

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND INSIDE INFORMATION

OUR CONTROLLING SHAREHOLDER IMAX CORPORATION RELEASED ITS UNAUDITED RESULTS AND QUARTERLY REPORT FOR THE SECOND QUARTER AND THE FIRST HALF OF FISCAL YEAR 2025

INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of IMAX China Holding, Inc. (the “**Company**” or “**IMAX China**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025. The interim results have been reviewed by the Group’s external auditor and the Audit Committee.

INSIDE INFORMATION

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our controlling shareholder, IMAX Corporation has, on 24 July 2025 (New York time), released its unaudited results for the second quarter of 2025 and its quarterly report for the second quarter of 2025.

FINANCIAL INFORMATION

The financial information set out below in this announcement represents an extract from the condensed consolidated interim financial information, which is unaudited but has been reviewed by the Group's external auditor, PricewaterhouseCoopers ("PwC"), in accordance with International Standard on Review Engagements 2410 and by the audit committee of the Company. PwC's unmodified review report is included in the Interim Report to be sent to Shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(In thousands of U.S. dollars)

		Six months ended 30 June	
		2025	2024
	Notes	(Unaudited)	(Unaudited)
Revenues	4	57,802	43,901
Cost of sales	5	(17,702)	(18,799)
Gross profit	4	40,100	25,102
Selling, general and administrative expenses	5	(6,994)	(6,821)
Other operating expenses	5	(3,011)	(2,293)
Reversals (Provisions) of net impairment losses on financial assets	5	55	(396)
Other income		46	—
Operating profit		30,196	15,592
Interest income		857	893
Interest expense		(29)	(36)
Profit before income tax		31,024	16,449
Income tax expense	6	(7,131)	(3,801)
Profit for the period attributable to owners of the Company		23,893	12,648
Other comprehensive income (loss):			
Items that may be subsequently reclassified to profit or loss:			
Change in foreign currency translation adjustments		1,393	(585)
Other comprehensive income (loss):		1,393	(585)
Total comprehensive income for the period, attributable to owners of the Company		25,286	12,063
Profit per share attributable to owners of the Company – basic and diluted (expressed in U.S. dollars per share):			
From profit for the period – basic	7	0.07	0.04
From profit for the period – diluted	7	0.07	0.04

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(In thousands of U.S. dollars)

		As at 30 June 2025 <i>(Unaudited)</i>	As at 31 December 2024 <i>(Audited)</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	8	68,796	71,604
Other assets		1,536	1,556
Deferred tax assets	10	3,158	2,670
Variable consideration receivables from contracts		7,124	7,693
Financing receivables		51,536	51,348
		<u>132,150</u>	<u>134,871</u>
Current assets			
Other assets		589	611
Contract acquisition costs		532	533
Film assets		29	10
Inventories		4,358	4,948
Prepayments		3,418	3,480
Income tax receivables		1,010	1,749
Variable consideration receivables from contracts		1,496	1,512
Financing receivables		29,217	29,897
Trade and other receivables	9	91,295	75,913
Cash and cash equivalents		94,172	80,049
		<u>226,116</u>	<u>198,702</u>
Total assets		<u><u>358,266</u></u>	<u><u>333,573</u></u>

		As at 30 June 2025 <i>(Unaudited)</i>	As at 31 December 2024 <i>(Audited)</i>
	Notes		
LIABILITIES			
Non-current liabilities			
Accruals and other liabilities		824	993
Deferred revenue	12	11,642	11,941
Deferred tax liabilities	10	12,521	12,521
		<u>24,987</u>	<u>25,455</u>
Current liabilities			
Trade and other payables	11	16,894	15,325
Accruals and other liabilities		7,071	6,872
Deferred revenue	12	10,874	11,817
		<u>34,839</u>	<u>34,014</u>
Total liabilities		<u>59,826</u>	<u>59,469</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		34	34
Share premium and reserves		218,011	217,480
Retained earnings		80,395	56,590
		<u>298,440</u>	<u>274,104</u>
Total equity		<u>298,440</u>	<u>274,104</u>
Total equity and liabilities		<u><u>358,266</u></u>	<u><u>333,573</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Tabular amounts in thousands of U.S. dollars unless otherwise stated)

1. General information

IMAX China Holding, Inc. (the “**Company**”) was incorporated in the Cayman Islands on 30 August 2010, as an exempted company with limited liability under the laws of the Cayman Islands. The ultimate holding company of the Company is IMAX Corporation (the “**Controlling Shareholder**”), incorporated in Canada. The Company’s registered office is located at Post Office Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104.

The Company, an investment holding company, and its subsidiaries (together the “**Group**”) are principally engaged in the entertainment industry specialising in digital film technologies in mainland China, Hong Kong, Taiwan and Macau (“**Greater China**”).

The Group refers to all the theatres using the IMAX theatre system in Greater China as “IMAX theatres”.

The Company has listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 October 2015.

The condensed consolidated interim financial information is presented in United States dollars (“US\$” or “\$”), unless otherwise stated.

2. Summary of material accounting policy information

The material accounting policies applied in the preparation of the condensed consolidated interim financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”), “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (“**IFRS Accounting Standards**”).

The preparation of condensed consolidated interim financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(b) Summary of significant accounting policies

Except as described in note 3, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

Taxes on income during the six months ended 30 June 2025 and 2024 are accrued using the tax rate that would be applicable to expected total annual profits.

3. New accounting standards and accounting changes

A number of new, or amended, standards became applicable for the annual reporting period commencing on 1 January 2025. The Group did not have to change its accounting policies, or make retrospective adjustments, as a result of adopting these standards.

**Effective for
annual periods
beginning on or after**

IAS 21 (Amendments)

Lack of Exchangeability

1 January 2025

Certain new accounting standards and interpretations have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2025 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments, Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

4. Revenue and segment information

Management, including the Group's executive directors, assesses segment performance based on segment revenues, gross margins and film performance. Selling, general and administrative expenses, other operating expenses, reversals (provisions) of impairment losses on financial assets, other income, interest income, interest expense and income tax expense are not allocated to the segments.

The Group has the following reportable segments:

- (i) Content Solutions, which principally includes the digital remastering of films and other content into IMAX formats for distribution to the IMAX network.
- (ii) Technology Products and Services, which includes results from the sale or lease of IMAX Systems, as well as from the maintenance of IMAX Systems. To a lesser extent, the Technology Products and Services segment also earns revenue from certain ancillary theatre business activities, including after-market sales of IMAX System parts and 3D glasses.

The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Inter-segment profits are eliminated upon consolidation, as well as for the disclosures below.

Transactions between the other segments are not significant.

(a) Operating Segments

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Revenue		
Content Solutions	20,801	9,346
Technology Products and Services	36,230	34,075
	<hr/>	<hr/>
Subtotal for reportable segments	57,031	43,421
	<hr/>	<hr/>
All Other	771	480
	<hr/>	<hr/>
Total	57,802	43,901
	<hr/> <hr/>	<hr/> <hr/>
Gross profit (loss)		
Content Solutions	19,197	7,043
Technology Products and Services	20,686	18,108
	<hr/>	<hr/>
Subtotal for reportable segments	39,883	25,151
	<hr/>	<hr/>
All Other	217	(49)
	<hr/>	<hr/>
Total gross profit	40,100	25,102
	<hr/> <hr/>	<hr/> <hr/>
Selling, general and administrative expenses	(6,994)	(6,821)
Other operating expenses	(3,011)	(2,293)
Reversals (Provisions) of impairment		
losses on financial assets	55	(396)
Other income	46	—
Interest income	857	893
Interest expense	(29)	(36)
	<hr/>	<hr/>
Profit before income tax	31,024	16,449
	<hr/> <hr/>	<hr/> <hr/>

The Group's operating assets and liabilities are located in Greater China. All revenue earned by the Group is generated by the activities of IMAX theatres operating in Greater China.

The following table summarizes revenue recognised under IFRS 15 and IFRS 16, respectively.

	Six months ended 30 June			
	Recognised under IFRS 15		Recognised under IFRS 16	
	2025	2024	2025	2024
Revenue				
Content Solutions				
Film Remastering	<u>20,801</u>	<u>9,346</u>	<u>–</u>	<u>–</u>
	<u>20,801</u>	<u>9,346</u>	<u>–</u>	<u>–</u>
Technology Products and Services				
System Sales	6,721	12,411	–	–
System Rentals	–	–	14,442	7,352
Maintenance	13,345	12,946	–	–
Finance Income	<u>1,722</u>	<u>1,366</u>	<u>–</u>	<u>–</u>
	<u>21,788</u>	<u>26,723</u>	<u>14,442</u>	<u>7,352</u>
Subtotal for reportable segments	<u>42,589</u>	<u>36,069</u>	<u>14,442</u>	<u>7,352</u>
All Other	<u>771</u>	<u>480</u>	<u>–</u>	<u>–</u>
Total	<u>43,360</u>	<u>36,549</u>	<u>14,442</u>	<u>7,352</u>

Of the revenue recognised under IFRS 15, approximately \$36.6 million for the six months ended 30 June 2025 (2024: \$24.1 million) were recognised over time, while approximately \$6.8 million were recognised at a point in time (2024: \$12.4 million).

Of the system rentals accounted for under IFRS 16, approximately \$12.6 million for the six months ended 30 June 2025 (2024: \$6.5 million) were from revenues under operating leases and approximately \$1.8 million for the six months ended 30 June 2025 (2024: \$0.9 million) were from revenues under finance leases.

The selling profit for the Group's finance leases was \$0.7 million for the six months ended 30 June 2025 (2024: \$nil).

(b) Significant customers

Revenue from the Group's significant customers (individually defined as greater than 10% of total revenues) as reported in segments are as follows:

Customer A

Revenues of approximately \$17.9 million during the six months ended 30 June 2025 (30 June 2024: \$19.6 million) are derived from a single external customer. These revenues are attributable to Content Solutions and Technology Products and Services.

Customer B

Revenues of \$15.7 million during the six months ended 30 June 2025 (30 June 2024: \$0.4 million) are derived from a single external customer. These revenues are attributable to Content Solutions.

No other single customers comprise of more than 10% of total revenues during the six months ended 30 June 2025 or 2024.

5. Expenses by nature

A breakdown of the Group's expenses by nature is provided in the table below:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Depreciation, including joint revenue sharing arrangements and film costs	6,999	7,890
Employee salaries and benefits	5,075	5,109
Theatre maintenance fees	3,856	3,982
Cost of theatre system sales and finance leases	3,598	3,387
Technology and trademark fees	2,994	2,275
Advertising and marketing expenses	2,003	2,224
Share-based compensation expenses	1,197	979
Professional fees	634	768
(Decrease) Increase in allowance for expected credit losses	(55)	396
Travel and transportation expenses	194	269
Lease expenses	91	96
Foreign exchange losses	1	15
Utilities and maintenance expenses	32	18
Other film costs	7	92
Recoveries of write-downs	(26)	(12)
Other costs	554	530
Other expenses	305	106
Auditor's remuneration		
– Non-audit services	30	25
– Audit services	163	160
	<hr/>	<hr/>
Total cost of sales, selling, general and administrative expenses, other operating expenses and (reversals) provisions of net impairment losses on financial assets	27,652	28,309
	<hr/> <hr/>	<hr/> <hr/>

6. Income tax expense

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Current income tax:		
Current tax on profits for the period	7,595	3,336
Adjustments in respect of prior years	<u>10</u>	<u>(8)</u>
Total current income tax	<u>7,605</u>	<u>3,328</u>
Deferred income tax:		
Origination of deductible temporary differences and losses	<u>(474)</u>	<u>473</u>
Total deferred income tax	<u>(474)</u>	<u>473</u>
Income tax expense	<u><u>7,131</u></u>	<u><u>3,801</u></u>

Income tax expense for the six months ended 30 June 2025 and 2024 is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

7. Profit per share

Reconciliations of the numerator and denominator of the basic and diluted per-share computations are comprised of the following:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period	23,893	12,648
Weighted average number of common shares (in '000s):		
Issued and outstanding, beginning of period	340,268	339,774
Weighted average number of shares increased during the period	126	326
Weighted average number of shares used in computing basic profit per share	340,394	340,100
Adjustments for:		
Restricted share units	1,214	1,599
Performance stock units	429	496
Weighted average number of shares used in computing diluted profit per share	342,037	342,195

8. Property, plant and equipment

	Theatre System Components	Office and Production Equipment	Right-of-use Assets	Leasehold Improvements	Construction in Process	Total
As at 1 January 2025 (audited)						
Cost	139,424	3,421	1,822	560	3,737	148,964
Accumulated depreciation and impairment	(74,440)	(2,397)	(411)	(112)	–	(77,360)
Net book amount	64,984	1,024	1,411	448	3,737	71,604
Six months ended 30 June 2025 (unaudited)						
Opening net book amount	64,984	1,024	1,411	448	3,737	71,604
Exchange differences	682	10	7	2	3	704
Additions	–	6	–	–	3,078	3,084
Transfers	4,507	–	–	–	(4,507)	–
Transfer out	(30)	–	–	–	–	(30)
Disposals	(109)	–	–	–	–	(109)
Depreciation charge	(6,017)	(190)	(195)	(55)	–	(6,457)
Closing net book amount	64,017	850	1,223	395	2,311	68,796
As at 30 June 2025 (unaudited)						
Cost	138,929	3,440	1,830	564	2,311	147,074
Accumulated depreciation and impairment	(74,912)	(2,590)	(607)	(169)	–	(78,278)
Net book amount	64,017	850	1,223	395	2,311	68,796
As at 1 January 2024 (audited)						
Cost	155,652	2,971	2,716	1,733	5,962	169,034
Accumulated depreciation and impairment	(86,917)	(2,547)	(955)	(1,722)	–	(92,141)
Net book amount	68,735	424	1,761	11	5,962	76,893
Six months ended 30 June 2024 (unaudited)						
Opening net book amount	68,735	424	1,761	11	5,962	76,893
Exchange differences	311	3	21	(2)	(8)	325
Additions	–	37	–	–	3,725	3,762
Transfers	2,946	165	–	556	(3,667)	–
Transfer out	(2,160)	–	–	–	–	(2,160)
Disposals	(183)	–	(30)	–	–	(213)
Depreciation charge	(6,729)	(107)	(264)	(40)	–	(7,140)
Impairment loss write-off	150	–	–	–	–	150
Closing net book amount	63,070	522	1,488	525	6,012	71,617
As at 30 June 2024 (unaudited)						
Cost	142,577	2,819	1,838	584	6,012	153,830
Accumulated depreciation and impairment	(79,507)	(2,297)	(350)	(59)	–	(82,213)
Net book amount	63,070	522	1,488	525	6,012	71,617

The recognised right-of-use assets all relate to the type of leased properties.

9. Trade and other receivables

	As at 30 June 2025 <i>(Unaudited)</i>	As at 31 December 2024 <i>(Audited)</i>
Trade receivables:		
Trade receivables from third parties	46,744	36,885
Less: allowance for expected credit losses of trade receivables from third parties	<u>(6,938)</u>	<u>(6,954)</u>
Trade receivables from third parties – net	39,806	29,931
Trade receivables from IMAX Corporation	46,398	41,947
Accrued trade receivables	5,853	4,776
Less: allowance for expected credit losses of accrued trade receivables	<u>(762)</u>	<u>(741)</u>
Accrued trade receivables – net	<u>5,091</u>	<u>4,035</u>
Total trade receivables	<u>91,295</u>	<u>75,913</u>
Total trade and other receivables	<u>91,295</u>	<u>75,913</u>

The fair value of trade and other receivables approximates the carrying value.

The aging analysis of the trade receivables, including receivables from IMAX Corporation, based on invoice date is as follows:

	As at 30 June 2025 <i>(Unaudited)</i>	As at 31 December 2024 <i>(Audited)</i>
0 – 30 days	3,879	4,703
31 – 60 days	1,184	2,266
61 – 90 days	1,127	3,896
Over 90 days	<u>86,952</u>	<u>67,967</u>
	<u>93,142</u>	<u>78,832</u>

10. Deferred income tax

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Deferred income tax assets		
Opening balance	2,670	4,324
Exchange differences	14	(69)
Credited (Charged) to profit or loss	474	(1,585)
Closing balance	<u>3,158</u>	<u>2,670</u>
Deferred income tax liabilities		
Opening and closing balance	<u>12,521</u>	<u>12,521</u>

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

11. Trade and other payables

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Trade payables to third parties	502	1,295
Payables to IMAX Corporation	15,795	13,565
Other payables	597	465
	<u>16,894</u>	<u>15,325</u>

The aging analysis of trade and other payables based on recognition date is as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
0 – 30 days	3,859	3,997
31 – 60 days	614	298
61 – 90 days	349	213
Over 90 days	12,072	10,817
	<u>16,894</u>	<u>15,325</u>

As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and other payables approximated their fair values due to short maturity. Trade and other payables over 90 days primarily consist of amounts due to IMAX Corporation.

12. Deferred revenue

	As at 30 June 2025 <i>(Unaudited)</i>	As at 31 December 2024 <i>(Audited)</i>
Theatre system deposits	14,179	13,731
Maintenance prepayments	<u>8,337</u>	<u>10,027</u>
	<u>22,516</u>	<u>23,758</u>
Deferred revenue, current	10,874	11,817
Deferred revenue, non-current	<u>11,642</u>	<u>11,941</u>
	<u>22,516</u>	<u>23,758</u>

The following table shows the amount of revenue recognised in the condensed consolidated statements of comprehensive income for the six months ended 30 June 2025 and 2024 relating to deferred revenue brought forward:

	Six months ended 30 June 2025 <i>(Unaudited)</i>	2024 <i>(Unaudited)</i>
Upfront revenue	–	2,252
Maintenance revenue	<u>4,662</u>	<u>4,972</u>
Total	<u>4,662</u>	<u>7,224</u>

The unsatisfied performance obligations out of the carrying value of the Group's backlog as at 30 June 2025 was approximately \$124.5 million (31 December 2024: \$129.2 million).

13. Dividends

No dividends in respect of the six months ended 30 June 2025 or 2024 have been proposed.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The management discussion and analysis is based on the Company's condensed consolidated interim financial information for 1HFY2025 prepared in accordance with International Accounting Standard 34 and must be read together with the condensed consolidated interim financial information and the notes which form an integral part of the condensed consolidated interim financial information.

DESCRIPTION OF SELECTED LINE ITEMS IN THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group derives a majority of its revenue from two primary segments – Content Solutions and Technology Products and Services. The Group's activities that do not meet the criteria to be considered a reportable segment are reported within All Other.

Content Solutions

Content Solutions derives revenue from a certain percentage of IMAX box office received by the studio partners for the conversion and release of Hollywood films, Chinese language films and other films to the IMAX theatre network. The revenue is recognized when the corresponding box office sales occur.

Technology Products and Services

Technology Products and Services derives revenue from exhibitor partners through sales and sales-type lease, revenue sharing arrangements, maintenance services, and other theatre.

- Sales and sales-type lease arrangements consist of the design, manufacture and installation of IMAX theatre system for upfront payments and ongoing fees, which may include stipulated minimum payments per annum, variable consideration and contingent rent in excess of minimum payments. The upfront payments vary depending on the system configuration and the location of the theatre. Upfront payments for installation are paid according to the contractual terms. The present value of future minimum payments, variable consideration and estimated contingent rent in excess of minimum payments on sales arrangements for the term of the respective agreement along with upfront payments is recognized as revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system as well as on the commencement date of any respective renewal term;

- Revenue sharing arrangements are categorized into two sub-types: 1) full revenue sharing arrangements; and 2) hybrid revenue sharing arrangements. Under full revenue sharing arrangements, the Group leases IMAX theatre systems to its exhibitor partners and provides related maintenance and technical support services in exchange for future revenue sharing based on certain percentages of the IMAX box office from the IMAX theatre. Under full revenue sharing arrangements, the Group receives no or limited upfront payments for the system installation. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors. Under hybrid revenue sharing arrangements, the Group receives a reduced upfront payment for the system installation and recognizes the revenue upon the completion of installation and exhibitor acceptance of the IMAX theatre system. Contingent rent based on a percentage of IMAX box office is recognized as revenue when reported by theatre exhibitors;
- IMAX Maintenance generates revenue from the provision of ongoing maintenance, warranty, and technical support services. The revenue recognized is primarily comprised of annual maintenance fees due to the Group by theatre exhibitors under all sales and sales-type lease arrangements and revenue sharing arrangements; and
- Other theatre generates revenue from the aftermarket sales of 3D glasses, screen sheets, parts and other items.

All Other

The Company's activities that do not meet the criteria to be considered a reportable segment will be reported within All Other.

The following table sets out the revenue for the Group's respective reportable segments for the periods indicated, as well as the percentage of total revenue they each represent:

	1H FY2025		1H FY2024	
	US\$'000	%	US\$'000	%
Content Solutions	20,801	36.0%	9,346	21.3%
Technology Products and Services	36,230	62.7%	34,075	77.6%
Subtotal for reportable segments	57,031	98.7%	43,421	98.9%
All Other	771	1.3%	480	1.1%
Total	57,802	100.0%	43,901	100.0%

Cost of Sales

The Group's cost of sales is primarily comprised of: (i) the costs for the rights of all digital re-mastered films purchased under its intercompany agreement with IMAX Corporation (excluding costs on Hollywood films which are recorded as a reduction of film revenue received from IMAX Corporation according to IFRS 15 starting from 2018); (ii) the costs of IMAX theatre systems and related services under sales, sales-type lease and hybrid revenue sharing arrangements; (iii) depreciation of IMAX theatre systems capitalized under full revenue sharing arrangements; and (iv) certain one-time costs at the time of system installation, including marketing for IMAX theatre launches, sales commissions and the cost for providing any maintenance and technical support services during a warranty period.

The following table sets out the cost of sales for the Group's respective reportable segments for the periods indicated, as well as the percentage of respective revenue they each represent:

	1HFY2025		1HFY2024	
	US\$'000	%	US\$'000	%
Content Solutions	1,604	7.7%	2,303	24.6%
Technology Products and Services	15,544	42.9%	15,967	46.9%
Subtotal for reportable segments	17,148	30.1%	18,270	42.1%
All Other	554	71.9%	529	110.2%
Total	17,702	30.6%	18,799	42.8%

Gross Profit and Gross Profit Margin

The following table sets out the gross profit and gross profit margin for the Group's respective reportable segments for the periods indicated:

	1HFY2025		1HFY2024	
	US\$'000	%	US\$'000	%
Content Solutions	19,197	92.3%	7,043	75.4%
Technology Products and Services	20,686	57.1%	18,108	53.1%
Subtotal for reportable segments	39,883	69.9%	25,151	57.9%
All Other	217	28.1%	(49)	(10.2%)
Total	40,100	69.4%	25,102	57.2%

Selling, General and Administrative Expenses

The following table sets out the selling, general and administration expenses the Group incurred as well as the percentage of total revenue they represented for the periods indicated:

	1HFY2025		1HFY2024	
	US\$'000	%	US\$'000	%
Employee salaries and benefits	3,464	6.0%	3,541	8.1%
Share-based compensation expenses	1,197	2.1%	979	2.2%
Travel and transportation	194	0.3%	269	0.6%
Advertising and marketing	395	0.7%	424	1.0%
Professional fees	827	1.4%	953	2.2%
Other employee expense	92	0.2%	39	0.1%
Facilities	318	0.6%	198	0.5%
Depreciation	228	0.4%	129	0.3%
Foreign exchange and other expenses	279	0.5%	289	0.7%
Total	6,994	12.1%	6,821	15.5%

Other Operating Expenses

Other Operating Expenses primarily include the annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License Agreements, at an aggregate of approximately 5% of the Group's revenue. The Group's other operating expenses for 1H FY2025 and 1H FY2024 were US\$3.0 million and US\$2.3 million, respectively.

Reversals (Provisions) of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1H FY2025 and 1H FY2024 were a reversal of US\$0.1 million and a provision of US\$0.4 million, respectively. Net impairment reversal in 1H FY2025 was due to improvement in collections on certain trade receivables and financing receivables.

Interest Income

Interest income mainly represents interest earned on various term deposits. None of the deposits had a term of longer than 90 days. The Group's interest income was flat at US\$0.9 million for both 1H FY2025 and 1H FY2024.

Income Tax Expenses

The Group is subject to Mainland China and Hong Kong income tax. The Group is also subject to withholding taxes in Taiwan. The enterprise income tax ("EIT") rate generally levied in Mainland China is 25%. The entities incorporated in Hong Kong are subject to Hong Kong income tax at a rate of 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million. For the years presented, the Group's effective tax rate differs from the statutory tax rate and varies from year to year primarily due to numerous permanent differences, subsidies, the provision for income taxes at different rates in different jurisdictions, the application of Hong Kong's territorial tax system and changes due to its recoverability assessments of deferred tax assets.

