



**IMAX<sup>®</sup>**

**INVESTOR PRESENTATION**

JULY 2024

## FORWARD-LOOKING STATEMENTS

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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. These forward-looking statements include, but are not limited to, references to business and technology strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of business, operations and technology, future capital expenditures (including the amount and nature thereof), industry prospects and consumer behavior, plans and references to the future success of IMAX Corporation, together with its consolidated subsidiaries (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 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, as well as geopolitical conflicts; risks related to the Company's growth and operations in China; the performance of IMAX remastered films and other films released to the IMAX network; the signing of IMAX 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, including competitive actions by other companies; the failure

to respond to change and advancements in technology; risks relating to consolidation among commercial exhibitors and studios; risks related to brand extensions and 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 cybersecurity and data privacy; risks related to the Company's inability to protect its intellectual property; risks associated with the Company's use of artificial intelligence and exploration of additional use cases of artificial intelligence; risks related to climate change; risks related to weather conditions and natural disasters that may disrupt or harm the Company's business; risks related to the Company's indebtedness and compliance with its debt agreements; general economic, market or business conditions; risks related to political, economic and social instability; the failure to convert system backlog into revenue; changes in laws or regulations; 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 or in Canada, the System for Electronic Document Analysis and Retrieval; and other factors, many of which are beyond the control of the Company. Consequently, all of the forward-looking statements made in this earnings presentation 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. These factors, other risks and uncertainties and financial details are discussed in the Company's most recent Annual Report on Form 10-K to be filed subsequent to this earnings presentation. 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.



# Strategic Update

**Richard Gelfond**  
Chief Executive Officer

INVESTMENT HIGHLIGHTS

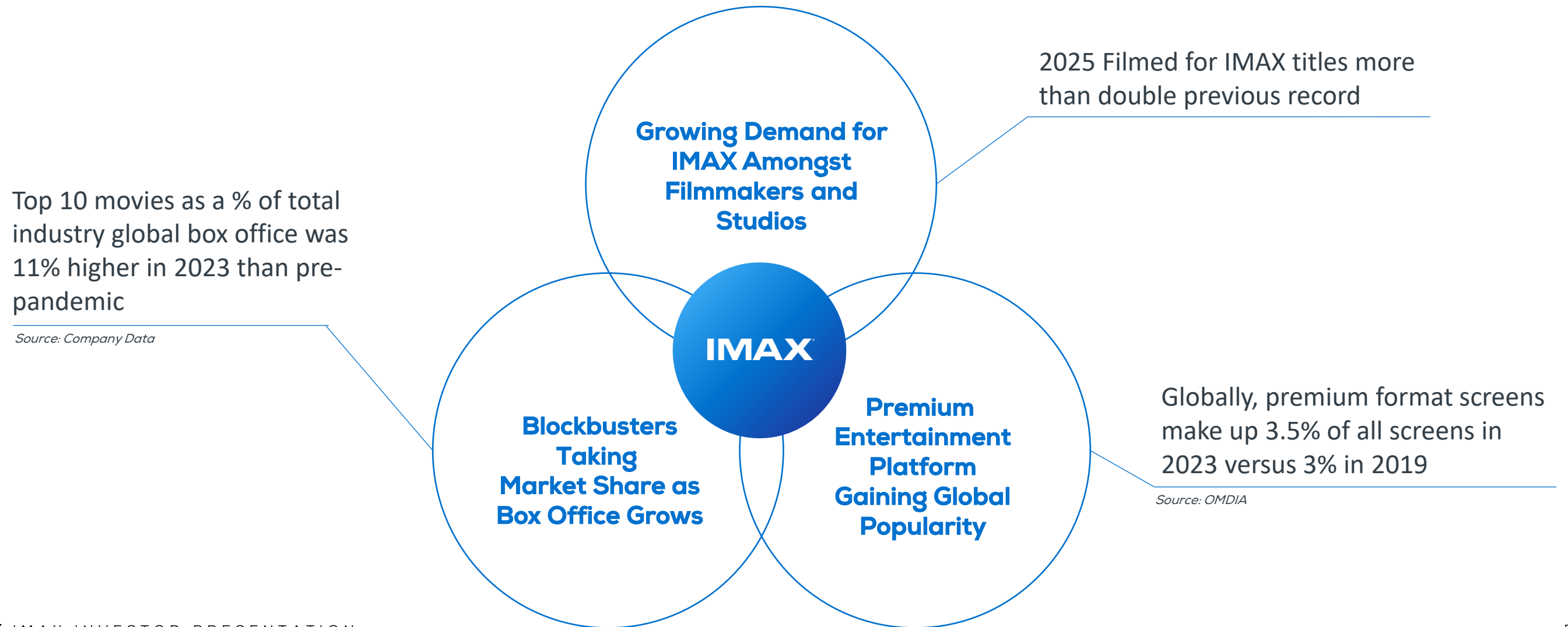
Unique IMAX Platform Drives Strong Profitability and Long-Term Growth Opportunities

IMAX is the future of moviegoing	Unrivaled premium luxury brand	Unmatched global network scale	Significant growth potential	Strong operating leverage	Attractive capital position
<b>+28%</b> 5-year growth in IMAX Global Box Office market share	<b>&gt;50%</b> share of global premium formats <sup>(1)</sup>	<b>~1,700</b> system footprint of IMAX network	<b>504</b> contracted IMAX system backlog	<b>40%+</b> target 2025 Total Adjusted EBITDA <sup>(2)</sup> margin	<b>19%</b> of shares outstanding repurchased since 2020
Consumer demanding premium experiences and IMAX growing, diversifying content portfolio	Studios & filmmakers increasing IMAX connection – record 14+ <i>Filmed For IMAX™</i> titles expected in 2025	The only worldwide premium network in ~90 countries and territories	More than 50% of IMAX target market remain addressable, supported by robust system backlog	Flexible, asset-lite business with high incremental margins	Long-tailed cash flows, low debt with strong track record of returning capital to shareholders

In addition, IMAX is extending *The IMAX Experience*® into Streaming and Consumer Technology to drive core brand value and create new revenue streams

## IMAX is a Consistent Winner in the Dynamic Media and Entertainment Landscape

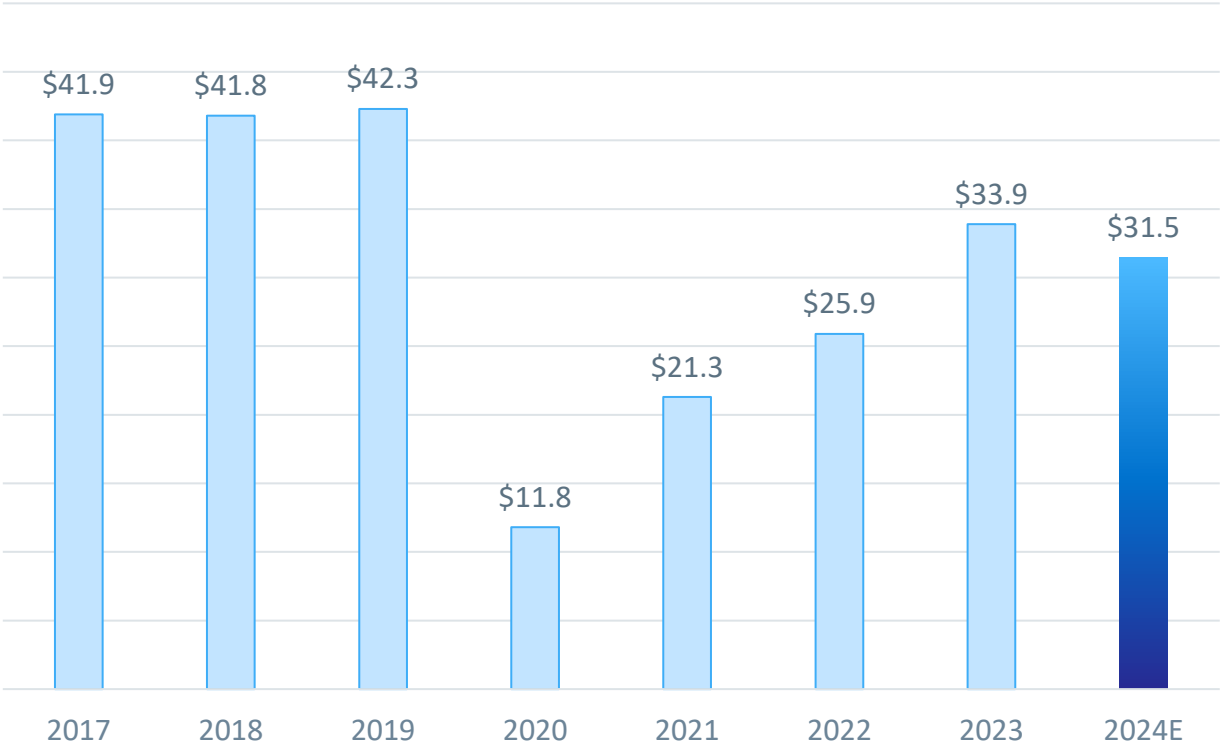
### IMAX Benefits From Strong Secular Tailwinds



# IMAX Box Office Nearly Back to Pre-Pandemic Levels With Current 2026 Consensus 10% Above 2019

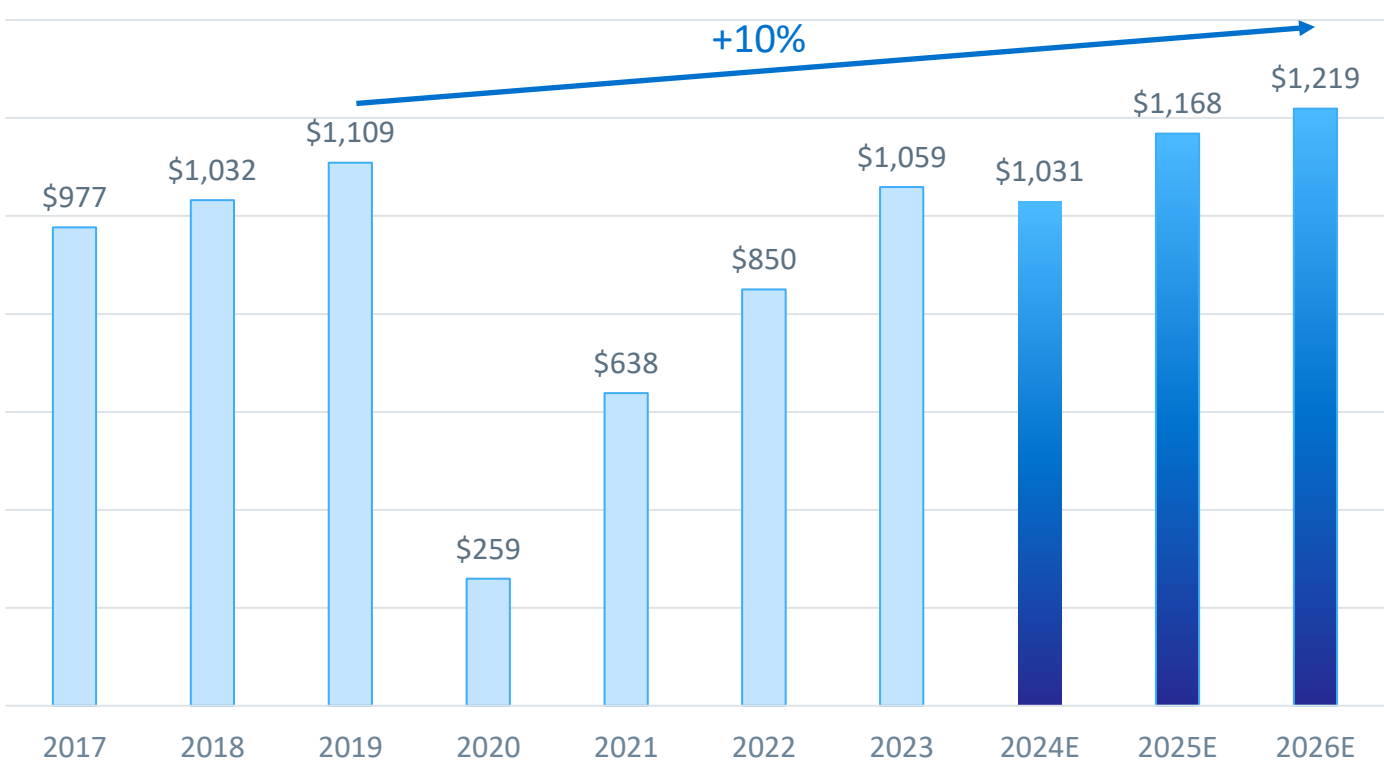
## Industry Box Office Improving However Trails IMAX

