IMAX CHINA HOLDING, INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1970)

INSIDE INFORMATION OUR CONTROLLING SHAREHOLDER IMAX CORPORATION RELEASED ITS FIRST QUARTER 2025 FINANCIAL RESULTS AND QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2025

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 23 April 2025 (New York time), announced its first quarter 2025 financial results, and on 23 April 2025 (New York time) released its quarterly report for the quarter ended 31 March 2025.

This is an announcement made by IMAX China Holding, Inc. ("**we**" or "**IMAX China**") 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 ("**HKSE**").

IMAX China's 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 approximately 71.40% of the issued share capital of IMAX China.

On 23 April 2025 (New York time), IMAX Corporation made an announcement regarding its unaudited results for the fiscal quarter ended 31 March 2025 (the "**Earnings Release**"). If you wish to review the Earnings Release, please visit: https://www.sec.gov/ix?doc=/Archives/edgar/data/0000921582/000092158225000022/imax-20250423.htm. Unless otherwise provided therein, all dollar amounts in the Earnings Release are denominated in U.S. dollars.

On 23 April 2025 (New York time), IMAX Corporation filed its unaudited quarterly report on the Form 10-Q for the fiscal quarter ended 31 March 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/0000921582/000092158225000025/imax-20250331.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, the unaudited condensed consolidated financial results contained in the Quarterly Report and the financial information included in this announcement have been prepared in accordance with the Generally Accepted Accounting Principles of the United States. They are different from the International Financial Reporting Standards, which is the standard employed by IMAX China as a company listed on the Main Board of the HKSE for preparing and presenting financial information. As such, financial information of IMAX China in the Earnings Release and in the Quarterly Report are not directly comparable to the financial results reported directly by IMAX China in its filings with the HKSE.

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.

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)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	**$ 97,069**	$ 100,592
Accounts receivable, net of allowance for credit losses	**122,342**	107,669
Financing receivables, net of allowance for credit losses	**120,015**	119,885
Variable consideration receivables, net of allowance for credit losses	**83,015**	82,593
Inventories	**31,725**	32,840
Prepaid expenses	**14,040**	13,121
Film assets, net of accumulated amortization	**10,699**	8,686
Property, plant and equipment, net of accumulated depreciation	**245,073**	240,133
Other assets	**22,107**	22,441
Deferred income tax assets, net of valuation allowance	**14,394**	14,499
Goodwill	**52,815**	52,815
Other intangible assets, net of accumulated amortization	**35,010**	35,124
Total assets	**$ 848,304**	$ 830,398
Liabilities		
Accounts payable	**$ 25,063**	$ 19,803
Accrued and other liabilities	**92,716**	100,916
Deferred revenue	**54,117**	52,686
Revolving credit facility borrowings, net of unamortized debt issuance costs	**49,472**	36,356
Convertible notes and other borrowings, net of unamortized discounts and debt issuance costs	**230,126**	229,901
Deferred income tax liabilities	**12,521**	12,521
Total liabilities	**464,015**	452,183
Commitments, contingencies and guarantees (see Note 7)		
Non-controlling interests	**676**	680

	March 31, 2025	December 31, 2024
Shareholders' equity		
Capital stock common shares — no par value. Authorized — unlimited number. 53,742,048 issued and outstanding (December 31, 2024 — 52,946,200 issued and outstanding)	**414,041**	401,420
Other equity	**169,751**	185,268
Statutory surplus reserve	**4,106**	4,051
Accumulated deficit	**(272,403)**	(274,675)
Accumulated other comprehensive loss	**(15,992)**	(16,598)
Total shareholders' equity attributable to common shareholders	**299,503**	299,466
Non-controlling interests	**84,110**	78,069
Total shareholders' equity	**383,613**	377,535
Total liabilities and shareholders' equity	**$ 848,304**	$ 830,398

(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 March 31, 2025	2024
Revenues		
Technology sales	$ **13,524**	$ 7,904
Image enhancement and maintenance services	**50,753**	50,348
Technology rentals	**19,311**	18,601
Finance income	**3,079**	2,270
	86,667	79,123
Costs and expenses applicable to revenues		
Technology sales	**7,223**	4,767
Image enhancement and maintenance services	**19,445**	21,195
Technology rentals	**6,823**	6,272
	33,491	32,234
Gross margin	**53,176**	46,889
Selling, general and administrative expenses	**33,462**	31,257
Research and development	**1,318**	2,187
Amortization of intangible assets	**1,731**	1,343
Credit loss (reversal) expense, net	**(126)**	35
Restructuring and other charges	**57**	–
Income from operations	**16,734**	12,067
Realized and unrealized investment gains	**32**	30
Retirement benefits non-service expense	**(70)**	(107)
Interest income	**540**	534
Interest expense	**(1,801)**	(1,945)
Income before taxes	**15,435**	10,579
Income tax expense	**(7,285)**	(5,159)
Net income	**8,150**	5,420
Net income attributable to non-controlling interests	**(5,823)**	(2,146)
Net income attributable to common shareholders	$ **2,327**	$ 3,274
Net income per share attributable to common shareholders:		
Basic and diluted	$ **0.04**	$ 0.06
Weighted average shares outstanding (in thousands):		
Basic	**53,145**	52,501
Diluted	**54,969**	53,406

(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 March 31,	
	2025	2024
Net income	**$ 8,150**	$ 5,420
Other comprehensive income (loss) before tax		
Unrealized net loss from cash flow hedging instruments	**(715)**	(916)
Realized net loss from cash flow hedging instruments	**1,335**	11
Foreign currency translation adjustments	**421**	(542)
Defined benefit and postretirement benefit plans	**(205)**	(249)
Total other comprehensive income (loss) before tax	**836**	(1,696)
Income tax (expense) benefit related to other comprehensive income	**(109)**	303
Other comprehensive income (loss), net of tax	**727**	(1,393)
Comprehensive income	**8,877**	4,027
Comprehensive income attributable to non-controlling interests	**(5,944)**	(1,992)
Comprehensive income attributable to common shareholders	**$ 2,933**	$ 2,035

(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)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating Activities		
Net income	**$ 8,150**	$ 5,420
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	**14,913**	15,164
Amortization of deferred financing costs	**492**	492
Credit loss (reversal) expense, net	**(126)**	35
Write-downs, including asset impairments	**193**	109
Deferred income tax expense	**–**	571
Share-based and other non-cash compensation	**5,275**	4,783
Unrealized foreign currency exchange loss	**289**	33
Realized and unrealized investment gain	**(32)**	(30)
Changes in assets and liabilities:		
Accounts receivable	**(15,014)**	(4,502)
Inventories	**1,032**	(4,672)
Film assets	**(7,396)**	(4,912)
Deferred revenue	**1,390**	(6,075)
Changes in other operating assets and liabilities	**(2,215)**	(17,384)
Net cash provided by (used in) operating activities	**6,951**	(10,968)
Investing Activities		
Purchase of property, plant and equipment	**(1,645)**	(1,104)
Investment in equipment for joint revenue sharing arrangements	**(11,746)**	(4,442)
Acquisition of other intangible assets	**(1,233)**	(1,594)
Net cash used in investing activities	**(14,624)**	(7,140)

