pricing; and

- economic conditions in foreign markets, including inflation.

Geopolitical, Trade, and Regulatory Compliance Risks

- new and potentially changing tariffs, trade protection measures, import or export licensing requirements, trade embargoes, sanctions and export controls, and other trade barriers, including but not limited to planned, implemented or threatened tariffs and retaliatory responses thereto, or the residual impacts and uncertainty as a result of changes in tariff or trade policy;

- new restrictions on access to markets, both for IMAX Systems and content;

- unusual or burdensome foreign laws or regulatory requirements or unexpected changes to those laws or requirements, including censorship of content that may restrict what films or other content are exhibited across the Company's network;

- local business practices that can present challenges to compliance with applicable anti-corruption and bribery laws;

- poor recognition of intellectual property rights;

- difficulties in enforcing contractual rights; and

- war, conflict, geopolitical tensions and other political, economic and social instability, terrorist attacks and security concerns, such as the ongoing conflict between Russia and Ukraine, the war in Iran and other armed conflicts in the Middle East, and escalating tensions in the Taiwan Strait, all of which could result in adverse consequences for the Company's interests in different regions of the world.

Global geopolitical tensions and actions that governments take in response and the resulting global and regional economic downturns have had and may in the future adversely impact the Company's ability to operate in such regions. For example, the ongoing conflict between Russia and Ukraine and responses thereto have had and may continue to have an adverse impact on the Company's business and results of operations in affected regions, including the continued suspension of the Company's operations across the Company's 54 theaters in the region. Three theaters in Israel and one theater in Lebanon have been impacted by closures or are operating in limited capacity due to the Iran war. The other 31 of the Company's 35 theaters in the Middle East region remain fully operational. Furthermore, disruptions to key global shipping routes, including the Strait of Hormuz, have and may continue to adversely affect global supply chains by increasing transportation time and cost as well as increasing uncertainty in the availability of critical goods and services, which may in turn impact the Company's operations. Given the uncertainty as to the scope, intensity, duration and outcome of geopolitical conflicts, it is difficult to predict the full extent of the adverse impacts of geopolitical conflicts on the Company's business and results of operations. Additionally, given the global nature of the Company's operations, any protracted conflict or the broader macroeconomic impact of geopolitical conflicts and sanctions imposed in response thereto, have had and could continue to have an adverse impact on the Company's business, results of operations, financial condition, and future performance and may also magnify the impact of other risks described herein, including the risk of cybersecurity attacks, which may impact information technology systems unrelated to the conflict, or jeopardize critical infrastructure in jurisdictions where the Company operates.

While the Company has implemented policies, internal controls, and other measures reasonably designed to promote compliance with applicable laws and regulations related to doing business internationally, any violations of these laws and regulations, or even allegations of such a violation, could disrupt the Company's operations and harm the Company's business, financial condition and results of operations. In addition, changes in United States or Canadian foreign policy can present additional risks or uncertainties as the Company continues to expand its international operations. Opening and operating theaters in markets that have experienced geopolitical or sociopolitical unrest or controversy, including through partnerships with local entities, exposes the Company to the risks listed above, as well as additional risks of operating in a volatile region. Such risks may negatively impact the Company's business operations in such regions and may also harm the Company's brand. Moreover, a deterioration of the diplomatic relations between the United States or Canada and a particular country may impede the Company's ability to conduct business in that country and have a negative impact on the Company's financial condition and future growth prospects.

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

Issuer Purchases of Equity Securities

In 2025, 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 12, 2025 (33,919,122 shares). This program expired on the date of the 2026 Annual General Meeting of IMAX China on June 11, 2026. During IMAX China's 2026 Annual General Meeting, shareholders granted its Board of Directors, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of shares as of June 11, 2026 (33,988,722 shares). This program will be valid until the 2027 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 June 30, 2026, IMAX China did not repurchase any shares.

(Refer to Note 13 to the Company's audited Consolidated Financial Statements in its 2025 Form 10-K 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.)