**Industry Historical Global Box Office (\$, bn)**



Source: Gower Street Analytics

**IMAX Historical Box Office (\$, mn)**



Source: Company Data  
2024E and 2025E equals Wall Street consensus

Sell-side consensus estimate as of 7/24/24

# End-to-End Technology Powers Creativity from Creation to Delivery

## THE IMAX EXPERIENCE



**Movies shot with IMAX certified digital and IMAX Film cameras maximize IMAX DNA throughout the entire production process**

- Delivers expanded aspect ratio with up to 26% more image
- Increasing film camera fleet by 50%



**IMAX's proprietary digital remastering technology enables full creative control for filmmakers**

- IMAX format = highest quality
- Delivers filmmakers ultimate image and sound fidelity
- AI enabled and cloud optimized for local language content



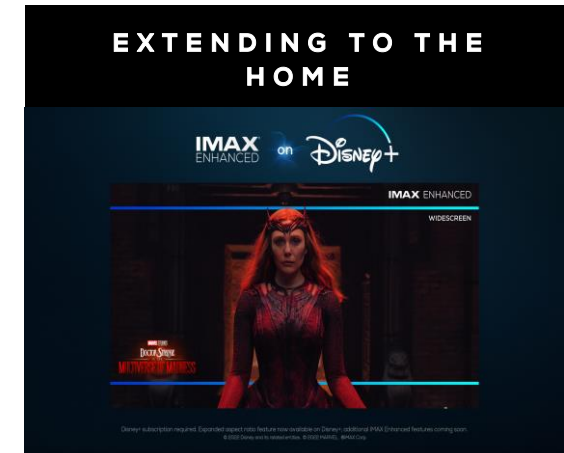
**IMAX's comprehensive solution delivers most immersive theater experience, includes:**

- Advanced, high-resolution projectors, incl 4K laser
- Large screens + proprietary theater geometry
- Advanced 12-channel sound + pinpointed origination of sound
- 24/7 monitoring of system performance and quality



**Loyal and growing IMAX fanbase seeks out the IMAX Experience**

- Filmed for IMAX (FFI) program supports most ambitious filmmakers to optimize *The IMAX Experience*
- Record number of FFI films in production
- IMAX elevates FFI films with unique, bespoke marketing.

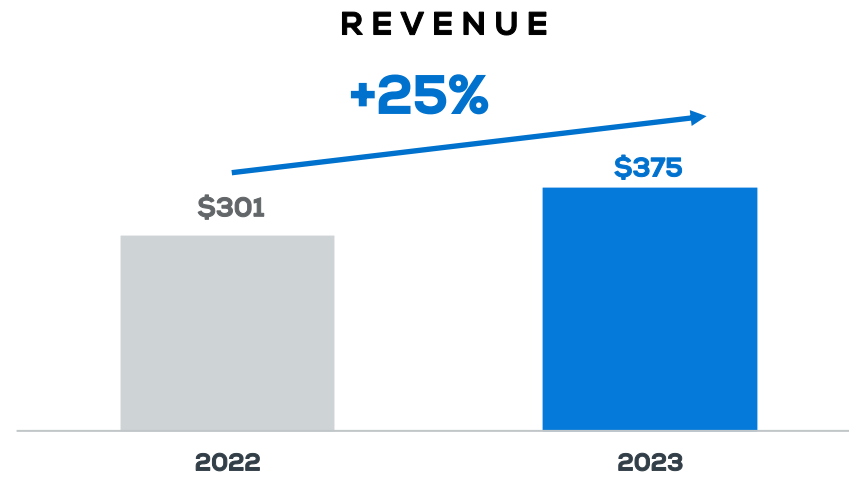


**Launched Streaming and Consumer Technology offerings for the home**

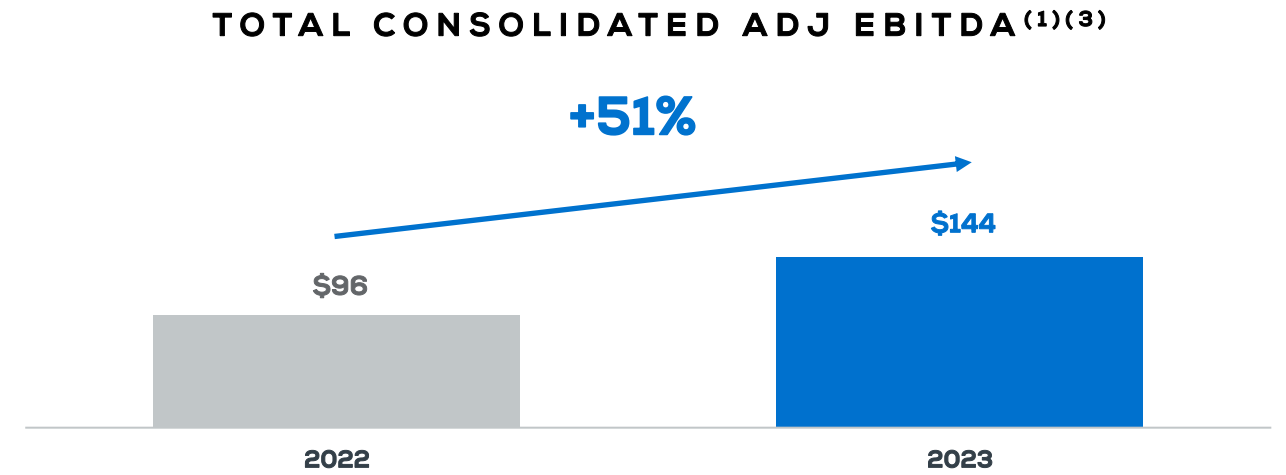
- Next gen AI software addresses streamers' quality and profitability challenges
- IMAX Enhanced elevates end-to-end experiences with best-in-class certified devices

## Robust Growth Across Financial Metrics in 2023

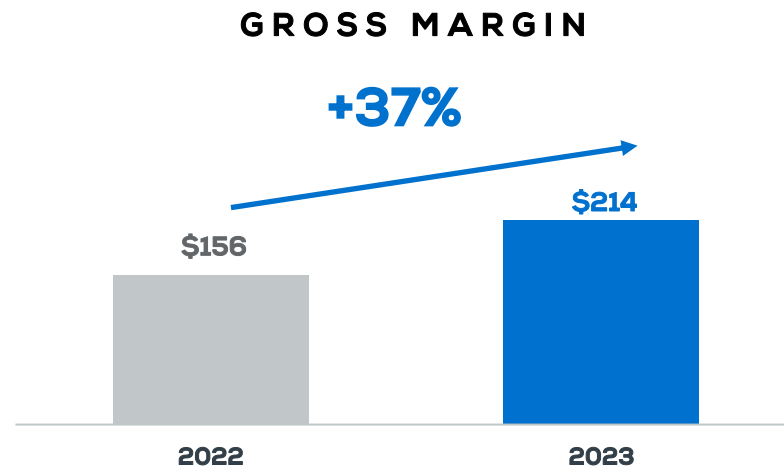
\$ in millions



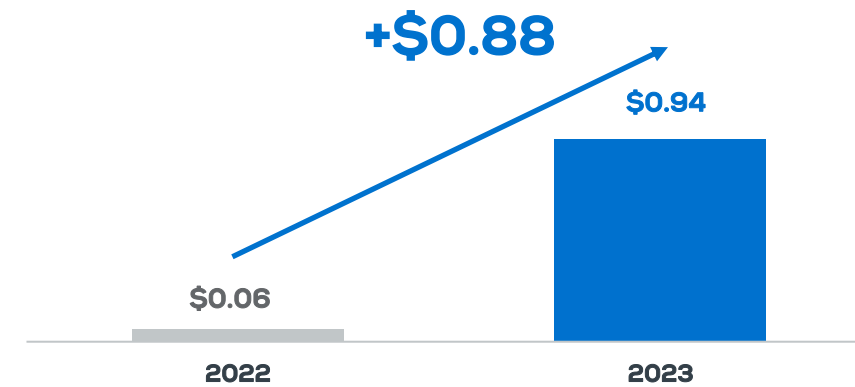
\$ in millions



\$ in millions



**ADJUSTED EPS <sup>(3)</sup>**



(1) Total Consolidated Adjusted EBITDA before subtracting non-controlling interest.  
 (2) Adjusted EBITDA per Credit Facility attributable to common shareholders.  
 (3) Non-GAAP financial measure. See appendix for reconciliation and definition of non-GAAP financial results\*  
 Source: Company Data



## FULL-YEAR 2024 GUIDANCE

	IMAX Box Office	Installations	Total Consolidated Adjusted EBITDA <sup>2</sup> Margin %
<b>2024 Guidance</b>	<b>Similar level to 2023</b>	<b>130 – 150<sup>1</sup></b> <small>Increased from 120-150</small>	<b>High 30's Percent</b>
<b>2023 Actuals</b>	<b>\$1.06B</b>	<b>128</b>	<b>38.4%</b>
<b>2022 Actuals</b>	<b>\$850M</b>	<b>92</b>	<b>31.8%</b>

**Expect growth acceleration in 2025: At least high-single digit revenue growth driven by accelerating IMAX box office and mid-single digit network growth. Target Total Consolidated Adjusted EBITDA margin to be ~40%.**