	Three Months Ended March 31,	
	2025	**2024**
Financing Activities		
Revolving credit facility borrowings	**23,000**	45,000
Repayments of revolving credit facility borrowings	**(10,000)**	(156)
Repayments of other borrowings	**(209)**	–
Repurchase of common shares	**–**	(17,856)
Taxes withheld and paid on employee stock awards vested	**(9,505)**	(4,194)
Common shares issued – stock options exercised	**948**	–
Net cash provided by financing activities	**4,234**	22,794
Effects of exchange rate changes on cash	**(84)**	131
(Decrease) increase in cash and cash equivalents during period	**(3,523)**	4,817
Cash and cash equivalents, beginning of period	**100,592**	76,200
Cash and cash equivalents, end of period	**$ 97,069**	$ 81,017

(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**"), but does not contain all of the footnote disclosures included in the annual financial statements. 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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025			
(In thousands of U.S. Dollars)	**Theater Operators**	**Studios**	**Other**	**Total**
Beginning balance	**$ 11,678**	**$ 1,017**	**$ 583**	**$ 13,278**
Current period (reversal) provision, net	**(116)**	**407**	**(128)**	**163**
Write-offs, net of recoveries	**–**	**(188)**	**–**	**(188)**
Foreign exchange	**(79)**	**–**	**–**	**(79)**
Ending balance	**$ 11,483**	**$ 1,236**	**$ 455**	**$ 13,174**

	Three Months Ended March 31, 2024			
(In thousands of U.S. Dollars)	Theater Operators	Studios	Other	Total
Beginning balance	$ 14,355	$ 616	$ 1,006	$ 15,977
Current period (reversal) provision, net	(94)	14	73	(7)
Foreign exchange	(14)	–	–	(14)
Ending balance	$ 14,247	$ 630	$ 1,079	$ 15,956

For the three months ended March 31, 2025, the Company's allowance for current expected credit losses related to Accounts Receivable decreased by $0.1 million. The Company recorded $0.2 million in write-offs in the allowance for credit losses for the three months ended March 31, 2025.

For the three months ended March 31, 2024, the Company's allowance for current expected credit losses related to Accounts Receivable decreased by less than $0.1 million.

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 March 31, 2025 and December 31, 2024, financing receivables consisted of the following:

(In thousands of U.S. Dollars)	**March 31, 2025**	**December 31, 2024**
Net investment in leases:		
Gross minimum payments due under sales-type leases	**$ 31,183**	$ 30,890
Unearned finance income	**(1,016)**	(887)
Present value of minimum payments due under sales-type leases	**30,167**	30,003
Allowance for credit losses	**(667)**	(664)
Net investment in leases	**29,500**	29,339
Financed sales receivables:		
Gross minimum payments due under financed sales	**126,500**	127,906
Unearned finance income	**(26,028)**	(27,199)
Present value of minimum payments due under financed sales	**100,472**	100,707
Allowance for credit losses	**(9,957)**	(10,161)
Net financed sales receivables	**90,515**	90,546
Total financing receivables	**$ 120,015**	$ 119,885
Net financed sales receivables due within one year	**$ 28,089**	$ 30,136
Net financed sales receivables due after one year	**62,426**	60,410
Total financed sales receivables	**$ 90,515**	$ 90,546

As of March 31, 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:

(In thousands of U.S. Dollars)	**March 31, 2025**	**December 31, 2024**
Weighted-average remaining lease term (in years):		
Sales-type lease arrangements	8.7	8.5
Weighted-average interest rate		
Sales-type lease arrangements	7.05%	7.24%
Financed sales receivables	9.08%	8.95%

The tables below provide information on the Company's net investment in leases by credit quality indicator as of March 31, 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)	**By Origination Year**						
As of March 31, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Total**
Net investment in leases:							
Credit quality classification:							
In good standing	**$ 307**	**$ 3,458**	**$ 3,198**	**$ 3,196**	**$ 9,106**	**$ 10,075**	**$ 29,340**
Credit Watch	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Pre-approved transactions	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transactions suspended	**–**	**–**	**–**	**426**	**–**	**401**	**827**
Total net investment in leases	**$ 307**	**$ 3,458**	**$ 3,198**	**$ 3,622**	**$ 9,106**	**$ 10,476**	**$ 30,167**

(In thousands of U.S. Dollars)	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
Total net investment in leases	$ 3,469	$ 3,190	$ 3,483	$ 9,425	$ 3,440	$ 6,996	$ 30,003

The tables below provide information on the Company's financed sales receivables by credit quality indicator as of March 31, 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)	By Origination Year						
As of March 31, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Total**
Financed sales receivables:							
Credit quality classification:							
In good standing	**$ 864**	**$ 6,084**	**$ 6,932**	**$ 5,708**	**$ 5,832**	**$ 46,102**	**$ 71,522**
Credit Watch	**–**	**–**	**–**	**–**	**–**	**565**	**565**
Pre-approved transactions	**–**	**427**	**1,143**	**–**	**3,016**	**9,629**	**14,215**
Transactions suspended	**–**	**–**	**–**	**298**	**612**	**13,260**	**14,170**
Total financed sales receivables	**$ 864**	**$ 6,511**	**$ 8,075**	**$ 6,006**	**$ 9,460**	**$ 69,556**	**$ 100,472**

(In thousands of U.S. Dollars)	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	–	–	–	114	143	12,754	13,011
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 March 31, 2025 and December 31, 2024:

	As of March 31, 2025							
(In thousands of U.S. Dollars)	**Accrued and Current**	**30-89 Days**	**90+ Days**	**Billed**	**Unbilled**	**Recorded Receivable**	**Allowance for Credit Losses**	**Net**
Net investment in leases	**$ 292**	**$ 397**	**$ 3,827**	**$ 4,516**	**$ 25,651**	**$ 30,167**	**$ (667)**	**$ 29,500**
Financed sales receivables	**853**	**2,184**	**12,540**	**15,577**	**84,895**	**100,472**	**(9,957)**	**90,515**
Total	**$ 1,145**	**$ 2,581**	**$ 16,367**	**$ 20,093**	**$ 110,546**	**$ 130,639**	**$ (10,624)**	**$ 120,015**

	As of December 31, 2024							
(In thousands of U.S. Dollars)	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	895	1,019	12,462	14,376	86,331	100,707	(10,161)	90,546
Total	$ 1,117	$ 1,237	$ 15,647	$ 18,001	$ 112,709	$ 130,710	$ (10,825)	$ 119,885

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 March 31, 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 March 31, 2025						
(In thousands of U.S. Dollars)	**Accrued and Current**	**30-89 Days**	**90+ Days**	**Billed**	**Unbilled**	**Allowance for Credit Losses**	**Net**
Net investment in leases	**$ 278**	**$ 344**	**$ 3,827**	**$ 4,449**	**$ 19,072**	**$ (8)**	**$ 23,513**
Financed sales receivables	**666**	**1,702**	**10,134**	**12,502**	**42,128**	**(1,128)**	**53,502**
Total	**$ 944**	**$ 2,046**	**$ 13,961**	**$ 16,951**	**$ 61,200**	**$ (1,136)**	**$ 77,015**

	As of December 31, 2024						
(In thousands of U.S. Dollars)	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	727	610	10,143	11,480	42,208	(1,086)	52,602
Total	$ 949	$ 828	$ 13,328	$ 15,105	$ 62,384	$ (1,092)	$ 76,397

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

	As of March 31, 2025			As of December 31, 2024		
(In thousands of U.S. Dollars)	**Recorded Receivable**	**Allowance for Credit Losses**	**Net**	Recorded Receivable	Allowance for Credit Losses	Net
Net investment in leases	**$ 827**	**$ (614)**	**$ 213**	$ 827	$ (614)	$ 213
Net financed sales receivables	**28,950**	**(8,969)**	**19,981**	28,565	(8,317)	20,248
Total	**$ 29,777**	**$ (9,583)**	**$ 20,194**	$ 29,392	$ (8,931)	$ 20,461