The income tax expense of the Group for 1H FY2025 and 1H FY2024 was US\$7.1 million and US\$3.8 million, respectively.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Condensed Consolidated Interim Statement of Comprehensive Income

The following table sets out items in the Group's condensed consolidated interim statement of comprehensive income and as a percentage of revenue for the periods indicated:

	1HFY2025		1HFY2024	
	US\$'000	%	US\$'000	%
Revenues	57,802	100.0%	43,901	100.0%
Cost of sales	(17,702)	(30.6)%	(18,799)	(42.8)%
Gross profit	40,100	69.4%	25,102	57.2%
Selling, general and administrative expenses	(6,994)	(12.1)%	(6,821)	(15.5)%
Other operating expenses	(3,011)	(5.2)%	(2,293)	(5.2)%
Reversals (Provisions) of net impairment losses on financial assets	55	0.1%	(396)	(0.9)%
Other income	46	0.1%	—	—
Operating profit	30,196	52.2%	15,592	35.5%
Interest income	857	1.5%	893	2.0%
Interest expense	(29)	(0.1)%	(36)	(0.1)%
Profit before income tax	31,024	53.7%	16,449	37.5%
Income tax expense	(7,131)	(12.4)%	(3,801)	(8.7)%
Profit for the period, attributable to owners of the Company	23,893	41.3%	12,648	28.8%
Other comprehensive income (loss):				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation adjustments	1,393	2.4%	(585)	(1.3)%
Other comprehensive income (loss):	1,393	2.4%	(585)	(1.3)%
Total comprehensive income for the period, attributable to owners of the Company	25,286	43.7%	12,063	27.5%

Adjusted Profit

Adjusted profit is not a measure of performance under IFRS. This measure does not represent and should not be used as a substitute for, gross profit or profit for the year as determined in accordance with IFRS. This measure is not necessarily an indication of whether cash flow will be sufficient to fund the Group's cash requirements or whether the Group's business will be profitable. In addition, the definition of adjusted profit may not be comparable to other similarly titled measures used by other companies.

The following table sets out the Group's adjusted profits for the periods indicated:

	1HFY2025 US\$'000	1HFY2024 US\$'000
Profit for the period	23,893	12,648
Adjustments:		
Share-based compensation	1,197	979
Tax impact on items listed above	(275)	(226)
Adjusted profit	24,815	13,401

1HFY2025 COMPARED WITH 1HFY2024

Revenue

The Group's revenue increased 31.7% from US\$43.9 million in 1HFY2024 to US\$57.8 million in 1HFY2025 driven by an increase of US\$11.5 million in Content Solutions revenue, an increase of US\$2.1 million in the Technology Products and Services revenue, and an increase of US\$0.4 million in All Other revenue, as further explained below.

Content Solutions

Revenue from Content Solutions increased 123.7% from US\$9.3 million in 1HFY2024 to US\$20.8 million in 1HFY2025 primarily due to an increase in box office revenue in 1HFY2025 compared to 1HFY2024, and a much greater proportion of local language box office which yield a higher take rate for the Group. The box office revenue generated by IMAX formatted films increased 91.2% from US\$107.5 million in 1HFY2024 to US\$205.5 million in 1HFY2025. 1HFY2025 included a record-breaking GBO performance during the Chinese New Year period, led by Ne Zha 2, now the top grossing IMAX film of all time in Mainland China at US\$160.2 million.

Box office revenue per screen increased 107.1% from US\$0.14 million in 1HFY2024 to US\$0.29 million in 1HFY2025 due to the reasons explained above.

The following table sets out the number of films released in the IMAX format in 1H FY2025 and 1H FY2024 in Greater China:

	1H FY2025	1H FY2024
Hollywood films	10	16
Hollywood films (Hong Kong and Taiwan only)	8	2
Chinese language films	11	9
Other films	3	4
Other films (Hong Kong and Taiwan only)	1	2
Total IMAX films released	33	33

Technology Products and Services

Revenue from Technology Products and Services increased 6.2% from US\$34.1 million in 1H FY2024 to US\$36.2 million in 1H FY2025 which is mainly driven by an increase of US\$7.0 million in revenue sharing arrangements driven by the higher year over year box office, an increase of US\$0.4 million in IMAX maintenance revenue, partially offset by a decrease of US\$5.5 million in sales and sales-type lease revenue as explained further below.

The following table provides a breakdown of IMAX theatres in operation in Greater China by type and geographic location as at the dates indicated:

	As at 30 June		
	2025	2024	Growth (%)
Commercial			
The PRC ⁽¹⁾	779	773	0.8%
Hong Kong	5	5	—
Taiwan	11	11	—
Macau	1	1	—
	796	790	0.8%
Institutional ⁽²⁾	13	13	—
Total	809	803	0.7%

Notes:

- (1) Eight theatres in Mainland China were closed in 1H FY2025, one of which was relocated to another site.
- (2) Institutional IMAX theatres include museums, zoos, aquaria and other destination entertainment sites that do not exhibit commercial films.

The following table sets out the number of IMAX theatre systems installed by business arrangements in 1HFY2025 and 1HFY2024:

	1HFY2025	1HFY2024
Sales and sales-type lease arrangements	9	4
Revenue sharing arrangements	15	6
Total theatre systems installed	24⁽¹⁾	10⁽²⁾

Notes:

- (1) Includes 9 sales and sales-type lease arrangements (3 new theatre systems, 2 upgrades, and 4 redeployed systems) and 15 revenue sharing arrangements (3 new theatre systems and 12 upgrades).
- (2) Includes 4 sales and sales-type lease arrangements (1 new theatre system, 1 upgrade, and 2 redeployed systems) and 6 revenue sharing arrangements (5 new theatre systems and 1 upgrade).

Sales and Sales-Type Lease Arrangements

Revenue from sales and sales-type lease arrangements decreased 40.1% from US\$13.7 million in 1HFY2024 to US\$8.2 million in 1HFY2025, primarily due to US\$7.4 million of revenue recognized in 1HFY2024 from the renewal of certain theatre agreements as sales arrangements, partially offset by an increase of US\$2.5 million due to 3 more sales and sales-type lease installations (excluding redeployed system installations) in 1HFY2025. The Group recognized sales revenue on the installation of 2 new theatre systems (including 1 IMAX Laser upgrade) with a total value of US\$3.0 million in 1HFY2024 as compared to 5 new theatre systems (including 2 IMAX Laser upgrades) with a total value of US\$5.5 million in 1HFY2025.

Average revenue per new system under sales and sales-type lease arrangements, excluding redeployed systems, decreased from US\$1.5 million in 1HFY2024 to US\$1.1 million in 1HFY2025 due to a mix of fewer higher priced IMAX Commercial Laser (“COLA”) theatre installations in 1HFY2025.

Revenue Sharing Arrangements

Revenue from revenue sharing arrangements includes upfront revenue from hybrid revenue sharing arrangements and contingent rent from both full revenue sharing arrangements and hybrid revenue sharing arrangements.

Contingent rent from revenue sharing arrangements increased 94.6% from US\$7.4 million in 1HFY2024 to US\$14.4 million in 1HFY2025 primarily due to increased box office as explained previously. This included: (i) contingent rent from full revenue sharing arrangements that increased 93.8% from US\$6.5 million in 1HFY2024 to US\$12.6 million in 1HFY2025; and (ii) contingent rent from hybrid revenue sharing arrangements that increased 100.0% from US\$0.9 million in 1HFY2024 to US\$1.8 million in 1HFY2025. There were 487 theatres operating under revenue sharing arrangements at the end of both 1HFY2024 and 1HFY2025.

IMAX Maintenance

IMAX maintenance revenue increased 3.1% from US\$12.9 million in 1HFY2024 to US\$13.3 million in 1HFY2025. The increase was primarily due to fewer concessions being provided from past pandemic related theatre closures. Maintenance revenue was earned from 809 theatres as at 30 June 2025 as compared to 803 theatres as at 30 June 2024.

All Other

Revenue from All Other increased from US\$0.5 million in 1HFY2024 to US\$0.8 million in 1HFY2025, mainly related to additional contractual revenue generated from the IMAX Enhanced Business.

Cost of Sales

The Group's cost of sales decreased 5.9% from US\$18.8 million in 1HFY2024 to US\$17.7 million in 1HFY2025. This decrease was primarily due to a decrease of US\$0.7 million in Content Solutions and a decrease of US\$0.4 million in Technology Products and Services, as explained below.

Content Solutions

The cost of sales for Content Solutions decreased 30.4% from US\$2.3 million in 1HFY2024 to US\$1.6 million in 1HFY2025. This decrease in costs reflects the lower number of Hollywood films exhibited in 1HFY2025 in Mainland China and lower DMR conversion and film marketing cost per film.

Technology Products and Services

The cost of sales for Technology Products and Services decreased 3.1% from US\$16.0 million in 1HFY2024 to US\$15.5 million in 1HFY2025, mainly driven by a decrease of \$0.4 million in revenue sharing arrangements, and a decrease of US\$0.1 million in sales and sales-type lease arrangements, as explained further below.

Sales and Sales-Type Lease Arrangements

Cost of sales under sales and sales-type lease arrangements decreased 2.9% from US\$3.5 million in 1HFY2024 to US\$3.4 million in 1HFY2025, primarily due to US\$2.1 million in system cost booked in 1HFY2024 related to the renewal of certain theatre agreements as sales arrangements, partially offset by 3 more sales and sales-type lease arrangements (excluding redeployed system installation) in 1HFY2025.

Revenue Sharing Arrangements

The cost of sales for contingent rent from revenue sharing arrangements decreased 5.6% from US\$7.1 million in 1HFY2024 to US\$6.7 million in 1HFY2025 was due to decreased depreciation costs from a reduced network, which was primarily related to the renewal of certain theatres from full revenue sharing to sales. This was partially offset by increased one-time upfront costs related to the installation of 9 more full revenue sharing arrangements in 1HFY2025 versus 1HFY2024.

IMAX Maintenance

Cost of sales with respect to theatre system maintenance remained consistent at US\$5.3 million in both 1HFY2025 and 1HFY2024.

All Other

Cost from All Other for 1HFY2025 and 1HFY2024 were US\$0.6 million and US\$0.5 million, respectively.

Gross Profit and Gross Profit Margin

The Group's gross profit increased 59.8% from US\$25.1 million in 1HFY2024 to US\$40.1 million in 1HFY2025, and gross profit margin increased from 57.2% in 1HFY2024 to a gross profit margin of 69.4% in 1HFY2025. The increase in gross profit was largely attributable to a US\$12.2 million increase from Content Solutions, a US\$2.6 million increase in Technology Products and Services and a US\$0.2 million increase in All Other, as explained further below.

Content Solutions

The gross profit from Content Solutions increased 174.3% from a profit of US\$7.0 million in 1HFY2024 to a profit of US\$19.2 million in 1HFY2025, and the gross profit margin for Content Solutions increased from 75.4% in 1HFY2024 to 92.3% in 1HFY2025. The increase in gross profit was primarily from a 91.2% increase in overall box office revenue and the operating leverage of our network realized at higher levels of box office. In addition, DMR conversion and film marketing costs were reduced as a result of a lower number of Hollywood films exhibited in Mainland China.

Technology Products and Services

The gross profit for Technology Products and Services increased 14.4% from US\$18.1 million in 1HFY2024 to US\$20.7 million in 1HFY2025. During the same period, the gross profit margin increased from 53.1% to 57.1%. The increase in gross profit and gross profit margin is explained further below.

Sales and Sales-Type Lease Arrangements

The gross profit decreased 52.5% from US\$10.1 million in 1HFY2024 to US\$4.8 million in 1HFY2025 primarily due the renewal of certain theatre agreements as sales arrangements in 1HFY2024 as previously explained, partially offset by 3 more installations (excluding redeployed system installation) in 1HFY2025 versus 1HFY2024. Gross profit margin decreased from 74.1% in 1HFY2024 to 59.0% in 1HFY2025.

Revenue Sharing Arrangements

The gross profit for contingent rent from full revenue sharing arrangements increased from a loss of US\$0.5 million in 1HFY2024 to a profit of US\$6.0 million in 1HFY2025 due to higher overall box office revenue. This was partially offset by increased one-time upfront costs related to the installations of 9 more full revenue sharing arrangements in 1HFY2025 versus 1HFY2024.

The gross profit for contingent rent from hybrid revenue sharing arrangements increased from US\$0.8 million in 1HFY2024 to US\$1.7 million in 1HFY2025, also driven by higher IMAX box office revenue.

IMAX Maintenance

The gross profit for theatre system maintenance increased 5.2% from US\$7.7 million in 1HFY2024 to US\$8.1 million in 1HFY2025 and gross profit margin increased from 59.2% in 1HFY2024 to 60.9% in 1HFY2025 mainly due to fewer concessions provided for pandemic related theatre closures in 1HFY2025.

All Other

The gross profit for All Other increased from a loss of less than US\$0.1 million in 1HFY2024 to a profit of US\$0.2 million in 1HFY2025 mainly related to the more revenue generated from IMAX Enhanced Business with fixed amortization costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased 2.9% from US\$6.8 million in 1HFY2024 to US\$7.0 million in 1HFY2025, primarily due to: (i) a US\$0.2 million increase related to share-based compensation expenses; (ii) a US\$0.1 million increase in facility related expenses; (iii) partially offset by US\$0.1 million reduction in professional services fees.

Other Operating Expenses

Other operating expenses increased from US\$2.3 million in 1H FY2024 to US\$3.0 million in 1H FY2025, due to an increase in annual license fees payable to IMAX Corporation in respect of the trademark and technology licensed under the Technology License Agreements and the Trademark License agreements due to higher revenues in 1H FY2025.

Reversals (Provisions) of Net Impairment Losses on Financial Assets

Net impairment impacts on financial assets for 1H FY2025 and 1H FY2024 were a reversal of less than US\$0.1 million and a provision of US\$0.4 million, respectively. Net impairment reversal in FY2025 was the result of improvement in collections on certain trade receivables and financing receivables.

Interest Income

Interest income remained constant at US\$0.9 million in both 1H FY2025 and 1H FY2024.

Interest Expense

Interest expense stayed flat at less than US\$0.1 million in both 1H FY2025 and 1H FY2024.

Income Tax Expense

Income tax expense increased 86.8% from US\$3.8 million in 1H FY2024 to US\$7.1 million in 1H FY2025. The increase in income tax expense was primarily due to an increase of operating income before income tax from US\$16.4 million in 1H FY2024 to US\$31.0 million in 1H FY2025.

Profit for the Period

The Group reported a profit for the period of US\$23.9 million in 1H FY2025 as compared to a profit of US\$12.6 million in 1H FY2024.

Other Comprehensive Income (Loss) for the Period

The Group reported other comprehensive income for the period of US\$1.4 million in 1H FY2025 as compared to other comprehensive loss of US\$0.6 million in 1H FY2024, which is the result of foreign currency translation adjustments in 1H FY2025 (0.41% appreciation of RMB relative to USD) compared to the 1H FY2024 (0.62% depreciation of RMB relative to USD).

Adjusted Profit

Adjusted profit, which consists of profit for the period adjusted for the impact of share-based compensation and the related tax impact, was US\$24.8 million in 1H FY2025 as compared to US\$13.4 million in 1H FY2024.

LIQUIDITY AND CAPITAL RESOURCES

	As at 30 June 2025 <i>US\$'000</i>	As at 31 December 2024 <i>US\$'000</i>
Current assets		
Other assets	589	611
Contract acquisition costs	532	533
Film assets	29	10
Inventories	4,358	4,948
Prepayments	3,418	3,480
Income tax receivables	1,010	1,749
Variable consideration receivable from contracts	1,496	1,512
Financing receivables	29,217	29,897
Trade and other receivables	91,295	75,913
Cash and cash equivalents	94,172	80,049
Total Current Assets	226,116	198,702
Current liabilities		
Trade and other payables	16,894	15,325
Accruals and other liabilities	7,071	6,872
Deferred revenue	10,874	11,817
Total Current Liabilities	34,839	34,014
Net Current Assets	191,277	164,688

As at 30 June 2025, the Group had net current assets of US\$191.3 million compared to net current assets of US\$164.7 million as at 31 December 2024. The increase in net current assets in 1H FY2025 was mainly attributable to a US\$15.4 million increase in trade and other receivables, a US\$14.1 million increase in cash and cash equivalents, and a US\$0.9 million decrease in deferred revenue. This was partially offset by a US\$1.6 million increase in trade and other payables, a US\$0.7 million decrease in income tax receivables, a US\$0.7 million decrease in financing receivables, a US\$0.6 million decrease in inventories, and a US\$0.2 million increase in accruals and other liabilities.

The Group has cash and cash equivalent balances denominated in various currencies. The following is a breakdown of cash and cash equivalent balances by currency as at the end of each period/year:

	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
Cash and cash equivalents denominated in RMB	\$ 61,559	\$ 47,527
Cash and cash equivalents denominated in US\$	\$ 32,269	\$ 32,296
Cash denominated in Hong Kong dollars	\$ 344	\$ 226
	<u><u>\$ 94,172</u></u>	<u><u>\$ 80,049</u></u>

CAPITAL MANAGEMENT

The Group's objectives for capital management include: (i) to safeguard the Group's ability to continue as a going concern; (ii) to maximize returns to shareholders and other stakeholders; and (iii) to maintain an optimal capital structure by reducing the weighted average cost of capital.

The Group considers and evaluates its capital structure based on the aggregate of the total equity and long-term debt less cash and short-term deposits. The Group manages the capital structure and makes adjustments to the structure in order to have funds available to support the business activities which the Board intends to pursue in addition to maximizing the return to shareholders. The Board does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Group will spend the existing working capital and raise additional amounts as needed. Management evaluates the capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

CASH FLOW ANALYSIS

The following table shows our net cash from operating activities, net cash used in investing activities and net cash used in financing activities for the periods indicated:

	1HFY2025 US\$'000	1HFY2024 US\$'000
Net cash provided by operating activities	19,295	19,657
Net cash used in investing activities	(3,187)	(3,216)
Net cash used in financing activities	(2,209)	(1,492)
Effects of exchange rate changes on cash	224	(203)
Increase in cash and cash equivalents during period	14,123	14,746
Cash and cash equivalents, beginning of period	80,049	62,711
Cash and cash equivalents, end of period	94,172	77,457

Cash Provided by Operating Activities

1HFY2025

The Group's net cash provided by operations was approximately US\$19.3 million in 1HFY2025. We had profit before income tax for the period of US\$31.0 million in 1HFY2025, and positive adjustments for depreciation of property, plant and equipment of US\$6.5 million, amortization of film assets of US\$1.8 million, settlement of equity and other non-cash compensation of US\$1.0 million, amortization of contribution to Enhanced Business of US\$0.5 million, and loss on disposal of property, plant and equipment of US\$0.1 million, reduced by changes in working capital of US\$13.8 million, and taxes paid of US\$7.8 million. Changes in working capital primarily consisted of: (i) an increase in trade and other receivables of US\$14.0 million; (ii) an increase in film assets of US\$1.8 million; (iii) a decrease in deferred revenue of US\$1.6 million; and (iv) an increase in other assets of US\$0.5 million; partially offset by: (i) an increase in trade and other payables of US\$1.7 million; (ii) a decrease in financing receivables of US\$0.8 million; (iii) a decrease in inventories of US\$0.7 million; (iv) a decrease in variable consideration receivable from contracts of US\$0.6 million; (v) an increase in accruals and other liabilities of US\$0.3 million; and (vi) a decrease in prepayments of US\$0.1 million.

1HFY2024

The Group's net cash provided by operations was approximately US\$19.7 million in 1HFY2024. The Group had profit before income tax for the period of US\$16.4 million in 1HFY2024, and positive adjustments for depreciation of property, plant and equipment of US\$7.1 million, amortization of film assets of US\$2.4 million, settlement of equity and other non-cash compensation of US\$0.6 million, amortization of contribution to IMAX Enhanced Business of US\$0.5 million, and allowance for expected credit loss of US\$0.4 million, reduced by changes in working capital of US\$5.2 million, and taxes paid of US\$2.6 million. Changes in working capital primarily consisted of: (i) an increase in variable consideration receivable from contracts of US\$6.0 million; (ii) an increase in film assets of US\$2.4 million; (iii) a decrease in deferred revenue of US\$1.1 million; (iv) a decrease in accruals and other liabilities of US\$1.0 million; partially offset by: (i) a decrease in inventories of US\$1.6 million; (ii) a decrease in trade and other receivables of US\$1.3 million; (iii) a decrease in financing receivables of US\$1.0 million; and (iv) an increase in trade and other payables of US\$0.8 million.

Cash Used in Investing Activities

1HFY2025

The Group's net cash used in investing activities was approximately US\$3.2 million for 1HFY2025, primarily related to investments in IMAX theatre equipment amounting to US\$3.2 million installed in our exhibitor partners' theatres under full revenue sharing arrangements.

1HFY2024

The Group's net cash used in investing activities was approximately US\$3.2 million for 1HFY2024, primarily related to investments in IMAX theatre equipment amounting to US\$2.6 million installed in our exhibitor partners' theatres under full revenue sharing arrangements, and purchase of property, plant and equipment related primarily to leasehold improvements of US\$0.6 million.

Cash Used in Financing Activities

1HFY2025

The Group's net cash used in financing activities was approximately US\$2.2 million for 1HFY2025 primarily due to: (i) payments for shares bought back of US\$1.5 million; (ii) settlement of restricted share units and options of US\$0.5 million; and (iii) principal elements of lease payments of US\$0.2 million.

1HFY2024

The Group's net cash used in financing activities was approximately US\$1.5 million for 1HFY2024 primarily due to: (i) settlement of restricted share units and options of US\$1.1 million; (ii) principal elements of lease payments of US\$0.3 million; and (iii) payments for the buy-back of shares of US\$0.1 million.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

Lease Commitments

The Group has lease commitments within one year amounting to less than US\$0.1 million related primarily to leased office.

Capital Commitments

As at 30 June 2025, the Group had capital expenditures contracted, but not provided for, of US\$1.3 million (31 December 2024: US\$1.3 million) primarily related to acquisition of property, plant and equipment.

CAPITAL EXPENDITURES AND CONTINGENT LIABILITIES

Capital Expenditures

The Group's capital expenditures primarily relate to the acquisition of IMAX theatre systems. Capital expenditures were US\$3.2 million for both 1HFY2025 and 1HFY2024.

Going forward, the Group plans to allocate a significant portion of the capital expenditures to the continued upgrade and expansion of the IMAX theatre network under revenue sharing arrangements by executing on the existing contractual backlog and future signings.

Contingent Liabilities

Lawsuits, claims and proceedings arise in the ordinary course of business. In accordance with the Group's internal policies, in connection with any such lawsuits, claims or proceedings, the Group will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

The Directors confirm that there has been no material change in the Group's commitments and contingent liabilities since 30 June 2025.

WORKING CAPITAL

The Group finances its working capital needs primarily through cash flow from operating activities and working capital loans. Cash flow generated from operating activities was US\$19.3 million in 1HFY2025 as compared to the cash flow generated from operating activities of US\$19.7 million in 1HFY2024. As the IMAX theatre network continues to grow, the Group believes cash flow from operating activities will continue to increase and fund existing business operations and any initial capital expenditures required under revenue sharing arrangements.

The Group has an unsecured revolving facility with Bank of China Limited for up to RMB200.0 million (approximately US\$27.9 million) to fund ongoing working capital requirements, including RMB10.0 million (approximately US\$1.4 million) to fund letter of guarantee requirements. The total amounts drawn and available under the working capital loan as of 30 June 2025 were RMB nil and RMB190.0 million for bank borrowing facility, and RMB0.2 million and RMB9.8 million for letter of guarantee facility, respectively.

The Group has an unsecured revolving facility with HSBC Bank (China) Company Limited, Shanghai Branch for up to RMB200.0 million (approximately US\$27.9 million) to fund ongoing working capital requirement. The total amounts drawn and available under the working capital loan at 30 June 2025 were RMB nil and RMB200.0 million, respectively.

Except as disclosed above or as otherwise disclosed herein, as of 30 June 2025, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

STATEMENT OF INDEBTEDNESS

As at 30 June 2025:

- Except for the drawdown of RMB0.2 million on the letter of guarantee facility with Bank of China Limited for up to RMB10 million, the Group did not have any bank borrowings or committed bank facilities;
- The Group did not have any borrowing from IMAX Corporation or any related parties; and
- The Group did not have any hire purchase commitments or bank overdrafts.

Since 30 June 2025, being the latest date of the condensed interim statements, there has been no material adverse change to the Group's indebtedness.

RECENT DEVELOPMENTS

No important event affecting the Group has occurred since 30 June 2025.

OFF BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

The Group had no off-balance sheet arrangements as at 30 June 2025.

KEY FINANCIAL RATIOS

The following table lays out certain financial ratios as of the dates and for the years indicated. The Group presents adjusted gearing ratio and adjusted profit margin because the Group believes they present a more meaningful picture of the financial performance than unadjusted numbers as they exclude the impact from share-based compensation, restructuring expenses and associated impairments, and the related tax impact.

	As at 30 June 2025	As at 31 December 2024
Gearing ratio ⁽¹⁾	<u>20.0%</u>	<u>21.7%</u>
	1H FY2025	1H FY2024
Adjusted profit margin ⁽²⁾	<u>42.9%</u>	<u>30.5%</u>

Notes:

(1) Gearing ratio is calculated by dividing total liabilities by total equity and multiplying the result by 100.

(2) Adjusted profit margin is calculated by dividing adjusted profit for the period by revenue and multiplying the result by 100.

Gearing Ratio

The Group's gearing ratio decreased from 21.7% as at 31 December 2024 to 20.0% as at 30 June 2025, primarily due to an increase in equity of US\$24.3 million, and a decrease in deferred revenue of US\$1.2 million, partially offset by an increase in trade and other payable of US\$1.6 million.

Adjusted Profit Margin

The Group's adjusted profit margin increased from 30.5% as at 30 June 2024 to 42.9% as at 30 June 2025, for reasons explained above.

