IMAX

First Quarter 2020 Financial Results

April 30, 2020

Forward-Looking Statements

This presentation contains forward looking statements that are based on IMAX® 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 together with its consolidated subsidiaries (the "Company") and expectations regarding the Company's 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 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 the Company'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 the Company operates; competitive actions by other companies; the failure to respond to change and advancements in digital technology; risks relating to recent consolidation among commercial exhibitors and studios; 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 the Company; risks related to cyber-security and data privacy; risks related to the Company's inability to protect the Company's 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 of the Company's restructuring initiatives; the impact of COVID-19 on our financial condition and results of operations and on the businesses of our customers and exhibitor partners; and other factors, many of which are beyond the control of the Company. These factors, other risks and uncertainties and financial details are discussed in IMAX's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. 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.

Strategic Update

Richard Gelfond

Chief Executive Officer

Investment Highlights

Financial Foundation

1. Strong balance sheet; $352M of cash with $300M revolver fully drawn
2. Estimated $10M monthly cash burn rate
3. Flexible, asset-light business model

Positioned for Recovery

4. Trusted brand
5. Diversified global network
6. Excellent content pipeline through 2021

Source: Company Data

Operational focus: risk mitigation, cost discipline, and maintain readiness to resume operations

Financial Performance

Q1 Result Headwinds:

Theater Closures:

- ~700 China theaters close in late-January 2020
- Majority of ex-China screens close through March

Content Delays:

- Chinese New Year titles slated for Q1 postponed as a result of theater closures
- All major Q1 Hollywood releases delayed to second half of 2020 or 2021

Source: Company Data

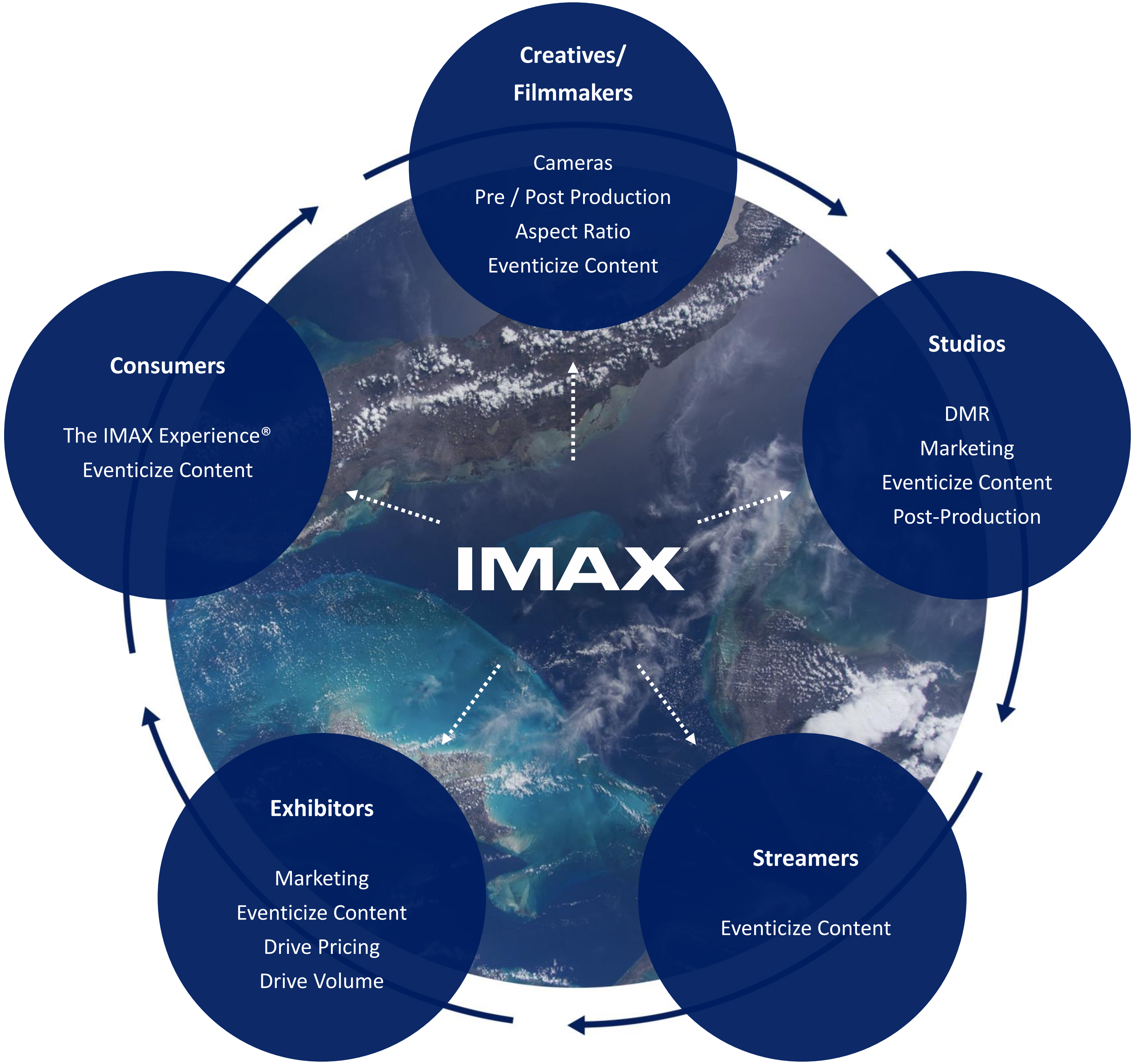
$ in millions, except per share	YoY	Q1 2020	Q1 2019
Revenue	↓	$34.9	$80.2
Global Box Office	↓	$95.2	$256.3
Global Commercial Theatre Network	↑	1,526	1,420
Gross Margin ($)	↓	$5.1	$45.1
Gross Profit Margin (%)	↓	15%	56%
GAAP Net (Loss) Income	↓	($59.4)	$12.5
EPS	↓	($0.82)	$0.13
Net (Loss) Income[1]	↓	($49.4)	$8.3
Adj. EPS[1]	↓	($0.48)	$0.18
Adj. EBITDA ($)[1]	↓	($4.4)	$28.5
Adj. EBITDA Margin (%)[1]	↓	(13.1%)	39.8%

[1] Attributable to common shareholders.
See appendix for reconciliation and definition of non-GAAP financial results.