For the three months ended March 31, 2025 and 2024, the Company did not recognize Finance Income related to the net investment in leases on nonaccrual status. For the three months ended March 31, 2025, the Company recognized less than $0.1 million (2024 – $0.4 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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025	
(In thousands of U.S. Dollars)	**Net Investment in Leases**	**Net Financed Sales Receivables**
Beginning balance	**$ 664**	**$ 10,161**
Current period provision (reversal), net	**3**	**(199)**
Foreign exchange	**–**	**(5)**
Ending balance	**$ 667**	**$ 9,957**

(In thousands of U.S. Dollars)	Three Months Ended March 31, 2024 Net Investment in Leases	Net Financed Sales Receivables
Beginning balance	$ 453	$ 9,617
Current period provision (reversal), net	4	(4)
Foreign exchange	(6)	3
Ending balance	$ 451	$ 9,616

For the three months ended March 31, 2025, the Company's allowance for current expected credit losses related to its net investment in leases increased by less than $0.1 million (2024 – decreased by less than $0.1 million), and financed sale receivables decreased by $0.2 million (2024 – decreased by less than $0.1 million)

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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
(In thousands of U.S. Dollars)	**Theater Operators**	Theater Operators
Beginning balance	**$ 116**	$ 633
Current period provision (reversal), net	**(9)**	3
Foreign exchange	**–**	–
Ending balance	**$ 107**	$ 636

For the three months ended March 31, 2025, the Company's allowance for current expected credit losses related to Variable Consideration Receivables decreased by less than $0.1 million (2024 – increased by less than $0.1 million).

4. Lease Arrangements

IMAX Corporation as a Lessee

The Company's operating lease arrangements principally involve office and warehouse space. Office equipment is generally purchased outright. Leases with an initial term of less than 12 months are not recorded on the Condensed Consolidated Balance Sheets and the related lease expense is recognized as incurred over the lease term. Most of the Company's leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years or more. The Company has determined that it is reasonably certain that the renewal options on its warehouse leases will be exercised based on previous history, its current understanding of future business needs, and its level of investment in leasehold improvements, among other factors. The incremental borrowing rate used in the calculation of the Company's lease liabilities is based on the location of each leased property. None of the Company's leases include options to purchase the leased property. The depreciable lives of right-of-use assets and related leasehold improvements are limited by the expected lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company has a finance lease arrangement involving equipment used to facilitate the delivery of live events to certain IMAX locations. The lease arrangement includes an option for the Company to purchase the equipment at the end of the lease term that is reasonably certain to be exercised. The resulting right-of-use assets are being depreciated from the lease commencement dates over the useful life of the underlying equipment. The incremental borrowing rate used in the calculation of the lease liabilities is based on the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term.

For the three months ended March 31, 2025 and 2024, the components of lease expense recorded within Selling, General and Administrative Expenses was as follows:

(In thousands of U.S. Dollars)	**Three Months Ended March 31, 2025**	2024
Operating lease cost:		
Amortization of operating lease assets	**$ 568**	$ 522
Interest on operating lease liabilities	**173**	175
Short-term and variable lease costs	**76**	78
Finance lease cost:		
Amortization of finance lease assets	**100**	100
Interest on finance lease liabilities	**–**	7
Total lease cost	**$ 917**	$ 882

For the three months ended March 31, 2025 and 2024, supplemental cash and non-cash information related to leases was as follows:

(In thousands of U.S. Dollars)	Three Months Ended March 31, **2025**	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases	**$ 732**	$ 723
Finance leases	**–**	28
Supplemental disclosure of noncash leasing activities:		
Right-of-use assets obtained in exchange for operating lease obligations	**$ 1,765**	$ 260

As of March 31, 2025 and December 31, 2024, supplemental balance sheet information related to leases were as follows:

(In thousands of U.S. Dollars)		**March 31, 2025**	December 31, 2024
Assets:	**Balance Sheet Location**		
Operating lease right-of-use assets	Property, plant and equipment	**$ 11,221**	$ 10,019
Finance lease right-of-use assets	Property, plant and equipment	**922**	1,022
Liabilities:	**Balance Sheet Location**		
Operating lease liabilities	Accrued and other liabilities	**$ 13,035**	$ 11,861

As of March 31, 2025 and December 31, 2024, the weighted-average remaining lease term and weighted-average interest rate associated with the Company's leases were as follows:

	March 31, 2025	December 31, 2024
Operating leases:		
Weighted-average remaining lease term (years)	**4.4**	4.8
Weighted-average discount rate	**5.83%**	5.87%
Finance leases:		
Weighted-average remaining lease term (years)	**2.3**	2.6
Weighted-average discount rate	**6.00%**	6.00%

As of March 31, 2025, the maturities of the Company's operating lease liabilities are as follows:

(In thousands of U.S. Dollars)		Operating Leases
2025 (nine months remaining)	$	2,470
2026		3,294
2027		3,236
2028		3,034
2029		2,518
Thereafter		325
Total lease payments	$	14,877
Less: interest expense		(1,842)
Present value of lease liabilities	$	13,035

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 March 31, 2025 balance sheet date:

(In thousands of U.S. Dollars)	**Sales-Type Leases**	**Joint Revenue Sharing Arrangements**
2025 (nine months remaining)	$ 2,352	$ 10
2026	3,170	–
2027	3,103	–
2028	2,954	–
2029	2,954	–
Thereafter	16,650	–
Total	$ 31,183	$ 10

6. Borrowings

Revolving Credit Facility Borrowings, Net

As of March 31, 2025 and December 31, 2024, Revolving Credit Facility Borrowings, Net includes the following:

(In thousands of U.S. Dollars)	**March 31, 2025**	**December 31, 2024**
Wells Fargo Credit Facility borrowings	**$ 50,000**	$ 37,000
Unamortized debt issuance costs	**(528)**	(644)
Revolving Credit Facility Borrowings, net	**$ 49,472**	$ 36,356

Bank of China Facility

As of March 31, 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 March 31, 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 months ended March 31, 2025 was 0% (2024 — 0%). There were no amounts drawn under the Bank of China Facility during the three months ended March 31, 2025. The Bank of China Facility has been renewed to March 20, 2026.

HSBC China Facility

As of March 31, 2025, and December 31, 2024, no borrowings were outstanding under the HSBC China Facility (as defined and described in Note 13 to the Company's audited Consolidated Financial Statements in its 2024 Form 10-K). As of March 31, 2025, and December 31, 2024 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 months ended March 31, 2025 was 0% (December 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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31,			
	2025		2024	
(In thousands of U.S. Dollars)	**Sales Commissions**	**Marketing and Other**	Sales Commissions	Marketing and Other
Technology sales[1]	**$ 180**	**$ 55**	$ 78	$ 166
Image enhancement and maintenance services[2]	**–**	**2,435**	–	2,575
Technology rentals[3]	**66**	**331**	109	440
Total	**$ 246**	**$ 2,821**	$ 187	$ 3,181

(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 months ended March 31, 2025 are foreign currency net loss of $0.4 million (2024 — net loss of $0.3 million), resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities. (Refer to "Financial Instruments — *Foreign Exchange Risk Management*" in 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 months ended March 31, 2025, such revenues totaled $19.2 million (2024 — $19.3 million).