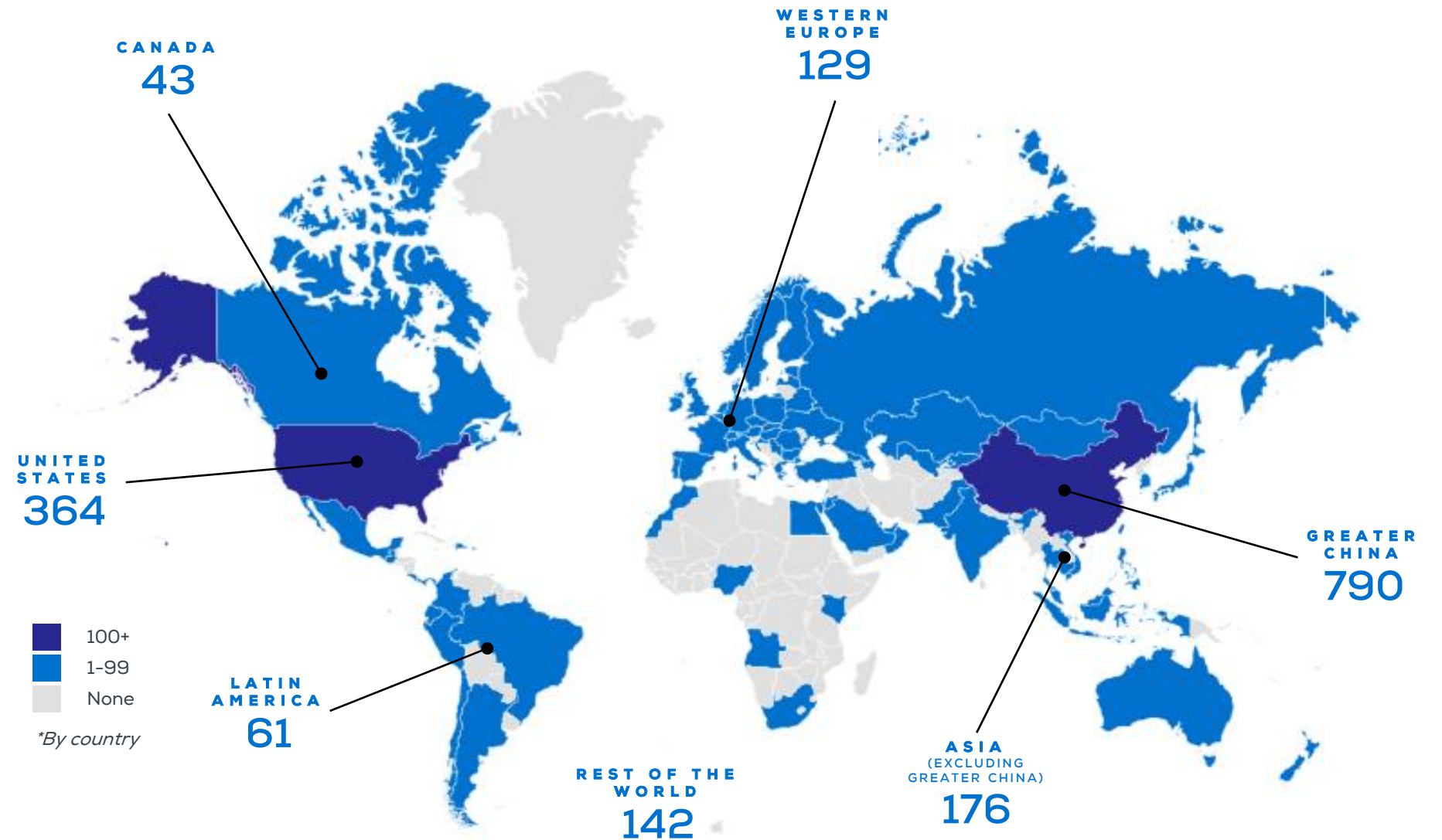
1,705

Commercial Multiplex Locations

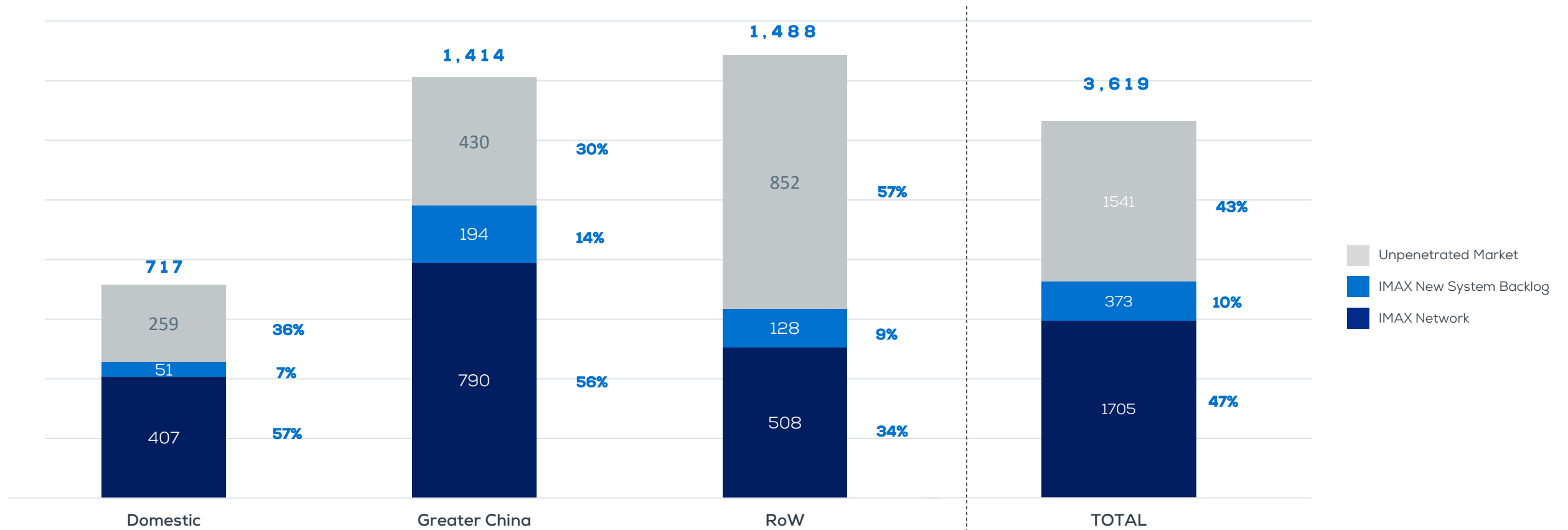
89

Countries & Territories

IMAX network  
accounts for >50% of  
total global premium  
locations



## Significant Rest of World Opportunity – Less Than 35% Penetrated

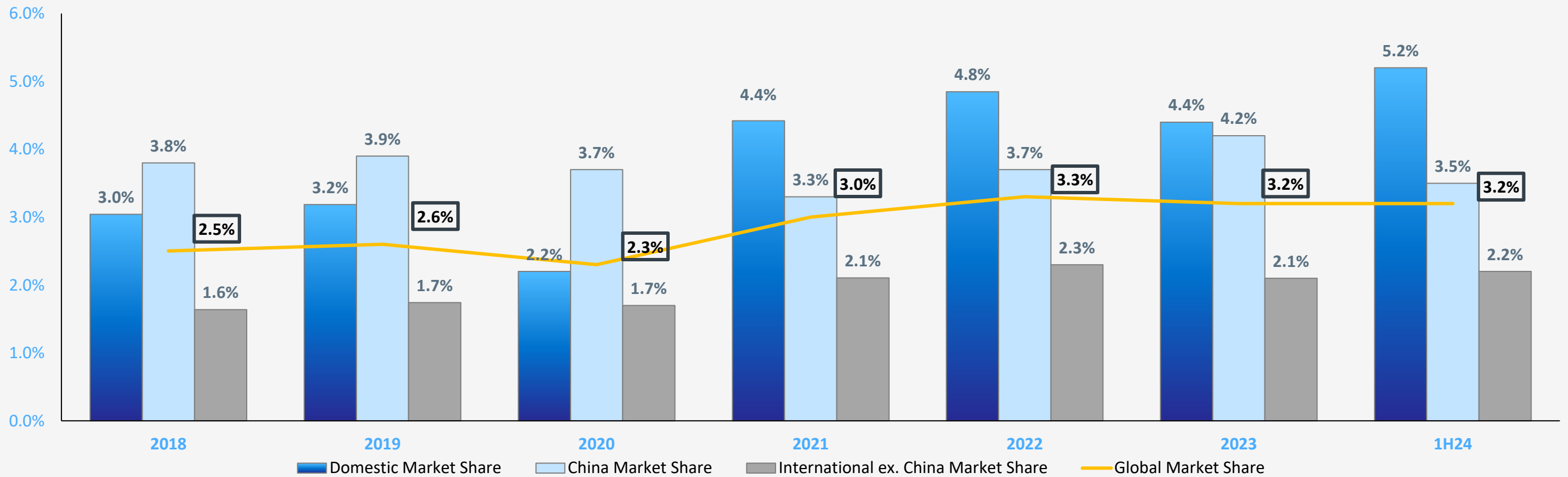


**Substantial Network growth opportunity: 504 systems in backlog (373 New Systems and 131 Upgrades) & open zones**

Source: Company Data

## Strong Share of Global Box Office on Less than 1% of Screens

IMAX BOX OFFICE MARKET SHARE<sup>1</sup>



<sup>1</sup>Market share is calculated including China booking fees in both IMAX Box Office and Total Gross Box Office

## Expanding Strategy to Deliver the Most Diverse IMAX Content Portfolio Ever

### Core Content

#### HOLLYWOOD

76% of 2023  
commercial box office

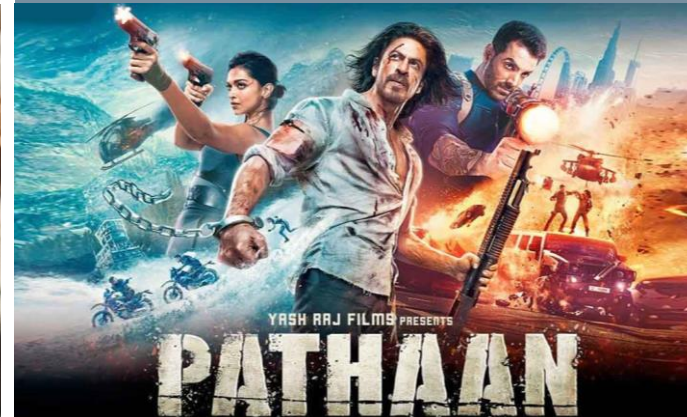


DUNE: PART TWO

### Recent Expansion

#### LOCAL LANGUAGE

21% of 2023  
commercial box office



PATHAAN

### Emerging Opportunity

#### DOCUMENTARIES<sup>1</sup>

<1% of 2023  
commercial box office

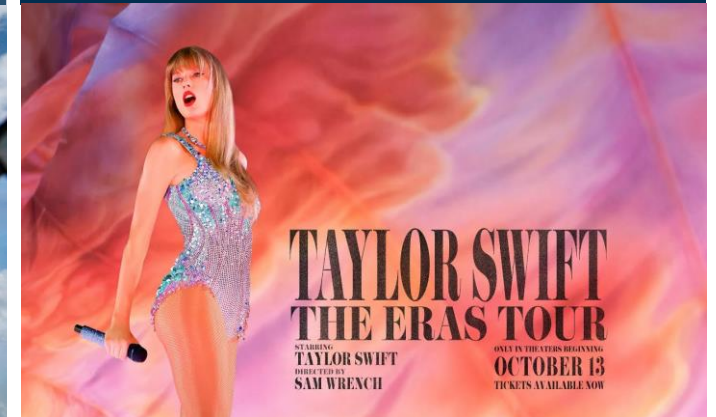


BLUE ANGELS

Producing documentaries to play across IMAX's institutional sites as well as to monetize streaming rights