DIVIDEND POLICY AND DISTRIBUTABLE RESERVES

The proposal of payment and the amount of the dividends will ultimately be made at the discretion of the Board and will depend on the general business conditions and strategies, cash flow situation, financial results, capital requirements and expenditure plans, the interests of the Shareholders, statutory and regulatory restrictions as well as other factors that the Board may consider relevant.

In addition, as the Company is a holding company registered in the Cayman Islands and the operations are conducted through its subsidiaries, four of which are incorporated in Mainland China, the availability of funds to pay distributions to Shareholders and to service the debts depends on dividends received from these subsidiaries. The subsidiaries in Mainland China are restricted from distributing profits before the losses from previous years have been remedied and amounts for mandated reserves have been deducted.

As at 30 June 2025, the Company had a total equity of US\$37.4 million. Under the Companies Law of the Cayman Islands, subject to the provisions of memorandum of association of the Company or the articles of association (the “**Articles of Association**”), the Company's share premium account may be applied to pay distributions or dividends to shareholders provided that immediately following the date of distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group has not undertaken any material acquisition or disposal for the six months ended 30 June 2025.

SIGNIFICANT INVESTMENTS AND DIVESTMENTS

The Group has no significant investment and divestment for the period ended 30 June 2025. There was no plan authorized by the Board for any material investments or divestments at the date of this announcement.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its Shareholders. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

Pursuant to code provision C.1.6 of the CG Code, Independent Non-executive Directors and other Non-executive Directors of the Company should attend general meetings of the Company, and pursuant to code provision F.2.2 of the CG Code, the Chair of the Board and the Chair of each Committee of the Company should attend the annual general meeting. However, Chairman and Non-executive Director of the Company, Mr. Richard Gelfond, Non-executive Directors of the Company, Mr. Robert Lister and Ms. Natasha Fernandes, were unable to attend the annual general meeting of the Company convened on 12 June 2025 due to other important business commitments. Mr. Richard Gelfond appointed Mr. Daniel Manwaring, an Executive Director of the Company, to be his delegate as the Chair of the Board and as the Chair of the Nomination Committee to attend, chair and answer questions at the annual general meeting. Save as disclosed above, during the Reporting Period, the Company has complied with all the code provisions of the CG Code.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, the Company conducted share repurchases of 1,495,900 listed Shares on the Stock Exchange pursuant to a general mandate granted by the Shareholders to the Directors during the annual general meeting of the Company convened on 7 June 2024. The following table outlines details of the shares repurchased on a monthly basis.

Month	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Average price paid per share HK\$	Aggregate price paid HK\$
May 2025	1,378,300	8.09	6.50	7.46	10,284,775.00
June 2025	117,600	8.49	8.14	8.37	983,939.00
Total	1,495,900				11,268,714.00

In addition, during the six months ended 30 June 2025, 292,400 listed Shares and 181,000 listed Shares were purchased through Computershare Hong Kong Trustees Limited, the professional trustee engaged by the Company for administering its share schemes, on 13 June 2025 at an average price per Share of HK\$8.3118, and on 16 June 2025 at an average price per Share of HK\$8.5120 on the Stock Exchange, for satisfying, or preparing for the satisfaction of, the vesting of the relevant restricted share units or performance share units.

Save for the above, there have been no convertible securities issued or granted by the Group, no exercise of any conversion or subscription rights, nor any purchase, sale or redemption by the Group of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025. As at 30 June 2025, there were no treasury shares (as defined in the Listing Rules) held by the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Directors' dealing policy on 21 September 2015 in order to ensure compliance with the Model Code. The terms of the Directors' dealing policy are no less exacting than those set out in the Model Code. Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code and the Company's own Directors' dealing policy for the six months ended 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules throughout the six months ended 30 June 2025.

REVIEW OF INTERIM REPORT

The interim report, including the unaudited condensed consolidated interim financial information of the Group, for the six months ended 30 June 2025 have been reviewed by PwC, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The audit committee members have reviewed the interim report, including the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025.

The Company's interim report for the six months ended 30 June 2025 containing all the relevant information required by Appendix D2 of the Listing Rules will be published on the websites of the Company and the Stock Exchange and dispatched to Shareholders in due course.

LITIGATION

The Group did not have any material litigation outstanding as at 30 June 2025.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025.

INSIDE INFORMATION

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Listing Rules.

Results of IMAX Corporation

Our controlling shareholder, IMAX Corporation, is a company listed on the New York Stock Exchange in the United States. As of the date of this announcement, IMAX Corporation beneficially owns 71.72% of the issued share capital of the Company.

On 24 July 2025 (New York time), IMAX Corporation made an announcement regarding its unaudited results for the second quarter of 2025 (the “**Earnings Release**”). If you wish to review the Earnings Release, please visit: <https://www.sec.gov/ix?doc=/Archives/edgar/data/921582/000092158225000064/imax-20250724.htm>. Unless otherwise provided therein, all dollar amounts in the Earnings Release are denominated in United States dollars.

On 24 July 2025 (New York time), IMAX Corporation filed its unaudited quarterly report on the Form 10-Q for the second quarter of 2025 (the “**Quarterly Report**”) with the United States Securities and Exchange Commission (the “**SEC**”), in accordance with the ongoing disclosure obligations applicable to the companies listed on the New York Stock Exchange. If you wish to review the Quarterly Report as filed with the SEC, please visit: <https://www.sec.gov/ix?doc=/Archives/edgar/data/921582/000092158225000067/imax-20250630.htm>. Unless otherwise provided therein, all dollar amounts in the Quarterly Report are denominated in United States dollars.

The financial information disclosed in the Earnings Release, and the unaudited condensed consolidated financial results contained in the Quarterly Report have been prepared in accordance with the Generally Accepted Accounting Principles of the United States. These principles are different from the IFRS, the standard employed by the Company, as a company listed on the Main Board of the Stock Exchange, to prepare and present financial information. As such financial information of the Company in the Earnings Release and in the Quarterly Report is not directly comparable to the financial results published directly by the Company.

Our Shareholders and potential investors are advised to exercise caution in dealing in securities in the Company

The Earnings Release and Quarterly Report may contain forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, changes of government policies and regulations and other factors detailed in the Company’s prospectus dated 24 September 2015. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

The Earnings Release and Quarterly Report include certain quarterly financial information and operating statistics regarding the Company. To ensure that all Shareholders of and potential investors in our Company have equal and timely access to the information pertaining to our Company, we have provided links to the Earnings Release and Quarterly Report above. We have also set forth below key highlights of the Quarterly Report that relate to our Company, some of which may constitute material inside information about our Company:

(1) QUARTERLY REPORT EXTRACTS

IMAX CORPORATION

PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

IMAX CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. Dollars, except share amounts)

(Unaudited)

	June 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 109,251	\$ 100,592
Accounts receivable, net of allowance for credit losses	126,949	107,669
Financing receivables, net of allowance for credit losses	121,122	119,885
Variable consideration receivables, net of allowance for credit losses	83,276	82,593
Inventories	36,699	32,840
Prepaid expenses	13,171	13,121
Film assets, net of accumulated amortization	10,309	8,686
Property, plant and equipment, net of accumulated depreciation	243,672	240,133
Other assets	23,356	22,441
Deferred income tax assets, net of valuation allowance	13,630	14,499
Goodwill	52,815	52,815
Other intangible assets, net of accumulated amortization	34,332	35,124
Total assets	\$ 868,582	\$ 830,398
Liabilities		
Accounts payable	\$ 31,721	\$ 19,803
Accrued and other liabilities	85,322	100,916
Deferred revenue	55,924	52,686
Revolving credit facility borrowings, net of unamortized debt issuance costs	47,547	36,356
Convertible notes and other borrowings, net of unamortized discounts and debt issuance costs	230,474	229,901
Deferred income tax liabilities	12,521	12,521
Total liabilities	463,509	452,183

	June 30, 2025	December 31, 2024
Commitments, contingencies and guarantees (see Note 7)		
Non-controlling interests	<u>691</u>	<u>680</u>
Shareholders' equity		
Capital stock common shares – no par value. Authorized – unlimited number. 53,782,520 issued and outstanding (December 31, 2024 – 52,946,200 issued and outstanding)	415,142	401,420
Other equity	175,901	185,268
Statutory surplus reserve	4,219	4,051
Accumulated deficit	(261,261)	(274,675)
Accumulated other comprehensive loss	<u>(13,589)</u>	<u>(16,598)</u>
Total shareholders' equity attributable to common shareholders	320,412	299,466
Non-controlling interests	<u>83,970</u>	<u>78,069</u>
Total shareholders' equity	<u>404,382</u>	<u>377,535</u>
Total liabilities and shareholders' equity	<u>\$ 868,582</u>	<u>\$ 830,398</u>

*(See the accompanying notes, which are an integral part of
these Condensed Consolidated Financial Statements.)*

IMAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. Dollars, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
	2025	2024	2025	2024
Revenues				
Technology sales	\$ 18,842	\$ 20,420	\$ 32,366	\$ 28,324
Image enhancement and maintenance services	50,854	52,189	101,607	102,537
Technology rentals	19,116	14,043	38,427	32,644
Finance income	2,872	2,309	5,951	4,579
	<u>91,684</u>	<u>88,961</u>	<u>178,351</u>	<u>168,084</u>
Costs and expenses applicable to revenues				
Technology sales	9,352	9,222	16,575	13,989
Image enhancement and maintenance services	21,376	29,089	40,821	50,284
Technology rentals	7,354	6,723	14,177	12,995
	<u>38,082</u>	<u>45,034</u>	<u>71,573</u>	<u>77,268</u>
Gross margin	53,602	43,927	106,778	90,816
Selling, general and administrative expenses	35,302	37,564	68,764	68,821
Research and development	1,542	2,031	2,860	4,218
Amortization of intangible assets	1,809	1,321	3,540	2,664
Credit loss (reversal) expense, net	(183)	139	(309)	174
Restructuring and other charges	786	—	843	—
	<u>14,346</u>	<u>2,872</u>	<u>31,080</u>	<u>14,939</u>
Income from operations	14,346	2,872	31,080	14,939
Realized and unrealized investment gains	33	32	65	62
Retirement benefits non-service expense	(133)	(107)	(203)	(214)
Interest income	1,114	561	1,654	1,095
Interest expense	(1,927)	(2,282)	(3,728)	(4,227)

	Three Months Ended June 30, 2025		2024		Six Months Ended June 30, 2025		2024	
Income before taxes	13,433		1,076		28,868		11,655	
Income tax (expense) recovery	<u>(1,198)</u>		<u>3,997</u>		<u>(8,483)</u>		<u>(1,162)</u>	
Net income	12,235		5,073		20,385		10,493	
Net income attributable to non-controlling interests	<u>(980)</u>		<u>(1,490)</u>		<u>(6,803)</u>		<u>(3,636)</u>	
Net income attributable to common shareholders	<u>\$ 11,255</u>		<u>\$ 3,583</u>		<u>\$ 13,582</u>		<u>\$ 6,857</u>	
Net income per share attributable to common shareholders:								
Basic	<u>\$ 0.21</u>		<u>\$ 0.07</u>		<u>\$ 0.25</u>		<u>\$ 0.13</u>	
Diluted	<u>\$ 0.20</u>		<u>\$ 0.07</u>		<u>\$ 0.25</u>		<u>\$ 0.13</u>	
Weighted average shares outstanding (in thousands):								
Basic	<u>53,751</u>		<u>52,633</u>		<u>53,448</u>		<u>52,568</u>	
Diluted	<u>55,161</u>		<u>53,428</u>		<u>55,064</u>		<u>53,386</u>	

(See the accompanying notes, which are an integral part of these Condensed Consolidated Financial Statements.)

IMAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS
OF COMPREHENSIVE INCOME

(In thousands of U.S. Dollars)

(Unaudited)

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
		2024		2024
Net income	\$ 12,235	\$ 5,073	\$ 20,385	\$ 10,493
Other comprehensive income (loss) before tax				
Unrealized net gain (loss) from cash flow hedging instruments	2,520	(365)	1,805	(1,281)
Realized net loss from cash flow hedging instruments	292	67	1,627	78
Foreign currency translation adjustments	600	(454)	1,021	(996)
Defined benefit and postretirement benefit plans	(141)	(149)	(346)	(398)
Total other comprehensive income (loss) before tax	3,271	(901)	4,107	(2,597)
Income tax (expense) benefit related to other comprehensive income (loss)	(699)	117	(808)	420
Other comprehensive income (loss), net of tax	2,572	(784)	3,299	(2,177)
Comprehensive income	14,807	4,289	23,684	8,316
Comprehensive income attributable to non-controlling interests	(1,149)	(1,359)	(7,093)	(3,351)
Comprehensive income attributable to common shareholders	\$ 13,658	\$ 2,930	\$ 16,591	\$ 4,965

*(See the accompanying notes, which are an integral part of
these Condensed Consolidated Financial Statements.)*

IMAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. Dollars)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Operating Activities		
Net income	\$ 20,385	\$ 10,493
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	30,809	34,002
Amortization of deferred financing costs	984	985
Credit loss (reversal) expense, net	(309)	174
Write-downs, including asset impairments	1,047	2,399
Deferred income tax expense	72	(7,722)
Share-based and other non-cash compensation	12,767	11,753
Unrealized foreign currency exchange (gain) loss	(278)	51
Realized and unrealized investment gain	(65)	(62)
Changes in assets and liabilities:		
Accounts receivable	(18,702)	14,492
Inventories	(4,027)	(6,271)
Film assets	(11,318)	(12,741)
Deferred revenue	3,116	(4,397)
Changes in other operating assets and liabilities	(4,300)	(19,086)
Net cash provided by operating activities	<u>30,181</u>	<u>24,070</u>
Investing Activities		
Purchase of property, plant and equipment	(4,006)	(2,690)
Investment in equipment for joint revenue sharing arrangements	(14,666)	(9,757)
Acquisition of other intangible assets	(3,376)	(3,191)
Net cash used in investing activities	<u>(22,048)</u>	<u>(15,638)</u>

Six Months Ended June 30,
2025 2024

Financing Activities

Revolving credit facility borrowings	29,000	51,000
Repayments of revolving credit facility borrowings	(18,000)	(21,000)
Repayments of other borrowings	(372)	(311)
Repurchase of common shares	–	(18,102)
Repurchase of common shares – IMAX China	(1,454)	–
Taxes withheld and paid on employee stock awards vested	(9,742)	(4,978)
Common shares issued – stock options exercised	1,048	–
	<hr/>	<hr/>
Net cash provided by financing activities	480	6,609
	<hr/>	<hr/>
Effects of exchange rate changes on cash	46	311
	<hr/>	<hr/>
Increase in cash and cash equivalents during period	8,659	15,352
Cash and cash equivalents, beginning of period	100,592	76,200
	<hr/>	<hr/>
Cash and cash equivalents, end of period	\$ 109,251	\$ 91,552
	<hr/>	<hr/>

*(See the accompanying notes, which are an integral part of
these Condensed Consolidated Financial Statements.)*

IMAX CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands of U.S. Dollars, unless otherwise stated)

1. Basis of Presentation

Accounting Principles

IMAX Corporation (together with its subsidiaries, unless the context requires otherwise, the “**Company**” or “**IMAX**”), prepares financial statements in accordance with United States Generally Accepted Accounting Principles (“**U.S. GAAP**”) and pursuant to the rules and regulations of the Securities and Exchange Commission (the “**SEC**”). Certain information and footnote disclosures have been condensed or omitted as permitted by such rules and regulations. In the opinion of the Company’s management, the unaudited Condensed Consolidated Financial Statements reflect all necessary adjustments for a fair statement of interim results. The Condensed Consolidated Balance Sheet at December 31, 2024 was derived from the Company’s audited annual Consolidated Financial Statements in the Company’s 2024 Annual Report on Form 10-K (the “**2024 Form 10-K**”). The interim results presented in the Company’s Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows are not necessarily indicative of results for a full year.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements in the 2024 Form 10-K, which includes significant accounting policies adopted by the Company.

Principles of Consolidation

These unaudited Condensed Consolidated Financial Statements include the accounts of IMAX Corporation together with its consolidated subsidiaries, except for subsidiaries which have been identified as variable interest entities (“**VIEs**”) where the Company is not the primary beneficiary. All intercompany accounts and transactions have been eliminated. The Company has evaluated its various variable interests to determine whether they are VIEs as required by U.S. GAAP.

Estimates and Assumptions

In preparing the Company's Condensed Consolidated Financial Statements, management makes judgments in applying various accounting policies. The areas of policy judgment are consistent with those reported in Note 2 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K. The significant estimates made by management include, but are not limited to: (i) the allocation of the transaction price in an IMAX System arrangement to distinct performance obligations; (ii) the amount of variable consideration to be earned on sales of IMAX Systems based on projections of future box office performance and inflation; (iii) expected credit losses on accounts receivable, financing receivables, and variable consideration receivables; (iv) provisions for the write-down of excess and obsolete inventory; (v) the fair values of the reporting units used in assessing the recoverability of goodwill; (vi) the cash flow projections used in testing the recoverability of long-lived assets such as the system equipment supporting joint revenue sharing arrangements; (vii) the economic lives of the system equipment supporting joint revenue sharing arrangements; (viii) the useful lives of intangible assets; (ix) the ultimate revenue forecasts used to test the recoverability of film assets; (x) the discount rates used to determine the present value of financing receivables, variable consideration and lease liabilities, as well as to determine the fair values of the Company's reporting units for the purpose of assessing the recoverability of goodwill; (xi) pension plan assumptions; (xii) estimates related to the fair value and projected vesting of share-based payment awards; (xiii) the valuation of deferred income tax assets; and (xiv) reserves related to uncertain tax positions.

3. Receivables

The ability of the Company to collect its receivables is principally dependent on the viability and solvency of individual theater operators which is significantly influenced by consumer behavior and general economic conditions. Theater operators, or other customers, may experience financial difficulties that could result in them being unable to fulfill their payment obligations to the Company.

In order to mitigate the credit risk associated with its receivables, management performs an initial credit evaluation prior to entering into an arrangement with a customer and then regularly monitors the credit quality of each customer through an analysis of collections history and aging. This monitoring process includes meetings on at least a monthly basis to identify credit concerns and potential changes in credit quality classification. A customer may improve their credit quality classification once a substantial payment is made on an overdue balance or when the customer has agreed to a payment plan and payments have commenced in accordance with that plan. Changes in credit quality classification are dependent upon management approval. The Company's internal credit quality classifications are reported in Note 4 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K.

During the period when the accretion of Finance Income is suspended for Financing Receivables, any payments received from a customer are applied against the outstanding balance owed. If payments are sufficient to cover any unreserved receivables, a reversal of the provision is recorded to the extent of the residual cash received. Once the collectability issues are resolved and the customer has returned to being in good standing, the Company will resume recognition of Finance Income.

When a customer's aging exceeds 90 days, the Company's policy is to perform an enhanced review to assess collectability of the theater's past due accounts. The over 90 days past due category may be an indicator of potential impairment as up to 90 days outstanding is considered to be a reasonable time to resolve any issues.

The Company develops an estimate of expected credit losses by class of receivable and customer type through a calculation that utilizes historical loss rates, which are then adjusted for specific receivables that are judged to have a higher-than-normal risk profile after considering management's internal credit quality classifications. Additional credit loss provisions are also recorded taking into account macro-economic and industry risk factors. The write-off of any billed receivable balance requires the approval of management.

Management's judgments regarding expected credit losses are based on the facts available to management and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. The impacts of inflation, and rising interest rates may impact future credit losses. The Company will continue to monitor economic trends and conditions and portfolio performance and adjust its allowance for credit loss accordingly.

Accounts Receivable

Accounts receivable principally includes amounts currently due to the Company under IMAX System sale and sales-type lease arrangements, contingent fees owed by theater operators as a result of box office performance, and fees for maintenance services. Accounts receivable also includes amounts due to the Company from movie studios and other content creators principally for digitally remastering films into IMAX formats, as well as for film distribution and post-production services.

The following tables summarize the activity in the allowance for credit losses related to Accounts Receivable for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025				Six Months Ended June 30, 2025			
	Theater Operators	Studios	Other	Total	Theater Operators	Studios	Other	Total
<i>(In thousands of U.S. Dollars)</i>								
Beginning balance	\$ 11,483	\$ 1,236	\$ 455	\$ 13,174	\$ 11,678	\$ 1,017	\$ 583	\$ 13,278
Current period provision (reversal), net	83	115	(26)	172	(33)	522	(154)	335
Write-offs, net of recoveries	(14)	(74)	–	(88)	(14)	(262)	–	(276)
Foreign exchange	16	–	–	16	(63)	–	–	(63)
Ending balance	<u>\$ 11,568</u>	<u>\$ 1,277</u>	<u>\$ 429</u>	<u>\$ 13,274</u>	<u>\$ 11,568</u>	<u>\$ 1,277</u>	<u>\$ 429</u>	<u>\$ 13,274</u>

	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	Theater Operators	Studios	Other	Total	Theater Operators	Studios	Other	Total
<i>(In thousands of U.S. Dollars)</i>								
Beginning balance	\$ 14,247	\$ 630	\$ 1,079	\$ 15,956	\$ 14,355	\$ 616	\$ 1,006	\$ 15,977
Current period provision (reversal), net	53	24	1	78	(41)	38	74	71
Write-offs, net of recoveries	(178)	(3)	–	(181)	(178)	(3)	–	(181)
Foreign exchange	(27)	–	–	(27)	(41)	–	–	(41)
Ending balance	<u>\$ 14,095</u>	<u>\$ 651</u>	<u>\$ 1,080</u>	<u>\$ 15,826</u>	<u>\$ 14,095</u>	<u>\$ 651</u>	<u>\$ 1,080</u>	<u>\$ 15,826</u>

For the three and six months ended June 30, 2025, the Company's allowance for current expected credit losses related to Accounts Receivable increased by \$0.1 million and decreased by less than \$0.1 million, respectively (2024 – decreased by \$0.1 million and \$0.2 million, respectively).

Financing Receivables

Financing receivables are due from theater operators and consist of the Company's net investment in sales-type leases and receivables associated with financed sales of IMAX Systems. As of June 30, 2025 and December 31, 2024, financing receivables consisted of the following:

<i>(In thousands of U.S. Dollars)</i>	June 30, 2025	December 31, 2024
Net investment in leases:		
Gross minimum payments due under sales-type leases	\$ 30,203	\$ 30,890
Unearned finance income	<u>(1,108)</u>	<u>(887)</u>
Present value of minimum payments due under sales-type leases	29,095	30,003
Allowance for credit losses	<u>(454)</u>	<u>(664)</u>
Net investment in leases	<u>28,641</u>	<u>29,339</u>
Financed sales receivables:		
Gross minimum payments due under financed sales	128,917	127,906
Unearned finance income	<u>(26,617)</u>	<u>(27,199)</u>
Present value of minimum payments due under financed sales	102,300	100,707
Allowance for credit losses	<u>(9,819)</u>	<u>(10,161)</u>
Net financed sales receivables	<u>92,481</u>	<u>90,546</u>
Total financing receivables	<u><u>\$ 121,122</u></u>	<u><u>\$ 119,885</u></u>
Net financed sales receivables due within one year	\$ 32,336	\$ 30,136
Net financed sales receivables due after one year	<u>60,145</u>	<u>60,410</u>
Total financed sales receivables	<u><u>\$ 92,481</u></u>	<u><u>\$ 90,546</u></u>

As of June 30, 2025 and December 31, 2024, the weighted-average remaining lease term and weighted-average interest rate associated with the Company's sales-type lease arrangements and financed sales receivables, as applicable, were as follows:

	June 30, 2025	December 31, 2024
<i>(In thousands of U.S. Dollars)</i>		
Weighted-average remaining lease term (in years):		
Sales-type lease arrangements	8.6	8.5
Weighted-average interest rate		
Sales-type lease arrangements	7.15%	7.24%
Financed sales receivables	8.94%	8.95%

The tables below provide information on the Company's net investment in leases by credit quality indicator as of June 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis as per the origination year of the relationship, and include both billed and unbilled amounts.

<i>(In thousands of U.S. Dollars)</i>		By Origination Year					
As of June 30, 2025	2025	2024	2023	2022	2021	Prior	Total
Net investment in leases:							
Credit quality classification:							
In good standing	\$ 543	\$ 3,476	\$ 3,026	\$ 3,076	\$ 8,856	\$ 8,710	\$ 27,687
Credit Watch	-	-	-	-	-	-	-
Pre-approved transactions	1,007	-	-	-	-	-	1,007
Transactions suspended	-	-	-	-	-	401	401
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401</u>	<u>401</u>
Total net investment in leases	<u>\$ 1,550</u>	<u>\$ 3,476</u>	<u>\$ 3,026</u>	<u>\$ 3,076</u>	<u>\$ 8,856</u>	<u>\$ 9,111</u>	<u>\$ 29,095</u>

<i>(In thousands of U.S. Dollars)</i>		By Origination Year					
As of December 31, 2024	2024	2023	2022	2021	2020	Prior	Total
Net investment in leases:							
Credit quality classification:							
In good standing	\$ 3,469	\$ 3,190	\$ 3,057	\$ 6,625	\$ 1,963	\$ 1,931	\$ 20,235
Credit Watch	-	-	-	-	-	-	-
Pre-approved transactions	-	-	-	2,800	1,477	4,664	8,941
Transactions suspended	-	-	426	-	-	401	827
	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>-</u>	<u>401</u>	<u>827</u>
Total net investment in leases	<u>\$ 3,469</u>	<u>\$ 3,190</u>	<u>\$ 3,483</u>	<u>\$ 9,425</u>	<u>\$ 3,440</u>	<u>\$ 6,996</u>	<u>\$ 30,003</u>

The tables below provide information on the Company's financed sales receivables by credit quality indicator as of June 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis as per the origination year of the relationship, and include both billed and unbilled amounts.