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 months ended March 31, 2025, such revenues totaled $31.8 million (2024 — $29.7 million). (Refer to "Revenue from Contracts with Customers — *Disaggregated Information About Revenue*" in Note 12 for a disaggregated presentation of the Company's revenues.)

10. Income Taxes

Income Tax Expense

For the three months ended March 31, 2025, the Company recorded an income tax expense of $7.3 million (2024 — income tax expense of $5.2 million). The Company's effective tax rate of 47.2% for the three months ended March 31, 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. The Company's effective tax rate of 48.8% for the three months ended March 31, 2024 reflects the geographic allocation of income earned in taxing jurisdictions and also reflects an increase in the valuation allowance, withholding taxes and a tax expense related to share-based compensation.

As of March 31, 2025, the Company's Condensed Consolidated Balance Sheets included net deferred income tax assets of $14.4 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 March 31, 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 months ended March 31, 2025, share-based compensation expense totaled $5.2 million (2024 – $4.7 million) and is reflected in the following accounts in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
(In thousands of U.S. Dollars)	**2025**	2024
Costs and expenses applicable to revenues	**$ 291**	$ 228
Selling, general and administrative expenses	**4,720**	4,337
Research and development	**194**	111
Total	**$ 5,205**	$ 4,676

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

(In thousands of U.S. Dollars)	**Three Months Ended March 31,** **2025**	2024
Restricted Share Units	**2,867**	2,742
Performance Stock Units	**1,932**	1,852
IMAX China Long Term Incentive Plan Restricted Share Units	**313**	27
IMAX China Long Term Incentive Plan Performance Stock Units	**93**	55
	$ 5,205	$ 4,676

For the three months ended March 31, 2025, the Company's share-based compensation expense included restricted share units to non-employees of less than $0.1 million that were granted and have not yet vested (2024 — less than $0.1 million, which vested immediately upon granting).

Stock Option Summary

The following table summarizes the activity under the Company's Stock Option Plan ("**SOP**") for the three months ended March 31, 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	**(44,031)**	–	**21.54**	–
Expired	**(470,582)**	(607,114)	**29.53**	28.15
Stock options outstanding, end of period	**1,954,625**	2,722,308	**25.59**	25.80
Stock options exercisable, end of period	**1,954,625**	2,722,308	**25.59**	25.80

*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 three months ended March 31, 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	**497,692**	846,677	**25.02**	16.46
Vested and settled	**(667,768)**	(609,016)	**17.58**	19.04
Forfeited	**(6,274)**	(16,315)	**17.94**	19.12
RSUs outstanding, end of period	**1,289,627**	1,508,176	**19.98**	17.15

*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. At the conclusion of the three-year performance period, the number of PSUs that ultimately vest can range from 0% to a maximum vesting opportunity of 175% of the initial Adjusted EBITDA PSU award or 150% of the initial TSR PSU award, depending upon actual performance versus the established Adjusted EBITDA and TSR targets, respectively.

The grant date fair value of PSUs with Adjusted EBITDA targets 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 of PSUs with TSR targets is determined on the grant date using a Monte Carlo Model. The compensation expense attributable to each type of PSU is recognized on a straight-line basis over the requisite service period.

The fair value determined by the Monte Carlo Model is affected by the Company's share price, as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, market conditions as of the grant date, the Company's expected share price volatility over the term of the awards, and other relevant data. The compensation expense is fixed on the date of grant based on the fair value of the PSUs granted.

The amount and timing of compensation expense recognized for PSUs with Adjusted EBITDA targets is dependent upon management's assessment of the likelihood of achieving these targets. If, as a result of management's assessment, it is projected that a greater number of PSUs will vest than previously anticipated, a life-to-date adjustment to increase compensation expense is recorded in the period that such determination is made. Conversely, if, as a result of management's assessment, it is projected that a lower number of PSUs will vest than previously anticipated, a life-to-date adjustment to decrease compensation expense is recorded in the period that such determination is made. The expense recognized in the three months ended March 31, 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 three months ended March 31, 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**	578,855	**24.17**	17.98
Vested and settled[1]	**(463,212)**	(316,226)	**19.88**	19.71
Forfeited	**(3,043)**	(78,489)	**18.48**	21.28
PSUs outstanding, end of period	**1,182,463**	1,106,761	**20.13**	18.32

(1) For the three months ended March 31, 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% and TSR targets vested at 123.5%, which reflects actual performance versus established targets.

As of March 31, 2025, the maximum number of common shares that may be issued with respect to PSUs outstanding was 1,983,624, assuming full achievement of the Adjusted EBITDA and TSR targets.

Issuer Purchases of Equity Securities

In 2023, 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, 2023 (33,959,314 shares). This program expired on the date of the 2024 Annual General Meeting of IMAX China on June 7, 2024. During the 2024 Annual General Meeting, shareholders approved the repurchase of shares of IMAX China not to exceed 10% of the total number of shares as of June 7, 2024 (34,000,845 shares). This program will be valid until the 2025 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 March 31, 2025 and 2024, IMAX China did not repurchase any of its common shares.

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 RMB37.0 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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025				
(In thousands of U.S. Dollars)	Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment:					
Film Remastering and Distribution	$ –	$ 32,157	$ –	$ –	$ 32,157
Other Content Solutions	–	1,917	175	–	2,092
	–	34,074	175	–	34,249
Technology Products and Services Segment:					
System Sales	12,720	–	–	–	12,720
System Rentals	–	–	19,136	–	19,136
Maintenance	–	15,658	–	–	15,658
Finance Income	–	–	–	3,079	3,079
	12,720	15,658	19,136	3,079	50,593
Sub-total for reportable segments	12,720	49,732	19,311	3,079	84,842
All Other	804	1,021	–	–	1,825
Total	$ 13,524	$ 50,753	$ 19,311	$ 3,079	$ 86,667

(In thousands of U.S. Dollars)	Three Months Ended March 31, 2024 Technology Sales	Image Enhancement and Maintenance Services	Technology Rentals	Finance Income	Total
Content Solutions Segment					
Film Remastering and Distribution	$ –	$ 29,721	$ –	$ –	$ 29,721
Other Content Solutions	–	4,292	–	–	4,292
	–	34,013	–	–	34,013
Technology Products and Services Segment					
System Sales	7,118	–	–	–	7,118
System Rentals	–	–	18,601	–	18,601
Maintenance	–	15,161	–	–	15,161
Finance Income	–	–	–	2,270	2,270
	7,118	15,161	18,601	2,270	43,150
Sub-total for reportable segments	7,118	49,174	18,601	2,270	77,163
All Other	786	1,174	–	–	1,960
Total	$ 7,904	$ 50,348	$ 18,601	$ 2,270	$ 79,123

For the three months ended March 31, 2025, revenues earned from Technology Sales included variable consideration of $3.2 million (2024 — $1.7 million).

For the three months ended March 31, 2025, revenues earned from leasing arrangements totaled $19.4 million (2024 — $19.3 million), including $19.3 million in Revenues – Technology Rentals (2024 — $18.6 million), and less than $0.1 million in Revenues – Technology Sales (2024 — $0.7 million).

