

REFINITIV

# DELTA REPORT

## 10-K

IMAX - IMAX CORP

10-K - DECEMBER 31, 2022 COMPARED TO 10-K - DECEMBER 31, 2021

The following comparison report has been automatically generated

TOTAL DELTAS	8664
CHANGES	219
DELETIONS	3866
ADDITIONS	4579

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021 December 31, 2022

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file Number 001-35066

## IMAX Corporation

(Exact name of registrant as specified in its charter)

Canada

(State or other jurisdiction of  
incorporation or organization)2525 Speakman Drive,  
Mississauga, Ontario, Canada L5K 1B1  
(905)403-6500

98-0140269

(I.R.S. Employer  
Identification Number)902 Broadway, Floor 20  
New York, New York, USA 10010  
(212)821-0100

(Address of principal executive offices, zip code, telephone numbers)

## Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	IMAX	The New York Stock Exchange

## Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth Company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common shares of the registrant held by non-affiliates of the registrant, computed by reference to the last sale price of such shares as of the close of trading on June 30, 2021 June 30, 2022 was \$1,069.2 \$781.2 million.

As of January 31, 2022 January 31, 2023, there were 58,575,134 53,969,868 common shares of the registrant outstanding.

## Document Incorporated by Reference

Portions of the registrant's definitive Proxy Statement to be filed within 120 days of the close of IMAX Corporation's fiscal year ended December 31, 2021 December 31, 2022, with the Securities and Exchange Commission pursuant to Regulation 14A involving the election of directors and the annual meeting of the stockholders of the registrant (the "Proxy Statement") are incorporated by reference in Part III of this Form 10-K to the extent described therein.

**IMAX CORPORATION**  
December 31, **2021** **2022**  
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**IMAX CORPORATION**

**EXCHANGE RATE DATA**

Unless otherwise indicated, all dollar amounts in this document are expressed in United States ("U.S.") Dollars. The following table sets forth, for the periods indicated, certain exchange rates based on the noon buying rate in the City of New York for cable transfers in foreign currencies as certified for customs purposes by the Bank of Canada (the "Noon Buying Rate"). Such rates quoted are the number of U.S. Dollars per one Canadian Dollar and are the inverse of rates quoted by the Bank of Canada for Canadian Dollars per U.S. \$1.00. The average exchange rate is based on the average of the exchange rates on the last day of each month during such periods. The Noon Buying Rate on **December 31, 2021** **December 31, 2022** was U.S. **\$0.7888**, **\$0.7383**.

	Years Ended December 31,				
	2022	2021	2020	2019	2018
Exchange rate at end of period	0.7383	0.7888	0.7854	0.7699	0.7330
Average exchange rate during period	0.7685	0.7977	0.7455	0.7536	0.7718
High exchange rate during period	0.8031	0.8306	0.7863	0.7699	0.8138
Low exchange rate during period	0.7217	0.7727	0.6898	0.7353	0.7330

	Years Ended December 31,				
	2021	2020	2019	2018	2017
Exchange rate at end of period	0.7888	0.7854	0.7699	0.7330	0.7971
Average exchange rate during period	0.7977	0.7455	0.7536	0.7718	0.7712

High exchange rate during period	0.8306	0.7863	0.7699	0.8138	0.8245
Low exchange rate during period	0.7727	0.6898	0.7353	0.7330	0.7276

#### SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements included in this annual report may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, 1995 or "forward-looking information" within the meaning of Canadian securities laws. These forward-looking statements include, but are not limited to, references to business and technology strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of business, operations and technology, future capital expenditures (including the amount and nature thereof), industry prospects and consumer behavior, 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 related to the adverse impact of the COVID-19 pandemic; risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; Canada, as well as geopolitical conflicts, such as the conflict between Russia and Ukraine; risks related to the Company's growth and operations in China; the performance of IMAX DMR® films, films and other films released to the IMAX network; the signing of theater system IMAX System agreements; conditions, changes and developments in the commercial exhibition industry; risks related to currency fluctuations; the potential impact of increased competition in the markets within which the Company operates, including competitive actions by other companies; the failure to respond to change and advancements in digital technology; risks relating to consolidation among commercial exhibitors and studios; risks related to brand extensions and new business initiatives; conditions in the in-home and out-of-home entertainment industries; the opportunities (or lack thereof) that may be presented to and pursued by the Company; risks related to cyber-security and data privacy; risks related to the Company's inability to protect its intellectual property; risks related to climate change; risks related to weather conditions and natural disasters that may disrupt or harm the Company's business; risks related to the Company's indebtedness and compliance with its debt agreements; general economic, market or business conditions; risks related to political, economic and social instability, including with respect to the Russia-Ukraine conflict; the failure to convert theater system backlog into revenue; 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 Document Analysis and Retrieval (the "SEDAR"); and other factors, many of which are beyond the control of the Company. Consequently, all of the forward-looking statements made in this annual 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® Dome, IMAX® 3D, IMAX® 3D Dome, Experience It In IMAX®, The IMAX Experience®, DMR<sup>An</sup> IMAX Experience®, Filmed For IMAX<sup>An</sup> IMAX 3D Experience®, IMAX DMR®, DMR®Live™, IMAX Enhanced™, IMAX nXos® and Films to the Fullest SSIMWAVE® are trademarks and trade names of the Company or its subsidiaries that are registered or otherwise protected under laws of various jurisdictions.

## PART I

### Item 1. Business

The Company 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.

As of December 31, 2021 December 31, 2022, the Company indirectly owns 71.11% 71.73% 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.

#### GENERAL

IMAX is a premier global technology platform for entertainment and events. Through its proprietary software, theater architecture, patented intellectual property, and specialized equipment, IMAX offers a unique end-to-end solution to create superior, 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 and, increasingly, exclusive experiences ranging from live performances to interactive events with leading artists and creators.

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 ("IMAX DMR®") and the sale or lease of premium IMAX theater systems ("IMAX Theater Systems" System(s)).

IMAX Theater Systems are based on proprietary and patented image, audio and other technology developed over the course of the Company's history since its founding in 1968, 1967. The customers for IMAX Theater Systems are principally theater exhibitors that operate commercial multiplex theaters, and, to a much lesser extent, museums, science

centers and destination entertainment sites. The Company generally does not own the theaters locations in the IMAX network, and is not an exhibitor, but instead sells or leases the IMAX Theater System to the exhibitor customers along with a license to use its trademarks, trademarks and ongoing maintenance services.

As of December 31, 2021 December 31, 2022, there were 1,683 1,716 IMAX Theater Systems operating in 87 countries and territories, including 1,633 commercial multiplexes, 12 commercial destinations, and 71 institutional locations in the Company's global network. This compares to 1,683 IMAX Systems operating in 87 countries and territories as of December 31, 2021, including 1,599 commercial multiplexes, 12 commercial destinations, and 72 institutional locations. This compares to 1,650 IMAX Theater Systems operating locations in 84 countries and territories as of December 31, 2020 including 1,562 commercial multiplexes, 12 commercial destinations, and 76 institutional locations. the Company's global network. (See the table below under "Marketing and Customers" for additional information on the composition of the IMAX network.)

The IMAX Theater System provides the Company's exhibitor customers with a combination of the following benefits:

the ability to exhibit content that has undergone the IMAX DMR conversion 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 theater 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 a theater equipped with an IMAX System;

specialized theater acoustics, which result in a four-fold reduction in background noise;

ongoing maintenance and extended warranty services, and

a license to the globally recognized IMAX brand.

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- 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 theater 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 IMAX theater;
- specialized theater acoustics, which result in a four-fold reduction in background noise; and
- a license to the globally recognized IMAX brand.

In addition, certain movies shown in the IMAX theaters network are filmed using proprietary IMAX film cameras or IMAX certified digital cameras, which offer filmmakers customized guidance and a workflow process to provide further 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 theaters locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, with up to 67% more image.

Together, these components cause audiences in IMAX theaters locations to feel as if they are a part of the on-screen action, creating a more intense, immersive, and exciting experience than a traditional theater.

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 IMAX films over films exhibited in their other auditoriums. The premium pricing, combined with the higher attendance levels associated with IMAX films, generates incremental 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 has helped establish IMAX as a key premium distribution and marketing platform for Hollywood blockbuster films and foreign local language movie studios.

The Company concluded 2022 with the release of *Avatar: The Way of Water* on December 16, 2022 which became the Company's highest grossing release of 2022 by earning \$140.2 million of gross box office ("GBO") (or 11% market share) during the year ended December 31, 2022. This momentum has carried over into 2023 throughout the remainder of the film's theatrical run with its cumulative GBO of approximately \$250 million, cementing the title as the highest global first run IMAX release of all time, and the top performing IMAX release of all time in 48 countries to date.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX Live™ events and experiences to audiences worldwide. The Company has a footprint of connected IMAX Systems capable of delivering live, interactive content with low latency and superior sight and sound. As of December 31, 2022, 253 systems in the IMAX network across North America, Europe and Asia were configured with connectivity to deliver live and interactive events.

As a premier global technology platform for entertainment and events, the Company strives to remain at the forefront of advancements in cinema technology. The Company offers a suite of IMAX Laser Theater 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 Theater Systems are helping facilitate the next major renewal and upgrade cycle for the global IMAX network.

In addition, September 2022, the Company continues acquired SSIMWAVE Inc. ("SSIMWAVE"), a Canadian company, a leader in AI-driven video quality solutions for media and entertainment companies. The acquisition of SSIMWAVE marks a significant expansion of the Company's strategy to evolve deliver the highest quality images on any screen — to drive new, recurring revenue and grow its platform global leadership in entertainment technology. (See "SSIMWAVE" under "Sources of Revenue - All Other" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and Note 5 of Notes to bring new, innovative events and experiences Consolidated Financial Statements in Part II, Item 8 for additional information related to audiences worldwide. The Company has a connected IMAX theater footprint capable the Company's acquisition of delivering live, interactive content with low latency and superior sight and sound. As of December 31, 2021, 68 theaters in the IMAX network were configured to enable the streaming of live events with additional theaters expected to go-live throughout 2022, SSIMWAVE.)

## IMPACT OF COVID-19 PANDEMIC

The impact of the COVID-19 pandemic is complex and continuously evolving, resulting in significant disruption the measures to prevent its spread have impacted the Company's business and the global economy. At Capacity restrictions and safety protocols were lifted then reinstituted at various points during the pandemic, authorities around the world imposed measures intended to control the spread of COVID-19, including stay-at-home orders and restrictions on large public gatherings, which caused movie theaters in countries around the world to temporarily close, including the IMAX theaters in those countries. As a result of these theater closures, movie studios postponed the theatrical release of most films originally scheduled for release in 2020 and early 2021, including many of the films scheduled to be shown in IMAX theaters, while several other films were released directly or concurrently to streaming platforms. Beginning in since the third quarter of 2020, stay-at-home orders and capacity restrictions were lifted 2020. Although normal operations have resumed in many most key markets and movie theaters throughout the IMAX network, gradually reopened. However, the Company's business continues to experience impact from COVID-19. For example, following the emergence of the Omicron variant and the rise of COVID-19 cases in late 2021 and early China in the first quarter of 2022, some governments the Chinese government reinstituted capacity restrictions and safety protocols on large public gatherings leading and enforced a dynamic zero-COVID policy, which led to the temporary lock-down of various cities and temporary closure of theaters or in these cities. At the imposition end of capacity restrictions in certain markets. 2022, the Chinese government relaxed its dynamic zero-COVID policies and significantly eased restrictions. As of December 31, 2021 December 31, 2022, 95% approximately 97% of the theaters IMAX network in the global IMAX commercial multiplex network were Greater China was open at various capacities. For additional information regarding the impact of the COVID-19 pandemic on the Company's business, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Impact of COVID-19 Pandemic" and Note 2 of Notes to Consolidated Financial Statements in Part II, Item 8.

(See "Risk Factors – The Company has experienced a significant decrease in its revenues, earnings and cash flows due to the COVID-19 pandemic and its business, financial condition and results of operations may continue to be significantly harmed in future reporting periods" in Part I, Item 1A, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Impact of COVID-19 Pandemic" and Note 2 of Notes to Consolidated Financial Statements in Part II, Item 8. 1A.)

## IMAX NETWORK

The Company believes the IMAX network is one of the most extensive premium networks in the world with 1,683 1,716 IMAX Theater Systems operating in 87 countries and territories, including 1,599 1,633 commercial multiplexes, 12 commercial destinations and 72 71 institutional locations as of December 31, 2021 December 31, 2022. (See (See the table below under "IMAX Network and Backlog" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", for additional information on the composition of the IMAX network.)

The Company currently believes that over time its commercial multiplex network could grow to approximately 3,318 over 3,300 IMAX theaters Systems worldwide from the 1,599 operating 1,633 IMAX Systems in the network as of December 31, 2021 December 31, 2022. The Company believes that the majority of its future growth will come from international markets. As of December 31, 2021 December 31, 2022, 74% 75% of IMAX Theater Systems in operation the global commercial multiplex network were located within international markets (defined as all countries other than the United States and Canada), compared to 73% as of December 31, 2020. Accordingly, the box office results Revenues and revenues GBO derived from international markets continue to exceed those derived revenues and GBO from the United States and Canada.

For the year ended December 31, 2022, the Company's revenue generated from its Greater China operations represents 24% of consolidated revenue, compared to 44% in 2021 and 38% in 2020 due to the impact of restrictions resulting from the COVID-19 pandemic. As of December 31, 2022, the Company had 794 IMAX Systems operating in Greater China with an additional 204 systems in backlog. The Company's backlog in Greater China represents 45% of its total current backlog, including upgrades in system type. The Company has a partnership in China with Wanda Film ("Wanda"). As of December 31, 2022, through the Company's partnership with Wanda, there were 375 IMAX Systems operational in Greater China, of which 361 are under the parties' joint revenue sharing arrangements.

(See "Risk Factors – 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.

Greater China is the Company's largest market, measured by revenues, with approximately 44% and 38% of consolidated revenues generated from its Greater China operations in the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, the Company had 783 theaters operating in Greater China and an additional 215 theaters in backlog. The Company's backlog in Greater China represents 44% of its total current backlog, including upgrades in system type. The Company's largest single international partnership is in China with Wanda Film ("Wanda"). As of December 31, 2021, through the Company's partnership with Wanda, there are 369 IMAX Theater Systems operational in Greater China, of which 355 are under the parties' joint revenue sharing arrangement.

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

(See "Risk Factors – The Company has experienced a significant decrease in its revenues, earnings and cash flows due to the COVID-19 pandemic and its business, financial condition and results of operations may continue to be significantly harmed in future reporting periods" in Part I, Item 1A.)

## PRINCIPAL PRODUCTS AND SERVICES

The Company believes it is the world's largest designer and manufacturer of specialty premium projection and sound system components for large-format theaters around the world, and it is also a significant distributor of large-format films. IMAX Theater Systems include specialized IMAX projectors, advanced sound systems and specialty screens.

The Company's principal products and services are as follows:

- IMAX DMR – IMAX DMR – The digital remastering of films and other content into IMAX formats for distribution to the IMAX network.
- The digital remastering of films and other content into IMAX formats for distribution to the IMAX network.
- IMAX Systems – The sale or lease of premium IMAX Systems to exhibitor customers.
- IMAX Maintenance – The provision of preventative and emergency maintenance



services to the IMAX network.

- Film Distribution and Post-Production – The distribution of large-format documentary films, primarily to institutional theaters, and, increasingly, the distribution of exclusive experiences ranging from live performances to interactive events with leading artists and creators, as well as the provision of film post-production services.
- Other – Principally includes IMAX Enhanced<sup>®</sup>, an initiative to bring *The IMAX Experience* into the home, SSIMWAVE, a leader in AI-driven video quality solutions for media and entertainment companies, and after-market sales of IMAX System parts and 3D glasses.

- IMAX Theater Systems – The sale or lease of premium IMAX Theater Systems to exhibitor customers.
- IMAX Maintenance – The provision of preventative and emergency maintenance services to the IMAX network.
- Film Distribution and Post-Production – The distribution of large-format documentary films, primarily to institutional theaters, and, increasingly, the distribution of exclusive experiences ranging from live performances to interactive events with leading artists and creators, as well as the provision of film post-production services.

■ **New Business Initiatives and Other** – Activities principally related to the expansion of the IMAX brand across new lines of business and new initiatives that are in the development and/or start-up phases. Other activities include after-market sales of IMAX Theater System parts and 3D glasses.

These product lines do not fully reflect the nature and sources of revenue, or the manner in which management reviews financial information. The Company's segment information is provided in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 21<sup>22</sup> of Notes to Consolidated Financial Statements in Part II, Item 8.

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## IMAX DMR

IMAX DMR is a proprietary technology that digitally remasters films into IMAX formats. IMAX DMR digitally enhances the image resolution of films for projection on IMAX screens while maintaining or enhancing the visual clarity and sound quality to levels for which *The IMAX Experience* is known. In addition, the original soundtrack of a film to be exhibited in across the IMAX theaters network is remastered for IMAX digital sound systems. Unlike the soundtracks played in conventional theaters, IMAX remastered soundtracks are uncompressed and full fidelity. IMAX sound systems use proprietary loudspeaker systems and proprietary surround sound configurations that ensure every theater seat is in an optimal listening position.

The IMAX DMR process involves:

•in certain instances, scanning, at the highest possible resolution, each individual frame of the movie and converting it into a digital image;  
 instances,  
 scanning, at  
 the highest  
 possible  
 resolution,  
 each  
 individual  
 frame of the  
 movie and  
 converting it  
 into a digital  
 image;  
 •optimizing the  
 image using  
 proprietary  
 image  
 enhancement  
 tools;  
 •enhancing  
 the digital  
 image using  
 techniques  
 such as  
 sharpening,  
 color  
 correction,  
 grain and  
 noise  
 removal and  
 the  
 elimination of  
 unsteadiness  
 and removal  
 of unwanted  
 artifacts;  
 •recording the  
 enhanced  
 digital image  
 into an IMAX  
 digital cinema  
 package  
 ("DCP")  
 format or  
 onto IMAX  
 15/70-format  
 film; and  
 •specially  
 remastering  
 the  
 soundtrack to  
 take full  
 advantage of  
 the unique  
 sound system  
 of IMAX  
 Systems.

- 
- optimizing the image using proprietary image enhancement tools;
- enhancing the digital image using techniques such as sharpening, color correction, grain and noise removal and the elimination of unsteadiness and removal of unwanted artifacts;
- recording the enhanced digital image into an IMAX digital cinema package ("DCP") format or onto IMAX 15/70-format film; and
- specially remastering the soundtrack to take full advantage of the unique sound system of IMAX Theater Systems.

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 have sought IMAX-specific enhancements in recent years to generate interest in and excitement for their films. 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 theaters worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, with up to 67% more image. The Company has a Filmed For IMAX™ program under which filmmakers craft films from their inception in various ways in order to optimize The IMAX Experience and includes incremental and bespoke marketing support, which box office metrics demonstrate audiences respond extremely favorably to.

In 2021, 63 IMAX films were released to the Company's global theater network, including films such as Spider-Man: No Way Home, No Time to Die, Dune, F9, The Battle at Lake Changjin, Detective Chinatown 3, Godzilla vs. Kong, Shang-Chi and the Legend of the Ten Rings, The Eternals, and Black Widow. The films released in 2021 include 10 with IMAX DNA and 32 local language films released in China (21), Japan (9), Russia (1) and South Korea (1). In 2020, 31 IMAX films were released to the Company's global theater network, including five with IMAX DNA, and 17 local language films released in China (10), Russia (3), Japan (3), and South Korea (1). In 2019, 60 IMAX films were released to the Company's global theater network, including six with IMAX DNA, and 18 local language films released in China (14), Japan (1), South Korea (1), India (1) and Russia (1).

Management believes that growth in international box office remains an important driver of growth for the Company. To support continued growth in international markets, the Company is focused on the expansion of the IMAX network and has sought to bolster its international film strategy, supplementing its slate of Hollywood films with appealing local language IMAX films released in select markets, particularly in China, including China, Japan, India, and South Korea.

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The Company expects to announce additional local language IMAX following table provides detailed information about the films to be that were released to its the Company's global theater network in 2022, during the years ended December 31, 2022 and 2021:

	For the Years Ended December 31,	
	2022	2021
Hollywood film releases <sup>(1)</sup>	32	35
Local language film releases:		
China	15	21
Japan	8	9
South Korea	5	1
India	6	—
France	1	—
Russia	—	1
Indonesia	1	—
Total local language film releases	36	32
Total film releases <sup>(2)</sup>	68	67

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(1) Includes five re-released films for the year ended December 31, 2022 (2021 — four).

(2) For the year ended December 31, 2022, the films released to the Company's global network include 12 with IMAX DNA (2021 — ten).

To date, in 2022, eight 2023, nine titles have been released to the global IMAX theater network, including one released in connection with a live performance/interactive event, re-release, and the Company has announced the following 18 additional 29 titles to be released later in 2022: 2023:

Title	Studio	Scheduled Release Date <sup>(1)</sup>	IMAX DNA
The Batman	Warner Bros. Pictures	March 2022	None
Notre-Dame Brûle	Pathe	March 2022	Filmed in IMAX
Morbis	Sony Pictures	April 2022	None
Ambulance	Universal Pictures	April 2022	None
Fantastic Beasts: The Secrets of Dumbledore	Warner Bros. Pictures	April 2022	TBD
Doctor Strange In The Multiverse of Madness	Walt Disney Studios	May 2022	Filmed in IMAX
Top Gun: Maverick	Paramount Pictures	May 2022	Filmed in IMAX
Jurassic World: Dominion	Universal Pictures	June 2022	None
Lightyear	Walt Disney Studios	June 2022	Expanded Aspect Ratio

<i>Minions: The Rise Of Gru</i>	Universal Pictures	July 2022	None
<i>Thor: Love &amp; Thunder</i>	Walt Disney Studios	July 2022	Filmed in IMAX
<i>Nope</i>	Universal Pictures	July 2022	Filmed in IMAX
<i>Black Adam</i>	Warner Bros. Pictures	July 2022	TBD
<i>Spider-Man: Into the Spideverse Sequel</i>	Sony Pictures	October 2022	TBD
<i>The Flash</i>	Warner Bros. Pictures	November 2022	TBD
<i>Black Panther 2: Wakanda Forever</i>	Walt Disney Studios	November 2022	TBD
<i>Creed 3</i>	MGM	November 2022	Filmed in IMAX
<i>Avatar 2</i>	Walt Disney Studios	December 2022	TBD

(a) The scheduled release dates in the table above are subject to change, including as a result

#### IMAX DNA

<i>Creed III</i>	United Artists Releasing	March 2023	Filmed For IMAX
<i>Shazam!: Fury of the Gods</i>	Warner Bros. Pictures	March 2023	—
<i>Shin Kamen Rider</i>	Toho Studios	March 2023	—
<i>John Wick: Chapter 4</i>	Lionsgate	March 2023	—
<i>Dungeons &amp; Dragons: Honor Among Thieves</i>	Paramount Pictures	March 2023	—
<i>Bhola</i>	Reliance Entertainment	March 2023	—
<i>The Super Mario Bros. Movie</i>	Universal Pictures	April 2023	—
<i>The Three Musketeers: D'Artagnan</i>	Pathé	April 2023	—

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Flash	Warner Bros. Pictures	June 2023	—
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(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.

The Company remains in active negotiations with all major Hollywood studios for additional films to fill out its short short- and long-term film slate for the IMAX network. The Company also expects to announce additional local language films to be released to its global network throughout 2023.

IMAX Theater Systems

The Company's primary products are its various digital projection systems, which are either sold or leased to exhibitor customers along with a license for the use of the globally recognized IMAX brand. The Company's digital projection systems include a projector that offers superior image quality and stability and a digital theater control system; a digital audio system delivering up to 12,000 watts of sound; a screen with a proprietary coating technology, and, in certain situations, 3D glasses and cleaning equipment. IMAX's digital projection systems also operate without the need for analog film prints. The Company's digital projection systems provide a premium and differentiated experience to moviegoers

that is consistent with what they have come to expect from the IMAX brand, while providing exhibitor customers with the compelling economics and flexibility that digital technology affords.

As part of the arrangement to sell or lease an IMAX Theater System, the Company provides extensive advice on theater planning and design, and supervision of installation services. The terms of each sale or lease arrangement vary according to the configuration of the IMAX Theater System, as well as the cinema and film distribution markets relevant to the geographic location of the customer.

Revenue from the sale or lease of an IMAX Theater System may be recognized at a different time from when cash is collected from the exhibitor customer. (See “Critical Accounting Policies and Estimates” in Part II, Item 7 and Note 203(o) of Notes to Consolidated Financial Statements in Part II, Item 8 for further discussion on the Company’s revenue recognition policies.)

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The following table presents the number of IMAX Theater Systems that are open and in backlog, by configuration, as of December 31, 2021, December 31, 2022 and 2020: 2021:

	December 31, 2021			December 31, 2020		
	Theater			Theater		
	Network	New	Upgrade	Network	New	Upgrade
	Base	Backlog	Backlog	Base	Backlog	Backlog
IMAX Laser Theater Systems	271	158	92	226	157	97
IMAX Xenon Theater Systems	1,372	239	—	1,377	273	—
IMAX Film Theater Systems	40	—	—	47	—	—
Total	1,683	397	92	1,650	430	97

	December 31, 2022			December 31, 2021		
	System			System		
	Network	New	Upgrade	Network	New	Upgrade
	Base	Backlog	Backlog	Base	Backlog	Backlog
IMAX Laser Systems	349	200	89	271	158	92
IMAX Xenon Systems	1,330	161	—	1,372	239	—
IMAX Film Systems	37	—	—	40	—	—
Total	1,716	361	89	1,683	397	92

#### IMAX Laser Theater Systems

In 2014, the Company introduced its first laser-based digital projection system. Since then, the Company has continued research and development aimed at creating more affordable laser-based solutions with various screen sizes for its commercial multiplex customers. Beginning in late-2021, 2021, the Company began offering an additional laser-based theater system product to provide a broader array of customers with an opportunity to replace and upgrade IMAX Xenon Theater Systems. The Company believes that IMAX Laser Theater Systems present greater brightness and clarity, higher contrast, a wider color gamut and deeper blacks, consume less power and last longer than other digital projection technologies, and are capable of illuminating the largest screens in the IMAX network.

#### IMAX Xenon Theater Systems

In 2008, the Company introduced its digital IMAX Xenon Theater System. Prior to 2008, all of the IMAX Theater Systems offered by the Company were film-based and required analog film prints. The Company believes that IMAX Xenon Theater Systems deliver higher quality imagery when compared with IMAX Film Theater Systems.

#### IMAX Film Theater Systems

IMAX Film Theater Systems include various configurations, including 2D and 3D systems, and screen sizes. Following the introduction of the digital IMAX Xenon Theater System in 2008, the number of IMAX Film Theater Systems in the IMAX network has decreased significantly.

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The following table provides information about the Company’s theater system backlog as of December 31, 2021, December 31, 2022 and 2020: 2021:

December 31, 2022				December 31, 2021			
Number of		Dollar Value		Number of		Dollar Value	
Systems		(In thousands)		Systems		(In thousands)	
New	Upgrade	New	Upgrade	New	Upgrade	New	Upgrade

Sale and sales-type lease arrangements	149	13	\$ 165,176	\$ 14,362	163	10	\$ 190,280	\$ 11,532
Hybrid JRSA	116	4	86,215	3,235	126	6	91,704	4,785
Traditional JRSA	96 <sup>(1)</sup>	72 <sup>(1)</sup>	200 <sup>(2)</sup>	2,900 <sup>(2)</sup>	108 <sup>(1)</sup>	76 <sup>(1)</sup>	200 <sup>(2)</sup>	5,500 <sup>(2)</sup>
	<u>361 <sup>(3)</sup></u>	<u>89 <sup>(3)</sup></u>	<u>\$ 251,591 <sup>(3)</sup></u>	<u>\$ 20,497 <sup>(3)</sup></u>	<u>397</u>	<u>92</u>	<u>\$ 282,184</u>	<u>\$ 21,817</u>

	December 31, 2021				December 31, 2020			
	Number of		Dollar Value		Number of		Dollar Value	
	Systems		(in thousands)		Systems		(in thousands)	
	New	Upgrade	New	Upgrade	New	Upgrade	New	Upgrade
Sales and sales-type lease arrangements	163	10	\$190,280	\$11,532	175	10	\$200,296	\$13,135
Hybrid joint revenue sharing arrangements	126	6	91,704	4,785	140	7	99,911	5,560
Traditional joint revenue								

(1) Includes 38 IMAX Systems (2021 — 44) where the customer has

sharing								
arrangements	108 (1)	76 (1)	200 (2)	5,500 (2)	115 (1)	80 (1)	200 (2)	5,500 (2)
	397	92	\$282,184	\$21,817	430	97	\$300,407	\$24,195

(3) As of December 31, 2022, the Company's backlog includes 14 systems in Russia, one system in Ukraine, and five systems in Belarus with a total fixed contracted value of \$ million.

The number of IMAX Theater Systems in backlog reflects the minimum number of commitments under signed contracts. The dollar value fluctuates depending on the number of new arrangements signed from year-to-year, which adds to backlog, and the installation and acceptance of IMAX Theater Systems and the settlement of contracts, both of which reduce backlog. The dollar value of backlog typically represents the fixed contracted revenue under signed IMAX Theater System sale and lease agreements that the Company expects to recognize as revenue upon installation and acceptance of the associated system, as well as an estimate of variable consideration in sales arrangements. The value of backlog does not include amounts allocated to maintenance and extended warranty revenues or revenue from theaters IMAX Systems in which the Company has an equity interest, operating leases, and long-term conditional theater commitments. The Company believes that the contractual obligations for IMAX Theater System installations that are listed in the backlog are valid and binding commitments.

From time to time, in the normal course of its business, the Company will have customers who are unable to proceed with an IMAX Theater System installation for a variety of reasons, including the inability to obtain certain consents, approvals or financing. Once the determination is made that the customer will not proceed with installation, the agreement with the customer is terminated or amended. If the agreement is terminated, once the Company and the customer are released from all their future obligations under the agreement, all or a portion of the initial rents or fees that the customer previously made to the Company are recognized as revenue. (See "Risk Factors – The Company may not convert all of its backlog into revenue and cash flows." in Part I, Item 1A.)

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

#### IMAX Maintenance

IMAX Theater System arrangements also include a requirement for the Company to provide maintenance services over the life of the arrangement in exchange for an extended warranty and annual maintenance fee paid by the theater owner or operator, exhibitor. Under these arrangements, the Company provides preventative and emergency maintenance services to ensure that each presentation is up to the highest IMAX quality standard. Annual maintenance fees are paid throughout the duration of the term of the theater system agreements. (See "Maintenance and Extended Warranty Services" below.)

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#### Other Products and Services

##### Film Distribution and Post-Production

Through its Film Distribution segment, the The Company distributes large-format documentary films, primarily to institutional theaters. The Company receives as its distribution fee either a fixed amount or a fixed percentage of the theater box office receipts and, following the recoupment of its costs, is typically entitled to receive an additional percentage of gross revenues as participation revenues. In March 2022, the Company released the IMAX documentary film entitled IMAX presents The Last Glaciers.

The ownership rights to the such films distributed by the Company may be held by the film's film sponsors, third-party the film investors and/or the Company. As of December 31, 2021 December 31, 2022, the Company has distribution rights with respect to 53 55 films, which cover subjects such as space, wildlife, music, sports, history and natural wonders.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX Live events and experiences to audiences worldwide. The As of December 31, 2022, the Company has a footprint of 253 connected locations in the IMAX theater footprint capable of delivering network across the United States, Canada, and Europe configured with connectivity to deliver live, interactive content with low latency and superior sight and sound. As of December 31, 2021, 68 theaters in the IMAX network were configured to enable the streaming of live events with additional theaters expected to go-live throughout 2022.

In the fourth quarter of 2021, the Company distributed a Kanye West and Drake concert to 35 IMAX theaters across the United States and Canada through a partnership with Amazon Music. In the fourth quarter of 2021, the Company also held special screenings of Joel Coen's The Tragedy of Macbeth, including a live Q&A with Mr. Coen and actress Frances McDormand streamed from the IMAX theater in Lincoln Square, New York, and West Side Story, featuring a live Q&A with director Steven Spielberg and his cast, which was streamed from the IMAX theater of Century City, California. Also, in the first quarter of 2022, the Company partnered with Disney to hold a special screening of The Beatles: Get Back – The Rooftop Concert, featuring for a live Q&A with director and producer Peter Jackson, streaming to 68 followed by a special screening of The Beatles: Get Back – The Rooftop Concert, which was later released across the IMAX theaters worldwide. global network. Additionally, the Company presented Brandi Carlile: In The Canyon Haze - Live from Laurel Canyon, a one-night-only live concert performing her new deluxe album In The Canyon Haze for the very first time, in connected locations across the United States, among various other live events and special screenings presented throughout 2022.

