



EMPIRE
INDUSTRIES LTD

Annual Shareholders Meeting

November 2020



VENTURE
50
2020



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Section

- I. Company Overview
- II. Dynamic Attractions Overview
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- IV. Dynamic Structures Overview
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I. Company Overview



Co-ventures



Co-ownership of attractions

- Turnkey developer, operator and co-owner of world class attractions in tourist based locations



Ride Business



Production & Delivery of Innovative Ride Systems

- Industry leading manufacturer of complex ride systems for major theme parks and regional amusement parks



R&D



Product R&D + Engineering Services Diversification

- Development of unique technologies, solutions and products for Entertainment, Transport & Infrastructure applications.



Manufacturing contracts

IP Master Licenses

Engineering Services

Investment Highlights



#1

Focused Strategy Targeting Growing Market Niches

#2

Established Customer Relationships with Industry Leaders

#3

Expansion with a Recurring Revenue Model by Leveraging IP

#4

Successful Track Record and culture of Innovation and R&D

#5

Industry Leading Management, Technical and Creative Team

Strategy Targets Growing Market Niches

Co-Venture Growth Markets

Leveraging our IP in tourist locations around the world

North America

Visitor Attractions



National Parks



Entertainment Areas



Asia



Iconic Rides

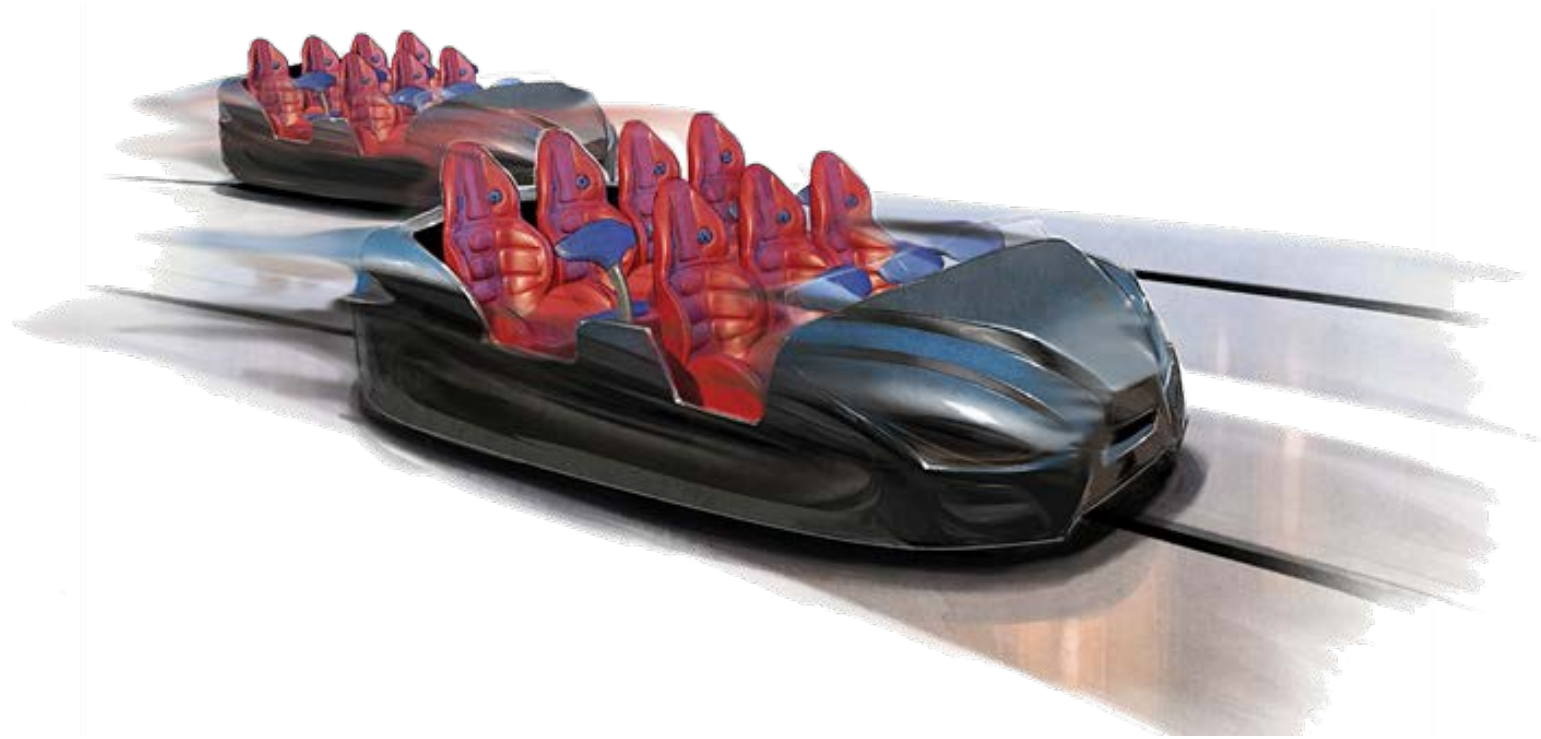
Next Generation Rides for Major Theme Parks