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 March 31, 2025, $24.3 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 months ended March 31, 2025, $9.0 million of revenue was recognized from the $52.7 million balance of deferred revenue as of December 31, 2024. During the three months ended March 31, 2024, $12.1 million of revenue 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 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 March 31, 2025 and 2024:

	Revenue[1]		Gross Margin	
(In thousands of U.S. Dollars)	**2025**	2024	**2025**	2024
Content Solutions	**$ 34,249**	$ 34,013	**$ 23,554**	$ 22,099
Technology Products and Services	**50,593**	43,150	**29,086**	23,584
Sub-total for reportable segments	**84,842**	77,163	**52,640**	45,683
All Other	**1,825**	1,960	**536**	1,206
Total	**$ 86,667**	$ 79,123	**$ 53,176**	$ 46,889

(1) The Company's largest customer represented 15% of total Revenues for the three months ended March 31, 2025 (2024 — 10%). No single customer comprised more than 10% of the Company's total Accounts Receivable as of March 31, 2025 or 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 March 31,**	
	2025	2024
Revenue	**$ 34,249**	$ 34,013
Film asset amortization	**4,339**	5,070
Marketing and other selling expenses	**2,435**	2,575
Co-produced film participation expenses	**97**	112
Other segment expenses[(1)]	**3,824**	4,157
Total Costs and Expenses Applicable to Revenues	**10,695**	11,914
Gross Margin	**$ 23,554**	$ 22,099

(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 March 31,**	
	2025	2024
Revenue	**$ 50,593**	$ 43,150
Depreciation of equipment supporting JRSAs	**5,662**	5,695
Marketing and other selling expenses	**246**	187
Write-down of equipment supporting JRSAs	**88**	57
Write-down of inventory	**103**	15
Other segment expenses[(1)]	**15,408**	13,612
Total Costs and Expenses Applicable to Revenues	**21,507**	19,566
Gross Margin	**$ 29,086**	$ 23,584

(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.

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 months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(In thousands of U.S. Dollars)	**2025**	2024
United States	**$ 22,571**	$ 26,604
Greater China	**40,125**	21,453
Asia (excluding Greater China)	**9,291**	9,126
Western Europe	**7,553**	14,191
Latin America	**1,957**	1,460
Canada	**1,402**	2,408
Rest of the World	**3,768**	3,881
Total	**$ 86,667**	$ 79,123

The United States, Greater China (which includes the mainland of the People's Republic of China, Hong Kong, Macau, and Taiwan), and Asia (excluding Greater China) each comprise greater than 10% of the Company's total revenues for the three months ended March 31, 2025. The United States, Greater China, Western Europe and Asia each comprise greater than 10% of the Company's total revenues for the three months ended March 31, 2024.

15. Financial Instruments

Financial Instruments

The Company's cash is invested with various major financial institutions. The Company's $97.1 million balance of cash and cash equivalents as of March 31, 2025 (December 31, 2024 — $100.6 million) includes $91.3 million in cash held outside of Canada (December 31, 2024 — $85.4 million), of which $53.9 million was held in the 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:

	As of March 31, 2025		As of December 31, 2024	
(In thousands of U.S. Dollars)	**Carrying Amount**	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
Level 2				
Net financed sales receivables[1]	**$ 90,515**	**$ 82,569**	$ 90,546	$ 81,876
Net investment in sales-type leases[1]	**29,500**	**26,802**	29,339	25,322
Convertible Notes[2]	**(230,000)**	**(254,566)**	(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 March 31, 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 ("**AOCI**") 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:

(In thousands of U.S. Dollars)	**March 31, 2025**	December 31, 2024
Derivatives designated as hedging instruments:		
Foreign exchange contracts — Forwards	**$ 53,760**	$ 48,376

Fair value of derivatives in foreign exchange contracts:

(In thousands of U.S. Dollars)	**Balance Sheet Location**	**March 31, 2025**	December 31, 2024
Derivatives designated as hedging instruments: Foreign exchange contracts — Forwards	Other assets	**$ 49**	$ –
	Accrued and other liabilities	**(1,458)**	(2,029)
		$ (1,409)	$ (2,029)

Derivatives in foreign currency hedging relationships are as follows:

(In thousands of U.S. Dollars)		**Three Months Ended March 31, 2025**	2024
Foreign exchange contracts – Forwards	Derivative Loss Recognized in OCI (Effective Portion)	**$ (715)**	$ (916)

(In thousands of U.S. Dollars)	**Location of Derivative Loss Reclassified from AOCI (Effective Portion)**	**Three Months Ended March 31, 2025**	2024
Foreign exchange contracts – Forwards	Selling, general and administrative expenses	**$ (1,335)**	$ (11)

The Company's estimated net amount of the existing loss as of March 31, 2025 is $1.4 million, which was 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 March 31, 2025, the Company indirectly owned 71.40% of the outstanding equity interests 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 March 31, 2025, the balance of the Company's non-controlling interest in IMAX China was $84.1 million (December 31, 2024 — $78.1 million). For the three months ended March 31, 2025, the net income attributable to the non-controlling interest in IMAX China was $5.8 million (2024 — $2.2 million).

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 months ended March 31, 2025 and 2024. MD&A should be read in conjunction with Note 13, "Segment Reporting," in the accompanying Condensed Consolidated Financial Statements in Item 1.

As of March 31, 2025, the Company indirectly owned 71.40% of 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 three months ended March 31, 2025, net income attributable to IMAX China is $20.4 million, of which $14.6 million is attributable to the shareholders of the Company (2024 — $7.5 million and $5.4 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, expansion and growth of business, 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. 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; 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.

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.

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+'s 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.

The Company leverages its proprietary technology and engineering in all aspects of its business, which principally consists of the digital remastering of films and other content into the IMAX format for distribution across the IMAX network ("**IMAX Film Remastering**") and the sale or lease of premium IMAX theater systems ("**IMAX System(s)**").

IMAX Systems are based on proprietary and patented image, audio and other technology developed over the course of the Company's history. The customers for IMAX Systems are principally exhibitors that operate commercial multiplex theaters, and, to a much lesser extent, institutional locations, including museums and science centers, and destination entertainment sites. The Company does not own the locations in the IMAX network, except for one, and is not an exhibitor, but instead sells or leases the IMAX System to exhibitor customers along with licenses to use its trademarks and ongoing maintenance services for which there are annual payments by the exhibitors to IMAX.

IMAX has the largest global premium format network, more than double the size of its nearest competitor. As of March 31, 2025, there were 1,810 IMAX Systems in 89 countries and territories, including 1,738 commercial multiplexes, 11 commercial destinations, and 61 institutional locations in the Company's global network. This compares to 1,772 IMAX Systems in 89 countries and territories as of March 31, 2024, including 1,697 commercial multiplexes, 12 commercial destinations, and 63 institutional locations in the Company's global network. (Refer to the table under "IMAX Network and Backlog" for additional information on the composition of the IMAX network.)

IMAX Systems provide the Company's exhibitor customers with a combination of the following benefits:

- the ability to exhibit content that has been enhanced through the IMAX Film Remastering process, which results in higher image and sound fidelity than conventional cinema experiences;

- advanced, high-resolution projectors with specialized equipment and automated theater control systems, which generate significantly more contrast and brightness than conventional theater systems;

- large screens and proprietary auditorium geometry, which result in a substantially larger field of view so that the screen extends to the edge of a viewer's peripheral vision and creates more realistic images;

- advanced sound system components, which deliver more expansive sound imagery and pinpointed origination of sound to any specific spot in an auditorium equipped with an IMAX System;

- specialized theater acoustics, which result in a four-fold reduction in background noise than conventional cinema experiences;

- ongoing maintenance and extended warranty services; and

- a license to the globally recognized IMAX brand, as well as benefits from IMAX marketing of films being shown in its network and IMAX's growing social media followership.