#### ALTERNATIVE CONTENT

2.5% of 2023  
commercial box office



TAYLOR SWIFT ERAS TOUR - THE MOVIE

Alternative Content Includes

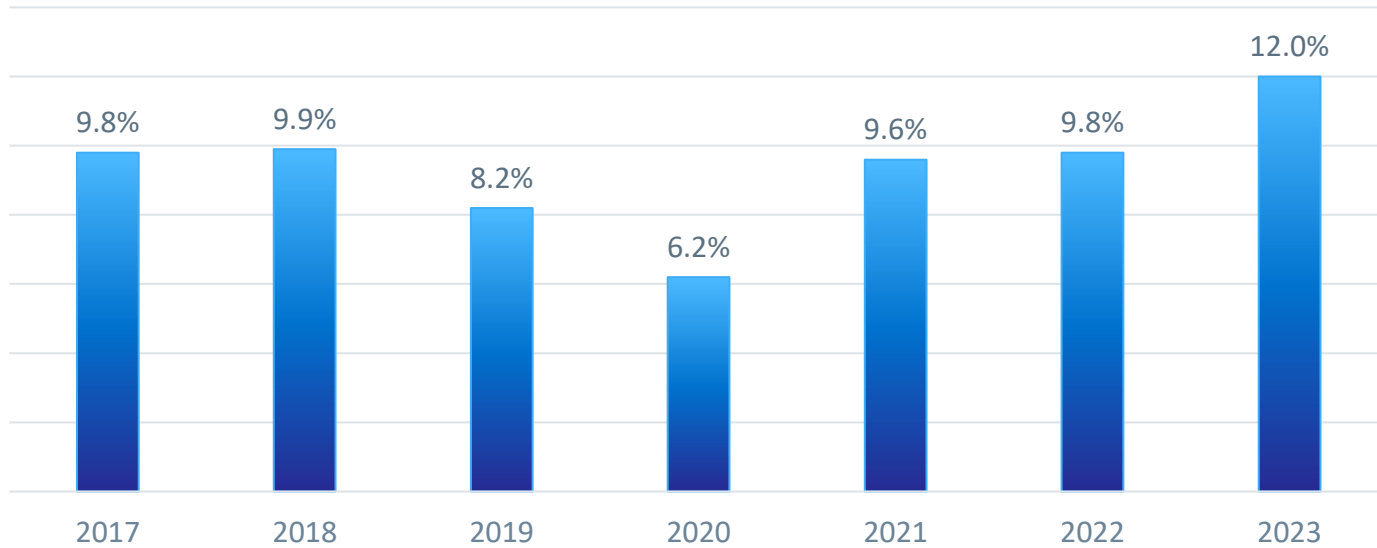
- Concerts & concert films
- Live sports & events
- Experiential, including gaming

<sup>1</sup>Documentary box office referenced does not include institutional box office

# Growing IMAX Fandom Fueling Demand for IMAX by Consumers, Exhibitors, Studios and Filmmakers

## Increasing IMAX Blockbuster Market Share ...

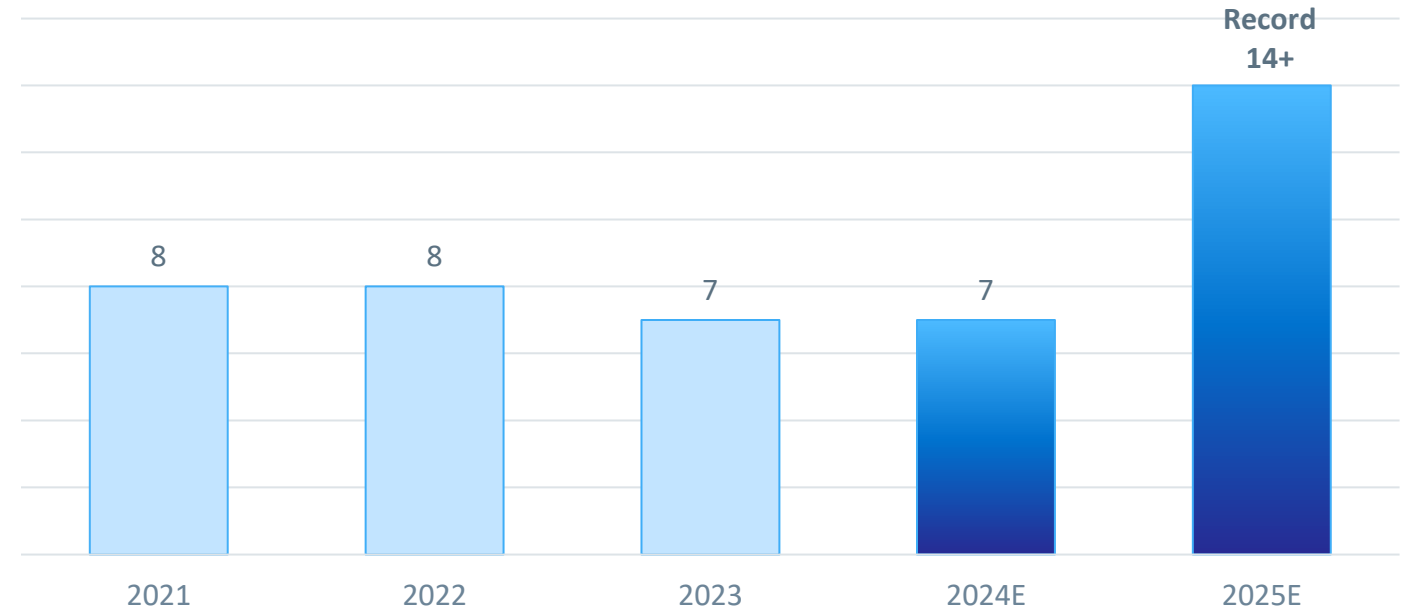
Top 10 Grossing IMAX Titles – Domestic Opening Weekend Market Share



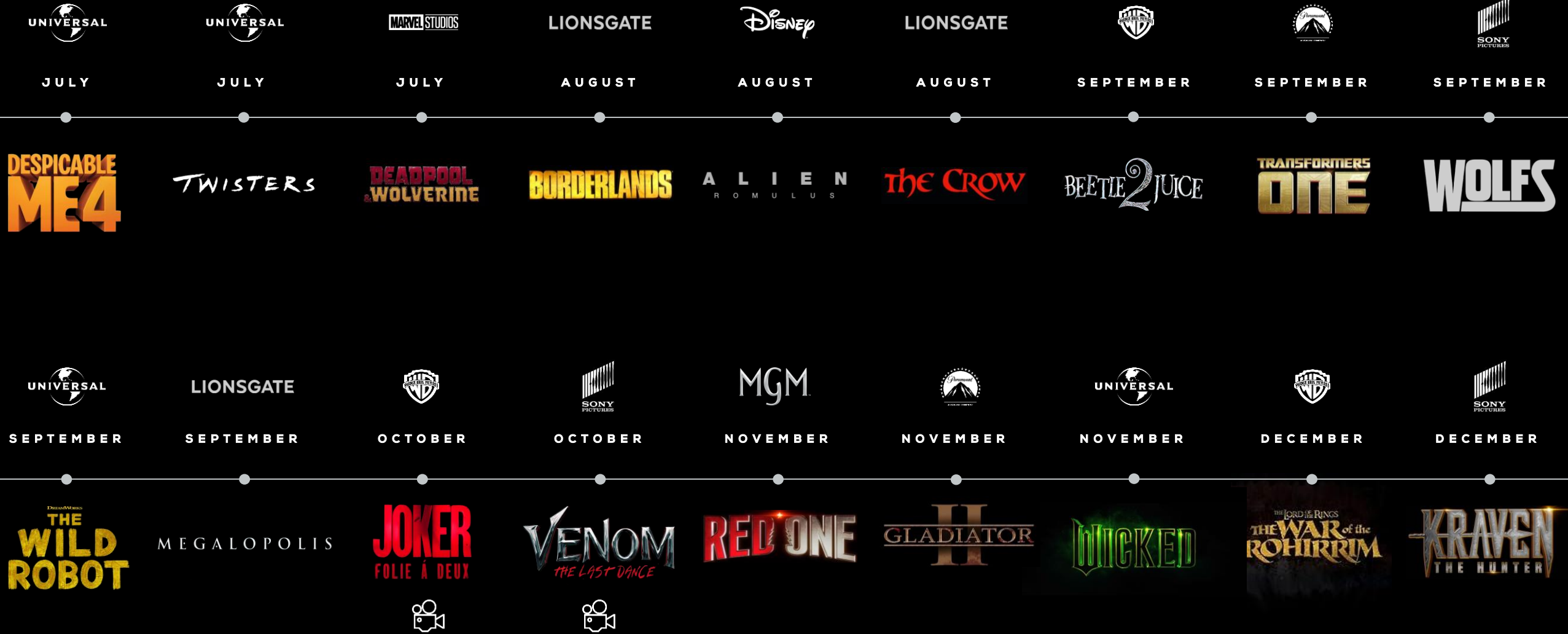
IMAX represents ~1% of screens domestically

## Driving demand by Filmmakers and Studios to work with IMAX

Global Number of Titles per Year in Filmed For IMAX Program



# Solid 2024 Slate for the IMAX Network



In addition, 60+ local language titles in 2024

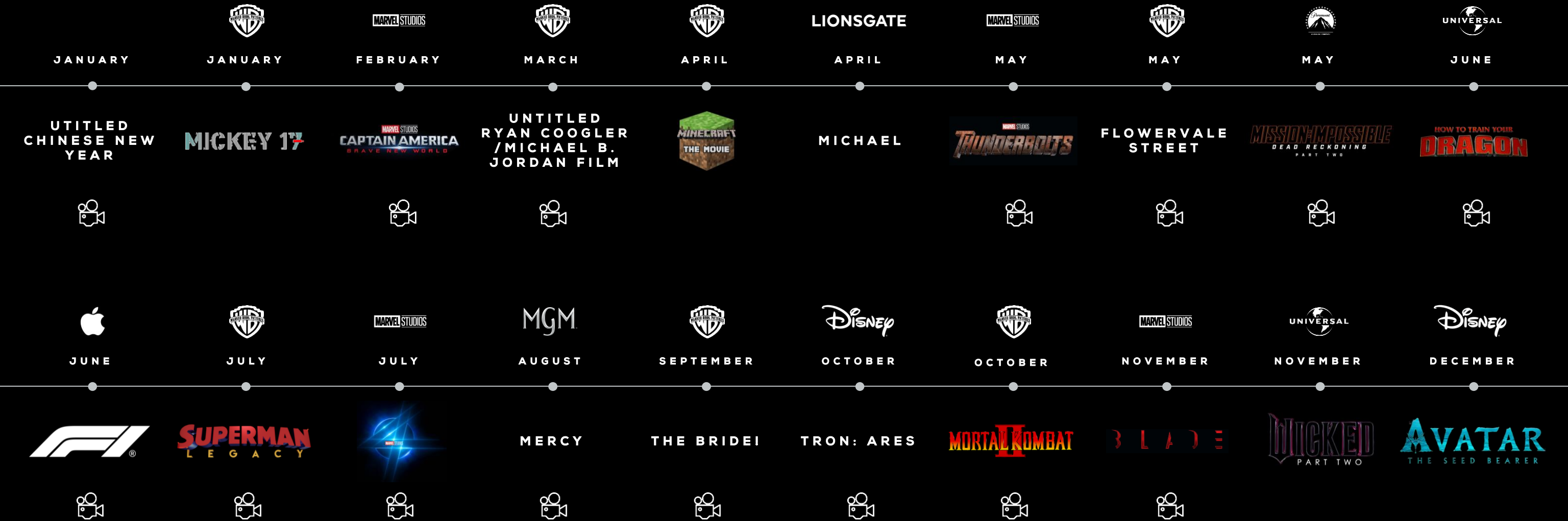
\*Release slate reflects current studio scheduling as of 7/25/2024