Financial results driven by Coronavirus theater closures

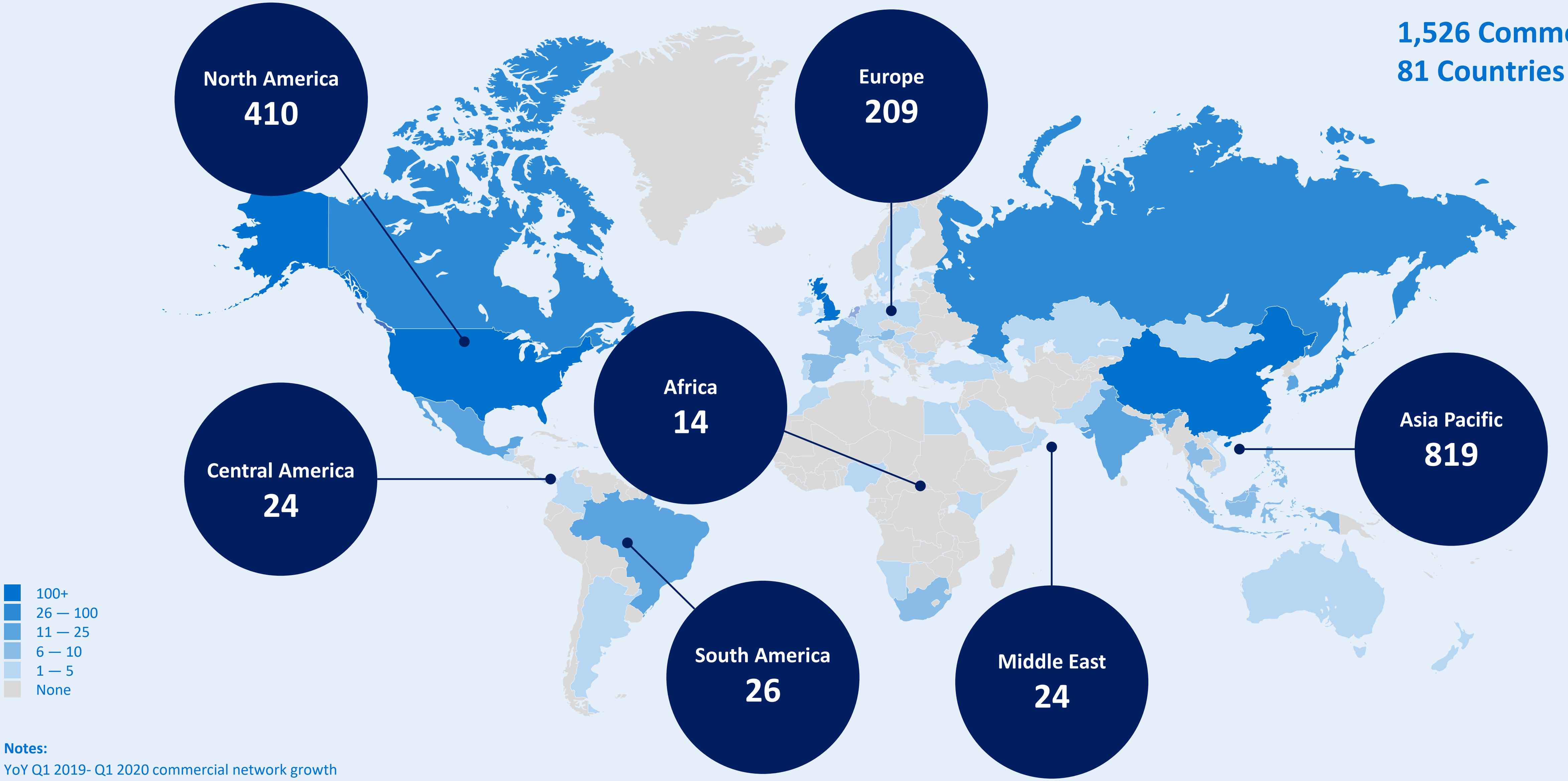
The IMAX Ecosystem

Deeply Embedded in
the Fabric of the Global
Entertainment Industry



IMAX is a Global Brand; Network Grows by 7% YOY

1,526 Commercial Theatres in 81 Countries and Territories



Notes:
YoY Q1 2019- Q1 2020 commercial network growth

Source: Company Data

73% of IMAX Network is Located in International Markets

Exhibition in Recovery

Recession Resistant

- Inexpensive, out of home entertainment
  - Viewed as an affordable luxury
- Historical U.S Box Office in recessions:
  - 2009 +10%
  - 2008 -0.3%
  - 2002 +13%
  - 2001 +8%