Innovation

R&D and Diversification





II. Dynamic Attractions Overview

Dynamic Attractions Overview

- Established Customer relationships
 - 20+ years in the attractions business with 200+ employees world-wide
 - Turnkey supplier of premium entertainment rides
 - Delivered award winning ride systems in some of the world's most famous entertainment locations
- Innovative, Proprietary and Award Winning product line
 - High tech, immersive theatres
 - Special effects hybrid coasters
 - Autonomous vehicle (tracked & trackless)
 - Independent drive and controlled "coaster vehicles"
 - Protected with international patents
- Global Reach
- On-going base revenue
 - Sales of parts and services (maintenance, refurbishment, safety compliance upgrades, consulting and training) to ride customers and an expanded list of amusement parks
 - Our relationships with the major theme park customers suggests post-pandemic ride purchases will return
 - Iconic rides being commissioned now, will pave the way for future sales, post-pandemic

Established Customer Relationships with Industry Leaders

Dynamic Attractions' customer base includes some of the world's largest theme parks in several locations



The Company has built an impressive reputation with its clients

"When you build world-class attractions, you need world-class vendors like Dynamic."



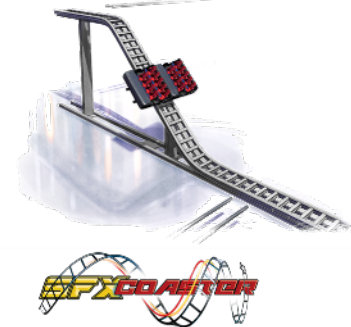
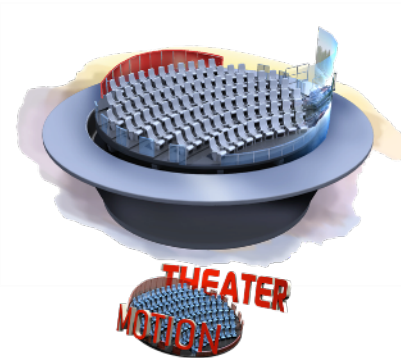
"The design, engineering and fabrication were proven to be impeccable."



"The most popular and highest-rated attraction in the park."



