



IMAX China Reports Full-Year 2020 Financial Results

March 4, 2021

GREATER CHINA HIGHLIGHTS

- IMAX China returned to profitability in the second half of 2020 driven by substantial pent-up demand for moviegoing and record performance of local language titles.
- The Company generated second-half total box office of US\$92 million, approximately 80% of the prior year period on an average daily basis despite capacity restrictions and the temporary delay of major Hollywood tentpole releases.
- Strong start to 2021 with record breaking Chinese New Year opening weekend box office and over 1 million single-day admissions - first-time ever in any global market.
- IMAX China delivered significantly increased indexing year-over-year in local language blockbusters, including 'The Eight Hundred', 'Detective Chinatown 3', 'Legend of Deification' and 'Shockwave 2'.
- The IMAX China network reached 745 systems as of December 31, 2020, across over 200 cities. Including 251 systems in the backlog, this brings the total number of contracted IMAX theatres in Greater China to approximately 1,000.
- Despite the COVID-19 earnings impact, the Company maintained a stable final dividend per share of US\$0.02 for 2020, and announced to increase its 2021 dividend payout ratio to 50% of net income, up from the 33% it had paid out during the pre-COVID years of 2017 to 2019.

SHANGHAI, March 4, 2021 /PRNewswire/ -- IMAX China Holding, Inc. ("IMAX China" or the "Company", HKG: 1970) today reported full-year 2020 results highlighted by second-half box office which returned to 80% of the prior year period on an average daily basis, and continued network growth as theatres reopened in late July. Greater China revenue for the full-year 2020 was approximately US\$52.3 million, down 58% year-over-year, and adjusted net loss of approximately US\$4.6 million, due to COVID-related theatre closures from late January to late July. Total revenue of approximately US\$45.6 million and a profitability turnaround to approximately US\$10.9 million adjusted earnings for the second-half of 2020 reflects a strong rebound in box office despite the temporary delayed release of major Hollywood tentpole films, as well as increased installation activities. For adjustments to profit for the period and a full detail of financial results, please refer to the corporate filing posted with the Hong Kong Stock Exchange or to the earnings results posted on the Investor Relations section of the IMAX China web site (<http://www.imax.cn/investor>).



"We are pleased to see an impressive resurgence in box office upon theatre reopenings as Chinese audiences come back to IMAX – more than ever – underscoring the growing demand for blockbusters and the strength of our brand as the pinnacle of a premium out of home entertainment experience," said Richard L. Gelfond, Chairman of IMAX China. "Despite the unprecedented challenges in 2020, we hit new records in multiple key theatrical windows, including National Holiday, New Year's Day and Chinese New Year, highlighted by our meaningful market share gains in local language titles as productions increasingly lend themselves to IMAX. Our continued signings momentum with leading exhibitors, including Wanda and Jinyi, and our backlog of 251 theaters illustrates our partners' long-term commitment to the IMAX Experience."

"IMAX China's premium positioning built upon our brand, technology and network scalability has only been further strengthened post-pandemic as theatrical entertainment increasingly calls upon differentiated offerings in both content and exhibition," said Mr. Gelfond. "Given the recent recovery in our business, strong cash position and the recurring cash flow generating ability of our network, we are happy to announce we maintained a stable annual dividend per share in 2020 as in prior years and will increase our future dividend payout ratio from 33% to 50% of net income, despite the earnings impact from COVID-19 in 2020."

"Despite a six-month theatre closure and the temporary delay of major Hollywood tentpoles, IMAX China delivered box office share gains with local language blockbusters, continued network growth and expansion in new theatre signings— a strong testament to IMAX China's commercial value to consumers, filmmakers and exhibition partners," said Edwin Tan, Chief Executive Officer of IMAX China. "We feel very well-positioned to continue delivering above-industry growth on our strengthening footprint in local language films and a film slate increasingly empowered with IMAX DNA"

IMAX China Dividend

IMAX China today announced that its Board of Directors recommended the payment of a final dividend of US\$0.02 per share or approximately US\$7 million in total, based on the total number of shares in issue as of 31/12/2020. The dividend will need to be voted on by the shareholders at the Company's annual general meeting. IMAX China also announced a dividend payout ratio of 50% of net income from 2021 onwards, up from the 33% it had paid out during the pre-COVID years of 2017 to 2019.

Recent Developments

In February 2021, to maximize liquidity, the Company sold all of its 7,949,000 shares of Maoyan for total gross proceeds of US\$17.8 million.

Network Update

Despite COVID-19 related theatre closures through late July, the Company delivered further network expansion with a total of 745 systems in the IMAX® theatre network in Greater China as of December 31, 2020. The Company signed agreements for 38 theater systems in full year 2020, bringing total backlog to 251 theater systems as of December 31, 2020. Signings were headlined by a 20-theatre agreement with Wanda, the largest exhibitor in China, and a 12-theatre deal with Jinyi, the second-largest exhibition partner of IMAX China. Both agreements involve upgrades of top performing theaters to IMAX with Laser® projection systems and the addition of new IMAX locations across the country.