The Company continues to believe that the IMAX network serves as a valuable platform to launch and distribute original content.

Through its Film Post-Production segment, the The Company also provides film post-production and quality control services for large-format films, whether produced by IMAX or third parties, and digital post-production services.

## New Business Initiatives

The New Business Initiatives segment includes activities related to the expansion of the IMAX brand across new lines of business and initiatives, which seek to leverage the Company's proprietary, innovative technologies, its leadership position in the entertainment technology space, its unique relationship with content creators, and its brand. Enhanced

In September 2018, the Company launched IMAX Enhanced™, a new initiative, to bring The IMAX Experience into the home, in partnership with audio leader DTS (an Xperi subsidiary), to bring The IMAX Experience into the home. IMAX Enhanced provides end-to-end premium technology across streaming content and best-in-class entertainment devices, offering consumers high-fidelity playback of image and sound in the home and beyond, including the following features:

- IMAX's expanded aspect ratio, which is available on select titles and streaming platforms, including Disney+ and features the full scale and scope of The IMAX Experience as the filmmakers intended;

- IMAX's proprietary remastering technology, which produces more vivid, higher fidelity 4K HDR images on premium televisions; and

- IMAX Signature Sound, which is specially recreated and calibrated for the home by DTS to unlock more immersive audio.

To •

- IMAX's proprietary remastering technology, which produces a more vivid, higher-fidelity 4K HDR images on today's best televisions; and

- IMAX signature sound, which is specially recreated and calibrated for the home by DTS to unlock more immersive audio.

To be certified as IMAX Enhanced, leading consumer electronics manufacturers spanning 4K/8K televisions, projectors, A/V receivers, loudspeakers, soundbars, smartphones, personal computers, tablets, and smartphones more must meet a carefully prescribed set of audiovisual performance standards, set by a certification committee of IMAX and DTS engineers, along with some of Hollywood's Hollywood's leading technical specialists.

At present, certified global device partners include Sony Electronics, Hisense, TCL, LG, Phillips, Hewlett Packard, Xiaomi, Sound United and Honor, among others. More As of December 31, 2022, more than 150 250 IMAX Enhanced titles are now available have been released across six five of the biggest streaming platforms worldwide.

including worldwide: Disney+, Sony Bravia CORE, Tencent Video, iQiyi, Tsutaya TV and Rakuten TV. Over 10 million IMAX Enhanced certified devices are estimated to be in the market today.

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The Company's collaboration with Disney, which was announced in November 2021, allows fans to stream 14 Marvel and 18 Disney titles in IMAX's Expanded Aspect Ratio at home on Disney+. The 14 titles available on Disney+ include, including *Doctor Strange in the Multiverse of Madness*, *Shang-Chi and The Legend of The Ten Rings*, and *Eternals*, as well as *Iron Man*, *Guardians of the Galaxy*, *Guardians of the Galaxy Vol. 2*, *Captain America: Civil War*, *Doctor Strange*, *Thor: Ragnarok*, *Black Panther*, *Avengers: Infinity War*, *Ant-Man and The Wasp*, *Captain Marvel*, *Avengers: Endgame*, and *Black Widow*, *Lightyear*, *Thor: Love and Thunder*, and *Black Panther: Wakanda Forever* (content availability varies by region). The launch of IMAX Enhanced on Disney+ served as a focal point of Disney's "Disney+ Day" two-year anniversary event, earning significant positive media coverage and providing strong brand exposure for IMAX by expanding the Company's in-home entertainment footprint to more than 80 million Disney+ and the majority of its 160 million global subscribers.

In 2023, IMAX Enhanced and the collaboration is expected to enable an elevated end-to-end experience on Disney+, with Disney IMAX Signature Sound coming to subscribers with IMAX Enhanced certified devices.

IMAX Enhanced is part of the Company's next evolutionary step to grow beyond Hollywood blockbusters and extend the IMAX brand and technology further into new use cases, including streaming entertainment and the streaming environment consumer electronics market.

#### Other SSIMWAVE

In September 2022, the Company acquired SSIMWAVE, a leader in AI-driven video quality solutions for media and entertainment companies. The acquisition of SSIMWAVE marks a significant expansion of the Company's strategy to deliver the highest quality video images on any screen — to drive new, recurring revenue and grow its global leadership in entertainment technology.

SSIMWAVE's engineering team has mapped the human visual system to produce one of the most accurate measures of perceptual quality, which its AI-driven software applies to enhance video streams and files in real time.

Through this patented, two-time Emmy<sup>(R)</sup> Award winning technology, Ontario-based SSIMWAVE enables streaming and broadcast providers to deliver the best possible image on any device for on-demand and live video. Some of the world's top streaming media companies currently partner with SSIMWAVE to optimize video, including Disney, Paramount Global, and Warner Bros. Discovery.

With the explosion in video consumption across platforms, the need for video optimization continues to grow as consumers demand higher resolution including 4K, 8K and new, interactive experiences across gaming, virtual reality ("VR"), augmented reality ("AR"), and the metaverse. Additionally, leading filmmakers and creators increasingly demand solutions to ensure the fidelity and quality of their work on any screen. In the near term, the focus will be to further grow its business and product suite, including international expansion. In the longer-term, IMAX's technology and post-production teams will work with SSIMWAVE's engineering team to develop new solutions for delivering IMAX-quality image experiences across platforms, around the world.

(See "SSIMWAVE" under "Sources of Revenue - All Other" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and Note 5 of Notes to Consolidated Financial Statements in Part II, Item 8 for additional information related to the Company's acquisition of SSIMWAVE.)

#### Other

The Company derives a small portion of its revenues from other sources including after-market sales of IMAX System parts and 3D glasses, one owned and operated IMAX theater in Sacramento, California; a commercial arrangement with one theater resulting in the sharing of profits and losses; the provision of management services to three other theaters; renting its the Company's proprietary 2D and 3D large-format film and digital cameras to third-party production companies; film; and also offering production advice and technical assistance to both documentary and Hollywood filmmakers. In addition, the Company also provides IMAX film and digital cameras to content creators under the IMAX certified camera program.

#### MARKETING AND CUSTOMERS

The Company markets IMAX Theater Systems through a direct sales force and marketing staff located in offices in Canada, the United States, Greater China, Europe, and Asia. In addition, the Company has agreements with consultants, business brokers and real estate professionals to locate potential customers and theater system sites for the Company on a commission basis.

Commercial multiplex theaters systems are the largest part of the IMAX network, comprising 1,599,163 IMAX theaters, Systems, or 95%, of the 1,683,171 IMAX theaters Systems in the IMAX network as of December 31, 2021 and December 31, 2022. The Company's institutional customers include science and natural history museums, zoos, aquaria, and other educational and cultural centers. The Company also sells or leases IMAX Theater Systems to commercial destinations such as theme parks, private home theaters, tourist destination sites, fairs and expositions. As of December 31, 2021 and December 31, 2022, approximately 74% of all open IMAX theaters Systems were in locations outside of the United States and Canada.

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The following table provides detailed information about the IMAX network by theater system type and geographic location as of December 31, 2021, December 31, 2022 and 2020, 2021:

	December 31, 2022				December 31, 2021			
	Commercial	Commercial	Institutional	Total	Commercial	Commercial	Institutional	Total
	Multiplex	Destination			Multiplex	Destination		
United States	364	4	25	393	363	4	27	394
Canada	40	1	7	48	39	1	7	47
Greater China <sup>(1)</sup>	778	—	16	794	768	—	15	783
Asia (excluding Greater China)	138	2	2	142	122	2	2	126
Western Europe	118	4	8	130	116	4	8	128
Russia/the CIS & Ukraine <sup>(2)</sup>	69	—	—	69	70	—	—	70
Latin America <sup>(3)</sup>	55	1	11	67	51	1	11	63
Rest of the World	71	—	2	73	70	—	2	72
Total <sup>(4)</sup>	1,633	12	71	1,716	1,599	12	72	1,683

	December 31, 2021				December 31, 2020				(1) Greater China includes China, Hong Kong, Taiwan, and Macau.
	Commercial		Institutional	Total	Commercial		Institutional	Total	
	Multiplex	Destination			Multiplex	Destination			
United States	363	4	27	394	367	4	30	401	
Canada	39	1	7	47	39	1	7	47	
Greater China(1)	768	—	15	783	729	—	16	745	
Western Europe	116	4	8	128	115	4	8	127	
Asia (excluding Greater China)	122	2	2	126	123	2	2	127	
Russia & the CIS	70	—	—	70	68	—	—	68	
Latin America(2)	51	1	11	63	51	1	11	63	
Rest of the World	70	—	2	72	70	—	2	72	
Total(3)	1,599	12	72	1,683	1,562	12	76	1,650	

(2) In addition to Russia, the CIS includes Azerbaijan, Belarus, Kazakhstan, and Kyrgyzstan. Commencing in March 2022, in response to the ongoing conflict between Russia and Ukraine and resulting sanctions, the Company suspended its operations in Russia and Belarus. As of December 31, 2022, the IMAX network includes 54 systems in Russia, 1 system in Ukraine, and one system in Belarus.

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

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

(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 theaters.

(For information on revenue breakdown by geographic area, see Note 21, 22 of Notes to Consolidated Financial Statements in Part II, Item 8. See "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" prospects.", and "Risk Factors – The Company faces risks in connection with its significant presence in China and the continued expansion of its business there" there.", "Risk Factors – Consolidation among commercial exhibitors and studios reduces the breadth of the Company's customer base, and could result in a narrower market for the Company's products and reduced negotiating leverage. A deterioration in the Company's relationship with key partners could materially and adversely affect the Company's business, financial condition or results of operation. In addition, an adverse economic impact on a significant customer's business operations could have a corresponding material adverse effect on the Company. In Item 1A. The Company has a partnership in China with Wanda. As of December 31, 2022, Wanda represents 23% of the Company's commercial network, 4% of the Company's backlog and 7% of its revenues. As of December 31, 2021, the Company's largest customer, Wanda is based in China and represents represented 22% of the Company's commercial network, of theaters, 4% of the Company's theater system backlog and 10% of its revenues. As of December 31, 2020, Wanda and AMC, which was then controlled by Wanda, represented 35% of the Company's network of theaters, 19% of the Company's theater backlog and 16% of its revenue. Wanda sold its controlling interest in AMC in 2021.)

## INDUSTRY OVERVIEW

### Competition

The out-of-home entertainment industry is very competitive, diverse with numerous companies vying for the public's leisure time and the Company faces significant competition as a number of competitive challenges. For instance, consequence. Within the theatrical space, exhibitors and entertainment technology companies have introduced their own branded, large-screen 3D auditoriums or other proprietary theater systems, some of which include laser-based projectors, and in many cases, have marketed those auditoriums or theater systems as having similar quality or attributes to an IMAX Theater System. The Company believes that all of these alternative formats deliver images and experiences that are inferior to *The IMAX Experience*, and do not have IMAX's brand trust, filmmaker endorsement, loyal fan base, or global footprint.

The Company may continue to face competition in the future from companies in the entertainment industry with new technologies and/or substantially greater capital resources to develop and support them. The Company also faces in-home competition from a number of alternative motion picture film distribution channels such as subscription streaming services, transactional video-on-demand (both rentals and sales), advertiser-supported video-on-demand, pay-per-view, internet, and broadcast and cable television. During the COVID-19 pandemic, when theaters were closed in many global markets, certain movie studios released several high-profile films directly or concurrently to streaming platforms rather than exclusively to theaters within the traditional theatrical release window. While there can be no assurances whether or when this practice will end once the effects of the COVID-19 pandemic fully recede, several Hollywood studios have recently reiterated their commitment to maintaining exclusive theatrical release windows. The Company further competes for the public's leisure time and disposable income with other forms of entertainment, including gaming, sporting events, concerts, live theater, social media and restaurants. Furthermore, the Company may continue to face competition in the future from companies in the entertainment industry with new technologies and/or greater capital resources to develop and support them.

The Company believes that its competitive strengths include the value of the IMAX brand name, the premium IMAX consumer experience, the design, quality and historic reliability rate of IMAX Theater Systems (including the quality of the sound system components included with an IMAX Theater System), the return on investment of an IMAX Theater System for exhibitors, the number and quality of IMAX films that it distributes, the relationships the Company maintains with prominent Hollywood and international filmmakers and other content creators (a number of whom desire to film their movies and events with IMAX cameras), the availability of Hollywood and international event films to the IMAX theaters network through IMAX DMR technology, the availability of unique and innovative events and experiences such as distributed concerts, special theatrical screenings, and live Q&A sessions with top content creators, consumer loyalty and the level of the Company's service and maintenance and extended warranty efforts. The Company believes that its most recent laser-based projection systems further increase the technological superiority of the consumer experience it delivers. As a result, the Company believes that virtually all of the best performing premium theaters in the world are IMAX theaters.

### Exhibitor Consolidation

The Company's primary customers are commercial multiplex exhibitors. The Since 2016, the commercial exhibition industry has undergone significant consolidation, including AMC Entertainment Holdings Inc.'s ("AMC") acquisition of Carmike Cinemas and Odeon & UCI Cinemas Group ("Odeon"), which includes Nordic Cinema Group ("Nordic"), in 2016. In recent years, the commercial exhibition industry has continued to consolidate, as evidenced by and Cineworld Group's Group plc's ("Cineworld") acquisition of Regal Entertainment Group ("Regal") in 2018.

The Company believes that the consolidation of the commercial exhibition industry has helped facilitate the growth of the IMAX network. The Company has historically enjoyed strong relationships with large commercial exhibitor chains, which have greater capital to purchase, lease or otherwise acquire IMAX Theater Systems. As larger commercial chains such as AMC and Cineworld have purchased smaller chains, those smaller chains have in turn become part of the IMAX network. For instance, following AMC's acquisition of Odeon and Nordic, the Company and AMC entered into an agreement for 25 new IMAX Theater Systems across the Odeon and Nordic network. The Company believes that continued consolidation could facilitate further signings and other strategic benefits going forward.

However, exhibitor consolidation has also resulted in individual exhibitor chains constituting a material portion of the Company's revenue and network. Continued industry consolidation, as well as consolidation in the movie studio industry, may present risks to the Company. (See "Risk Factors – Consolidation among commercial exhibitors and studios reduces the breadth of the Company's customer base, and could result in a narrower market for the Company's products and reduced negotiating leverage. A deterioration in the Company's relationship with key partners could materially and adversely affect the Company's business, financial condition or results of operation. In addition, an adverse economic impact on a significant customer's business operations could have a corresponding material adverse effect on the Company." in Part I, Item 1A.)

On September 7, 2022, Cineworld, the parent company of Regal, and certain of its subsidiaries and Regal CineMedia Holdings, LLC, filed petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the Southern District of Texas. On October 21, 2022, the Company was ratified by the bankruptcy court as a critical vendor of Cineworld, allowing the Company to collect pre-petition amounts owed to it by Cineworld, and requiring Cineworld to stay current on the Company's post-petition receivables. On November 8, 2022, Cineworld and the Company entered into a Trade Agreement setting forth a payment plan for amounts owed by Cineworld to the Company. The Company has determined that no additional provision for expected credit losses is required. The Company also does not expect to see a material impact on its IMAX network with Cineworld resulting from this reorganization. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 for additional information.)



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## THE IMAX BRAND

IMAX is a premier global technology platform for entertainment and events. The Company relies on its brand to communicate its leadership and singular goal of creating entertainment experiences that exceed all expectations. Top filmmakers, studios, and other content creators use the IMAX brand to message that a film will connect with audiences in unique and extraordinary ways. In 2020, IMAX launched the "Filmed in IMAX" program, a partnership with the world's leading camera manufacturers under which filmmakers craft films from their inception in various ways in order to meet filmmaker demand for optimized IMAX Experience. Through the program, which box office metrics demonstrate audiences respond extremely favorably to, IMAX will certify high-end, best-in-class digital cameras with leading brands including ARRI, Panavision, RED Digital Cinema and Sony to work in the IMAX format. These cameras are used by filmmakers and studios to capture content at a high bit rate file format when which is then paired with the Company's proprietary post-production process. The Filmed in IMAX program includes incremental and bespoke marketing support to drive higher market share results.

The IMAX brand is a promise to deliver what today's movie audiences crave — a memorable, more emotionally engaging, more thrilling and shareable experience. From 2015 to 2019, the Company commissioned leading third-party research firms to conduct multiple consumer research studies in eleven countries. The studies show that the IMAX brand has near universal awareness, creates a special experience for the audience, and is one of the most differentiated movie-going brands. On a standardized measure of brand equity, the IMAX brand ranged from two to 10 times more powerful than other entertainment technology brands. The Company believes that its strong brand equity supports consumers' predisposition to choose IMAX over competing brands and to pay a premium for The IMAX Experience now and into the future.

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## RESEARCH AND DEVELOPMENT

The Company believes that it is a premier global technology platform for entertainment and events with significant proprietary expertise in digital and film-based projection and sound system component design, engineering, and imaging technology, particularly in laser-based technology. The Company rolled out its flagship laser-based projection system at the end of 2014, which is capable of illuminating the largest screens in the Company's network. This laser-based projection system provides greater brightness and clarity, higher contrast, a wider color gamut and deeper blacks, while consuming less power and lasting longer than existing digital technology, to ensure that the Company continues to provide the highest quality, premier movie going experience available to consumers. Since then, the Company has continued research and development aimed at creating more affordable laser-based solutions with various screen sizes for its commercial multiplex customers. Beginning in late 2021, the Company began offering an additional laser-based theater system product to provide a broader array of customers with an opportunity to replace and upgrade IMAX Xenon Theater Systems.

The Company intends to continue research and development to further evolve its end-to-end technology. This includes bringing connectivity to the Company's global theater network and experimenting with live and interactive events worldwide; developing new IMAX film cameras and certifying additional digital cameras; further improving its proprietary DMR process for the delivery of content for both theatrical and home entertainment; and further improving the reliability of its projectors, as well as enhancing the Company's image and sound quality. With the acquisition of SSIMWAVE, there is ongoing research and development in perceptual metrics including novel measurement and optimization techniques. Teams are working to expand existing and/or develop new technologies which are expected to further enhance video quality, delivery, and creation across devices.

As of December 31, 2021, 3466 of the Company's employees were connected with research and development projects, including SSIMWAVE employees, as compared to 4534 employees as of December 31, 2020.

## MANUFACTURING AND SERVICE

### Projector Component Manufacturing

The Company assembles IMAX Theater System projectors at its facility in Mississauga, Ontario, Canada (near Toronto). With a few exceptions, the Company develops and designs all of the key elements of the proprietary technology involved in this component. Fabrication of a majority of parts and sub-assemblies is subcontracted to a group of carefully pre-qualified third-party suppliers. Manufacture and supply contracts are signed for the delivery of the component on an order-by-order basis. The Company believes its significant suppliers will continue to supply quality products in quantities sufficient to satisfy its needs. The Company inspects all parts and sub-assemblies, completes the final assembly, and then subjects the projector to comprehensive testing individually and as a system prior to shipment. Historically, these projectors, including both IMAX Laser Theater Systems and IMAX Xenon Theater Systems, have had reliability rates based on scheduled shows of approximately 99%.

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### Sound System Component Manufacturing

The Company develops, designs, and assembles the key elements of the theater sound system component. The standard IMAX theater sound system component consists of parts from a variety of sources, with approximately 50% of the materials of each sound system attributable to proprietary parts provided under original equipment manufacturers agreements with outside vendors. These proprietary parts include custom loudspeaker enclosures and horns, specialized amplifiers, and signal processing and control equipment. The Company inspects all parts and sub-assemblies, completes the final assembly and then subjects the sound system to comprehensive testing as a system.

### Screen and Other Components

The Company purchases its screen component components and glasses cleaning equipment from third parties. The standard screen system component consists of a projection screen manufactured to IMAX specifications and a frame to hang the projection screen. The proprietary glasses cleaning machine is a stand-alone unit that is connected to the theater's water and electrical supply to automate the cleaning of 3D glasses.

#### **Maintenance and Extended Warranty Services**

The Company provides ongoing maintenance and extended warranty services to IMAX Theater Systems. These arrangements are usually for a separate fee, although the Company sometimes includes free service in the initial year of an arrangement. The maintenance and extended warranty arrangements include service, maintenance and replacement parts for IMAX Theater Systems.

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To support the IMAX network, the Company has personnel stationed in major markets throughout the world who provide periodic and emergency maintenance and extended warranty services on existing IMAX Theater Systems. The Company provides various levels of maintenance and warranty services, which are priced accordingly. Under full-service programs, Company personnel typically visit each theater every six to twelve months to provide preventative maintenance, cleaning and inspection services and emergency visits to resolve problems and issues with the theater system. Under some arrangements, customers can elect to participate in a service partnership program whereby the Company trains a customer's technician to carry out certain aspects of maintenance. Under such shared maintenance arrangements, the Company participates in certain of the customer's maintenance checks each year, provides a specified number of emergency visits and provides spare parts, as necessary. For both IMAX Laser Theater Systems and IMAX Xenon Theater Systems, the Company provides pre-emptive maintenance, remote system monitoring and a network operations center that provides continuous access to product experts.

#### **PATENTS AND TRADEMARKS**

The Company's inventions cover various aspects of its proprietary technology and many of these inventions are protected by Letters of Patent or applications filed throughout the world, most significantly in the United States, Canada, China, Belgium, Japan, France, Germany, and the United Kingdom. The subject matter covered by these patents and applications includes theater design and geometry, audio and display technology, mechanisms employed in projectors and projection equipment (including 3D projection equipment), stereoscopic (3D) imaging, digitally re-mastering 35mm films into large-format, dynamic range and contrast of projectors, seaming or superimposing images from multiple projectors, and other inventions relating to imaging technology, digital projectors, laser projection, and laser projection. video quality assessment. Included in the Company's patent portfolio are more than 40 patent patents and patent families acquired from The Eastman Kodak Company covering laser projection technology. In addition, the Company acquired more than 15 patent families in connection with the acquisition of SSIMWAVE in September 2022. The Company has been and will continue to be diligent in the protection of its proprietary interests.

As of December 31, 2021 December 31, 2022, the Company holds 107 115 patents, has 9 17 patents pending in the United States and has corresponding patents or filed applications in many countries throughout the world. While the Company considers its patents to be important to the overall conduct of its business, it does not consider any particular patent essential to its operations. Certain of the Company's patents for improvements to the IMAX projection system components expire between 2022 2023 and 2038.

The Company owns or otherwise has rights to trademarks and trade names used in conjunction with the sale of its products, systems and services. The following trademarks are considered significant in terms of the current and contemplated operations of the Company: IMAX®, IMAX® Dome, IMAX® 3D, IMAX® 3D Dome, Experience It In IMAX®, The IMAX Experience®, An IMAX Experience®, An DMR®, Filmed For IMAX® 3D Experience™, IMAX DMR®, DMR®Live™, IMAX nXosEnhanced®, and Films to the FullestSSIMWAVE®. These trademarks are widely protected by registration or common law throughout the world.

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#### **HUMAN CAPITAL**

The Company believes that effective human capital management is critical to its success. The Company's human capital management objectives are 1) attracting, engaging, and retaining exceptional talent who are passionate about IMAX's business; and 2) fostering a globally work environment that unites diverse brand with the teams around our mission to connect the world through extraordinary experiences that inspire us to reimagine what's possible together. The Company has

To achieve these objectives, the power Company's people and culture strategy focuses on creating a compelling employee brand which inspires top talent to inspire, ignite join the Company; engaging its employee base to maximize overall performance and involve enhance retention; offering a competitive total rewards program (the "Total Rewards Program"); developing and refining a diversity, equity, and inclusion ("DE&I") plan that is unique to its teams, customers business; and partners across the 1,683 IMAX Theater Systems in continuing its network to transcend the ordinary. However, focus on employee safety.

As of December 31, 2022, the Company understands that these experiences are only made possible through its employees' diverse range employed 779 people, of unique abilities which approximately 286 were employed in the U.S. and perspectives approximately 493 were employed outside of the U.S. The global workforce consists of approximately 96% full-time and its ability 4% part-time employees.

Some of the recent initiatives to attract, retain, and engage a talented, inclusive and respected workforce, achieve the Company's human capital management objectives include the following:

#### **Recruiting Talent**

The Company believes that developing a workforce of individuals from diverse backgrounds with varying perspectives, experiences, and skills is committed to acquiring talent essential in meeting the demands of its industry and developing internal talent to create a high-performing, diverse workforce. In order to achieve this objective, 2022, the Company offers competitive pay programs focused on defining key elements of our employee value proposition and benefits incorporating them into a new and consistent approach to its people globally. Please see "—Total Rewards" below employee onboarding. Additionally, the Company facilitated DE&I training for additional information regarding hiring managers to ensure the Company's compensation practices, Company's interview and hiring processes are fair and equitable. The Company supports also expanded its outreach efforts to various multicultural job boards and develops associations and built stronger partnerships with regional unemployment agencies, universities and colleges, and IMAX alumni to diversify its sources of potential candidates.

### Engaging Employees

In 2022, the Company engaged its leaders through a series of meetings and activities to build a workforce plan strategy.

As part of this initiative, the Company continued to support and develop its employees and their skillsets through a variety of training and development programs that build and strengthen leadership and professional skills, including an education reimbursement program, career development planning, and in-house learning opportunities that support its people as they grow in their careers. In addition, to promote a safe and inclusive environment for its employees, the Company provides specific annual compliance and trainings on cultivating respect in the workplace and harassment prevention.

The Company obtains and reviews employee feedback to monitor employee satisfaction and engagement, the Company conducts employee engagement surveys. The last employee engagement survey was conducted in 2021, and the Company expects to conduct an employee engagement survey in 2023.

Additionally, to foster greater connection to our mission, employee engagement, collaboration, and a positive work culture, the Company welcomed employees back to the office on an annual a regular basis. While providing employees the flexibility they need to balance their personal and professional responsibilities and generous paid time off benefits, this policy has enabled our workforce to quickly return to a sense of normalcy post-pandemic while furthering the Company's objective of increasing employee collaboration.

### Total Rewards

The most recent employee survey resulted in the participation of over 81% Company takes a holistic view of the global workforce, Total Rewards Program, focusing on providing competitive compensation and an engagement score 5 points higher than the cross-industry benefits packages to attract, incentivize, and cross-country benchmark provided by retain a third-party employee engagement platform, showcasing a highly engaged and dedicated talented, diverse, multi-generational workforce. The survey also provides management with insightful feedback to help build, drive, and measure the success of people initiatives in the future. Following this year's survey, focus groups were conducted to engage employees further to help the Company plan and execute programs with respect to people initiatives by highlighting potential opportunities, such as increasing communication throughout the business, building supportive resources for the managers, and building programs to highlight career development opportunities.

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As of December 31, 2021, the Company had 665 full-time employees, of whom 147 employees were based outside of North America.

### The Total Rewards

The Company continues to have a total rewards mindset that encompasses all that is provided to its employees in the form of financial and nonfinancial compensation, benefits, well-being, and growth opportunities. The goal of these total rewards programs is to provide employees with market competitive offerings, opportunities and experiences that evolve over time.

As the Company continues to evolve as an organization, it continues to modernize its total rewards programs to improve the employee experience and adequately reflect a diverse, multigenerational, and talented workforce.

The structure of the Company's total rewards programs Program balances base compensation, incentive compensation for both short-term and long-term performance, and a focus on total well-being. well-being of the employee. Its recent efforts to improve the Total Rewards Program include the following:

- In addition, 2022, short-term incentive targets were increased in response to the external competitive environment, strengthening the Company's pay-for-performance culture.
- An overall global benefits review was launched in 2022 with a specific focus on U.S. benefits to create further affordability, flexibility, and choice. The Company expects to implement enhancements to its U.S. benefits program in certain regions in 2023 based on employee feedback and market conditions.

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With an increased focus on mental health in light of the residual effects of the COVID-19 pandemic, The Company's comprehensive benefit program is a valuable piece of the Company's total rewards package. All active, full-time employees are eligible to participate in the Company's benefit program, which includes medical, dental and vision coverage for employees and their families; provides income protection should employees become disabled and/or unable to work; and offers life and accidental death and dismemberment insurance. The Company provides parental leaves to all new parents for birth, adoption, or foster placement. The Company also maintains additional benefit programs to support the financial, mental, and physical well-being of its employees.

COVID-19 pandemic, the Company enhanced its health and family-friendly benefits to provide mental health support and access to mental health practitioners to its employees.

•The Company supports new parents, including adoptive parents, with maternity and parental leave benefits. Additionally, in 2022, the Company launched a new corporate partnership to provide a company-subsidized benefit for emergency backup childcare, ongoing childcare, elder care, and pet care to strengthen its commitment to its employees' overall well-being.

•In 2022, the Company reinstated its annual well-being fair for its employees (focusing on the four pillars of well-being: financial, physical, social, and physiological)

and launched  
a new  
corporate  
partnership to  
promote  
physical  
fitness and  
self-care.

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- The Company's employee salaries and wages are competitive and consistent with employee positions, performance, skill levels, experience, knowledge and geographic location. Many employees are also eligible to receive long-term equity-based incentive compensation, which aligns the interests of the Company's employees with that of its shareholders.
- The Company partners with multiple external industry experts to support and independently evaluate its total rewards programs. Job function relative to salaries and wages are evaluated and benchmarked annually. The Company receives advice from such experts relating to global benefits offerings and employee compensation to ensure alignment with its peers within the industry.

### **Diversity, Equity, and Inclusion**

In 2022, the Company continued its commitment to diversity, equity, and inclusion. The Company believes that a culture of diversity and inclusion is a competitive advantage that fuels innovation and strengthens a company's reputation. The Company is committed established an executive sponsorship committee to Diversity, Equity, and Inclusion ("DE&I"), and its culture is defined by its core values of Inspire, Ignite, and Involve. The Company's focus with respect to DE&I is to attract, retain, and engage a talented, inclusive and respected workforce. As a part of its ongoing commitment to expanding its diverse and inclusive workforce, the Company has assembled a DE&I council of employees across levels, tenures and demographic backgrounds to assist the Company in executing the four key pillars of its global promote our DE&I strategy, which includes focuses on the following objectives: areas:

- ▪ Raise awareness and educate those around the Company on issues that are important to its people and its audiences.
- Raising awareness and educating its employees and affiliates on social issues that are important to its stakeholders.
- Empowering and encouraging the Company's employees and leadership to be champions of diversity, equity, and inclusion by encouraging inclusive behaviors and frequent feedback and input.
- Communicating and connecting with its workforce using inclusive and concise messages.
- Ensuring that

equal opportunity and diversity of people is non-negotiable in how the Company attracts, selects, supports, develops, and rewards its employees, and in whom the Company chooses to partner with.

•The Company provided three additional personal days to its workforce to encourage employee well-being.

In 2022, employees were given an opportunity to participate in global focus groups aimed at advancing the Company's commitment to empowering its employees and establishing a roadmap for the future of its culture and organization.

The Company plans to use the feedback collected during these focus groups to inform its priorities in 2023.

The Company provided forums for employees to discuss the impact of the pandemic on them and their communities.

opportunities to have conversations about systemic racism, and hosted a Speaker Series in 2022, which included representatives from The Trevor Project, an organization that provides crisis support to LGBTQ young people, and Outfest, a leading LGBTQIA+ arts and entertainment organization.

- Empower the Company's people and leadership to be champions of diversity, equity and inclusion by rewarding positive behaviors and encouraging frequent feedback and input.
- Communicate and connect using inclusive and concise messages.
- Ensure that equal opportunity and diversity of people is non-negotiable in how the Company attracts, selects, supports, develops and rewards its people, and in whom IMAX chooses to partner with.

In 2021, the DE&I council hosted multiple Company-wide events and launched educational awareness campaigns that represent, support and spark dialogue among the diverse communities that make up IMAX's workforce. As of December 31, 2021, December 31, 2022, women represented approximately 36% 34% of the Company's global workforce. The Company currently has one female director (12.5%) and one director who identifies as a member of a visible minority (12.5%) on the Board of Directors (13%) and five female members on the Company's management team of 17 (29% (the "Board"). Moreover, four In addition, recruiting efforts are underway to identify additional female director(s) to join to the Board, creating greater diversity and increasing representation. There are 6 (33%) female members of the Company's management team of 18 as well as 5 (28%) members of the Company's management team who identify as ethnically diverse (24%). diverse.

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## Employee Health Safety

Risks to the safety of employees are present in day-to-day office work, building renovation, manufacturing, logistics, training, testing, research, and Safety

Recognizing development, and during the various employee health designing, installation, and safety risks associated with servicing of IMAX Systems around the delivery of the world's most immersive movie-going experience, the world. The Company has implemented a global program for workplace safety that ensures it has the necessary controls in place to keep its employees and visitors safe.

