IMAX®

Third Quarter 2017 Results

October 26, 2017

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 signing of theater system agreements; conditions, changes and developments in the commercial exhibition industry; risks related to currency fluctuations; the performance of IMAX DMR films; 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; the Company's largest customer accounting for a significant portion of the Company's 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 the Company; risks related to cyber-security; risks related to the Company's inability to protect its intellectual property; risks related to the Company's implementation of a new enterprise resource planning system; 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 the Company's restructuring initiative; 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.

Use of Non-GAAP Financial Information

In this 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 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 and non-recurring exit costs, restructuring charges and associated impairments (net of any related tax impact) 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 our non-controlling interests 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 and non-recurring exit costs, restructuring charges and associated impairments (net of any related tax impact) in determining net income attributable to common shareholders. The Company also presents EBITDA, as defined in its credit facility (and which is referred to herein as "adjusted EBITDA, " as the credit agreement includes additional adjustments beyond interest, taxes, depreciation and amortization). 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, adjusted net income attributable to common shareholders per diluted share and adjusted EBITDA 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. Definitions of these non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures are included elsewhere in this presentation.

Core Business Highlights – Q3 2017

Network Business

- Gross box office from DMR titles of $219M in Q3 2017
  - Domestic box office of $80M
  - Greater China box office of $60M
  - Rest of World (ex China) box office of $79M
- Worldwide per screen average (PSA) of $181K in Q3 2017
  - Domestic PSA of $198K
  - Greater China PSA of $134K
  - Rest of World (ex China) PSA of $220K
- 17 new DMR films in Q3 2017 vs. 21 new DMR films in Q3 2016
- Network revenue was 19.5% of global DMR box office in Q3 2017 vs 19.6% in Q3 2016

Core Business Highlights – Q3 2017

Theatre Business

- Increased full-year 2017 installation guidance to approximately 160 - 165 new theatre systems
- Signed agreements for 17 new systems during the quarter across 6 countries
- Installed 51 systems in Q3 2017, bringing the global theatre network to 1,302 screens (including 1,203 commercial multiplex screens) across 75 countries
  - Includes two laser upgrades in Q3 ’17, in line with Q3 ’16
  - Of the 49 new commercial installations, 19 were sales and sales-type lease theatres, 25 were traditional joint revenue sharing theatres, and five were hybrid revenue sharing theatres
- Ended Q3 2017 with Backlog of 545 systems vs. 547 systems in the year ago period
  - Domestic backlog of 56 systems
  - Greater China backlog of 350 systems
  - Rest of World (ex China) backlog of 139 systems

Q3 2017 Core Business and New Initiative Reconciliation

Q3 – 2017 ($ in millions, except EPS)	Core Business[1]	New Business[2]	Non-Controlling Interest	IMAX Consolidated[3]
Revenue	$89.9	$8.9	-	**$98.8**
Gross Margin	51.8	(11.9)	-	**39.9**
SG&A (excl. SBC)	19.5	0.8	-	**20.3**
Stock-Based Comp.	5.2	-	-	**5.2**
R&D	3.1	1.5	-	**4.6**
Operating Expenses[4]	22.6	2.3	-	**24.9**
Exit costs, restructuring costs & associated impairments	3.4	-	-	**3.4**
Pre-Tax Income	18.7	(14.5)	-	**4.2**
Adj. EBITDA[5]	$42.6	$(1.5)	$(6.5)	**$34.6**

(1) Core Business includes the Network Business, Theatre Business, distribution and theatre operations.
(2) New Business includes Episodic activity for "*Marvel's Inhumans*", Home/TCL, IMAX Shift and the VR initiative.
(3) Totals may not foot due to rounding
(4) Includes SG&A and R&D, and excludes stock-based compensation.
(5) Please see appendix for details regarding non-GAAP adjustments and for the definition and reconciliation of Adjusted EBITDA as calculated in accordance with the Company's credit facility.

Q3 2016 Core Business and New Initiative Reconciliation

Q3 – 2016 ($ in millions, except EPS)	Core Business(1)	New Business(2)	Non-Controlling Interest	IMAX Consolidated(3)
Revenue	$86.1	$0.5	-	**$86.6**
Gross Margin	45.2	(0.3)	-	**44.9**
SG&A (excl. SBC)	22.4	0.6	-	**23.0**
Stock-Based Comp.	7.7	-	-	**7.7**
R&D	3.6	0.9	-	**4.5**
Operating Expenses(4)	26.0	1.5	-	**27.5**
Pre-Tax Income	10.1	(2.5)	-	**7.6**
Adj. EBITDA(5)	$30.8	$(1.6)	$(4.7)	**$24.5**

(1) Core Business includes the Network Business, Theatre Business, distribution and theatre operations.
(2) New Business includes Home/TCL, IMAX Shift and the VR initiative.
(3) Totals may not foot due to rounding
(4) Includes SG&A and R&D, and excludes stock-based compensation.
(5) Please see appendix for details regarding non-GAAP adjustments and for the definition and reconciliation of Adjusted EBITDA as calculated in accordance with the Company's credit facility.