Low Risk Openings

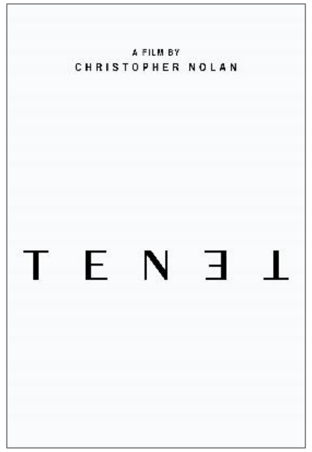
- IMAX openings should be low risk
  - Limited fixed costs that need scaling
- IMAX can be profitable at limited capacity
- Theater openings likely to include:
  - Discounted tickets
  - Capacity constraints for social distancing
  - Library content to build traffic

Content Pipeline

- Pent-up demand for out of home entertainment
  - Moviegoing likely to resume before concerts & sporting events
- All blockbuster movies rescheduled
- Backlog of marquee titles
- "Blockbusterization" is good for IMAX

IMAX is well positioned to ramp-up quickly when theaters re-open

Second Half 2020 Content Slate as of April 30, 2020*



TENET (July)

Mulan (July)

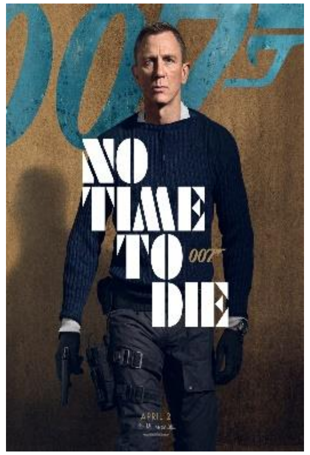
Wonder Woman 1984 (August)

Quiet Place II (September)

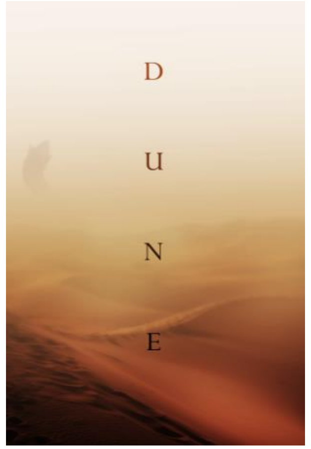
The King's Man (September)

Black Widow (November)

Godzilla vs. Kong (November)



No Time to Die (November)



Dune (December)

Top Gun: Maverick (December)

Detective Chinatown 3 (LL – TBD)

Strong content schedule slated for second half; IMAX DNA and box office re-opening potential to drive demand

= Indicates IMAX DNA

*Release schedule contingent on studio scheduling

Blockbuster 2021 Around the Corner

MARVEL STUDIOS	THE ETERNALS	(February)
UNIVERSAL	FAST & FURIOUS 9	(April)
MARVEL STUDIOS	SHANG-CHI and the Legend of the Ten Rings	(May)
UNIVERSAL	JURASSIC WORLD 3	(June)
SONY PICTURES	VENOM 2	(June)
	SUICIDE SQUAD	(August)
	THE BATMAN	(October)
MARVEL STUDIOS / SONY PICTURES	SPIDER-MAN (Untitled)	(November)
	MISSION: IMPOSSIBLE 7	(November)
20TH CENTURY STUDIOS	AVATAR 2	(December)

Release schedule as of April 30, 2020

Financial Review

Patrick McClymont

Chief Financial Officer

Balance Sheet & Liquidity

$ in millions

		As of March 31, 2020
Cash & Cash Equivalents		**$352.3**
Cash & Cash Equivalents in PRC	$67.8	
Revolver Facility (Due June 2023) [1]		**$300.0**
Facility Utilized	$300 [2]	
Total Available Liquidity		**$352.3**

- IMAX has no funded term debt and $10 million per month in estimated cash burn
- IMAX Corporation repurchased a total of 2.5 million shares in Q1 2020 at an average price of $14.72, totaling approximately $36.6 million
- IMAX China repurchased a total of 480.6 thousand shares in Q1 2020 at an average price of $1.85, totaling approximately $889.1 thousand.

[1] Does not include uncommitted accordion feature which would allow Company to expand borrowing capacity to a total of $440 million, subject to certain conditions.
[2] Excludes the impact of $0.1 million of deferred financing fees.

Source: Company Data

Strong balance sheet provides flexibility; key point of differentiation of our model

Cost Control Efforts

Early February

Actions taken:

- Curtailed growth initiatives
- Consulting projects and non-core marketing
- T&E
- Non-essential capital expenditures

March

Actions taken:

