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IMAX Corporation

(Incorporated in Canada with limited liability)

ANNOUNCEMENT

- (1) PROPOSED PRIVATISATION OF IMAX CHINA HOLDING, INC. BY IMAX CORPORATION BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT**
- (2) PROPOSED WITHDRAWAL OF LISTING OF IMAX CHINA HOLDING, INC.**
- (3) PRESS RELEASE MADE BY IMAX CORPORATION**

Reference is made to the announcement dated 13 July 2023 and the scheme document (the “**Scheme Document**”) dated 15 September 2023 jointly published by IMAX China Holding, Inc. (the “**Offeree**”) and IMAX Corporation (the “**Offeror**”) in relation to, among other things, the Proposal, the Scheme and the Share Incentive Proposal. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

On 26 September 2023 (New York time), the Offeror made a press release in relation to a report made by an independent proxy advisory firm, Institutional Shareholder Services, Inc. (“**ISS**”), recommending shareholders of the Offeree to vote for the Proposal. A copy of the press release is attached to this announcement.

The Offeror confirms that ISS is not an associate (as defined in the Takeovers Code) of the Offeror.

Shareholders, Share Incentive Holders and potential investors are advised to read the Scheme Document, in particular (i) the letter from the Independent Board Committee and (ii) the letter from the Independent Financial Adviser, together with the press release.

By order of the board of
IMAX Corporation
Kenneth I. Weissman
Deputy General Counsel & Corporate Secretary

Hong Kong, 27 September 2023

As at the date of this announcement, the directors of the Offeror are Mr. Darren THROOP, Mr. Richard GELFOND, Ms. Gail BERMAN, Mr. Eric DEMIRIAN, Mr. Kevin DOUGLAS, Mr. David LEEBRON, Mr. Michael MACMILLAN, Mr. Steve PAMON, Ms. Dana SETTLE and Ms. Jen WONG.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and the press release and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement and the press release have been arrived at after due and careful consideration and there are no other facts not contained in this announcement and the press release, the omission of which would make any statement in this announcement and the press release misleading.

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

Leading Independent Proxy Advisory Firm ISS Recommends IMAX China Shareholders Vote “FOR” the Privatization Transaction with IMAX Corporation

September 26, 2023 at 10:41 PM EDT

Highlights the Long-Term Benefits of the Deal, Including the Ability to Fuel New Growth in China While Reducing Operation Costs

NEW YORK, Sept. 26, 2023/PRNewswire/— IMAX Corporation (NYSE: IMAX) today announced that leading independent proxy advisory firm Institutional Shareholder Services, Inc. (“ISS”) has recommended that shareholders of IMAX China (HKSE:1970), a Hong Kong-listed subsidiary established by IMAX Corporation to oversee its business in Greater China, vote “FOR” the Company’s previously announced privatization transaction with IMAX.



In making its recommendation, ISS stated in its September 26, 2023 report that¹:

- “A vote FOR these resolutions is warranted given that the Scheme will assure value for the shareholders as well as allow them to leverage the value of their investments in the company at a reasonable premium to the historical price of the shares.”
- “The privatization of the company may potentially provide greater long-term benefits over the group’s development and financial position, as the company may reduce operation costs and could allow the management to focus their resources on the development of its businesses.”
- “The Offer Price is deemed fair and reasonable. If the Scheme is not approved and the company’s withdrawal of listing will not take place, the shareholders could face the risk of the company’s share price dropping to a level close to the unaffected price.”
- “The Scheme would provide the shareholders the opportunity to realize their investments at a significant premium to the historical price of the company’s shares.”
- “As explained by the company and IFA, the performance demonstrated by the trading volume of the company’s shares has been generally low in the past year. The low trading liquidity of the company’s shares could make it difficult for shareholders to dispose large volume of shares without adversely affecting the price of shares.”

¹ *Permission to use quotations neither sought nor obtained.*

Rich Gelfond, CEO of IMAX Corporation, commented on the report saying, “The support of leading independent proxy advisor ISS is strong validation of our fair and reasonable offer to take IMAX China private — an offer which represents a substantial premium to current market prices. We encourage shareholders to approve the transaction and realize the value in this offer, while retaining the opportunity to reinvest in IMAX Corporation shares and participate in the company’s continued growth in China.”

As announced on July 12, 2023, IMAX and IMAX China filed a proposal to acquire the outstanding 96.3 million shares in IMAX China for approximately HK\$10 per share in cash/USD \$124 million. The offer represents an approximate 49% premium to the 30-trading day average closing price. Upon approval of the offer and the scheme of arrangement, IMAX Corporation will own 100% of IMAX China.