Employee health and safety is one of the Company's top priorities. Risks to the health and safety of the Company's employees are present in day-to-day office work, building renovation, manufacturing, logistics, training, testing, research and development, and during the designing, installation and service of the Company's theaters around the world. Every employee at each IMAX location, workplace, business unit and department is responsible for participating in workplace safety planning activities, and managers are responsible for employee health and safety program implementation for within their business function. This effort is supported by a cross-functional Health and Safety team dedicated to employee health and safety and business continuity.

Additionally, in 2022, the Company completed an assessment of its physical workplace and identified several initiatives in the categories of real estate, workplace design, workplace operations, workplace culture, and enterprise alignment to create a safe and inclusive environment. We anticipate implementing these initiatives throughout 2023 and 2024.

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This continuous focus on and commitment to the health and safety of the Company's employees has remained central to the Company's **continued** response to COVID-19. Specifically, the Company:

- Implemented and monitored COVID-19 safety protocols in accordance with applicable health guidance, which included an enhanced cleaning protocol, provision of personal protective equipment, and designing of workplace arrangements to promote safety; instituted a cross-functional Pandemic Response team to support decision making and implementation of COVID-19 response programs;
- Adhered to an illness reporting process to protect its employees from the spread of COVID-19; and
- Provided resources and tools to help employees navigate the changing and challenging environment during and post-pandemic.

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- adopted mandatory vaccination policies in its facilities in the United States and Canada;
- supported a virtual workplace and scheduling flexibility to provide a safe working environment;
- developed an illness reporting process to encourage those who were ill to stay home and focus on their health;
- increased communication with the introduction of a dedicated resource page on its intranet for information related to the understanding of COVID-19, local resources, and access to mental well-being support; and
- as work locations reopened, the Company took the following actions in accordance with health guidance of applicable jurisdictions:
  - o increased cleaning protocol;
  - o upgraded air filtration and ventilation systems;
  - o provided access to personal protective equipment;
  - o mandated daily health screenings;
  - o required social distancing and implemented flow of traffic requirements in the building; and
  - o modified workspaces to allow for social distancing and plexiglass protections where necessary.

#### AVAILABLE INFORMATION

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 United States Securities and Exchange Commission (the "SEC"). Reports may be obtained free of charge through the SEC's website at [www.sec.gov](http://www.sec.gov) and through the Company's website at [www.imax.com](http://www.imax.com) or by calling the Company's Investor Relations Department at 212-821-0100. No information included on the Company's website shall be deemed included or otherwise incorporated into this Form 10-K, except where expressly indicated.

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#### Item 1A. Risk Factors

Before you make an investment decision with respect to the Company's common stock, you should carefully consider all of the information included in this Form 10-K and the Company's subsequent periodic filings with the SEC. In particular, you should carefully consider the risk factors described below and the risks and uncertainties related to "Forward Looking Statements," any of which could have a material adverse effect on the Company's business, results of operations, financial condition and the actual outcome of matters as to which forward looking statements are made in this annual report. The following risk factors which are not ranked in any particular order, should be read in conjunction with the balance of this annual report, including the Consolidated Financial Statements and related notes. The risks described below are not the only ones the Company faces. Additional risks that the Company currently deems immaterial or that are currently unknown to the Company may also impair its business or operations.

#### RISKS RELATED TO THE COMPANY'S BUSINESS AND OPERATIONS

*The Company has experienced a significant decrease in its revenues, earnings, and cash flows due to the COVID-19 pandemic and its business, financial condition and results of operations may continue to be significantly harmed in future reporting periods.*

The impact of the COVID-19 pandemic is complex and continuously evolving, resulting in significant disruption the measures to prevent its spread have impacted the Company's business and the global economy. At Capacity restrictions and safety protocols were lifted then reinstituted at various points during the pandemic, authorities around the world imposed measures intended to control the spread of COVID-19, including stay-at-home orders and restrictions on large public gatherings, which caused movie theaters in countries around the world to temporarily close, including the IMAX theaters in those countries. As a result of these theater closures, movie studios postponed the theatrical release of most films originally scheduled for release in 2020 and early 2021, including many scheduled to be shown in IMAX theaters, while several other films were released directly or concurrently to streaming platforms. Beginning in since the third quarter of 2020, stay-at-home orders and capacity restrictions were lifted 2020. Although normal operations have resumed in many most key markets and movie theaters throughout the IMAX network, gradually reopened. However, the Company's business continues to experience impact from COVID-19. For example, following the emergence of the Omicron variant and the rise of COVID-19 cases in late 2021 and early China in the first quarter of 2022, some governments the Chinese government reinstituted capacity restrictions and safety protocols on large public gatherings leading and enforced a dynamic zero-COVID policy, which led to the temporary lock-down of various cities and the temporary closure of theaters or in these cities. At the imposition end of capacity restrictions in certain markets. As such, there is no assurance that movie theaters will remain open if there is a continued rise of or resurgence in COVID-19 cases in certain jurisdictions. 2022, the Chinese government relaxed its

dynamic zero-COVID policies and significantly eased restrictions. As of December 31, 2021, 95% of the theaters in the global IMAX commercial multiplex network were open at various capacities, spanning 75 countries. This included 99% of Domestic theaters (i.e., in the United States and Canada), 95% of the theaters in Greater China and 91% of the theaters in Rest of World markets. was open at various capacities.

The COVID-19 pandemic resulted in significantly lower levels of revenues, earnings, and operating cash flows for the Company during 2020 and, to a lesser extent, during 2021, when compared to periods prior to the onset of the pandemic, as gross box office ("GBO") results from theaters in the IMAX network declined, the installation of certain theater systems was delayed, and maintenance fees were generally not recognized for theaters that were closed or operating with reduced capacities. Given the There remains uncertainty around whether and when movie-going will return to historical levels, there is no guarantee that the effects of the COVID-19 pandemic will end even after theaters are reopened. levels. The timing and extent of a recovery of consumer behavior and willingness to spend discretionary income on movie-going may delay the Company's Company's ability to generate significant revenue from GBO generated by its exhibitor customers until consumer behavior normalizes and consumer spending fully recovers.

In 2020 and 2021, the Company applied for and received wage subsidies, tax credits and other financial support under COVID-19 relief legislation that has been enacted in the countries in which it operates. There are no guarantees that the Company will apply for or receive such benefits in the future or that the Company will receive any additional material financial support through these or other programs that may be created, expanded, or implemented by governments in the countries in which the Company operates.

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As a result of the financial difficulties faced by certain of the Company's exhibitor customers arising out of pandemic-related theater closures, the Company has experienced and may continue to experience delays in collecting payments due under existing theater IMAX System sale or lease arrangements. In response, beginning in the second quarter of 2020 through the fourth quarter of 2021, the Company provided temporary relief to certain exhibitor customers by waiving or reducing maintenance fees during periods when theaters were closed or operating with reduced capacities and, in certain situations, by providing extended payment terms on annual minimum payment obligations in exchange for a corresponding or longer extension of the term of the underlying sale or lease arrangement. However, certain of the Company's exhibitor partners that had reopened theaters have temporarily suspended operations of their theater network in certain jurisdictions and other exhibitor partners have reduced their theaters' operating hours, which may exacerbate existing financial difficulties. The Company's Company's exhibitor partners may continue to experience operational and/or financial difficulties if the COVID-19 pandemic continues or consumers change their behavior and consumption patterns, in response to the prolonged suspension of movie-going, or for other reasons, which would further increase the risks associated with payments due under existing agreements with the Company. The ability of such partners to make payments cannot be guaranteed and is subject to changing economic circumstances. For example, on September 7, 2022, Cineworld and certain of its subsidiaries and Regal CineMedia Holdings, LLC filed petitions for reorganization under Chapter 11 of the United States Bankruptcy Code (see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview" in Part II, Item 7). Further, the Company has had to delay certain theater IMAX system installations from backlog and may be required to further delay or cancel such installations in the future. As a result, the Company's Company's future revenues and cash flows have been, and may in the future continue to be adversely affected.

Given the dynamic nature of the circumstances, while the Company has been negatively impacted as of the date of filing of this report, it is difficult to predict the full extent of the adverse impact of the COVID-19 pandemic on the Company's Company's financial condition, liquidity, business and results of operations in future reporting periods. The extent and duration of such impact on the Company will depend on future developments, including, but not limited to, the duration and scope of the pandemic, the emergence, spread and severity of variants of the virus, the progress made on administering vaccines and developing treatment and the effectiveness of such vaccines and treatments, the progress towards the resumption of normal operations of movie theaters worldwide and their return to historical levels of attendance, the timing of when new films are released, consumer behavior, the solvency of the Company's Company's exhibitor partners and, their ability to make timely payments, any potential construction or installation delays involving our the Company's exhibitor partners, the continuing impact of the pandemic on global economic conditions and ongoing government responses to the pandemic. Such events are highly uncertain and cannot be accurately forecast. Moreover, there can be no guarantees forecasted. To the extent that the Company's liquidity needs will not increase materially Company experiences material negative impacts as a result of the COVID-19 pandemic continues. In addition, in future periods, especially if such impacts are prolonged, its liquidity needs as well as other changes to the Company's business may increase materially and operations may impact the Company's its ability to maintain compliance with certain covenants under the Company's its credit agreement with Wells Fargo Bank (see Note 14 of Notes to Consolidated Financial Statements in Part II, Item 8). The Company may also be subject to jeopardized, it may experience impairment losses, based on long-term estimated projections. These estimates and the likelihood of future changes in these estimates depend on a number of underlying variables and a range of possible outcomes. Actual results may differ materially from management's estimates, especially due to the uncertainties associated with the COVID-19 pandemic. If business conditions deteriorate further, or should they remain depressed for a more prolonged period of time, management's estimates of operating results and future cash flows for reporting units may be insufficient to support the goodwill assigned to them, thus requiring impairment charges. Estimates related to future expected credit losses and deferred tax assets, as well as the recoverability of equipment supporting joint revenue sharing arrangements and the realization of variable consideration assets, could also be materially impacted by changes in estimates in the future.

The COVID-19 pandemic and public health measures implemented to contain it may also have the effect of heightening many of the other risks described in this Form 10-K, including, but not limited to, risks relating to harm to the Company's key personnel, diverting management's resources and time to addressing the impacts of COVID-19, which may negatively affect the Company's ability to implement its business plan and pursue certain opportunities, potential impairments, the effectiveness of the Company's internal control of financial reporting, cybersecurity and data privacy risks due to employees working from home, and risks of increased indebtedness under the Company's revolving credit facility with Wells Fargo Bank indebtedness, including the Company's ability to seek waivers of covenants or to refinance any of the Company's borrowings, among others (see Note 14 of Notes to Consolidated Financial Statements in Part II, Item 8). The longer the COVID-19 pandemic and associated protective measures persist, the more severe the extent of the adverse impact of the pandemic on the Company is likely to be.

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**General political, social and economic conditions can affect the Company's business by reducing both revenues generated from existing IMAX Theater Systems and the demand for new IMAX Theater Systems.**

The Company's success depends in part on general political, social and economic conditions and the willingness of consumers to purchase tickets to IMAX movies. If movie-going becomes less popular globally, the Company's business could be adversely affected, especially if such a decline occurs in Greater China. In addition, the Company's operations could be adversely affected if consumers' discretionary income globally or in a particular geography falls as a result of an economic downturn or recession resulting from geopolitical tensions, including the Russia-Ukraine conflict and resulting sanctions, sustained increase in inflation and interest rates, supply chain issues, the COVID-19 pandemic or otherwise, as a result of increased inflation, or for any other reason. Such adverse impact on consumer's discretionary income could result in a shift in consumer demand away from movie-going. In recent years, the majority of the Company's revenue has been directly derived from the box office results of its exhibitor partners. Accordingly, a decline in attendance at commercial IMAX theaters locations could materially and adversely affect several sources of key revenue streams for the Company.

The Company also depends on the sale and lease of IMAX Theater Systems to commercial movie exhibitors to generate revenue. Commercial movie exhibitors generate revenues from consumer attendance at their theaters, which depends on the willingness of consumers to visit movie theaters and spend discretionary income at movie theaters. In the event of declining box office and concession revenues, commercial exhibitors may be less willing to invest capital in new IMAX theaters. Systems. In addition, a significant portion of theaters systems in the Company's backlog are expected to be installed in newly built multiplexes. An economic downturn, recession, significant increases in interest rates or other adverse economic developments could impact developers' ability to secure financing on acceptable terms and complete the buildout of these locations, thereby negatively impacting the Company's ability to grow its theater network.

Finally, sustained inflationary pressures observed globally, as well as supply chain disruptions resulting from the COVID-19 pandemic or otherwise, could materially increase the cost of our goods, services and personnel, which could cause an increase in our operating costs.

**The success of the IMAX network is directly related to the availability and success of IMAX DMR films, and other films released to the IMAX network, as well as the continued purchase or lease of IMAX Theater Systems and other support by movie exhibitors, for which there can be no guarantee.**

An important factor affecting the growth and success of the IMAX network is the availability and strategic selection of films for IMAX theaters locations and the box office performance of such films. The Company itself produces only a small number of such films and, as a result, the Company relies principally on films produced by third-party filmmakers and studios, including both Hollywood and local language features converted into the Company's format. In 2021, 2022, 63 new IMAX films were released to the Company's global theater network. There is no guarantee that filmmakers and studios will continue to release films to the IMAX network, or that the films selected for release to the IMAX network will be commercially successful. The Company is directly impacted by the commercial success and box office results of the films released to the IMAX network through its joint revenue sharing arrangements, as well as through the percentage of the box office receipts the Company receives from the studios releasing IMAX films, and the Company's continued ability to secure films, find suitable partners for joint revenue sharing arrangements and to sell IMAX Theater Systems. The commercial success of films released to IMAX theaters locations depends on a number of factors outside of the Company's control, including whether the film receives critical and consumer acclaim, the timing of its release, the success of the marketing efforts of the studio releasing the film, consumer preferences and trends in cinema attendance. Moreover, films can be subject to delays in production or changes in release schedule, which can negatively impact the number, timing and quality of IMAX films released to the Company's global theater network.

In addition, as the Company's international network has expanded, the Company has signed deals with studios in other countries to convert their films to the Company's format and release them to the IMAX theaters. network. The Company may be unable to select films which will be successful in international markets or may be unsuccessful in selecting the right mix of Hollywood and local language films for a particular country or region, notably Greater China, the Company's largest market. Also, conflicts in international release schedules may make it difficult to release every IMAX film in certain markets.

The Company depends principally on commercial movie exhibitors to purchase or lease IMAX Theater Systems, to supply box office revenue under joint revenue sharing arrangements and under its sales sale and sales-type lease agreements and to supply venues in which to exhibit IMAX films. The Company can make no assurances that exhibitors will continue to do any of these things.

The Company is unable to predict the pace at which exhibitors will purchase or lease IMAX Theater Systems or enter into joint revenue sharing arrangements with the Company, or whether any of the Company's existing exhibitor customers will continue to do any of the foregoing. If exhibitors choose to reduce their levels of expansion, negotiate economic terms that are less favorable economic terms, to the Company, or decide not to enter into transactions with the Company, the Company's revenues would not increase at an anticipated rate and motion picture studios may be less willing to convert their films into the Company's format for exhibition in commercial IMAX theaters. locations. As a result, the Company's future revenues and cash flows could be adversely affected.

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**The Company is undertaking brand extensions and new business initiatives, and the Company's investments and efforts in such business evolution may not be successful.**

The Company is undertaking brand extensions and new business initiatives. These initiatives represent potential new areas of growth for the Company and could include the offering of new products and services that may not be accepted by the market. The Company has recently explored initiatives in the fields field of original content and in-home entertainment technology, both of which are is an intensely competitive businesses business and which are is dependent on consumer demand, over which the Company has no control. The Company is also exploring new technologies to connect the IMAX network to facilitate bringing more unique content, including broadcasts of live events, to IMAX theater audiences. If any new brand extensions and business initiatives in which the Company invests or attempts to develop does not progress as planned, the Company may be

adversely affected by investment expenses that have not led to the anticipated results, by write-downs of its assets, by the distraction of management from its core business or by damage to its brand or reputation.

In addition, these

New initiatives may could involve acquisitions or the formation of joint ventures and business alliances. While In September 2022, the Company seeks to employ acquired SSIMWAVE for \$19.5 million in cash and 160,547 common shares of the optimal structure for each such Company with a fair value of \$1.9 million with additional earnout consideration. Such transactions and arrangements involve significant challenges and risks, including that they may not advance the Company's long-term business alliance, the alliance may require a high level of cooperation with and reliance on the Company's partners and there is a possibility strategy, that the Company may have realizes an unsatisfactory return on its investments or fails to realize anticipated business synergies, that the Company has difficulty integrating or retaining new employees, systems, and technology, that the Company has disagreements with a relevant partner with respect to financing, technological management, product and development, that the Company fails to identify or anticipate risks and liabilities of acquired companies in advance of acquisition, or that management strategies gets distracted from the Company's core business. Also, it may take longer than expected to realize the full benefits from these transactions and arrangements such as increased revenue or otherwise. Any such disagreement enhanced efficiencies, or the benefits may cause ultimately be smaller than the joint venture or business alliance to be terminated. Company expected.

**The Company faces cyber-security and similar risks, which could result in the disclosure, theft, or loss of confidential or other proprietary information, including intellectual property, damage to the Company's brand and reputation, legal exposure and financial losses. The Company must also comply with a variety of data privacy regulations and failure to comply with such regulations may affect the Company's financial performance.**

The nature of the Company's business involves access to and storage of confidential and proprietary content and other information, including its own intellectual property and the intellectual property of certain movie studios or partners it may work with, as well as certain information regarding the Company's customers, employees, licensees, and suppliers. Although the Company maintains robust procedures, internal policies and technological security measures to safeguard such content and information, as well as a cyber-security insurance policy, the Company's information technology systems, and the information technology systems of our current or future third-party vendors, collaborators, consultants and service providers, could be penetrated by internal or external parties intent on extracting information, corrupting information, stealing intellectual property or trade secrets, or disrupting business processes. Information security risks have increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. The Company's information technology infrastructure may be vulnerable to such attacks, including through the use of malware, software bugs, computer viruses, ransomware, social engineering, and denial of service. service. It is possible that such attacks could compromise the Company's security measures or the security measures of parties with whom the Company does business. Because Because the techniques that may be used to circumvent the Company's safeguards change frequently and may be difficult to detect, the Company may be unable to anticipate any new techniques or implement sufficient preventive security measures. The Company seeks to monitor such attempts and incidents and to prevent their recurrence through modifications to the Company's internal procedures and information technology infrastructure and provides information security training and compliance program to its employees on an annual basis, but in some cases preventive action might not be successful. Moreover, the development and maintenance of these security measures may be costly and will require ongoing updates as technologies evolve and techniques to overcome the Company's security measures become more sophisticated. Any such attack or unauthorized access could result in a disruption of the Company's operations, the theft, unauthorized use or publication of confidential or proprietary information of the Company or its customers, employees, licensees or suppliers, a reduction of the revenues the Company is able to generate from its operations, damage to the Company's brand and reputation, a loss of confidence in the security of the Company's business and products, and significant legal and financial exposure, each of which could potentially have an adverse effect on the Company's business.

In addition, a variety of laws and regulations at the international, national, and state level govern the Company's collection, use, protection and processing of personal data. These laws, including the General Data Protection Regulation and the California Consumer Privacy Act, are constantly evolving and may result in increasing regulatory oversight and public scrutiny in the future. The Company's actual or perceived failure to comply with such laws and regulations could result in fines, investigations, enforcement actions, penalties, sanctions, claims for damages by affected individuals, and damage to the Company's reputation, among other negative consequences, any of which could have a material adverse effect on its financial performance.

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## RISKS RELATED TO THE COMPANY'S INTERNATIONAL OPERATIONS

**The Company conducts business internationally, which exposes it to uncertainties and risks that could negatively affect its operations, sales, and future growth prospects.**

A significant portion of the GBO generated by the Company's exhibitor customers and its revenues are generated by customers located outside the United States and Canada. Approximately 70% 62%, 77% 70%, and 66% 77% of the Company's revenues were derived outside of the United States and Canada in 2022, 2021 2020 and 2019, 2020, respectively. As of December 31, 2021 December 31, 2022, approximately 74% 75% of IMAX Theater Systems in backlog are scheduled to be installed in international markets. The Company's network spanned 87 different countries as of December 31, 2021 December 31, 2022, and the Company expects its international operations to continue to account for an increasingly significant portion of its future revenues. There are a number of risks associated with operating in international markets that could negatively affect the Company's operations, sales and future growth prospects. These risks include:

- new restrictions on access to markets, both for IMAX Theater Systems and films;
- new restrictions on access to

markets, both  
for IMAX  
Systems and  
films;

- unusual or  
burdensome  
foreign laws or  
regulatory  
requirements  
or unexpected  
changes to  
those laws or  
requirements,  
including  
censorship of  
content that  
may restrict  
what films the  
Company's  
network can  
present;

- fluctuations in  
the value of  
various foreign  
currencies  
versus the U.S.  
Dollar and  
potential  
currency  
devaluations;

- new tariffs,  
trade  
protection  
measures,  
import or  
export  
licensing  
requirements,  
trade  
embargoes,  
sanctions, and  
other trade  
barriers;

- difficulties in  
obtaining  
competitively  
priced key  
commodities,  
raw materials,  
and  
component  
parts from  
various  
international  
sources that  
are needed to  
manufacture  
quality  
products on a  
timely basis;

- imposition of  
foreign  
exchange  
controls in

foreign  
jurisdictions;

- dependence  
on foreign  
distributors and  
their sales  
channels;

- reliance on  
local partners,  
including in  
connection  
with joint  
revenue  
sharing  
arrangements;

- difficulties in  
staffing and  
managing  
foreign  
operations;

- inability to  
complete  
installations of  
IMAX Systems,  
including as a  
result of  
material  
disruptions or  
delays in the  
Company's  
supply chains,  
or collect full  
payment on  
installations  
thereof;

- local business  
practices that  
can present  
challenges to  
compliance  
with applicable  
anti-corruption  
and bribery  
laws;

- difficulties in  
establishing  
market-  
appropriate  
pricing;

- less accurate  
and/or less  
reliable box  
office  
reporting;

- adverse  
changes in  
foreign  
government  
monetary  
and/or tax  
policies, and/or  
difficulties in

repatriating cash from foreign jurisdictions (including with respect to China, where approval of the State Administration of Foreign Exchange is required);

- poor recognition of intellectual property rights;

- difficulties in enforcing contractual rights;

- inflation;

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- requirements to provide performance bonds and letters of credit to international customers to secure system component deliveries;

- harm to the IMAX brand from operating in countries with records of controversial government action, including human rights abuses; and

- political, economic and social instability, which could result in adverse consequences for the Company's interests in different regions of the world.

Additionally, global geopolitical

tensions and actions that governments take in response may adversely impact the Company. In response to the ongoing conflict between Russia and Ukraine, Canada, the United States, and other countries in which the Company operates have imposed broad sanctions and other restrictive actions against governmental and other entities in Russia and Belarus, which in turn have and may continue to have an adverse impact on the Company's business and results of operations in affected regions. In addition, in the wake of the Russia-Ukraine conflict and resulting sanctions, major movie studios suspended the theatrical release of films in Russia and Belarus and financial institutions halted



transactions with Russian entities. The Company has notified its exhibitor clients in Russia and Belarus that such sanctions and actions constitute a force majeure event under their system agreements, resulting in the suspension of the Company's obligations thereunder. The scope, intensity, duration and outcome of the conflict is uncertain. Additionally, given the global nature of the Company's operations, any protracted conflict or the broader macroeconomic impact of the Russia-Ukraine conflict and sanctions imposed on Russia, Belarus and other countries could have an adverse impact on the Company's business, results of operations, financial condition, and future performance (the Company has 22 systems in its backlog

from Russia, the CIS and Ukraine) and may also magnify the impact of other risks described herein, including the risk of cybersecurity attacks, which have increased in connection with the ongoing conflict and may impact information technology systems unrelated to the conflict, or jeopardize critical infrastructure in jurisdictions where the Company operates.

- unusual or burdensome foreign laws or regulatory requirements or unexpected changes to those laws or requirements, including censorship of content that may restrict what films the Company's theaters can present;
- fluctuations in the value of various foreign currencies versus the U.S. Dollar and potential currency devaluations;
- new tariffs, trade protection measures, import or export licensing requirements, trade embargoes, sanctions, and other trade barriers;
- difficulties in obtaining competitively priced key commodities, raw materials, and component parts from various international sources that are needed to manufacture quality products on a timely basis;
- imposition of foreign exchange controls in foreign jurisdictions;
- dependence on foreign distributors and their sales channels;
- reliance on local partners, including in connection with joint revenue sharing arrangements;
- difficulties in staffing and managing foreign operations;
- inability to complete installations of IMAX Theater Systems, including as a result of material disruptions or delays in the Company's supply chains, or collect full payment on installations thereof;
- local business practices that can present challenges to compliance with applicable anti-corruption and bribery laws;
- difficulties in establishing market-appropriate pricing;
- less accurate and/or less reliable box office reporting;
- adverse changes in foreign government monetary and/or tax policies, and/or difficulties in repatriating cash from foreign jurisdictions (including with respect to China, where approval of the State Administration of Foreign Exchange is required);
- poor recognition of intellectual property rights;

- difficulties in enforcing contractual rights;
- inflation;
- requirements to provide performance bonds and letters of credit to international customers to secure system component deliveries;
- harm to the IMAX brand from operating in countries with records of controversial government action, including human rights abuses; and
- political, economic and social instability, which could result in adverse consequences for the Company's interests in different regions of the world (including with respect to Russia, in connection with its conflict with Ukraine).

In addition, changes in United States or Canadian foreign policy can present additional risks or uncertainties as the Company continues to expand its international operations. Opening and operating theaters in markets that have experienced geopolitical or sociopolitical unrest or controversy, including through partnerships with local entities, exposes the Company to the risks listed above, as well as additional risks of operating in a volatile region. Such risks may negatively impact the Company's business operations in such regions and may also harm the Company's brand. Moreover, a deterioration of the diplomatic relations between the United States or Canada and a given country may impede the Company's ability to operate theaters in such countries and have a negative impact on the Company's financial condition and future growth prospects.

***The Company faces risks in connection with its significant presence in China and the continued expansion of its business there.***

Greater China is the Company's largest market by revenue, with approximately 44% 24% of overall revenues generated from its Greater China operations in 2021 2022. As of December 31, 2021 December 31, 2022, the Company had 783 theaters 794 IMAX Systems operating in Greater China with an additional 215 theaters 204 systems in backlog, which represent 44% 45% of the Company's current backlog. Of the IMAX Theater Systems currently scheduled to be installed in Greater China, 67% 66% are under joint revenue sharing arrangements, which further increases the Company's ongoing exposure to box office performance in this market.

The China market faces a number of risks, including changes in laws and regulations, currency fluctuations, increased competition, and changes in economic conditions, including the risk of an economic downturn or recession, trade embargoes, restrictions or other barriers, as well as other conditions that may impact the Company's exhibitor and studio partners, and consumer spending. The worsening of U.S.–China political tensions could exacerbate any or all of these risks, and adverse developments in any of these areas could impact the Company's future revenues and cash flows and could cause the Company to fail to achieve anticipated growth.

The Company does not believe that it is currently required to obtain any permission or approval from the China Securities Regulatory Commission, the Cyberspace Administration of China or any other regulatory authority in the People's Republic of China ("PRC") for its operations, but there can be no assurance that such permissions or approvals would not be required in the future and, if required, that they would be granted in a timely manner, on acceptable terms, or at all. Furthermore, PRC regulators, including the Cyberspace Administration of China, the Ministry of Industry and Information Technology, and the Ministry of Public Security, have been increasingly focused on regulation in data security and data protection. Regulatory requirements concerning data protection and cybersecurity in the PRC, as well as other requirements concerning operations of foreign businesses in the PRC, are evolving, and their enactment timetable, interpretation and implementation involve significant uncertainties. To the extent any PRC laws and regulations become applicable to the Company, it may be subject to the risks and uncertainties associated with the legal system in the PRC, including with respect to the enforcement of laws and the possibility of changes of rules and regulations with little or no advance notice.

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Certain risks and uncertainties of doing business in China are solely within the control of the Chinese government, and Chinese law regulates both the scope of the Company's continued expansion in China and the business conducted by it within China. For instance, the Chinese government regulates the number, timing, and terms of Hollywood films released to the China market. A number of prominent Hollywood films were denied release dates in China in 2020 2021 and 2021, 2022, including several films released in IMAX format in other markets. The Company cannot provide assurance that the Chinese government will continue to permit the release of Hollywood IMAX films in China or that the timing or number of IMAX releases will be favorable to the Company. There are also uncertainties regarding the interpretation and application of laws and regulations and the enforceability of intellectual property and contract rights in China. If the Company were unable to navigate China's regulatory environment, or if the Company were unable to enforce its intellectual property or contract rights in China, the Company's business could be adversely impacted.

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***The Company may experience adverse effects due to exchange rate fluctuations.***

A substantial portion of the Company's revenues are denominated in U.S. Dollars, while a substantial portion of its expenses are denominated in Canadian Dollars. The Company also generates revenues in Chinese Yuan Renminbi, Euros and Japanese Yen. While the Company periodically enters into forward contracts to hedge its exposure to exchange rate fluctuations between the U.S. and the Canadian Dollar, the Company may not be successful in reducing its exposure to these fluctuations. The use of derivative contracts is intended to mitigate or reduce transactional level volatility in the results of foreign operations, but does not completely eliminate volatility. Even in jurisdictions in which the Company does not accept local currency or requires minimum payments in U.S. Dollars, significant local currency issues may impact the profitability of the Company's arrangements with its customers, which ultimately affect the ability to negotiate cost-effective arrangements and, therefore, the Company's results of operations. In addition, because

IMAX films generate box office revenue in 87 different countries, unfavorable exchange rates between applicable local currencies and the U.S. Dollar could affect the GBO generated by exhibitors and the Company's reported revenues, further impacting the Company's results of operations.

#### RISK RELATED TO THE COMPANY'S INDUSTRY AND COMPETITIVE ENVIRONMENT

**Consolidation among commercial exhibitors and studios reduces the breadth of the Company's customer base, and could result in a narrower market for the Company's products and reduced negotiating leverage. A deterioration in the Company's relationship with key partners could materially and adversely affect the Company's business, financial condition or results of operation. In addition, an adverse economic impact on a significant customer's business operations could have a corresponding material adverse effect on the Company.**

The Company's primary customers are commercial multiplex exhibitors. The Since 2016, the commercial exhibition industry has undergone significant consolidation, including AMC's acquisition of Carmike Cinemas and Odeon, & UCI Cinemas Group, which includes Nordic Cinema Group, in 2016. In recent years, the industry has continued to consolidate, as evidenced by Cineworld Group's and Cineworld's acquisition of Regal Entertainment Group in 2018. Regal. Exhibitor concentration has resulted in certain exhibitor chains constituting a material portion of the Company's network and revenue. For instance, although Wanda sold its controlling interest in AMC in 2021, it continues to be the Company's largest exhibitor customer, representing approximately 10% 7% of the Company's total revenues in 2021, 2022. As of December 31, 2021 December 31, 2022, through the Company's partnership with Wanda, there are 369 were 375 IMAX Theater Systems operational in Greater China and Wanda represented approximately 22% of the commercial network and 4% of the Company's backlog. The share of the Company's revenue that is generated by Wanda is expected to continue to grow as the number of Wanda theater systems currently in backlog are opened. No assurance can be given that significant customers such as Wanda will continue to purchase IMAX Theater Systems and/or enter into joint revenue sharing arrangements with the Company and if so, whether contractual terms will be affected. If the Company does business with Wanda or other large exhibitor chains less frequently or on less favorable terms than currently, the Company's business, financial condition or results of operations may be adversely affected. In addition, an adverse economic impact on a significant customer's business operations could have a corresponding material adverse effect on the Company.

The Company also receives revenues from studios releasing IMAX films. Hollywood studios have also experienced consolidation, as evidenced by the Walt Disney Company's acquisition of certain studio assets from Twenty First Century Fox in 2019. Studio consolidation could result in individual studios comprising a greater percentage of the Company's film slate and overall IMAX DMR revenue, and could expose the Company to the same risks described above in connection with exhibitor consolidation.

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#### **Failure to respond adequately or in a timely fashion to changes and advancements in digital technology could negatively affect the Company's business.**

There have been a number of advancements in the digital cinema field in recent years. In order to keep pace with these changes and advancements in digital technology and in order to continue to provide an experience that is premium to and differentiated from conventional cinema experiences, the Company has made, and expects to continue to make, significant investments in digital technology in the form of research and development and the acquisition of third-party intellectual property and/or proprietary technology. A significant portion of the Company's recent research and development efforts have been focused on its laser-based projection systems, which began rolling out to the largest theaters in the IMAX network at the end of 2014. Since then, the Company has continued research and development aimed at creating more affordable laser-based solutions with various screen sizes for its commercial multiplex customers. Furthermore, in September 2022, the Company acquired SSIMWAVE, a leader in AI-driven video quality solutions for media and entertainment companies. With the acquisition of SSIMWAVE, the Company's conducting research and development in perceptual metrics including novel measurement and optimization techniques. The process of developing new technologies is inherently uncertain and subject to certain factors that are outside of the Company's control, including reliance on third-party partners and suppliers, and the Company can provide no assurance its investments will result in commercially viable advancements to the Company's existing products or in commercially successful new products, or that any such advancements or products will improve upon existing technology or will be developed within the timeframe expected.