- Temporary non-staff employees
- Overtime
- Contractors
- Interns

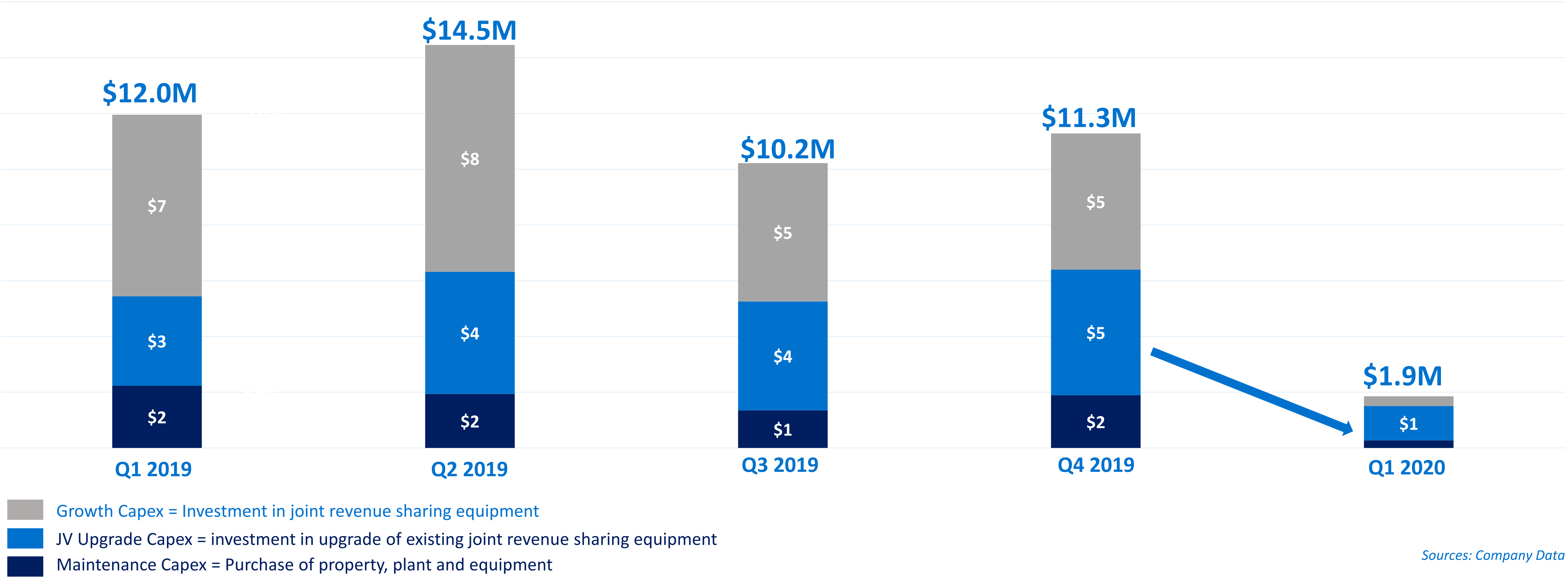
April

Actions taken:

- 4 day work week for majority of organization
- 2-3 day work week for departments with limited product demand

Cost control actions taken to maintain maximum financial flexibility during COVID-19 crisis

Capex Breakdown – Growth vs. Maintenance



Sources: Company Data

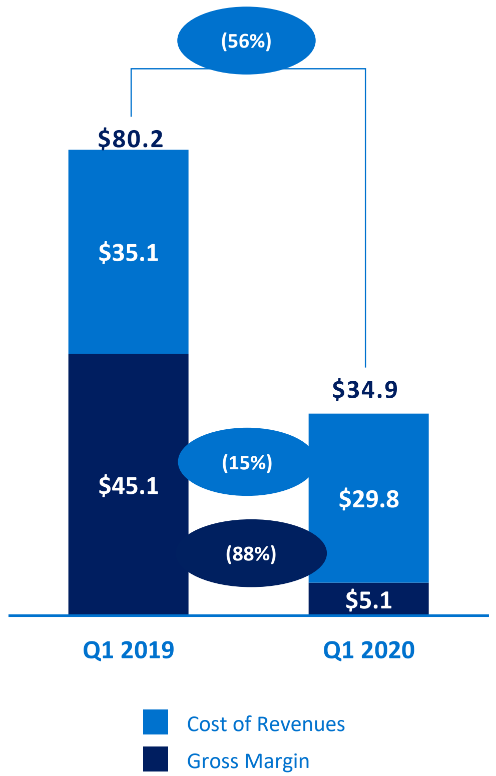
Flexible financial model allows for the ability to quickly reduce growth Capex spending

Q1 2020 Financial Summary

$ in Millions, Except EPS Data

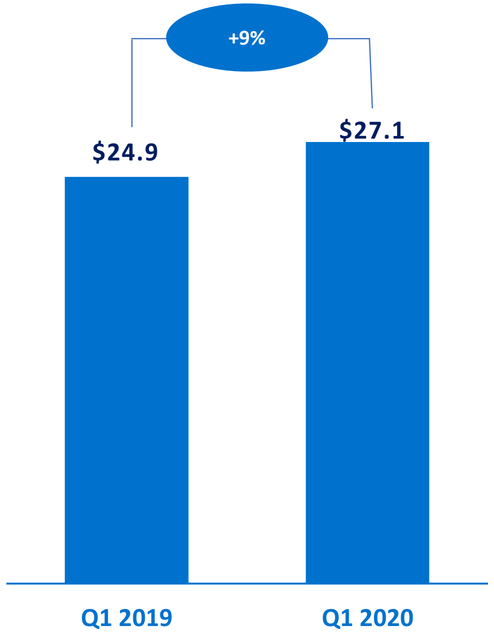
Revenue / Gross Margin

Revenue (56%)



Operating Expenses [1]

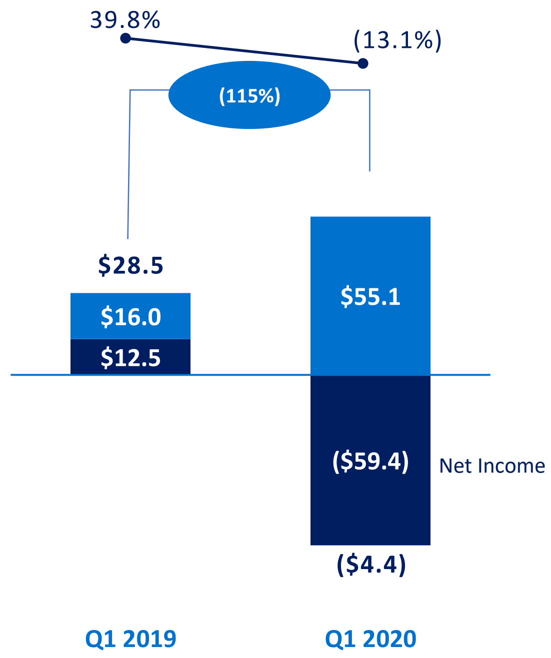
Operating Expenses +9%



[1] Operating expenses defined as selling, general and administrative expenses, plus R&D costs, less stock-based compensation.