\*\*Does not reflect complete listing of all titles planned to be played across the IMAX network

EXPECTED 2025 SLATE

 FILMED FOR IMAX /  
FILM CAMERAS

Exceptional Slate Expected in 2025 – Record Number of Filmed for IMAX titles

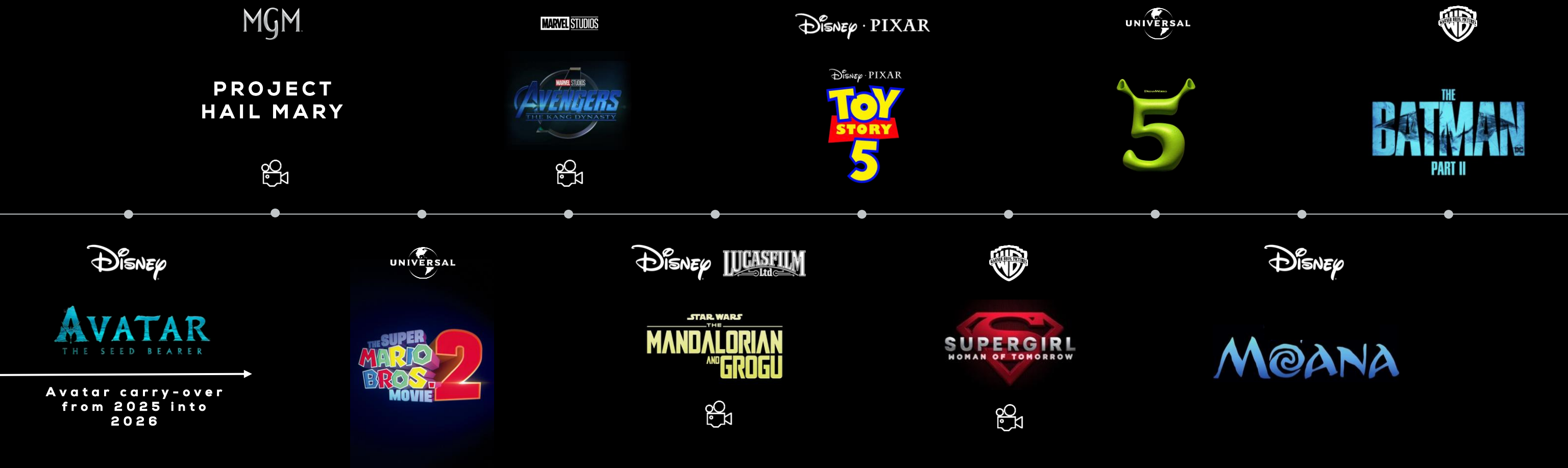


\*Release slate reflects current studio scheduling as of 7/25/2024 and is not necessarily in order of release date.

\*\*Does not reflect complete listing of all titles planned to be played across the IMAX network



# Exceptional Slate Continues in 2026 including Mega Franchise Star Wars and Avenger Films



\*Release slate reflects current studio scheduling as of 7/1/2024

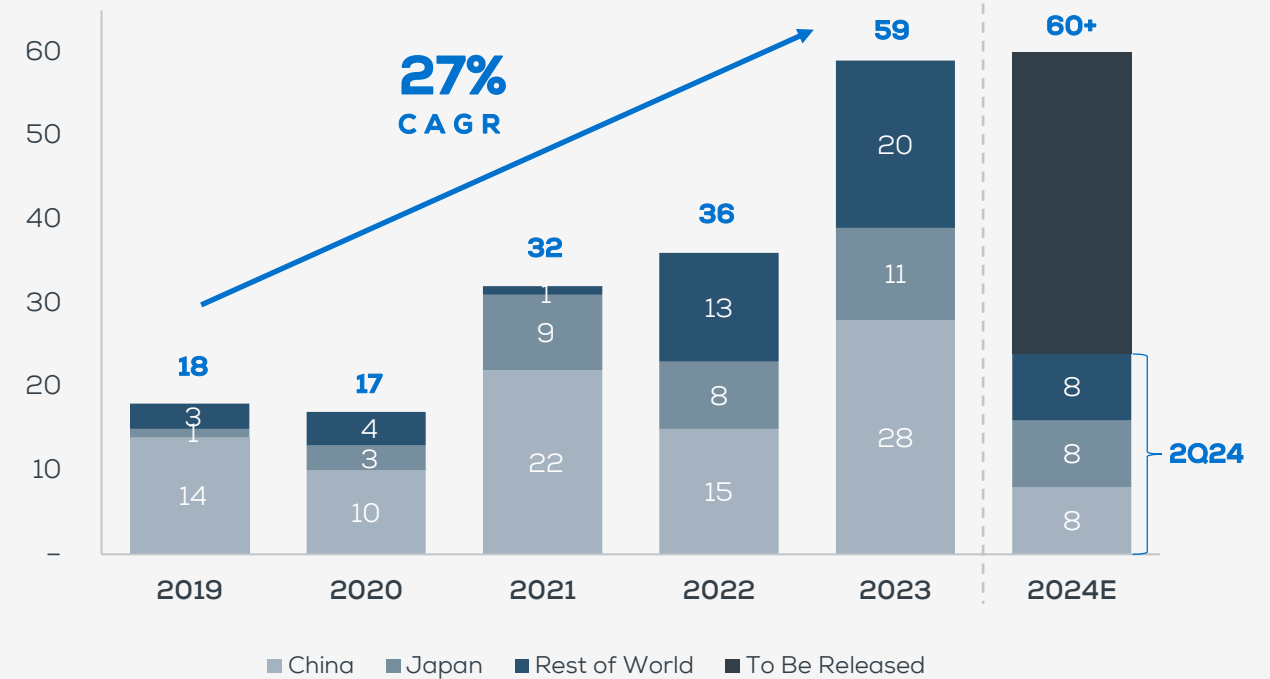
\*\*Does not reflect complete listing of all titles planned to be played across the IMAX network

## Local Language Content Drives Demand and Incrementality in Key Growth Markets

- **Record LL Box Office** : \$227 million, ~21% of IMAX 2023 box office
- **Record LL Titles**: 59 local language titles in 2023 (64% growth YoY) with more expected in 2024
- **Local to Global Strategy**: successfully taking local content global, 19 local language films in 2023 exported outside of their home country led by Anime and Indian titles
- **Driving Record Rest of World IMAX System Signings**: 77 RoW signings in 2023 with 12 coming in Japan, one of IMAX's highest Per Screen Average (PSA) markets



### LOCAL LANGUAGE TITLE GROWTH 60+ TITLES EXPECTED IN 2024





# Financial Review

**Natasha Fernandes**  
Chief Financial Officer

Executed and Delivered on 2023 Full Year Guidance

**2023 Guidance**

(announced on 4Q22 earnings call)

**2023 Results**

**IMAX Global Box Office**

**~\$1.1 Billion**

Set numerous Box Office records, improved 25% YoY

**\$1.06B**

**Adj. EBITDA<sup>1</sup> Margin - Attributable**

**Mid-30's**

Strong operating leverage drove 650 bps improvement YoY

**36.7%**

**Installations**

**110 - 130**

Accelerating demand for IMAX systems drove 39% improvement YoY

**128**

## Momentum Builds into Second Half as Hollywood Strike Impacts Dissipate

### FIRST HALF 2024 HIGHLIGHTS

**IMAX GBO  
of \$457M**

~17.5% from Local  
Language

**39 System  
Installations**

Increase of 34% from  
1H23

**95 System  
Signings**

Increase of 28% from 1H23

**37.5%**

Total Adj. EBITDA Margin<sup>(1)</sup>  
Growth of 60 basis points  
YoY

<b>\$ IN MILLIONS</b> except per diluted share data and network data	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>1H 2024</b>	<b>1H 2023</b>
Global Box Office	\$196	\$269	\$457	\$542
Global Commercial Network	1,705	1,638	1,705	1,638
Revenue	\$89.0	\$98.0	\$168.1	\$184.9
Gross Margin (\$)	\$43.9	\$57.9	\$90.8	\$107.9
Gross Profit Margin (%)	49.4%	59.1%	54.0%	58.4%
GAAP Net Income <sup>(2)</sup>	\$3.6	\$8.4	\$6.9	\$10.8
EPS <sup>(2)</sup>	\$0.07	\$0.15	\$0.13	\$0.20
Adj. Net Income <sup>(2)(3)</sup>	\$9.7	\$14.4	\$17.7	\$23.4
Adj. EPS <sup>(2)(3)</sup>	\$0.18	\$0.26	\$0.33	\$0.42
Total Consolidated Adj. EBITDA (\$) <sup>(1)(3)(4)</sup>	\$31.0	\$35.9	\$63.1	\$68.3
Total Consolidated Adj. EBITDA Margin (%) <sup>(1)(3)(4)</sup>	34.8%	36.7%	37.5%	36.9%
Avg Fully Diluted Shares Outstanding	53.4M	55.3M	53.4M	55.1M

(1) Total Consolidated Adjusted EBITDA before non-controlling interest.

(2) Attributable to common shareholders.