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#### **The introduction of new, competing products and technologies could harm the Company's business.**

The out-of-home entertainment industry is very competitive, and the Company faces a number of competitive challenges. The Company faces competition both in the form of technological advances in in-home entertainment, as well as those within the theater-going experience. For example, according to the National Association of Theater Owners and the Movie Theater Association of Canada, as of December 31, 2020, research conducted by Omdia, there were approximately 43,800 43,000 conventional-sized screens in North American commercial multiplexes. multiplexes in 2022. In addition, exhibitors and entertainment technology companies have introduced their own branded, large-screen 3D auditoriums or other proprietary theater systems, and in many cases have marketed those auditoriums or theater systems as having similar quality or attributes as an IMAX Theater System. The Company may continue to face competition in the future from companies in the entertainment industry with new technologies and/or substantially greater capital resources to develop and support them. If the Company is unable to continue to deliver a premium movie-going experience, or if other technologies surpass those of the Company, the Company may be unable to continue to produce theater systems which are premium to, or differentiated from, other theater systems. Furthermore, many of the Company's commercial exhibitor customers are reliant on the availability of retail shopping malls at physical locations, which compete with other forms of retailing such as online retail websites, and may be adversely affected by the changes in the retail shopping landscape and consumer purchasing pattern. In return, the Company may be adversely affected by the challenges faced by its exhibitor customers.

As noted above, the Company faces in-home competition from a number of alternative motion picture distribution channels such as home video, pay-per-view, streaming services, video-on-demand, internet, and broadcast and cable television. The average exclusive theatrical release window for Hollywood titles has decreased over the years and there can be no assurance that this release window, which is determined by the movie studios, will not shrink further, which could have an adverse impact on the Company's business and results of operations. In addition, as a result of the COVID-19 pandemic and related movie theater closures, in 2020 and 2021, a number of films were released directly or concurrently to streaming services the same day as to theaters. In the third quarter of 2021, many Most major film studios have since recommitted to exclusive theatrical releases for blockbuster movies. However, there can be no assurance that direct or concurrent release to streaming services will not resume or increase in the future, intensifying in-home competition. The Company further competes for the public's leisure time and disposable income with other forms of entertainment, including gaming, sporting events, concerts, live theater, social media, and restaurants.

If the Company is unable to continue to produce a differentiated theater experience, consumers may be unwilling to pay the price premiums associated with the cost of IMAX theater tickets and box office performance of IMAX films may decline. Declining The declining box-office performance of IMAX films could materially and adversely harm the Company's business and prospects.

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***The Company may not be able to adequately protect its intellectual property, and competitors could misappropriate its technology or brand, which could weaken its competitive position.***

The Company depends on its proprietary knowledge regarding IMAX Theater Systems and digital and film technology, technology, video quality assessment and image enhancement. The Company relies principally upon a combination of copyright, trademark, patent and trade secret laws, restrictions on disclosures and contractual provisions to protect its proprietary and intellectual property rights. These laws and procedures may not be adequate to prevent unauthorized parties from attempting to copy or otherwise obtain the Company's processes and technology or deter others from developing similar processes or technology, which could weaken the Company's competitive position and require the Company to incur costs to secure enforcement of its intellectual property rights. The protection provided to the Company's proprietary technology by the laws of foreign jurisdictions may not protect it as fully as the laws of Canada or the United States. The lack of protection afforded to intellectual property rights in certain international jurisdictions may be increasingly problematic given the extent to which the future growth of the Company is anticipated to come from foreign jurisdictions. Finally, some of the underlying technologies of the Company's products and system components are not covered by patents or patent applications.

The Company owns patents issued and patent applications pending, including those covering its digital projector, digital conversion technology, and laser illumination technology, technology, and other inventions relating to imaging technology and video quality assessment. The Company's patents are filed in the United States, often with corresponding patents or filed applications in other jurisdictions, such as Canada, China, Belgium, Japan, France, Germany, and the United Kingdom. The patent applications pending may not be issued or the patents may not provide the Company with any competitive advantage. The patent applications may also be challenged by third parties. Several of the Company's issued patents for improvements to IMAX projection system components expire between 2022 2023 and 2038. If the Company's patent claims are rendered invalid or unenforceable, or narrowed in scope, the patent coverage afforded the Company's products and services could be impaired, which could negatively affect its competitive position. In addition, competitors and other third parties may be able to circumvent or design around the Company's patents and may develop and obtain patent protection for more effective technologies. If these developments were to occur, it could have an adverse effect on the Company's sales or market position.

Any claims or litigation initiated by the Company to protect its proprietary technology could be time consuming, costly, and divert the attention of its technical and management resources. If the Company chooses to go to court to stop a third party from infringing its intellectual property, that third party may ask the court to rule that the Company's intellectual property rights are invalid and/or should not be enforced against that third party.

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The Company relies upon trade secrets and other confidential and proprietary know how to develop and maintain the Company's competitive position. While it is the Company's policy to enter into agreements imposing nondisclosure and confidentiality obligations upon its employees and third parties to protect the Company's intellectual property, these obligations may be breached, may not provide meaningful protection for the Company's trade secrets or proprietary know how, or adequate remedies may not be available in the event of an unauthorized access, use or disclosure of the Company's trade secrets and know how. Furthermore, despite the existence of such nondisclosure and confidentiality agreements, or other contractual restrictions, the Company may not be able to prevent the unauthorized disclosure or use of its confidential proprietary information or trade secrets by consultants, vendors and employees. In addition, others could obtain knowledge of the Company's trade secrets through independent development or other legal means.

The IMAX brand stands for the highest quality and most immersive entertainment experiences. Protecting the IMAX brand is a critical element in maintaining the Company's relationships with studios and its exhibitor clients and building and maintaining brand loyalty and recognition. Though the Company relies on a combination of trademark and copyright law as well as its contractual provisions to protect the IMAX brand, those protections may not be adequate to prevent erosion of the brand over time, particularly in foreign jurisdictions. Erosion of the brand could threaten the demand for the Company's products and services and impair its ability to grow future revenue streams. In addition, if any of the Company's registered or unregistered trademarks, trade names or service marks is challenged, infringed, circumvented, or declared generic or determined to be infringing on other marks, it could have an adverse effect on the Company's sales or market position.

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*The Company may be subject to claims of infringement of third-party intellectual property rights that are costly to defend, result in the diversion of management's time and efforts, require the payment of damages, limit the Company's ability to use particular technologies in the future or prevent the Company from marketing its existing or future products and services.*

The Company's commercial success will depend in part on not infringing, misappropriating, or violating the intellectual property rights of others. A third party could assert a claim against the Company for alleged infringement of its patent, copyright, trademark, or other intellectual property rights, including in relation to technologies that are important to the Company's business. The Company may not be aware of whether its products or services do or will infringe existing or future patents or the intellectual property rights of others. In addition, there can be no assurance that one or more of The Company's competitors who have developed competing technologies or the Company's other competitors will not be granted patents for their technology and allege that the Company has infringed.

Any claims that the Company's business infringes the intellectual property rights of others, regardless of the merit or resolution of such claims, could entail significant costs in responding to, defending, and resolving such claims. An adverse determination in any intellectual property claim could require the Company to pay damages and/or stop using its technologies, trademarks, copyrighted works, and other material found to be in violation of another party's rights and could prevent the Company from licensing its technologies to others unless we enter into royalty or licensing arrangements with the prevailing party or are able to redesign our products and services to avoid infringement. Any such license may not be available on reasonable terms, if at all, and there can be no assurance that the Company would be able to redesign its services in a way that would not infringe the intellectual property rights of others. Any payments the Company is required to make and any injunction the Company is required to comply with as a result of any infringement could harm its reputation and financial results.

#### RISKS RELATED TO THE COMPANY'S REVENUES, EARNINGS, AND FINANCIAL POSITION

*The Company's operating results and cash flow can vary substantially from period to period and could increase the volatility of its share price.*

The Company's operating results and cash flow can fluctuate substantially from period to period. In particular, fluctuations in IMAX Theater System installations and GBO performance of IMAX films can materially affect operating results. Factors that have affected the Company's operating results and cash flow in the past, and are likely to affect its operating results and cash flow in the future, include, among other things:

- the timing of signing and installation of new IMAX Systems (particularly for installations in newly-built multiplexes, which can result in delays that are beyond the Company's control);
- the timing and commercial success of films distributed to the Company's network;
- the demand for, and acceptance of, the Company's products and services;
- the recognition of

revenue of  
sale and  
sales-type  
leases;

the  
classification  
of leases as  
sales-type  
versus  
operating;

the volume of  
orders  
received and  
that can be  
filled in the  
quarter;

the level of its  
sales  
backlog;

the signing of  
film  
distribution  
agreements;

the financial  
performance  
of IMAX  
Systems  
operated by  
the  
Company's  
customers;

financial  
difficulties  
faced by  
customers,  
particularly  
customers in  
the  
commercial  
exhibition  
industry;

the  
magnitude  
and timing of  
spending in  
relation to the  
Company's  
research and  
development  
efforts and  
related  
investments,  
as well as  
new business  
initiatives;  
and

the number  
and timing of  
joint revenue  
sharing  
arrangement  
installations,

related  
capital  
expenditures,  
and timing of  
related cash  
receipts.

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- the timing and commercial success of films distributed to the Company's theater network;
- the demand for, and acceptance of, the Company's products and services;
- 
- the recognition of revenue of sales and sales-type leases;
- the classification of leases as sales-type versus operating;
- the volume of orders received and that can be filled in the quarter;
- the level of its sales backlog;
- the signing of film distribution agreements;
- the financial performance of IMAX theaters operated by the Company's customers;
- financial difficulties faced by customers, particularly customers in the commercial exhibition industry;
- the magnitude and timing of spending in relation to the Company's research and development efforts and related investments, as well as new business initiatives; and
- the number and timing of joint revenue sharing arrangement installations, related capital expenditures, and timing of related cash receipts.

Most of the Company's operating expenses are fixed in the short term. The Company may be unable to rapidly adjust its spending to compensate for any unexpected shortfall in sales, joint revenue sharing arrangements revenue or IMAX DMR revenue, which would harm operating results for a particular period.

**The Company's theater system systems revenue can vary significantly from its cash flows under IMAX Theater System sales or lease agreements.**

The Company's theater system systems revenue can vary significantly from the associated cash flows. The Company often provides financing to customers for IMAX Theater Systems on a long-term basis through long-term sale or lease arrangements. The terms of leases or financing receivables are typically 10 to 12 years. The sale and sales-type lease agreements for IMAX Theater Systems typically provide for three major sources of cash flow:



•initial fees, which are paid in installments generally commencing upon the signing of the agreement until installation of the IMAX Theater System;

•ongoing fees, which are paid monthly after the IMAX Theater System has been opened to the public and are generally equal to the greater of a fixed minimum amount per annum and a percentage of box office receipts; and

•ongoing annual maintenance and extended warranty fees, which are generally payable commencing in the second year of theater operations.

▪

- ongoing fees, which are paid monthly after the IMAX Theater System has been installed and are generally equal to the greater of a fixed minimum amount per annum and a percentage of box office receipts; and

- ongoing annual maintenance and extended warranty fees, which are generally payable commencing in the second year of theater operations.

Initial fees generally make up the vast majority of cash received under IMAX Theater System sales or sales-type lease agreements for a theater arrangement.

For sales and sales-type leases, the revenue recorded is generally equal to the sum of initial fees and the present value of any future initial payments, and fixed minimum ongoing payments. Sales arrangements also include an estimate of future variable consideration due under the agreement. Cash received from initial fees in advance of meeting the revenue recognition criteria for the IMAX Theater Systems is recorded as deferred revenue.

Leases that do not transfer substantially all of the benefits and risks of ownership to the customer are classified as operating leases. For these leases, initial fees and fixed minimum ongoing payments are recognized as revenue on a straight-line basis over the lease term. Contingent payments in excess of fixed minimum ongoing payments are

recognized as revenue when reported by theater operators, provided collectability is reasonably assured.

As a result of the above, the revenue set forth in the Company's Consolidated Financial Statements does not necessarily correlate with the Company's cash flow or cash position. Revenues include the present value of future contracted cash payments and there is no guarantee that the Company will receive such payments under its lease and sale agreements if its customers default on their payment obligations.

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***The Company may not convert all of its backlog into revenue and cash flows.***

As of December 31, 2021 December 31, 2022, the Company's backlog included 489 450 IMAX Theater Systems, consisting of 173 162 IMAX Theater Systems under sales or lease arrangements and 316 288 IMAX Theater Systems under joint revenue sharing arrangements. The Company lists signed contracts for IMAX Theater Systems for which revenue has not been recognized as backlog prior to the time of revenue recognition. The total value of the backlog represents all signed IMAX Theater System sale or lease agreements that are expected to be recognized as revenue in the future and includes initial fees along with the estimated present value of contractual ongoing fees due over the term, and a variable consideration estimate for the IMAX Theater Systems under sales arrangements, but it excludes amounts allocated to maintenance and extended warranty revenues. Notwithstanding the legal obligation to do so, some of the Company's customers with which it has signed contracts may not accept delivery of IMAX Theater Systems that are included in the Company's backlog. An economic downturn may exacerbate the risk of customers not accepting delivery of IMAX Theater Systems. Any reduction in backlog could adversely affect the Company's future revenues and cash flows. In addition, customers with theater system obligations in backlog sometimes request that the Company agree to modify or reduce such obligations, which the Company has agreed to do in the past under certain circumstances. Customer-requested delays in the installation of IMAX Theater Systems in backlog remain a recurring and unpredictable part of the Company's business.

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***The Company's inability to enter into renewals of new sales and lease agreements on favorable terms or at all would adversely affect its cash flows and operating results.***

Approximately 9% 11% of the Company's sales and lease agreements are due to expire in the next 12 months. If these agreements are not renewed, or if the Company is unable to enter into new leases agreements comparable to those currently in effect in a timely manner, then the Company's theater revenue could be adversely affected. Although the Company has not been informed by any client of its intention not to renew an expiring sales or lease agreement, there can be no assurance that the expiring sales and lease agreements will be renewed or new agreements will be entered into on favorable terms, in a timely manner or at all.

***The Company's revenues from existing customers are derived in part from financial reporting provided by its customers, which may be inaccurate or incomplete, resulting in lost or delayed revenues.***

The Company's revenue under its joint revenue sharing arrangements, a portion of the Company's payments under lease or sales arrangements and its film distribution fees are based upon financial reporting provided by its customers. If such reporting is inaccurate, incomplete, or withheld, the Company's ability to receive the appropriate payments it is owed in a timely fashion may be impaired. The Company's contractual ability to audit IMAX theaters locations may not rectify payments lost or delayed as a result of customers not fulfilling their contractual obligations with respect to financial reporting.

***There is collection risk associated with payments to be received over the terms of the Company's theater system IMAX System agreements.***

The Company is dependent in part on the viability of its exhibitors for collections under long-term leases, sales financing agreements, and joint revenue sharing arrangements. Exhibitors or other operators may experience financial difficulties that could cause them to be unable to fulfill their contractual payment obligations to the Company. As a result, the Company's future revenues and cash flows could be adversely affected.

***The Company may be subject to impairment losses on its film assets if such assets do not meet management's estimates of total revenues.***

The Company amortizes its film assets, including IMAX DMR costs capitalized using the individual film forecast method, whereby the costs of film assets are amortized and participation costs are accrued for each film in the ratio of revenues earned in the current period to management's estimate of total revenues ultimately expected to be received for that title. Management regularly reviews, and revises when necessary, its estimates of ultimate revenues on a title-by-title basis, which may result in a change in the rate of amortization of the film assets and write-downs or impairments of film assets. Results of operations in future years will include the amortization of the Company's film assets and may be significantly affected by periodic adjustments in amortization rates.

***The Company may be subject to impairment losses on its inventories if they become obsolete.***

The Company records write-downs for excess and obsolete inventory based upon current estimates of future events and conditions, including the anticipated installation dates for the current backlog of theater system contracts, technological developments, signings in negotiation and anticipated market acceptance of the Company's current and pending IMAX Theater Systems.

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***If the Company's goodwill or long-lived assets become impaired, the Company may be required to record a significant charge to earnings.***

Under United States Generally Accepted Accounting Principles ("U.S. GAAP"), the Company reviews its long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be qualitatively assessed at least annually and when events or changes in circumstances arise or can be quantitatively tested for impairment. Factors that may be considered a change in circumstances include (but are not limited to) a decline in stock price and market capitalization, declines in future cash flows, and slower growth rates in the Company's industry. The Company may be required to record a significant charge to earnings in its financial statements during the period in which any impairment of its goodwill or long-lived assets is determined.

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## RISKS RELATED TO THE COMPANY'S COMMON SHARES

***The market price for the Company's common shares has historically been volatile and declines in market price, including as a result of a market downturn resulting from the COVID-19 pandemic or otherwise, may negatively affect its ability to raise capital, issue debt, secure customer business, and retain employees.***

The Company is listed on the New York Stock Exchange ("NYSE") and its publicly traded shares have in the past experienced, and may continue to experience, significant price and volume fluctuations. This market volatility could reduce the market price of its common shares, regardless of the Company's operating performance. A decline in the capital markets generally, or an adjustment in the market price or trading volumes of the Company's publicly traded securities, may negatively affect its ability to raise capital, issue debt, secure customer business or retain employees. These factors, as well as general economic and geopolitical conditions, may have a material adverse effect on the market price of the Company's publicly traded securities.

***Because the Company is incorporated in Canada, it may be difficult for plaintiffs to enforce against the Company liabilities based solely upon United States federal securities laws.***

The Company is incorporated under the federal laws of Canada, some of its directors and officers are residents of Canada and a substantial portion of its assets and the assets of such directors and officers are located outside the United States. As a result, it may be difficult for United States plaintiffs to effect service within the United States upon those directors or officers who are not residents of the United States, or to obtain or enforce against them or the Company judgments of United States courts predicated solely upon civil liability under the United States federal securities laws. In addition, it may be difficult for plaintiffs to bring an original action outside of the United States against the Company to enforce liabilities based solely on United States federal securities laws.

## RISKS RELATED TO THE COMPANY'S INDEBTEDNESS

***The credit agreement governing the Company's senior secured credit facility contains significant restrictions that limit its operating and financial flexibility.***

The credit agreement governing the Company's senior secured credit facility contains certain restrictive covenants that, among other things, limit its ability to:

•incur  
additional incur additional indebtedness;  
indebtedness;

•pay  
dividends  
and make  
distributions;

•repurchase  
stock;

•make certain  
investments;

•transfer or  
sell assets;

•create liens;

•enter into  
transactions  
with  
affiliates;

•issue or sell  
stock of  
subsidiaries;

•create  
dividend or  
other  
payment  
restrictions  
affecting  
restricted  
subsidiaries;  
and

•merge,  
consolidate,  
amalgamate,  
or sell all or  
substantially  
all of its  
assets to  
another  
person.

•

• pay dividends and make distributions;

• repurchase stock;

• make certain investments;

• transfer or sell assets;

• create liens;

• enter into transactions with affiliates;

• issue or sell stock of subsidiaries;

• create dividend or other payment restrictions affecting restricted subsidiaries; and

▪ merge, consolidate, amalgamate, or sell all or substantially all of its assets to another person.

These restrictive covenants impose operating and financial restrictions on the Company that limit its ability to engage in acts that may be in the Company's long-term best interests.

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***The Company's indebtedness and liabilities could limit the cash flow available for its operations, expose the Company to risks that could adversely affect its business, financial condition, and results of operations.***

As of December 31, 2021 2022, the Company had approximately \$361.5 million \$413.2 million of consolidated indebtedness, indebtedness and liabilities. The Company may also incur additional indebtedness to meet future financing needs. The Company's indebtedness could have significant negative consequences for its security holders and its business, results of operations and financial condition by, among other things:

•increasing its vulnerability to adverse economic and industry conditions;

•limiting its ability to obtain additional financing;

•requiring the dedication of a substantial portion of its cash flow from operations to service its indebtedness, which will reduce the amount of cash available for other purposes;

•limiting its flexibility to plan for, or react to, changes in its business;

•diluting the interests of its shareholders as a result of issuing common shares upon conversion of the 0.500% Convertible Senior Notes due 2026 (the "Convertible Notes"); and

•placing the Company at a possible competitive disadvantage with competitors that are less leveraged than the Company or have better access to capital.

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- limiting its ability to obtain additional financing;
- requiring the dedication of a substantial portion of its cash flow from operations to service its indebtedness, which will reduce the amount of cash available for other purposes;
- limiting its flexibility to plan for, or react to, changes in its business;
- diluting the interests of its shareholders as a result of issuing common shares upon conversion of the 0.500% Convertible Senior Notes due 2026 (the "Convertible Notes"); and
- placing the Company at a possible competitive disadvantage with competitors that are less leveraged than the Company or have better access to capital.

The Company's business may not generate sufficient funds, and the Company may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under its indebtedness, and the Company's cash needs may increase in the future. In addition, the Credit Agreement contains, and any future indebtedness that the Company incurs may contain, financial and other restrictive covenants that limit its ability to operate, raise capital or make payments under its other indebtedness. If the Company fails to comply with these covenants or to make payments under its indebtedness when due, then the Company would be in default under that indebtedness, which could, in turn, result in that and the Company's other indebtedness becoming immediately payable in full. For a description of the Company outstanding indebtedness, see Note 14 15 of Notes to Consolidated Financial Statements in Part II, Item 8.

***The Company may be unable to raise the funds necessary to repurchase the Convertible Notes for cash following a fundamental change, or to pay the cash amounts due upon conversion, and the Company's other indebtedness may limit its ability to repurchase the Convertible Notes or pay cash upon their conversion.***

Noteholders may, subject to a limited exception described in the indenture governing the Convertible Notes, require the Company to repurchase their Convertible Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, all conversions of Convertible Notes will be settled partially or entirely in cash. The Company may not have enough available cash or be able to obtain financing at the time it is required to repurchase the Convertible Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing the Company's other indebtedness may restrict the Company's ability to repurchase the Convertible Notes or pay the cash amounts due upon conversion. The Company's failure to repurchase Convertible Notes or pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the Convertible Notes. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing the Company's other indebtedness, which may result in that other indebtedness becoming immediately payable in full. The Company may not have sufficient funds to satisfy all amounts due under its other indebtedness and the Convertible Notes.

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***Provisions in the indenture could delay or prevent an otherwise beneficial takeover of the Company.***

Certain provisions in the Convertible Notes and the related indenture could make a third-party attempt to acquire the Company more difficult or expensive. For example, if a takeover constitutes a fundamental change, then noteholders will have the right to require the Company to repurchase their Convertible Notes for cash. In addition, if a takeover constitutes a make-whole fundamental change, then the Company may be required to temporarily increase the conversion rate of the Convertible Notes. In either case, and in other cases, the Company's obligations under the Convertible Notes and the indenture could increase the cost of acquiring the Company otherwise discourage a third party from acquiring the Company or removing incumbent management, including in a transaction that noteholders or holders of the Company's common shares may view as favorable.

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***The Company is subject to counterparty risk with respect to the Capped Call Transactions, and the capped call may not operate as planned.***

In connection with the issuance of the Convertible Notes, the Company entered into privately negotiated capped call transactions with option counterparties (the "Capped Call Transactions"). The Capped Call Transactions are expected to reduce potential dilution resulting from the common shares the Company is required to issue and/or to offset any potential cash payments the Company is required to make in excess of the principal amount of the Convertible Notes in the event that the market price per share of the Company's common shares is greater than the strike price of the Capped Call Transactions, with such reduction and/or offset subject to a cap. Collectively, the Capped Call Transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes, the number of the Company's common shares underlying the Convertible Notes.

The option counterparties are financial institutions, and the Company will be subject to the risk that they might default under the Capped Call Transactions. The Company's exposure to the credit risk of the option counterparties will not be secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, the Company will become an unsecured creditor in those proceedings with a claim equal to the Company's exposure at that time under our transactions with that option counterparty. The Company's exposure will depend on many factors, but, generally, the increase in the Company's exposure will be correlated with increases in the market price or the volatility of its common shares. In addition, upon a default by an option counterparty, the Company may suffer adverse tax consequences and more dilution than the Company currently anticipate anticipates with respect to its common

shares. The Company can provide no assurances as to the financial stability or viability of any option counterparty. In addition, the Capped Call Transactions are complex, and they may not operate as planned. For example, the terms of the Capped Call Transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as the Company intends if it is required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the Capped Call Transactions.

## GENERAL RISK FACTORS

***The loss of one or more of the Company's key personnel, or its failure to attract and retain its employee population, could adversely affect its business.***

The Company's operations and prospects depend in large part on the performance and continued service of its senior management team. The competition for experienced senior management in the Company's industry is intense, and the Company may not find qualified replacements for any of these individuals if their services are no longer available on the same terms or at all. The loss of the services of one or more members of the Company's senior management team could adversely affect its ability to effectively pursue its business strategy.

In addition, the Company may experience challenges with respect to employee retention given the current competitive labor market. A number of external factors beyond the Company's control, including its industry's highly competitive market for skilled workers and leaders, cost inflation, the ongoing COVID-19 pandemic, and workforce participation rates, may negatively affect the Company's ability to retain and attract qualified employees. If the Company experiences high attrition rates in its employee population, the results of our operations may be adversely affected.

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***Changes in accounting and changes in management's estimates may affect the Company's reported earnings and operating income.***

U.S. GAAP and accompanying accounting pronouncements are highly complex and involve many subjective judgments. Changes in these rules, their interpretation, management's estimates, or changes in the Company's products or business could significantly change its reported future earnings and operating income and could add significant volatility to those measures, without a comparable underlying change in cash flow from operations. (See "Critical Accounting Estimates" in Item 7.)

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***Regulatory and market responses to climate change concerns may negatively impact our business and increase our operating costs.***

Growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on climate change issues. As a result, climate change regulation and market reactions to climate change could adversely impact the Company's business, including the potential for an increase in climate risk assessment. Such enhanced governmental and societal attention to climate matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change impacts, carbon emissions, water usage, waste management, and risk oversight, could expand the nature, scope, and complexity of matters that the Company is required to control, assess, and report. Furthermore, legislative or regulatory efforts to combat climate change could result in increases in the cost of raw materials, taxes, transportation and utilities for the Company's suppliers and vendors which would result in higher operating costs for the Company and potentially impact the availability of components used in the Company's systems. These and other rapidly changing laws, regulations, policies, interpretations, and expectations may increase the cost of the Company's compliance, and divert management attention, alter the environment in which it does business, and expose the Company to potentially significant fines or other penalties if it is unable to comply with such laws, regulations or policies, any of which could have a material adverse effect on the Company's business, results of operations, and financial condition. In addition, the shift toward a lower-carbon economy, driven by policy regulations, low-carbon technology advancement, consumer sentiment, and/or liability risks, may negatively impact the Company's business and operating costs. However, the Company is unable to predict at this time, the potential effects, if any, that any climate change initiatives may have on its business.

***The Company's business and financial results could be adversely affected by weather conditions and natural and man-made disasters.***

Physical risks, including man-made disasters, such as infrastructure failures, structural collapse, fires, explosions, and acts of war and terror, as well as weather conditions and natural disasters, such as earthquakes, droughts, floods, hailstorms, heavy or prolonged precipitation, wildfires, hurricanes, sea level rise and others, affecting the IMAX global network or corporate locations, could harm the Company's business. Additionally, the physical impacts of climate change may cause these occurrences of natural disasters to increase in frequency, severity and duration, magnifying the adverse impact of such occurrences and the cost of insuring against them. The climates and geology of some of the regions in which the Company's principal offices are located, including California, present increased risks of adverse weather or natural disasters. Any such events in the future could disrupt the Company's operations and impact the Company's ability to serve its customers.

## Item 1B. Unresolved Staff Comments

None.

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## Item 2. Properties

The Company's principal executive offices are located in Mississauga, Ontario, Canada, New York, New York, and Playa Vista, California. As of **December 31, 2021** **December 31, 2022**, the Company's principal facilities are as follows:

	Operation	Own/Lease	Expiration
Mississauga, Ontario <sup>(1)</sup>	Headquarters, Administrative, Assembly, Research and Development, and Maintenance Services	Own	N/A
Playa Vista, California	Sales, Marketing, Film Production and Post-Production	Own	N/A
New York, New York	Executive	Lease	2029
Tokyo, Japan	Sales, Marketing, and Maintenance Services	Lease	2023
Shanghai, China	Sales, Marketing, Maintenance Services, and Administrative	Lease	20222025
Dublin, IrelandWaterloo, Ontario <sup>(2)</sup>	Sales, Marketing, Administrative, and Research and Development	Lease	20262023
Moscow, RussiaDublin, Ireland	Sales, Marketing, Administrative, and Research and Development	Lease	20222026
London, United Kingdom	Sales	Lease	2022
(1)	This facility is subject to a charge in favor of Wells Fargo Bank in connection with a secured revolving credit facility. (See Note 14 of Notes to Consolidated Financial Statements in Part II, Item 8.)		Sale Lease 2023

(1) This facility is subject to a charge in favor of Wells Fargo Bank in connection with a secured revolving credit facility. (See Note 15 of Notes to Consolidated Financial Statements in Part II, Item 8.)

(2) Related to SSIMWAVE, which was acquired on September 22, 2022. See Note 5 of Notes to Consolidated Financial Statements in Part II, Item 8 for additional information relating to the Company's acquisition of SSIMWAVE.

The Company believes that its existing facilities and equipment are in good operating condition and are suitable for the conduct of its business.

## Item 3. Legal Proceedings

See Note **16 17** of Notes to Consolidated Financial Statements in Part II, Item 8.

## Item 4. Mine Safety Disclosures

Not applicable.

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## PART II

## Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

The Company's common shares are traded on the NYSE under the symbol "IMAX".

As of **January 31, 2022** **January 31, 2023**, the Company had approximately **224 253** registered holders of record of its common shares.

Over the last few years, the Company has not paid, nor does the Company have any current plans to pay, cash dividends on its common shares. The payment of dividends by the Company is subject to certain restrictions under the terms of the Company's indebtedness (see Note **14 15** of Notes to Consolidated Financial Statements in Part II, Item 8). The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including the Company's financial condition and requirements, future prospects, restrictions in financing agreements, business conditions and other factors deemed relevant by the Board of Directors.

In 2020, the Company expanded its share-based compensation program to include the issuance of performance stock units ("PSUs"). The Company grants two types of PSU awards, performance stock units ("PSU"), one which vests based on a combination of employee service and the achievement of certain EBITDA-based targets, and one which vests based on a combination of employee service and the achievement of total shareholder return ("TSR") targets. The achievement of the EBITDA and TSR targets in these PSUs is determined 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 award, depending upon actual performance versus the established EBITDA and stock-price targets.

## Equity Compensation Plans

The following table sets forth information regarding the Company's Equity Compensation Plan as of **December 31, 2021** **December 31, 2022**:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding
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Plan Category	Securities Reflected in Column (a)		
	(a)	(b)(2)	(c)
Equity compensation plans approved by security holders	5,788,499	\$ 16.42	5,866,199
Equity compensation plans not approved by security holders	nil	nil	nil
Total <sup>(1)</sup>	5,788,499	\$ 16.42	5,866,199

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights		Weighted Average Exercise Price of Outstanding Options, Warrants and Rights		Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))	
	(a)	(b)	(c)	(d)	(e)	(f)
Equity compensation plans approved by security holders	5,807,445	\$ 17.12	5,866,199			
Equity compensation plans not approved by security holders	nil	nil	nil			
Total <sup>(1)</sup>	5,807,445	\$ 17.12	5,866,199			

(1) The number of securities to be issued upon exercise of outstanding options, warrants, and rights excludes 698,787 of outstanding, assuming full achievement of the EBITDA and TSR targets.

(2) The weighted average exercise price is calculated based solely on outstanding stock options and does not take into account common shares that are subject to outstanding R and PSUs, which do not have an exercise price.

(1)36 The number of securities to be issued upon exercise of outstanding options, warrants, and rights excludes 460,053 common shares that may be issued with respect to PSUs outstanding, assuming full achievement of the EBITDA and TSR targets.

## Performance Graph

The following graph compares the total cumulative shareholder return for \$100 invested on December 31, 2013 December 31, 2017 (assuming that all dividends were reinvested) in common shares of the Company against the cumulative total return of the NYSE Composite Index, the S&P/TSX Composite Index and the IMAX Peer Group to the end of the most recently completed fiscal year. The IMAX Peer Group consists of Ambarella, Inc., Avid Technologies, Inc., Cinemark Holdings, Inc., Cineplex Inc., Dolby Laboratories, Inc., Harmonic Inc., Lions Gate Entertainment Corp., The Marcus Corporation, and World Wrestling Entertainment, Inc., and Zynga Inc.