Earnings

Adj. EBITDA

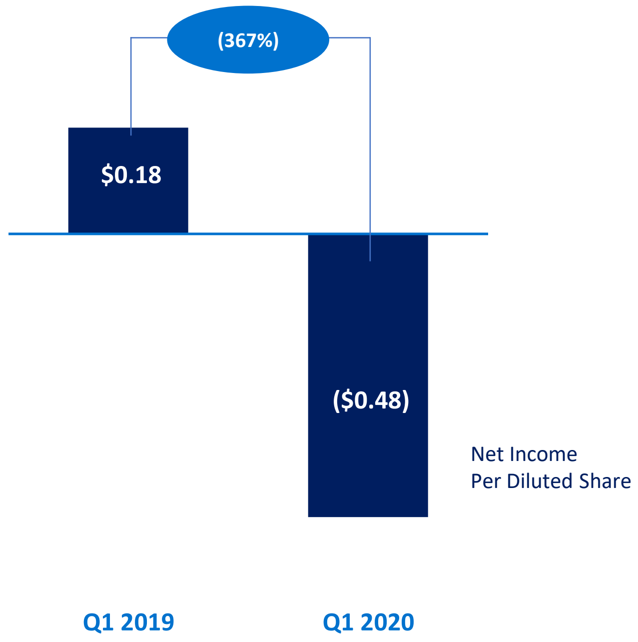


Adj. EBITDA Margin (%)

Reflects the add-back / reduction of items consistent with our definition of adjusted EBITDA as shown on slide 23.

Earnings Per Share

Adj. EPS



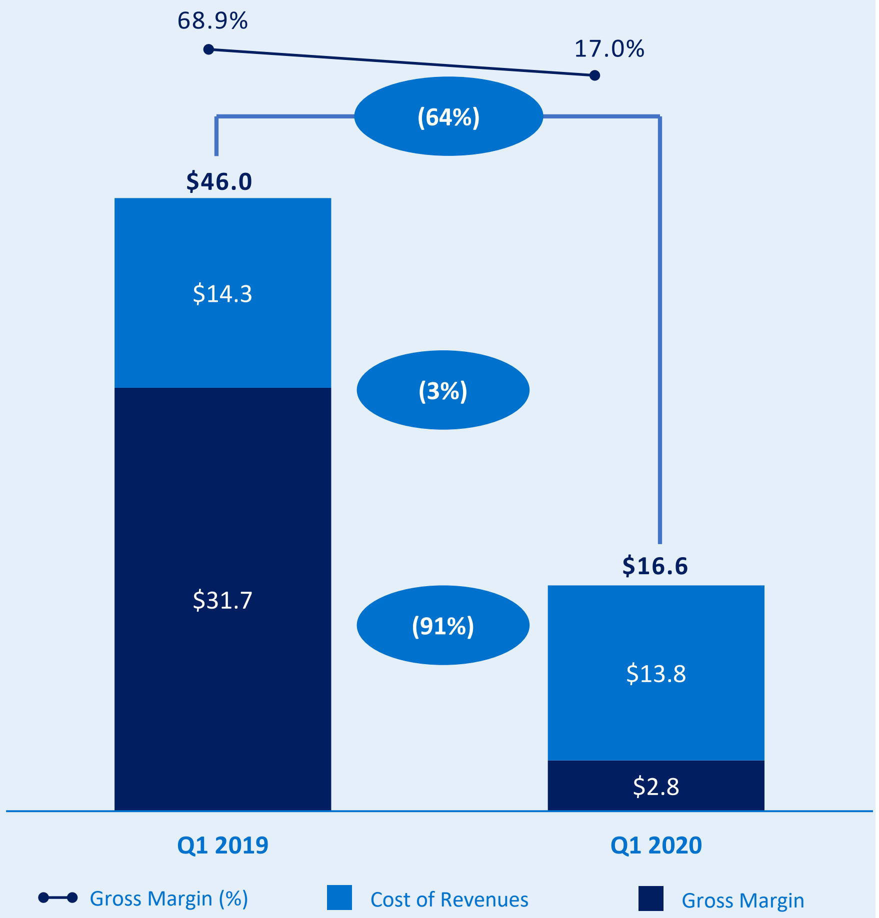
Source: Company Data

Revenue and margin compression amidst mass theater closures; steps being taken to ensure cost control