(2) EARNINGS RELEASE EXTRACTS

"As we enter the second half of 2026, Christopher Nolan's breathtaking *The Odyssey* – the first-ever full-length theatrical release filmed entirely with IMAX film cameras – is emerging as a transformational event for IMAX, as the purest and most complete expression yet of the power of our global platform," said Rich Gelfond, CEO of IMAX. "In its debut, *The Odyssey* achieved the biggest IMAX opening weekend of all time in like-for-like markets[(1)] and delivered the highest IMAX international market share in like-for-like markets of any major release in our history."

"*The Odyssey* has the potential to impact our business in many ways that are clear – and many ways we can't yet predict, as its success on our platform reverberates across the creative community, and throughout the entertainment landscape. In the near-term, the film gives us excellent momentum as we enter the second half of the year, with a strong slate that culminates with *Dune: Part Three*, which was also shot with IMAX film cameras and will be presented in IMAX 70mm film."

"We are very pleased with our strong results for the second quarter – in which we handily beat consensus estimates across key financial metrics – and look forward to building on our momentum to deliver global box office growth, network expansion worldwide, new opportunities for our brand and continued value for our shareholders."

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(1) IMAX global box office for The Odyssey does not include box office in South.Korea, Mainland China and Japan which open The Odyssey on Aug 5, Aug 14 and Sep 11, respectively.

Second Quarter Financial Highlights

In millions of U.S. Dollars, except per share data	Three Months Ended June 30, *(Unaudited)*			Six Months Ended June 30, *(Unaudited)*		
	2026	2025	YoY % Change	**2026**	2025	YoY % Change
Total Revenue	**$ 102.8**	$ 91.7	12%	**$ 184.2**	$ 178.4	3%
Gross Margin	**$ 62.9**	$ 53.6	17%	**$ 108.7**	$ 106.8	2%
Gross Margin (%)	**61.2%**	58.5%	270bps	**59.0%**	59.9%	(90bps)
Net Income	**$ 15.9**	$ 12.2	30%	**$ 22.0**	$ 20.4	8%
Net Income Margin (%)	**15.5%**	13.3%	220bps	**11.9%**	11.4%	50bps
Net Income Attributable to Common Shareholders	**$ 15.4**	$ 11.3	36%	**$ 19.6**	$ 13.6	44%
Net Income Per Share – Diluted[(1)]	**$ 0.27**	$ 0.20	35%	**$ 0.35**	$ 0.25	40%
Total Adjusted EBITDA[(2)(3)]	**$ 48.0**	$ 39.1	23%	**$ 78.5**	$ 76.0	3%
Total Adjusted EBITDA Margin (%)[(2)(3)]	**46.6%**	42.6%	400bps	**42.6%**	42.6%	–bps
Adjusted Net Income[(1)(2)]	**$ 24.2**	$ 14.6	66%	**$ 33.8**	$ 21.8	55%
Adjusted Earnings Per Share – Diluted[(1)(2)]	**$ 0.43**	$ 0.26	65%	**$ 0.60**	$ 0.40	50%
Weighted average shares outstanding (in millions):						
Basic	**55.0**	53.8	2%	**54.5**	53.4	2%
Diluted	**56.6**	55.2	3%	**56.5**	55.1	3%

(1) Attributable to common shareholders.

(2) Non-GAAP Financial Measure. See the discussion at the end of this earnings release for a description of the non-GAAP financial measures used herein, as well as reconciliations to the most comparable GAAP amounts.

(3) Total Adjusted EBITDA is before adjustments for non-controlling interests. Total Adjusted EBITDA per Credit Facility attributable to common shareholders, excluding non-controlling interests, was $45.6 million and $72.4 million for the three and six months ended June 30, 2026, respectively (2025 - $36.7 million and $65.7 million, respectively). The Company's Credit Facility covenant is calculated on a trailing twelve-month basis.

Second Quarter Segment Results[(1)]

	Content Solutions			Technology Products and Services		
	Revenue	Gross Margin	Gross Margin %	Revenue	Gross Margin	Gross Margin %
2Q26	$ 34.7	$ 21.9	63%	$ 64.8	$ 39.0	60%
2Q25	34.0	22.4	66%	55.6	30.2	54%
% change	2%	(2%)		16%	29%	
YTD26	$ 66.1	$ 40.2	61%	$ 113.1	$ 65.9	58%
YTD25	68.2	46.0	67%	106.2	59.3	56%
% change	(3%)	(13%)		7%	11%	

(1) Please refer to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2026 for additional segment information.

