IMAX®

First Quarter 2017 Results

April 20, 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. All statements other than statements of fact could be deemed forward-looking, including, without limitation, 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 foreign 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; general economic, market or business conditions; the failure to convert theater system backlog into revenue; changes in laws or regulations; 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 (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 (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 - Q1 2017

Network Business

- Gross box office from DMR titles of $212M in Q1 2017
    - Domestic box office of $75M
    - Greater China box office of $70M
    - Rest of World (ex China) box office of $67M
- Worldwide per screen average (PSA) of $189K in Q1 2017
    - Domestic PSA of $187K for Q1 2017
    - Greater China PSA of $175K for Q1 2017
    - Rest of World (ex China) PSA of $211K for Q1 2017
- 12 DMR films in Q1 2017 vs 11 DMR films in Q1 2016
- Network revenue was 18.6% of global DMR box office in Q1 2017 vs 19.2% in Q1 2016
- First time IMAX has released at least one movie from every major motion picture studio within one quarter

Core Business Highlights - Q1 2017

Theatre Business

- Increased full-year 2017 installation guidance to approximately 160 new theatre systems
- Signed agreements for 39 systems during the quarter across 9 countries
- Installed 15 systems in Q1 2017, bringing the global theatre network to 1,226 screens (including 1,121 commercial screens) across 75 countries
  - Includes 1 laser upgrade in Q1 ’17, vs. 1 xenon and 8 laser upgrades in Q1 ’16, respectively
  - Of the 14 new commercial installations, five were sales and sales-type lease theatres, eight were traditional joint revenue sharing theatres, and one was a hybrid revenue sharing theatre
- Ended Q1 2017 with Backlog of 524 systems, up 35% vs. the 388 systems in the year ago period
  - Domestic backlog of 58 systems
  - Greater China backlog of 356 systems
  - Rest of World (ex China) backlog of 110 systems

New Business Highlights- Q1 2017

Original Content

- Final casting completed of *Marvel's Inhumans* television series
- Completed production of the first two episodes of *Marvel's Inhumans*
- *Marvel's Inhumans* has buzz among upcoming shows launching this fall season based on social media impressions, followers, postings and likes - with 95% of all social engagement being positive

Virtual Reality

- Announced first-ever virtual reality Hollywood content deal with Warner Bros. Home Entertainment to develop three cutting edge VR experiences
- Reached over 20,000 unique visitors at flagship pilot VR centre in Los Angeles since opening, pacing at roughly $15 thousand per week in revenue over the last several weeks
- Agreed with exhibitor partners to open multiple additional pilot VR centres by the end of 2017 in locations including New York, Manchester, UK, Shanghai and Japan

Q1 2017 Core Business and New Initiative Reconciliation

Q1 – 2017 ($ in millions, except EPS)	Core Business[1]	New Business[2]	Non-Controlling Interest	IMAX Consolidated[3]
Revenue	$67.4	$1.3	-	**$68.7**
Gross Margin	36.1	(0.3)	-	**35.8**
SG&A (excl. SBC)	24.9	0.7	-	**25.6**
Stock-Based Comp.	5.3	-	-	**5.3**
R&D	2.9	1.4	-	**4.3**
Operating Expenses[4]	27.9	2.1	-	**30.0**
Net Income (Loss)	1.7	(2.6)	1.0	**0.1**
EPS, Diluted	$0.03	($0.04)	$0.01	**$0.00**
Adj. Net Income[5] (Loss)	5.7	(2.6)	0.8	**3.9**
Adj. EPS, Diluted[5]	$0.09	($0.04)	$0.01	**$0.06**
Adj. EBITDA[5]	23.3	(2.0)	(2.8)	**18.5**

(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.

