

IMAX[™]

GLOBAL UPDATE

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Welcome back, everyone! Hope you had a safe and restful end to 2020, and enter the new year healthy and energized.

Even as much of the world unplugged over "the break," there was little slow down in the movie biz — with blockbuster releases like "Wonder Woman 1984" and China's "Shock Wave 2" entertaining audiences and illuminating trends in the theatrical landscape.

Today, we have a look at some of what our colleagues around the globe have been up to as the calendar turns.

Enjoy and thank you for reading, as always!

LIFE IN CHINA AS COVID RECEDES



IMAX China's PR and Marketing team in Beijing throws up horns to celebrate the Year of the Ox.

With vaccine distribution underway in much of the world, many of us are thinking about what life will look like post-COVID.

For a glimpse, look no further than China — where the virus is under control, our colleagues are back at the office, and audiences are turning out at the cinema in eye-popping numbers.

We checked in with IMAX China's head of Communications, Frances Fu, for some insight into what life in China is like as the virus recedes.

IGU: What is life like in Beijing now, with the virus under control? How much does the virus impact your day-to-day?

Frances: Life in Beijing has been back to normal since around May last year although there was a short outbreak at a food market in June. Recently we've had some local cases in Shunyi district, so people avoid passing by some specific areas. The city started vaccinations last month which are prioritizing some susceptible groups now such as medical workers. For most local people, the virus has very limited impact on our day-to-day life now. A few epidemic-control measures have become normalized procedures in daily life, such as wearing masks in crowded place, scanning health QR code (the green code is a pass for public facilities) and sanitizing hands from time to time, etc.

IGU: Was it difficult to adjust from all the things you had to do during the pandemic — wearing a mask, working from home — back to normal life?

Frances: I felt it was not very difficult in general, but it did take some time to gradually switch the mode. When we went back to office many colleagues still chose to bring their own lunchboxes and wear masks in the office. And for most of the meetings with partners, we did them online. It took about 1-2 months to get almost back to normal life, such as having big-group lunches/dinner or meetings, taking domestic short trips, etc.

IGU: Have you been to the movies? If so, what was that experience like?

Frances: Yes, I have watched a few films since the reopening of cinema. The most frequently visited theater of mine is Beijing Emperor IMAX theater, which offered IMAX with Laser and is located at Chang An Street, absolutely a landmark of the capital city.

In September, I watched *Forrest Gump* in IMAX with a few colleagues during the Beijing International Film Festival. The cinema was still kept a 50% capacity limit back then, so we wore masks and sat across a seat. It felt slightly different from normal movie watching because you can't easily interact with your friends when watching the film. But somehow, it brought me a more immersive experience because everyone could be entirely concentrated on the movie. And now that the capacity limit is 75%, people can sit next to each other.

IGU: Why do you think Chinese audience has come back to the theatres in such big numbers as the pandemic has resided?

Frances: I think there are three main reasons: First of all, the effective epidemic control is definitely a key, along with a few orderly arrangements from the government to welcome audiences back, such as offering a re-release film slate and capacity limitations. Actually before the cinemas reopened, many shopping centers, restaurants, bars had already resumed business for a while. People's social life had already gradually returned to normal, so there was almost no big safety concerns for most audiences.

And secondly, although streaming media and short video apps are also very popular in China, many people are still eager to return to normal social life after a period of quarantine and pure online entertainment. Watching movies, especially IMAX, is an experience that cannot be replaced by home entertainment.

Lastly but very importantly, the content! After the reopening, besides some library films, the release of *The Eight Hundred* was a turning point as this film was one of the most anticipated big local productions and produced by an all-star team (and shot by IMAX cameras). It fueled the market and attracted many audiences back to cinemas. Also the following National Day long holiday continued the momentum with a diversified content supply.

INSTALL-STELLAR (sorry)



An IMAX tech repairs a screen in South Korea

IMAX's globe-spanning installation team is arguably the backbone of our operation — getting the biggest and best screens in the world to our clients and, ultimately, consumers anywhere, all the time.

In the face of the global pandemic, the team managed to complete 71 (!) installs in 2020 — including 30 in the fourth quarter.

We caught up with Don Kane, SVP of Global Theatre Design and Projects, to hear about how they pulled it off.

IGU: How many new theatre installs did we complete in 2020, and where?

Don: Despite the pandemic, we managed to complete 71 installs in 2020 — including 30 in the fourth quarter. Most were in Asia, including 42 in China, but we also had 8 in North America, 8 in EMEA, and 3 in LatAm.

IGU: What were some of the biggest challenges you and your team faced in installing theatres during the middle of the pandemic?

Don: The first priority was keeping people safe. So everyone took our COVID training course and we stocked up on PPE like masks and gloves. And we made sure to learn and adhere to our clients' safety protocols since we work in their theatres.

I'd say we had two major challenges, the first of which was travel. We had to do a lot of work assigning install techs to certain jobs based on who was allowed to travel to certain areas. For example, techs from the American South could not travel to New York, Russia, Saudi Arabia and other key markets closed their borders for most of the year. The UK only allowed EU citizens to enter. Almost every country had its own unique restrictions and issues for us to work around.

The other big challenge was managing the team of contractors around the world we hire to handle our installs. This is a large team of highly skilled, specialized workers that are crucial to our business — we wanted to keep them engaged and busy enough so that they didn't find other work, which would mean we'd have to find a new team and train new people. We were staffed and ready to do upwards of 200 installs for the full year.

But, between our relatively healthy pace of installs, as well as screen replacements, theatre closures and removes, and the IMAX Live project, we've dodged that bullet so far.

IGU: Were there any regions that proved particularly tricky?

Don: South Korea and Saudi presented the biggest challenges.

In South Korea, a very large CGV screen that was damaged had to be painted in the theatre which involves sending three techs. They had to quarantine for two weeks in Seoul, during which time they could not even leave their hotel room. They also had to quarantine for two more weeks upon returning home.

Saudi closed their borders completely until September. We had four installs there waiting to start, and getting three techs into the country to handle those jobs was a major challenge. E-visas were issued but not accepted by airlines. Full-work visas were required by sending techs to UK and using a visa company, which took a full week. Then COVID tests were required 48 hours before travel, and another upon arrival in Saudi, where awaiting results in quarantine added another four days. So, all told it basically took two weeks to get in and visas are only good for 30 days after which they had to fly to Dubai and start the process again to get back in.

Borders have since closed again and one tech is stuck unable to leave. Fortunately, we have another install he can do soon, plus some service work.

IGU: Has the pandemic brought about any changes in how we'll handle installs moving forward? If so, how?

Don: We're definitely looking at how we can expand our tech base in countries that presented the biggest challenges to get into, including Russia and Saudi Arabia.

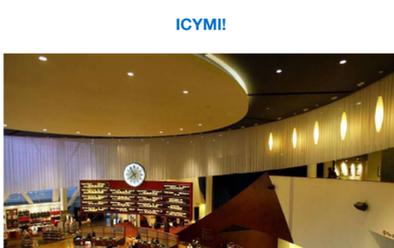
RICH ON CHINA, 2021 INDUSTRY OUTLOOK



Rich kicked off the new year by speaking with Bloomberg on continued momentum at the box office in China and the broader outlook for the global theatrical industry in 2021.

Click [here](#) to watch!

ICYMI!



ArcLight Hollywood

Los Angeles Times columnist Mary McNamara delivered some straight talk to those in Hollywood fretting over the post-COVID future of the industry.

Thanks again for coming back week after week.

Wishing you all the best for a safe and happy 2021.

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