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## Issuer Purchases of Equity Securities

In April 2021, On April 28, 2022 and July 28, 2022, the Company's Board of Directors approved a 12-month extension to its share repurchase program through June 30, 2022. The extension authorized the Company to repurchase up to approximately \$89.4 million worth June 30, 2023 and an increase of common shares, the remaining amount available of the original \$200.0 million initially authorized under in the share repurchase program, when it commenced on July 1, 2017, respectively. With the increase of \$200.0 million, the Company's total share repurchase authority is \$400.0 million under the current share repurchase program. As of December 31, 2022, the Company had \$193.4 million available under its approved repurchase program. The repurchases may be made either in the open market or through private transactions, including repurchases made pursuant to a plan intended to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, subject to market conditions, applicable legal requirements, and other relevant factors. The Company has no obligation to repurchase shares and the share repurchase program may be suspended or discontinued by the Company at any time. During the three months ended December 31, 2021 December 31, 2022, the Company repurchased 524,519 1,900,156 common shares at an average price of \$17.70 \$14.01 per share, for a total of \$9.3 million \$26.6 million, excluding commissions. commissions, of which 140,000 were common shares (2021 — nil) where settlement occurred subsequent to December 31, 2022, at an average price of \$14.45 per share, for a total of \$2.0 million, excluding commission.

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As of December 31, 2022 and December 31, 2021, the IMAX LTIP trustee did not hold any shares. Any shares held with the trustee are recorded at cost and are reported as a reduction against Capital Stock on the Company's Consolidated Balance Sheets.

Subsequent to December 31, 2022 and through February 21, 2023, the Company has \$75.5 million available under its approved repurchase program, completed repurchases through a 10b5-1 program of 109,477 shares at an average of \$14.87 per share, for a total cost of \$1.6 million, excluding commission.

The Company's common share repurchase program activity for the three months ended December 31, 2021 December 31, 2022 was as follows:

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Maximum value of shares that may yet be purchased under the program
October 1 through October 31, 2021	—	\$ —	—	\$ 84,757,657
November 1 through November 30, 2021	354,519	18.41	354,519	78,232,431
December 1 through December 31, 2021	170,000	16.23	170,000	75,473,501
Total	524,519	\$ 17.70	524,519	
October 1 through October 31, 2022	1,129,774	\$ 13.96	1,129,774	\$ 204,292,849
November 1 through November 30, 2022	—	—	—	204,292,849
December 1 through December 31, 2022	770,382	14.10	770,382	193,433,166
Total	1,900,156	\$ 14.01	1,900,156	

In 2021, IMAX China's shareholders granted its Board of Directors a general mandate authorizing the Board, subject to applicable laws, to repurchase shares of IMAX China not to exceed 10% of the total number of issued shares as of May 6, 2021 (34,835,824 shares). This program expired on the date of the 2022 Annual General Meeting of IMAX China on June 23, 2022. During the 2022 Annual General Meeting, shareholders approved the repurchase of shares of IMAX China not to exceed 10% of the total number of issued shares as of June 23, 2022 (34,063,480 shares). This program will be valid until the 2022 2023 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 December 31, 2021 December 31, 2022, IMAX China repurchased 3,095,700 did not repurchase any common shares at an average price of HKD 12.58 per share (U.S. \$1.61 per share) for a total of HKD 38.9 million or U.S. \$5.0 million, shares.

The total number of shares purchased during the year ended December 31, 2021 December 31, 2022, under both the Company and IMAX China's repurchase plans, does not include any shares purchased in the administration of employee share-based compensation plans.

(See Note 14 15 of Notes to Consolidated Financial Statements 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.)

## Issuer Sales of Unregistered Securities

Please see Note 14(b) 18(c) of Notes to Consolidated Financial Statements in Part II, Item 8.

## Item 6. Selected Financial Data

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

### 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, theater architecture, patented intellectual property, and specialized equipment, IMAX offers a unique end-to-end solution to create superior, 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 and, increasingly, exclusive experiences ranging from live performances to interactive events with leading artists and creators.

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 ("IMAX DMR®") and the sale or lease of premium IMAX theater systems ("IMAX Theater Systems" System(s)).

IMAX Theater Systems are based on proprietary and patented image, audio and other technology developed over the course of the Company's history since its founding in 1968. The customers for IMAX Theater Systems are principally theater exhibitors that operate commercial multiplex theaters, and, to a much lesser extent, museums, science centers and destination entertainment sites. The Company generally does not own the theaters locations in the IMAX network, and is not an exhibitor, but instead sells or leases the IMAX Theater System to the exhibitor customers along with a license to use its trademarks, trademarks and ongoing maintenance services.

As of December 31, 2021 December 31, 2022, there were 1,683 1,716 IMAX Theater Systems operating in 87 countries and territories, including 1,633 commercial multiplexes, 12 commercial destinations, and 71 institutional locations in the Company's global network. This compares to 1,683 IMAX Systems operating in 87 countries and territories as of December 31, 2021, including 1,599 commercial multiplexes, 12 commercial destinations, and 72 institutional locations. This compares to 1,650 IMAX Theater Systems operating locations in 84 countries and territories as of December 31, 2020, including 1,562 commercial multiplexes, 12 commercial destinations, and 76 institutional locations. the Company's global network. (See the table below under "IMAX Network and Backlog" for additional information on the composition of the IMAX network.)

The IMAX Theater System provides the Company's exhibitor customers with a combination of the following benefits:

- the ability to exhibit content that has undergone the IMAX DMR conversion process, which results in higher image and sound fidelity than conventional cinema experiences;
- has undergone the IMAX DMR conversion 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  
theater  
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 a theater  
equipped  
with an IMAX  
System;

specialized  
theater  
acoustics,  
which result  
in a four-fold  
reduction in  
background  
noise;

ongoing  
maintenance  
and  
extended  
warranty  
services, and

a license to  
the globally  
recognized  
IMAX brand.

- 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 theater 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 IMAX theater;
- specialized theater acoustics, which result in a four-fold reduction in background noise; and
- a license to the globally recognized IMAX brand.

In addition, certain movies shown in the IMAX theaters network are filmed using proprietary IMAX film cameras or IMAX certified digital cameras, which offer filmmakers customized guidance and a workflow process to provide further 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 theaters locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, with up to 67% more image.

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Together, these components cause audiences in IMAX theaters locations to feel as if they are a part of the on-screen action, creating a more intense, immersive, and exciting experience than a traditional theater.

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As a result of the engineering and scientific achievements that are a hallmark of *TheIMAX Experience*®, the Company's Company's exhibitor customers typically charge a premium for IMAX films over films exhibited in their other auditoriums. The premium pricing, combined with the higher attendance levels associated with IMAX films, generates incremental box office for the Company's Company's exhibitor customers and for the movie studios releasing their films to the IMAX network. The incremental box office generated by IMAX films has helped establish IMAX as a key premium distribution and marketing platform for Hollywood blockbuster films and foreign local language movie studios.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX Live™ events and experiences to audiences worldwide. The Company has a footprint of connected IMAX Systems capable of delivering live, interactive content with low latency and superior sight and sound. As of December 31, 2022, 253 systems in the IMAX network across North America, Europe and Asia were configured with connectivity to deliver live and interactive events.

As a premier global technology platform for entertainment and events, the Company strives to remain at the forefront of advancements in cinema technology. The Company offers a suite of IMAX Laser Theater 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 Theater Systems are helping facilitate the next major renewal and upgrade cycle for the global IMAX network.

In September 2022, the Company acquired SSIMWAVE Inc. ("SSIMWAVE"), a Canadian company, a leader in AI-driven video quality solutions for media and entertainment companies. The acquisition of SSIMWAVE marks a significant expansion of the Company's strategy to deliver the highest quality images on any screen — to drive new, recurring revenue and grow its global leadership in entertainment technology. (See "SSIMWAVE" under "Sources of Revenue - All Other" and Note 5 of Notes to Consolidated Financial Statements in Part II, Item 8 for additional information related to the Company's acquisition of SSIMWAVE.)

Commencing in March 2022, in response to numerous sanctions imposed by the United States, Canada and the European Union on companies transacting in Russia and Belarus resulting from ongoing conflict between Russia and Ukraine, the Company suspended its operations in Russia and Belarus. As of December 31, 2022, the IMAX network includes 54 theaters in Russia, eight theaters in Ukraine, and one theater in Belarus, and the Company's backlog includes 14 theaters in Russia, one theater in Ukraine, and five theaters in Belarus with a total fixed contracted value of \$22.9 million. In the first quarter of 2022, the Company recorded provisions for potential credit losses against substantially all of its receivables in Russia due to uncertainties associated with the ongoing conflict. These receivables relate to existing sale agreements as the Company is not party to any joint revenue sharing arrangements in these countries. In addition, exhibitors in Russia, Ukraine, and Belarus were placed on nonaccrual status for maintenance revenue and finance income beginning in the first quarter of 2022, which resulted in revenue deferred and not recognized of \$2.3 million during the year ended December 31, 2022. Most multiplexes in Ukraine have reopened since the conflict began and the Company remains optimistic that its full network in Ukraine will ultimately resume operations. The Company continues to evolve closely monitor the evolving impacts of this conflict (including the sanctions imposed by the United States, Canada and the European Union) and its platform to bring new, innovative events effects on the global economy and experiences to audiences worldwide, the Company. (See "Risk Factors - The Company has 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 and Note 6 of Notes to Consolidated Financial Statements in Part II, Item 8.)

On September 7, 2022, Cineworld Group plc ("Cineworld"), the parent company of Regal, and certain of its subsidiaries and Regal CineMedia Holdings, LLC, filed petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the Southern District of Texas. The Company had an unsecured pre-petition claim of \$11.4 million related

to receivables from the entities included in the reorganization proceedings. On October 21, 2022, the Company was ratified by the bankruptcy court as a connected critical vendor of Cineworld, allowing the Company to collect pre-petition amounts owed to it by Cineworld, and requiring Cineworld to stay current on the Company's post-petition receivables. On November 8, 2022, IMAX theater footprint capable Corporation entered into a trade agreement with Cineworld (the "Trade Agreement"), pursuant to which Cineworld affirmed the amount of delivering live, interactive content with low latency the receivables owed to the Company and superior sight and sound, agreed to a payment plan under which all amounts due will be settled over the period from November 9, 2022 to April 12, 2023. As of December 31, 2021 February 20, 2023, 68 theaters the Company had received payments of \$7.2 million from Cineworld in accordance with the terms of the Trade Agreement. Based on its evaluation of its contracts with Cineworld, its assessment of the reorganization and its discussions with Cineworld to date, the Company has determined that no additional provision for expected credit losses is required. The Company also does not expect to see a material impact on its IMAX network were configured with Cineworld resulting from this reorganization. There can, however, be no guarantees as to enable the streaming ultimate outcome of live events with additional theaters expected to go-live throughout 2022. a Chapter 11 proceeding.

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## IMPACT OF COVID-19 PANDEMIC

The impact of the COVID-19 pandemic is complex and continuously evolving, resulting in significant disruption the measures to prevent its spread have impacted the Company's business and the global economy. At Capacity restrictions and safety protocols were lifted then reinstituted at various points during the pandemic, authorities around the world imposed measures intended to control the spread of COVID-19, including stay-at-home orders and restrictions on large public gatherings, which caused movie theaters in countries around the world to temporarily close, including the IMAX theaters in those countries. As a result of these theater closures, movie studios postponed the theatrical release of most films originally scheduled for release in 2020 and early 2021, including many of the films scheduled to be shown in IMAX theaters, while several other films were released directly or concurrently to streaming platforms. Beginning in since the third quarter of 2020, stay-at-home orders and capacity restrictions were lifted 2020. Although normal operations have resumed in many most key markets and movie theaters throughout the IMAX network, gradually reopened. However, the Company's business continues to experience impact from COVID-19. For example, following the emergence of the Omicron variant and the rise of COVID-19 cases in late 2021 and early China in the first quarter of 2022, some governments the Chinese government reinstituted capacity restrictions and safety protocols on large public gatherings leading and enforced a dynamic zero-COVID policy, which led to the temporary lock-down of various cities and the temporary closure of theaters or in these cities. At the imposition end of 2022, the Chinese government relaxed its dynamic zero-COVID policies and significantly eased capacity restrictions in certain markets, restrictions. As of December 31, 2021 December 31, 2022, 95% approximately 97% of the theaters IMAX network in the global IMAX commercial multiplex network were Greater China was open at various capacities, spanning 75 countries. This included 99% of Domestic theaters (i.e., in the United States and Canada), 95% of the theaters in Greater China and 91% of the theaters in Rest of World markets.

The COVID-19 pandemic resulted in significantly lower levels of revenues, earnings, and operating cash flows for the Company during 2020 and, to a lesser extent, during 2021, when compared to periods prior to the onset of the pandemic, as GBO results from the theaters in the IMAX network declined, the installation of certain theater systems was delayed, and maintenance fees were generally not recognized for theaters that were closed or operating with reduced capacities. In addition, as a result of the financial difficulties faced by certain of the Company's exhibition customers arising out of pandemic-related theater closures, although improving, the Company has experienced and may continue to experience delays in collecting payments due under existing theater sale or lease arrangements. In response, beginning in the second quarter of 2020 through the fourth quarter of 2021, the Company provided temporary relief to certain exhibitor customers by waiving or reducing maintenance fees during periods when theaters were closed or operating with reduced capacities and, in certain situations, by providing extended payment terms on annual minimum payment obligations in exchange for a corresponding or longer extension of the term of the underlying sale or lease arrangement.

As a result of the uncertainties associated with the pandemic, the Company took significant steps in 2020 and 2021 to preserve cash by eliminating non-essential costs, temporarily furloughing certain employees, reducing the working hours of other employees, and reducing all non-essential capital expenditures to minimum levels. The Company also implemented an active cash management process, which, among other things, required senior management approval of all outgoing payments.

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Also, in the first quarter of 2021, the Company issued \$230.0 million of Convertible Notes. The net proceeds from the issuance of the Convertible Notes were approximately \$223.7 million, after deducting the initial purchasers' discounts and commissions, which were used in part to repay a portion of outstanding borrowings under the Credit Facility provided by the Company's Credit Agreement with Wells Fargo. In addition, during 2021, the Company entered into amendments to its Credit Agreement which, among other things, suspend the Senior Secured Net Leverage Ratio financial covenant in the Credit Agreement through the first quarter of 2022 and once re-established, permits the Company to use EBITDA from the third and fourth quarters of 2019 in lieu of EBITDA for the corresponding quarters of 2021. As of December 31, 2021, the Company was in compliance with all of its requirements under the Credit Agreement, as amended. (Each defined term used, but not defined in this paragraph is defined in Note 14 of Notes to Consolidated Financial Statements. See Note 14 of Notes to Consolidated Financial Statements for a summary of the amendments to the Credit Agreement that the Company entered into in 2021.)

In 2020 and 2021, the Company recognized a total of \$10.9 million in wage subsidies, tax credits, and other financial support under COVID-19 relief legislation that has been enacted in the countries in which it operates, primarily under the Canada Emergency Wage Subsidy ("CEWS") program. For the years ended December 31, 2021 and 2020, these benefits were recognized in the Consolidated Statements of Operations as reductions to Selling, General and Administrative Expenses (\$2.9 million and \$6.0 million, respectively), Costs and Expenses Applicable to Revenues (\$0.9 million and \$1.0 million, respectively), and Research and Development (\$nil and \$0.1 million, respectively). The CEWS program expired in October 2021.

For the year ended December 31, 2021 December 31, 2022, GBO gross box office ("GBO") generated by IMAX films totaled \$638.2 million \$849.7 million, surpassing representing a \$211.5 million (33%) increase versus 2021. Although GBO results during 2022 were impacted by the total for 2020 by \$379.0 million (146%), whereas



conventional theaters saw an estimated 78% increase COVID-related theater closures in box office. Moreover, during the fourth quarter of 2021, GBO generated by IMAX films totaled \$277.5 million, surpassing the pre-pandemic total of \$241.2 million for the fourth quarter of 2019, due to the performance of films such as *Spider-Man: No Way Home*, *No Time to Die*, and *Dune*. Included in this fourth quarter GBO performance is an all-time Company record for the month of October. Management is China, management remains encouraged by these the overall positive trend in box office results and believes they indicate it indicates that moviegoers are returning to theaters, and in particular IMAX theaters, locations, where and when theaters are open, and they feel safe. Despite accounting for approximately 1% of all domestic screens and less than 1% of all screens globally, the IMAX network had a domestic market share of 5% and a global market share of 3% for the year ended December 31, 2022. Management is further encouraged by the return of the prevalence of exclusive theatrical windows and the strong pipeline of Hollywood movies scheduled to be released for theatrical exhibition in 2022, throughout the remainder of 2023. However, the impact of the COVID-19 pandemic on the Company's Company's business and financial results will continue to depend on numerous evolving factors that cannot be accurately predicted and that will vary by jurisdiction and market, including the duration and scope of the pandemic, the emergence of new and the spread of existing variants of the virus, the progress made on administering vaccines and developing treatments and the effectiveness of such vaccines and treatments, the continuing impact of the pandemic on global economic conditions and ongoing government responses to the pandemic, which could lead to further theater closures, theater capacity restrictions and/or delays in the release of films. market.

(See "Risk Factors – The Company has experienced a significant decrease in its revenues, earnings and cash flows due to the COVID-19 pandemic and its business, financial condition and results of operations may continue to be significantly harmed in future reporting periods" in Part I, Item 1A, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Impact of COVID-19 Pandemic" and Note 2 of Notes to Consolidated Financial Statements in Part II, Item 8.)

## SOURCES OF REVENUE

For the presentation of MD&A, Management's Discussion & Analysis, the Company has organized its reportable segments into the following four three categories: (i) IMAX Technology Network; (ii) IMAX Technology Sales and Maintenance; and (iii) Film Distribution and Post-Production; and (iv) New Business Initiatives, Post-Production. Within these four three categories are the Company's following reportable segments: (i) IMAX DMR; (ii) Joint Revenue Sharing Arrangements; Arrangements ("JRSA"); (iii) IMAX Systems; (iv) IMAX Maintenance; (v) Other Theater Business; (vi) Film Distribution; and (vii) Film Post-Production; and (viii) New Business Initiatives, Post-Production. The Company's activities that do not meet the criteria to be considered a reportable segment are disclosed within All Other.

### IMAX Technology Network

The IMAX Technology Network category earns revenue based on contingent box office receipts. Included in the IMAX Technology Network category are the IMAX DMR segment and contingent rent from the Joint Revenue Sharing Arrangement ("JRSA"), JRSA segment, which are each described in more detail below.

#### IMAX DMR

IMAX DMR is a proprietary technology that digitally remasters films into IMAX formats. In a typical IMAX DMR film arrangement, the Company receives a percentage of the box office receipts from a movie studio in exchange for converting a commercial film into IMAX DMR format and distributing it through the IMAX network. The fee earned by the Company in a typical IMAX DMR arrangement averages approximately 12.5% of box office receipts (i.e., GBO receipts 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.

IMAX DMR digitally enhances the image resolution of films for projection on IMAX screens while maintaining or enhancing the visual clarity and sound quality to levels for which The IMAX Experience is known. In addition, the original soundtrack of a film to be exhibited in across the IMAX theaters network is remastered for IMAX digital sound systems. Unlike the soundtracks played in conventional theaters, IMAX remastered soundtracks are uncompressed and full fidelity. IMAX sound systems use proprietary loudspeaker systems and proprietary surround sound configurations that ensure every theater seat is in an optimal listening position.

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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 have sought IMAX-specific enhancements in recent years to generate interest in and excitement for their films. Such enhancements include shooting films with IMAX cameras to increase the audience's 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 theaters locations worldwide, movies filmed with IMAX cameras have an IMAX-exclusive 1.43 film aspect ratio, with up to 67% more image. The Company has a Filmed For IMAX™ program under which filmmakers craft films from their inception in various ways in order to optimize The IMAX Experience and includes incremental and bespoke marketing support, which box office metrics demonstrate audiences respond extremely favorably to.

In 2021, 63 IMAX films were released to the Company's global theater network, including films such as *Spider-Man: No Way Home*, *No Time to Die*, *Dune*, *F9*, *The Battle at Lake Changjin*, *Detective Chinatown 3*, *Godzilla vs. Kong*, *Shang-Chi and the Legend of the Ten Rings*, *The Eternals*, and *Black Widow*. The films released in 2021 include 10 with IMAX DNA and 32 local language films released in China (21), Japan (9), Russia (1) and South Korea (1). In 2020, 31 IMAX films were released to the Company's global theater network, including five with IMAX DNA, and 17 local language films released in China (10), Russia (3), Japan (3), and South Korea (1). In 2019, 60 IMAX films were released to the Company's global theater network, including six with IMAX DNA, and 18 local language films released in China (14), Japan (1), South Korea (1), India (1) and Russia (1).



Management believes that growth in international box office remains an important driver of growth for the Company. To support continued growth in international markets, the Company is focused on the expansion of the IMAX network and has sought to bolster its international film strategy, supplementing its slate of Hollywood films with appealing local language IMAX films released in select markets, particularly including China, Japan, India, and South Korea.

The following table provides detailed information about the films that were released to the Company's global network during the years ended December 31, 2022 and 2021:

	For the Years Ended December 31,	
	2022	2021
Hollywood film releases <sup>(1)</sup>	32	35
Local language film releases:		
China	15	21
Japan	8	9
South Korea	5	1
India	6	—
France	1	—
Russia	—	1
Indonesia	1	—
Total local language film releases	36	32
Total film releases <sup>(2)</sup>	68	67

(1) Includes five re-released films for the year ended December 31, 2022 (2021 — four).

(2) For the year ended December 31, 2022, the films released to the Company's global network include 12 with IMAX DNA (2021 — ten).

The films distributed through the Company's global network during the year ended December 31, 2022 include *Avatar: The Way of Water*, *Top Gun: Maverick*, *Doctor Strange in China*, *the Multiverse of Madness*, *Jurassic World Dominion*, *The Batman*, *Black Panther: Wakanda Forever*, *Thor: Love and Thunder*, *The Battle at Lake Changjin 2*, and *Spider-Man: No Way Home*.

The Company expects concluded 2022 with the release of *Avatar: The Way of Water* on December 16, 2022 which became the Company's highest grossing release of 2022 by earning \$140.2 million of GBO (or 11% market share) during the year ended December 31, 2022. This momentum has carried over into 2023 throughout the remainder of the film's theatrical run with its cumulative GBO of approximately \$250 million, cementing the title as the highest global first run IMAX release of all time, and the top performing IMAX release of all time in 48 countries to announce additional local language IMAX films to be released to its global theater network in 2022, date.

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To date, in 2022, eight 2023, nine titles have been released to the global IMAX theater network, including one released in connection with a live performance/interactive event, re-release, and the Company has announced the following 18 additional 29 titles to be released later in 2022, 2023:

Title	Studio	Scheduled Release Date <sup>(1)</sup>	IMAX DNA
<i>The Batman</i>	Warner Bros. Pictures	March 2022	None
<i>Notre-Dame Brûle</i>	Pathe	March 2022	Filmed in IMAX
<i>Morbius</i>	Sony Pictures	April 2022	None
<i>Ambulance</i>	Universal Pictures	April 2022	None
<i>Fantastic Beasts: The Secrets of Dumbledore</i>	Warner Bros. Pictures	April 2022	TBD
<i>Doctor Strange In The Multiverse of Madness</i>	Walt Disney Studios	May 2022	Filmed in IMAX
<i>Top Gun: Maverick</i>	Paramount Pictures	May 2022	Filmed in IMAX
<i>Jurassic World: Dominion</i>	Universal Pictures	June 2022	None
<i>Lightyear</i>	Walt Disney Studios	June 2022	Expanded Aspect Ratio
<i>Minions: The Rise Of Gru</i>	Universal Pictures	July 2022	None
<i>Thor: Love &amp; Thunder</i>	Walt Disney Studios	July 2022	Filmed in IMAX
<i>Nope</i>	Universal Pictures	July 2022	Filmed in IMAX
<i>Black Adam</i>	Warner Bros. Pictures	July 2022	TBD
<i>Spider-Man: Into the Spiderverse Sequel</i>	Sony Pictures	October 2022	TBD
<i>The Flash</i>	Warner Bros. Pictures	November 2022	TBD
<i>Black Panther 2: Wakanda Forever</i>	Walt Disney Studios	November 2022	TBD

Creed 3	MGM	November 2022	Filmed in IMAX
Avatar 2	Walt Disney Studios	December 2022	TBD
(1) The scheduled release dates in the table above are subject to change, including as a result		IMAX DNA	
Creed III	United Artists Releasing	March 2023	Filmed For IMAX
Shazam!: Fury of the Gods	Warner Bros. Pictures	March 2023	—
Shin Kamen Rider	Toho Studios	March 2023	—
John Wick: Chapter 4	Lionsgate	March 2023	—
Dungeons & Dragons: Honor Among Thieves	Paramount Pictures	March 2023	—
Bhola	Reliance Entertainment	March 2023	—
The Super Mario Bros. Movie	Universal Pictures	April 2023	—
The Three Musketeers	Pathé	April 2023	—
D'Artagnan		April 2023	—
Detective Conan: The Black Iron Submarine	Toho Studios	April 2023	—

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(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.

The Company remains in active negotiations with all major Hollywood studios for additional films to fill out its short short- and long-term film slate for the IMAX network. The Company also expects to announce additional local language films to be released to its global network throughout 2023.

Joint Revenue Sharing Arrangements – Contingent Rent

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

Under certain other joint revenue sharing arrangements, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX Theater System in an amount that is typically half of what the Company would receive from a typical sale transaction. As with a traditional joint revenue sharing arrangement, the customer also pays the Company a percentage of contingent box office receipts over the term of the arrangement, although this percentage is typically half that of a traditional joint revenue sharing arrangement. For hybrid joint revenue sharing arrangements that take the form of a lease, the contingent rent is reported within the IMAX Technology Network, while the fixed upfront payment is recorded as revenue within IMAX Technology Sales and Maintenance, as discussed below. For hybrid joint revenue sharing arrangements that take the form of a sale, see the discussion below under IMAX Technology Sales and Maintenance.

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

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The revenue earned from customers under the Company's joint revenue sharing arrangements can vary from quarter-to-quarter and year-to-year based on a number of factors including film performance, the mix of theater system configurations, the timing of installation of IMAX Theater Systems, the nature of the arrangement, the location, size and management of the theater and other factors specific to individual arrangements.

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

Joint revenue sharing arrangements have been an important factor in the expansion of the Company's commercial theater network. Joint revenue sharing arrangements allow commercial theater exhibitors to install IMAX Theater Systems without the significant initial capital investment required in a sale or sales-type lease arrangement. Joint revenue sharing arrangements drive recurring cash flows and earnings for the Company as customers under these arrangements pay the Company a portion of their ongoing box office receipts. The Company funds its investment in equipment for joint revenue sharing arrangements through cash flows from operations. As of December 31, 2021 December 31, 2022, the Company had 909 theaters 931 locations in operation under joint revenue sharing arrangements in its global commercial multiplex network, a 2% increase as compared to the 890 theaters in operation under joint revenue sharing arrangements 909 locations as of December 31, 2020 December 31, 2021. The Company also had contracts in backlog for 316 theaters 288 systems under joint revenue sharing arrangements as of December 31, 2021 December 31, 2022, including 82 76 upgrades to existing theater locations and 234 212 new theater locations.

#### IMAX Technology Sales and Maintenance

The IMAX Technology Sales and Maintenance category earns revenue principally from the sale or sales-type lease of IMAX Theater Systems, as well as from the maintenance of IMAX Theater Systems. To a lesser extent, the IMAX Technology Sales and Maintenance category also earns revenue from certain hybrid joint revenue sharing arrangements and certain ancillary theater business activities. These activities are described in more detail below under the captioned section for each respective segment.

##### IMAX Systems

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

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

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

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Under certain joint revenue sharing arrangements, known as hybrid arrangements, the customer is responsible for making fixed upfront payments prior to the delivery and installation of the IMAX Theater System in an amount that is typically half of what the Company would receive from a typical sale transaction. For hybrid joint revenue sharing arrangements that take the form of a lease, the contingent rent is reported within the IMAX Technology Network, as discussed above, while the fixed upfront payment is reported within IMAX Technology Sales and Maintenance.

#### IMAX Maintenance

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

#### Other Theater Business

The Other Theater Business segment principally includes after-market sales of IMAX Theater System parts and 3D glasses.

### Film Distribution and Post-Production

#### Film Distribution

Through its Film Distribution segment, the Company distributes large-format documentary films, primarily to institutional theaters. The Company receives as its distribution fee either a fixed amount or a fixed percentage of the theater box office receipts and, following the recoupment of its costs, is typically entitled to receive an additional percentage of gross revenues as participation revenues.

The ownership rights to the films distributed by In March 2022, the Company may be held by released the film's sponsors, third-party IMAX documentary film investors and/or the Company. As of December 31, 2021, the Company has distribution rights with respect to 53 films, which cover subjects such as space, wildlife, music, sports, history, and natural wonders, entitled IMAX presents The Last Glaciers.

In addition, the Company continues to evolve its platform to bring new, innovative IMAX Live™ events and experiences to audiences worldwide. The Company has a footprint of connected IMAX theater footprint Systems capable of delivering live, interactive content with low latency and superior sight and sound. As of December 31, 2021 December 31, 2022, 68 theaters 253 systems in the IMAX network across North America, Europe and Asia were configured with connectivity to enable the streaming of deliver live events with additional theaters expected to go-live throughout 2022, and interactive events.

In the fourth quarter of 2021, the Company distributed a Kanye West and Drake concert to 35 IMAX theaters across the United States and Canada through a partnership with Amazon Music. In the fourth quarter of 2021, the Company also held special screenings of Joel Coen's The Tragedy of Macbeth, including a live Q&A with Mr. Coen and actress Frances McDormand streamed from the IMAX theater in Lincoln Square, New York, and West Side Story, featuring a live Q&A with director Steven Spielberg and his cast, which was streamed from the IMAX theater of Century City, California. Also, in the first quarter of 2022, the Company partnered with Disney to hold a special screening of The Beatles: Get Back – The Rooftop Concert, featuring for a live Q&A with director and producer Peter Jackson, streaming to 68 followed by a special screening of The Beatles: Get Back – The Rooftop Concert, which was later released across the IMAX theaters worldwide, global network. Additionally, the Company presented Brandi Carlile: In The Canyon Haze - Live from Laurel Canyon, a one-night-only live concert performing her new deluxe album In The Canyon Haze for the very first time, in connected locations across the United States, among various other live events and special screenings presented throughout 2022.

The Company continues to believe that the IMAX network serves as a valuable platform to launch and distribute original content.

#### Post-Production

Through its Film Post-Production segment, the Company provides film post-production and quality control services for large-format films, whether produced by IMAX or third parties, and digital post-production services.

### New Business Initiatives

The New Business Initiatives segment includes activities related to the expansion of the IMAX brand across new lines of business and initiatives, which seek to leverage the Company's proprietary, innovative technologies, its leadership position in the entertainment technology space, its unique relationship with content creators, and its brand.

In September 2018, the Company launched All Other

#### IMAX Enhanced

IMAX Enhanced a new is an initiative, to bring The IMAX Experience into the home, in partnership with audio leader DTS (an Xperi subsidiary), to bring The IMAX Experience into the home. IMAX Enhanced provides end-to-end premium technology across streaming content and best-in-class entertainment devices, offering consumers high-fidelity



playback of image and sound in the home and beyond, including the following features:

- IMAX's expanded aspect ratio, which is available on select titles and streaming platforms, including Disney+ and features the full scale and scope of *The IMAX Experience* as the filmmakers intended;

- IMAX's proprietary remastering technology, which produces more vivid, higher-fidelity 4K HDR images on premium televisions; and

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- IMAX Signature Sound, which is specially recreated and calibrated for the home by DTS to unlock more immersive audio.

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- IMAX's proprietary remastering technology, which produces a more vivid, higher-fidelity 4K HDR images on today's best televisions; and

- IMAX signature sound, which is specially recreated and calibrated for the home by DTS to unlock more immersive audio.

To be certified as IMAX Enhanced, leading consumer electronics manufacturers spanning 4K/8K televisions, projectors, A/V receivers, loudspeakers, soundbars, smartphones, personal computers, tablets, and smartphones more must meet a carefully prescribed set of audiovisual performance standards, set by a certification committee of IMAX and DTS engineers, along with some of Hollywood's leading technical specialists.