Q1 2016 Core Business and New Initiative Reconciliation

Q1 – 2016 ($ in millions, except EPS)	Core Business(1)	New Business(2)	Non-Controlling Interest	IMAX Consolidated(3)
Revenue	$92.1	-	-	**$92.1**
Gross Margin	52.4	(0.2)	-	**52.2**
SG&A (excl. SBC)	22.3	0.7	-	**23.0**
Stock-Based Comp.	5.9	-	-	**5.9**
R&D	2.6	1.1	-	**3.7**
Operating Expenses(4)	24.9	1.8	-	**26.7**
Net Income (Loss)	16.5	(2.5)	(2.7)	**11.3**
EPS, Diluted	$0.23	($0.04)	($0.04)	**$0.16**
Adj. Net Income(5) (Loss)	20.5	(2.5)	(2.7)	**15.3**
Adj. EPS, Diluted(5)	$0.29	($0.04)	($0.04)	**$0.22**
Adj. EBITDA(5)	37.9	(2.0)	(4.4)	**31.5**

(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 Q1 2017 Financial Highlights

Operating Expenses(1)	▪ Operating expenses grew approximately 12% year-over-year
Effective Tax Rate	▪ Q1 2017 effective tax rate of approximately 22.5%
Capital Expenditure(2)	▪ Capital expenditures of $16.5M in Q1 2017, compared to $13.3M in the year ago period
Cash Balance	▪ Ended the quarter with cash balance of $191M, ▪ Cash balance in Greater China of $104M and cash balance excluding Greater China of $87M
Net Cash Flow(3)	▪ Net cash flow for Q1 2017 was ($14.8M)

(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

Q1 2017 Non-GAAP Financial Reconciliation- Adjusted Earnings Per Share

(In thousands of U.S. dollars, except per share amounts)	Quarter Ended March 31,			
	2017		2016	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Reported net (loss) income	$ (887)	$ (0.01)	$ 13,952	$ 0.20
Adjustments:				
Stock-based compensation	5,264	0.08	5,873	0.09
Tax impact on items listed above	(1,341)	(0.02)	(1,800)	(0.03)
Adjusted net income	3,036	0.05	18,025	0.26
Net loss (income) attributable to non-controlling interests	962	0.01	(2,650)	(0.04)
Stock-based compensation (net of tax of less than $0.1 million and less than $0.1 million, respectively) attributable to non-controlling interests	(128)	-	(125)	-
Adjusted net income attributable to common shareholders	$ 3,870	$ 0.06	$ 15,250	$ 0.22
Weighted average diluted shares outstanding		67,180		70,120

Q1 2017 Non-GAAP Financial Reconciliation- Adjusted EBITDA

(In thousands of U.S. Dollars)	For the 3 months ended March 31, 2017	For the 12 months ended March 31, 2017[1]
Net (loss) income	$ (887)	$ 26,256
Add (subtract):		
Provision for income taxes	114	12,608
Interest expense, net of interest income	227	611
Depreciation and amortization, including film asset amortization	11,957	47,613
EBITDA	$ 11,411	$ 87,088
Write-downs, net of recoveries including asset impairments and receivable provisions	4,010	9,302
Loss from equity accounted investments	255	2,135
Stock and other non-cash compensation	5,660	28,579
Adjusted EBITDA before non-controlling interests	21,336	127,104
Adjusted EBITDA attributable to non-controlling interests[2]	(2,845)	(18,211)
Adjusted EBITDA attributable to common shareholders	$ 18,491	$ 108,893
Adjusted revenues attributable to common shareholders[3]	$ 62,749	$ 318,355
Adjusted EBITDA margin	29.5 %	34.2 %

(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 March 31, 2017		12 months ended March 31, 2017	
Total revenues		$ 68,657		$ 353,863
Greater China revenues	$ 18,590		$ 112,183	
Non-controlling interest ownership percentage[4]	31.78%		31.65%	
Deduction for non-controlling interest share of revenues		(5,908)		(35,508)
Adjusted revenues attributable to common shareholders		$ 62,749		$ 318,355

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

Q1 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 March 31, 2017**
Net cash used in operating activities	$	(617)
Net cash used in investing activities		(14,206)
Net cash flow	$	(14,823)