

Investors & Analysts Review



November 2, 2018

 **EMPIRE**
INDUSTRIES LTD

Reader Advisory



This presentation contains forward-looking statements, within the meaning of applicable securities legislation, concerning Empire's business and affairs.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

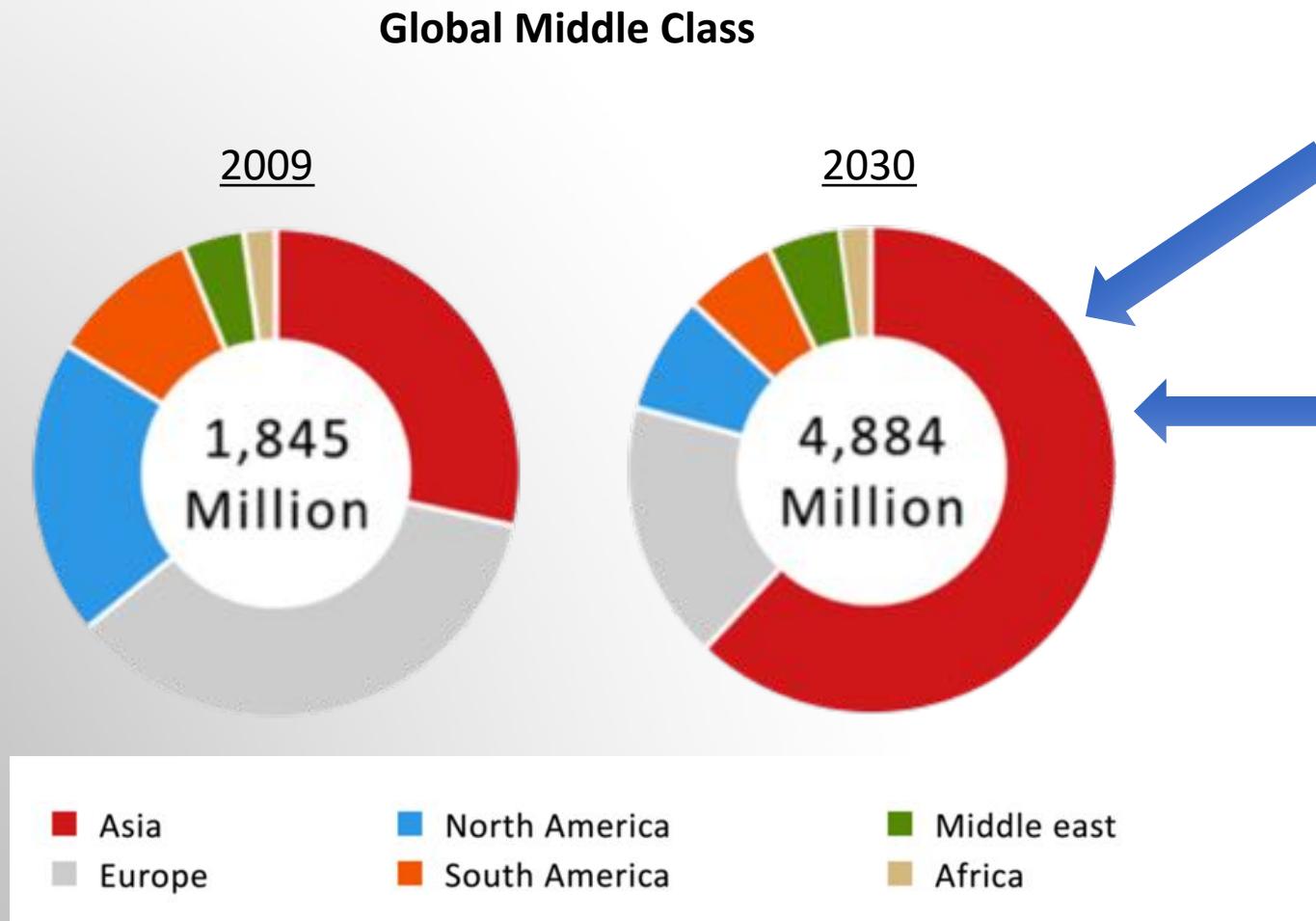
These forward looking statements are based on current expectations, and are naturally subject to uncertainty and changes in circumstances that may cause actual results to differ materially.