In addition, select movies shown in the IMAX network are filmed using proprietary IMAX film cameras or IMAX certified digital cameras, which along with IMAX's customized guidance and a workflow process, provide filmmakers enhanced and differentiated image quality and an IMAX-exclusive film 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 believes that these components cause audiences in IMAX locations to feel as if they are a part of the on-screen action, creating a more intense, immersive, and awe-inspiring experience than a conventional cinematic format.

As a result of the engineering and scientific achievements that are a hallmark of *The* IMAX *Experience*, the Company's exhibitor customers typically charge a premium for films released in IMAX's format versus films exhibited in their other auditoriums. The premium pricing, combined with the higher attendance levels associated with IMAX films, tends to generate incremental box office receipts ("**box office**") for the Company's exhibitor customers and for the movie studios releasing their films to the IMAX network. The incremental box office generated by IMAX films combined with IMAX's leading global network footprint and scale has helped establish IMAX as a key premium distribution and marketing platform for Hollywood and foreign local language movie studios.

The Company achieved a box office record in the first quarter in 2025 of $298.2 million, including booking fees, from 33 new films and other content released during the quarter, highlighted by the performance of *Ne Zha 2,* a Chinese local language animation film.

The Company continues to evolve its platform to bring new, innovative events and experiences to audiences worldwide. During the first quarter, the Company partnered with Sony Pictures for the exclusive release of *Becoming Led Zeppelin.* In addition, the Company continued to partner with A24 for a monthly one-night-only IMAX releases of classic A24 titles, including in the first quarter *Talk to Me*, *Moonlight,* and *Spring Breakers.* The Company partnered with NBC universal for the *SNL50 The Homecoming Concert* screening in five North American IMAX locations. The Company also partnered with DAZN for the *PSG v Marseille Le Classique Match* screening in select IMAX locations across France.

As of March 31, 2025, the Company had a footprint of 265 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. Furthermore, the Company can deploy its StreamSmart™ technology to deliver live events to virtually any theater around the world.

As a premier global technology platform for entertainment and events, the Company strives to remain at the forefront of advancements in technology. The Company offers a suite of laser-based digital projection systems ("**IMAX Laser Systems**"), which deliver increased resolution, sharper and brighter images, deeper contrast, and the widest range of colors available to filmmakers today. The Company further believes that its suite of IMAX Laser Systems is helping facilitate the next major renewal and upgrade cycle for the global IMAX network.

The Company utilizes AI for image enhancement, streaming technology, and data analysis to improve various aspects of its business. Furthermore, the Company is actively exploring other global use cases for AI to save costs and to improve its products, operations, and efficiency.

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 principally from studios and other content creators for IMAX Film Remastering. 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 receives a lower percentage of net box office receipts for certain Hollywood films due to an import 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 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. During the three months ended March 31, 2025, local language films exhibited across the Company's global network generated over $202 million in box office, representing 68% 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 months ended March 31, 2025 and 2024, respectively:

	Three Months Ended March 31,	
	2025	2024
Hollywood film releases[1]	**7**	7
Local language film releases:		
China	**6**	4
India	**5**	2
Japan	**3**	3
South Korea	**2**	1
France	**2**	–
Vietnam	**1**	–
Indonesia	**1**	–
Total local language film releases	**20**	10
Other content experiences	**6**	2
	33	19

(1) For the three months ended March 31, 2025, the films released to the Company's global network include one with IMAX DNA (2024 — two).

The films distributed through the Company's global network during the three months ended March 31, 2025 that generated the highest IMAX box office totals were Chinese local language films *Ne Zha 2* and *Creation of the Gods II: Demon Force* and *Captain America: Brave New World.* In addition, during the three months ended March 31, 2025, a number of alternative content films and events were distributed, including *Becoming Led Zeppelin, Seven, Parasite, SNL50: The Homecoming Concert* in partnership with NBC Universal, *PSG v Marseille Le Classique Match* in partnership with DAZN, and monthly A24 mid-week film series.

In addition to the 33 IMAX films and alternative content experiences released on the Company's global network during the three months ended March 31, 2025, the Company has announced the following additional 34 films and alternative content experiences to be released throughout the remainder of 2025:

Title	Studio	Scheduled Release Date[(1)]	IMAX DNA
Seventeen Right Here World Tour[(2)]	Hybe	April 2025	–
One and Only[(2)]	Wanda	April 2025	–
A Minecraft Movie	Warner Bros. Pictures	April 2025	–
The Amateur	Walt Disney Studios	April 2025	–
Warfare	A24	April 2025	–
One to One: John & Yoko	Magnolia Films	April 2025	–
Yadang: The Snitch[(2)]	PlusM	April 2025	–
Sinners	Warner Bros. Pictures	April 2025	Filmed for IMAX
Detective Conan: One-Eyed Flashblack[(2)]	Toho	April 2025	–
Ambulance[(2)]	Muvi Studios	April 2025	–
Pink Floyd at Pompeii – MCMLXXII	Trafalgar Releasing	April 2025	–
The Dumpling Queen[(2)]	Maoyan	April 2025	–
The Open Door[(2)]	Wanda	May 2025	–
Thunderbolts	Marvel Studios	May 2025	Filmed for IMAX
Final Destination: Bloodlines	Warner Bros. Pictures	May 2025	Filmed for IMAX
Mission Impossible – The Final Reckoning	Paramount Pictures	May 2025	Filmed for IMAX
How to Train Your Dragon	Universal Pictures	June 2025	Filmed for IMAX
F1	Apple Original Films/Warner Bros. Pictures	June 2025	Filmed for IMAX
Jurassic World: Rebirth	Universal Pictures	July 2025	–
Superman	Warner Bros. Pictures	July 2025	Filmed for IMAX
Demon Slayer: Kimetsu No Yaiba The Movie: Infinity Castle[(2)]	Toho/Sony Pictures	July 2025	–
The Fantastic Four: First Steps	Marvel Studios	July 2025	Filmed for IMAX
Weapons	Warner Bros. Pictures	August 2025	–
The Conjuring: Last Rites	Warner Bros. Pictures	September 2025	–
Him	Universal Pictures	September 2025	–

Title	Studio	Scheduled Release Date(1)	IMAX DNA
One Battle After Another	Warner Bros. Pictures	September 2025	–
Michael	Lionsgate/Universal Pictures	October 2025	–
Tron: Ares	Walt Disney Studios	October 2025	Filmed for IMAX
Mortal Kombat 2	Warner Bros. Pictures	October 2025	Filmed for IMAX
Predator: Badlands	Walt Disney Studios	November 2025	–
The Running Man	Paramount Pictures	November 2025	–
Wicked: For Good	Universal Pictures	November 2025	–
Zootopia 2	Walt Disney Studios	November 2025	–
Avatar: Fire and Ash	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 has started to fill in, including major films such as: *Avengers: Doomsday*, *The Mandalorian and Grogu*, *Toy Story 5*, *The Odyssey*, *Moana*, *Supergirl Woman of Tomorrow*, *Avengers: Secret Wars*, *The Batman 2*, *Frozen 3,* and *Dynamic Duo.* Additionally, in January 2025, the Company announced an agreement with Netflix, Inc. to debut Oscar®-nominated director Greta Gerwig's upcoming film, *Narnia*, exclusively across the IMAX network with a two-week run beginning Thanksgiving 2026.

IMAX NETWORK AND BACKLOG

IMAX Network

The following table provides detailed information about the IMAX network by type and geographic location as of March 31, 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.