At present, certified global device partners include Sony Electronics, Hisense, TCL, LG, Phillips, Hewlett Packard, Xiaomi, Sound United and Honor, among others. More As of December 31, 2022, more than 150,250 IMAX Enhanced titles are now available have been released across six five of the biggest streaming platforms worldwide, including worldwide: Disney+, Sony Bravia CORE, Tencent Video, iQiyi Tsutaya TV and Rakuten TV. Over 10 million IMAX Enhanced certified devices are estimated to be in the market today.

The Company's Company's collaboration with Disney which was announced in November 2021, allows fans to stream 14 Marvel 18 Disney titles in IMAX's IMAX's Expanded Aspect Ratio at home on Disney+. The 14 titles available on Disney+ include , including *Doctor Strange in the Multiverse of Madness*, *Shang-Chi and The Legend of The Ten Rings*, and *Eternals*, as well as *Iron Man*, *Guardians of the Galaxy*, *Guardians of the Galaxy Vol. 2*, *Captain America: Civil War*, *Doctor Strange*, *Thor: Ragnarok*, *Black Panther*, *Avengers:*

Infinity War, Ant-Man and The Wasp, Captain Marvel, Avengers: Endgame, and Black Widow, Lightyear, Thor: Love and Thunder, and Black Panther: Wakanda Forever (content availability varies by region). The launch of IMAX Enhanced on Disney+ served as a focal point of Disney's "Disney+ Day" two-year anniversary event, earning significant positive media coverage and providing provides strong brand exposure for IMAX by expanding the Company's Company's in-home entertainment footprint to more than 80 million Disney+ and the majority of its 160 million global subscribers.

In 2023, IMAX Enhanced and the collaboration is expected to enable an elevated end-to-end experience on Disney+, with Disney IMAX Signature Sound coming to subscribers with IMAX Enhanced certified devices.

IMAX Enhanced is part of the Company's Company's next evolutionary step to grow beyond Hollywood blockbusters and extend the IMAX brand and technology further into new use cases, including streaming entertainment and the streaming environment consumer electronics market.

In the first quarter of 2022, the Company's internal reporting was updated to reclassify the results of IMAX Enhanced out of the New Business Initiatives segment and into All Other for segment reporting purposes. IMAX Enhanced was the only component of the New Business Initiatives segment.

#### SSIMWAVE

On September 22, 2022, the Company acquired all of the issued and outstanding shares of SSIMWAVE pursuant to a share purchase agreement by and among the Company, SSIMWAVE, and related shareholders (the "Sellers"). SSIMWAVE provides perceptual quality measurement and optimization solutions based on artificial intelligence technologies for leading media and entertainment companies. Following the acquisition, SSIMWAVE became a wholly-owned subsidiary of the Company.

As consideration for the acquisition of SSIMWAVE, the Company paid an aggregate purchase price of \$23.2 million, comprised of: (i) \$19.5 million in cash (ii) 160,547 common shares of the Company with a fair value of \$1.9 million (the "IMAX Share Consideration"), and (iii) contingent consideration with a fair value of \$1.8 million (the "Earn-Out Payment"). The Company derives a small portion fair value of its the IMAX Share Consideration, which is based on the share price on the date of acquisition, is reduced to reflect the fair value of certain restrictions on the future transfer of the shares. The Earn-Out Payment may be paid to certain Sellers in an aggregate amount of up to \$2.0 million in cash, contingent upon and following the achievement of certain commercial and financial milestones during the period from January 1, 2023 to December 31, 2024. The fair value of the Earn-Out Payment is based on management's assessment of the likelihood of achieving these milestones.

(See Note 5 of Notes to Consolidated Financial Statements in Part II, Item 8 for additional information related to the Company's acquisition of SSIMWAVE.)

#### Other

All Other also includes revenues from other sources including one owned and operated IMAX theater in Sacramento, California; a commercial arrangement with one theater resulting in the sharing of profits and losses; the provision of management services to three other theaters; renting its the Company's proprietary 2D and 3D large-format film and digital cameras to third-party production companies; film; and also offering production advice and technical assistance to both documentary and Hollywood filmmakers. In addition, the Company also provides IMAX film and digital cameras to content creators under the IMAX certified camera program.

## IMAX NETWORK AND BACKLOG

### IMAX Network

The following table provides detailed information about the IMAX network by theater system type and geographic location as of December 31, 2021 December 31, 2022 and 2020: 2021:

	December 31, 2022				December 31, 2021			
	Commercial	Commercial	Institutional	Total	Commercial	Commercial	Institutional	Total
	Multiplex	Destination			Multiplex	Destination		
United States	364	4	25	393	363	4	27	394
Canada	40	1	7	48	39	1	7	47
Greater China <sup>(1)</sup>	778	—	16	794	768	—	15	783
Asia (excluding Greater China)	138	2	2	142	122	2	2	126
Western Europe	118	4	8	130	116	4	8	128
Russia/the CIS & Ukraine <sup>(2)</sup>	69	—	—	69	70	—	—	70
Latin America <sup>(3)</sup>	55	1	11	67	51	1	11	63
Rest of the World	71	—	2	73	70	—	2	72
Total <sup>(4)</sup>	1,633	12	71	1,716	1,599	12	72	1,683

December 31, 2021

December 31, 2020

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

	Commercial				Commercial			
	Multiplex	Destination	Institutional	Total	Multiplex	Destination	Institutional	Total
United States	363	4	27	394	367	4	30	401
Canada	39	1	7	47	39	1	7	47
Greater China(1)	768	—	15	783	729	—	16	745
Western Europe	116	4	8	128	115	4	8	127
Asia (excluding Greater China)	122	2	2	126	123	2	2	127
Russia & the CIS	70	—	—	70	68	—	—	68
Latin America(2)	51	1	11	63	51	1	11	63
Rest of the World	70	—	2	72	70	—	2	72
Total(3)	1,599	12	72	1,683	1,562	12	76	1,650

(2) In addition to Russia, the CIS includes Azerbaijan, Belarus, Kazakhstan, and Kyrgyzstan. Commencing in March 2022, in response to the ongoing conflict between Russia and Ukraine and resulting sanctions, the Company suspended its operations in Russia and Belarus. As of December 31, 2022, the IMAX network includes 54 systems in Russia, 1 system in Ukraine, and one system in Belarus.

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

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

(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 theaters.

The Company currently believes that over time its commercial multiplex network could grow to approximately 3,318 over 3,300 IMAX theaters Systems worldwide from the 1,599 1,633 operating as of December 31, 2021 December 31, 2022. The Company believes that the majority of its future growth will come from international markets. As of December 31, 2021, December 31, 2022 and 2021, 74% of IMAX Theater Systems in operation were located within international markets (defined as all countries other than the United States and Canada), compared to 73% as of December 31, 2020. Accordingly, the respectively. Revenues and GBO and revenues derived from international markets continue to exceed the revenues and GBO and revenues derived from the United States and Canada. Risks associated

For the year ended December 31, 2022, the Company's revenue generated from its Greater China operations represents 24% of consolidated revenue, compared to 44% in 2021 and 38% in 2020 due to the impact of restrictions resulting from the COVID-19 pandemic. As of December 31, 2022, the Company had 794 IMAX Systems operating in Greater China with an additional 204 systems in backlog. The Company's backlog in Greater China represents 45% of its total current backlog, including upgrades in system type. The Company has a partnership in China with Wanda Film ("Wanda"). As of December 31, 2022, through the Company's international business partnership with Wanda, there were 375 IMAX Systems operational in Greater China, of which 361 are outlined in under the parties' joint revenue sharing arrangement.

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(See "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.)

Greater China is the Company's largest market, measured by revenues, with approximately 44% and 38% of consolidated revenues generated from its Greater China operations in the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, the Company had 783 theaters operating in Greater China with an additional 215 theaters in backlog. The Company's backlog in Greater China represents 44% of its total current backlog, including upgrades in system type. The Company's largest single international partnership is in China with Wanda. As of December 31, 2021, through the Company's partnership with Wanda, there are 369 IMAX Theater Systems operational in Greater China, of which 355 are under the parties' joint revenue sharing arrangement.

(See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Impact of COVID-19 Pandemic")

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

(See "Risk Factors – The Company has experienced a significant decrease in its revenues, earnings and cash flows due to the COVID-19 pandemic and its business, financial condition and results of operations may continue to be significantly harmed in future reporting periods" in Part I, Item 1A.)

The following tables provide detailed information about the commercial multiplex **theaters locations** in operation within the IMAX network by arrangement type and geographic location as of **December 31, 2021**, **December 31, 2022** and **2020; 2021:**

	December 31, 2022			
	Commercial Multiplex Locations in IMAX Network			
	Traditional	Hybrid	Sale / Sales-	Total
	JRSA	JRSA	type Lease	
Domestic Total (United States & Canada)	276	6	122	404
International:				
Greater China	401	112	265	778
Asia (excluding Greater China)	37	5	96	138
Western Europe	47	28	43	118
Russia/the CIS & Ukraine <sup>(1)</sup>	—	—	69	69
Latin America	2	—	53	55
Rest of the World	17	—	54	71
International Total	504	145	580	1,229
Worldwide Total <sup>(2)</sup>	780	151	702	1,633
	December 31, 2021			
	Commercial Multiplex Locations in IMAX Network			
	Traditional	Hybrid	Sale / Sales-	Total
	JRSA	JRSA	type Lease	
Domestic Total (United States & Canada)	274	5	123	402
International:				
Greater China	392	111	265	768
Asia (excluding Greater China)	33	2	87	122
Western Europe	47	28	41	116
Russia/the CIS & Ukraine <sup>(1)</sup>	—	—	70	70
Latin America	1	—	50	51
Rest of the World	16	—	54	70
International Total	489	141	567	1,197
Worldwide Total <sup>(2)</sup>	763	146	690	1,599

	December 31, 2021			
	Commercial Multiplex Theaters in IMAX Network			
	Traditional	Hybrid	Sale / Sales-	Total
	JRSA	JRSA	type Lease	
Domestic				
Total (United States & Canada)	274	5	123	402
International:				
Greater China	392	111	265	768
Asia (excluding Greater China)	33	2	87	122
Western Europe	47	28	41	116

(1) In addition to Russia, the CIS includes Azerbaijan, Belarus, Kazakhstan, and Kyrgyzstan. Commencing in March 2022, in re Ukraine and resulting sanctions, the Company suspended its operations in Russia and Belarus. As of December 31, 2022, the systems in Ukraine, and one system in Belarus.

Russia & the CIS	—	—	70	70
Latin America	1	—	50	51
Rest of the World	16	—	54	70
International Total	489	141	567	1,197
Worldwide Total(1)	763	146	690	1,599

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

December 31, 2020				
Commercial Multiplex Theaters in IMAX Network				
Sale / Sales-				
Traditional	Hybrid	type		
JRSA	JRSA	Lease	Total	

48 Backlog

(1) Period-to-period changes in the tables above are reported net of the effect of permanently closed theaters. Backlog

Domestic				
Total (United States & Canada)	276	5	125	406
International:				
Greater China	376	106	247	729
Asia (excluding Greater China)	33	2	88	123
Western Europe	48	27	40	115
Russia & the CIS	—	—	68	68
Latin America	1	—	50	51
Rest of the World	16	—	54	70
International Total	474	135	547	1,156
Worldwide Total(1)	750	140	672	1,562













































































































































































































































































































	As of December 31,	
	2021	2020
(In thousands of U.S. Dollars)		
Greater China	\$ 100,182	\$ 104,731
United States	91,856	100,495
Canada	32,643	31,624
Western Europe	21,684	25,487
Asia (excluding Greater China)	9,463	9,930
Rest of the World	4,525	5,130
Total	\$ 260,353	\$ 277,397

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## 22.23. Financial Instruments

(a) **Financial Instruments**

(a)

The Company maintains cash with various major financial institutions. The Company's cash is invested with highly rated financial institutions. The Company's **\$189.7 million** **\$97.4 million** balance of cash and cash equivalents as of **December 31, 2021** **December 31, 2022** (December 31, 2021 — **\$189.7 million**) includes **\$102.1 million** **\$79.7 million** in cash held outside of Canada (December 31, **2020** **2021** — **\$89.9 million**), **\$102.1 million**), of which **\$76.3 million** **\$43.7 million** was held in the PRC (December 31, **2020** **2021** — **\$77.2 million**), **\$76.3 million**).

**(b) Fair Value Measurements**

**(b)**

The carrying values of the Company's Cash and Cash Equivalents, Accounts Receivable, 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 consist of the following:

	As of December 31, 2022		As of December 31, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<i>(In thousands of U.S. Dollars)</i>				
<b>Level 1</b>				
Cash and cash equivalents <sup>(1)</sup>	\$ 97,401	\$ 97,401	\$ 189,711	\$ 189,711
Equity securities <sup>(2)</sup>	1,035	1,035	1,087	1,087
<b>Level 2</b>				
Net financed sales receivables <sup>(3)</sup>	\$ 101,052	\$ 100,059	\$ 112,657	\$ 112,662
Net investment in sales-type leases <sup>(3)</sup>	28,332	27,972	28,392	28,407
Equity securities <sup>(1)</sup>	1,000	1,000	1,000	1,000
COLI <sup>(4)</sup>	3,398	3,398	3,275	3,275
Foreign exchange contracts — designated forwards <sup>(2)</sup>	(649)	(649)	79	79
Wells Fargo Credit Facility borrowings <sup>(1)</sup>	(25,000)	(25,000)	—	—
HSBC China Facility borrowings <sup>(1)</sup>	(12,496)	(12,496)	—	—
Bank of China Facility borrowings <sup>(1)</sup>	(374)	(374)	(3,612)	(3,612)
Federal Economic Development Loan <sup>(3)</sup>	(1,782)	(1,782)	N/A	N/A
Convertible Notes <sup>(5)</sup>	(230,000)	(196,717)	(230,000)	(223,100)
<b>Level 3</b>				
Interest in film classified as a financial instrument <sup>(6)</sup>	\$ —	\$ —	\$ —	\$ —

	As of December 31, 2021		As of December 31, 2020		(1)	Recorded at cost, which approximates fair value.
	Carrying	Estimated	Carrying	Estimated		
	Amount	Fair Value	Amount	Fair Value		
<i>(In thousands of U.S. Dollars)</i>						
<u>Level 1</u>						
Cash and cash equivalents(1)	\$ 189,711	\$ 189,711	\$ 317,379	\$ 317,379		
Equity securities(2)	1,087	1,087	13,633	13,633		
<u>Level 2</u>						
Net financed sales receivables(3)	\$ 112,657	\$ 112,662	\$ 112,396	\$ 112,603		
Net investment in sales-type leases(3)	28,392	28,407	19,414	19,373		
Equity securities(1)	1,000	1,000	1,000	1,000		
COLI(4)	3,275	3,275	3,155	3,155		
Foreign exchange contracts — designated forwards(2)	79	79	1,635	1,635		
Foreign exchange contracts — non-designated forwards(2)	—	—	344	344		
Working Capital Facility borrowings(1)	(3,612)	(3,612)	(7,643)	(7,643)		
Credit Facility borrowings(1)	—	—	(300,000)	(300,000)		
Convertible Notes(5)	(230,000)	(223,100)	—	—		

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

(3) Fair value is estimated based on discounting future cash flows at currently available interest rates with comparable terms.

- (4) Measured at cash surrender value, which approximates fair value.
- (5) Fair value is determined using quoted market prices that are observable in the market or that could be derived from observable market data.
- (6) Recorded at amortized cost less impairment losses. Inputs used in the calculation of estimated fair value include management's projection of future box office and ancillary rec for the film net of distribution costs and other costs in accordance with the investment agreement. See 23(e) below.

**(c) Foreign Exchange Risk Management**

- (1) Recorded at cost, which approximates fair value.
- (2) Fair value is determined using quoted prices in active markets.
- (3) Fair value is estimated based on discounting future cash flows at currently available interest rates with comparable terms.
- (4) Measured at cash surrender value, which approximates fair value.
- (5) Fair value is determined using quoted market prices that are observable in the market or that could be derived from observable market data.

The Company did not have any material amounts of Level 3 assets or liabilities as of December 31, 2021 and December 30, 2020.

**(c) Foreign Exchange Risk Management**

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

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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 and the 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 in 87 different countries, unfavourable 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.

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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 December 31, 2021 December 31, 2022 (the "Foreign Currency Hedges"), with settlement dates throughout 2022, 2023. Foreign currency derivatives are recognized and measured in the Consolidated Balance Sheets at fair value. Changes in the fair value (i.e., gains or losses) are recognized in the 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) Income and reclassified to the Consolidated Statements of Operations when the forecasted transaction occurs. For foreign currency cash flow hedging instruments related to Inventories, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported in Other Comprehensive Income and reclassified to Inventories in the Consolidated Balance Sheets when the forecasted transaction occurs. For foreign currency cash flow hedging instruments related to capital expenditures, the effective portion of the gain or loss in a hedge of a forecasted transaction is reported in Other Comprehensive Income and reclassified to Property, Plant and Equipment on the Consolidated Balance Sheets when the forecasted transaction occurs. Any ineffective portion is recognized immediately in the Consolidated Statements of Operations Operations.

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

Notional value of foreign exchange contracts:

	As of December 31,	
	2022	2021
<i>(In thousands of U.S. Dollars)</i>		
Derivatives designated as hedging instruments:		
Foreign exchange contracts — Forwards	\$ 24,707	\$ 26,702
	As of December 31,	
	2021	2020
<i>(In thousands of U.S. Dollars)</i>		
Derivatives designated as hedging instruments:		

Foreign exchange contracts — Forwards	\$	26,702	\$	26,358
Derivatives not designated as hedging instruments:				
Foreign exchange contracts — Forwards		—		5,552
	\$	26,702	\$	31,910

Fair value of derivatives in foreign exchange contracts:

(In thousands of U.S. Dollars)	Balance Sheet Location	As of December 31,	
		2022	2021
Derivatives designated as hedging instruments:			
Foreign exchange contracts — Forwards	Other assets	\$ 50	\$ 184
	Accrued and other liabilities	(699)	(105)
		\$ (649)	\$ 79

(In thousands of U.S. Dollars)	Balance Sheet Location	As of December 31,	
		2021	2020
Derivatives designated as hedging instruments:			
Foreign exchange contracts — Forwards	Other assets	\$ 184	\$ 1,635
	Accrued and other liabilities	(105)	—
Derivatives not designated as hedging instruments:			
Foreign exchange contracts — Forwards	Other assets	—	344
		\$ 79	\$ 1,979

Derivatives in foreign currency hedging relationships are as follows:

(In thousands of U.S. Dollars)		Years Ended December 31,		
		2022	2021	2020
Foreign exchange contracts	Derivative (Loss) Gain			
— Forwards	Recognized in OCI			
	(Effective Portion)	\$ (1,323)	\$ 468	\$ 550
	Location of Derivative (Loss) Gain			
	Reclassified from AOCI			
(In thousands of U.S. Dollars)	(Effective Portion)			
Foreign exchange contracts	Selling, general and			
— Forwards	administrative expenses	\$ (596)	\$ 1,707	\$ (578)
	Inventories	—	—	(26)
		\$ (596)	\$ 1,707	\$ (604)

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(In thousands of U.S. Dollars)		Years Ended December 31,		
		2022	2021	2020
Foreign exchange contracts	Derivative Gain Recognized			
— Forwards	In and out of OCI			
	(Effective Portion)	\$ —	\$ —	\$ 17

(In thousands of U.S. Dollars)		Years Ended December 31,		
		2021	2020	2019
Foreign exchange contracts	Derivative Gain			
— Forwards	Recognized in OCI			
	(Effective Portion)	\$ 468	\$ 550	\$ 552
	Location of Derivative Gain (Loss)			
	Reclassified from AOCI			
(In thousands of U.S. Dollars)	(Effective Portion)			
		2021	2020	2019



Foreign exchange contracts	Selling, general and			
— Forwards	administrative expenses	\$ 1,707	\$ (578)	\$ (1,109)
	Inventories	—	(26)	(42)
	Property, plant and equipment	—	—	(32)
		<u>\$ 1,707</u>	<u>\$ (604)</u>	<u>\$ (1,183)</u>

		Years Ended December 31,		
(In thousands of U.S. Dollars)		2021	2020	2019
Foreign exchange contracts	Derivative Gain (Loss) Recognized			
— Forwards	In and out of OCI			
	(Effective Portion)	<u>\$ —</u>	<u>\$ 17</u>	<u>\$ (22)</u>

Non-designated derivatives in foreign currency relationships are as follows:

		Years Ended December 31,			Years Ended December 31,		
(In thousands of U.S. Dollars)		2021	2020	2019	202		
		2021	2020	2019	2022	1	2020
Foreign exchange contracts	Derivative Gain Reclassified				D		
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### 136(e) Interest in Film

On January 10, 2022, IMAX (Shanghai) Culture and Technology Co., Ltd, a wholly-owned subsidiary of IMAX China, entered into a joint film investment agreement with Wanda Film (Horgos) Co. Ltd. to invest RMB 30.0 million (\$4.7 million) in the movie *Mozart from Space*, which was released on July 15, 2022. Pursuant to the investment agreement, IMAX (Shanghai) Culture and Technology Co., Ltd. has the right to receive a share of the profits or losses of the film distribution. IMAX (Shanghai) Culture and Technology Co., Ltd.'s commitment is limited to its investment and has no further obligation if the actual movie production cost exceeds the original budget. The investment meets the criteria for classification as a financial asset. The investment is measured at amortized cost less impairment losses and is recorded within Other Assets in the Consolidated Balance Sheets.

During the second quarter of 2022, the Company recognized a full impairment of its RMB 30.0 million (\$4.5 million) investment in *Mozart from Space* based on projected box office results and distribution costs.

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## 23.24. Employee's Pension and Postretirement Benefits

### (a) Defined Benefit Plan

### (a) Defined Benefit Plan

The Company has an unfunded defined benefit pension plan, the Supplemental Executive Retirement Plan (the "SERP"), covering its CEO, Richard L. Gelfond. Under the terms of the SERP, if Mr. Gelfond's employment is terminated other than for cause (as defined in his employment agreement), he is entitled to receive SERP benefits in the form of a lump sum payment. SERP benefit payments to Mr. Gelfond are subject to a deferral for six months after the termination of his employment, at which time Mr. Gelfond will be entitled to receive interest on the deferred amount credited at the applicable federal rate for short-term obligations. Pursuant to an amendment to his employment agreement dated November 1, 2019, September 19, 2022, the term of Mr. Gelfond's employment was extended through December 31, 2022, December 31, 2025, although Mr. Gelfond has not informed the Company that he intends to retire at that time. Under the terms of this amendment to his employment agreement, as amended, the total benefit payable to Mr. Gelfond under the SERP was is fixed at \$20.3 million. \$20.3 million.

As of December 31, December 31, 2022 and 2021, and 2020, the projected benefit obligation for SERP are as follows:

(In thousands of U.S. Dollars)	Years Ended December 31,	
	2022	2021
Projected benefit obligation:		
Obligation, beginning of period	\$ 20,056	\$ 20,116
Interest cost	160	72
Actuarial gain	(2,901)	(132)
Obligation, end of period and unfunded status	\$ 17,315	\$ 20,056

(In thousands of U.S. Dollars)	Years Ended December 31,	
	2021	2020
Projected benefit obligation:		
Obligation, beginning of period	\$ 20,116	\$ 18,840
Interest cost	72	379
Actuarial (gain) loss	(132)	897
Obligation, end of period and unfunded status	\$ 20,056	\$ 20,116

As of December 31, December 31, 2022, 2021, 2020, and 2019, 2020, the following amounts related to the SERP were recorded on the Company's Consolidated Balance Sheets within Accumulated Other Comprehensive (Loss) Income and will be recognized as components of net periodic benefit cost in future periods:

(In thousands of U.S. Dollars)	As of December 31,		
	2022	2021	2020
Unrealized actuarial gain	\$ (3,580)	\$ (679)	\$ (547)
Unamortized prior service cost	—	184	369
Net periodic benefit costs to be recognized in future periods	\$ (3,580)	\$ (495)	\$ (178)

(In thousands of U.S. Dollars)	As of December 31,		
	2021	2020	2019
Unrealized actuarial gain	\$ (679)	\$ (547)	\$ (1,444)
Unamortized prior service cost	184	369	456
Net periodic benefit costs to be recognized in future periods	\$ (495)	\$ (178)	\$ (988)

	Years ended December 31,		
(In thousands of U.S. Dollars)	2022	2021	2020
Interest cost	\$ 160	\$ 72	\$ 379
Amortization of prior service cost	184	185	87
Pension expense	\$ 344	\$ 257	\$ 466

	Years ended December 31,		
(In thousands of U.S. Dollars)	2021	2020	2019
Interest cost	\$ 72	\$ 379	\$ 564
Amortization of prior service cost	185	87	—
Pension expense	\$ 257	\$ 466	\$ 564

	As of December 31,		
	2022	2021	2020
Discount rate	4.55 %	0.80 %	0.36 %
Lump sum interest rate:			
First 25 years	N/A	N/A	N/A
First 20 years	N/A	N/A	N/A
Thereafter	N/A	N/A	N/A
Cost of living adjustment on benefits	N/A	N/A	N/A
	As of December 31,		
	2021	2020	2019
Discount rate	0.80%	0.36%	2.00%
Lump sum interest rate:			
First 25 years	N/A	N/A	2.12%
First 20 years	N/A	N/A	N/A
Thereafter	N/A	N/A	2.26%
Cost of living adjustment on benefits	N/A	N/A	1.20%

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	Years Ended December 31,		
	2021	2020	2019
(In thousands of U.S. Dollars)			
Interest cost	\$ 16	\$ 20	\$ 26
Amortization of actuarial gain	—	(17)	—
Pension expense	\$ 16	\$ 3	\$ 26

As of December 31, December 31, 2022, 2021, 2020, and 2019, 2020, the following amounts related to the Executive Postretirement Benefit Plan were recorded on the Company's Consolidated Balance Sheets within Accumulated Other Comprehensive (Loss) Income and will be recognized as components of net pension cost in future periods:

	As of December 31,		
	2022	2021	2020
(In thousands of U.S. Dollars)			
Unrealized actuarial (gain) loss	\$ (242)	\$ (27)	\$ 21

	As of December 31,		
	2021	2020	2019
(In thousands of U.S. Dollars)			
Unrealized actuarial (gain) loss	\$ (27)	\$ 21	\$ (50)

As of December 31, December 31, 2022, 2021, 2020, and 2019, 2020, the weighted average assumptions used to determine the benefit obligation related to the Executive Postretirement Benefit Plan are as follows:

	As of December 31,		
	2022	2021	2020

Discount rate	5.01 %	2.71 %	2.36 %
As of December 31,			
	2021	2020	2019
Discount rate	2.71%	2.36%	3.13%

For the years ended December 31, December 31, 2022, 2021., 2020, and 2019, 2020, the weighted average assumptions used to determine the net postretirement benefit expense related to the Executive Postretirement Benefit Plan are as follows:

Years Ended December 31,			
	2022	2021	2020
Discount rate	2.71 %	2.36 %	3.13 %
Years Ended December 31,			
	2021	2020	2019
Discount rate	2.36%	3.13%	4.15%

The following benefit payments are expected to be made as per the current plan assumptions for the Executive Postretirement Benefit Plan in each of the next five years and thereafter following the December 31, 2021 December 31, 2022 balance sheet date:

(In thousands of U.S. Dollars)	
2023	\$ 10
2024	10
2025	11
2026	23
2027	24
Thereafter	888
Total	\$ 966

(In thousands of U.S. Dollars)		(d) Postretirement Benefits – Canadian Employees
2022	\$ 9	
2023	19	
2024	20	
2025	21	
2026	23	
Thereafter	938	
Total	\$ 1,030	

(d) Postretirement Benefits – Canadian Employees

The Company has an unfunded postretirement plan for its Canadian employees meeting specific eligibility requirements (the “Canadian Postretirement Benefit Plan”). The Company will provide eligible participants, upon retirement, with health and welfare benefits.

As of December 31, December 31, 2022 and 2021, and 2020, the Company's Consolidated Balance Sheets include the following amounts within Accrued and Other Liabilities related to the Canadian Postretirement Benefit Plan:

(In thousands of U.S. Dollars)		As of December 31,		As of December 31,	
		2021	2020	2022	2021
Projected benefit obligations:					
Obligation, beginning of year				1	1
				,	,
				7	8
				0	6
		\$ 1,862	\$ 1,581	\$ 2	\$ 2
Interest cost				4	4
		42	47	6	2



Benefits paid			(	(
			1	1
			5	1
	(118)	(110)	5)	8)
Actuarial (gain) loss	(92)	280		
Unrealized foreign exchange loss	8	64		
Actuarial gain			(	(
			5	3
			9)	2)
Unrealized foreign exchange (gain) loss			(	(
			7	8)
Obligation, end of year and unfunded status			8	8
			1	,
			9	7
			7	0
	\$ 1,702	\$ 1,862	\$ 6	\$ 2

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For the years ended December 31, December 31, 2022, 2021., 2020, and 2019, 2020, the components of pension expense related to the Canadian Postretirement Benefit Plan were as follows follows:

(In thousands of U.S. Dollars)	Years Ended December 31,		
	2022	2021	2020
Interest cost	\$ 46	\$ 42	\$ 47
Pension expense	\$ 46	\$ 42	\$ 47

(In thousands of U.S. Dollars)	Years Ended December 31,		
	2021	2020	2019
Interest cost	\$ 42	\$ 47	\$ 49
Pension expense	\$ 42	\$ 47	\$ 49

The Company expects interest costs of less than \$0.1 million \$0.1 million to be recognized as a component of benefit cost for the year ended December 31, 2022 December 31, 2023.

As of December 31, December 31, 2022, 2021., 2020, and 2019, 2020, the following amounts related to the Canadian Postretirement Benefit Plan were recorded on the Company's Consolidated Balance Sheets within Accumulated Other Comprehensive (Loss) Income and will be recognized as components of net pension cost in future periods:

(In thousands of U.S. Dollars)	As of December 31,			As of December 31,		
	2021	2020	2019	202	202	202
Unrealized actuarial loss (gain)	\$ 185	\$ 277	\$ (3)	2	1	0
Unrealized actuarial (gain) loss				(	3	1
				5	8	7
				\$ 4)	\$ 5	\$ 7

As December 31, December 31, 2022, 2021., 2020, and 2019, 2020, the weighted average assumptions used to determine the benefit obligation related to the Canadian Postretirement Benefit Plan are as follows:

	As of December 31,		
	2022	2021	2020
Discount rate	5.00 %	2.80 %	2.30 %
	As of December 31,		

	2021	2020	2019
Discount rate	2.80%	2.30%	3.05%
For the years ended December 31, December 31, 2022, 2021, 2020, and 2019, 2020, the weighted average assumptions used to determine the net postretirement benefit expense related to the Canadian Postretirement Benefit Plan are as follows:			
	Years Ended December 31,		
	2022	2021	2020
Discount rate	2.80%	2.30%	3.05%
	Years Ended December 31,		
	2021	2020	2019
Discount rate	2.30%	3.05%	3.80%

The following benefit payments are expected to be made as per the current plan assumptions for the Canadian Postretirement Benefit Plan in each of the next five years and thereafter following the December 31, 2021 December 31, 2022 balance sheet date:

(In thousands of U.S. Dollars)

2022	\$	108	
2023		115	\$ 4
2024		112	9
2025		113	5
2026		105	8
2027			7
Thereafter			6
		1,483	2
Total			1
			5
			3
	\$	2,036	\$ 8

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#### (e) Deferred Compensation Benefit Plan

#### (e) Deferred Compensation Benefit Plan

The Company maintained a nonqualified deferred compensation benefit plan (the "Retirement Plan") covering the former CEO of IMAX Entertainment and Senior Executive Vice President of the Company. Under the terms of the Retirement Plan, the benefits were due to vest in full if the executive incurred a separation from service from the Company (as defined therein). In 2018, the executive incurred a separation from service from the Company, and as such, the Retirement Plan benefits became fully vested as of December 31, 2018.

As of December 31, 2021 December 31, 2022, the benefit obligation related to the Retirement Plan was \$3.8 million \$3.9 million (December 31, 2020 2021 — \$3.7 million) \$3.8 million) and is recorded on the Company's Consolidated Balance Sheets within Accrued and Other Liabilities. As the Retirement Plan is fully vested, the benefit obligation is measured at the present value of the benefits expected to be paid in the future with the accretion of interest recognized in the Consolidated Statements of Operations within Retirement Benefits Non-Service Expenses Expense.

The Retirement Plan is funded by an investment in company-owned life insurance ("COLI"), which is recorded at its fair value on the Company's Consolidated Balance Sheets within Prepaid Expenses. As of December 31, 2021 December 31, 2022, fair value of the COLI asset was \$3.3 million \$3.4 million (December 31, 2020 2021 — \$3.2 million) \$3.3 million). Gains and losses resulting from changes in the cash surrender value of the COLI asset are recognized in the Consolidated Statements of Operations within Realized and Unrealized Investment Gains (Losses).