Readers are cautioned not to place undue reliance on such forward-looking statements.

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Asian Middle Class Growth is Compelling



The OECD estimates that Asia will have 66% of the world's middle class population by 2030.

These 3.2 billion Asians will constitute 59% of global spending.

Growth in theme parks and media-based attractions is responding to the rapid growth of the middle class

Amazing Opportunities with Iconic Attractions



- Empire is a leader in a rapidly growing, global market
- Built and installing rides in: China, Russia, Japan, Malaysia, Indonesia, South Korea, Hong Kong, Macau, UAE, Europe, USA
- Pipeline of future prospects continues to grow with almost all of the major theme park owners. The company is being selective regarding opportunities from the rest of the market.
- Bilingual management with strong background in Asia



Brand New Dynamic



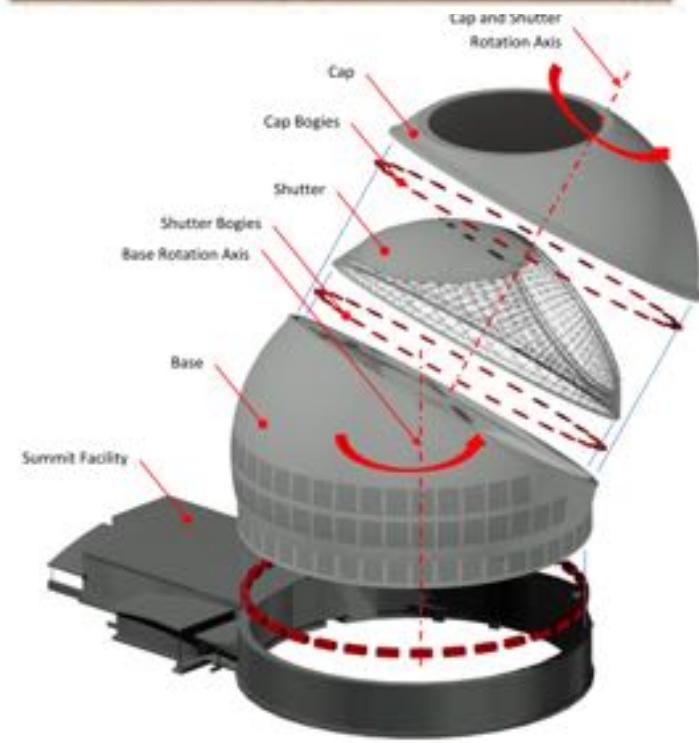
DYNAMIC
ATTRAC TIONS

EXPERIENCE THE DYNAMIC DIFFERENCE

Global leader for designing & building large telescopes



- Designed & built of over half of the world's large observatory telescopes.
- Named by the Government of Canada as the company to design, manufacture and supervise the installation of the Thirty Meter Telescope (TMT) enclosure.
 - ❖ TMT will be the world's largest optical telescope
 - ❖ 60m diameter, 18 floors high, ~2,800 tonnes
 - ❖ Awarded \$10 million Detailed Design contract in August 2016. Completion in Q1 2019
 - ❖ Scheduled to start fabrication in 2019 for 30 months with installation contract awarded after
 - ❖ Fabrication contract negotiations underway
- Supreme Court decision on Oct 30, 2018 upheld the building permit issued by state regulators in 2017.