Other Q3 2017 Financial Highlights

Operating Expenses(1)	▪ Total operating expenses declined approximately 9% year-over-year, of which core operating expenses declined 13%
Effective Tax Rate	▪ Q3 2017 tax rate was approximately 24%
Capital Expenditure(2)	▪ Capital expenditures of $37.0M in Q3 2017, compared to $10.9M in the year ago period
Cash Balance	▪ Ended the quarter with cash balance of $158M ▪ Cash balance in Greater China of $115M and cash balance excluding Greater China of $43M
Net Cash Flow(3)	▪ Net cash outflow for Q3 2017 was less than $1M

(1) Includes SG&A and R&D, and excludes stock-based compensation.
(2) Includes the Company's investment in joint revenue sharing equipment, purchase of property, plant and equipment, other intangible assets and investments in film assets.
(3) Please see appendix for details regarding the definition and calculation of free cash flow.

Appendix

Q3 2017 Non-GAAP Financial Reconciliation- Adjusted Earnings Per Share

(In thousands of U.S. dollars, except per share amounts)	Quarter Ended September 30, 2017 Net Income	2017 Diluted EPS	2016 Net Income	2016 Diluted EPS
Reported net income	$ 2,898	$ 0.04	$ 4,384	$ 0.07
Adjustments:				
Stock-based compensation	5,739	0.09	7,742	0.11
Exit costs, restructuring charges and associated impairments	3,437	0.05	-	-
Tax impact on items listed above	(2,855)	(0.04)	(2,210)	(0.03)
Adjusted net income	9,219	0.14	9,916	0.15
Net income attributable to non-controlling interests	(3,748)	(0.06)	(1,859)	(0.03)
Stock-based compensation (net of tax of $0.1 million and less than $0.1 million, respectively)	(263)	-	(128)	-
Exit costs, restructuring charges and associated impairments (net of tax of less than $0.1 million)	(11)	-	-	-
Adjusted net income attributable to common shareholders	$ 5,197	$ 0.08	$ 7,929	$ 0.12
Weighted average diluted shares outstanding		64,803		67,746

Q3 2017 Non-GAAP Financial Reconciliation- Adjusted EBITDA

(In thousands of U.S. Dollars)	For the 3 months ended September 30, 2017	For the 12 months ended September 30, 2017 [1]
Net income	$ 2,898	$ 15,896
Add (subtract):		
Provision for income taxes	1,009	7,462
Interest expense, net of interest income	275	864
Depreciation and amortization, including film asset amortization	14,252	51,521
EBITDA	$ 18,434	$ 75,743
Exit costs, restructuring charges and associated impairments	3,437	13,695
Stock and other non-cash compensation	6,419	27,606
Write-downs, net of recoveries including asset impairments and receivable provisions	12,465	23,104
Loss from equity accounted investments	318	687
Adjusted EBITDA before non-controlling interests[2]	41,073	140,835
Adjusted EBITDA attributable to non-controlling interests	(6,511)	(21,624)
Adjusted EBITDA attributable to common shareholders	$ 34,562	$ 119,211
Adjusted revenues attributable to common shareholders[3]	$ 87,180	$ 323,478
Adjusted EBITDA margin	39.6 %	36.9 %

(1) Ratio of funded debt calculated using twelve months ended Adjusted EBITDA.

(2) The Adjusted EBITDA calculation specified for purpose of the minimum Adjusted EBITDA covenant excludes the reduction in Adjusted EBITDA from the Company's non-controlling interests.

(3)

	3 months ended September 30, 2017		12 months ended September 30, 2017	
Total revenues		$ 98,800		$ 362,128
Greater China revenues	$ 36,563		$ 121,870	
Non-controlling interest ownership percentage[4]	31.78%		31.71%	
Deduction for non-controlling interest share of revenues		(11,620)		(38,650)
Adjusted revenues attributable to common shareholders		$ 87,180		$ 323,478

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

Q3 2017 Free Cash Flow Reconciliation

Free Cash Flow:

Free cash flow is defined as cash provided by operating activities minus cash used in investing activities (from the 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 in the table below:

(In thousands of U.S. Dollars)	**For the Three months ended September 30, 2017**	**For the Nine months ended September 30, 2017**
Net cash provided by operating activities	$ 26,199	$ 63,419
Net cash used in investing activities	(25,888)	(57,333)
Net cash flow	$ 311	$ 6,086