(In thousands of U.S. Dollars)

<i>(In thousands of U.S. Dollars)</i>			By Origination Year				
As of June 30, 2025	2025	2024	2023	2022	2021	Prior	Total
Financed sales receivables:							
Credit quality classification:							
In good standing	\$ 5,966	\$ 5,834	\$ 6,757	\$ 5,226	\$ 5,245	\$ 42,626	\$ 71,654
Credit Watch	—	—	—	—	—	533	533
Pre-approved transactions	619	664	1,054	223	3,700	9,879	16,139
Transactions suspended	<u>—</u>	<u>—</u>	<u>—</u>	<u>298</u>	<u>114</u>	<u>13,562</u>	<u>13,974</u>
Total financed sales receivables	\$ 6,585	\$ 6,498	\$ 7,811	\$ 5,747	\$ 9,059	\$ 66,600	\$102,300

(In thousands of U.S. Dollars)

<i>(In thousands of U.S. Dollars)</i>		By Origination Year					
As of December 31, 2024	2024	2023	2022	2021	2020	Prior	Total
Financed sales receivables:							
Credit quality classification:							
In good standing	\$ 6,217	\$ 7,249	\$ 5,980	\$ 6,152	\$ 4,974	\$ 41,570	\$ 72,142
Credit Watch	—	—	—	—	—	567	567
Pre-approved transactions	411	779	298	3,468	1,899	8,132	14,987
Transactions suspended	<u>—</u>	<u>—</u>	<u>—</u>	<u>114</u>	<u>143</u>	<u>12,754</u>	<u>13,011</u>
Total financed sales receivables	\$ 6,628	\$ 8,028	\$ 6,278	\$ 9,734	\$ 7,016	\$ 63,023	\$100,707

The following tables provide an aging analysis for the Company's net investment in leases and financed sales receivables as of June 30, 2025 and December 31, 2024:

<i>(In thousands of U.S. Dollars)</i>	As of June 30, 2025						Allowance for Credit Losses	Net
	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Recorded Receivable		
Net investment in leases	\$ 213	\$ 380	\$ 2,541	\$ 3,134	\$ 25,961	\$ 29,095	\$ (454)	\$ 28,641
Financed sales receivables	1,336	2,185	11,277	14,798	87,502	102,300	(9,819)	92,481
Total	\$ 1,549	\$ 2,565	\$ 13,818	\$ 17,932	\$ 113,463	\$ 131,395	\$ (10,273)	\$ 121,122

As of December 31, 2024

<i>(In thousands of U.S. Dollars)</i>	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Recorded Receivable	Allowance for Credit Losses	Net
Net investment in leases	\$ 222	\$ 218	\$ 3,185	\$ 3,625	\$ 26,378	\$ 30,003	\$ (664)	\$ 29,339
Financed sales receivables	<u>895</u>	<u>1,019</u>	<u>12,462</u>	<u>14,376</u>	<u>86,331</u>	<u>100,707</u>	<u>(10,161)</u>	<u>90,546</u>
Total	<u>\$ 1,117</u>	<u>\$ 1,237</u>	<u>\$ 15,647</u>	<u>\$ 18,001</u>	<u>\$ 112,709</u>	<u>\$ 130,710</u>	<u>\$ (10,825)</u>	<u>\$ 119,885</u>

The following tables provide information about the Company's net investment in leases and financed sales receivables with billed amounts past due for which it continues to accrue finance income as of June 30, 2025 and December 31, 2024. The amounts disclosed for each credit quality classification are determined on a theater-by-theater basis and include both billed and unbilled amounts.

As of June 30, 2025

<i>(In thousands of U.S. Dollars)</i>	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Allowance for Credit Losses	Net
Net investment in leases	\$ 200	\$ 355	\$ 2,541	\$ 3,096	\$ 18,702	\$ (6)	\$ 21,792
Financed sales receivables	<u>1,033</u>	<u>1,662</u>	<u>9,113</u>	<u>11,808</u>	<u>39,253</u>	<u>(959)</u>	<u>50,102</u>
Total	<u>\$ 1,233</u>	<u>\$ 2,017</u>	<u>\$ 11,654</u>	<u>\$ 14,904</u>	<u>\$ 57,955</u>	<u>\$ (965)</u>	<u>\$ 71,894</u>

As of December 31, 2024

<i>(In thousands of U.S. Dollars)</i>	Accrued and Current	30-89 Days	90+ Days	Billed	Unbilled	Allowance for Credit Losses	Net
Net investment in leases	\$ 222	\$ 218	\$ 3,185	\$ 3,625	\$ 20,176	\$ (6)	\$ 23,795
Financed sales receivables	<u>727</u>	<u>610</u>	<u>10,143</u>	<u>11,480</u>	<u>42,208</u>	<u>(1,086)</u>	<u>52,602</u>
Total	<u>\$ 949</u>	<u>\$ 828</u>	<u>\$ 13,328</u>	<u>\$ 15,105</u>	<u>\$ 62,384</u>	<u>\$ (1,092)</u>	<u>\$ 76,397</u>

The following table provides information about the Company's net investment in leases and financed sale receivables that were on nonaccrual status as of June 30, 2025 and December 31, 2024:

	As of June 30, 2025			As of December 31, 2024		
	Recorded	Allowance		Recorded	Allowance	
<i>(In thousands of U.S. Dollars)</i>	Receivable	for Credit Losses	Net	Receivable	for Credit Losses	Net
Net investment in leases	\$ 401	\$ (401)	\$ –	\$ 827	\$ (614)	\$ 213
Net financed sales receivables	<u>30,646</u>	<u>(9,242)</u>	<u>21,404</u>	<u>28,565</u>	<u>(8,317)</u>	<u>20,248</u>
Total	<u>\$ 31,047</u>	<u>\$ (9,643)</u>	<u>\$ 21,404</u>	<u>\$ 29,392</u>	<u>\$ (8,931)</u>	<u>\$ 20,461</u>

For the three and six months ended June 30, 2025 and 2024, the Company did not recognize Finance Income related to the net investment in leases on non-accrual status. For the three and six months ended June 30, 2025, the Company recognized less than \$0.1 million, respectively (2024 – less than \$0.3 million and \$0.7 million) in Finance Income related to the financed sales receivables in nonaccrual status.

The following tables summarize the activity in the allowance for credit losses related to the Company's net investment in leases and financed sale receivables for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended		Six Months Ended	
	June 30, 2025		June 30, 2025	
<i>(In thousands of U.S. Dollars)</i>	Net Investment	Net Financed Sales Receivables	Net Investment	Net Financed Sales Receivables
Beginning balance	\$ 667	\$ 9,957	\$ 664	\$ 10,161
Current period reversal, net	(213)	(147)	(210)	(346)
Foreign exchange	<u>–</u>	<u>9</u>	<u>–</u>	<u>4</u>
Ending balance	<u>\$ 454</u>	<u>\$ 9,819</u>	<u>\$ 454</u>	<u>\$ 9,819</u>

	Three Months Ended		Six Months Ended	
	June 30, 2024		June 30, 2024	
	Net	Net Financed	Net	Net Financed
	Investment in Leases	Sales Receivables	Investment in Leases	Sales Receivables
<i>(In thousands of U.S. Dollars)</i>				
Beginning balance	\$ 451	\$ 9,616	\$ 453	\$ 9,617
Current period (reversal) provision, net	(1)	17	3	13
Foreign exchange	—	(8)	(6)	(5)
Ending balance	<u>\$ 450</u>	<u>\$ 9,625</u>	<u>\$ 450</u>	<u>\$ 9,625</u>

For the three and six months ended June 30, 2025, the Company's allowance for current expected credit losses related to its net investment in leases decreased by \$0.2 million and \$0.2 million, respectively, and financed sale receivables decreased by \$0.1 million and \$0.3 million, respectively.

For the three and six months ended June 30, 2024, the Company's allowance for current expected credit losses related to its net investment in leases decreased by less than \$0.1 million, respectively, and financed sale receivables increased by less than \$0.1 million, respectively.

Variable Consideration Receivables

In sale arrangements, variable consideration may become due to the Company from theater operators if certain annual minimum box office receipt thresholds are exceeded. Such variable consideration is recorded as revenue in the period when the sale is recognized and adjusted in future periods based on actual results and changes in estimates. Variable consideration is only recognized to the extent the Company believes there is not a risk of significant revenue reversal.

The following table summarizes the activity in the Allowance for Credit Losses related to Variable Consideration Receivables for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	Theater	Theater	Theater	Theater
	Operators	Operators	Operators	Operators
<i>(In thousands of U.S. Dollars)</i>				
Beginning balance	\$ 107	\$ 636	\$ 116	\$ 633
Current period provision, net	13	41	4	44
Foreign exchange	—	—	—	—
Ending balance	<u>\$ 120</u>	<u>\$ 677</u>	<u>\$ 120</u>	<u>\$ 677</u>

For the three and six months ended June 30, 2025, the Company's allowance for current expected credit losses related to Variable Consideration Receivables increased by less than \$0.1 million, respectively (2024 – increased by less than \$0.1 million, respectively).

4. Lease Arrangements

IMAX Corporation as a Lessor

The Company provides IMAX Systems to customers through long-term lease arrangements that for accounting purposes are classified as sales-type leases. Under these arrangements, in exchange for providing the IMAX System, the Company earns fixed upfront and ongoing consideration. Certain arrangements that are legal sales are also classified as sales-type leases as certain clauses within the arrangements limit transfer of title or provide the Company with conditional rights to the system. The customer's rights under the Company's sales-type lease arrangements are described in Note 2 of the Company's audited Consolidated Financial Statements included in its 2024 Form 10-K. Under the Company's sales-type lease arrangements, the customer has the ability and the right to operate the hardware components or direct others to operate them in a manner determined by the customer. The Company's lease portfolio terms are typically non-cancellable for 10 to 20 years with renewal provisions from inception. The Company's sales-type lease arrangements do not contain a guarantee of residual value at the end of the lease term. The customer is required to pay for executory costs such as insurance and taxes and is required to pay the Company for maintenance and an extended warranty generally after the first year of the lease until the end of the lease term. The customer is responsible for obtaining insurance coverage for the IMAX System commencing on the date specified in the arrangement's shipping terms and ending on the date the IMAX System is returned to the Company.

The Company also provides IMAX Systems to customers through joint revenue sharing arrangements ("**JRSAs**"). Under the traditional form of these arrangements, in exchange for providing the IMAX System under a long-term lease, the Company earns rent based on a percentage of contingent box office receipts and, in some cases, concession revenues, rather than a fixed upfront fee or annual minimum payments.

Under certain other JRSAs, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX System.

Under JRSAs, the customer has the ability and the right to operate the hardware components or direct others to operate them in a manner determined by the customer. The Company's JRSAs are typically non-cancellable for ten years or longer with renewal provisions. Title to the IMAX System under a joint revenue sharing arrangement generally does not transfer to the customer. The Company's joint revenue sharing arrangements do not contain a guarantee of residual value at the end of the lease term. The customer is required to pay for executory costs such as insurance and taxes and is required to pay the Company for maintenance and an extended warranty throughout the term. The customer is responsible for obtaining insurance coverage for the IMAX System commencing on the date specified in the arrangement's shipping terms and ending on the date the IMAX System is returned to the Company.

The following lease payments are expected to be received by the Company for its sales-type leases and joint revenue sharing arrangements in each of the remainder of 2025, next four years and thereafter following the June 30, 2025 balance sheet date:

	Sales-Type Leases
<i>(In thousands of U.S. Dollars)</i>	
2025 (six months remaining)	\$ 1,619
2026	3,258
2027	3,163
2028	3,017
2029	3,017
Thereafter	<u>16,129</u>
Total	<u>\$ 30,203</u>

5. Inventories

As of June 30, 2025 and December 31, 2024, Inventories consisted of the following:

	June 30, 2025	December 31, 2024
<i>(In thousands of U.S. Dollars)</i>		
Raw materials	\$ 31,181	\$ 29,162
Work-in-process	1,871	1,611
Finished goods	<u>3,647</u>	<u>2,067</u>
Total	<u>\$ 36,699</u>	<u>\$ 32,840</u>

As of June 30, 2025, Inventories included finished goods of \$2.3 million (December 31, 2024 – \$1.8 million) for which title had passed to the customers, but the criteria for revenue recognition were not met as of the balance sheet date.

During the three and six months ended June 30, 2025, the Company recorded write-downs of \$0.1 million and \$0.2 million, respectively (2024 – write-downs of \$0.2 million during each such period) in Costs and Expenses Applicable to Revenues – Technology Sales.

6. Borrowings

Bank of China Facility

As of June 30, 2025, and December 31, 2024, there were no borrowings outstanding under the Bank of China Facility (as defined and described in Note 13 to the Company's audited Consolidated Financial Statements in its 2024 Form 10-K) and outstanding letters of guarantee were RMB0.2 million (less than \$0.1 million).

As of June 30, 2025, the amount available for future borrowings under the Bank of China Facility was RMB190.0 million (\$26.5 million) and the amount available for letters of guarantee was RMB9.8 million (\$1.4 million). The amount available for future borrowings under the Bank of China Facility is not subject to a standby fee. The effective interest rate for the three and six months ended June 30, 2025 was 0% for each such period, (2024 – 0% for each such period). There were no amounts drawn under the Bank of China Facility for the three and six months ended June 30, 2025.

HSBC China Facility

In June 2022, IMAX Shanghai entered into an unsecured revolving facility for up to RMB200.0 million (\$27.9 million) with HSBC Bank (China) Company Limited, Shanghai Branch to fund ongoing working capital requirements (the “**HSBC China Facility**”). As of June 30, 2025 and December 31, 2024, no borrowings were outstanding under the HSBC China Facility. As of June 30, 2025, the amount available for future borrowings under the HSBC China Facility was RMB200.0 million (\$27.9 million). The effective interest rate for the three and six months ended June 30, 2025 was 0% for each such period (2024 – 0%).

8. Condensed Consolidated Statements of Operations – Supplemental Information

Selling Expenses

The following table summarizes the Company's selling expenses, including sales commissions and marketing and other, which are recognized within Costs and Expenses Applicable to Revenues in the Condensed Consolidated Statements of Operations, for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars)</i>	Sales Commissions	Marketing and Other	Sales Commissions	Marketing and Other
Technology sales ⁽¹⁾	\$ 218	\$ 72	\$ 348	\$ 180
Image enhancement and maintenance services ⁽²⁾	–	3,415	–	4,101
Technology rentals ⁽³⁾	191	669	141	560
Total	<u>\$ 409</u>	<u>\$ 4,156</u>	<u>\$ 489</u>	<u>\$ 4,841</u>

(1) Sales commissions paid prior to the recognition of the related revenue are deferred and recognized upon the client acceptance of the IMAX System. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

(2) Film exploitation costs, including advertising and marketing costs, are expensed as incurred.

(3) Sales commissions related to joint revenue sharing arrangements accounted for as operating leases are recognized in the month they are earned by the salesperson, which is typically the month in which the IMAX System is installed, and are subject to subsequent performance-based adjustments. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

(In thousands of U.S. Dollars)	Six Months Ended June 30,			
	2025		2024	
	Sales Commissions	Marketing and Other	Sales Commissions	Marketing and Other
Technology sales ⁽¹⁾	\$ 398	\$ 127	\$ 426	\$ 346
Image enhancement and maintenance services ⁽²⁾	-	5,850	-	6,676
Technology rentals ⁽³⁾	257	1,000	250	1,000
Total	<u>\$ 655</u>	<u>\$ 6,977</u>	<u>\$ 676</u>	<u>\$ 8,022</u>

- (1) Sales commissions paid prior to the recognition of the related revenue are deferred and recognized upon the client acceptance of the IMAX System. Direct advertising and marketing costs for each IMAX System are expensed as incurred.
- (2) Film exploitation costs, including advertising and marketing costs, are expensed as incurred.
- (3) Sales commissions related to joint revenue sharing arrangements accounted for as operating leases are recognized in the month they are earned by the salesperson, which is typically the month in which the IMAX System is installed, and are subject to subsequent performance-based adjustments. Direct advertising and marketing costs for each IMAX System are expensed as incurred.

Foreign Exchange

Included in Selling, General and Administrative Expenses for the three and six months ended June 30, 2025 is a foreign currency net gain of \$0.2 million and loss of \$0.2 million, respectively (2024 – net losses of \$0.2 million and \$0.5 million, respectively) resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities. See Note 15 for additional information.

Collaborative Arrangements

Joint Revenue Sharing Arrangements

The accounting policy for the Company's JRSAs is disclosed in Note 2 of the Company's audited Consolidated Financial Statements in its 2024 Form 10-K.

Revenue attributable to transactions arising between the Company and its customers under JRSAs are recorded within Revenues – Technology Sales (for hybrid JRSAs) and Revenues – Technology Rentals (for traditional JRSAs). For the three and six months ended June 30, 2025, such revenues totaled \$18.7 million and \$37.9 million, respectively (2024 – \$13.3 million and \$32.5 million, respectively).

IMAX Film Remastering and Distribution

The Company earns revenue through the digital remastering of films and other content into IMAX formats for distribution to the IMAX network (“**IMAX Film Remastering**”). The accounting policy for IMAX Film Remastering and distribution arrangements is disclosed in Note 2 of the Company’s audited Consolidated Financial Statements in its 2024 Form 10-K.

Revenue attributable to transactions arising between the Company and its customers under IMAX Film Remastering and distribution arrangements are included in Revenues – Image Enhancement and Maintenance Services. For the three and six months ended June 30, 2025, such revenues totaled \$28.7 million and \$60.4 million, respectively (2024 – \$21.3 million and \$51.0 million, respectively). See Note 12 for a disaggregated presentation of the Company’s revenues.

10. Income Taxes

Income Tax (Expense) Benefit

For the three months ended June 30, 2025, the Company recorded an income tax expense of \$1.2 million (2024 – tax benefit of \$4.0 million). The Company’s effective tax rate of 8.9% for the three months ended June 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and reflects a decrease in the valuation allowance.

For the six months ended June 30, 2025, the Company recorded an income tax expense of \$8.5 million (2024 – tax expense of \$1.2 million). The Company’s effective tax rate of 29.4% for the six months ended June 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and also reflects an increase in the valuation allowance, withholding taxes and a tax benefit related to share-based compensation.

On July 4, 2025, the One Big Beautiful Bill Act (the “**Act**”) was signed into law, introducing significant U.S. tax changes. Key provisions that may impact IMAX are Interest Deductibility (IRC §163(j)), Bonus Depreciation and Section §179. The Company is currently evaluating the Act’s potential impact on its Consolidated Financial Statements and will update its assessment as further guidance becomes available.

As of June 30, 2025, the Company’s Condensed Consolidated Balance Sheets included net deferred income tax assets of \$13.6 million (December 31, 2024 – \$14.5 million). Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years to obtain benefit from the reversal of temporary differences, net operating loss carryforwards and tax credit carryforwards. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

As of June 30, 2025, the Company's Condensed Consolidated Balance Sheets also included deferred tax liabilities of \$12.5 million (December 31, 2024 – \$12.5 million) primarily related to foreign withholding taxes associated with the remaining balance of non-repatriated historical earnings that will not be indefinitely reinvested outside of Canada.

11. Capital Stock and Reserves

Share-Based Compensation

For the three and six months ended June 30, 2025, share-based compensation expense totaled \$7.4 million and \$12.6 million, respectively (2024 – \$6.9 million and \$11.5 million, respectively) and is reflected in the following accounts in the Condensed Consolidated Statements of Operations:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(In thousands of U.S. Dollars)	2025	2024	2025	2024
Costs and expenses applicable to revenues	\$ 305	\$ 247	\$ 596	\$ 475
Selling, general and administrative expenses	6,862	6,506	11,582	10,843
Research and development	190	110	384	221
Total	<u>\$ 7,357</u>	<u>\$ 6,863</u>	<u>\$ 12,562</u>	<u>\$ 11,539</u>

The following table summarizes the Company's share-based compensation expense by each award type:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(In thousands of U.S. Dollars)	2025	2024	2025	2024
Restricted Share Units	\$ 4,519	\$ 4,133	\$ 7,386	\$ 6,875
Performance Stock Units	1,969	1,966	3,901	3,818
IMAX China Long Term Incentive Plan Restricted Share Units	734	695	1,047	722
IMAX China Long Term Incentive Plan Performance Stock Units	135	69	228	124
	<u>\$ 7,357</u>	<u>\$ 6,863</u>	<u>\$ 12,562</u>	<u>\$ 11,539</u>

For the three and six months ended June 30, 2025, the Company's share-based compensation expense included restricted share units to non-employees of \$1.7 million for each such period, of which \$1.7 million granted during the six month period vested immediately. (2024 – \$1.7 million for each such period).

Stock Option Summary

The following table summarizes the activity under the Company's Stock Option Plan ("SOP") for the six months ended June 30, 2025 and 2024:

	Number of Shares		Weighted Average Exercise Price Per Share	
	2025	2024	2025	2024
Stock options outstanding, beginning of period	2,469,238	3,329,422	\$ 26.27	\$ 26.23
Exercised	(48,487)	–	21.62	–
Expired	(470,582)	(607,114)	29.53	28.15
Cancelled	–	(1,768)	–	24.38
Stock options outstanding, end of period	<u>1,950,169</u>	<u>2,720,540</u>	<u>25.60</u>	<u>25.80</u>
Stock options exercisable, end of period	<u>1,950,169</u>	<u>2,720,540</u>	<u>25.60</u>	<u>25.80</u>

Stock options are no longer granted under the Company's previously approved SOP.

IMAX LTIP Restricted Share Units ("RSU") Summary

The following table summarizes the activity in respect of RSUs issued under the IMAX Corporation Second Amended and Restated Long-Term Incentive Plan (as may be amended, "IMAX LTIP") for the six months ended June 30, 2025 and 2024:

	Number of Shares		Weighted Average Grant Date Fair Value Per Share	
	2025	2024	2025	2024
RSUs outstanding, beginning of period	1,465,977	1,286,830	\$ 17.16	\$ 18.53
Granted	542,555	946,507	25.21	16.43
Vested and settled	(712,092)	(682,549)	18.18	18.70
Forfeited	<u>(25,593)</u>	<u>(37,844)</u>	<u>19.83</u>	<u>18.34</u>
RSUs outstanding, end of period	<u>1,270,847</u>	<u>1,512,944</u>	<u>19.98</u>	<u>17.14</u>

IMAX LTIP Performance Stock Units (“PSU”) Summary

The Company grants two types of PSU awards, one which vests based on a combination of employee service and the achievement of certain Adjusted EBITDA targets and one which vests based on a combination of employee service and the achievement of total shareholder return (“TSR”) targets. The achievement of these targets are assessed over a three-year performance period, with vesting ranging from 0% to 175% of the initial Adjusted EBITDA PSU award or 150% of the initial TSR PSU award, depending upon actual performance.

The grant date fair value for Adjusted EBITDA PSUs is equal to the closing price of the Company’s common shares on the date of grant or the average closing price of the Company’s common shares for five days prior to the date of grant. The grant date fair value for TSR PSUs is determined using a Monte Carlo Model, influenced by share price and various assumptions, such as, market conditions and expected share price volatility over the term of the awards.

The compensation expense attributable for each type of PSUs is recognized on a straight-line basis over the requisite service period. If, as a result of management’s assessment, it is projected that a greater or lesser number of PSUs will vest than previously anticipated, a life-to-date adjustment to increase or decrease compensation expense is recorded in the period that such determination is made, respectively. The expense recognized in the six months ended June 30, 2025 and 2024 includes adjustments reflecting management’s estimate of the number of Adjusted EBITDA PSUs expected to vest.

The following table summarizes the activity in respect of PSUs issued under the IMAX LTIP for the six months ended June 30, 2025 and 2024:

	Number of Awards		Weighted Average Grant Date Fair Value Per Share	
	2025	2024	2025	2024
PSUs outstanding, beginning of period	1,097,634	922,621	\$ 17.99	\$ 19.16
Granted ⁽¹⁾	551,084	580,336	24.17	17.97
Vested and settled ⁽¹⁾	(463,212)	(316,226)	19.88	19.71
Forfeited	(24,456)	(85,764)	20.44	21.00
PSUs outstanding, end of period	<u>1,161,050</u>	<u>1,100,967</u>	<u>20.12</u>	<u>18.32</u>

(1) For the six months ended June 30, 2025, the balance of shares granted includes 176,751 additional shares, at a weighted average grant date fair value per share of \$19.53, as PSUs granted in 2022 with Adjusted EBITDA targets vested at 175% on account of full achievement of the targets and TSR targets vested at 123.5%, which reflects actual performance.

As of June 30, 2025, the maximum number of common shares that may be issued with respect to PSUs outstanding was 1,950,452, assuming full achievement of the Adjusted EBITDA and TSR targets.