TMT Enclosure Exploded View

Dynamic Designs & Builds Attractions



- Customized Rides Systems
 - ❖ Rides systems that have never been built before
 - ❖ Created for famous entertainment destinations

- Proprietary Product Lines
 - ❖ High-tech theatres
 - ❖ Special effects roller coasters
 - ❖ Autonomous vehicles (tracked & trackless)
 - ❖ Independent drive & controlled “coaster” vehicles

- Parts and Services
 - ❖ Parts for rides manufactured by Dynamic and others
 - ❖ Maintenance and consulting services



Innovative, Proprietary Products



FLYING
THEATRE



GFX COASTER



THEATER
MOTION



ALL TERRAIN
DARK RIDE



ROBOTIC
ARM RIDE



DUELING
COASTERS

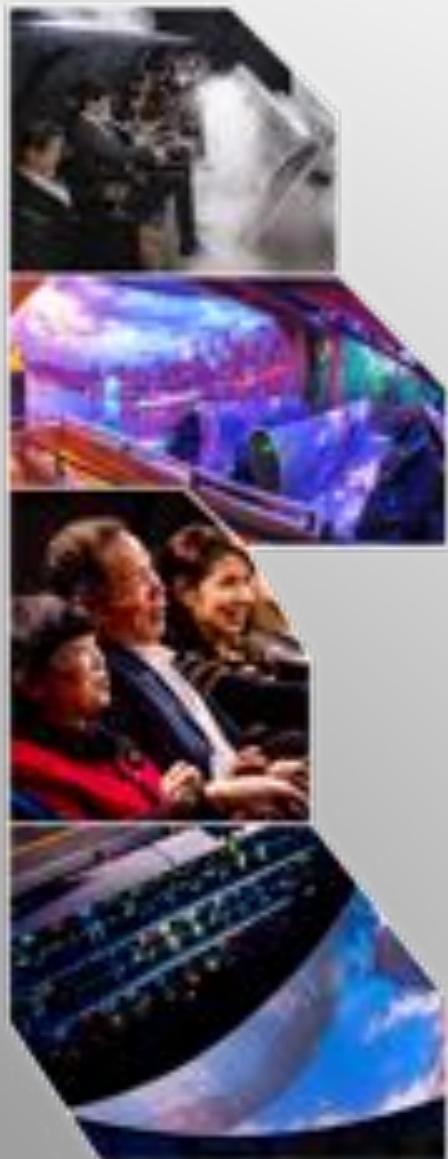


TRANSPORTER



INDOOR AGV
WITH MOTION PLATFORM

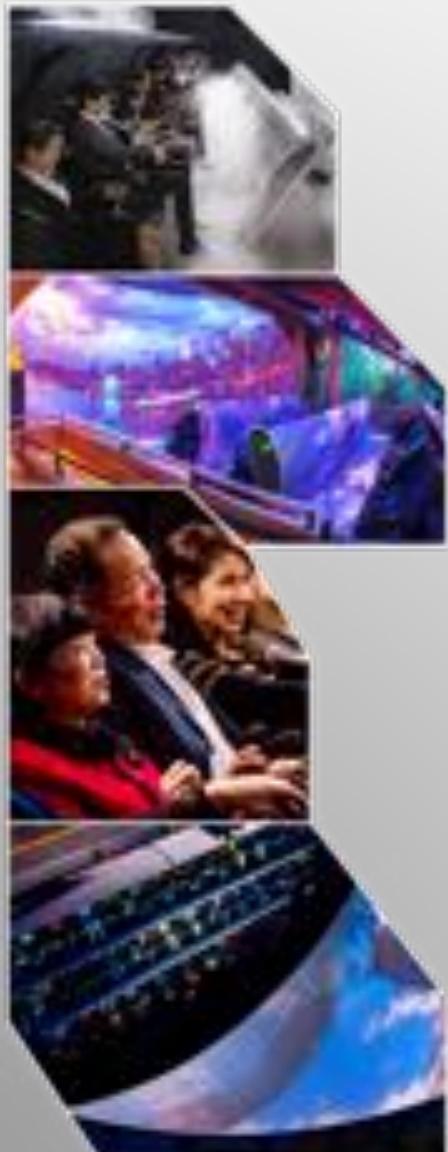
New Enterprise: Co-Ventures



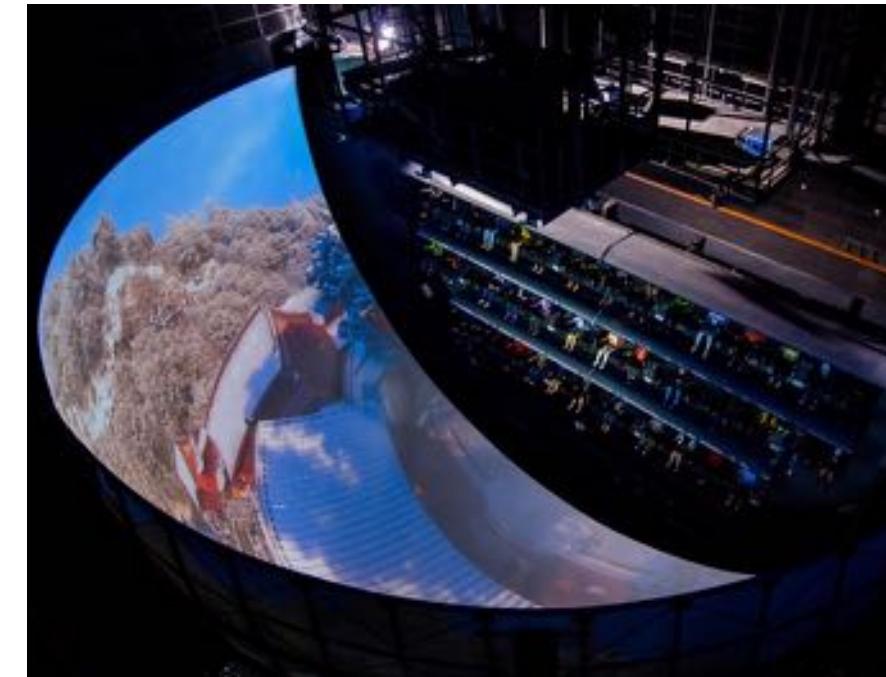
- Co-ventures are a natural extension of Empire's business, from manufacturer of ride systems and supplier of turnkey attractions.
- Each Co-venture will co-own and operate the Dynamic Attractions Flying Theatre under an exclusive license from Dynamic Attractions.
- Targeted profit is expected to be recurring and predictable.



Co-Venture Initiative Designed to Generate Recurring Profit



- Last year Empire announced its Co-venture initiative and start-up capital to implement two flying theater attractions using an ownership model
- Long term leases in spectacular, tourist based locations take time to identify, negotiate and execute.
- The Company is currently working on several possible locations and expects to announce its first Co-Venture in late 2018.



Financial Highlights



(C \$000,000)	3 Months Q2 2018	6 Months Q2 2018	FY 2017 *
Revenue	33.6	67.1	133.7
Adjusted EBITDA	0.0	1.3	8.3
Adjusted EBITDA %	0.1%	2.0%	6.2%
Net Income (loss)	(1.2)	(3.0)	(4.4)
Net Income (Loss) Per Share-Basic	(\$0.02)	(\$0.03)	(\$0.04)

- The decline in adjusted gross margin is driven by the application of IFRS 15 on contracts that the Group has assessed as having a high degree of technical risk and as a consequence, the Group is deferring any projected profit on these contracts until there is sufficient information to reasonably project the contracts estimated profitability.
- During the first half of 2018, there was a higher volume of Company production coming from contracts that were impacted by the Group's policy adoption resulting in the appearance of lower adjusted gross margins than in 2017.