Content Solutions Segment

- Second quarter Content Solutions revenues and gross margin increased 2% to $35 million and decreased 2% to $22 million year-over-year, respectively, reflecting IMAX's diversified global model delivering a 63% gross margin.

- Second quarter global box office of $285 million marked IMAX's highest Q2 box office since 2019 and increased 1% year-over-year driven by strong 24% box office growth in International markets excluding Mainland China. Top grossing second quarter titles included *Michael* ($69 million), *The Mandalorian & Grogu* ($42 million), and *The Super Mario Galaxy Movie* ($39 million).

Technology Products and Services Segment

- Second quarter Technology Products and Services revenues and gross margin increased 16% to $65 million and 29% to $39 million year-over-year, respectively, driven by higher systems sales, rental revenues and amendments and renewals of existing agreements.

- During the second quarter of 2026, the Company installed 38 systems compared to 36 systems in the second quarter of 2025. Of the 2026 installs, 18 systems were under sales arrangements, compared to 13 in the prior year.

- Commercial network growth continued with the number of IMAX locations reaching 1,809 systems as of June 30, 2026 compared to 1,750 systems as of June 30, 2025 which includes 9% expansion of the IMAX rest of world footprint. The Company ended Q2 2026 with a backlog of 421 IMAX systems.

(1) int revenue sharing arrangements.

DEFINITIONS USED IN THIS ANNOUNCEMENT

"1HFY"	the first half of the financial year, six months ended 30 June
"Board" or "Board of Directors"	the board of directors of the Company
"CG Code"	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
"Company" or "IMAX China"	IMAX China Holding, Inc., a company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2010
"Companies Act"	the Companies Act of the Cayman Islands, as revised from time to time
"controlling shareholder", "subsidiary" and "substantial shareholder"	shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires
"Directors"	the directors of the Company and "Director" shall be construed accordingly as a director of the Company
"FY" or "financial year"	financial year ended or ending 31 December
"Greater China"	for the purposes of this document only, the Chinese Mainland, Hong Kong, Macau and Taiwan
"Group", "we", "our" or "us"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"IMAX Corporation" or the "Controlling Shareholder"	IMAX Corporation, a company incorporated in Canada with limited liability in 1967 and listed on the New York Stock Exchange (NYSE: IMAX) and our ultimate controlling shareholder, or where the context requires, any of its wholly-owned subsidiaries

"IMAX Hong Kong"	IMAX China (Hong Kong), Limited, a company incorporated in Hong Kong with limited liability on 12 November 2010, which changed its name to its present name on 16 March 2011 and a direct wholly-owned subsidiary of the Company
"IMAX Hong Kong Holding"	IMAX (Hong Kong) Holding, Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of IMAX (Barbados) Holding, Inc.
"IMAX Shanghai Multimedia"	IMAX (Shanghai) Multimedia Technology Co., Ltd., a wholly foreign-owned enterprise established under the laws of the PRC on 31 May 2011 and a direct wholly-owned subsidiary of IMAX Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Macau"	Macau Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"NYSE"	New York Stock Exchange
"PSU(s)"	performance share units
"PSU Scheme"	the performance share unit scheme adopted by the Company on 12 March 2020 and amended on 28 April 2023
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share units
"RSU Scheme"	the restricted share unit scheme adopted by the Company on 21 September 2015 and amended by shareholders at the general meeting dated 7 June 2023
"Share(s)"	Ordinary share(s) with a nominal value of US$0.0001 each in the share capital of the Company and a "Share" means any of them
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Technology License Agreements"	The technology license agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 28 October 2011, as amended from time to time
"Trademark License Agreements"	The trademark license agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 28 October 2011, as amended from time to time
"U.S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"USD", "US$", "$" or "United States dollars"	U.S. dollars, the lawful currency of the United States of America