Issuer Purchases of Equity Securities

In 2024, IMAX China's shareholders granted its Board of Directors a general mandate authorizing IMAX China's Board of Directors, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of issued shares as of June 7, 2024 (34,000,845 shares). This program expired on the date of the 2025 Annual General Meeting of IMAX China on June 12, 2025. During the 2025 Annual General Meeting, shareholders granted its Board of Directors a general mandate authorizing the Board of Directors of IMAX China, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of shares as of June 12, 2025 (33,919,122 shares). This program will be valid until the 2026 Annual General Meeting of IMAX China. The repurchases may be made in the open market or through other means permitted by applicable laws. IMAX China has no obligation to repurchase its shares and the share repurchase program may be suspended or discontinued by IMAX China at any time.

During the three and six months ended June 30, 2025, IMAX China repurchased 1,495,900 common shares, at an average price of HKD7.56 per share (\$0.96 per share) for a total of HKD \$11.3 million (\$1.4 million), excluding commissions. During the three and six months ended June 30, 2024, IMAX China repurchased 119,000 common shares, at an average price of HKD7.43 per share (\$0.95 per share) for a total of HKD0.9 million (\$0.1 million). The change in the non-controlling interest attributable to IMAX China as a result of common shares repurchased is recorded as a reduction to Non-Controlling Interests in the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Shareholders' Equity. The difference between the consideration paid and the ownership interest obtained as a result of IMAX China share repurchases is recorded within Other Equity in the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Shareholders' Equity.

Statutory Surplus Reserve

Pursuant to the corporate law of the PRC, entities registered in the PRC are required to maintain certain statutory reserves, which are appropriated from after-tax profits (after offsetting accumulated losses from prior years), as reported in their respective statutory financial statements, before the declaration or payment of dividends to equity holders. All statutory reserves are created for specific purposes.

The statutory surplus reserve of RMB37.7 million (\$5.8 million) has reached 50% of the Company's PRC subsidiaries' registered capital, and as such, no further contributions to the reserve are required.

12. Revenue from Contracts with Customers

Disaggregated Information About Revenue

The following tables summarize the Company's Revenues by reportable segment and revenue stream type for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025							
	Image Enhancement and Technology Sales		Maintenance Services	Technology Rentals	Finance Income	Total		
(In thousands of U.S. Dollars)								
Content Solutions Segment:								
Film Remastering and Distribution	\$	–	\$	31,650	\$	–	\$	31,650
Other Content Solutions		–		1,907		–		2,315
		–		33,557		–		33,965
Technology Products and Services Segment:								
System Sales		18,000		–		–		18,000
System Rentals		–		–		18,708		18,708
Maintenance		–		16,059		–		16,059
Finance Income		–		–		–		2,872
		18,000		16,059		18,708		2,872
		18,000		16,059		18,708		2,872
Sub-total for reportable segments		18,000		49,616		19,116		2,872
		18,000		49,616		19,116		2,872
All Other		842		1,238		–		–
		842		1,238		–		–
Total	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116	\$	2,872
	\$	18,842	\$	50,854	\$	19,116		

Six Months Ended June 30, 2025

Image
Enhancement
and

(In thousands of U.S. Dollars)

	Technology Sales	Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment					
Film Remastering and Distribution	\$ –	\$ 63,807	\$ –	\$ –	\$ 63,807
Other Content Solutions	–	3,824	583	–	4,407
	–	67,631	583	–	68,214
Technology Products and Services Segment					
System Sales	30,720	–	–	–	30,720
System Rentals	–	–	37,844	–	37,844
Maintenance	–	31,717	–	–	31,717
Finance Income	–	–	–	5,951	5,951
	30,720	31,717	37,844	5,951	106,232
Sub-total for reportable segments	30,720	99,348	38,427	5,951	174,446
All Other	1,646	2,259	–	–	3,905
Total	\$ 32,366	\$ 101,607	\$ 38,427	\$ 5,951	\$ 178,351

Three Months Ended June 30, 2024

		Image Enhancement and			
	Technology Sales	Maintenance Services	Technology Rentals	Finance Income	Total
<i>(In thousands of U.S. Dollars)</i>					
Content Solutions Segment					
Film Remastering and Distribution	\$ –	\$ 21,304	\$ –	\$ –	\$ 21,304
Other Content Solutions	–	13,644	128	–	13,772
	–	34,948	128	–	35,076
Technology Products and Services Segment					
System Sales	19,443	–	–	–	19,443
System Rentals	–	–	13,915	–	13,915
Maintenance	–	15,231	–	–	15,231
Finance Income	–	–	–	2,309	2,309
	19,443	15,231	13,915	2,309	50,898
Sub-total for reportable segments	19,443	50,179	14,043	2,309	85,974
All Other	977	2,010	–	–	2,987
Total	\$ 20,420	\$ 52,189	\$ 14,043	\$ 2,309	\$ 88,961

Six Months Ended June 30, 2024

		Image Enhancement and			
	Technology Sales	Maintenance Services	Technology Rentals	Finance Income	Total
<i>(In thousands of U.S. Dollars)</i>					
Content Solutions Segment					
Film Remastering and Distribution	\$ –	\$ 51,025	\$ –	\$ –	\$ 51,025
Other Content Solutions	–	17,936	128	–	18,064
	–	68,961	128	–	69,089
Technology Products and Services Segment					
System Sales	26,561	–	–	–	26,561
System Rentals	–	–	32,516	–	32,516
Maintenance	–	30,392	–	–	30,392
Finance Income	–	–	–	4,579	4,579
	26,561	30,392	32,516	4,579	94,048
Sub-total for reportable segments	26,561	99,353	32,644	4,579	163,137
All Other	1,763	3,184	–	–	4,947
Total	\$ 28,324	\$ 102,537	\$ 32,644	\$ 4,579	\$ 168,084

For the three and six months ended June 30, 2025, revenues earned from Technology Sales include variable consideration of \$3.1 million and \$6.4 million, respectively (2024 – \$7.7 million and \$9.4 million, respectively).

For the three and six months ended June 30, 2025, revenues earned from leasing arrangements total \$19.1 million and \$38.5 million, respectively (2024 – \$13.3 million and \$32.5 million, respectively), including \$19.1 million and \$38.4 million, respectively, in Revenues – Technology Rentals (2024 – \$13.9 million and \$32.5 million, respectively), and \$0.1 million in the three and six months ended June 30, 2025, respectively, in Revenues – Technology Sales (2024 – a reversal of \$0.7 million and \$nil, respectively).

Deferred Revenue

IMAX System sale and lease arrangements include a requirement for the Company to provide maintenance services over the life of the arrangement, some of which maintenance services are subject to a consumer price index adjustment each year. In circumstances where customers prepay the entire term's maintenance fee based on the original arrangement, additional payments are due to the Company for the years after its extended warranty and maintenance obligations expire. Payments, upon renewal each year, are either prepaid or made in arrears and can vary in frequency from monthly to annually. As of June 30, 2025, \$21.6 million of consideration has been deferred in relation to outstanding maintenance services to be provided on existing maintenance contracts (December 31, 2024 – \$26.5 million).

During the three and six months ended June 30, 2025, \$10.8 million and \$19.8 million of revenue, respectively, was recognized from the \$52.7 million balance of deferred revenue as of December 31, 2024. During the three and six months ended June 30, 2024, \$12.1 million and \$24.2 million of revenue, respectively, was recognized from the \$67.1 million balance of deferred revenue as of December 31, 2023.

13. Segment Reporting

The Company's Chief Executive Officer ("CEO") is its Chief Operating Decision Maker ("CODM"), as such term is defined under U.S. GAAP. The CODM assesses segment performance based on segment revenues and segment gross margins. Selling, general and administrative expenses, research and development costs, the amortization of intangible assets, provision for (reversal of) current expected credit losses, certain write-downs, interest income, interest expense, and income tax (expense) benefit are not allocated to the Company's segments.

The accounting policies of the reportable segments are the same as those described in Note 2 – Summary of Significant Accounting Policies of the 2024 Form 10-K. Intercompany profit or loss is not included in the evaluation of performance and allocation of resources.

Segment Financial Information

The following table presents the Company's revenue and gross margin by reportable segment for the three months ended June 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Revenue ⁽¹⁾		Gross Margin	
	2025	2024	2025	2024
Content Solutions	\$ 33,965	\$ 35,076	\$ 22,431	\$ 16,138
Technology Products and Services	<u>55,639</u>	<u>50,898</u>	<u>30,178</u>	<u>25,783</u>
Sub-total for reportable segments	<u>89,604</u>	<u>85,974</u>	<u>52,609</u>	<u>41,921</u>
All Other	<u>2,080</u>	<u>2,987</u>	<u>993</u>	<u>2,006</u>
Total	<u>\$ 91,684</u>	<u>\$ 88,961</u>	<u>\$ 53,602</u>	<u>\$ 43,927</u>

(1) The Company's largest customer represents 12% of total Revenues for the three months ended June 30, 2025 (2024 – 14%) and one single customer accounted for more than 10% of the Company's total Accounts Receivable balance as of June 30, 2025. No single customer accounted for more than 10% of the Company's total Accounts Receivable balance as of December 31, 2024.

The following table presents the Company's revenue and gross margin by reportable segment for the six months ended June 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Revenue ⁽¹⁾		Gross Margin	
	2025	2024	2025	2024
Content Solutions	\$ 68,214	\$ 69,089	\$ 45,985	\$ 38,237
Technology Products and Services	<u>106,232</u>	<u>94,048</u>	<u>59,264</u>	<u>49,367</u>
Sub-total for reportable segments	<u>174,446</u>	<u>163,137</u>	<u>105,249</u>	<u>87,604</u>
All Other	<u>3,905</u>	<u>4,947</u>	<u>1,529</u>	<u>3,212</u>
Total	<u>\$ 178,351</u>	<u>\$ 168,084</u>	<u>\$ 106,778</u>	<u>\$ 90,816</u>

(1) The Company's largest customer represented 10% of total Revenues for the six months ended June 30, 2025 (2024 – 13%). One single customer comprised of more than 10% of the Company's total Accounts Receivable as of June 30, 2025. No single customer comprised of more than 10% of the Company's total Accounts Receivable as of December 31, 2024.

The following table presents the Costs and Expenses Applicable to Revenues for the Content Solutions segment that is made available to the CODM as part of the Company's annual and quarterly financial reporting requirements in accordance with U.S. GAAP:

Content Solutions Segment: (In thousands of U.S. Dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 33,965	\$ 35,076	\$ 68,214	\$ 69,089
Film asset amortization	5,190	8,797	9,529	13,867
Marketing and other selling expenses	3,415	4,101	5,850	6,676
Co-produced film participation expenses	82	2,873	179	2,985
Other segment expenses ⁽¹⁾	2,847	3,167	6,671	7,324
Total Costs and Expenses Applicable to Revenues	11,534	18,938	22,229	30,852
Gross Margin	\$ 22,431	\$ 16,138	\$ 45,985	\$ 38,237

(1) Included within the Other segment expenses are costs related to film distribution, post production costs, production costs, and network connectivity fees.

The following table presents the Costs and Expenses Applicable to Revenues for the Technology Products and Services reportable segment that is made available to the CODM as part of the Company's annual and quarterly financial reporting requirements in accordance with U.S. GAAP:

Technology Products and Services Segment: (In thousands of U.S. Dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 55,639	\$ 50,898	\$ 106,232	\$ 94,048
Depreciation of equipment supporting JRSAs	5,716	5,800	11,378	11,495
Marketing and other selling expenses	409	489	655	676
Write-down of equipment supporting JRSAs	311	2,080	399	2,137
Write-down of inventory	91	151	194	166
Other segment expenses ⁽¹⁾	18,934	16,595	34,342	30,207
Total Costs and Expenses Applicable to Revenues	25,461	25,115	46,968	44,681
Gross Margin	\$ 30,178	\$ 25,783	\$ 59,264	\$ 49,367

(1) Included within the Other segment expenses are costs related to the manufacturing and build of IMAX Systems recognized in the period, maintenance and warranty costs, and other product related costs. Also included is a recovery of \$0.5 million for insurance proceeds received during the period, associated with inventory costs that were previously written off. The total proceeds received were \$0.7 million, and the incremental gain of \$0.2 million was recognized in selling, general and administrative expenses.

Geographic Information

Revenue by geographic area is based on the location of the customer. Revenue related to IMAX Film Remastering process is presented based upon the geographic location of the IMAX System that exhibits the remastered films. IMAX Film Remastering and distribution revenue is generated through contractual relationships with studios and other third parties that may not be in the same geographical location as the IMAX Systems that exhibit the remastered films.

The following table summarizes the Company's revenues by geographic area for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(In thousands of U.S. Dollars)	2025	2024	2025	2024
United States	\$ 42,391	\$ 38,296	\$ 64,962	\$ 64,900
Greater China	17,677	22,750	57,802	44,203
Western Europe	14,112	10,508	21,665	24,699
Asia (excluding Greater China)	9,312	9,587	18,603	18,713
Latin America	2,150	2,258	4,107	3,718
Canada	2,494	3,159	3,896	5,567
Rest of the World	3,548	2,403	7,316	6,284
Total	<u>\$ 91,684</u>	<u>\$ 88,961</u>	<u>\$ 178,351</u>	<u>\$ 168,084</u>

The United States, Greater China (which includes the mainland of the People's Republic of China, Hong Kong, Macau, and Taiwan), Western Europe, and Asia (excluding Greater China) each comprise greater than 10% of the Company's total revenues for the three and six months ended June 30, 2025 and 2024.

15. Financial Instruments

Financial Instruments

The Company's cash is invested with various major financial institutions. The Company's \$109.3 million balance of cash and cash equivalents as of June 30, 2025 (December 31, 2024 – \$100.6 million) included \$100.9 million in cash held outside of Canada (December 31, 2024 – \$85.4 million), of which \$61.5 million was held in the People's Republic of China ("PRC") (December 31, 2024 – \$47.5 million).

Fair Value Measurements

The carrying values of the Company's Cash and Cash Equivalents, Accounts Receivable, Variable Consideration, Accounts Payable and Accrued Liabilities due within one year approximate their fair values due to the short-term maturity of these instruments. Including these instruments, the Company's financial instruments consisted of the following:

<i>(In thousands of U.S. Dollars)</i>	As of June 30, 2025		As of December 31, 2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Level 2				
Net financed sales receivables ⁽¹⁾	\$ 92,481	\$ 83,990	\$ 90,546	\$ 81,876
Net investment in sales-type leases ⁽¹⁾	28,641	26,816	29,339	25,322
Convertible Notes ⁽²⁾	(230,000)	(264,778)	(230,000)	(234,009)

(1) Fair value is determined using quoted prices in active markets.

(2) Fair value is determined using quoted market prices that are observable in the market or that could be derived from observable market data.

Foreign Exchange Risk Management

The Company is exposed to market risk from changes in foreign currency rates.

A majority of the Company's revenues is denominated in U.S. Dollars while a significant portion of its costs and expenses is denominated in Canadian Dollars. A portion of the Company's net U.S. Dollar cash is converted to Canadian Dollars to fund Canadian Dollar expenses through the spot market. In China and Japan, the Company has ongoing operating expenses related to its operations in RMB, HKD and Japanese Yen, respectively. Net cash flows are converted to and from U.S. Dollars through the spot market. The Company also has cash receipts under leases denominated in RMB, Japanese Yen, Canadian Dollars and Euros which are converted to U.S. Dollars through the spot market. In addition, because IMAX films generate box office receipts in 89 different countries, unfavorable exchange rates between applicable local currencies and the U.S. Dollar could have an impact on box-office receipts and the Company's revenues and results of operations. The Company's policy is to not use any financial instruments for trading or other speculative purposes.

The Company has entered into a series of foreign currency forward contracts to manage the risks associated with the volatility of foreign currencies. Certain of these foreign currency forward contracts met the criteria required for hedge accounting under the Derivatives and Hedging Topic of the FASB ASC at inception, and continued to meet hedge effectiveness tests as of June 30, 2025 (the “**Foreign Currency Hedges**”), with settlement dates throughout 2025 and 2026. Foreign currency derivatives are recognized and measured on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value (i.e., gains or losses) are recognized in the Condensed Consolidated Statements of Operations except for derivatives designated and qualifying as foreign currency cash flow hedging instruments. The Company currently has cash flow hedging instruments associated with Selling, General and Administrative Expenses. For foreign currency cash flow hedging instruments related to Selling, General and Administrative Expenses, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported in Accumulated Other Comprehensive Loss (“**AOCL**”) and reclassified to the Condensed Consolidated Statements of Operations when the forecasted transaction occurs. Any ineffective portion is recognized immediately in the Condensed Consolidated Statements of Operations.

The following tabular disclosures reflect the impact that derivative instruments and hedging activities have on the Company’s Condensed Consolidated Financial Statements:

Notional value of derivatives in foreign exchange contracts:

	June 30, 2025	December 31, 2024
<i>(In thousands of U.S. Dollars)</i>		

Derivatives designated as hedging instruments:

Foreign exchange contracts – Forwards	\$ 51,324	\$ 48,376
---------------------------------------	-----------	-----------

Fair value of derivatives in foreign exchange contracts:

	Balance Sheet Location	June 30, 2025	December 31, 2024
<i>(In thousands of U.S. Dollars)</i>			
Derivatives designated as hedging instruments:			
Foreign exchange contracts – Forwards	Other assets	\$ 1,430	\$ –
	Accrued and other liabilities	(27)	(2,029)
		<u>\$ 1,403</u>	<u>\$ (2,029)</u>

Derivatives in foreign currency hedging relationships are as follows:

<i>(In thousands of U.S. Dollars)</i>		Three Months Ended		Six Months Ended	
		June 30, 2025	2024	June 30, 2025	2024
Foreign exchange contracts	Derivative Gain (Loss)				
– Forwards	Recognized in OCI				
	(Effective Portion)	\$ 2,520	\$ (365)	\$ 1,805	\$ (1,281)
<i>(In thousands of U.S. Dollars)</i>		Three Months Ended		Six Months Ended	
		June 30, 2025	2024	June 30, 2025	2024
	Location of Derivative				
	Loss Reclassified from				
	AOCI (Effective Portion)				
Foreign exchange contracts	Selling, general and				
– Forwards	administrative expenses	\$ (292)	\$ (67)	\$ (1,627)	\$ (78)

The Company's estimated net amount of the existing gain as of June 30, 2025 is \$1.4 million, which is expected to be reclassified to the Condensed Consolidated Statements of Operations within the next twelve months.

16. Non-Controlling Interests

IMAX China Non-Controlling Interest

As of June 30, 2025, the Company indirectly owned 71.72% of the outstanding equity interest in IMAX China, whose shares trade on the Hong Kong Stock Exchange (December 31, 2024 – 71.40%). IMAX China remains a consolidated subsidiary of the Company. As of June 30, 2025, the balance of the Company’s non-controlling interest in IMAX China was \$84.0 million (December 31, 2024 – \$78.1 million). For the three and six months ended June 30, 2025, the net income attributable to the non-controlling interest in IMAX China is \$1.0 million and \$6.8 million, respectively (2024 – \$1.5 million and \$3.6 million, respectively).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Presented below is Management’s Discussion and Analysis of Financial Condition and Results of Operations (“**MD&A**”) for IMAX Corporation (together with its consolidated subsidiaries, unless the context requires otherwise, “**IMAX**” or the “**Company**”) for the three and six months ended June 30, 2025 and 2024. This MD&A should be read in conjunction with Note 13, “Segment Reporting,” in the accompanying Condensed Consolidated Financial Statements in Item 1 as well as the Company’s audited consolidated financial statements and related notes and the discussion under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for the fiscal year ended December 31, 2024 included in the Company’s 2024 Annual Report on Form 10-K (the “**2024 Form 10-K**”).

As of June 30, 2025, the Company indirectly owned 71.72% of the outstanding equity interest in IMAX China Holding, Inc. (“**IMAX China**”), whose shares trade on the Hong Kong Stock Exchange. IMAX China is a consolidated subsidiary of the Company. For the six months ended June 30, 2025, net income attributable to IMAX China is \$23.7 million, of which \$17.0 million is attributable to the shareholders of the Company (2024 – \$12.8 million and \$9.1 million, respectively).

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this quarterly report may constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 or “forward-looking information” within the meaning of Canadian securities laws. These forward-looking statements include, but are not limited to, statements regarding business and technology strategies and measures to implement strategies, statements about the Company’s belief and expectations, competitive strengths, goals, market opportunity and penetration, including opportunities in and expected growth from international markets, momentum and runway for, expansion and growth of business, network, operations and technology, future capital expenditures (including the amount and nature thereof), the Company’s technological capabilities and the differentiation thereof, brand equity and brand awareness and the benefits thereof, industry prospects and consumer behavior, future industry developments, including expected releases and the timing and effects thereof, plans and references to the future success of the Company and expectations regarding its future operating, financial and technological results, including its box office guidance for 2025. 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, Canada, and China, including with respect to escalating and uncertain tariffs and other trade regulations, as well as economic and trade tensions, trade wars, and geopolitical conflicts and the effects thereof; risks related to the Company’s growth and operations in China; industry conditions in China affecting both the Company and its partners; risks related to the failure of the Company’s exhibitors being able to fulfill their contractual payment obligations; risks related to the Company’s failure to attract and retain its employee population; 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 the Company’s inability to enter into new sales and lease agreements adversely affecting revenue; risks related to the Company’s operating results and cash flow increasing the volatility of the Company’s share price; risks related to currency fluctuations and foreign exchange controls; 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 and to avoid infringing, misappropriating, or violating the intellectual property rights of others; risks associated with the Company’s use of artificial intelligence (“AI”) and exploration of additional use cases of AI; risks related to climate change;

IMAX®, IMAX 3D®, Experience It In IMAX®, *The IMAX Experience*®, DMR®, Filmed For IMAX®, IMAX Live®, IMAX Enhanced® and IMAX StreamSmart™ are trademarks and trade names of the Company or its subsidiaries that are registered or otherwise protected under laws of various jurisdictions.

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 sustained inflationary pressure; risks related to political, economic and social instability; the failure to convert system backlog into revenue and cash flows; 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 (the "SEC") or in Canada, the System for Electronic Data Analysis and Retrieval ("SEDAR+"); and other factors, many of which are beyond the control of the Company. Consequently, all of the forward-looking statements made in this quarterly report 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. 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.

The Company makes available, free of charge, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to such reports, as soon as reasonably practicable after such filings have been made with the SEC and Canadian securities regulators. Reports may be obtained free of charge through the SEC's website at www.sec.gov or the SEDAR+ website at www.sedarplus.ca and through the Company's website at www.imax.com or by calling the Company's Investor Relations Department at 212-821-0154.

The Company announces material information to the public through a variety of means, including filings with the SEC and Canadian securities regulators, press releases, public conference calls, and its website at www.imax.com. The Company uses these channels to communicate with investors and the public about the Company, its products and services, and other matters. Therefore, investors are encouraged to review the information the Company makes public in these locations, as such information could be deemed to be material information. No information included on the Company's website shall be deemed included or otherwise incorporated into this filing, except where expressly indicated. All references to the Company's website are intended to be inactive textual references only.

OVERVIEW

IMAX Corporation (together with its consolidated subsidiaries, the “**Company**” or “**IMAX**”) is a Canadian corporation that was formed in March 1994 as a result of an amalgamation between WGIM Acquisition Corp. and the former IMAX Corporation (“**Predecessor IMAX**”). Predecessor IMAX was incorporated in 1967.

IMAX is a premier global technology platform for entertainment and events. Through its proprietary software, auditorium architecture, patented intellectual property, and specialized equipment, IMAX offers a unique end-to-end solution to create superior, awe-inspiring immersive content experiences for which the IMAX® brand is globally renowned. Top filmmakers, movie studios, artists, and creators utilize the cutting-edge visual and sound technology of IMAX to connect with audiences in innovative ways. As a result, IMAX is among the most important and successful global distribution platforms for domestic and international tentpole films. The Company’s global content portfolio includes blockbuster films, both from Hollywood and local language film industries worldwide; IMAX documentaries, both original and acquired (“**IMAX Documentaries**”); and IMAX events and experiences in emerging verticals, including music, gaming, and sports.

SOURCES OF REVENUE

The Company has organized its operating segments into the following two reportable segments: (i) Content Solutions, which principally includes content enhancement and distribution services, and (ii) Technology Products and Services, which principally includes the sale, lease, and maintenance of IMAX Systems. The Company’s activities that do not meet the criteria to be considered a reportable segment are disclosed within All Other (See Note 13 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1).

Content Solutions

The Content Solutions segment earns revenue from Film Remastering, including the distribution of this content across the IMAX global network. To a lesser extent, the Content Solutions segment also earns revenue from the distribution of large-format documentary films and IMAX events and experiences, including music, gaming, and sports, as well as the provision of film post-production services.

Film Remastering and Distribution

IMAX Film Remastering is a proprietary technology that digitally remasters films and other content into IMAX formats for distribution across the IMAX network. In a typical IMAX Film Remastering and distribution arrangement, the Company receives a percentage of the box office from a movie studio in exchange for converting a commercial film into the IMAX format and distributing it through the IMAX network. The fee earned by the Company in a typical IMAX Film Remastering and distribution arrangement averages approximately 12.5% of box office (i.e., gross box office (“**GBO**”) less applicable sales taxes), except for within Greater China, where the Company often receives a lower percentage of net box office due to tax.

IMAX Film Remastering digitally enhances the image quality and/or resolution for projection on IMAX screens while maintaining or enhancing the visual clarity and sound quality to levels for which *The IMAX Experience* is known. IMAX Film Remastering is completed for the image of films released to the IMAX network, creating a unique IMAX version that is optimized for IMAX’s proprietary digital projection systems and format. In addition, the original soundtrack of a film to be exhibited across the IMAX locations is remastered into a unique IMAX digital audio format. IMAX sound systems use proprietary loudspeaker systems, designs and proprietary surround sound configurations to ensure every seat in an auditorium is an optimal listening position.