*FY2017 figures reflect the retrospective application of the adoption of IFRS15



Financial Performance Improving Resulting From Operational Adjustments

- Building our own proprietary product line cost much more than budgeted and took more time to complete and these results were unsatisfactory.
- Therefore, the following operational changes were identified and are in the process of being implemented;
 - Created a product line structure, made up of Engineering and Management experts to focus on product optimization (cost, function, delivery timing) and integration of new technologies into our ride platforms.
 - Our marketing and sales activities are focused on selling our award-winning, proven products, to increase our backlog of 'build it again' projects.
 - Only engage in 'first generation' projects under a funded, shared risk condition with customers.
 - Chief Technical Office was formed to evaluate and mitigate risk on all new opportunities and throughout the design process and carrying over to commissioning support.
 - Adjustments being made to our facility infrastructure and operational processes
 - Continue to streamline and optimize our internal capabilities and sourcing strategy, and align them with the global market opportunities.

Successes in the Past Year

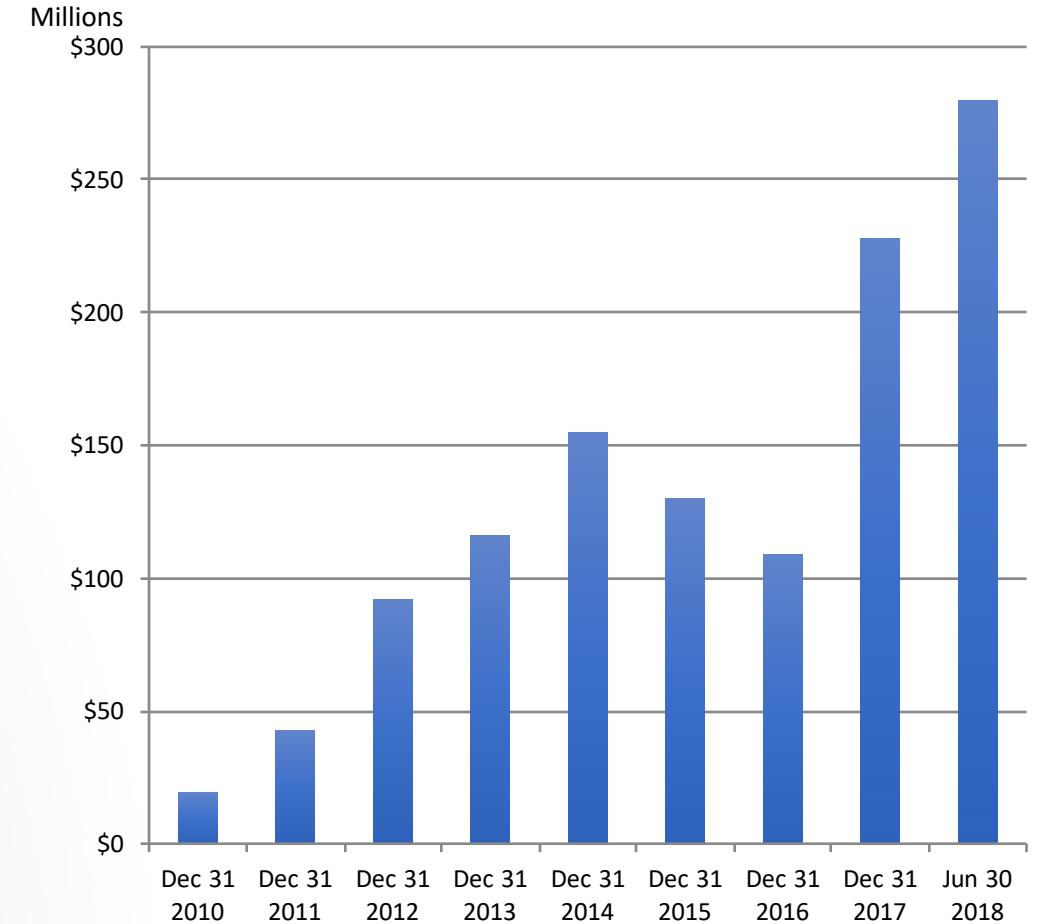


- Flying Theaters opened in Red Square in Moscow
- Empire successfully commissioned a flying theater ride in Genting Highlands 20th Century Fox World theme park in Malaysia (park scheduled to open in the summer of 2019)
- Dynamic Attraction operations in Canada and the United States have not experienced a lost time Injury for more than 4 ½ years while performing 2.0 million hours of work.
- WorkSafe British Columbia required all BC manufacturers to participate in a “Program and Committee Evaluation (PACE) safety audit”. At the completion of the audit, it was determined that Dynamic Attractions was by far, the safest manufacturer in British Columbia.
- Empire received the third party safety and site acceptance of Batman Knight Flight at Warner Bros. World Abu Dhabi and is scheduled to open this new world class attraction in Q4, 2018
- All new sales secured in 2018 YTD are for core Dynamic Attractions proven products (Flying Theaters, SFX Coasters, Robotic Arm rides).

Record Backlog



- Empire's Backlog has never been higher: it is over a quarter Billion dollars.
- It represents 2 years of continuous work at our current production rate.



Attractions Revenue has grown by 12.5% per year since 2013