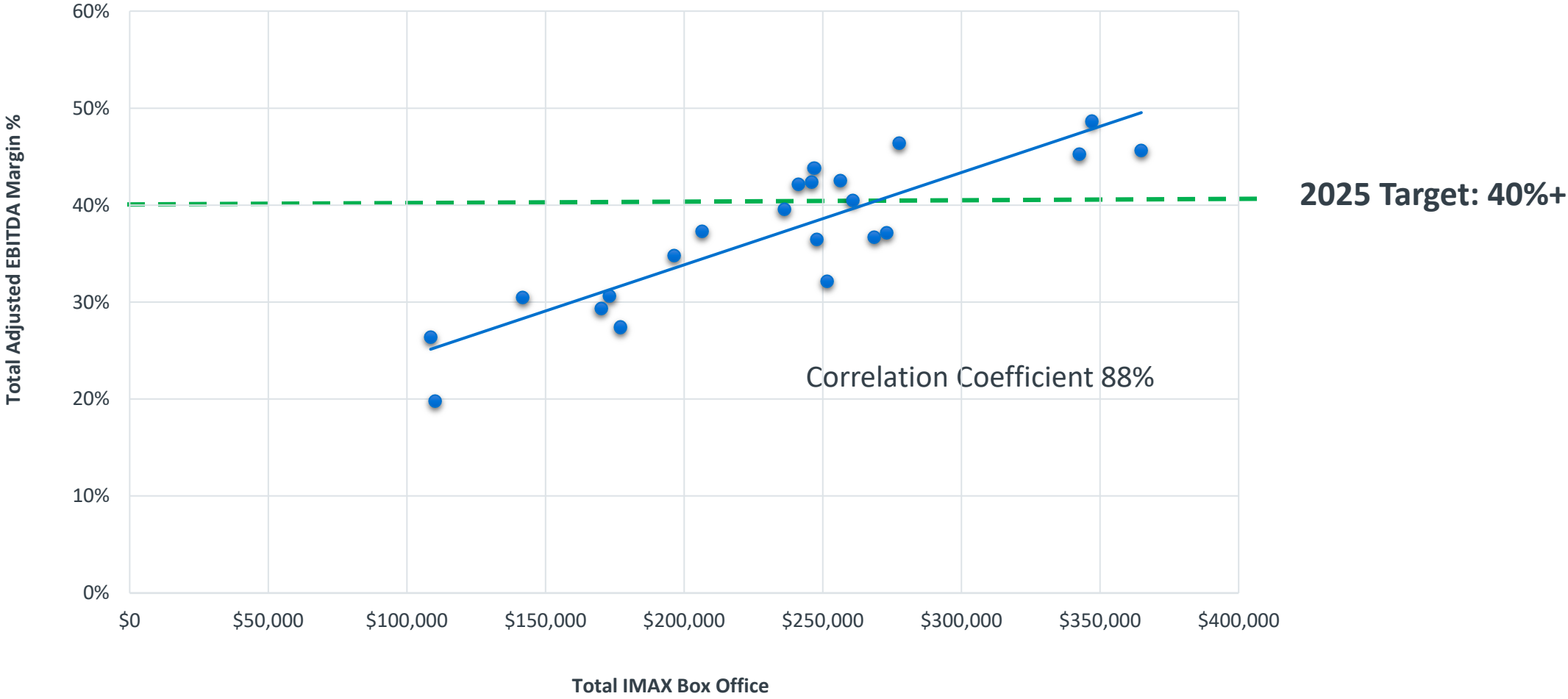
(3) See appendix for reconciliation and definition of non-GAAP financial results.

(4) 2Q24 and 1H24 Adj. EBITDA Attributable to Common Shareholders was \$26.9 million at a 32.5% margin, and \$55.0 million at a 35.3% margin, respectively, compared to 2Q23 and 1H23 Adj. EBITDA Attributable to Common Shareholders of \$32.8 million at a 35.4% margin and \$60.1 million at a 34.9% margin, respectively.

Source: Company Data

# Strong Operating Leverage – Higher Levels of Box Office Drive Predictably Higher Adjusted EBITDA Margin %

IMAX Quarterly Box Office correlation to Quarterly Total Adjusted EBITDA Margin %<sup>1</sup>

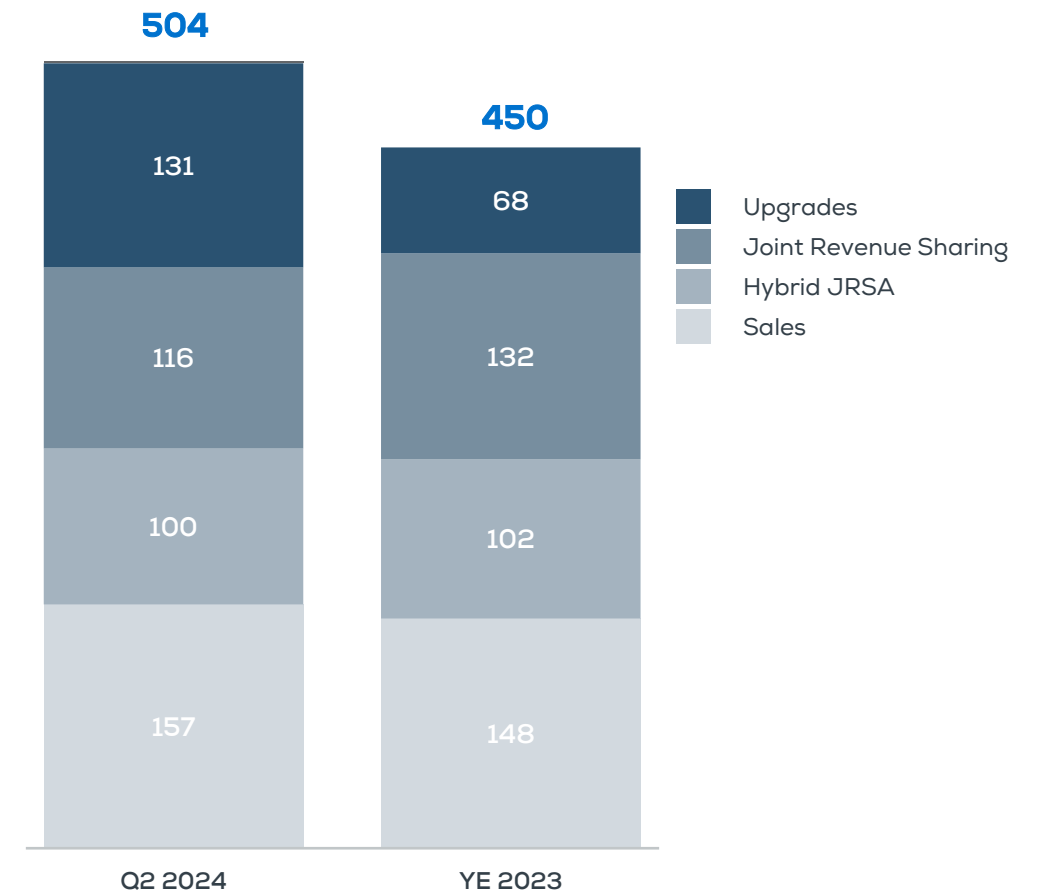


<sup>1</sup> Chart plots quarterly IMAX box office/Total Adjusted EBITDA Margin from 2018 to Q2 2024 excluding the quarters from 2020 (main covid impacted year)

## Strong Systems Installations Growth of 20% with 24 Installs in 2Q

	1H 2024		FULL YEAR 2023	
	TOTAL SIGNINGS	TOTAL INSTALLATIONS	TOTAL SIGNINGS	TOTAL INSTALLATIONS
Sales	30	15	64	70
Hybrid Lease	-	1	-	5
Joint Revenue Sharing	65	23	65	53
<b>Total</b>	<b>95</b>	<b>39</b>	<b>129</b>	<b>128</b>

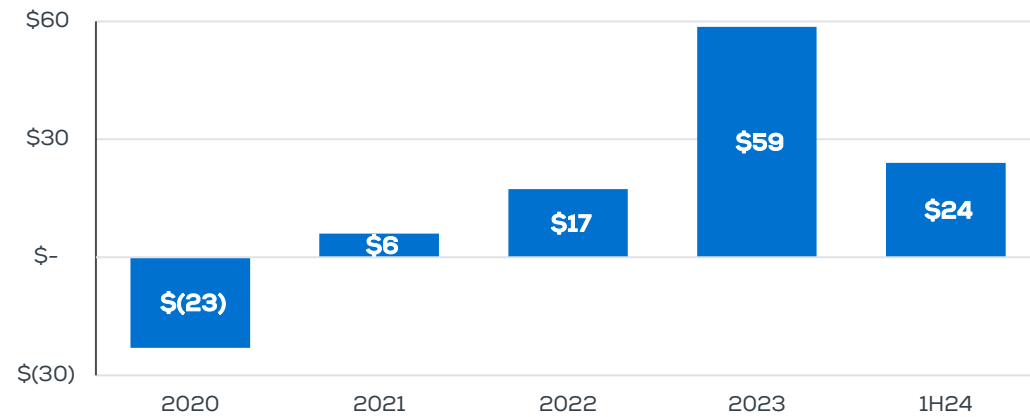
### BACKLOG PIPELINE



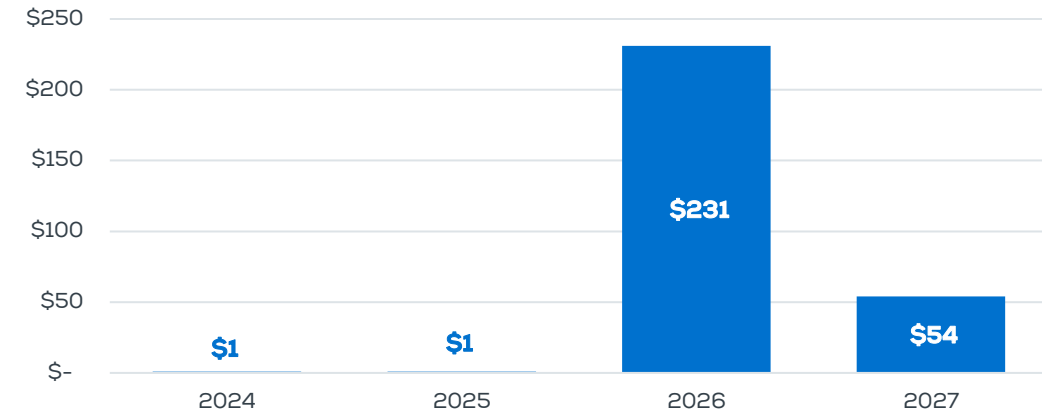
Source: Company Data

# Low Leverage Model with Improving Cash Flow and Strong Liquidity

## OPERATING CASH FLOW (\$ IN MILLIONS)



## DEBT MATURITY LADDER (\$ IN MILLIONS)



## CASH & LIQUIDITY POSITION (\$ IN MILLIONS)

	6 / 30 / 24	12 / 31 / 23
Cash <sup>1</sup>	\$91.6	\$76.2
<b>Liquidity</b>		
Total Credit Facilities	\$ 354.8	\$ 355.0
Less Amount Utilized	\$(69.0)	\$(24.0)
Net Credit Available	\$300.8	\$331.0
<b>Total Liquidity</b>	<b>\$392.4</b>	<b>\$407.2</b>

## LEVERAGE POSITION (\$ IN MILLIONS)

	6 / 30 / 24	12 / 31 / 23
Convertible Senior Notes <sup>2</sup>	\$230.0	\$230.0
Credit Facilities Used / Other Debt	\$57.2	\$27.2
<b>Total Debt</b>	<b>\$287.2</b>	<b>\$257.2</b>
<b>Net Debt</b>	<b>\$195.6</b>	<b>\$181.0</b>
<b>Net Debt / TTM Total Adj EBITDA</b>	<b>1.41x</b>	<b>1.26x</b>

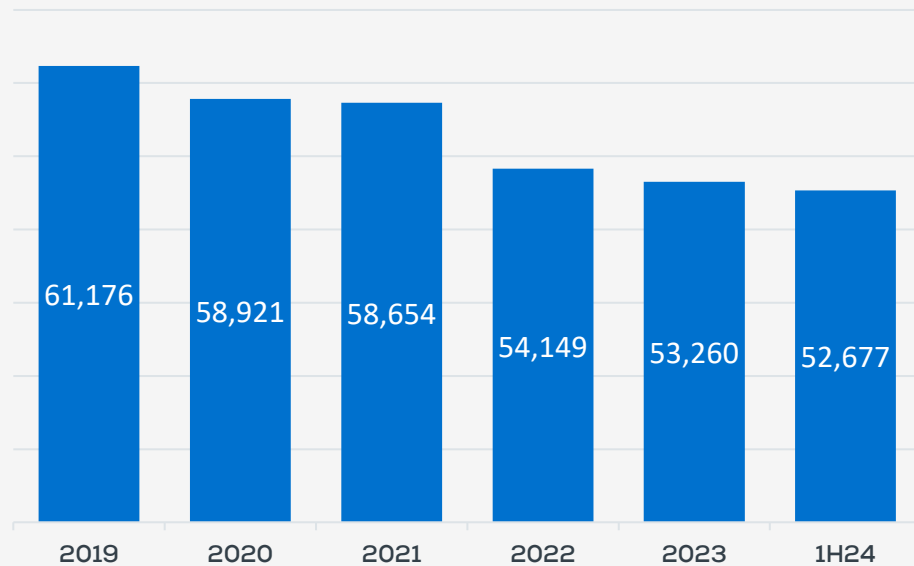
<sup>1</sup>As of June 30, 2024, cash and cash equivalents held by IMAX China was \$83.0 million (December 31, 2023 –\$68.5 million), of which \$44.0 million was held in the People's Republic of China (the "PRC") (December 31, 2023 – \$30 million)

<sup>2</sup>The Convertible Senior Notes bear interest at a rate of 0.500% per annum on the principal of \$230.0 million, payable semi-annually in arrears on April 1 and October 1 of each year. The Convertible Notes will mature on April 1, 2026, unless earlier repurchased, redeemed or converted. In connection with the pricing of the Convertible Notes, the Company entered into privately negotiated capped call transactions with an initial cap price of \$37.2750 per share of the Company's common shares.