IMAX films also benefit from enhancements made by individual filmmakers exclusively for the IMAX release of the film. Collectively, the Company refers to these enhancements as “IMAX DNA”. Filmmakers and movie studios increasingly seek to infuse more IMAX DNA in theatrical releases to realize a filmmaker’s creative vision more fully, while generating interest and excitement among moviegoers. Such enhancements include shooting films with IMAX cameras to increase the audience’s immersion in the film and to take advantage of the unique dimensions of the IMAX screen by projecting the film in a larger aspect ratio that delivers up to 26% more image onto a standard IMAX movie screen. In select IMAX locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, delivering up to 67% more image. The Company’s Filmed For IMAX® program enables filmmakers to craft films from their inception to optimize *The IMAX Experience* and provides incremental and bespoke marketing support. The box office metrics demonstrate audiences respond extremely favorable to Filmed For IMAX® titles, resulting in a higher market share for IMAX.

Management believes that growth in international box office represents an important growth opportunity for the Company. The Company’s strategy to capitalize on this opportunity includes expanding the IMAX network into underpenetrated international markets and growing the number of local language films released, particularly in China, Japan, India, France, and South Korea. As the popularity of local language films has continued to increase, the Company has extended its content strategy to distribute local language content beyond native markets. For the first six months in 2025, local language films exhibited across the Company’s global network generated over \$222 million in box office, representing 38% of the Company’s global box office, including the Chinese local language film, *Ne Zha 2*, which became the highest grossing IMAX release of all time in China.

The following table provides the number of new films and other content that were released to the Company's global network during the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
		2024		2024
Hollywood film releases ⁽¹⁾	<u>8</u>	<u>9</u>	<u>15</u>	<u>16</u>
Local language film releases:				
China	4	4	10	8
South Korea	2	2	4	3
Japan	1	5	4	8
India	1	2	6	4
Saudi Arabia	1	—	1	—
Egypt	1	—	1	—
France	—	—	2	—
Vietnam	—	—	1	—
Indonesia	<u>—</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total local language film releases	10	14	30	24
Other content experiences	<u>3</u>	<u>4</u>	<u>9</u>	<u>6</u>
	<u>21</u>	<u>27</u>	<u>54</u>	<u>46</u>

(1) For the three and six months ended June 30, 2025, the films released to the Company's global network include six and seven with IMAX DNA (2024 – two).

The films distributed through the Company's global network during the three and six months ended June 30, 2025 that generated the highest IMAX box office totals were Chinese local language film *Ne Zha 2*, *Mission: Impossible – The Final Reckoning* and *Sinners*. In addition, during the three and six months ended June 30, 2025, a number of alternative content films and events were distributed, including *Becoming Led Zeppelin*, *Pink Floyd at Pompeii – MCMLXXII* and *One to One: John & Yoko*.

In addition to the 54 IMAX films and alternative content experiences released on the Company's global network during the six months ended June 30, 2025, the Company has announced the following additional 30 new films and alternative content experiences to be released throughout the remainder of 2025:

Title	Studio	Scheduled Release Date⁽¹⁾	IMAX DNA
<i>Jurassic World: Rebirth</i>	Universal Pictures	July 2025	—
<i>Superman</i>	Warner Bros. Pictures	July 2025	Filmed for IMAX
<i>Curious Tales of A Temple⁽²⁾</i>	Wanda	July 2025	—
<i>Demon Slayer: Kimetsu No Yaiba The Movie: Infinity Castle⁽²⁾</i>	Toho/Sony Pictures	July 2025	—
<i>You are the Best⁽²⁾</i>	Lian Ray	July 2025	—
<i>The Lychee Road⁽²⁾</i>	Maoyan	July 2025	—
<i>The Prophet: Omniscient Reader⁽²⁾</i>	Lotte	July 2025	—
<i>The Fantastic Four: First Steps</i>	Marvel Studios	July 2025	Filmed for IMAX
<i>Dead to Rights⁽²⁾</i>	Super Lion	July 2025	—
<i>Tokyo Mer 2⁽²⁾</i>	Toho	August 2025	—
<i>NOBODY⁽²⁾</i>	Maoyan	August 2025	—
<i>Weapons</i>	Warner Bros. Pictures	August 2025	—
<i>The Grateful Dead Movie</i>	Rhino Entertainment/ Trafalgar	August 2025	—
<i>Black Swan: 15th Anniversary Exclusive</i>	Searchlight Pictures	August 2025	—
<i>Dongji Rescue⁽²⁾</i>	Alibaba	August 2025	Filmed for IMAX
<i>War 2⁽²⁾</i>	Yash Raj Films	August 2025	—
<i>Das Kanu Des Manitu⁽²⁾</i>	Constantin Films	August 2025	—
<i>The Shadow's Edge⁽²⁾</i>	Alibaba	August 2025	—
<i>Prince – Sign O' The Times</i>	Mercury Studios	August 2025	—
<i>Jaws: 50th Anniversary</i>	Universal Pictures	August 2025	—
<i>The Conjuring: Last Rites</i>	Warner Bros. Pictures	September 2025	—
<i>Him</i>	Universal Pictures	September 2025	—
<i>One Battle After Another</i>	Warner Bros. Pictures	September 2025	—
<i>Tron: Ares</i>	Walt Disney Studios	October 2025	Filmed for IMAX
<i>Mortal Kombat 2</i>	Warner Bros. Pictures	October 2025	Filmed for IMAX
<i>Predator: Badlands</i>	Walt Disney Studios	November 2025	—
<i>The Running Man</i>	Paramount Pictures	November 2025	—
<i>Wicked: For Good</i>	Universal Pictures	November 2025	—
<i>Zootopia 2</i>	Walt Disney Studios	November 2025	—
<i>Avatar: Fire and Ash</i>	Walt Disney Studios	December 2025	—

(1) The scheduled release dates in the table above are subject to change, may vary by territory, and may not reflect the date(s) of limited premiere events.

(2) Denotes local language release.

The Company remains in active negotiations with studios for additional films to fill out its short- and long-term film slate for the IMAX network. The Company also expects to announce additional local language films and exclusive IMAX events and experiences to be released to its global network throughout 2025. The Company has announced that a record number of over 14 Filmed for IMAX titles will be released in 2025. The Company's Hollywood film slate beyond 2025 is building, including major films such as: *The Odyssey*, *Avengers: Doomsday*, *The Mandalorian and Grogu*, *Dune 3*, *Avengers: Secret Wars*, *Project Hail Mary*, *Toy Story 5*, *Supergirl Woman of Tomorrow*, *Moana*, *The Batman 2*, *Frozen 3*, and *Dynamic Duo*. Additionally, in January 2025, the Company announced an agreement with Netflix, Inc. to debut Academy Award®-nominated director Greta Gerwig's upcoming film, *Narnia*, exclusively across the IMAX network with a two-week run beginning Thanksgiving 2026.

Other Content Solutions

The Company distributes large-format documentary feature films through its global commercial network and institutional theaters. Traditionally, the Company receives as its distribution fee either a fixed amount or a fixed percentage of the theater box office and, following the recoupment of its costs, is typically entitled to receive an additional percentage of gross revenues as participation revenues. In 2025, the Company released the institutional 3D version of *Blue Angels* across select IMAX locations in North America, Europe, and Australia. Upcoming documentaries, which are currently in production, include *The Lost Wolves of Yellowstone*, which is expected to be released in 2025. *Stormbound*, a feature documentary produced by Academy Award-winning producer, Adam McKay, *Patrouille de France* and *The Elephant Odyssey*, a documentary in collaboration with Beach House Pictures Pte Ltd and China International Communications Group, are expected to be released in 2026.

The Company continues to believe that the IMAX network is a valuable global platform to launch and distribute original content, including documentaries. The ownership rights to such films may be held by the film sponsors, the film investors and/or the Company. As of June 30, 2025, the Company had distribution rights with respect to approximately 65 films, which cover subjects such as space, wildlife, music, sports, history and natural wonders.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX events and experiences to audiences worldwide. As of June 30, 2025, the Company had a footprint of 266 connected locations in the IMAX network across North America, Europe, Africa, Australia, and Asia configured with connectivity to deliver live and interactive events with low latency and superior sight and sound.

In the six months ended June 30, 2025, the Company partnered with Sony Pictures for the exclusive release of *Becoming Led Zeppelin*, Magnolia Pictures for the exclusive release of *One to One: John & Yoko* and Trafalgar Releasing for the exclusive release of *Pink Floyd at Pompeii – MCMLXXII*, NBC Universal for the *SNL50 The Homecoming Concert* in select IMAX North American locations and DAZN for the *PSG v Marseille Le Classique Match* in select IMAX locations across France. In addition, the Company continued its partnership with A24 for one-night-only IMAX releases of classic A24 titles, including *Talk to Me*, *Moonlight*, and *Spring Breakers*. The Company collaborated with Fandango Media for the *Fortnite Championship Series: Pro-Am* screening in eight North American IMAX locations and with Wanda Film for the *F1 Spanish Grand Prix* screening across six IMAX locations in China.

The Company provides film post-production and quality control services for films, whether produced by IMAX or third parties, and digital post-production services. In addition, the Company provides IMAX film and digital cameras to content creators under the IMAX certified camera program.

Technology Products and Services

The Technology Products and Services segment earns revenue principally from the sale or lease of IMAX Systems, as well as from the maintenance of IMAX Systems. To a lesser extent, the Technology Products and Services segment also earns revenue from certain ancillary theater business activities, including after-market sales of IMAX Systems parts and 3D glasses.

Sales and Sales-Type Lease Arrangements

The Company provides IMAX Systems to exhibitors through sale arrangements or long-term lease arrangements that for accounting purposes are classified as sales-type leases. Under these arrangements, in exchange for providing the IMAX System, the Company earns initial fees and ongoing consideration, which can include fixed annual minimum payments and contingent fees in excess of the minimum payments, as well as maintenance and extended warranty fees (see “**IMAX Maintenance**” below). The initial fees vary depending on the system configuration and location of the IMAX System. Initial fees are paid to the Company in installments typically between the time of signing the arrangement and the time of system installation. Once an IMAX System is installed, the initial fees and the present value of future annual minimum payments, which are financing fees, are recognized as revenue. In addition, in sale arrangements, the present value of the estimated contingent fees that may become due if certain annual minimum box office receipt thresholds are exceeded is recorded as revenue in the period when the sale is recognized and is adjusted in future periods based on actual results and changes in estimates. Such variable consideration is only recognized on sales transactions to the extent the Company believes there is not a risk of significant revenue reversal. Finance income is recognized over the term of a financed sale or sales-type lease arrangement.

In sale arrangements, title to the IMAX System equipment generally transfers to the customer. However, in certain instances, the Company retains title or a security interest in the equipment until the customer has made all payments required by the agreement or until certain shipment events for the equipment have occurred. In a sales-type lease arrangement, title to the IMAX System equipment remains with the Company. The Company has the right to remove the equipment for non-payment or other defaults by the customer.

The revenue earned from customers under the Company’s IMAX System sale or sales-type lease agreements varies from quarter-to-quarter and year-to-year based on a number of factors, including the number and mix of IMAX System configurations sold or leased, the timing of installation of the IMAX Systems, the nature of the arrangement and other factors specific to individual contracts.

Joint Revenue Sharing Arrangements

The Company provides IMAX Systems to exhibitors through joint revenue sharing arrangements (“**JRSAs**”). Under the traditional form of these arrangements, the Company provides the IMAX System under a long-term lease in which the Company assumes the majority of the equipment and installation costs. In exchange for its upfront investment, the Company, primarily, earns rent based on a percentage of contingent box office receipts rather than requiring the customer to pay a fixed upfront fee or fixed annual minimum payments. Rental payments from the customer are required throughout the term of the arrangement and are typically due either monthly or quarterly. The Company retains title to the IMAX System equipment components throughout the lease term, and the equipment is returned to the Company at the conclusion of the arrangement.

Under certain other JRSAs, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX System in an amount that is typically half of what the Company would receive from a typical sale transaction. As with a traditional JRSA, the customer also pays the Company a percentage of contingent box office receipts over the term of the arrangement, although this percentage is typically half that of a traditional JRSA.

Under most JRSAs (both traditional and hybrid), the initial non-cancellable term is 10 years or longer and is renewable by the customer for one to two additional terms of between three to five years. The Company has the right to remove the equipment for non-payment or other defaults by the customer. The contracts are non-cancellable by the customer unless the Company fails to perform its obligations.

The revenue earned from customers under the Company’s JRSAs can vary from quarter-to-quarter and year-to-year based on a number of factors that drive box office levels including film performance, the mix of IMAX System configurations, the timing of installation of IMAX Systems, the nature of the arrangement, the location, size and management of the theater and other factors specific to individual arrangements.

JRSAs also require IMAX to provide maintenance and extended warranty services to the customer over the term of the lease in exchange for a separate fixed annual fee. These fees are reported within IMAX Maintenance, as discussed below.

JRSAs have been an important factor in the expansion of the Company’s commercial system network. JRSAs allow commercial theater exhibitors to install IMAX Systems without the significant initial capital investment required in a sale or sales-type lease arrangement. JRSAs drive recurring cash flows and earnings for the Company as customers under these arrangements pay the Company a portion of their ongoing box office receipts. The Company funds its investment in equipment for JRSAs through cash flows from operations. As of June 30, 2025, the Company had 899 locations under JRSAs in its global commercial multiplex network. The Company also had contracts in backlog for 336 systems under JRSAs as of June 30, 2025, including 138 upgrades to existing locations and 198 new locations.

IMAX Maintenance

IMAX System arrangements also include a requirement for the Company to provide maintenance services over the life of the arrangement in exchange for an extended warranty and annual maintenance fee paid by the exhibitor. Under these arrangements, the Company provides preventative and emergency maintenance services to ensure that each presentation is up to the highest IMAX quality standard. Annual maintenance fees are paid throughout the duration of the term of the system agreements.

All Other

IMAX Enhanced | Streaming and Consumer Technology

IMAX's Streaming and Consumer Technology ("SCT") segment now offers a single unified program: IMAX Enhanced. This umbrella program builds on IMAX's brand and proprietary VisionScience™ technology to deliver *The IMAX Experience* to fans across streaming platforms and consumer devices. The new 'IMAX Enhanced' program for partners includes three core elements:

1. IMAX Enhanced Live: Real-time enhancement for sports, concerts, and events using SCT's proprietary technology to measure, enhance, optimize, and validate premium color, contrast, and clarity at the speed of live.
2. IMAX Enhanced On-Demand: Quality preservation and optimization for films and series to preserve creative intent with IMAX-calibrated fidelity and remastering, offering viewers a differentiated, premium IMAX-assured experience. IMAX Enhanced on-demand content is currently available for fan-favorite titles across leading services such as Disney+, Sony Pictures Core, and Tencent Video.
3. Device Certification & Calibration: Establishes IMAX quality standards for consumer devices to ensure playback meets IMAX benchmarks. It assures that the enhancement and preservation of quality applied upstream for both Live and On-Demand workflows is maintained faithfully and experienced as intended on consumer devices. As of June 30, 2025, over 15 million IMAX Enhanced certified devices are in-market with partners including Sony Electronics, Hisense, TCL, LG, and Philips.

The SCT products previously branded as StreamSmart™ (encoding optimization) and StreamAware™ (quality assurance and monitoring) have now been fully streamlined and integrated into the IMAX Enhanced program, improving operational efficiency, reducing overhead, and enabling partners to deliver differentiated, premium, and monetizable viewing experiences validated through IMAX's proprietary approach to visual quality.

IMAX's Streaming and Consumer Technology is part of the Company's next evolutionary step to extend the IMAX brand and technology into new use cases and programming, including live events, series, and fully leveraging consumer electronics to deliver premium experiences for fans at home.

Other

All Other also includes revenues from sources including one owned and operated IMAX System in Sacramento, California; a commercial arrangement with one theater resulting in the sharing of profits and losses; the provision of management services to three other theaters; and offering production advice and technical assistance to both documentary and Hollywood filmmakers.

IMAX NETWORK AND BACKLOG

IMAX Network

The following table provides detailed information about the IMAX network by type and geographic location as of June 30, 2025 and 2024. For additional information regarding the composition of the IMAX network, see “Marketing and Customers” in Part I, Item 1 of the Company’s 2024 Form 10-K.

	June 30, 2025				June 30, 2024			
	Commercial Multiplex	Commercial Destination	Institutional	Total	Commercial Multiplex	Commercial Destination	Institutional	Total
United States	375	4	24	403	364	4	24	392
Canada	44	1	5	50	43	1	7	51
Greater China ⁽¹⁾	796	–	13	809	790	–	13	803
Asia (excluding Greater China)	187	1	2	190	176	2	2	180
Western Europe	142	4	7	153	129	4	8	141
Latin America ⁽²⁾	62	1	7	70	61	1	7	69
Rest of the World	144	–	2	146	142	–	2	144
Total ⁽³⁾	<u>1,750</u>	<u>11</u>	<u>60</u>	<u>1,821</u>	<u>1,705</u>	<u>12</u>	<u>63</u>	<u>1,780</u>

(1) Greater China includes China, Hong Kong, Taiwan, and Macau.

(2) Latin America includes South America, Central America, and Mexico.

(3) Period-to-period changes in the table above are reported net of the effect of permanently closed locations.

(See “Risk Factors – The Company faces risks in connection with its significant presence in China and the continued expansion of its business there,” “Risk Factors – The Company may not convert all of its backlog into revenue and cash flows,” and “Risk Factors – General political, social and economic conditions can affect the Company’s business by reducing both revenues generated from existing IMAX Systems and the demand for new IMAX Systems” in Part I, Item 1A of the Company’s 2024 Form 10-K.)

IMAX currently estimates a worldwide commercial multiplex addressable market of 3,619 locations, of which there are 1,750 IMAX Systems operating as of June 30, 2025, representing a market penetration of only 48%. The Company believes that the majority of its future growth will come from international markets. As of June 30, 2025, 76% of IMAX Systems in the global commercial multiplex network were located within international markets (defined as all countries other than the United States and Canada). Revenues and GBO derived from international markets continue to exceed revenues and GBO from the United States and Canada. Risks associated with the Company’s international business are outlined in “Risk Factors – The Company conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales and future growth prospects” in Part I, Item 1A of the Company’s 2024 Form 10-K.

The following tables provide detailed information about IMAX Systems operating in multiplex locations by arrangement type and geographic location as of June 30, 2025 and 2024:

	June 30, 2025			
	Commercial Multiplex Locations in IMAX Network			Total
	Traditional JRSA	Hybrid JRSA	Sales Arrangements ⁽¹⁾	
Domestic Total (United States & Canada)	<u>276</u>	<u>6</u>	<u>137</u>	<u>419</u>
International:				
Greater China	388	99	309	796
Asia (excluding Greater China)	53	1	133	187
Western Europe	48	13	81	142
Latin America	4	–	58	62
Rest of the World	<u>11</u>	<u>–</u>	<u>133</u>	<u>144</u>
International Total	<u>504</u>	<u>113</u>	<u>714</u>	<u>1,331</u>
Worldwide Total ⁽²⁾	<u><u>780</u></u>	<u><u>119</u></u>	<u><u>851</u></u>	<u><u>1,750</u></u>

(1) Includes Sales and Sales-Type Lease deal types.

(2) Period-to-period changes in the tables above are reported net of permanently closed locations.

	June 30, 2024			
	Commercial Multiplex Locations in IMAX Network			Total
	Traditional JRSA	Hybrid JRSA	Sales Arrangements ⁽¹⁾	
Domestic Total (United States & Canada)	<u>271</u>	<u>7</u>	<u>129</u>	<u>407</u>
International:				
Greater China	379	108	303	790
Asia (excluding Greater China)	53	8	115	176
Western Europe	40	15	74	129
Latin America	3	–	58	61
Rest of the World	<u>14</u>	<u>–</u>	<u>128</u>	<u>142</u>
International Total	<u>489</u>	<u>131</u>	<u>678</u>	<u>1,298</u>
Worldwide Total ⁽²⁾	<u><u>760</u></u>	<u><u>138</u></u>	<u><u>807</u></u>	<u><u>1,705</u></u>

(1) Includes Sales and Sales-Type Lease deal types.

(2) Period-to-period changes in the tables above are reported net of permanently closed systems.

Backlog

The following tables provide detailed information about the Company's backlog by arrangement type and geographic location as of June 30, 2025 and 2024:

	June 30, 2025 IMAX System Backlog			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements ⁽¹⁾	Total
Domestic Total (United States & Canada)	<u>119</u>	<u>2</u>	<u>10</u>	<u>131</u>
International:				
Greater China	92	90	49	231
Asia (excluding Greater China)	19	2	40	61
Western Europe	9	–	17	26
Latin America	1	–	7	8
Rest of the World	<u>2</u>	<u>–</u>	<u>42</u>	<u>44</u>
International Total	<u>123</u>	<u>92</u>	<u>155</u>	<u>370</u>
Worldwide Total ⁽²⁾⁽³⁾	<u>242</u>	<u>94</u>	<u>165</u>	<u>501</u>

(1) Includes Sales and Sales-Type Lease deal types.

(2) Worldwide Total of 501 includes 256 new IMAX Laser Systems and 145 upgrades of existing locations to IMAX Laser Systems.

(3) Worldwide Total of 501 includes 356 new system backlog and 145 upgrade system backlog.

	June 30, 2024 IMAX System Backlog			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements ⁽¹⁾	Total
Domestic Total (United States & Canada)	<u>76</u>	<u>2</u>	<u>12</u>	<u>90</u>
International:				
Greater China	112	90	61	263
Asia (excluding Greater China)	18	7	33	58
Western Europe	15	1	19	35
Latin America	2	–	4	6
Rest of the World	<u>3</u>	<u>1</u>	<u>48</u>	<u>52</u>
International Total	<u>150</u>	<u>99</u>	<u>165</u>	<u>414</u>
Worldwide Total ⁽²⁾⁽³⁾	<u>226</u>	<u>101</u>	<u>177</u>	<u>504</u>

- (1) Includes Sales and Sales-Type Lease deal types.
- (2) Worldwide Total of 504 includes 261 new IMAX Laser Systems and 69 upgrades of existing locations to IMAX Laser Systems.
- (3) Worldwide Total of 504 includes 373 new system backlog and 131 upgrade system backlog.

The backlog reflects the minimum number of commitments for IMAX Systems according to signed contracts. The Company believes that the contractual obligations for IMAX System installations that are listed in backlog are valid and binding commitments. From time to time, in the normal course of its business, the Company will have customers who are unable to proceed with an IMAX System installation for a variety of reasons, including the inability to obtain certain consents, approvals or financing.

Certain of the Company's contracts contain options for the customer to elect to upgrade system type during the term or to alter the contract structure (for example, from a JRSA to a sale) after signing, but before installation. Current backlog information reflects all known elections.

Approximately 74% of IMAX System arrangements in backlog as of June 30, 2025 are scheduled to be installed in international markets (2024 – 82%).

(See “Risk Factors – The Company may not convert all of its backlog into revenue and cash flows.” in Part I, Item 1A of the Company's 2024 Form 10-K.)

RESULTS OF OPERATIONS

The Company's business and future prospects are evaluated by Richard L. Gelfond, its Chief Executive Officer (“**CEO**”), using a variety of factors and financial and operational metrics, including: (i) IMAX box office performance and the securing of new IMAX films and alternative content to be exhibited across the IMAX network; (ii) the signing, installation, and financial performance of IMAX System arrangements; (iii) the success of the Company's investments in business evolution and brand extensions into streaming and consumer technology; (iv) revenues and gross margins earned by the Company's segments; (v) consolidated earnings (loss) from operations, as adjusted for unusual items; (vi) the continuing ability to invest in and improve the Company's technology to enhance the differentiation of *The IMAX Experience* versus other out-of-home experiences; (vii) the overall execution, reliability, and consumer acceptance of *The IMAX Experience*; and (viii) short- and long-term cash flow projections.

Results of Operations for the Three Months Ended June 30, 2025 and 2024

Net Income and Adjusted Net Income Attributable to Common Shareholders

The following table presents the Company's net income attributable to common shareholders and the associated per diluted share amounts, as well as adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,			
	2025		2024	
(In thousands of U.S. Dollars, except per diluted share amounts)	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	\$ <u>11,255</u>	\$ <u>0.20</u>	\$ <u>3,583</u>	\$ <u>0.07</u>
Adjusted net income attributable to common shareholders*	\$ <u>14,607</u>	\$ <u>0.26</u>	\$ <u>9,746</u>	\$ <u>0.18</u>

* Refer to "Non-GAAP Financial Measures" for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

Revenues and Gross Margin

During the three months ended June 30, 2025, the Company's revenues and gross margin increased by \$2.7 million, or 3%, and \$9.7 million, or 22%, respectively, when compared to same period in 2024 principally due to a higher number of installations and stronger IMAX box office performance driven by the Hollywood film slate.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the three months ended June 30, 2025 and 2024:

	Revenue		Gross Margin		Gross Margin %	
	2025	2024	2025	2024	2025	2024
(In thousands of U.S. Dollars)						
Content Solutions	\$ <u>33,965</u>	\$ 35,076	\$ <u>22,431</u>	\$ 16,138	<u>66%</u>	46%
Technology Products and Services	<u>55,639</u>	50,898	<u>30,178</u>	25,783	<u>54%</u>	51%
Sub-total for reportable segments	<u>89,604</u>	85,974	<u>52,609</u>	41,921	<u>59%</u>	49%
All Other ⁽¹⁾	<u>2,080</u>	2,987	<u>993</u>	2,006	<u>48%</u>	67%
Total	\$ <u>91,684</u>	\$ 88,961	\$ <u>53,602</u>	\$ 43,927	<u>58%</u>	49%

(1) All Other includes the results from Streaming and Consumer Technology and other ancillary activities.