GLOSSARY

This glossary contains explanations of certain terms used in this announcement in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

"3D"	three-dimensional
"backlog"	our backlog comprises the aggregate number of commitments for IMAX theatre installations pursuant to contracts we have entered into with exhibitors
"box office"	the gross aggregate proceeds from ticket sales received by the relevant exhibitor(s) in the relevant market(s) for the relevant type(s) of film. For example, the Greater China box office is the aggregate proceeds from ticket sales received by all exhibitors in Greater China, and the Greater China IMAX box office is the aggregate proceeds from ticket sales received by all the exhibitors in Greater China in respect of IMAX films and IMAX Original Films. We also use the concept of box office in our revenue sharing arrangements, where it refers to the aggregate proceeds from ticket sales received by exhibitors in respect of IMAX films with which we have entered into a revenue sharing arrangement
"box office revenue"	the portion of box office that is due to be paid to the Group under revenue sharing arrangements in our theatre systems business and/ or arrangements with IMAX Corporation and studios in our films business, as applicable

"Chinese language film"	a motion picture approved for theatrical release in Greater China which was produced by one or more Chinese producer(s) or jointly produced by one or more Chinese producer(s) and one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres in Greater China pursuant to a DMR production services agreement entered into by a distributor with IMAX Shanghai Multimedia or IMAX Hong Kong in their respective territories, and meets the requirements of the relevant laws and regulations of Greater China
"distributor"	an organisation that distributes films to exhibitors or, in Chinese Mainland, theatre circuits for exhibition at theatres
"exhibitor"	exhibitors are theatre investment management companies which own and operate theatres; exhibitors receive copies of films from the theatre circuits but retain control over the screening schedules
"full revenue sharing arrangement"	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for a portion of that exhibitor's box office generated from IMAX films over the term of the arrangement, and no, or a relatively small, upfront payment
"Hollywood film"	an imported motion picture for theatrical release in global network which has been produced by one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres pursuant to a DMR production services agreement entered into between IMAX Corporation and a distributor and the importation and release of such motion picture has been permitted in accordance with the relevant laws and regulations of Greater China
"hybrid revenue sharing arrangement"	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for an upfront fee that is typically half of the payment under a sales arrangement and a portion of that exhibitor's box office generated from IMAX films over the term of the arrangement, that is typically half of that under a full revenue sharing arrangement
"IMAX DMR"	the proprietary digital re-mastering process or any other postproduction process and/or technology used by IMAX Corporation in connection with the conversion of a conventional film into an IMAX film

"IMAX film"	a film converted from a conventional film using DMR technology
"IMAX Original Film"	any IMAX film invested in, produced or co-produced by IMAX Corporation and released to IMAX theatres, and/or for which IMAX Corporation owns and/or controls its theatrical distribution rights
"IMAX theatre"	any movie theatre in which an IMAX screen is installed
"multiplex"	a movie theatre with more than one screen for the exhibition of films
"Other Film"	a motion picture which was converted into IMAX format and released to IMAX theatres in Greater China, excluding all Hollywood films or Chinese language films
"revenue sharing arrangement"	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for, among other things, a portion of that exhibitor's box office generated from IMAX films over the term of the arrangement; our revenue sharing arrangements are either full revenue sharing arrangements or hybrid revenue sharing arrangements (See the separate glossary explanations for these terms)
"sales arrangement"	an arrangement with an exhibitor pursuant to which we sell that exhibitor an IMAX theatre system for a fee and the exhibitor agrees to pay us on-going royalty fees for use of the IMAX brand and technology over the term of the arrangement
"studio"	an organisation that produces films (which may include all or some of script writing, financing, production team and equipment sourcing, casting, shooting and post production), owns the copyright to the films it produces and works with distributors to release those films at theatres

"take rate"	a film studio's share of box office generated from a particular film, after making certain tax and other deductions
"theatre circuit"	an organisation that distributes newly released films to theatres within that circuit; every theatre in Chinese Mainland must be affiliated with a theatre circuit

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

Hong Kong, 23 July 2026

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.