#### 25. Government Assistance

(a) COVID-19 Relief

The Company has applied for and received financial support under COVID relief legislation that has been enacted in the countries in which it operates. For the year ended December 31, 2022, the Company recognized \$0.4 million (2021 — \$3.8 million; 2020 — \$7.1 million) in benefits principally from the Hardest-Hit Businesses Recovery program, and recorded such amounts as reductions to Selling, General and Administrative Expenses (\$0.3 million) and Costs and Expenses Applicable to Revenues (\$0.1 million).

For the years ended December 31, 2021 and 2020, the Company recognized \$3.8 million and \$7.1 million, respectively, in benefits from various COVID-19 government relief programs, and recorded such amounts as reductions to Selling, General and Administrative Expenses (\$2.9 million and \$6.0 million, respectively), Costs and Expenses Applicable to Revenues (\$0.9 million and \$1.0 million, respectively) and Research and Development (\$nil and \$0.1 million, respectively). These benefits are principally under the Canada Emergency Wage Subsidy program ("CEWS" program), which expired in October 2021.

(b) Federal Economic Development Loan

24.SSIMWAVE entered into a contribution agreement with the Federal Economic Development Agency for Southern Ontario (the "Federal Economic Development Loan" on May 29, 2019, under which SSIMWAVE may receive up to \$4.2 million CAD (\$3.1 million) by way of repayable contributions toward certain eligible projects costs. The contributions under the agreement cover 35% of the eligible and supported costs of SSIMWAVE between January 10, 2019 and December 31, 2022. The contributions are repayable over 60 months, with repayments estimated to begin in January 2024, with an annual interest rate of 0%. As of December 31, 2022, SSIMWAVE has received contributions of CAD\$3.8 million (\$2.8 million) from the Federal Economic Development Loan.

As of December 31, 2022, the Federal Economic Development Loan has a carrying value of \$1.8 million, net of unaccreted interest benefit and is recorded within Convertible Notes and Other Borrowings, Net on the Company's Consolidated Balance Sheets.

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26. Non-Controlling Interests

(a)IMAX  
China Non- IMAX China Non-Controlling Interest  
Controlling  
Interest

(a)

As of December 31, 2021 December 31, 2022, the Company indirectly owns 71.11%71.73% of IMAX China, whose shares trade on the Hong Kong Stock Exchange (December 31, 2020 2021 — 69.89%71.11%). IMAX China remains a consolidated subsidiary of the Company. The balance of non-controlling interest in IMAX China as of December 31, 2021 December 31, 2022 is \$73.5 million \$65.7 million (December 31, 2020 2021 — \$70.0 million). \$73.5 million). The net income attributable to non-controlling interest of IMAX China for the year ended December 31, 2021 December 31, 2022 is \$12.8 million (December 31, \$3.0 million (2021 — income of \$12.8 million; 2020 — loss of \$(8.6) million; December 31, 2019 — income of \$13.3 million). \$(8.6) million).

(b) Other Non-Controlling Interests

(b) Other Non-Controlling Interests

The Company's Original Film Fund was established in 2014 to co-finance a portfolio of 10 original large-format films. The initial investment in the Original Film Fund was committed by a third party in the amount of \$25.0 million, \$25.0 million, with the possibility of contributing additional funds. The Company has contributed \$9.0 million \$9.0 million to the Original Film Fund since 2014, and has reached its maximum contribution. Through December 31, 2021 December 31, 2022, the Original Film Fund has invested \$22.3 million \$22.3 million toward the development of original films. The related production, financing and distribution agreement includes put and call rights relating to change of control of the rights, title and interest in the co-financed pictures.

(c)Non-  
Controlling Non-Controlling Interest in Temporary Equity  
Interest in  
Temporary  
Equity

(c)

The following summarizes the movement of the non-controlling interest in temporary equity, in the Original Film Fund for the years ended December 31, 2021 December 31, 2022, 2020 2021 and 2019: 2020:

(In thousands of U.S. Dollars)

Balance as of January 1, 2019	\$	6,439
Return of capital to non-controlling interests		(243)
Share issuance costs from the issuance of subsidiary shares to a non-controlling interest		1,350
Net loss		(1,638)

Balance as of December 31, 2019	5,908	
Balance as of January 1, 2020		5
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		\$ 8
Return of capital to non-controlling interests	(10)	(
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Net loss		(
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	(5,139)	9)
Balance as of December 31, 2020		7
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	759	9
Return of capital to non-controlling interests	—	
Net loss		(
	(1)	1)
Balance as of December 31, 2021		7
		5
	\$ 758	8
Net loss		(
		3
		6)
Balance as of December 31, 2022		7
		2
		\$ 2

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#### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

#### Item 9A. Controls and Procedures

##### EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the specified time periods and that such information is accumulated and communicated to management, including the CEO and **Interim** Chief Financial Officer ("CFO"), to allow timely discussions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The Company's management, with the participation of its CEO and its CFO, has evaluated the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) as of **December 31, 2021** **December 31, 2022** and has concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective. The Company will continue to periodically evaluate its disclosure controls and procedures and will make modifications from time to time as deemed necessary to ensure that information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

##### MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in Internal Control-Integrated Framework (2013) to assess the effectiveness of the Company's internal control over financial reporting.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021 and has concluded that such internal control over financial reporting were effective as of that date. December 31, 2022.

On September 22, 2022, the Company acquired SSIMWAVE and commenced consolidating the assets, liabilities, and results of operations of SSIMWAVE in its financial reporting. Management has excluded SSIMWAVE from its assessment of internal control over financial reporting as of December 31, 2022, because it was acquired by the Company in a purchase business combination during 2022. SSIMWAVE is a wholly-owned subsidiary whose total assets and total revenues excluded from management's assessment of internal control over financial reporting represent approximately 3% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2022.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2021 December 31, 2022, as stated in their report, which appears in Part II, Item 8.

#### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting which occurred during the three months ended December 31, 2021 December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company has not experienced any material impact to its internal control over financial reporting despite the fact

**Item 9C. Disclosure Regarding Foreign Jurisdictions that most of its Finance employees are working remotely due to the COVID-19 pandemic. The Company will continue to monitor the evolving COVID-19 situation to minimize its impact on the design and operating effectiveness of the Company's internal control over financial reporting. Prevent Inspections**

142N/A.

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### PART III

#### Item 10. Directors, Executive Officers, and Corporate Governance

The information required by Item 10 is incorporated by reference from the information under the following captions in the Company's Proxy Statement: "Item No. 1 – Election of Directors;" "Executive Officers;" "Section "Delinquent Section 16(a) Beneficial Ownership Reporting Compliance; Reports;" "Code of Business Conduct and Ethics; Ethics and Insider Trading Policy;" and "Audit Committee. "Corporate Governance."

#### Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference from the information under the following captions in the Company's Proxy Statement: "Compensation Discussion and Analysis;" "Summary Compensation Table;" "Grants of Plan-Based Awards;" "Outstanding Equity Awards at Fiscal Year-End;" "Option Exercise and Stock Vested;" "Pension Benefits;" "Employment Agreements and Potential "Potential Payments upon Termination or Change-in-Control;" "Compensation of Directors;" and "Compensation Committee Interlocks and Insider Participation."

#### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is incorporated by reference from the information under the following captions in the Company's Proxy Statement: "Equity Compensation Plans;" "Principal Shareholders of Voting Shares;" and "Security Ownership of Directors and Management."

#### Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated by reference from the information under the following caption in the Company's Proxy Statement: "Certain Relationships and Related Transactions," "Review, Approval or Ratification of Transactions with Related Persons," and "Director Independence."

#### Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference from the information under the following captions in the Company's Proxy Statement: "Audit Fees;" "Audit-Related Fees;" "Tax Fees;" "All Other Fees;" and "Audit Committee's Pre-Approval Policies and Procedures."

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedules

The Consolidated Financial Statements filed as part of this Report are included under Item 8 in Part II. Financial Statement Schedules have been omitted since they either are not required, not applicable, or the information required is included in the financial statements or the accompanying notes thereto.

Report of Independent Registered Public Accounting Firm, which covers the financial statements, the accompanying notes to the financial statements and the Company's internal control over financial reporting, is included under Part II, Item 8.

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(b) Exhibits

Exhibit No.	Description	Form	File No	Exhibit	Filing Date	Filing Date			
						10/24/13	10/24/13	10/24/13	10/24/13
3.1	<a href="#">Restated Articles of Incorporation of IMAX Corporation, dated July 30, 2013.</a>	10-Q	001-35066	3.1	10/24/13	<a href="#">10/24/13</a>	<a href="#">10/24/13</a>	<a href="#">10/24/13</a>	<a href="#">10/24/13</a>

[L M A X C o r p o r a t i o n . - d a t e d J u l y 3 0 . - 2 0 1 3 . - S e c o n d A m e n d e d a n d R e s t a t e](#)

### 3.2

Amended and Restated By-Law No. 1 of IMAX Corporation, enacted on March 4, 2021.

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### 3.1

07/27/21

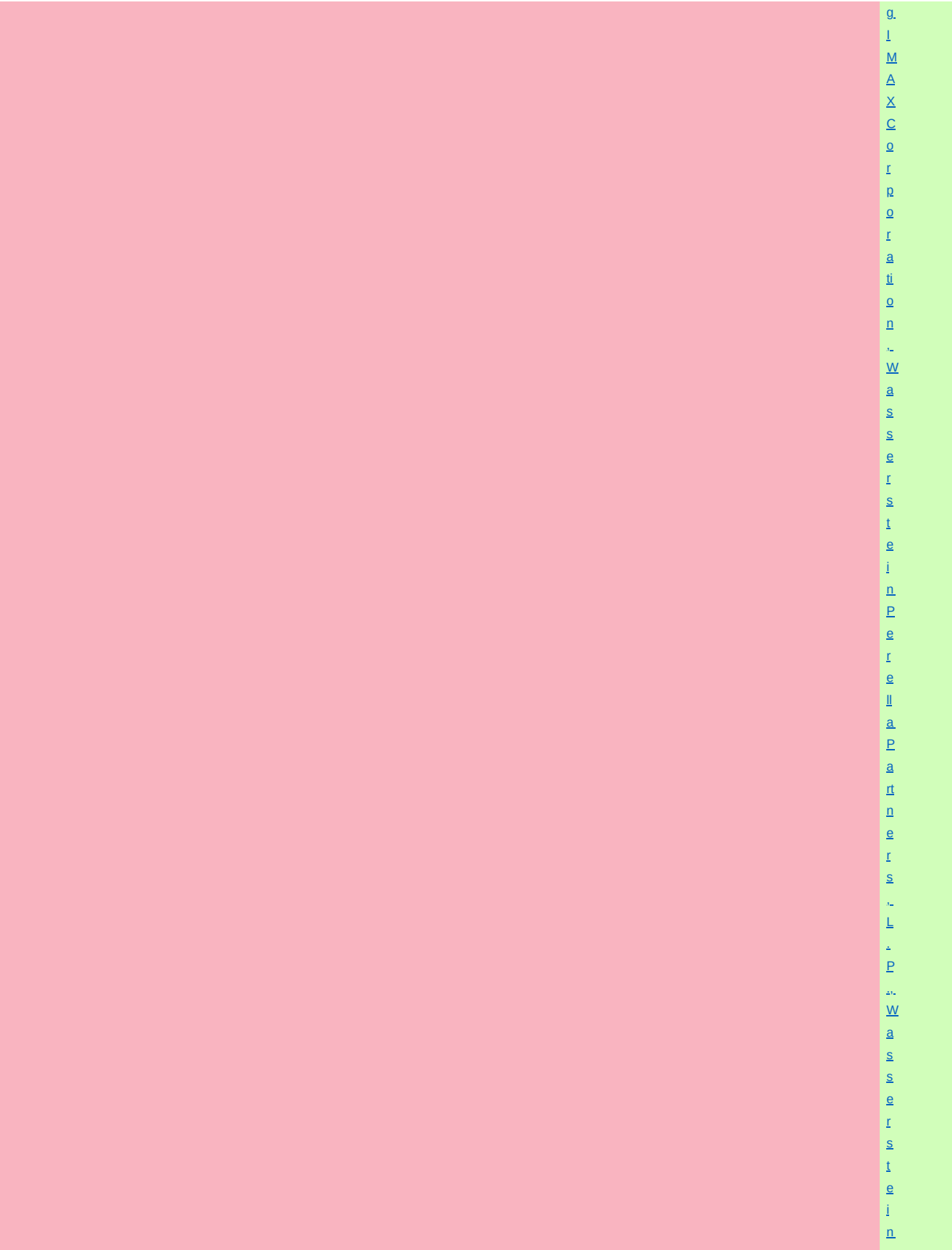
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4.1	<a href="#">Registration Rights Agreement, dated as of February 9, 1999, by and among IMAX Corporation, Wasserstein Perella Partners, L.P., Wasserstein Perella Offshore Partners,</a>	10-K	001-35066	4.3	2/21/13	<a href="#">d</a>
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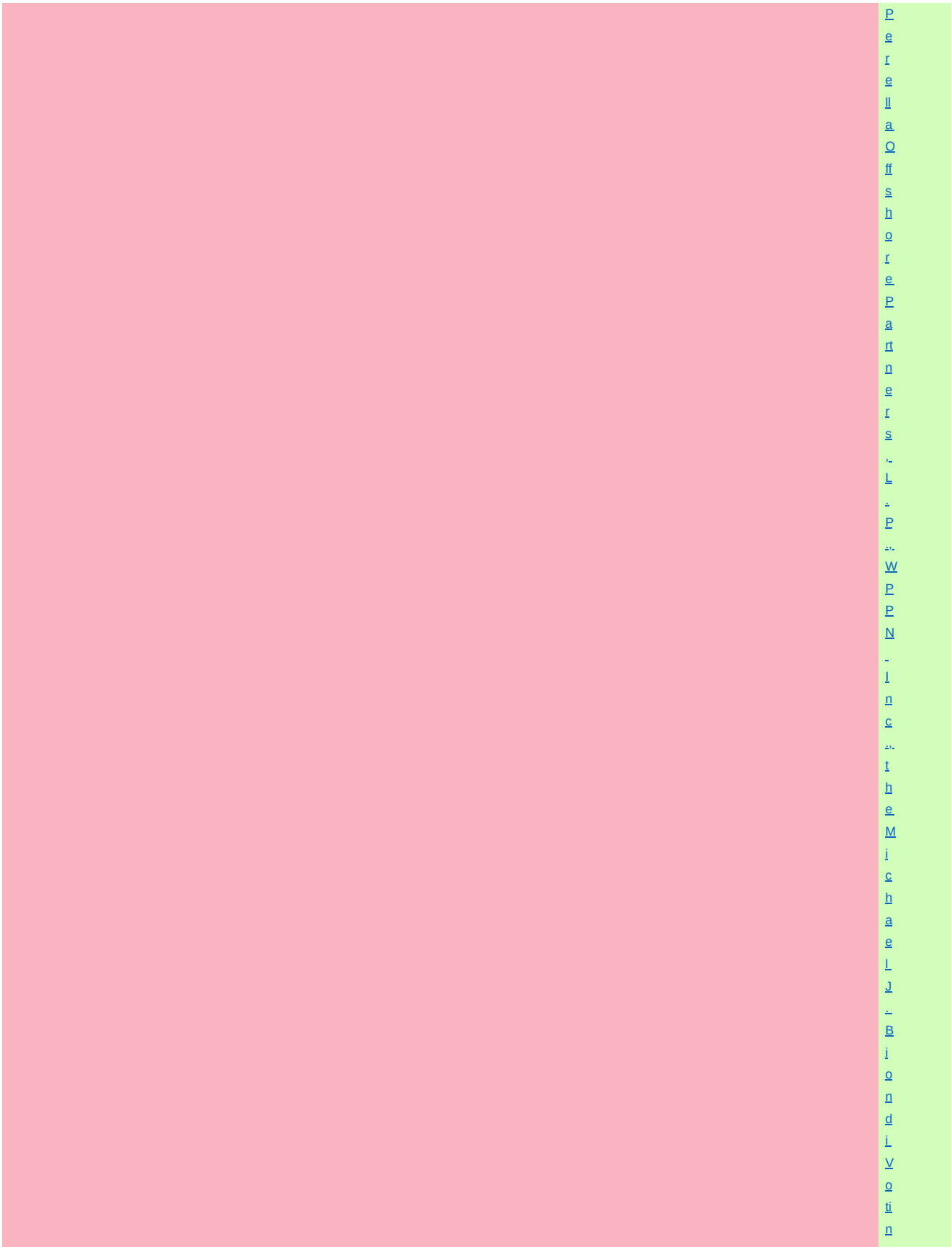


[L.P., WPPN Inc., the Michael J. Biondi Voting Trust, Bradley J. Wechsler and Richard L. Gelfond.](#)

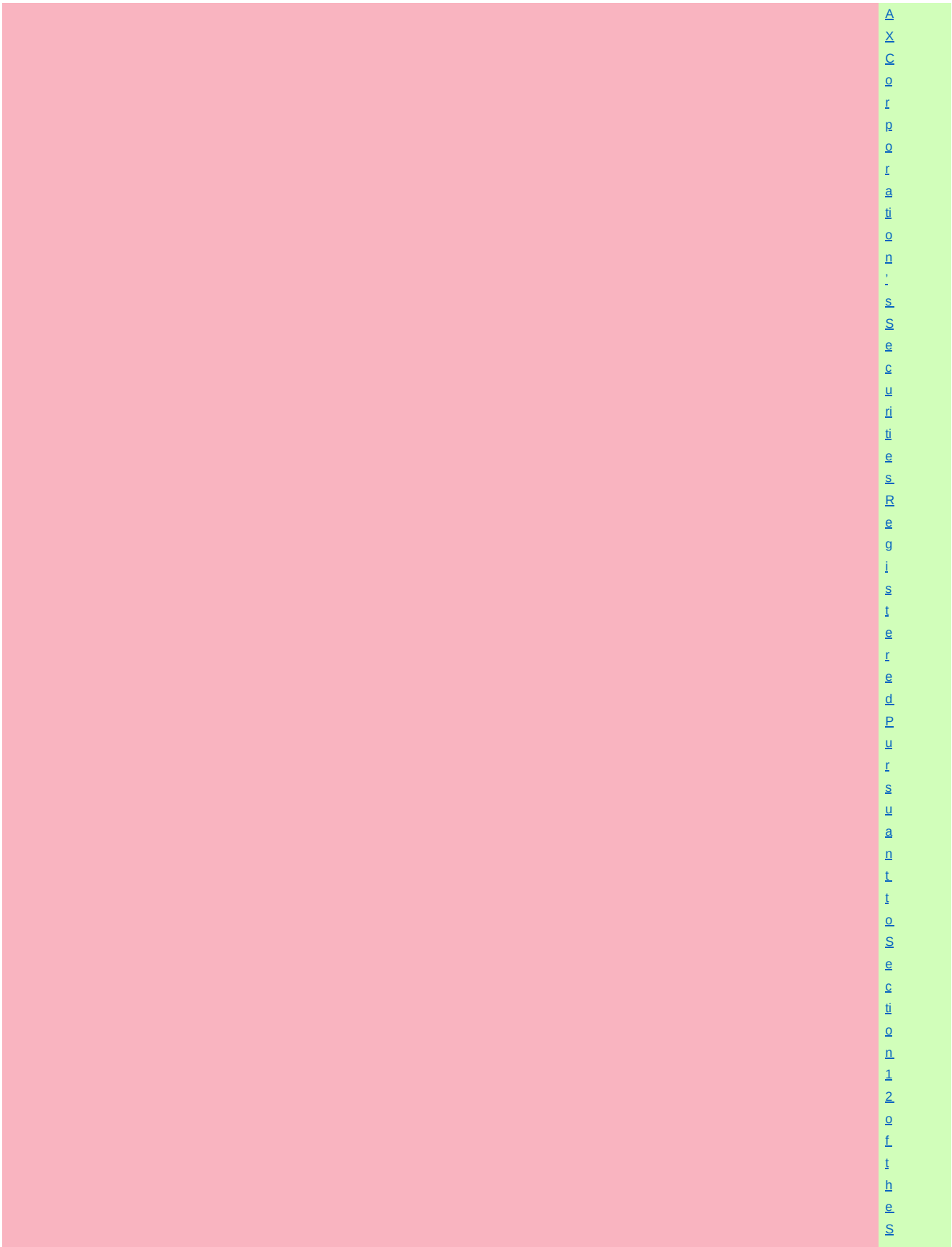
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4.2	<a href="#">Description of IMAX Corporation's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.</a>	10-K	001-35066	4.4	2/19/20	g.
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4.3	<a href="#">Indenture, dated as of March 19, 2021, between IMAX Corporation and U.S. Bank National Association.</a>	10-Q	001-35066	4.1	4/29/21	1	1	0	4	4
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+10.1	<a href="#">Stock Option Plan of IMAX Corporation, dated June 18, 2008.</a>	10-K	001-35066	10.1	2/24/16	<a href="#">S</a>	1	0	1	2
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+10.2	<a href="#">IMAX Corporation Form of Restricted Stock Unit Award Agreement.</a>	10-K	001-35066	10.4	2/19/20	<div>11012</div> <div>M000/</div> <div>A-1.1</div> <div>XK-49</div> <div>C3/</div> <div>Q52</div> <div>r00</div> <div>P6</div> <div>Q6</div> <div>r</div> <div>a</div> <div>ti</div> <div>Q</div> <div>n</div> <div>E</div> <div>Q</div> <div>r</div> <div>m</div> <div>-</div> <div>Q</div> <div>t</div> <div>R</div> <div>e</div> <div>S</div> <div>tr</div> <div>i</div> <div>e</div> <div>t</div> <div>e</div> <div>d</div> <div>S</div> <div>t</div> <div>Q</div> <div>c</div> <div>k</div> <div>U</div> <div>n</div> <div>it</div> <div>A</div> <div>w</div> <div>a</div> <div>r</div> <div>d</div> <div>A</div> <div>g</div> <div>r</div> <div>e</div> <div>e</div> <div>m</div> <div>e</div> <div>n</div> <div>t</div>
+10.3	<a href="#">IMAX Corporation Second Amended and Restated Long-Term Incentive Plan, dated June 3, 2020.</a>	8-K	001-35066	10.1	6/5/20	<div>18016</div> <div>M-00/</div> <div>Ak15</div>

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+10.4	<a href="#">Form of IMAX Corporation Second Amended and Restated Long-Term Incentive Plan Restricted Stock Unit Award Agreement.</a>	10-Q	001-35066	10.11	4/29/21	<a href="#">E</a>	1	0	1	4
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[Form of IMAX Second Amended and Restated Long-Term Incentive Plan Performance Stock Unit Award Agreement.](#)

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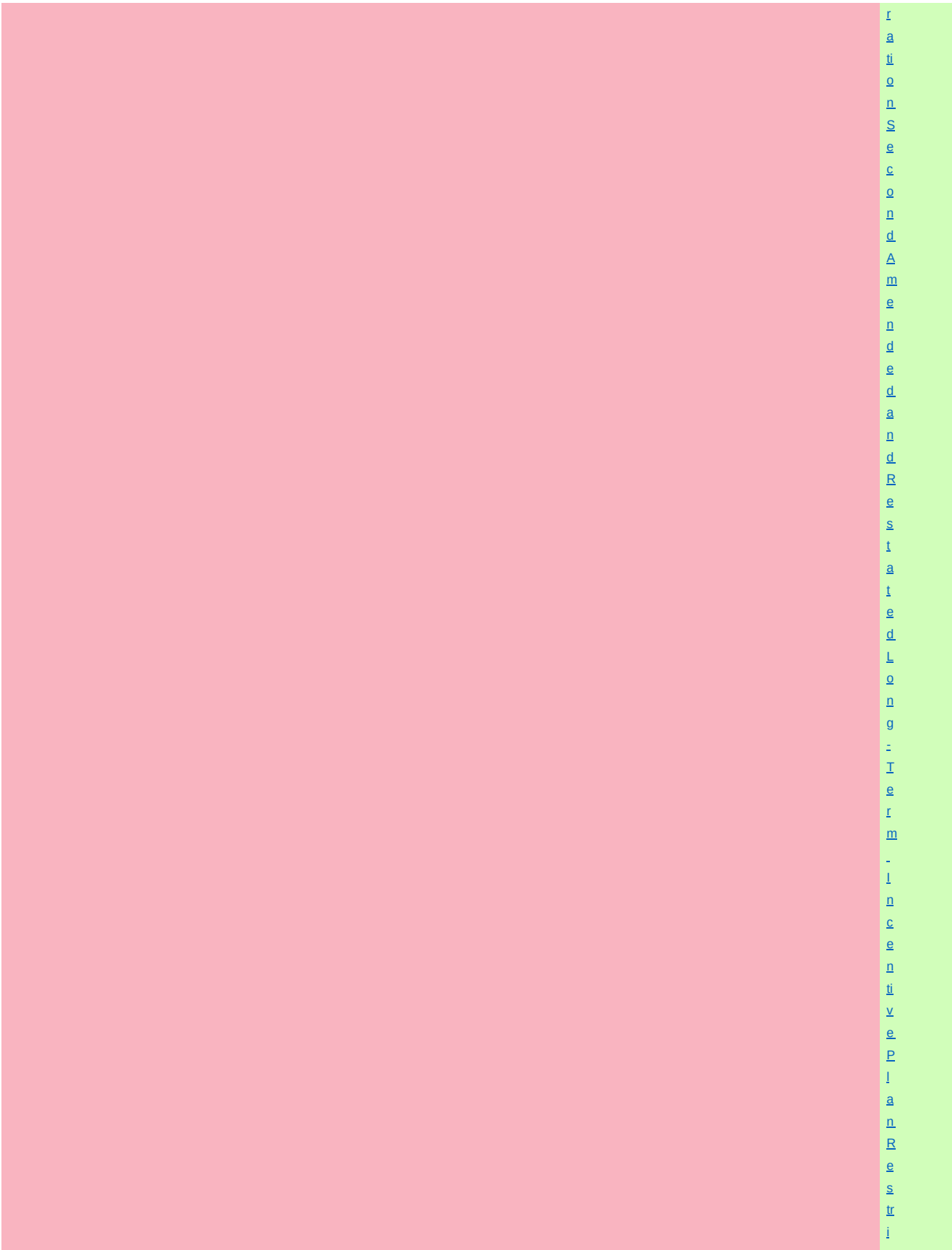
[Form of IMAX Corporation Second Amended and Restated Long-Term Incentive Plan  
Restricted Stock Unit Award Agreement for Non-employee Directors.](#)

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[IMAX Corporation Supplemental Executive Retirement Plan, as amended and restated as of January 1, 2006.](#)

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+10.8	<a href="#">Employment Agreement, dated July 1, 1998, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.3	2/21/13
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+10.9	<a href="#">Amended Employment Agreement, dated July 12, 2000, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.4	2/21/13	
+10.18						<a href="#">A</a> 1 0 1 2 <a href="#">m</a> 0 0 0 / <a href="#">e</a> - 1 . 2 <a href="#">n</a> K - 1 1 <a href="#">d</a> 3 1 / <a href="#">e</a> 5

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+10.10	<a href="#">Amended Employment Agreement, dated March 8, 2006, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.5	2/24/12
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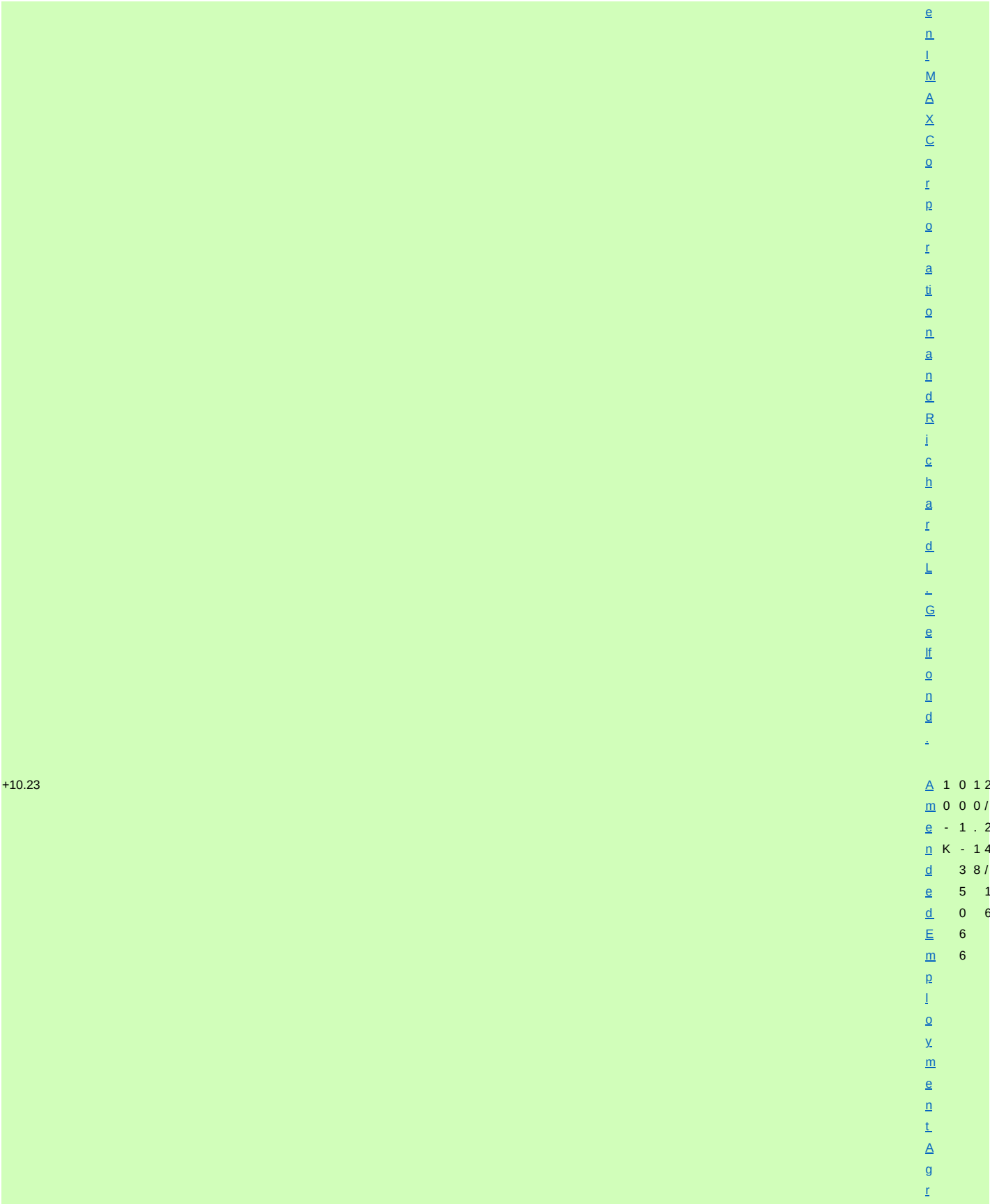
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Exhibit No.	Description	Form	File No	Exhibit	Filing Date
+10.11	<a href="#">Amended Employment Agreement, dated February 15, 2007, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.6	2/24/12
Exhibit No.	Description	Form	File No	Exhibit	Filing Date
+10.24	<a href="#">Amended Employment Agreement, dated December 12, 2011, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.17	2/24/12
+10.25	<a href="#">Employment Agreement, dated January 1, 2014, between IMAX Corporation and Richard L. Gelfond.</a>	10-Q	001-35066	10.12	10/23/14
+10.26	<a href="#">First Amending Agreement, dated December 9, 2015, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.21	2/24/16
+10.27	<a href="#">Employment Agreement, dated November 8, 2016, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.24	2/23/17
+10.28	<a href="#">Amendment to Employment Agreement, dated November 1, 2019, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.26	2/19/20
+10.29	<a href="#">Second Amendment to Employment Agreement, dated as of September 19, 2022, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.1	10/31/22
+10.30	<a href="#">Employment Agreement, dated December 18, 2017, between IMAX Corporation and Robert D. Lister.</a>	10-K	001-35066	10.30	2/27/18
+10.31	<a href="#">First Amending Agreement, dated March 11, 2020, between IMAX Corporation and Robert D. Lister.</a>	10-Q	001-35066	10.47	4/30/20
+10.32	<a href="#">Employment Agreement, dated October 10, 2018, between IMAX Corporation and Megan Colligan.</a>	10-Q	001-35066	10.48	7/28/20
+10.33	<a href="#">Employment Memorandum, dated September 18, 2020, between IMAX Corporation and Mark Welton.</a>	10-Q	001-35066	10.52	10/29/20