Content Solutions

Content Solutions segment results are influenced by the level of commercial success and box office performance of the films and other content released to the IMAX network, as well as other factors, including the timing of the releases, the timing of documentary downstream sales, the length of play across the IMAX network, the box office share take rates under the Company's Film Remastering and distribution arrangements, the level of marketing spend associated with the releases in the year, and fluctuations in the value of foreign currencies versus the U.S. Dollar.

For the three months ended June 30, 2025, Content Solutions segment revenues and gross margin decreased by \$1.1 million, or 3%, and increased by \$6.3 million, or 39%, respectively, when compared to the same period in 2024. The decrease in revenue compared to the prior period was primarily driven by revenue earned from the completion of the sale of the worldwide commercial and streaming rights of the Company's original documentary, *The Blue Angels*, to Amazon Content in the second quarter of 2024.

The documentary sale impact on revenue was mostly offset in the second quarter of 2025 by stronger IMAX box office performance year over year. In the second quarter of 2025, box office generated by IMAX films, including booking fees, totaled \$281.1 million, an \$81.3 million, or 41% increase versus the prior year comparative period of \$199.8 million. The growth was primarily driven by the stronger IMAX box office performance of the IMAX Hollywood film slate during the quarter, compared to the second quarter of 2024 box office performance which had fewer large blockbusters due to the Hollywood strikes. In the second quarter of 2025, IMAX box office was generated by the exhibition of 22 films and other content (21 new films and 1 film originally released in a prior year), including the following Hollywood titles, *Mission: Impossible – The Final Reckoning* (\$75 million), *Sinners* (\$40 million), *F1 The Movie* (\$32 million) and *Thunderbolts* (\$31 million). In the second quarter of 2025, local language films exhibited across the Company's global network generated \$19.8 million in box office, representing 7% of its global box office. In the second quarter of 2024, IMAX box office was generated by the exhibition of 34 films (27 new films and 7 films originally released in a prior year).

In the second quarter of 2025, the Company released six movies that were filmed with IMAX proprietary cameras (Filmed For IMAX): *Sinners*, *Thunderbolts*, *Final Destination: Bloodlines*, *Mission: Impossible – The Final Reckoning*, *How To Train Your Dragon* and *F1 The Movie*. Filmed For IMAX movies traditionally perform disproportionately well at the box office, and for three of these films (*Sinners*, *Mission: Impossible – The Final Reckoning* and *F1 The Movie*), IMAX delivered approximately 20% or more of the opening weekend domestic box office, despite accounting for only 1% of available screens.

In addition to the level of revenues, Content Solutions segment gross margin is influenced by the costs associated with films and other content (documentaries, live, alternative and other) exhibited in the period. The costs associated with films and other content can include production, post-production, distribution and marketing, which are expensed as incurred. For the three months ended June 30, 2025, gross margin percent was 66% compared to 46% in the prior year period. The increase in gross margin was driven by higher level of IMAX box office and a lower mix of self-produced content compared to the prior period.

Technology Products and Services

The primary drivers of Technology Products and Services segment results are the number of IMAX Systems installed in a period, the costs associated with each installation, lease payments tied to the box office performance of the films released to the IMAX network, as well as the associated maintenance contracts that accompany each installation. The average revenue and gross margin per IMAX System under sale and sales-type lease arrangements vary depending upon the number of IMAX System commitments with a single respective exhibitor, an exhibitor's location, the type of IMAX System sold, and various other factors. The installation of IMAX Systems in theaters or multiplexes, which make up a large portion of the Company's system backlog, depends primarily on the timing of the construction of those projects, which is not under the Company's control.

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, except for traditional JRSAs as revenue is recognized over the lease term, during the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except number of systems)</i>	Number of Systems	Revenue	Number of Systems	Revenue
New IMAX Systems	11	\$ 11,206	8	\$ 7,649
Upgraded IMAX Systems	2	1,878	2	2,926
Total IMAX Systems	13	\$ 13,084	10	\$ 10,575

For the three months ended June 30, 2025, Technology Products and Services segment revenue increased by \$4.7 million, or 9%, while gross margin increased by \$4.4 million, or 17%, when compared to the same period in 2024. The higher level of revenue is primarily driven by a higher level of rental revenues, which is box office driven. Rental revenues increased by \$5.1 million, as IMAX GBO earned from the Company's JRSAs increased by \$24.1 million in the second quarter of 2025 when compared to the prior year comparative period, from \$101.0 million to \$125.1 million. Also contributing to the increase in revenue was the higher number of systems recognized under sales and sales-type lease arrangements, per the table above.

The increase in revenues described above were partially offset by a \$4.7 million decrease in revenue contribution from the impact of amendments, renewals and other agreements to existing IMAX Systems arrangements.

For the three months ended June 30, 2025, gross margin percent was 54% compared to 51% in the prior period, which primarily reflects the higher level of revenues generated from stronger IMAX box office performance, as described above.

All Other

For the three months ended June 30, 2025, All Other revenue and gross margin decreased by \$0.9 million and \$1.0 million, respectively, when compared to the same period in 2024. All Other primarily reflects the results of the Company's Streaming and Consumer Technology business.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the three months ended June 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended		Variance	
	June 30, 2025	2024	\$	%
Total Selling, general and administrative expenses	\$ 35,302	\$ 37,564	\$ (2,262)	(6%)
Less: Share-based compensation ⁽¹⁾	(6,862)	(6,506)	(356)	(5%)
Total Adjusted Selling, general and administrative expenses	\$ 28,440	\$ 31,058	\$ (2,618)	(8%)

(1) A portion of share-based compensation expense is recognized within Costs and Expenses Applicable to Revenues, and Research and Development. (Refer to "Capital Stock and Reserves – Share – Based Compensation" in Note 11 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

For the second quarter of 2025, the lower level of Selling, General and Administrative Expenses year-over-year reflects management's continued focus on operational efficiencies, including workforce reductions. Additionally, in the period, the Company recognized \$2.5 million in benefits resulting from an Employee Retention Credit as a reduction to Selling, General and Administrative expenses, partially offset by higher annual incentive compensation costs.

Credit Loss (Reversal) Expense, Net

For the three months ended June 30, 2025, the Company recorded a credit loss reversal of \$0.2 million, as compared to a credit loss expense of \$0.1 million recognized in the prior year.

Stronger box office performance in the year has contributed to a notable improvement in collections. The resurgence in theatrical attendance, driven by a robust film slate, has increased and accelerated cash inflows from studio and exhibitor customers. This trend reflects both the sustained consumer demand for premium cinematic experiences and the effectiveness of our strategic initiatives in global distribution and exhibition.

Management's judgments regarding expected credit losses are based on the facts available to management at the time that the Condensed Consolidated Financial Statements are prepared and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. (Refer to Note 3 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

Income Taxes

For the three months ended June 30, 2025, the Company recorded an income tax expense of \$1.2 million (2024 – tax benefit of \$4.0 million). The Company’s effective tax rate of 8.9% for the three months ended June 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and reflects a decrease in the valuation allowance.

During the three months ended June 30, 2024, the Company completed an internal asset sale to more closely align its intellectual property ownership with its operations. In order to effect this internal asset sale, transactions between entities within the group resulted in capital gains for tax purposes. The tax expense related to the capital gain was partially offset by the reversal of the valuation allowance. Net deferred tax assets were also recorded on the transaction, resulting in a net tax benefit of \$7.7 million.

Non-Controlling Interests

For the three months ended June 30, 2025, the net income attributable to non-controlling interests of the Company’s subsidiaries was \$1.0 million, a decrease of \$0.5 million, when compared to the same period in 2024, primarily due to lower revenues recognized from sales arrangements and renewals in Greater China.

Results of Operations for the Six Months Ended June 30, 2025 and 2024

Net Income and Adjusted Net Income Attributable to Common Shareholders

The following table presents the Company’s net income attributable to common shareholders and the associated per diluted share amounts, as well as adjusted net income attributable to common shareholders* and adjusted net income attributable to common shareholders per diluted share for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,			
	2025		2024	
	Per Diluted		Per Diluted	
<i>(In thousands of U.S. Dollars, except per diluted share amounts)</i>	Net Income	Share	Net Income	Share
Net income attributable to common shareholders	\$ 13,582	\$ 0.25	\$ 6,857	\$ 0.13
Adjusted net income attributable to common shareholders*	\$ 21,785	\$ 0.40	\$ 17,688	\$ 0.33

* Refer to “Non-GAAP Financial Measures” for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

Revenues and Gross Margin

For the six months ended June 30, 2025, the Company's revenues and gross margin increased by \$10.3 million, or 6%, and \$16.0 million, or 18%, respectively, when compared to same period in 2024, principally due to a higher number of installations and stronger IMAX box office performance driven by a record Chinese New Year period and the summer Hollywood box office.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the six months ended June 30, 2025 and 2024:

	Revenue		Gross Margin		Gross Margin %	
	2025	2024	2025	2024	2025	2024
<i>(In thousands of U.S. Dollars)</i>						
Content Solutions	\$ 68,214	\$ 69,089	\$ 45,985	\$ 38,237	67%	55%
Technology Products and Services	<u>106,232</u>	<u>94,048</u>	<u>59,264</u>	<u>49,367</u>	<u>56%</u>	<u>52%</u>
Sub-total for reportable segments	<u>174,446</u>	<u>163,137</u>	<u>105,249</u>	<u>87,604</u>	<u>60%</u>	<u>54%</u>
All Other ⁽¹⁾	<u>3,905</u>	<u>4,947</u>	<u>1,529</u>	<u>3,212</u>	<u>39%</u>	<u>65%</u>
Total	<u>\$ 178,351</u>	<u>\$ 168,084</u>	<u>\$ 106,778</u>	<u>\$ 90,816</u>	<u>60%</u>	<u>54%</u>

(1) All Other includes the results from Streaming and Consumer Technology and other ancillary activities.

Content Solutions

Content Solutions segment results are influenced by the level of commercial success and box office performance of the films and other content released to the IMAX network, as well as other factors, including the timing of the releases, the timing of documentary downstream sales, the length of play across the IMAX network, the box office share take rates under the Company's Film Remastering and distribution arrangements, the level of marketing spend associated with the releases in the year, and fluctuations in the value of foreign currencies versus the U.S. Dollar.

For the six months ended June 30, 2025, Content Solutions segment revenues and gross margin decreased by \$0.9 million, or 1%, and increased by \$7.7 million, or 20%, respectively, when compared to the same period in 2024. The decrease in revenue compared to the prior period is primarily driven by revenue earned from the completion of the sale of the worldwide commercial and streaming rights of the Company's original documentary, *The Blue Angels*, to Amazon Content in the first half of 2024.

The positive impact of *The Blue Angels* documentary in 2024 on revenue was mostly offset by higher box office generated across the IMAX network for the six months ended June 30, 2025, when compared to the prior year period. In the six months ended June 30, 2025, box office generated by IMAX films, including booking fees, totaled \$579.2 million, a \$112.1 million, or 24%, increase versus the prior year comparative period of \$467.2 million. This growth was primarily driven by the stronger IMAX box office performance of the IMAX local language film slate in 2025. During the six months ended June 30, 2025, IMAX box office was generated by the exhibition of 56 films and other content (54 new films and 2 re-releases), including the following Hollywood titles, *Mission: Impossible – The Final Reckoning* (\$75 million), *Sinners* (\$39 million), *F1 The Movie* (\$31 million) and *Thunderbolts* (\$31 million). In addition, in the six months ended June 30, 2025, local language films exhibited across the Company's global network generated over \$222 million in box office, representing 38% of its global box office. The Chinese local language film, *Ne Zha 2*, became the highest grossing IMAX release of all time in China (\$166 million, including booking fees) and contributed to the highest grossing Chinese New Year in the Company's history. In the six months ended June 30, 2024, IMAX box office was generated by the exhibition of 60 films (46 new films and 14 films originally released in a prior year).

In the first half of 2025, the Company released six movies that were filmed with IMAX proprietary cameras (Filmed For IMAX): *Sinners*, *Thunderbolts*, *Final Destination: Bloodlines*, *Mission: Impossible – The Final Reckoning*, *How To Train Your Dragon and F1 The Movie*. Filmed For IMAX movies traditionally perform disproportionately well at the box office, and for three of these films (*Sinners*, *Mission: Impossible – The Final Reckoning* and *F1 The Movie*), IMAX delivered approximately 20% or more of the opening weekend domestic box office, despite accounting for only 1% of available screens.

In addition to the level of revenues, Content Solutions segment gross margin is influenced by the costs associated with films and other content exhibited in the period. These costs can include production, post-production, distribution, and marketing, which are expensed as incurred. For the six months ended June 30, 2025, gross margin percent was 67% compared to 55% in the prior quarter period. This increase was driven by a higher level of IMAX box office, a lower mix of self-produced content expensed compared to the prior period.

Technology Products and Services

The primary drivers of Technology Products and Services segment results are the number of IMAX Systems installed in a period, the costs associated with each installation, lease payments tied to the box office performance of the films released to the IMAX network, as well as the associated maintenance contracts that accompany each installation. The average revenue and gross margin per IMAX System under sale and sales-type lease arrangements vary depending upon the number of IMAX System commitments with a single respective exhibitor, an exhibitor's location, the type of IMAX System sold, and various other factors. The installation of IMAX Systems in theaters or multiplexes, which make up a large portion of the Company's system backlog, depends primarily on the timing of the construction of those projects, which is not under the Company's control.

The following table provides information about IMAX Systems installed and the associated revenue recognized at that time, except for traditional joint revenue sharing arrangements as revenue is recognized over the lease term, during the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,			
	2025		2024	
<i>(In thousands of U.S. Dollars, except number of systems)</i>	Number of Systems	Revenue	Number of Systems	Revenue
New IMAX Systems	23	\$ 20,330	13	\$ 11,511
Upgraded IMAX Systems	3	3,338	3	4,303
Total	26	\$ 23,668	16	\$ 15,814

Included in the table above are three IMAX Systems that were relocated from their original locations (2024 – two IMAX Systems). When a system under a sale or sales-type lease arrangement is relocated, the amount of revenue earned by the Company may vary from transaction to transaction and is usually less than the amount earned for a new sale. In certain situations when a system is relocated, the original location is upgraded to an IMAX Laser System.

For the six months ended June 30, 2025, Technology Products and Services segment revenue and gross margin increased by \$12.2 million, or 13%, and \$9.9 million, or 20%, respectively, when compared to the same period in the prior year. The higher level of revenue is primarily driven by a higher level of rental revenues, which is box office dependent. Rental revenues increased by \$5.2 million, driven by IMAX GBO from joint revenue sharing arrangements which increased by \$38.8 million in the six months ended June 30, 2025 when compared to the prior year comparative period, from \$226.4 million to \$265.2 million. Also contributing to the increase in revenue was the number of systems recognized under sales and sales-type lease arrangements, per the table above.

The increases in revenue were partially offset by a \$4.2 million decrease in revenue contribution from the impact of amendments, renewals and other agreements to existing IMAX Systems arrangements.

For the six months ended June 30, 2025, gross margin percent was 56% compared to 52% in the prior period, which primarily reflects the higher level of revenues, as described above.

All Other

For the six months ended June 30, 2025, All Other revenue and gross margin decreased by \$1.0 million, and \$1.7 million, respectively, when compared to the same period in 2024. All Other primarily reflects the results of the Company's Streaming and Consumer Technology business.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the six months ended June 30, 2025 and 2024:

<i>(In thousands of U.S. Dollars)</i>	Six Months Ended		Variance	
	June 30, 2025	2024	\$	%
Total Selling, general and administrative expenses	\$ 68,764	\$ 68,821	\$ (57)	-%
Less: Share-based compensation ⁽¹⁾	<u>(11,582)</u>	<u>(10,843)</u>	<u>(739)</u>	<u>(7%)</u>
Total Adjusted Selling, general and administrative expenses ⁽²⁾	<u>\$ 57,182</u>	<u>\$ 57,978</u>	<u>\$ (796)</u>	<u>(1%)</u>

(1) A portion of share-based compensation expense is recognized within Cost and Expenses Applicable to Revenue, and Research and Development. (Refer to "Capital Stock and Reserves – Share-Based Compensation" in Note 11 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1.)

(2) See "Non-GAAP Financial Measures" for a description of this non-GAAP financial measure and a reconciliation to the most comparable GAAP amount.

For the six months ended June 30, 2025, the lower level of Selling, General and Administrative Expenses year-over-year reflects management's continued focus on operational efficiencies, including workforce reductions. Additionally, in the period, the Company recognized \$2.5 million in benefits resulting from an Employee Retention Credit as a reduction to Selling, General and Administrative expenses, partially offset by higher annual incentive compensation costs.

Credit Loss (Reversal) Expense, Net

For the six months ended June 30, 2025, the Company recorded a credit loss reversal of \$0.3 million, as compared to a credit loss expense of \$0.2 million recognized in the prior year.

Stronger box office performance in the year has contributed to a notable improvement in collections. The resurgence in theatrical attendance, driven by a robust film slate, has increased and accelerated cash inflows from studio and exhibitor customers. This trend reflects both the sustained consumer demand for premium cinematic experiences and the effectiveness of our strategic initiatives in global distribution and exhibition.

Management's judgments regarding expected credit losses are based on the facts available to management at the time that the Condensed Consolidated Financial Statements are prepared and involve estimates about the future. As a result, the Company's judgments and associated estimates of credit losses may ultimately prove, with the benefit of hindsight, to be incorrect. (Refer to Note 3 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1).

Income Taxes

For the six months ended June 30, 2025, the Company recorded an income tax expense of \$8.5 million (2024 – tax expense of \$1.2 million). The Company's effective tax rate of 29.4% for the six months ended June 30, 2025, reflects the geographic allocation of income earned in taxing jurisdictions and also reflects an increase in the valuation allowance, withholding taxes and a tax benefit related to share-based compensation.

Non-Controlling Interests

For the six months ended June 30, 2025, the net income attributable to non-controlling interests of the Company's subsidiaries was \$6.8 million, an increase of \$3.2 million, when compared to the same period in 2024, which reflects a higher level of IMAX box office earned in Greater China.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2025, the Company's principal sources of liquidity included: (i) its balances of cash and cash equivalents of \$109.3 million; (ii) the anticipated collection of trade accounts receivable, which includes amounts owed under JRSAs and Film Remastering and distribution agreements with movie studios; (iii) the anticipated collection of financing and variable consideration receivables due in the next 12 months under sale and sales-type lease arrangements for systems currently in operation; and (iv) installment payments expected in the next 12 months under sale and sales-type lease arrangements in backlog. Under the terms of the Company's typical sale and sales-type lease agreements, the Company receives substantial cash payments before it completes the performance of its contractual obligations.

In addition, as of June 30, 2025, the Company had \$252.0 million in available borrowing capacity under its Sixth Amended and Restated Credit Agreement (the "**Credit Agreement**"), \$26.5 million in available borrowing capacity under the IMAX (Shanghai) Multimedia Technology Co., Ltd. ("**IMAX Shanghai**") revolving credit facility with the Bank of China (the "**Bank of China Facility**"), and \$27.9 million in available borrowing capacity under IMAX Shanghai's revolving credit facility with HSBC Bank (China) Company Limited, Shanghai Branch (the "**HSBC China Facility**"). On July 14, 2025, the Company entered into the New Credit Agreement, which increases the Company's borrowing capacity to \$375.0 million. (Refer to "Borrowings – Revolving Credit Facility Borrowings, Net" in Note 6 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for a description of the material terms of the Credit Agreement, the Bank of China Facility, and the HSBC Facility.)

The Company's \$109.3 million balance of cash and cash equivalents as of June 30, 2025 (December 31, 2024 – \$100.6 million) included \$100.9 million in cash held outside of Canada (December 31, 2024 – \$85.4 million), of which \$61.5 million was held in the People's Republic of China (the "**PRC**") (December 31, 2024 – \$47.5 million). Management reassessed its strategy with respect to the most efficient means of deploying the Company's capital resources globally and determined that historical earnings of certain foreign subsidiaries in excess of amounts required to sustain business operations would no longer be indefinitely reinvested. During the six months ended June 30, 2025, no historical earnings from a subsidiary in the PRC were distributed (2024 – \$nil) and, as a result, no foreign withholding taxes were paid to the relevant tax authorities (2024 – \$nil). As of June 30, 2025, the Company's Condensed Consolidated Balance Sheets included a deferred tax liability of \$12.5 million for the applicable foreign withholding taxes associated with the remaining balance of non-repatriated historical earnings that will not be indefinitely reinvested outside of Canada. These taxes will become payable upon the repatriation of any such earnings.

The Company forecasts its future cash flow and short-term liquidity requirements on an ongoing basis. These forecasts are based on estimates and may be materially impacted by factors that are outside of the Company's control (including the factors described in "Risk Factors" in Part I, Item 1A of the Company's 2024 Form 10-K as supplemented by "Risk Factors" in Part II, Item 1A of this Form 10-Q). As a result, there is no guarantee that these forecasts will come to fruition and that the Company will be able to fund its operations through cash flows from operations. In particular, the Company's operating cash flows and cash balances will be adversely impacted if management's projections of future signings and installations of IMAX Systems and box office performance of IMAX content are not realized.

The Company also has certain significant contractual obligations and commitments that have been disclosed in “Contractual Obligations” in Part II, Item 7 of the Company’s 2024 Form 10-K. There are no material changes to these obligations and commitments as of June 30, 2025.

Based on the Company’s current cash balances and operating cash flows, management expects to have sufficient capital and liquidity to fund its anticipated operating needs and capital requirements during the next twelve-month period following the date of this report.

OFF-BALANCE SHEET ARRANGEMENTS

There are currently no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on the Company’s financial condition.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in accordance with U.S. GAAP requires management to make judgments, assumptions, and estimates that affect the amounts reported in the Company’s Condensed Consolidated Financial Statements and accompanying notes. Management’s judgments, assumptions, and estimates are based on historical experience, future expectations, and other factors that are believed to be reasonable as of the date of the Company’s Condensed Consolidated Financial Statements. Actual results may ultimately differ from the Company’s original estimates, as future events and circumstances sometimes do not develop as expected, and the differences may be material. For more information on the Company’s critical accounting estimates refer to the section entitled “Critical Accounting Estimates” in Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the 2024 Form 10-K.

RECENTLY ISSUED ACCOUNTING STANDARDS

Refer to Note 2 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for a discussion of recently issued accounting standards and their impact on the Company’s Condensed Consolidated Financial Statements.

NON-GAAP FINANCIAL MEASURES

GAAP refers to generally accepted accounting principles in the United States of America. In this report, the Company presents financial measures in accordance with GAAP and also on a non-GAAP basis under the SEC regulations. Specifically, the Company presents the following non-GAAP financial measures as supplemental measures of its performance:

- Adjusted net income or loss attributable to common shareholders;
- Adjusted net income or loss attributable to common shareholders per basic and diluted share;
- EBITDA;
- Adjusted EBITDA per Credit Facility; and
- Adjusted Selling, general and administrative expenses.

Adjusted net income or loss attributable to common shareholders and adjusted net income or loss 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) restructuring and other charges; and (iv) employee retention credits, and 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 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.

Reconciliations of net income 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 are presented in the tables below.

<i>(In thousands of U.S. Dollars, except per share amounts)</i>	Three Months Ended June 30,			
	2025		2024	
	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	\$ 11,255	\$ 0.20	\$ 3,583	\$ 0.07
Adjustments ⁽¹⁾ :				
Share-based compensation	7,128	0.13	6,647	0.12
Unrealized investment gains	(33)	—	(32)	—
Restructuring and other charges	786	0.01	—	—
Employee retention credits	(3,827)	(0.07)	—	—
Tax impact on items listed above	(702)	(0.01)	(452)	(0.01)
Adjusted net income ⁽¹⁾	<u>\$ 14,607</u>	<u>\$ 0.26</u>	<u>\$ 9,746</u>	<u>\$ 0.18</u>
Weighted average shares outstanding – basic		<u>53,751</u>		<u>52,633</u>
Weighted average shares outstanding – diluted		<u>55,161</u>		<u>53,428</u>

(1) Reflects amounts attributable to common shareholders.

<i>(In thousands of U.S. Dollars, except per diluted share amounts)</i>	Six Months Ended June 30,			
	2025		2024	
	Net Income	Per Diluted Share	Net Income	Per Diluted Share
Net income attributable to common shareholders	\$ 13,582	\$ 0.25	\$ 6,857	\$ 0.13
Adjustments ⁽¹⁾ :				
Share-based compensation	12,340	0.22	11,354	0.21
Unrealized investment gains	(65)	—	(62)	—
Restructuring and other charges	843	0.02	—	—
Employee retention credits	(3,827)	(0.07)	—	—
Tax impact on items listed above	(1,088)	(0.02)	(462)	(0.01)
Adjusted net income ⁽¹⁾	<u>\$ 21,785</u>	<u>\$ 0.40</u>	<u>\$ 17,688</u>	<u>\$ 0.33</u>
Weighted average shares outstanding – basic		<u>53,448</u>		<u>52,568</u>
Weighted average shares outstanding – diluted		<u>55,064</u>		<u>53,386</u>

(1) Reflects amounts attributable to common shareholders.