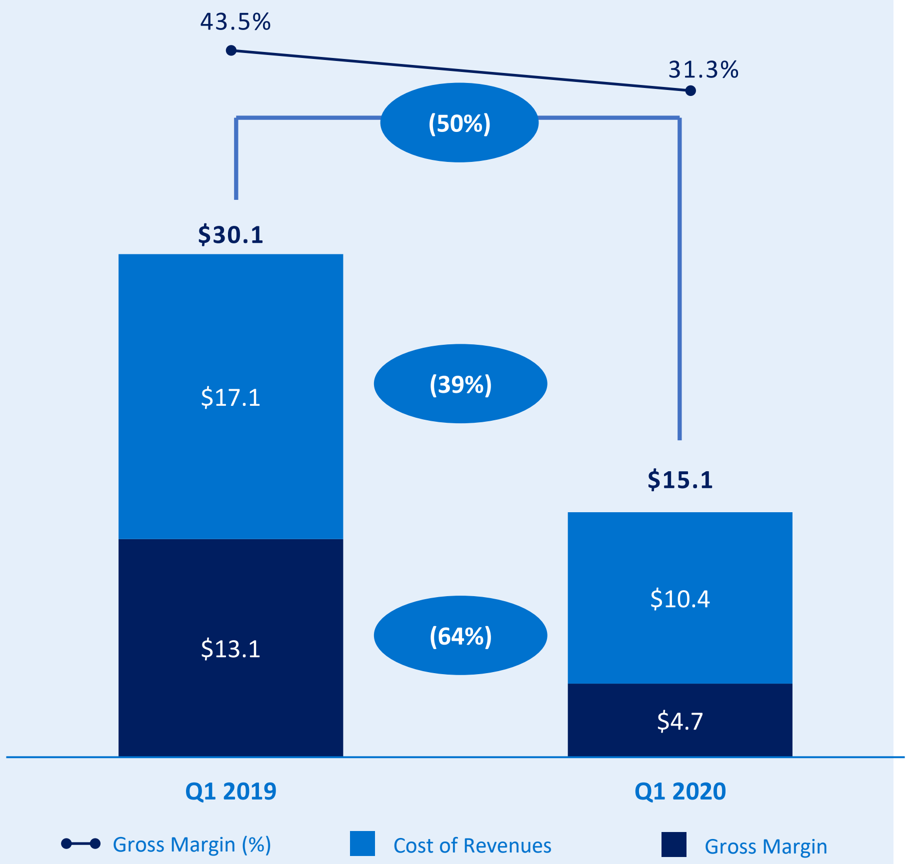
Q1 2020 Segment Detail

$ in millions

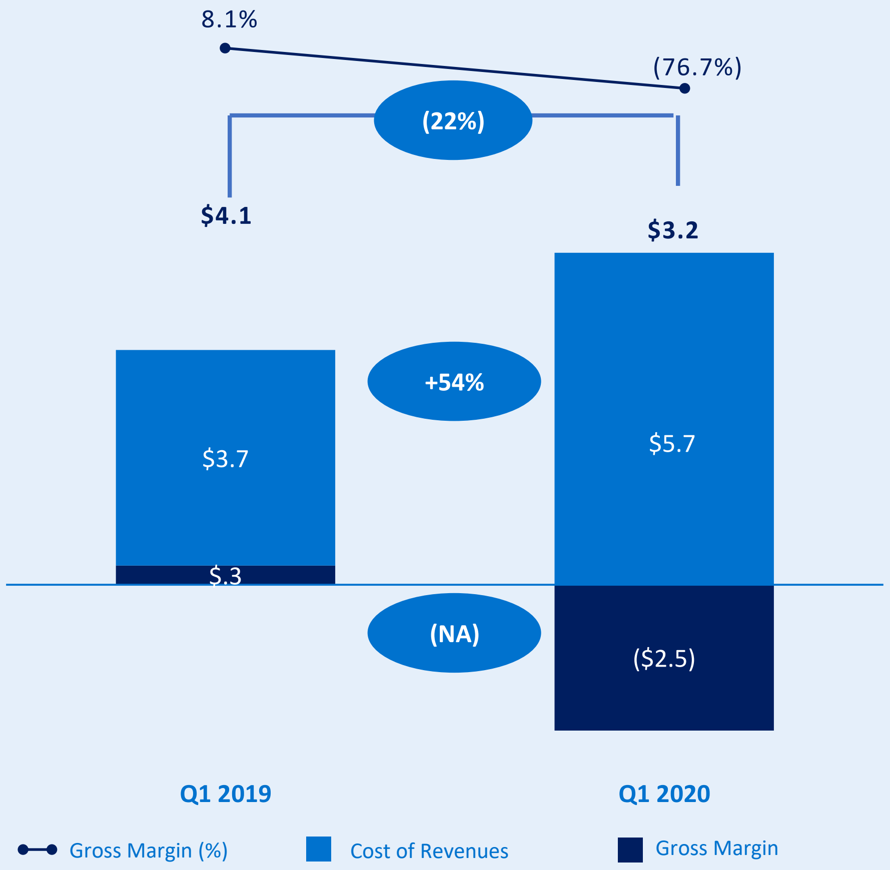
IMAX Technology Network



IMAX Technology Sales & Maintenance



New Business Initiatives & Film Distribution and Post-Production



Source: Company Data

Other Items

$ in millions, except per share

Items	Amount[4]	Per Share[4]
China reinvestment assertion[1]	$13.7	$0.23
Provision related to Current Expected Credit Losses[2]	5.9	0.10
Content impairments[3]	2.0	0.03
Other write-downs	0.8	0.01
Total Items	$22.5	$0.37

(1) Deferred income tax charge related to the Company's decision in the first quarter of 2020 to no longer indefinitely reinvest historical earnings from its Chinese mainland business. The Company had previously planned to keep these funds overseas and, as a result, was not required to accrue withholding taxes. The change in the Company's plans reflects its desire for increased capital allocation flexibility to repatriate cash from the Chinese mainland to support dividends.

(2) Q1 Impact reflects provision for credit losses primarily on the Company's theater receivables as a result of the current pandemic-related challenges facing the exhibition industry. On Jan. 1, 2020, the Company adopted ASU No. 2016-13 which amends previously issued guidance regarding the impairment of financial instruments by creating an impairment model that is based on expected losses rather than incurred losses.