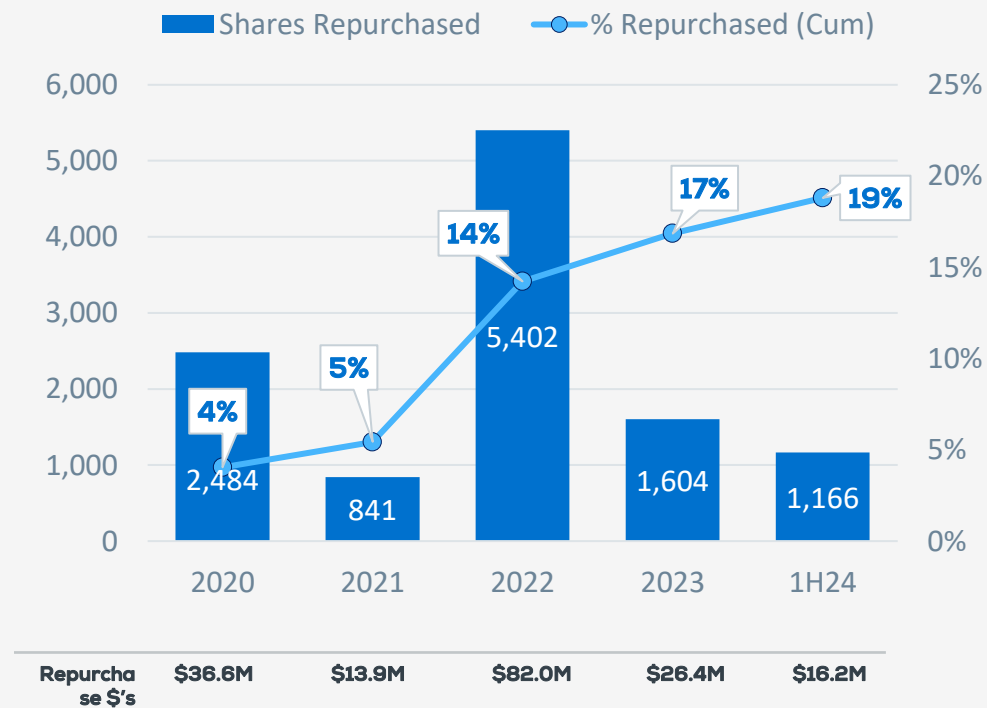


## IMAX Repurchased \$175M, 19% of Shares Outstanding Since 2020

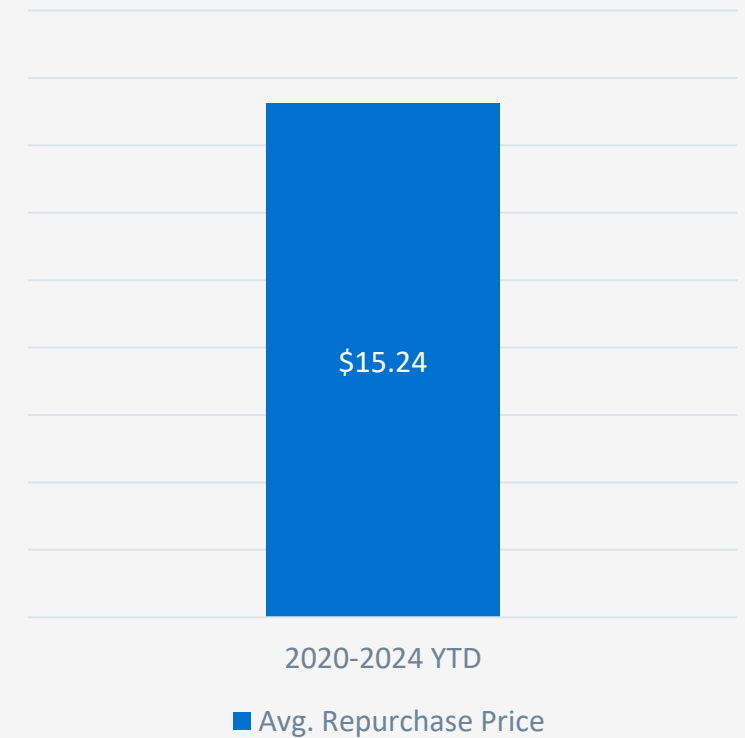
**YEAR-END SHARES OUTSTANDING**  
(IN THOUSANDS)



**SHARES REPURCHASED PAST 4 YEARS<sup>1</sup>**  
(IN THOUSANDS)

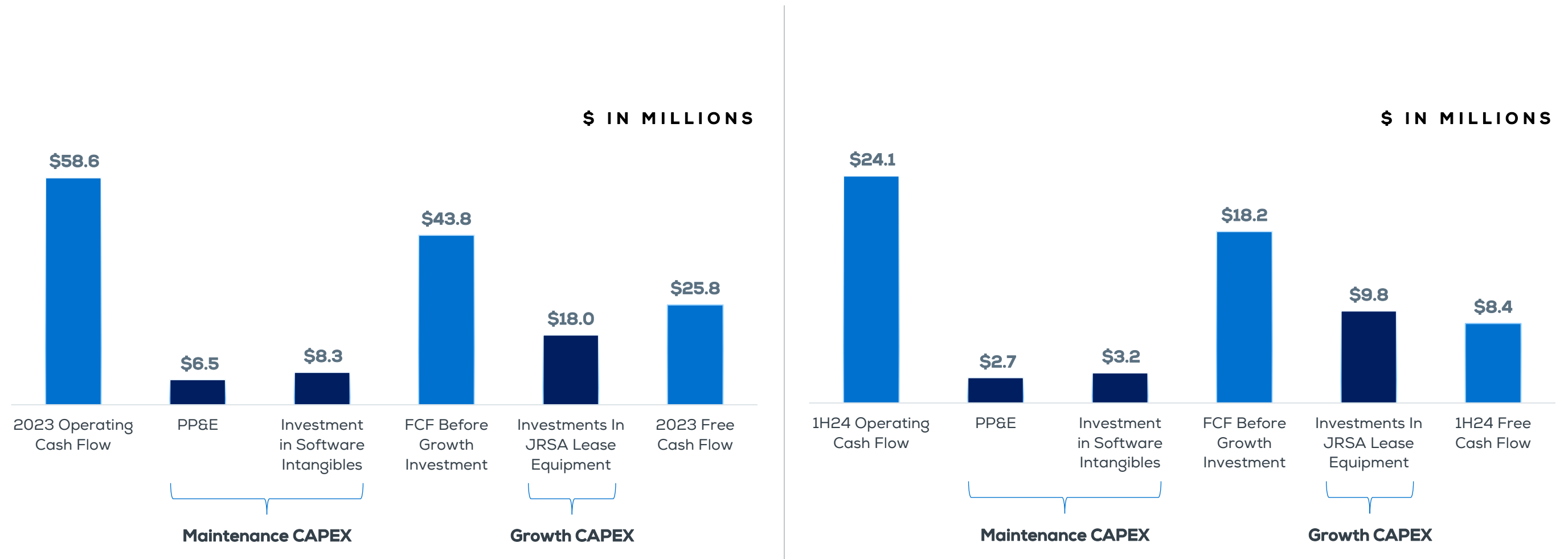


**AVERAGE REPURCHASE PRICE**



ATTRACTIVE CASH FLOW MODEL

Full Year 2023 & 1H24 Cash Flow Reflects Continued Strength of Financial Model



## IMAX Investor Key Messages – Momentum is Accelerating

- **IMAX is the leading premium cinematic platform with a brand associated with quality** - industry position strengthened post-pandemic with secular tailwinds towards premium and blockbusterization of moviegoing
- **Significant opportunity to increase IMAX utilization, market share and box office**
  - Large runway to improve utilization through increasing content diversity and market share: 1% pt of utilization = \$75M to \$100M in IMAX box office
  - Growing number of studios and filmmakers working with IMAX – record number of *Filmed for IMAX* titles in 2025
  - Highest ever IMAX box office expected in 2025, current Street consensus is for 13% year-over-year growth
- **Significant opportunity to grow IMAX footprint**
  - Underpenetrated in Rest of World including in the Middle East – less than 35% penetrated
  - Expect to grow IMAX footprint (currently at 1,705 locations) annually by mid-single digits
  - Growth supported by contracted backlog of 373 new systems
- **Long-term upside potential from leveraging IMAX’s premium brand** into new areas including Streaming and Consumer Technology
- **Repurchased nearly 20% of shares outstanding since 2020** reflecting management’s confidence in the long-term prospects of IMAX