In addition to the non-GAAP financial measures discussed above, management also uses “EBITDA,” as such term is defined in the Credit Agreement, and which is referred to herein as “Adjusted EBITDA per Credit Facility.” As defined in the Credit Agreement, Adjusted EBITDA per Credit Facility includes adjustments in addition to the exclusion of interest, taxes, depreciation and amortization. Accordingly, this non-GAAP financial 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 with 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) restructuring and other charges; and (iv) write-downs, net of recoveries, including asset impairments and credit loss expense or reversal.

Reconciliations of net income attributable to common shareholders, which is the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA per Credit Facility are presented in the tables below:

	Three Months Ended June 30, 2025
<i>(In thousands of U.S. Dollars)</i>	
Reported net income	\$ 12,235
Add (subtract):	
Income tax expense	1,198
Interest expense, net of interest income	321
Depreciation and amortization, including film asset amortization	15,896
Amortization of deferred financing costs ⁽¹⁾	492
EBITDA	30,142
Share-based and other non-cash compensation	7,492
Unrealized investment gains	(33)
Restructuring and other charges	786
Write-downs, including asset impairments and credit loss expense	671
Total Adjusted EBITDA	\$ 39,058
Less: Non-controlling interest	(2,372)
Adjusted EBITDA per Credit Facility – attributable to common shareholders	\$ 36,686

(1) The amortization of deferred financing costs is recorded within Interest Expense in the Condensed Consolidated Statements of Operations.

	Twelve Months Ended June 30, 2025
<i>(In thousands of U.S. Dollars)</i>	
Reported net income	\$ 42,594
Add (subtract):	
Income tax expense	12,317
Interest expense, net of interest income	2,879
Depreciation and amortization, including film asset amortization	62,310
Amortization of deferred financing costs ⁽¹⁾	<u>1,969</u>
EBITDA	122,069
Share-based and other non-cash compensation	24,222
Unrealized investment gains	(130)
Restructuring and other charges	4,592
Write-downs, including asset impairments and credit loss expense	<u>1,164</u>
Total Adjusted EBITDA	<u>\$ 151,917</u>
Less: Non-controlling interest	<u>(17,404)</u>
Adjusted EBITDA per Credit Facility – attributable to common shareholders	<u><u>\$ 134,513</u></u>

(1) The amortization of deferred financing costs is recorded within Interest Expense in the Condensed Consolidated Statements of Operations.

The Company also adjusts Selling, General and Administrative Expenses to exclude a portion of share-based compensation and related payroll taxes. Management uses non-GAAP and other financial measures such as this, internally for financial and operational decision-making and as a means to evaluate period-to-period comparisons. IMAX believes that this non-GAAP measure provides useful information about operating results, enhances the overall understanding of past financial performance and future prospects, and allows for greater transparency with respect to key metrics used by management and its financial and operational decision making.

The Company cautions users of its financial statements that these non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. Additionally, the non-GAAP financial measures used by the Company should not be considered in isolation, or as a substitute for, or superior to, the comparable GAAP amounts.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

The Company is exposed to market risk from foreign currency exchange rates and interest rates, which could affect operating results, financial position and cash flows. Market risk is the potential change in an instrument's value caused by, for example, fluctuations in interest and currency exchange rates. The Company's primary market risk exposure is the risk of unfavorable movements in exchange rates between the U.S. Dollar, the Canadian Dollar, and Chinese Renminbi ("**RMB**"). The Company does not use financial instruments for trading or other speculative purposes.

Foreign Exchange Rate Risk

A majority of the Company's revenue is denominated in U.S. Dollars while a significant portion of its costs and expenses is denominated in Canadian Dollars. A portion of the Company's net U.S. Dollar cash flows is converted to Canadian Dollars to fund Canadian Dollar expenses through the spot market. In addition, IMAX films generate box office in 89 different countries, and therefore unfavorable exchange rates between applicable local currencies and the U.S. Dollar could have an impact on the GBO generated by the Company's exhibitor customers and its revenues. For example, the impact of changes in foreign currency valuations versus the U.S. Dollar led to a decrease in IMAX GBO of approximately \$64 million as compared to those in 2019. The Company has incoming cash flows from its revenue generating IMAX network and ongoing operating expenses in China through its majority-owned subsidiary IMAX Shanghai. In Japan, the Company has ongoing Yen-denominated operating expenses related to its Japanese operations. Net RMB and Japanese Yen cash flows are converted to U.S. Dollars through the spot market. The Company also has cash receipts under leases denominated in RMB, Japanese Yen, British Pound Sterling, Euros and Canadian Dollars.

The Company manages its exposure to foreign exchange rate risks through its regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. These derivative financial instruments are utilized to hedge economic exposures as well as reduce earnings and cash flow volatility resulting from shifts in market rates.

Certain of the Company's PRC subsidiaries held approximately RMB436.6 million (\$61.0 million) in cash and cash equivalents as of June 30, 2025 (December 31, 2024 – RMB341.1 million or \$47.5 million) and are required to transact locally in RMB. Foreign currency exchange transactions, including the remittance of any funds into and out of the PRC, are subject to controls and require the approval of the China State Administration of Foreign Exchange to complete. Any developments relating to the Chinese economy and any actions taken by the Chinese government are beyond the control of the Company; however, the Company monitors and manages its capital and liquidity requirements to ensure compliance with local regulatory and policy requirements. (Refer to "Risk Factors – The Company faces risks in connection with its significant presence in China and the continued expansion of its business there" in Part I, Item 1A. of this Form 10-Q.)

Management also monitors the macroeconomic environment as part of its continuous assessment of credit risk. This includes consideration of developments in the U.S. and global banking sectors, which informs management's assessment of any potential direct and indirect impacts on the Company. There are no concentrations of cash and cash equivalents in any regional banking institutions, such that management considers there to be any material risk in this regard.

For the three and six months ended June 30, 2025, the Company recorded a foreign exchange net gain of \$0.2 million and net loss of \$0.2 million respectively, resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities (2024 – net losses of \$0.2 million and \$0.5 million, respectively).

The Company has entered into a series of foreign currency forward contracts to manage the risks associated with the volatility of foreign currencies. Certain of these foreign currency forward contracts met the criteria required for hedge accounting under the Derivatives and Hedging Topic of the FASB ASC at inception, and continue to meet hedge effectiveness tests as of June 30, 2025, with settlement dates throughout 2025 and 2026. Foreign currency derivatives are recognized and measured on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value (i.e., gains or losses) are recognized in the Condensed Consolidated Statements of Operations except for derivatives designated and qualifying as foreign currency cash flow hedging instruments. The Company currently has cash flow hedging instruments associated with Selling, General and Administrative Expenses. For foreign currency cash flow hedging instruments related to Selling, General and Administrative Expenses, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported within Accumulated Other Comprehensive Income (Loss) and reclassified to the Condensed Consolidated Statements of Operations when the forecasted transaction occurs. Any ineffective portion is recognized immediately in the Condensed Consolidated Statements of Operations.

The notional value of foreign currency cash flow hedging instruments that qualify for hedge accounting as of June 30, 2025 was \$51.3 million (December 31, 2024 – \$48.4 million). Gains of \$2.5 million and \$1.8 million were recorded to Other Comprehensive Income with respect to the change in fair value of these contracts for the three and six months ended June 30, 2025, respectively (2024 – losses of \$0.4 million and \$1.3 million, respectively). Losses of \$0.3 million and \$1.6 million were reclassified from Accumulated Other Comprehensive Loss to Selling, General and Administrative Expenses for the three and six months ended June 30, 2025, respectively (2024 – loss of \$0.1 million and \$0.1 million, respectively). The Company currently does not hold any derivatives which are not designated as hedging instruments.

For all derivative instruments, the Company is subject to counterparty credit risk to the extent that the counterparty may not meet its obligations to the Company. To manage this risk, the Company enters into derivative transactions only with major financial institutions.

As of June 30, 2025, the Company's Financing Receivables and working capital items denominated in Canadian Dollars, RMB, Japanese Yen, Euros and other foreign currencies translated into U.S. Dollars was \$167.8 million. Assuming a 10% appreciation or depreciation in foreign currency exchange rates from the quoted foreign currency exchange rates as of June 30, 2025, the potential change in the fair value of foreign currency-denominated financing receivables and working capital items would have been \$16.8 million. A significant portion of the Company's Selling, General, and Administrative Expenses is denominated in Canadian Dollars. Assuming a 1% change appreciation or depreciation in foreign currency exchange rates as of June 30, 2025, the potential change in the amount of Selling, General, and Administrative Expenses would be \$0.1 million.

Interest Rate Risk Management

The Company's earnings may also be affected by changes in interest rates due to the impact those changes have on its interest income from cash, and its interest expense from variable-rate borrowings that may be made under the Credit Facility.

As of June 30, 2025, the Company had drawn down \$48.0 million on its Credit Facility (December 31, 2024 – \$37.0 million), and \$nil on its HSBC China Facility (December 31, 2024 – \$nil) and \$nil on its Bank of China Facility (December 31, 2024 – \$nil), which are subject to variable effective interest rates.

The Company had variable rate debt instruments representing 10% and 8% of its total liabilities as of June 30, 2025 and December 31, 2024, respectively. If the interest rates available to the Company increased by 10%, the Company's interest expense would increase by \$0.3 million and interest income from cash would increase by \$0.3 million. These amounts are determined by considering the impact of the hypothetical interest rates on the Company's variable rate debt and cash balances as of June 30, 2025.

PART II. OTHER INFORMATION

Item 1A. *Risk Factors*

This Form 10-Q should be read together with, and supplement, the risk factors in Item 1A “Risk Factors” in the Company’s 2024 Form 10-K, which describes various risks and uncertainties to which the Company is or may become subject. The risk factor below updates certain risk factors included in the Company’s 2024 Form 10-K in light of recent events. The below risk factor and the risk factors included in the Company’s 2024 Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

The Company’s business may be materially adversely affected by the imposition of tariffs and other trade barriers and retaliatory countermeasures implemented by the United States and other governments.

Recently, the U.S. government has implemented substantial and rapidly evolving changes to U.S. trade policies, including increased tariffs and changes in U.S. participation in multilateral trade agreements, while other countries, China and Canada in particular, have undertaken retaliatory measures in response to such changes. These changes could adversely impact the Company’s operations, costs and expenses applicable to revenues, and cash flows. While the Company does not believe these changes will materially impact its results for 2025, there can be no guarantees that further changes to U.S. trade policy and/or retaliatory actions by other countries will not occur.

Additionally, uncertainty about global trade relationships has and may continue to increase market volatility, currency exchange rate fluctuation, and economic instability, which may adversely impact the Company’s results of operations. Furthermore, any resulting downturn or increase in geopolitical tensions may adversely impact consumers’ discretionary income and/or adversely affect consumer purchasing behavior, which could have a material adverse effect on box office receipts and on our results of operations and financial condition.

The extent and duration of increased tariffs, retaliatory actions, and the resulting impact of both on general economic conditions around the world and on the global filmed entertainment industry in particular, are uncertain and depend on numerous factors, such as the responses of and negotiations among the affected countries. As such, we cannot predict the impact to our business from any future changes to the trading relationships between the U.S. and other countries or the impact of new laws or regulations adopted by the U.S. or other countries. Furthermore, any adverse development in these areas could exacerbate risks discussed in “Risk Factors – The Company conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales, and future growth prospects,” “Risk Factors –The Company faces risks in connection with its significant presence in China and the continued expansion of its business there,” and “Risk Factors –General political, social and economic conditions can affect the Company’s business by reducing both revenues generated from existing IMAX Systems and the demand for new IMAX Systems” in Part I, Item 1A of the Company’s 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

In 2024, IMAX China's shareholders granted its Board of Directors a general mandate authorizing the Board of Directors of IMAX China, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of issued shares as of June 7, 2024 (34,000,845 shares). This program expired on the date of the 2025 Annual General Meeting of IMAX China on June 12, 2025. During the 2025 Annual General Meeting of IMAX China, shareholders granted its Board of Directors a general mandate authorizing the Board of Directors of IMAX China, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of shares as of June 12, 2025 (33,919,122 shares). This program will be valid until the 2026 Annual General Meeting of IMAX China. The repurchases may be made in the open market or through other means permitted by applicable laws. IMAX China has no obligation to repurchase its shares and the share repurchase program may be suspended or discontinued by IMAX China at any time. During the three months ended June 30, 2025, IMAX China repurchased 1,495,900 shares.

(Refer to Note 6 of Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for a summary of the material terms and conditions of the Company's revolving credit facility, which include a limitation of the amount of permitted share repurchases.)

(2) EARNINGS RELEASE EXTRACTS

“IMAX delivered outstanding financial results in the Second Quarter as the key drivers of our business worked in concert, with strong network growth worldwide, record box office in North America, and impressive market share gains driven by more releases filmed with our technology than ever,” said Rich Gelfond, CEO of IMAX.

“Our results are driven in part by strong network growth, with 57 IMAX locations opened worldwide and system sales pacing well ahead of 2024 through the first six months of the year. The strength of our system installations this early in the year is a strong indicator of our momentum, as our exhibition partners worldwide are clearly looking to capitalize on our surging share of the global box office.”

“With the Third Quarter off to a very strong start, IMAX is taking its performance to the next level year to date. We remain on track to deliver a record \$1.2 billion in global box office in 2025. Our market share on this summer slate has reached all-time highs thanks to an unprecedented run of eight Filmed for IMAX® releases shot with our cameras, for our screens. And we are pacing well ahead of our projections for IMAX system sales and installations around the world.”

“The fundamentals of our business are strong, the strength and impact of our brand across the entertainment landscape has reached new highs, and we have tremendous runway with a strong slate and network growth prospects ahead.”

Second Quarter Financial Highlights

<i>In millions of U.S. Dollars, except per share data</i>	Three Months Ended June 30, <i>(Unaudited)</i>			Six Months Ended June 30, <i>(Unaudited)</i>		
	2025	2024	YoY Change	2025	2024	YoY % Change
Total Revenue	\$ 91.7	\$ 89.0	3%	\$ 178.4	\$ 168.1	6%
Gross Margin	\$ 53.6	\$ 43.9	22%	\$ 106.8	\$ 90.8	18%
Gross Margin (%)	58.5%	49.4%	9.1bps	59.9%	54.0%	5.9bps
Net Income	\$ 12.2	\$ 5.1	139%	\$ 20.4	\$ 10.5	94%
Net Income Margin (%)	13.3%	5.7%	7.6bps	11.4%	6.2%	5.2bps
Net Income Attributable to Common Shareholders	\$ 11.3	\$ 3.6	214%	\$ 13.6	\$ 6.9	97%
Diluted Net Income Per Share ⁽¹⁾	\$ 0.20	\$ 0.07	186%	\$ 0.25	\$ 0.13	92%
Total Adjusted EBITDA ⁽²⁾⁽³⁾	\$ 39.1	\$ 31.0	26%	\$ 76.0	\$ 63.1	20%
Total Adjusted EBITDA Margin (%) ⁽²⁾⁽³⁾	42.6%	34.8%	7.8bps	42.6%	37.5%	5.1bps
Adjusted Net Income ⁽¹⁾⁽²⁾	\$ 14.6	\$ 9.7	51%	\$ 21.8	\$ 17.7	23%
Adjusted Earnings Per Share – Diluted ⁽¹⁾⁽²⁾	\$ 0.26	\$ 0.18	44%	\$ 0.40	\$ 0.33	21%
Weighted average shares outstanding (in millions):						
Basic	53.8	52.6	2%	53.4	52.6	2%
Diluted	55.2	53.4	3%	55.1	53.4	3%

(1) Attributable to common shareholders.

(2) Non-GAAP Financial Measure. See the discussion at the end of this earnings release for a description of the non-GAAP financial measures used herein, as well as reconciliations to the most comparable GAAP amounts.

(3) Total Adjusted EBITDA is before adjustments for non-controlling interests. Total Adjusted EBITDA per Credit Facility attributable to common shareholders, excluding non-controlling interests, was \$36.7 million and \$65.7 million for the three and six months ended June 30, 2025, respectively (2024 – \$26.9 million and \$55.0 million, respectively). The Company's Credit Facility covenant is calculated on a trailing twelve-month basis.

Second Quarter Segment Results⁽¹⁾

	Content Solutions			Technology Products and Services			
	Revenue	Gross Margin	Gross Margin %	Revenue	Gross Margin	Gross Margin %	
2Q25	\$ 34.0	\$ 22.4	66%	\$ 55.6	\$ 30.2	54%	
2Q24	35.1	16.1	46%	50.9	25.8	51%	
% change	(3%)	39%		9%	17%		
YTD25	\$ 68.2	\$ 46.0	67%	\$ 106.2	\$ 59.3	56%	
YTD24	69.1	38.2	55%	94.0	49.4	52%	
% change	(1%)	20%		13%	20%		

(1) Please refer to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2025 for additional segment information.

Content Solutions Segment

- Content Solutions revenue of \$34.0 million decreased 3% year-over-year. Second quarter 2025 IMAX gross box office increased 41% year-over-year to \$281.1 million, which was offset by the sale of streaming rights for "The Blue Angels" documentary in the prior year comparative period.
- Box office growth was driven by a record number of Filmed for IMAX releases including three titles ("Sinners," "Mission: Impossible – The Final Reckoning" and "F1 The Movie") where IMAX delivered approximately 20% or more of the opening weekend domestic box office contributing to a growth of 19% in global box office market share to 3.6% (on less than 1% of screens).
- Gross margin for Content Solutions of \$22.4 million increased 39% year-over-year. The Company saw significant Content Solutions margin expansion going from 46% in Q2 2024 to 66% in Q2 2025, driven by the operating leverage in our business that accompanies box office growth along with the mix of revenues toward higher margin streams.

Technology Products and Services Segment

- Technology Products and Services revenues and gross margin increased 9% year-over-year to \$55.6 million and 17% year-over-year to \$30.2 million, respectively.
- Demand for IMAX systems is growing, during the second quarter of 2025, the Company installed 36 systems, up 50% compared to 24 systems in the second quarter of 2024. Of the 2025 installations, 13 systems were under sales arrangements, compared to 10 in the prior year.
- Commercial network growth continues with the number of IMAX locations increasing to 1,750 from 1,705 in the prior year period. The Company ended the second quarter with a backlog of 501 IMAX systems.

DEFINITIONS USED IN THIS ANNOUNCEMENT

“1HFY”	the first half of the financial year, six months ended 30 June
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
“Company” or “IMAX China”	IMAX China Holding, Inc., a company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2010
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands
“controlling shareholder”, “subsidiary” and “substantial shareholder”	shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires
“Directors”	the directors of the Company and “Director” shall be construed accordingly as a director of the Company
“FY” or “financial year”	financial year ended or ending 31 December
“Greater China”	for the purposes of this document only, the Mainland China, Hong Kong, Macau and Taiwan
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“IMAX Corporation” or the “Controlling Shareholder”	IMAX Corporation, a company incorporated in Canada with limited liability in 1967 and listed on the New York Stock Exchange (NYSE: IMAX) and our ultimate controlling shareholder, or where the context requires, any of its wholly-owned subsidiaries

“IMAX Hong Kong”	IMAX China (Hong Kong), Limited, a company incorporated in Hong Kong with limited liability on 12 November 2010, which changed its name to its present name on 16 March 2011 and a direct wholly-owned subsidiary of the Company
“IMAX Hong Kong Holding”	IMAX (Hong Kong) Holding, Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of IMAX (Barbados) Holding, Inc.
“IMAX Shanghai Multimedia”	IMAX (Shanghai) Multimedia Technology Co., Ltd., a wholly foreign-owned enterprise established under the laws of the PRC on 31 May 2011 and a direct wholly-owned subsidiary of IMAX Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Macau”	Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“NYSE”	New York Stock Exchange
“PSU(s)”	performance share units
“PSU Scheme”	the performance share unit scheme adopted by the Company on 12 March 2020 and amended on 28 April 2023
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share units
“RSU Scheme”	the restricted share unit scheme adopted by the Company on 21 September 2015 and amended by shareholders at the general meeting dated 7 June 2023
“Share(s)”	Ordinary share(s) with a nominal value of US\$0.0001 each in the share capital of the Company and a “Share” means any of them

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL-IMAX Entertainment”	TCL-IMAX Entertainment Co., Limited, a company incorporated in Hong Kong with limited liability on 3 January 2014, being the joint venture company jointly owned by IMAX Hong Kong Holding and Sino Leader (Hong Kong) Limited, which is wholly owned by TCL Multimedia Technology Holdings Limited
“Technology License Agreements”	The technology license agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 28 October 2011, as amended from time to time
“Trademark License Agreements”	The trademark license agreement entered into by each of IMAX Shanghai Multimedia and IMAX Hong Kong with IMAX Corporation on 28 October 2011, as amended from time to time
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USD”, “US\$”, “\$” or “United States dollars”	U.S. dollars, the lawful currency of the United States of America

GLOSSARY

This glossary contains explanations of certain terms used in this announcement in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.

“3D”	three-dimensional
“backlog”	our backlog comprises the aggregate number of commitments for IMAX theatre installations pursuant to contracts we have entered into with exhibitors
“box office”	the gross aggregate proceeds from ticket sales received by the relevant exhibitor(s) in the relevant market(s) for the relevant type(s) of film. For example, the Greater China box office is the aggregate proceeds from ticket sales received by all exhibitors in Greater China, and the Greater China IMAX box office is the aggregate proceeds from ticket sales received by all the exhibitors in Greater China in respect of IMAX films and IMAX Original Films. We also use the concept of box office in our revenue sharing arrangements, where it refers to the aggregate proceeds from ticket sales received by exhibitors in respect of IMAX films with which we have entered into a revenue sharing arrangement

“box office revenue”	the portion of box office that is due to be paid to the Group under revenue sharing arrangements in our theatre systems business and/or arrangements with IMAX Corporation and studios in our films business, as applicable
“Chinese language film”	a motion picture approved for theatrical release in Greater China which was produced by one or more Chinese producer(s) or jointly produced by one or more Chinese producer(s) and one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres in Greater China pursuant to a DMR production services agreement entered into by a distributor with IMAX Shanghai Multimedia or IMAX Hong Kong in their respective territories, and meets the requirements of the relevant laws and regulations of Greater China
“distributor”	an organisation that distributes films to exhibitors or, in Mainland China, theatre circuits for exhibition at theatres
“exhibitor”	exhibitors are theatre investment management companies which own and operate theatres; exhibitors receive copies of films from the theatre circuits but retain control over the screening schedules
“full revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement, and no, or a relatively small, upfront payment
“Hollywood film”	an imported motion picture for theatrical release in global network which has been produced by one or more foreign producer(s) and was converted into IMAX format and released to IMAX theatres pursuant to a DMR production services agreement entered into between IMAX Corporation and a distributor and the importation and release of such motion picture has been permitted in accordance with the relevant laws and regulations of Greater China
“hybrid revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for an upfront fee that is typically half of the payment under a sales arrangement and a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement, that is typically half of that under a full revenue sharing arrangement

“IMAX DMR”	the proprietary digital re-mastering process or any other postproduction process and/or technology used by IMAX Corporation in connection with the conversion of a conventional film into an IMAX film
“IMAX film”	a film converted from a conventional film using DMR technology
“IMAX Original Film”	any IMAX film invested in, produced or co-produced by IMAX Corporation and released to IMAX theatres, and/or for which IMAX Corporation owns and/or controls its theatrical distribution rights
“IMAX theatre”	any movie theatre in which an IMAX screen is installed
“multiplex”	a movie theatre with more than one screen for the exhibition of films
“Other Film”	a motion picture which was converted into IMAX format and released to IMAX theatres in Greater China, excluding all Hollywood films or Chinese language films
“revenue sharing arrangement”	an arrangement with an exhibitor pursuant to which we contribute an IMAX theatre system to that exhibitor in return for, among other things, a portion of that exhibitor’s box office generated from IMAX films over the term of the arrangement; our revenue sharing arrangements are either full revenue sharing arrangements or hybrid revenue sharing arrangements (See the separate glossary explanations for these terms)
“sales arrangement”	an arrangement with an exhibitor pursuant to which we sell that exhibitor an IMAX theatre system for a fee and the exhibitor agrees to pay us on-going royalty fees for use of the IMAX brand and technology over the term of the arrangement
“studio”	an organisation that produces films (which may include all or some of script writing, financing, production team and equipment sourcing, casting, shooting and post production), owns the copyright to the films it produces and works with distributors to release those films at theatres

“take rate”	a film studio’s share of box office generated from a particular film, after making certain tax and other deductions
“theatre circuit”	an organisation that distributes newly released films to theatres within that circuit; every theatre in Mainland China must be affiliated with a theatre circuit

By Order of the Board
IMAX China Holding, Inc.
Yifan (Yvonne) He
Joint Company Secretary

Hong Kong, 24 July 2025

As at the date of this announcement, the directors of the Company are:

Executive Director:
Daniel Manwaring

Non-Executive Directors:
Richard Gelfond
Robert Lister
Jiande Chen
Natasha Fernandes

Independent Non-Executive Directors:
John Davison
Yue-Sai Kan
Janet Yang
Peter Loehr

In the event of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.