Innovative and Proprietary Products



Awards and Accolades for Dynamic Attractions



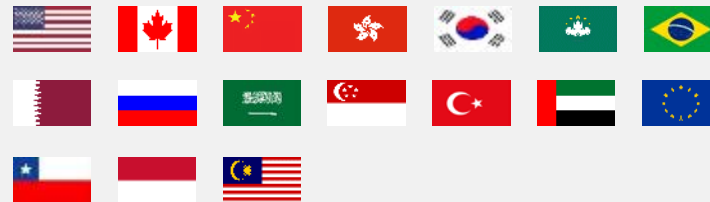
Best Attraction Concept 4 Consecutive Years

Dynamic's Ride Systems are Patented

Rides

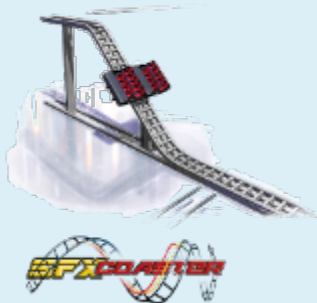
Applied or Awarded

▶ Flying Theater



▶ SFX Coaster

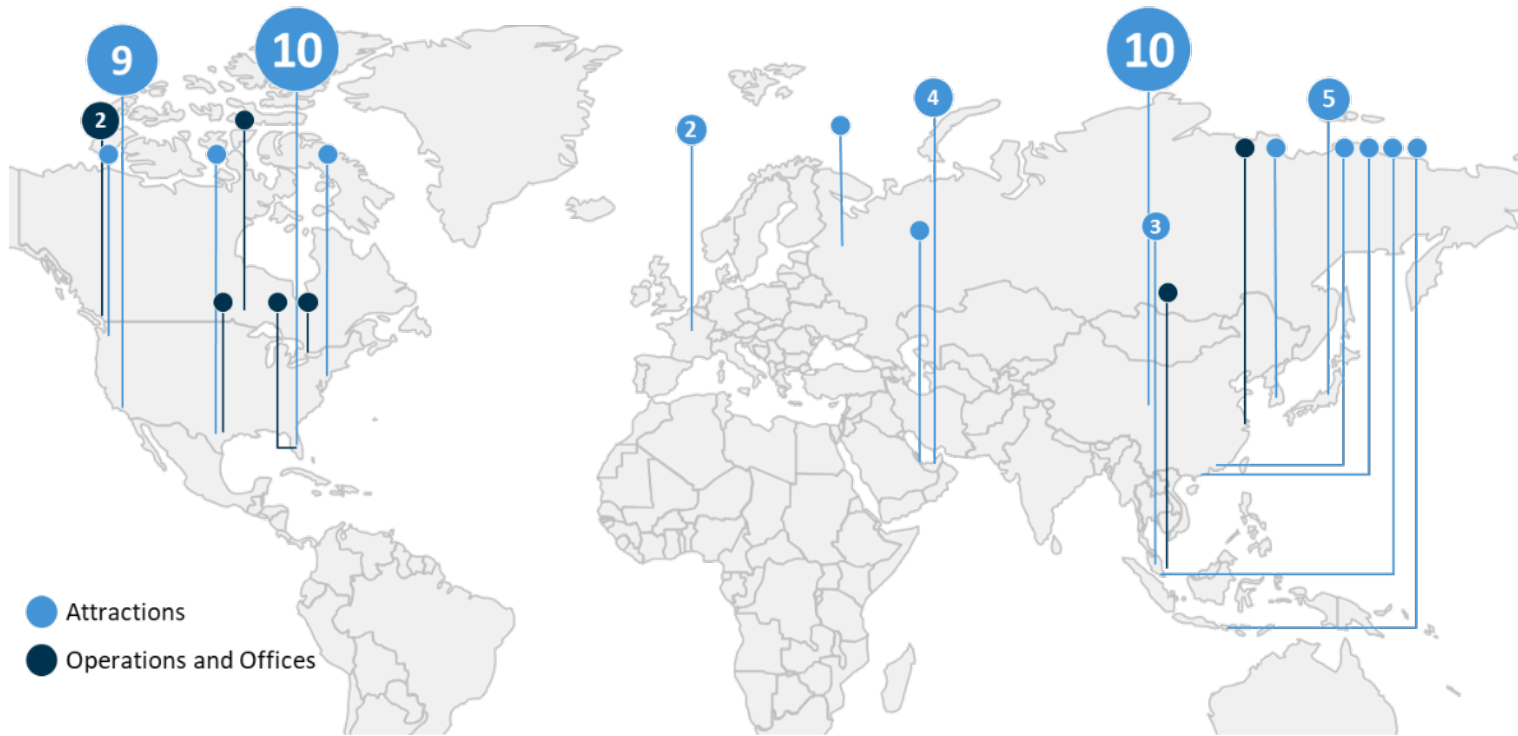
Side Slide
Tilt & Drop
V-Track Support



▶ All-Terrain Amusement Ride & Controls



Delivered 50+ Iconic Rides Globally



Commissioning award winning rides to open in 2021 in:

Japan, Malaysia, China, UAE, Qatar and the USA



III. Dynamic Entertainment Overview

Transitioning to a Recurring Revenue Model by Leveraging IP

Co-Venture Business Overview

- Dynamic Entertainment (DE) was launched in Q4 2017
- DE will **focus on creating proprietary Flying Theatre attractions** at major tourist destinations globally
- Leverages Dynamic's IP and strengths as a supplier of iconic attractions, and positions the Company for a stream of long-term, recurring revenue and profit
- Strategic partner in China has identified three potential co-venture opportunities which are in various stages of development and negotiation.



Strong recurring profit margins and debt financing drives strong ROI and quick payback to investors (~3 year payback)

Potential for dozens of Co-Venture partnerships worldwide over the next 10 years

Typical Co-Venture Financing Structure



**50% Equity¹
(IP & Attraction
Expertise)**



**Destination
Partner**

**50% Equity¹
(Location, Tourists and
Local Market Knowledge)**



**Debt
Financing**



**\$15-18M^{2,3}
Total Investment**

1. Can be real estate contribution or local value added contributions
2. Includes the facility and attraction and assumes a land lease
3. The range in capital cost being tied to the capacity of the attraction

Smoky Mountain Co-Venture

- DE is launching its first Co-Venture at The Island Theme Park in Pigeon Forge, Tennessee
- The Island is the 6th most popular theme park in the USA¹
- The Attraction features a 39-seat Dynamic Flying Theatre
- Dynamic holds an option to acquire a 50% interest in the Tennessee co-venture for ~US\$4 million²
- Opening scheduled for May 2021