The Company installed 42 new and upgraded theatre systems during the full-year 2020, compared to 95 installations in 2019. The year-over-year decline is due to suspended development activities through a portion of the third quarter as a result of COVID-19. Among the 745 systems in Greater China as of December 31, 2020, 376 operate under full revenue sharing arrangements, 106 under hybrid revenue sharing arrangements and 263 operate under sales arrangements.

Box Office Update

The Company's refined local language programming strategy, expanding network and growing consumer recognition as the 'go-to' destination for blockbusters drove a strong rebound of IMAX China's gross box office to approximately US\$92 million since theatres reopened in mainland China late July through end of 2020. This represents an approximately 3.6% box office market share, up from 2.8% in the prior year period. In 2020, the top five grossing titles accounted for 47% of industry box office in mainland China, all of which were available in the IMAX theatre network.

Greater China Key Metrics

	Twelve months ended December 31,	
	2020	2019
Greater China Signings		
Sales	20	20
Revenue Share	1	43
IMAX with Laser Upgrade	17	1
Total	38	64
Greater China Theatre Installations		
Sales	15	27
Revenue Share	21	56
IMAX with Laser Upgrade	3	12
Relocation	3	0
Total	42	95
Greater China Network		
Commercial Multiplex	729	702
Institutional	16	15
Total	745	717
Greater China Backlog	251	253
IMAX Greater China Box Office	US\$99 million	US\$366 million
Film Count		
Mainland China	25	44
HK/ Taiwan Only	8	7
Total	33	51

Conference Call

The Company will host a conference call on March 5, 2021 at 8:00 AM Hong Kong Time to discuss its full-year 2020 financial results. To access the call via telephone, interested parties in the US and Canada should dial (866) 548-4713 approximately 5 to 10 minutes before the call begins. Hong Kong callers should dial 800-961-105 or +852 3008 1527 and other international callers should dial (647) 484-0477. The conference ID for the call is 6603768. A replay of the call will be available via webcast at www.imax.cn/investor/l-en or via telephone by dialing (888) 203-1112 (US and Canada), or (647) 436-0148 (international). The Conference ID for the telephone replay is 6603768.

About IMAX China

IMAX China is a subsidiary of IMAX Corporation, and was incorporated as a limited liability company under the laws of Cayman Islands. IMAX China was established by IMAX Corporation specifically to oversee the expansion of IMAX's business throughout Greater China. IMAX China trades on the Hong Kong Stock Exchange under the stock code "1970".

About IMAX Corporation

IMAX Corporation, an innovator in entertainment technology, combines proprietary software, architecture and equipment to create experiences that take you beyond the edge of your seat to a world you've never imagined. Top filmmakers and studios are utilizing IMAX theatres to connect with audiences in extraordinary ways, and, as such, IMAX's network is among the most important and successful theatrical distribution platforms for major event films around the globe.

IMAX Corporation is headquartered in New York, Toronto and Los Angeles, with additional offices in London, Dublin, Tokyo, and Shanghai. As of December 31, 2020, there were 1,650 IMAX theater systems (1,562 commercial multiplexes, 12 commercial destinations, 76 institutional) operating in 84 countries and territories. On Oct. 8, 2015, shares of IMAX China, a subsidiary of IMAX Corp., began trading on the Hong Kong Stock Exchange under the stock code "1970".

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This press release contains forward looking statements that are based on IMAX Corporation and IMAX China management's assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward looking statements. Important factors that could affect these statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business and technology strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of business, operations and technology, plans and references to the future success of IMAX Corporation, IMAX China or any other consolidated subsidiaries of IMAX Corporation (each, a "Group Member", and collectively, "IMAX Group") and expectations regarding the future operating, financial or technological results of any Group Member. These forward-looking statements are based on certain assumptions and analyses made by the IMAX Group 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 any Group Member is subject to a number of risks and uncertainties, including, but not limited to, risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; risks related to IMAX Group's growth and operations in China; the performance of IMAX DMR films; the signing of theater system agreements; conditions, changes and developments in the commercial exhibition industry; risks related to currency fluctuations; the potential impact of increased competition in the markets within which any Group Member operates; competitive actions by other companies; the failure to respond to change and advancements in digital technology; one Group Member's largest customer accounting for a significant portion of its revenue and backlog; risks related to new business initiatives; conditions in the in-home and out-of-home entertainment industries; the opportunities (or lack thereof) that may be presented to and pursued by a Group Member; risks related to cyber-security; risks related to any Group Member's inability to protect its intellectual property; general economic, market or business conditions; the failure to convert theater system backlog into revenue; changes in laws or regulations; the failure to fully realize the projected cost savings and benefits from any Group Member's restructuring initiative; and other factors, many of which are beyond the control of any Group Member. These factors, other risks and uncertainties and financial details are discussed in IMAX Corporation's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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