	March 31, 2025				March 31, 2024			
	Commercial Multiplex	**Commercial Destination**	**Institutional**	**Total**	Commercial Multiplex	Commercial Destination	Institutional	Total
United States	**372**	**4**	**24**	**400**	363	4	24	391
Canada	**44**	**1**	**5**	**50**	42	1	7	50
Greater China[1]	**793**	**–**	**13**	**806**	791	–	13	804
Asia (excluding Greater China)	**186**	**1**	**2**	**189**	170	2	2	174
Western Europe	**136**	**4**	**8**	**148**	128	4	8	140
Latin America[2]	**62**	**1**	**7**	**70**	59	1	7	67
Rest of the World	**145**	**–**	**2**	**147**	144	–	2	146
Total[3]	**1,738**	**11**	**61**	**1,810**	1,697	12	63	1,772

(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 1,738 IMAX Systems operating as of March 31, 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 March 31, 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 March 31, 2025 and 2024:

	March 31, 2025			
	Commercial Multiplex Locations in IMAX Network			
	Traditional JRSA	**Hybrid JRSA**	**Sales Arrangements[1]**	**Total**
Domestic Total (United States & Canada)	**274**	**6**	**136**	**416**
International:				
Greater China	**385**	**101**	**307**	**793**
Asia (excluding Greater China)	**52**	**1**	**133**	**186**
Western Europe	**45**	**13**	**78**	**136**
Latin America	**4**	**–**	**58**	**62**
Rest of the World	**12**	**–**	**133**	**145**
International Total	**498**	**115**	**709**	**1,322**
Worldwide Total[2]	**772**	**121**	**845**	**1,738**

(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.

	March 31, 2024			
	Commercial Multiplex Locations in IMAX Network			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements[1]	Total
Domestic Total (United States & Canada)	272	6	127	405
International:				
Greater China	413	109	269	791
Asia (excluding Greater China)	48	8	114	170
Western Europe	41	15	72	128
Latin America	2	–	57	59
Rest of the World	15	–	129	144
International Total	519	132	641	1,292
Worldwide Total[2]	791	138	768	1,697

(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 March 31, 2025 and 2024:

	March 31, 2025 IMAX System Backlog			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements[1]	Total
Domestic Total (United States & Canada)	**122**	**2**	**11**	**135**
International:				
Greater China	**95**	**90**	**49**	**234**
Asia (excluding Greater China)	**20**	**2**	**39**	**61**
Western Europe	**12**	**–**	**23**	**35**
Latin America	**1**	**–**	**7**	**8**
Rest of the World	**2**	**–**	**41**	**43**
International Total	**130**	**92**	**159**	**381**
Worldwide Total[2]	**252**	**94**	**170**	**516**

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

(2) Worldwide Total of 516 includes 254 new IMAX Laser Systems and 161 upgrades of existing locations to IMAX Laser Systems.

	March 31, 2024 IMAX System Backlog			
	Traditional JRSA	Hybrid JRSA	Sales Arrangements[1]	Total
Domestic Total (United States & Canada)	79	2	14	95
International:				
Greater China	53	90	62	205
Asia (excluding Greater China)	23	7	21	51
Western Europe	16	1	16	33
Latin America	3	–	2	5
Rest of the World	3	1	49	53
International Total	98	99	150	347
Worldwide Total[2]	177	101	164	442

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

(2) Worldwide Total of 442 includes 261 new IMAX Laser Systems and 62 upgrades of existing locations to IMAX Laser Systems.

Approximately 74% of IMAX System arrangements in backlog as of March 31, 2025 are scheduled to be installed in international markets (2024 — 32%). The Company's system backlog in Greater China represents 45% (2024 — 46%) of its total current backlog, including 191 new IMAX Systems and 43 upgrades (2024 — 195 new and 10 upgrades).

(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 March 31, 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 share amounts, as well as adjusted net income attributable to common shareholders* and adjusted net income attributable to common shareholders per share for the three months ended March 31, 2025 and 2024:

(In thousands of U.S. Dollars, except per diluted share amounts)	Three Months Ended March 31, **2025** Net Income	**2025** Per Diluted Share	2024 Net Income	2024 Per Diluted Share
Net income attributable to common shareholders	**$ 2,327**	**$ 0.04**	$ 3,274	$ 0.06
Adjusted net income attributable to common shareholders*	**$ 7,178**	**$ 0.13**	$ 7,941	$ 0.15

* 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 three months ended March 31, 2025, the Company's revenues and gross margin increased by $7.5 million, or 10%, and $6.3 million, or 13%, 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 record Chinese New Year period.

The following table presents the Company's revenue, gross margin, and gross margin percentage by reportable segment for the three months ended March 31, 2025 and 2024:

	Revenue		Gross Margin		Gross Margin %	
(In thousands of U.S. Dollars)	**2025**	2024	**2025**	2024	**2025**	2024
Content Solutions	**$ 34,249**	$ 34,013	**$ 23,554**	$ 22,099	**69%**	65%
Technology Products and Services	**50,593**	43,150	**29,086**	23,584	**57%**	55%
Sub-total for reportable segments	**84,842**	77,163	**52,640**	45,683	**62%**	59%
All Other(1)	**1,825**	1,960	**536**	1,206	**29%**	62%
Total	**$ 86,667**	$ 79,123	**$ 53,176**	$ 46,889	**61%**	59%

(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 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 March 31, 2025, Content Solutions segment revenues and gross margin increased by $0.2 million, or less than 1%, and $1.5 million, or 7%, respectively, when compared to the same period in 2024. In the three months ended March 31, 2025, box office generated by IMAX films, including booking fees, totaled $298.2 million, a $30.9 million, or 12%, increase versus the prior year comparative period of $267.3 million, while IMAX box office excluding booking fees totaled $280.7 million, a $20.0 million or 8% increase versus the prior year comparative of $260.7 million. The growth was primarily driven by the stronger IMAX box office performance of the IMAX local language film slate in 2025. During the three months ended March 31, 2025, IMAX box office was generated by the exhibition of 34 films and other content (33 new films and 1 re-release), including the following Hollywood titles, *Captain America: Brave New World* ($27 million), *Mickey 17* ($11 million), *Mufasa: The Lion King* ($10 million) and *Interstellar* ($10 million) which was originally released in a prior year. In the three months ended March 31, 2025, local language films exhibited across the Company's global network generated over $202 million in box office, representing 68% of its global box office. The Chinese local language film, *Ne Za 2,* became the highest grossing IMAX release of all time in China ($161 million, including booking fees) and contributed to the highest grossing Chinese New Year in the Company's history. In the three months ended March 31, 2024, IMAX box office was generated by the exhibition of 26 films (19 new films and 7 re-releases), including *Dune: Part Two*, which generated box office of over $132 million.

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 three months ended March 31, 2025, gross margin percent was 69% compared to 65% in the prior quarter period. The increase was due to the higher level of IMAX box office and the profit that incrementally ensues when individual titles generate higher levels of box office.

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 under sales arrangements and the associated revenue recognized during the three months ended March 31, 2025 and 2024:

(In thousands of U.S. Dollars, except number of systems)	**Three Months Ended March 31,**			
	2025		2024	
	Number of Systems	**Revenue**	Number of Systems	Revenue
New IMAX Systems	**12**	**$ 9,124**	5	$ 3,862
Upgraded IMAX Systems	**1**	**1,460**	1	1,377
Total	**13**	**$ 10,584**	6	$ 5,239

Included in the table above are three IMAX Systems that were relocated from their original locations (2024 – one IMAX System). 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 three months ended March 31, 2025, Technology Products and Services segment revenue and gross margin increased by $7.4 million, or 17%, and $5.5 million, or 23%, respectively, when compared to the same period in the prior year, The higher level of revenue is primarily driven by a greater number of sales installations and renewals and a higher level of rental revenues, which are box office dependent. Rental revenues increased by $0.5 million, as a result of growth in GBO from JRSAs, which increased by $14.7 million, or 12%, in the three months ended March 31, 2025 when compared to the prior year comparative period, from $125.4 million to $140.1 million.