The Island, Pigeon Forge, Tennessee



Attraction Rendering



Retail



Preshow



Flying Experience



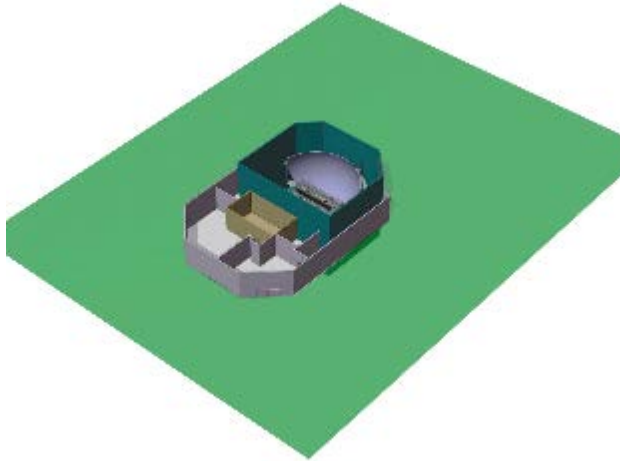
¹ Trip Advisor 2019

² Option price increases as option term extends

Scalable Co-Venture Offerings

PRODUCT 1

FLYING THEATER + PRESHOW



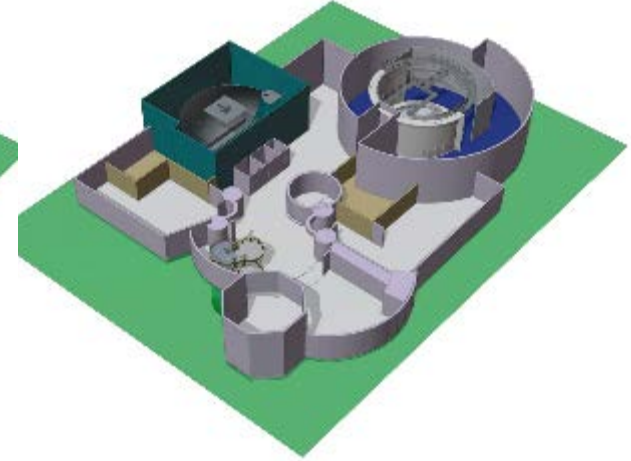
PRODUCT 2

FLYING THEATER + PRESHOW + EXHIBIT



PRODUCT 3

FLYING THEATER + SECOND ATTRACTION



OPTION 1

FLYING THEATER

- 20-30 minutes
- 8,500 sq/ft facility

PROSPECTS IN 4 COUNTRIES

OPTION 2

FLYING THEATER, FEC, F&B

- 60-90 minutes
- 19,500 sf facility

PROSPECTS IN 2 COUNTRIES

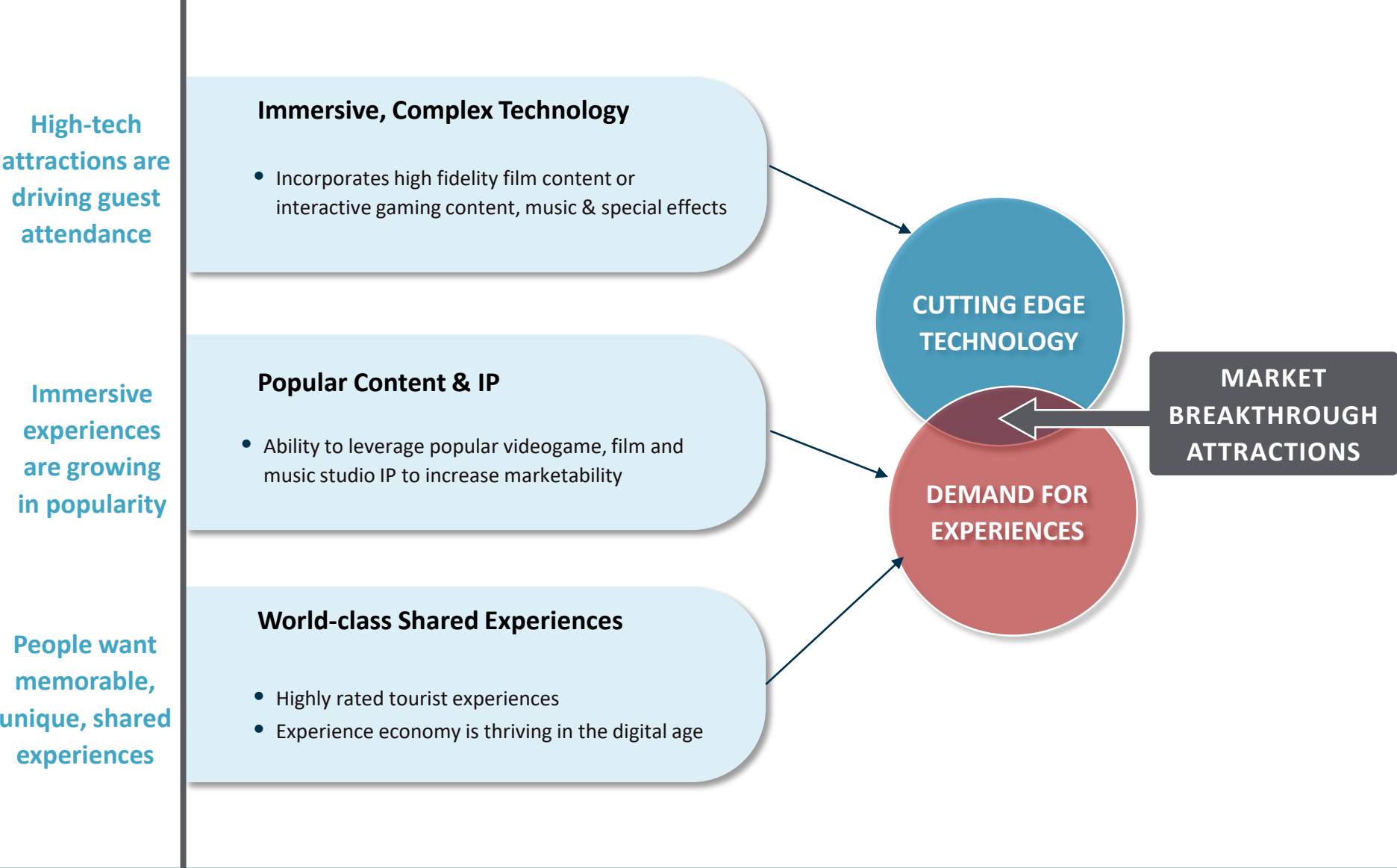
OPTION 3

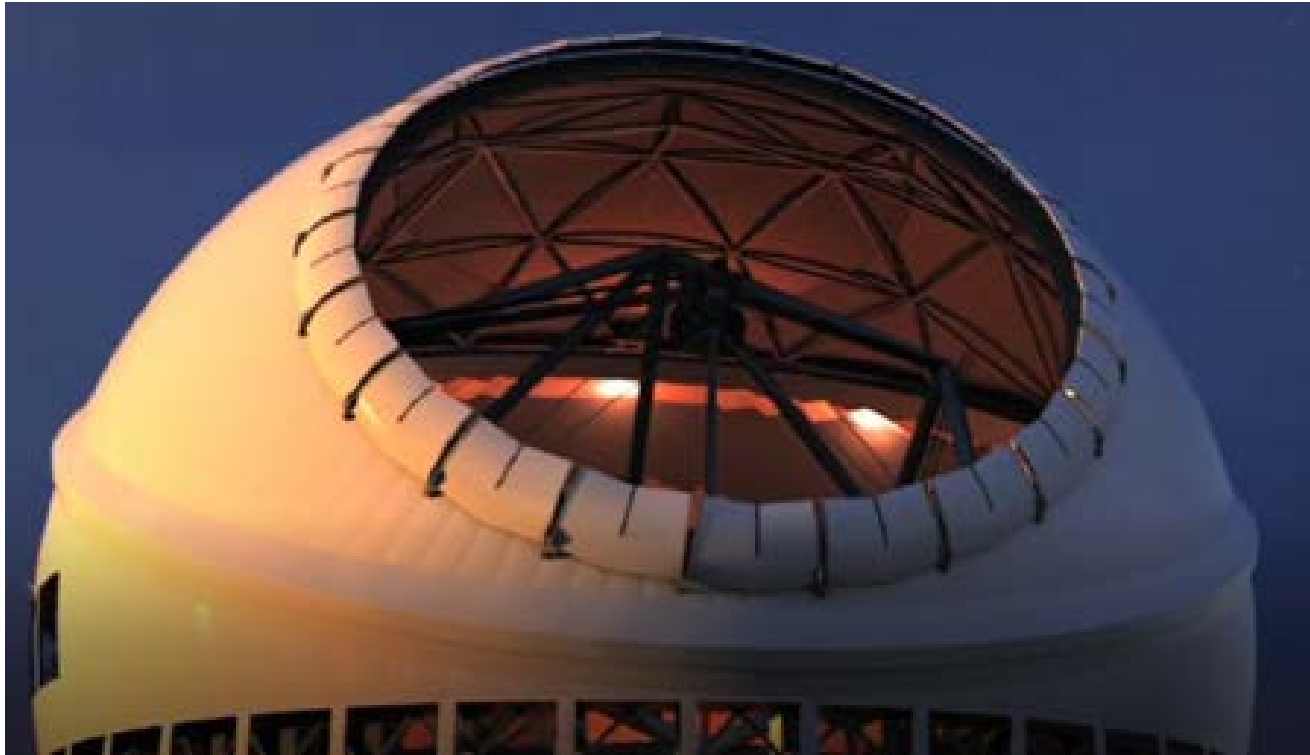