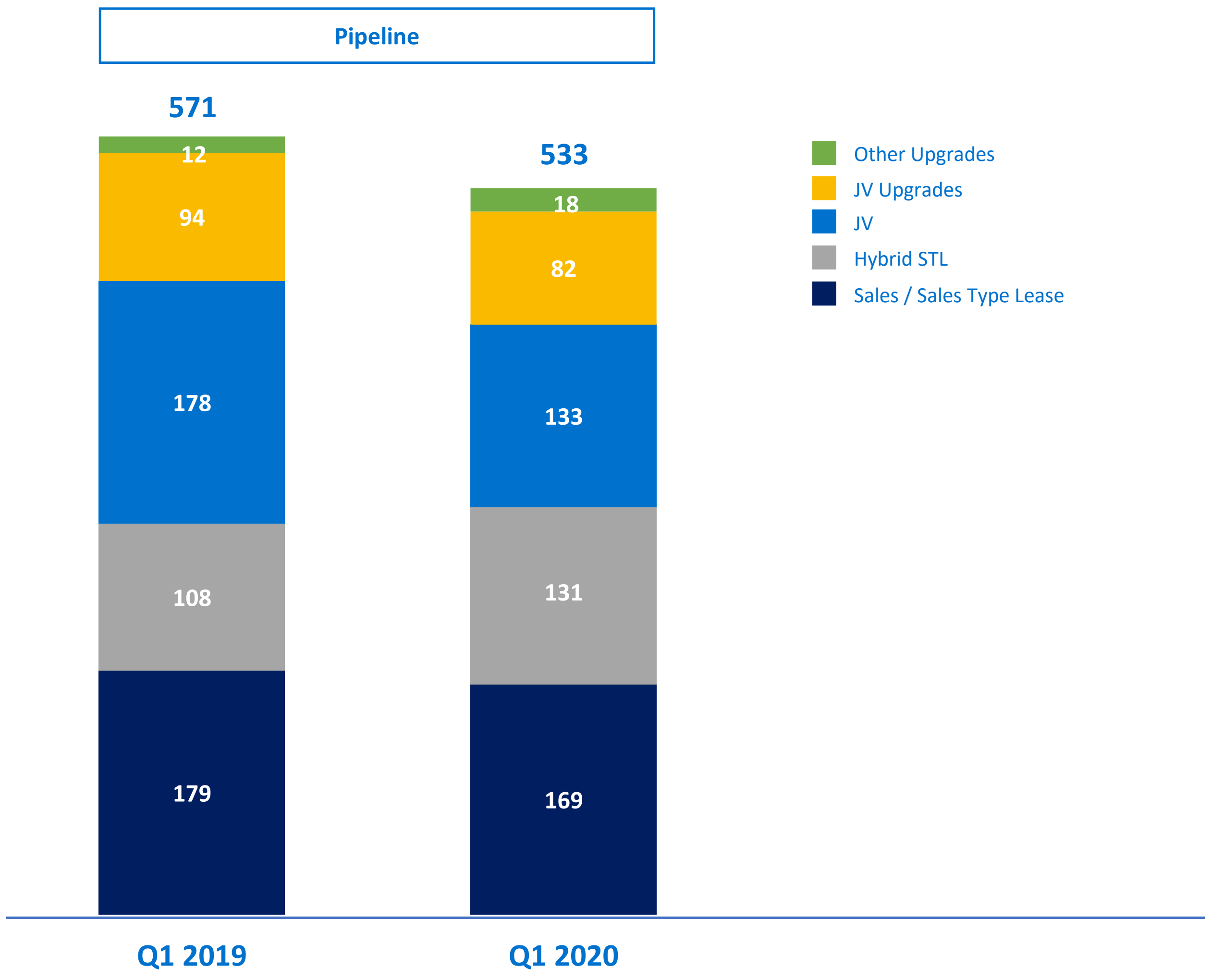
(3) Impairments related to the write-down of various production projects

(4) Figures are net of tax and attributable to common shareholders

Other items impacting Q1 2020 results

Network Update – IMAX Systems Pipeline

	Q1 2020	
	Total Signings	**Total Installations**
Sales and STL	2	2
Hybrid STL	0	1
JV's	2	2
Upgrades	11	7
JV Upgrades	10	7
Other Upgrades	1	0
Total	**15**	**12**



Source: Company Data

Exceeded installation guidance for Q1; pipeline continues to shift toward non-JV

Appendix

Use of Non-GAAP Financial Measures

In this earnings presentation, the Company presents adjusted net income, adjusted net income per diluted share, adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share, EBITDA, Adjusted EBITDA per Credit Facility, adjusted EBITDA margin, free cash flow and return on invested capital as supplemental measures of performance of the Company, which are not recognized under U.S. GAAP. The Company presents adjusted net income and adjusted net income per diluted share because it believes that they are important supplemental measures of its comparable controllable operating performance and it wants to ensure that its investors fully understand the impact of its stock-based compensation (net of any related tax impact) and non-recurring charges on net income. In addition, the Company presents adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share because it believes that they are important supplemental measures of its comparable financial results and could potentially distort the analysis of trends in business performance and it wants to ensure that its investors fully understand the impact of net income attributable to non-controlling interests and its stock-based compensation (net of any related tax impact) and non-recurring charges in determining net income attributable to common shareholders. Management uses these measures to review operating performance on a comparable basis from period to period. However, these non-GAAP measures may not be comparable to similarly titled amounts reported by other companies. Adjusted net income, adjusted net income per diluted share, adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share should be considered in addition to, and not as a substitute for, net income and net income attributable to common shareholders and other measures of financial performance reported in accordance with U.S. GAAP.

The Company is required to maintain a minimum level of "EBITDA", as such term is defined in the Company's credit agreement (and which is referred to herein as "Adjusted EBITDA per Credit Facility", as the credit agreement includes additional adjustments beyond interest, taxes, depreciation and amortization). EBITDA and Adjusted EBITDA per Credit Facility (each as defined above) should not be construed as substitutes for net income or as better measures of liquidity as determined in accordance with U.S. GAAP. The Company believes that EBITDA, Adjusted EBITDA per Credit Facility and Adjusted EBITDA margin are relevant and useful information widely used by analysts, investors and other interested parties in the Company's industry. Accordingly, the Company is disclosing this information to permit a more comprehensive analysis of its operating performance and to provide additional information with respect to the Company's ability to comply with its credit agreement requirements.