+10.34	<a href="#">Amendment to Employment Memorandum, dated October 13, 2021, between IMAX Corporation and Mark Welton.</a>	10-K	001-35066	10.38	02/24/22
+10.35	<a href="#">Offer Letter, effective May 14, 2021, between IMAX Corporation and Joseph Sparacio.</a>	10-Q	001-35066	10.1	07/27/21
+10.36	<a href="#">Employment Agreement, dated April 25, 2022, between IMAX Corporation and Natasha Fernandes.</a>	10-Q	001-35066	10.1	07/29/22
*+10.37 <a href="#">Statement of Directors' Compensation as of January 2023.</a>					
10.38	<a href="#">Form of Director Indemnification Agreement.</a>	10-Q	001-35066	10.39	07/25/18
10.39	<a href="#">Sixth Amended and Restated Credit Agreement, dated March 25, 2022, by and between IMAX Corporation, the Guarantors referred to therein, the Lenders referred to therein, and Wells Fargo Bank, National Association, as Administrative Agent.</a>	10-Q	001-35066	10.1	4/28/22
10.40	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and Wells Fargo Bank, National Association.</a>	10-Q	001-35066	10.1	4/29/21
10.41	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and Mizuho Markets Americas LLC.</a>	10-Q	001-35066	10.2	4/29/21
10.42	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and JPMorgan Chase Bank, National Association.</a>	10-Q	001-35066	10.3	4/29/21
10.43	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and HSBC Bank USA, National Association.</a>	10-Q	001-35066	10.4	4/29/21
10.44	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and Wells Fargo Bank, National Association.</a>	10-Q	001-35066	10.5	4/29/21

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+10.12	<a href="#">Amended Employment Agreement, dated December 31, 2007, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.8	2/20/14
+10.13	<a href="#">Services Agreement, dated December 11, 2008, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.9	2/19/15
+10.14	<a href="#">Services Agreement Amendment, dated February 14, 2011, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.10	2/24/16
+10.15	<a href="#">Services Agreement Amendment, dated April 1, 2013, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.11	2/20/14
+10.16	<a href="#">Services Agreement Amendment, dated March 30, 2021, between IMAX Corporation and Bradley J. Wechsler.</a>	10-K	001-35066	10.10	4/29/21
+10.17	<a href="#">Employment Agreement, dated July 1, 1998, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.10	2/21/13



+10.18	<a href="#">Amended Employment Agreement, dated July 12, 2000, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.11	2/21/13
+10.19	<a href="#">Amended Employment Agreement, dated March 8, 2006, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.12	2/24/12
+10.20	<a href="#">Amended Employment Agreement, dated February 15, 2007, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.13	2/24/12
+10.21	<a href="#">Amended Employment Agreement, dated December 31, 2007, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.16	2/20/14
+10.22	<a href="#">Amended Employment Agreement, dated December 11, 2008, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.17	2/19/15
+10.23	<a href="#">Amended Employment Agreement, dated December 20, 2010, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.18	2/24/16
+10.24	<a href="#">Amended Employment Agreement, dated December 12, 2011, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.17	2/24/12
+10.25	<a href="#">Employment Agreement, dated January 1, 2014, between IMAX Corporation and Richard L. Gelfond.</a>	10-Q	001-35066	10.12	10/23/14
+10.26	<a href="#">First Amending Agreement, dated December 9, 2015, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.21	2/24/16
+10.27	<a href="#">Employment Agreement, dated November 8, 2016, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.24	2/23/17
+10.28	<a href="#">Amendment to Employment Agreement, dated November 1, 2019, between IMAX Corporation and Richard L. Gelfond.</a>	10-K	001-35066	10.26	2/19/20
+10.29	<a href="#">Employment Agreement, dated December 18, 2017, between IMAX Corporation and Robert D. Lister.</a>	10-K	001-35066	10.30	2/27/18
+10.30	<a href="#">First Amending Agreement, dated March 11, 2020, between IMAX Corporation and Robert D. Lister.</a>	10-Q	001-35066	10.47	4/30/20

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Exhibit No.	Description	Form	File No	Exhibit	Filing Date
+10.31	<a href="#">Employment Agreement, dated June 6, 2016 between IMAX Corporation and Patrick McClymont.</a>	10-Q	001-35066	10.40	7/20/16
+10.32	<a href="#">Amendment to Employment Agreement, dated August 2, 2019, between IMAX Corporation and Patrick McClymont.</a>	10-Q	001-35066	10.41	10/31/19
+10.33	<a href="#">Second Amendment to Employment Agreement, dated October 21, 2019, between IMAX Corporation and Patrick McClymont.</a>	10-Q	001-35066	10.42	10/31/19
+10.34	<a href="#">Third Amendment to Employment Agreement, dated December 5, 2019, between IMAX Corporation and Patrick McClymont.</a>	10-K	001-35066	10.37	2/19/20
+10.35	<a href="#">Employment Agreement, dated December 17, 2019, between IMAX Corporation and Patrick McClymont.</a>	10-K	001-35066	10.38	2/19/20
+10.36	<a href="#">Employment Agreement, dated October 10, 2018, between IMAX Corporation and Megan Colligan.</a>	10-Q	001-35066	10.48	7/28/20
+10.37	<a href="#">Employment Memorandum, dated September 18, 2020, between IMAX Corporation and Mark Welton.</a>	10-Q	001-35066	10.52	10/29/20
*+10.38	<a href="#">Amendment to Employment Memorandum, dated October 13, 2021, between IMAX Corporation and Mark Welton.</a>				

+10.39	<a href="#">Offer Letter, effective May 14, 2021, between IMAX Corporation and Joseph Sparacio.</a>	10-Q	001-35066	10.1	07/27/21
+10.40	<a href="#">Statement of Directors' Compensation, dated January 12, 2021.</a>	10-K	001-35066	10.43	03/04/21
10.41	<a href="#">Form of Director Indemnification Agreement.</a>	10-Q	001-35066	10.39	7/25/18
10.42	<a href="#">Fifth Amended and Restated Credit Agreement, dated June 28, 2018, by and between IMAX Corporation, the Guarantors referred to therein, the Lenders referred to therein, and Wells Fargo Bank, National Association, as Administrative Agent.</a>	10-Q	001-35066	10.38	7/25/18
10.43	<a href="#">First Amendment to Fifth Amendment and Restated Credit Agreement entered into on June 10, 2020.</a>	8-K	001-35066	10.1	6/11/20
10.44	<a href="#">Second Amendment to the Fifth Amended and Restated Credit Agreement entered into on March 15, 2021.</a>	10-Q	001-35066	10.9	4/29/21
10.45	<a href="#">Third Amendment to the Fifth Amended and Restated Credit Agreement, dated as of July 28, 2021.</a>	10-Q	001-35066	10.1	10/28/21
*10.46	<a href="#">Fourth Amendment to the Fifth Amended and Restated Credit Agreement, dated as of December 13, 2021</a>				
10.47	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and Wells Fargo Bank, National Association.</a>	10-Q	001-35066	10.1	4/29/21
10.48	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and Mizuho Markets Americas LLC.</a>	10-Q	001-35066	10.2	4/29/21
10.49	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and JPMorgan Chase Bank, National Association.</a>	10-Q	001-35066	10.3	4/29/21
10.50	<a href="#">Base Call Option Confirmation, dated as of March 16, 2021 between IMAX Corporation and HSBC Bank USA, National Association.</a>	10-Q	001-35066	10.4	4/29/21
10.51	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and Wells Fargo Bank, National Association.</a>	10-Q	001-35066	10.5	4/29/21
Exhibit No.	Description	Form	File No	Exhibit	Filing Date
10.45	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and Mizuho Markets Americas LLC.</a>	10-Q	001-35066	10.6	4/29/21
10.46	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and JPMorgan Chase Bank, National Association.</a>	10-Q	001-35066	10.7	4/29/21
10.47	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and HSBC Bank USA, National Association.</a>	10-Q	001-35066	10.8	4/29/21
*21.1	<a href="#">Subsidiaries of IMAX Corporation.</a>				

*23.1	<a href="#">Consent of PricewaterhouseCoopers LLP.</a>
*24.1	<a href="#">Power of Attorney of certain directors.</a>
*31.1	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 22, 2023, by Richard L. Gelfond.</a>
*31.2	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 22, 2023, by Natasha Fernandes.</a>
*32.1	<a href="#">Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 22, 2023, by Richard L. Gelfond.</a>
*32.2	<a href="#">Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 22, 2023, by Natasha Fernandes.</a>
*101.INS	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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Exhibit No.	Description	Form	File No	Exhibit	Filing Date
10.52	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and Mizuho Markets Americas LLC.</a>	10-Q	001-35066	10.6	4/29/21
10.53	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and JPMorgan Chase Bank, National Association.</a>	10-Q	001-35066	10.7	4/29/21
10.54	<a href="#">Additional Call Option Confirmation, dated as of March 18, 2021 between IMAX Corporation and HSBC Bank USA, National Association.</a>	10-Q	001-35066	10.8	4/29/21
*21.1	<a href="#">Subsidiaries of IMAX Corporation.</a>				
*23.1	<a href="#">Consent of PricewaterhouseCoopers LLP.</a>				
*24.1	<a href="#">Power of Attorney of certain directors.</a>				
*31.1	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 23, 2022, by Richard L. Gelfond.</a>				
*31.2	<a href="#">Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated February 23, 2022, by Joseph Sparacio.</a>				

*32.1	<a href="#">Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 23, 2022, by Richard L. Gelfond.</a>
*32.2	<a href="#">Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated February 23 2022, by Joseph Sparacio.</a>
*101.INS	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

- \* Filed herewith  
+ Management contract or compensatory plan, contract or arrangement

#### Item 16. Form 10-K Summary

Not applicable.

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#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IMAX CORPORATION

By /s/ JOSEPH SPARACIO NATASHA FERNANDES  
Joseph SparacioNatasha Fernandes  
Interim Chief Financial Officer

Date: February 23, 2022 February 22, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 23, 2022 February 22, 2023.

<u>/s/ RICHARD L. GELFOND</u> Richard L. Gelfond Chief Executive Officer & Director (Principal Executive Officer)	<u>/s/ JOSEPH SPARACIO</u> Joseph Sparacio Interim Chief Financial Officer (Principal Financial Officer)	<u>/s/ KEVIN M. DELANEY</u> Kevin M. Delaney Senior Vice President, Finance & Controller (Principal Accounting Officer)
<u>*</u>	<u>*</u>	<u>*</u>
<u>Darren D. Troop</u> Chairman of the Board & Director	<u>Eric A. Demirian</u> Director	<u>Kevin Douglas</u> Director
<u>*</u>	<u>*</u>	<u>*</u>
<u>David W. Leebron</u> Director	<u>Michael MacMillan</u> Director	<u>Dana Settle</u> Director
<u>*</u>		
<u>Steve Pamon</u> Director		

By

\* /s/ JOSEPH  
SPARACIO /s/

/s/

RICHARD  
L.  
GELFOND

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<div>Richard L. Gelfond</div> <div>Chief Executive Officer &amp; Director</div> <div>(Principal Executive Officer)</div> <div>*</div>	<div>Natasha Fernandes</div> <div>Chief Financial Officer</div> <div>(Principal Financial Officer and Principal Accounting Officer)</div> <div>*</div>	<div>Joseph Sparacio</div> <div></div> <div></div> <div>*</div>
<div>Darren D. Troop</div> <div>Chairman of the Board &amp; Director</div> <div>*</div>	<div>Eric A. Demirian</div> <div>Director</div> <div>*</div>	<div>Kevin Douglas</div> <div>Director</div> <div>*</div>
<div>David W. Leebron</div> <div>Director</div> <div>*</div>	<div>Michael MacMillan</div> <div>Director</div> <div></div>	<div>Dana Settle</div> <div>Director</div> <div></div>
<div>Steve Pamon</div> <div>Director</div> <div></div>		
	By	<div>*/s/ NATASHA FERNANDES</div> <div>Natasha Fernandes</div> <div>(as attorney-in-fact)</div>

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Exhibit 10.37

IMAX CORPORATION

Exhibit 10.38 Summary of Directors' Compensation as of January 2023

All dollar amounts in this summary are expressed in United States Dollars.

Memorandum

1. In respect of each year during which an independent Director serves as a Director of IMAX Corporation, such Director shall receive:
- a. \$50,000 per year payable quarterly, in arrears;

b. at the commencement of each year of office or upon joining the Board of Directors (the "Board"), or as soon as practicable thereafter, a grant of Restricted Share Units ("RSUs") with an aggregate value of \$125,000 on the date of grant that will vest on the date of grant; and

c. reimbursement of any expenses incurred by the Director in connection with participation in Board or Committee meetings.
2. The Chairman of the Board shall receive (i) \$62,500 per year, which are payable quarterly, in arrears, and (ii) a grant of RSUs with an aggregate value \$170,000 on the date of grant that will vest on the date of grant.
3. Committee Chairs shall receive the following yearly retainers, which are payable quarterly, in arrears:
- To: Audit Committee Chair

MARK WELTON \$15,000

from: Compensation Committee Chair

JACKI BASSANI \$10,000

cc: Governance Committee Chair

RICH GELFOND \$10,000

4. Committee members shall receive the following yearly retainers, which are payable quarterly, in arrears:

Audit Committee

\$10,000

Date: Compensation Committee

October 13, 2021 \$7,500

Subject: Governance Committee

amendment to September 18, 2020

**EMPLOYMENT TERMS MEMORANDUM \$5,000**

5. The Lead Independent Director shall receive a yearly retainer of \$15,000, which is payable quarterly, in arrears.
6. The annual compensation for Directors, as set out above, shall remain in effect until it is amended or revoked by further resolution.

I am writing to confirm the amendment we are making to the September 18, 2020 Memorandum that documents the terms and conditions of your ongoing employment (the "Memorandum"). The "Vacation and Benefits" provision of the Memorandum is hereby deleted in its entirety and replaced with the following:

**Vacation and**

**Benefits:**

Your current vacation entitlement and benefits will continue unchanged, including entitlement to the Wellness Allowance reimbursement of up to \$2,500 per year, which is a taxable benefit, and your Medcan benefit. Furthermore, the Company shall provide you with the following taxable benefits:

- (1) Reimbursement of up to CAD \$10,000 per year toward a premium for a term life insurance policy; and
- (2) Payment to you of the difference between the annual CRA limit on employer contributions to your Registered Pension Plan and 5% of your salary, up to an annual maximum of CAD \$10,000. The payment for each year shall be made within the first quarter of the following year; provided, however, that the payment for 2020 shall be made within 30 days following the date hereof.

January 2023

IMAX Corporation | 902 Broadway, 20th Floor, New York, NY 10010 | 212-821-0100 | Fax: 212-821-0105

Except as amended herein, the Memorandum remains in full force and effect. Please acknowledge your receipt of this memorandum and your agreement with the terms and conditions herein by signing and returning it to me by October 20, 2021.

**With my signature below, I confirm receipt of this memorandum and my acceptance of the terms of my employment as written.**

/s/ Mark Welton

10/14/21

Mark Welton

Date

IMAX Corporation | 902 Broadway, 20th Floor, New York, NY 10010 | 212-821-0100 | Fax: 212-821-0105

EXECUTION COPY

**IMAX CORPORATION**

**Exhibit 10.46**

**FOURTH AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

FOURTH AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of December 13, 2021, among IMAX CORPORATION, a corporation incorporated pursuant to the laws of Canada (the "Borrower"), the Guarantors (as defined in the Credit Agreement referred to below) party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (the "Agent"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement referred to below.

**WITNESSETH:**

WHEREAS, the Borrower, the lenders party thereto (the "Lenders"), the Agent and the other parties thereto have entered into that certain Fifth Amended and Restated Credit Agreement, dated as of June 28, 2018 (as previously amended by that certain First Amendment to Fifth Amended and Restated Credit Agreement dated as of June 10, 2020, that certain Second Amendment to Fifth Amended and Restated Credit Agreement dated as of March 15, 2021 and that certain Third Amendment to Fifth Amended and Restated Credit Agreement dated as of July 28, 2021, as amended hereby and as further amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement" and the Credit Agreement prior to giving effect to this Amendment being referred to as the "Existing Credit Agreement");

WHEREAS, under the Existing Credit Agreement Revolving Loans that are denominated in Euros bear interest based on Euribor, as defined in the Existing Credit Agreement;

WHEREAS, on March 5, 2021, the ICE Benchmark Administration ("IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority, the regulatory supervisor of IBA, announced in public statements (the "Announcements") that the final publication or representativeness date for the London interbank offered rate for various currencies, including Euros, will be December 31, 2021. No successor administrator for IBA was identified in such Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such Euros may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on applicable Loans; and

WHEREAS, the Agent and the Borrower have determined that as a result of the Announcements, the provisions of Section 3.2(c) are applicable to any Euro denominated Loan. In connection with such determinations the Agent and the Borrower have agreed, in accordance with Sections 3.2(c) and 11.14(b) of the Existing Credit Agreement, to establish Euribor (as defined in the Credit Agreement after giving effect to this Amendment) and to make such other changes set forth herein in order to implement any Replacement Rate.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

#### SECTION 1. Amendments to Credit Agreement.

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(a) Article 1 of the Existing Credit Agreement is hereby amended by:

(i) amending and restating the definition of "Business Day" in its entirety as follows:

"Business Day" means (a) for all purposes other than as set forth in clause (b) below, any day (other than a Saturday, Sunday or legal holiday) on which banks in Toronto, Ontario and New York, New York, are open for the conduct of their commercial banking business and (b) (i) except in the case of clause (ii), with respect to all notices and determinations in connection with, and payments of principal and interest on, any Euro Rate Loans or any U.S. Base Rate Loan as to which the interest rate is determined by reference to the Adjusted Euro Dollar Rate or the Euro Dollar Rate, as applicable, any day that is a Business Day described in clause (a) and that is also a London Banking Day and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, any Euro Rate Loan denominated in Euros, any day that is a Business Day as described in clause (a) and that is also a TARGET Day.

(ii) amending and restating the definition of "Euribor" in its entirety as follows:

"Euribor" means the rate *per annum* determined on the basis of the rate for deposits in Euros equal to the Euro Interbank Offered Rate as administered by the European Money Markets Institute, or a comparable or successor administrator approved by the Agent, for a period comparable to the applicable Interest Period, at approximately 11:00 a.m. (Brussels time) two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Agent; provided that to the extent that such market practice is not administratively feasible for the Agent, such other day as otherwise reasonably determined by the Agent). Notwithstanding the foregoing, if Euribor shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

(iii) amending and restating the definition of "Interest Period" in its entirety as follows:

"Interest Period" means, with respect to each CDOR Rate Loan and Euro Rate Loan, a period, subject to the availability thereof on a representative basis, equal to one of the following: (a) one (1) month, (b) two (2) months, (c) three (3) months or (d) six (6) months or, if agreed to by all relevant Lenders, twelve (12) months, in each case as Borrower may elect with the exact duration to be determined in accordance with customary practice in the applicable CDOR Rate or Euro Rate market; provided that (i) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day; (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last Business Day of a calendar month; and (iii) Borrower may not elect an Interest Period which will end after the Maturity Date.

(iv) adding the following definitions to Article 1 of the Existing Credit Agreement in proper alphabetical order:

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"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"TARGET Day" means any day on which TARGET2 is open for the settlement of payments in Euros.

(b)Section 3.1(h)(iv) of the Existing Credit Agreement is hereby amended by (i) deleting the phrase "or London" and (ii) replacing it with ", London, Euro, Canadian or other applicable".

(c)Section 3.2(a)(i) of the Existing Credit Agreement is hereby amended by adding the phrase ", Euro or other applicable" after "London".

(d)Section 3.3 of the Existing Credit Agreement is hereby amended by (i) deleting the phrase "or Canadian" and (ii) replacing it with ", Euro, Canadian or other applicable".

(e)Section 3.4(a)(iii) of the Existing Credit Agreement is hereby amended by (i) deleting the phrase "or Canadian" and (ii) replacing it with ", Euro, Canadian or other applicable".

**SECTION 2.Conditions of Effectiveness of this Amendment.** This Amendment shall become effective on the date that is the later of the date that (a) the Agent receives of a counterpart of this Amendment, duly executed by each of the Credit Parties, which shall be originals or facsimiles (followed by originals to be delivered as soon as practicable) unless otherwise specified, in form and substance reasonably satisfactory to the Agent and (b) is five (5) Business Days after the delivery of such amendment to Lenders, so long as the Agent has not received written notices from such Lenders that in the aggregate constitute Required Lenders stating that such Lender objects to this Amendment (which such notice shall note with specificity the particular provisions of this Amendment to which such Lender objects).

### **SECTION 3.Miscellaneous.**

(a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "herein," "hereto", "hereof" and "hereunder" or words of like import referring to the Credit Agreement, and each reference in the notes and each of the other Financing Agreements to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and each of the other Financing Agreements, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

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(c)This Amendment shall not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Existing Credit Agreement or any other Financing Agreement other than as expressly set forth herein, (ii) to prejudice any right or rights which the Agent or the Lenders may now have or may have in the future under or in connection with the Existing Credit Agreement or the other Financing Agreements or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, or (iii) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower, any of its Subsidiaries or any other Person with respect to any other waiver, amendment, modification or any other change to the Existing Credit Agreement or the Financing Agreements or any rights or remedies arising in favor of the Lenders or the Agent, or any of them, under or with respect to any such documents.

(d) This Amendment is a Financing Agreement and is subject to the terms and conditions of the Credit Agreement, including, without limitation, each of the provisions of Section 12.1, 12.6, 13.3 13.4 and 13.7, the provisions of which are by this reference incorporated herein in full

(e) This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

**BORROWER:**

**IMAX CORPORATION**

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Chief Legal Officer and Senior  
Executive Vice President

**GUARANTOR:**

**IMAX U.S.A. INC.**

By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: President and Secretary



By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: Senior Vice President, Legal Affairs and  
Corporate Secretary

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Vice President

**GUARANTOR:**

**1329507 ONTARIO INC.**

By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: Secretary

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Vice President

**GUARANTOR:**

**IMAX POST/DKP INC.**

By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: President and Secretary

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Vice President

IMAX Corporation  
Fourth Amendment to Fifth Amended and Restated Credit Agreement  
Signature Page

**GUARANTOR:**

**IMAX II U.S.A. INC.**

By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: President and Secretary

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Vice President

**GUARANTOR:**

**IMAX (BARBADOS) HOLDING, INC.**

By: /s/ Kenneth Weissman  
Name: Kenneth Weissman  
Title: Sole Director

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Vice President

**GUARANTOR:**

**IMAX THEATRES INTERNATIONAL  
LIMITED**

By: /s/ Alan Nishida  
Name: Alan Nishida  
Title: Director

By: /s/ Robert Lister  
Name: Robert Lister  
Title: Director

IMAX Corporation  
Fourth Amendment to Fifth Amended and Restated Credit Agreement  
Signature Page

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Agent**

By: /s/ Brian Gilstrap  
Name: Brian Gilstrap  
Title: Senior Vice President

IMAX Corporation  
Fourth Amendment to Fifth Amended and Restated Credit Agreement  
Signature Page

IMAX CORPORATION  
Exhibit 21.1

SUBSIDIARIES OF IMAX CORPORATION

Company Name	Place of Incorporation	Percentage Held - Indirect
3183 Films Ltd.	Canada	100
12582 Productions Inc.	Delaware	100
1329507 Ontario Inc.	Ontario	100
2328764 Ontario Ltd.	Ontario	100
4507592 Canada Ltd.	Canada	100
6822967 Canada Ltd.	Canada	100
7096267 Canada Ltd.	Canada	100
7103077 Canada Ltd.	Canada	100
7109857 Canada Ltd.	Canada	100
7214316 Canada Ltd.	Canada	100
7550391 Canada Ltd.	Canada	100
7550405 Canada Ltd.	Canada	100
7742266 Canada Ltd.	Canada	100
7742274 Canada Ltd.	Canada	100
9733248 Canada Ltd.	Canada	100
Animal Orphans 3D Ltd.	Ontario	100
Arizona Big Frame Theatres, L.L.C.	Arizona	100
Baseball Tour, LLC	Delaware	15.625
ILW Productions Inc.	Delaware	100
IMAX II U.S.A. Inc.	Delaware	100
IMAX 3D TV Ventures, LLC	Delaware	100
IMAX AI Limited	Ireland	100
IMAX (Barbados) Holding, Inc.	Barbados	100
IMAX Chicago Theatre LLC	Delaware	100
IMAX China Holding, Inc.	Cayman Islands	71.11 71.73
IMAX China (Hong Kong), Limited	Hong Kong	71.11 71.73
IMAX Documentary Films Capital, LLC	Delaware	36.03
IMAX Fei Er Mu (Shanghai) Investment Management Co., Ltd.	People's Republic of China	34.92 35.87
IMAX Fei Er Mu (Shanghai) Investment Partnership (Limited Partnership).	People's Republic of China	39.11 39.45
IMAX Fei Er Mu YiKai (Shanghai) Equity Investment Management Partnership Enterprise (Limited Partnership)	People's Republic of China	35.56 35.87
IMAX Film Holding Co.	Delaware	100
IMAX GWG Inc.	Delaware	100
IMAX (Hong Kong) Holding, Limited	Hong Kong	100
IMAX Indianapolis LLC	Indiana	100
IMAX International Sales Corporation	Canada	100
IMAX Investment Management, LLC	Delaware	100
IMAX Japan Inc.	Japan	100
IMAX Minnesota Holding Co.	Delaware	100

IMAX Music Ltd.	Ontario	100
IMAX Post/DKP Inc.	Delaware	100
IMAX Providence General Partner Co.	Delaware	100
IMAX Providence Limited Partner Co.	Delaware	100
IMAX PV Development Inc.	Delaware	100
IMAX Rhode Island Limited Partnership	Rhode Island	100
IMAX (Rochester) Inc.	Delaware	100
IMAX Scribe Inc.	Delaware	100
IMAX (Shanghai) Commerce and Trade Co., Ltd.	People's Republic of China	71.11 71.73
IMAX (Shanghai) Culture & Technology Co., Ltd.	People's Republic of China	71.11
IMAX (Shanghai) Digital Media Co., Ltd.	People's Republic of China	71.11 71.73

Company Name	Place of Incorporation	Percentage Held - Indirect
IMAX (Shanghai) Digital Media Co., Ltd.	People's Republic of China	71.73
IMAX (Shanghai) Multimedia Technology Co., Ltd.	People's Republic of China	71.11 71.73
IMAX (Shanghai) Theatre Technology Services Co., Ltd.	People's Republic of China	71.11 71.73
IMAX Space Productions Ltd.	Canada	100
IMAX Spaceworks Ltd.	Canada	100
IMAX Theatre Holding (California I) Co.	Delaware	100
IMAX Theatre Holding (California II) Co.	Delaware	100
IMAX Theatre Holding Co.	Delaware	100
IMAX Theatre Holdings (OEI), Inc.	Delaware	100
IMAX Theatre Holding (Nyack I) Co.	Delaware	100
IMAX Theatre Holding (Nyack II) Co.	Delaware	100
IMAX Theatre Services Ltd.	Ontario	100
IMAX Theatres International Limited	Ireland	100
IMAX (Titanic) Inc. (50 % owned by 3183 Films Ltd.)	Delaware	100
IMAX U.S.A. Inc.	Delaware	100
IMAX VR, LLC	Delaware	100
IMAX Virtual Reality Content Fund, LLC	Delaware	33.37 33.49
IMAXSHIFT, LLC	Delaware	88
Line Drive Films Inc.	Delaware	100
Madagascar Doc 3D Ltd.	Canada	100
Night Fog Productions Ltd.	Canada	100
Nyack Theatre LLC	New York	100
Plymouth 135-139, LLC	Delaware	88
Raining Arrows Productions Ltd.	Canada	100
Ridefilm Corporation	Delaware	100
Ruth Quentin Films Ltd.	Canada	100
Sacramento Theatre LLC	Delaware	100
SSIMWAVE Inc.	Ontario	100
SSIMWAVE USA Inc.	Delaware	100
Sonics Associates, Inc.	Alabama	100
Starboard Theatres Ltd.	Canada	100
Strategic Sponsorship Corporation	Delaware	100
Suzhou IMAX Fei Er Mu Project Investment Partnership Enterprise (Limited Partnership)	People's Republic of China	53.34 53.81
Taurus-Littrow Productions Inc.	Delaware	100
TCL-IMAX Entertainment Co., Limited	Hong Kong	50
TCL-IMAX (Shanghai) Digital Technology Co. Ltd.	People's Republic of China	50

## IMAX CORPORATION

## EXHIBIT 23.1

## Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-189274; No. 333-211888; No. 333-238934) of IMAX Corporation of our report dated February 23, 2022 February 22, 2023 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

February 23, 2022 22, 2023

## IMAX CORPORATION

## EXHIBIT 24.1

## POWER OF ATTORNEY

Each of the persons whose signature appears below hereby constitutes and appoints Joseph Sparacio Natasha Fernandes and Robert D. Lister, and each of them severally, as his true and lawful attorney or attorneys with power of substitution and re-substitution to sign in his name, place and stead in any and all such capacities the Form 10-K, including the French language version thereof, and any and all amendments thereto and documents in connection therewith, and to file the same with the United States Securities Exchange Commission and such other regulatory authorities as may be required, each of said attorneys to have power to act with and without the other, and to have full power and authority to do and perform, in the name and on behalf of each of the directors of the Corporation, every act whatsoever which such attorneys, or either of them, may deem necessary or desirable to be done in connection therewith as fully and to all intents and purposes as such directors of the Corporation might or could do in person.

Dated this 23rd 22nd day of February, 2022, 2023.

Signature	Title
/s/ Darren D. Troop Throop Darren D. Troop Throop	Chairman of the Board & Director
/s/ Richard Gelfond Richard Gelfond	Chief Executive Officer (Principal Executive Officer)
/s/ Eric Demirian Eric Demirian	Director
/s/ Kevin Douglas Kevin Douglas	Director
/s/ David Leebron David Leebron	Director
/s/ Michael MacMillan	Director

Michael MacMillan

/s/ Steve Pamon

Steve Pamon

Director

/s/ Dana Settle

Dana Settle

Director

/s/ Joseph Sparacio Natasha Fernandes

Joseph Sparacio Natasha Fernandes

Interim Chief Financial Officer  
(Principal Financial Officer and Principal  
Accounting Officer)

/s/ Kevin M. Delaney

Kevin M. Delaney

Senior Vice President, Finance  
(Principal Accounting Officer)

## IMAX CORPORATION

### EXHIBIT 31.1

#### Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard L. Gelfond, certify that:

1. I have reviewed this Annual Report on Form  
10-K for the year ended December 31, 2021  
of the registrant, IMAX Corporation;

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 of the registrant, IMAX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:



(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated

the  
effectiveness  
of the  
registrant's  
disclosure  
controls and  
procedures  
and  
presented in  
this report  
our  
conclusions  
about the  
effectiveness  
of the  
disclosure  
controls and  
procedures,  
as of the end  
of the period  
covered by  
this report  
based on  
such  
evaluation;  
and

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2022 22, 2023

By: /s/ Richard L. Gelfond

Richard L. Gelfond

Chief Executive Officer

IMAX CORPORATION

EXHIBIT 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph Sparacio, Natasha Fernandes, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2021 of the registrant, IMAX Corporation;

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2022 of the registrant, IMAX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:



(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated

the  
effectiveness  
of the  
registrant's  
disclosure  
controls and  
procedures  
and  
presented in  
this report  
our  
conclusions  
about the  
effectiveness  
of the  
disclosure  
controls and  
procedures,  
as of the end  
of the period  
covered by  
this report  
based on  
such  
evaluation;  
and

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All

significant  
deficiencies  
and material  
weaknesses  
in the  
design or  
operation of  
internal  
control over  
financial  
reporting  
which are  
reasonably  
likely to  
adversely  
affect the  
registrant's  
ability to  
record,  
process,  
summarize  
and report  
financial  
information;  
and

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably like the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud,  
whether or  
not material,  
that involves  
management  
or other  
employees  
who have a  
significant  
role in the  
registrant's  
internal  
control over  
financial  
reporting.

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over

Date: February 23, 2022 22, 2023

By: /s/ Joseph Sparacio Natasha Fernandes  
Joseph Sparacio Natasha Fernandes  
Chief Financial Officer

IMAX CORPORATION

EXHIBIT 32.1

## CERTIFICATIONS

### Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), I, Richard L. Gelfond, Chief Executive Officer of IMAX Corporation, a Canadian corporation (the "Company"), hereby certify, to my knowledge, that:

The Annual Report on Form 10-K for the year ended **December 31, 2021** **December 31, 2022** (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **February 23, 2022** **22, 2023**

/s/ Richard L. Gelfond

Richard L. Gelfond

Chief Executive Officer

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## IMAX CORPORATION

### EXHIBIT 32.2

## CERTIFICATIONS

### Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), I, Joseph Sparacio, Interim Chief Financial Officer of IMAX Corporation, a Canadian corporation (the "Company"), hereby certify, to my knowledge, that:

The Annual Report on Form 10-K for the year ended **December 31, 2021** **December 31, 2022** (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **February 23, 2022** **22, 2023**

/s/ Joseph Sparacio **Natasha Fernandes**

**Joseph Sparacio** **Natasha Fernandes**

**Interim** Chief Financial Officer

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