Revenue above excludes Tornado Trucks and Steel Fabrication

Capital Markets Information

**Stock Price***

\$0.43

52 week high/low

\$0.61/\$0.40

Number of Shares

103.1 million

Avg Daily Trading*

50,000

Market Cap*

\$44.3 million (\$0.43/share)

TTM Revenues

\$139.3 million

TTM Adj. EBITDA

\$6.6 million

Long Term Funded Debt

\$9.8 million



*As at October 11, 2018



Comparables: EBITDA Growth is Key to Capital Appreciation

Company Name	Market Capitalization (\$ millions)	EBITDA [LTM] (\$ millions)	TEV/LTM EBITDA	Market Cap/Total Revenues [LTM]	P/Book Value
Disney (NYSE)	219,219	22,755	11.0x	3.3x	3.7x
Comcast (Nasdaq)	205,138	37,076	7.7x	2.5x	2.2x
Six Flags (NYSE)	7,245	755	14.1x	5.8x	NM
Merlin Entertainments (LSE)	6,600	815	10.7x	3.1x	2.5x
Cedar Fair (NYSE)	3,955	571	10.6x	3.5x	NM
IMAX (SEHK)	1,959	148	13.1x	3.6x	2.8x
Sansei Technologies (TSE)	328	38.4	10.2x	1.0x	1.0x
Brogent Technologies (GTSM)	325	15.2	19.5x	4.7x	2.9x
D-Box Technologies (TSX)	36.9	2.8	12.2x	0.9x	1.7x
Empire Industries (TSXV)	44.3	6.6	10.1x	0.3x	2.3x

Source: Capital IQ and SEDAR, October 11, 2018; all currencies converted to CAD

Unique Expertise



- Has designed and built 50+ iconic attractions
- Awarded USD \$120 million contract (an industry record), followed up with CDN \$80 million contract in Asia
- Launched several new products last year, demonstrating its game-changing innovative, capabilities
- Earned the coveted 'Best New Product Concept' award from the international association (3 in a row)



Why invest in Empire



- The company has strategically positioned itself for growth in its global, market niche.
- The company's unique expertise and proprietary products have made it the 'go-to supplier' for several of the major theme park owners, all undertaking significant expansion and re-fresh programs.
- Operational challenges and investment in top line growth in the past 2 ½ years have in fact positioned the Company to grow in value going forward because its operational focus is now switched from top line growth to bottom line growth and performance.
- Officers, Directors and Insiders own over 50% of the company.

A group of people, including children and adults, are laughing and having fun, suggesting a theme park or entertainment setting.

More Innovative Attractions,
More Fun,
More Shareholder Value

Thank you

EMPIRE INDUSTRIES LTD



DYNAMIC
ATTRACtIONS



DYNAMIC
STRUCTURES



DYNAMIC
ENTERTAINMENT

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