Free cash flow is defined as cash provided by operating activities minus cash used in investing activities (from the condensed consolidated statements of cash flows). Cash provided by operating activities consist of net income, plus depreciation and amortization, plus the change in deferred income taxes, plus other non-cash items, plus changes in working capital, less investment in film assets, plus other changes in operating assets and liabilities. Cash used in investing activities includes capital expenditures, acquisitions and other cash used in investing activities. Management views free cash flow, a non-GAAP measure, as a measure of the Company's after-tax cash flow available to reduce debt, add to cash balances, and fund other financing activities. Free cash flow does not represent residual cash flow available for discretionary expenditures. A reconciliation of cash provided by operating activities to free cash flow is presented on a subsequent slide of this earnings presentation.

Primary Reporting Groups

The Company has the following reportable segments: (i) IMAX DMR; (ii) Joint Revenue Sharing Arrangements; (iii) IMAX Systems, (iv) IMAX Maintenance; (v) Other Theater Business; (vi) New Business Initiatives; (vii) Film Distribution; and (viii) Film Post-production.

The Company organizes its reportable segments into the following four categories, identified by the nature of the product sold or service provided:

- IMAX Technology Network, which earns revenue based on contingent box office receipts and includes the IMAX DMR segment and contingent rent from the Joint Revenue Sharing Arrangement ("JRSA") segment;
- IMAX Technology Sales and Maintenance, which includes results from the IMAX Systems, IMAX Maintenance and Other Theater Business segments, as well as fixed revenues from the JRSA segment;
- New Business Initiatives, which is a segment that includes activities related to the exploration of new lines of business and new initiatives outside of the Company's core business; and
- Film Distribution and Post-production, which includes activities related to the distribution of films primarily for the Company's institutional theater partners (through the Film Distribution segment) and the provision of film post-production and quality control services (through the Film Post-production segment).

The Company is presenting information at a disaggregated level to provide more relevant information to readers.

Q1 2020 Non-GAAP Financial Reconciliation — Adj. Earnings Per Share

$ in Thousands, Except EPS Data

	March 31, 2020		March 31, 2019	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Reported net (loss) income attributable to common shareholders	$ (49,354)	$ (0.82)	$ 8,265	$ 0.13
Adjustments:				
Share-based compensation	4,075	0.07	4,277	0.07
Exit costs, restructuring charges and associated impairments	—	—	850	0.01
Change in fair value of equity securities	3,165	0.05	(1,700)	(0.02)
Tax impact on items listed above	(338)	(0.01)	(881)	(0.01)
Income tax expense related to removal of indefinitely reinvested assertion on the historical earnings of certain subsidiaries	13,726	0.23	—	—
Adjusted net (loss) income	$ (28,726)	$ (0.48)	$ 10,811	$ 0.18
Weighted average basic shares outstanding		60,418		61,377
Weighted average diluted shares outstanding		60,418		61,559

Q1 2020 Non-GAAP Financial Reconciliation — Adj. EBITDA

$ in Thousands

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019	For the 12 Months Ended March 31, 2020[1]	For the 12 Months Ended March 31, 2019[1]
Reported net (loss) income attributable to common shareholders	$ (49,354)	$ 8,265	$ (10,753)	$ 22,604
Add (subtract):				
Provision for income taxes	10,949	2,721	21,369	5,193
Interest expense, net of interest income	253	270	930	655
Depreciation and amortization, including film asset amortization	14,012	12,964	59,502	53,148
EBITDA	$ (24,140)	$ 24,220	$ 71,048	$ 81,600
Stock and other non-cash compensation	4,158	4,414	22,697	22,594
Change in fair value of equity investment	3,165	(1,700)	5,218	(1,700)
Write-downs, including asset impariments and credit loss expense	11,928	655	17,040	2,917
Exit costs, restructuring charges, and associated impairments	-	850	-	9,690
Legal arbitration award	-	-	-	11,737
Executive transition costs	-	-	-	2,994
Loss from equity accounted investments	529	84	442	371
Adjusted EBITDA attributable to common shareholders	$ (4,360)	$ 28,523	$ 116,445	$ 130,203
Adjusted revenues attributable to common shareholders [2]	$ 33,306	$ 71,724	$ 319,236	$ 332,489
Adjusted EBITDA margin attributable to common shareholders	(13.1) %	39.8 %	36.5 %	39.2 %

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(1) Senior Secured Net Leverage Ratio calculated using twelve months ended Adjusted EBITDA per Credit Facility.

(2)

	Three months ended March 31, 2020		Three months ended March 31, 2019		12 months ended March 31, 2020		12 months ended March 31, 2020	
Total revenues		$ 34,902		$ 80,198		$ 350,368		$ 369,615
Greater China revenues	$ 5,269		$ 26,681		$ 102,882		$ 116,055	
Non-controlling interest ownership percentage[3]	30.29%		31.76%		30.26%		31.99%	
Deduction for non-controlling interest share of revenues		(1,596)		8,474		(31,132)		(37,126)
Adjusted revenues attributable to common shareholders		$ 33,306		$ 71,724		$ 319,236		$ 332,489

(3) Weighted average ownership percentage for change in non-controlling interest share

Q1 2020 Non-GAAP Financial Reconciliation – Free Cash Flow

$ in Thousands

	Three Months Ended March 31, 2020
Net cash provided by operating activities	$ 5,966
Net cash used in investing activities	(2,713)
Free cash flow	$ 3,253


IMAX
FILMS TO THE FULLEST