APPENDIX

## Appendix: How IMAX Makes Money

Segment	Customer	Revenue Streams	2023 Revenue	Comments
<p style="text-align: center;"><b>Content Solutions</b></p> <p style="text-align: center;">(34% of 2023 total IMAX Revenue at a 58% gross margin)</p>	<p style="text-align: center;">Studios and Other Content Creators</p>	<p>Film Remastering &amp; Distribution</p>	<p><b>\$119M</b> (11.2% of IMAX Box Office)</p>	<p>IMAX earns a percentage of box office from studios for remastering and distribution of films in the IMAX network. Revenue is recognized as box office is earned.</p> <p>Film remastering costs are capitalized and depreciated over the IMAX run. Marketing costs are expensed as incurred.</p>
		<p>Other Content Solutions</p>	<p><b>\$8M</b></p>	<p>Includes revenue and costs associated with documentaries and alternative content as well as miscellaneous post-production work.</p>
<p style="text-align: center;"><b>Technology Products &amp; Services</b></p> <p style="text-align: center;">(63% of 2023 total IMAX Revenue at a 55% gross margin)</p>	<p style="text-align: center;">Global Exhibitors</p> <p style="text-align: center;">(Master contract by exhibitor, individual system contract length is typically 10 to 12 years)</p>	<p>System Sales</p>	<p><b>\$93M</b></p>	<p>Includes revenue and costs recognized in the period of sale from sales and hybrid sales contracts. For hybrid sales contracts as well as for renewals, contingent consideration is estimated based on future estimated box office receipts. This stream also includes sales of IMAX system parts and 3D glasses.</p>
		<p>System Rentals</p>	<p><b>\$76M</b> (7.1% of IMAX Box Office)</p>	<p>Includes rental revenue and costs from joint revenue sharing (JRSA) and hybrid JRSA contracts. System rental revenue is based on a contractual share of box office from the exhibitor. Costs reflects depreciation of the system assets (IMAX Capex) over the life of the contract.</p>
		<p>Maintenance</p>	<p><b>\$57M</b></p>	<p>Annual maintenance fees are included in all exhibitor contracts.</p>
		<p>Finance Income</p>	<p><b>\$9M</b></p>	<p>Finance Income is recognized over time based on the imbedded interest rate within our sales arrangements.</p>
<p style="text-align: center;"><b>All Other</b></p> <p style="text-align: center;">(3% of 2023 total IMAX Revenue at a 74% gross margin)</p>	<p style="text-align: center;">Primarily Streaming and Consumer Technology customers</p>	<p>All Other</p>	<p><b>\$14M</b></p>	<p>Includes revenues from businesses that do not meet criteria to be a reportable segment. Primarily includes revenues from IMAX's Streaming &amp; Consumer technology business which includes licensing arrangements with equipment manufacturers and software that help optimize the bandwidth required and cost associated with streaming and broadcasting content.</p>

## USE OF NON-GAAP FINANCIAL MEASURES

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In this presentation, the Company presents adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per basic and diluted share, EBITDA, Adjusted EBITDA per Credit Facility, Adjusted EBITDA margin as supplemental measures of the Company's performance, which are not recognized under U.S. GAAP. Adjusted net income attributable to common shareholders and adjusted net income 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) transaction-related expenses; and (iv) restructuring and executive transition costs, 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 unusual items included in net income (loss) 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.

A reconciliation from net income (loss) attributable to common shareholders and the associated per share amounts to adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share is presented in the table below. Net income (loss) attributable to common shareholders and the associated per share amounts are the most directly comparable GAAP measures because they reflect the earnings relevant to the Company's shareholders, rather than the earnings attributable to non-controlling interests.

In addition to the non-GAAP financial measures discussed above, management also uses "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 allowed by the Credit Agreement, Adjusted EBITDA per Credit Facility includes adjustments in addition to the exclusion of interest, taxes, depreciation and amortization. Adjusted EBITDA per Credit Facility 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 against 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) transaction-related expenses; (iv) restructuring and executive transition costs; and (v) write-downs, net of recoveries, including asset impairments and credit loss expense.

A reconciliation of net income (loss) attributable to common shareholders, which is the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA per Credit Facility is presented in the table below. Net income (loss) attributable to common shareholders is the most directly comparable GAAP measure because it reflects the earnings relevant to the Company's shareholders, rather than the earnings attributable to non-controlling interests.

In this presentation, the Company also presents free cash flow, which is not recognized under U.S. GAAP, as a supplemental measure of the Company's liquidity. The Company definition of free cash flow deducts only normal recurring capital expenditures, including the Company's investment in joint revenue sharing arrangements, the purchase of property, plant and equipment and the acquisition of other intangible assets (from the Consolidated Statements of Cash Flows), from net cash provided by or used in operating activities. Management believes that free cash flow is a supplemental measure of the 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 below.

These non-GAAP measures may not be comparable to similarly titled amounts reported by other companies. Additionally, the non-GAAP financial measures used by the Company should not be considered as a substitute for, or superior to, the comparable GAAP amounts.

SECOND QUARTER 2024 NON-GAAP FINANCIAL RECONCILIATION – ADJUSTED NET INCOME

	3 MONTHS ENDED JUNE 30, 2024		3 MONTHS ENDED JUNE 30, 2023		6 MONTHS ENDED JUNE 30, 2024		6 MONTHS ENDED JUNE 30, 2023	
	Net Income	Per Share	Net Income	Per Share	Net Income	Per Share	Net Income	Per Share
<b>\$ IN THOUSANDS, EXCEPT EPS DATA</b>								
Net Income Attributable to Common Shareholders	\$ 3,583	\$ 0.07	\$ 8,351	\$ 0.15	\$ 6,857	\$ 0.13	\$ 10,805	\$ 0.20
<b>Adjustments:</b>								
Share-Based Compensation	6,647	0.12	6,511	0.12	11,354	0.21	12,047	0.22
Unrealized Investment Gains	(32)	-	(27)	-	(62)	-	(72)	-
Transaction-Related Expenses	-	-	-	-	-	-	156	-
Restructuring and Executive Transition Costs	-	-	-	-	-	-	1,353	0.02
Tax Impact on Items Listed Above	(452)	(0.01)	(480)	(0.01)	(462)	(0.01)	(909)	(0.02)
<b>Adjusted Net Income Attributable to Common Shareholders</b>	<b>\$ 9,746</b>	<b>\$ 0.18</b>	<b>\$ 14,355</b>	<b>\$ 0.26</b>	<b>\$ 17,688</b>	<b>\$ 0.33</b>	<b>23,380</b>	<b>\$ 0.42</b>
<i>Weighted Average Basic Shares Outstanding</i>		<b>52,633</b>		<b>54,591</b>		<b>52,568</b>		<b>54,328</b>
<i>Weighted Average Diluted Shares Outstanding</i>		<b>53,428</b>		<b>55,320</b>		<b>53,386</b>		<b>55,145</b>

SECOND QUARTER 2024 NON-GAAP FINANCIAL RECONCILIATION – ADJ. EBITDA

\$ IN THOUSANDS	3 MONTHS ENDED JUNE 30, 2024	3 MONTHS ENDED JUNE 30, 2023	6 MONTHS ENDED JUNE 30, 2024	6 MONTHS ENDED JUNE 30, 2023
<b>Revenues</b>	<b>\$ 88,961</b>	<b>\$ 97,979</b>	<b>\$ 168,084</b>	<b>\$ 184,925</b>
<b>Reported Net Income</b>	<b>\$ 5,073</b>	<b>\$ 9,613</b>	<b>\$ 10,493</b>	<b>\$ 14,736</b>
<b>Add (Subtract):</b>				
Income Tax Expense	(3,997)	3,461	1,162	8,346
Interest Expense, Net of Interest Income	1,229	477	2,148	1,212
Depreciation and Amortization, Including Film Asset Amortization	18,838	13,878	34,002	27,198
Amortization of Deferred Financing Costs	492	625	984	1,250
EBITDA	\$ 21,635	\$ 28,054	48,789	52,742
Share-based and Other Non-Cash Compensation	6,970	6,900	11,753	12,533
Unrealized Investment Gains	(32)	(28)	(62)	(72)
Transaction Related Expense	-	-	-	156
Write-downs, Including Asset Impairments and Credit Loss Expense	2,428	1,016	2,572	1,540
Restructuring and Executive Transition Costs	-	-	-	1,353
<b>Total Adjusted EBITDA</b>	<b>\$ 31,001</b>	<b>\$ 35,942</b>	<b>\$ 63,052</b>	<b>\$ 68,252</b>
<b>Total Adjusted EBITDA Margin</b>	<b>34.8%</b>	<b>36.7%</b>	<b>37.5%</b>	<b>36.9%</b>
Less: Non-Controlling Interest	\$ (4,151)	\$ (3,165)	\$ (8,085)	\$ (8,193)
Adjusted EBITDA Per Credit Facility – Attributable to Common Shareholders	\$ 26,850	\$ 32,777	\$ 54,967	\$ 60,059



NON-GAAP FINANCIAL RECONCILIATION – FREE CASH FLOW

6 MONTHS ENDED JUNE 30, 2024

\$ IN THOUSANDS

Net Cash Provided by Operating Activities	\$ 24,070
Purchase of Property, Plant and Equipment	(2,690)
Acquisition of Other Intangible Assets	(3,191)
Free Cash Flow Before Growth CAPEX	18,189
Investment in Equipment for Joint Revenue Sharing Arrangements	(9,757)
<b>Free Cash Flow</b>	<b>\$ 8,432</b>

2023 NON-GAAP FINANCIAL RECONCILIATION – ADJUSTED NET INCOME

	FULL YEAR 2023	
\$ IN THOUSANDS, EXCEPT EPS DATA	Net Income	Per Share
Net Income Attributable to Common Shareholders	\$ 25,355	\$ 0.46
<b>Adjustments:</b>		
Share-Based Compensation	23,184	0.42
Unrealized Investment Gains	(558)	(0.01)
Transaction-Related Expenses	3,361	0.06
Restructuring and Executive Transition Costs	2,688	0.05
Tax Impact on Items Listed Above	(1,931)	(0.04)
<b>Adjusted Net Income Attributable to Common Shareholders</b>	<b>\$ 52,079</b>	<b>\$ 0.94</b>
<i>Weighted Average Basic Shares Outstanding</i>		<b>54,310</b>
<i>Weighted Average Diluted Shares Outstanding</i>		<b>55,146</b>

FULL YEAR 2023 NON-GAAP FINANCIAL RECONCILIATION – ADJ. EBITDA

\$ IN THOUSANDS	FULL YEAR 2023			FULL YEAR 2022		
	Attributable to Non-Controlling Interests & Common Shareholders	Less: Attributable to Non-Controlling Interests	Attributable to Common Shareholders	Attributable to Non-Controlling Interests & Common Shareholders	Less: Attributable to Non-Controlling Interests	Attributable to Common Shareholders
Reported Net Income (loss)	\$ 33,066	\$ 7,731	\$ 25,335	\$(19,877)	\$2,923	\$(22,800)
<b>Add (Subtract):</b>						
Income Tax Expense	13,051	1,725	11,326	10,108	1,256	8,852
Interest Expense, Net of Interest Income	2,101	(408)	2,509	1,272	(251)	1,523
Depreciation and Amortization, Including Film Asset Amortization	60,022	5,312	54,710	56,661	4,820	51,841
Amortization of Deferred Financing Costs	2,235	-	2,235	3,177	-	3,177
EBITDA	\$ 110,475	\$14,360	\$ 96,115	\$ 51,341	\$ 8,748	\$ 42,593
Share-based and Other Non-Cash Compensation	24,230	774	23,456	27,573	760	26,813
Unrealized Investment Gains	(465)	(93)	(372)	(70)	-	(70)
Transaction-Related Expenses	3,569	208	3,361	1,122	-	1,122
Write-downs, Including Asset Impairments and Credit Loss Expense	3,273	362	2,911	15,723	1,723	14,000
Restructuring and Executive Transition Costs	2,946	258	2,688	-	-	-
Adjusted EBITDA Per Credit Facility	\$144,028	\$15,869	\$128,159	\$95,689	\$11,231	\$84,458
Revenues	\$374,839	\$25,674	\$349,165	\$300,805	\$20,883	\$279,922
<b>Adjusted EBITDA Margin</b>	<b>38.4%</b>	<b>61.8%</b>	<b>36.7%</b>	<b>31.8%</b>	<b>53.8%</b>	<b>30.2%</b>