IMAX China has scheduled an Extraordinary Shareholders Meeting to approve the proposed transaction with IMAX for October 10, 2023. All stockholders of record as of the close of business on October 4, 2023 are entitled to vote.

The offer has been approved by both IMAX Corporation and IMAX China’s Boards of Directors. In addition, the transaction was reviewed and approved by an independent committee of the IMAX China board at the recommendation of an Independent Financial Advisor (“**IFA**”), who concluded the transaction terms are fair and reasonable. The full IFA letter is contained in the scheme document jointly issued by IMAX China and IMAX Corporation on September 15, 2023.

About IMAX Corporation

IMAX, an innovator in entertainment technology, combines proprietary software, architecture, and equipment to create experiences that take you beyond the edge of your seat to a world you’ve never imagined. Top filmmakers and studios are utilizing IMAX systems to connect with audiences in extraordinary ways, making IMAX’s network among the most important and successful theatrical distribution platforms for major event films around the globe. Streaming technology company SSIMWAVE, an IMAX subsidiary, is a leader in AI-driven video quality solutions for media and entertainment companies.

IMAX is headquartered in New York, Toronto, and Los Angeles, with additional offices in London, Dublin, Tokyo, and Shanghai. As of June 30, 2023, there were 1,718 IMAX systems (1,638 commercial multiplexes, 12 commercial destinations, 68 institutional) operating in 87 countries and territories.

Shares of IMAX China Holding, Inc., a subsidiary of IMAX Corporation, trade on the Hong Kong Stock Exchange under the stock code “1970.”

IMAX[®], IMAX[®] Dome, IMAX[®] 3D, IMAX[®] 3D Dome, Experience It In IMAX[®], The IMAX Experience[®], An IMAX Experience[®], An IMAX 3D Experience[®], IMAX DMR[®], DMR[®], Filmed For IMAX[™], IMAX LIVE[™], IMAX Enhanced[™], IMAX nXos[®], SSIMWAVE[®] and Films to the Fullest[®], are trademarks and trade names of the Company or its subsidiaries that are registered or otherwise protected under laws of various jurisdictions. For more information, visit www.imax.com. You may also connect with IMAX on Instagram (www.instagram.com/imax), Facebook (www.facebook.com/imax), Twitter (www.twitter.com/imax), YouTube (www.youtube.com/imaxmovies) and LinkedIn (www.linkedin.com/company/imax).

Forward-Looking Statements

This press release contains forward looking statements that are based on IMAX management's assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward looking statements. These forward looking statements include, but are not limited to, statements regarding the benefits of the acquisition, expansion and growth of business, operations and technology, industry prospects and consumer behavior, plans and references to the future success of IMAX Corporation together with its consolidated subsidiaries and expectations regarding the Company's future operating, financial and technological results. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of the Company is subject to a number of risks and uncertainties, including, but not limited to, risks related to the adverse impact of the COVID-19 pandemic; risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada as well as geopolitical conflicts, such as the conflict between Russia and Ukraine; risks related to the Company's growth and operations in China; the performance of IMAX DMR[®] films and other films released to the IMAX network; the signing of IMAX System agreements; conditions, changes and developments in the commercial exhibition industry; risks related to currency fluctuations; the potential impact of increased competition in the markets within which the Company operates, including competitive actions by other companies; the failure to respond to change and advancements in digital 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 cyber-security and data privacy; risks related to the Company's inability to protect its intellectual property; risks related to climate change; risks related to weather conditions and natural disasters that may disrupt or harm the Company's business; risks related to the Company's indebtedness and compliance with its debt agreements; general economic, market or business conditions; risks related to political, economic and social instability, including with respect to the Russia-Ukraine conflict; the failure to convert IMAX System backlog into revenue; changes in laws or regulations; any statements of belief and any statements of assumptions related to the foregoing; other factors and risks outlined in the Company's periodic filings with the United States Securities and Exchange Commission or in Canada, the System for Electronic Document Analysis and Retrieval; and other factors, many of which are beyond the control of the Company. Consequently, all of the forward looking statements made in this press release are qualified by these cautionary statements, and actual results or anticipated developments by the Company may not be realized, and even if substantially realized, may not have the expected consequences to, or effects on, the Company. These factors, other risks and uncertainties and financial details are discussed in IMAX's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No statement in this press release should be interpreted to mean that the earnings or financial performance of IMAX Corporation or IMAX China for the current year or future years will necessarily match or exceed the historical or published earnings or financial performance of IMAX Corporation or IMAX China, respectively.

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