For the three months ended March 31, 2025, gross margin percent was 57% compared to 55% in the prior period, which primarily reflects the higher level of revenues, as described above.

Selling, General and Administrative Expenses

The following table presents information about the Company's Selling, General and Administrative Expenses for the three months ended March 31, 2025 and 2024:

(In thousands of U.S. Dollars)	**Three Months Ended March 31, 2025**	**2024**	**Variance $**	**%**
Total Selling, general and administrative expenses	**$ 33,462**	$ 31,257	**$ 2,205**	**7%**
Less: Share-based compensation[(1)]	**(4,720)**	(4,337)	**(383)**	**(9%)**
Total Adjusted Selling, general and administrative expenses[(2)]	**$ 28,742**	$ 26,920	**$ 1,822**	**7%**

(1) A portion of share-based compensation expense is recognized within Cost and Expenses Applicable to Revenue, Research and Development and Executive transition costs. (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 three months ended March 31, 2025, the higher level of Selling, General and Administrative Expenses year-over-year reflects the timing of industry events, marketing expenses, and higher professional service fees.

Credit Loss (Reversal) Expense, Net

For the three months ended March 31, 2025, the Company recorded a credit loss reversal of $0.1 million, as compared to a credit loss expense of less than $0.1 million recognized in the prior year.

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 March 31, 2025, the Company recorded an income tax expense of $7.3 million (2024 — tax expense of $5.2 million). The Company's effective tax rate of 47.2% for the three months ended March 31, 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. The Company's effective tax rate of 48.8% for the three months ended March 31, 2024, reflects the geographic allocation of income earned in taxing jurisdictions and also reflects an increase in the valuation allowance, withholding taxes and a tax expense related to share-based compensation.

Non-Controlling Interests

For the three months ended March 31, 2025, the net income attributable to non-controlling interests of the Company's subsidiaries was $5.8 million, an increase of $3.7 million, when compared to the same period in 2024, primarily due to the higher IMAX box office earned in Greater China.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2025, the Company's principal sources of liquidity included: (i) its balances of cash and cash equivalents of $97.1 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 March 31, 2025, the Company had $250.0 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**"). (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 $97.1 million balance of cash and cash equivalents as of March 31, 2025 (December 31, 2024 — $100.6 million) includes $91.3 million in cash held outside of Canada (December 31, 2024 — $85.4 million), of which $53.9 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 three months ended March 31, 2025, no historical earnings from a subsidiary in PRC were distributed (2024 — $nil) and, as a result, no foreign withholding taxes were paid to the relevant tax authorities (2024 — $nil). As of March 31, 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.

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.

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; and (iii) restructuring and other charges, 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.

	Three Months Ended March 31,			
	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	**$ 2,327**	**$ 0.04**	$ 3,274	$ 0.06
Adjustments[1]:				
Share-based compensation	**5,212**	**0.10**	4,707	0.09
Unrealized investment gains	**(32)**	**–**	(30)	–
Restructuring and other charges	**57**	**–**	–	–
Tax impact on items listed above	**(386)**	**(0.01)**	(10)	–
Adjusted net income[1]	**$ 7,178**	**$ 0.13**	$ 7,941	$ 0.15
Weighted average shares outstanding — basic		**53,145**		52,501
Weighted average shares outstanding — diluted		**54,969**		53,406

(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:

(In thousands of U.S. Dollars)	**Three Months Ended March 31, 2025**
Reported net income	$ 8,150
Add (subtract):	
Income tax expense	7,285
Interest expense, net of interest income	769
Depreciation and amortization, including film asset amortization	14,913
Amortization of deferred financing costs[(1)]	492
EBITDA	31,609
Share-based and other non-cash compensation	5,275
Unrealized investment gains	(32)
Restructuring and other charges	57
Write-downs, including asset impairments and credit loss expense	66
Total Adjusted EBITDA	$ 36,975
Less: Non-controlling interest	(8,926)
Adjusted EBITDA per Credit Facility – attributable to common shareholders	$ 28,049

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

(In thousands of U.S. Dollars)		**Twelve Months Ended March 31, 2025**
Reported net income	$	35,432
Add (subtract):		
Income tax expense		7,122
Interest expense, net of interest income		3,787
Depreciation and amortization, including film asset amortization		65,252
Amortization of deferred financing costs[(1)]		1,969
EBITDA		113,562
Share-based and other non-cash compensation		23,700
Unrealized investment gains		(129)
Restructuring and other charges		3,806
Write-downs, including asset impairments and credit loss expense		2,921
Total Adjusted EBITDA	$	143,860
Less: Non-controlling interest		(19,183)
Adjusted EBITDA per Credit Facility – attributable to common shareholders	$	124,677

(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.

A reconciliation of Selling, General and Administrative Expenses, the most directly comparable GAAP measure presented in the Condensed Consolidated Statement of Operations in Part I, Item 1, to Adjusted Selling, General and Administrative Expenses is presented in the table below.

(In thousands of U.S. Dollars)		**Three Months Ended March 31, 2025**		**2024**
Total Selling, general and administrative expenses	**$**	**33,462**	$	31,257
Less: Share-based compensation		**(4,720)**		(4,337)
Total Adjusted Selling, general and administrative expenses	**$**	**28,742**	$	26,920

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 $5 million in 2024 as compared to the prior year's currency rates, and approximately $36 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 RMB381.4 million ($53.9 million) in cash and cash equivalents as of March 31, 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 months ended March 31, 2025, the Company recorded a foreign exchange net loss of $0.4 million, resulting from changes in exchange rates related to foreign currency denominated monetary assets and liabilities (2024 — net loss of $0.3 million).

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 March 31, 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 March 31, 2025 was $53.8 million (December 31, 2024 — $48.4 million). Losses of $0.7 million was recorded to Other Comprehensive Income with respect to the change in fair value of these contracts for the three months ended March 31, 2025, (2024 — losses of less than $0.1 million). Losses of $1.3 million were reclassified from Accumulated Other Comprehensive Income to Selling, General and Administrative Expenses for the three months ended March 31, 2025 (2024 — losses of $1.0 million). 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 March 31, 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 $178.9 million. Assuming a 10% appreciation or depreciation in foreign currency exchange rates from the quoted foreign currency exchange rates as of March 31, 2025, the potential change in the fair value of foreign currency-denominated financing receivables and working capital items would have been $17.9 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 March 31, 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 March 31, 2025, the Company had drawn down $50.0 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 11% and 8% of its total liabilities as of March 31, 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 March 31, 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 result in increased costs of goods, which may reduce our margins and/or require us to raise prices, decreasing customer demand for our products and/or fewer imported U.S. films. 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 2023, 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, 2023 (33,959,314 shares). This program expired on the date of the 2024 Annual General Meeting of IMAX China on June 7, 2024. During the 2024 Annual General Meeting of IMAX China, shareholders approved the repurchase of shares of IMAX China not to exceed 10% of the total number of shares as of June 7, 2024 (34,000,845 shares). This program will be valid until the 2025 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 March 31, 2025, IMAX China did not repurchase any 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.)

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

Hong Kong, 24 April 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.