FLYING THEATER, MOTION THEATER, F&B

- 120-150 minutes
- 30,000 sf facility

PROSPECTS IN 2 COUNTRIES

Leveraging Our Technology to Satisfy Increased Demand for Experiences



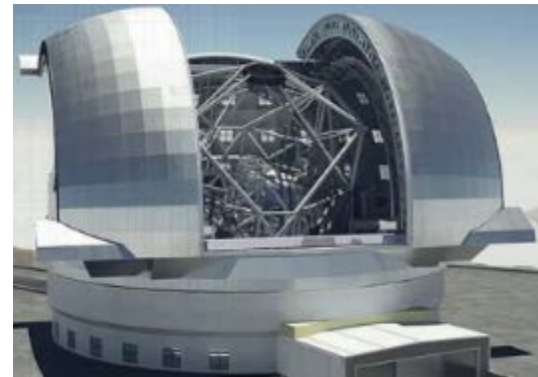


IV. Dynamic Structures Overview

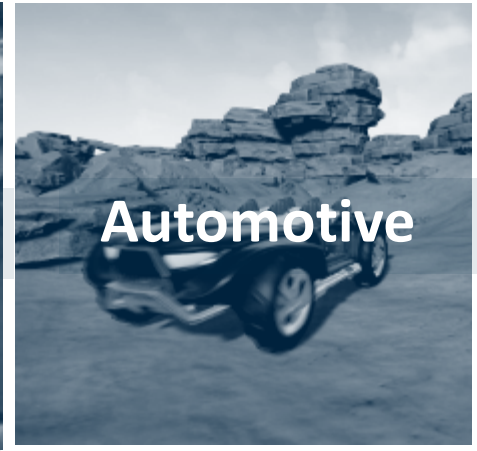
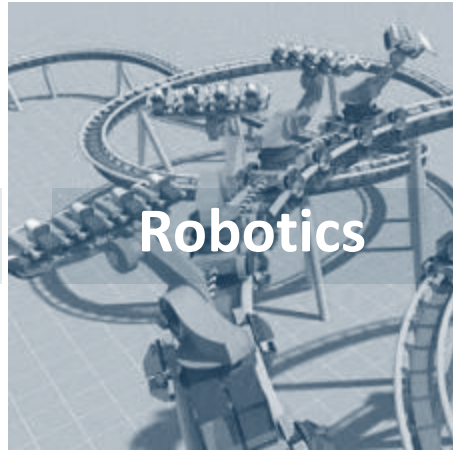
Dynamic Structures is a World Leader in Telescope Design



Participated in the design and/or construction of more than half of the world's large telescope enclosures



Dynamic Structures Industry Focus



DSL Strategic Plan

Ride Innovation

Conduct product design, engineering and next generation products for Dark Rides, Theatre and Coaster ride systems for Dynamic Attractions.

Patent Generation

Develop IP and patentable technologies for Dynamic Attractions product portfolio and licensing opportunities.

Telescope Innovation

Continue to leverage our experience and expertise in large scale precision mechanical structures and telescope enclosures.

Entertainment Technology

Develop “core” ride control operating software technology leveraging next generation functionality, gaming engine technology, Augmented Reality and Artificial Intelligence.

Service Innovation

Develop remote diagnostic capability to expand into recurring maintenance/trouble shooting services.

Diversification

Leverage teaming agreement with Global Infrastructure and construction GC to expand business in both non-entertainment industries.

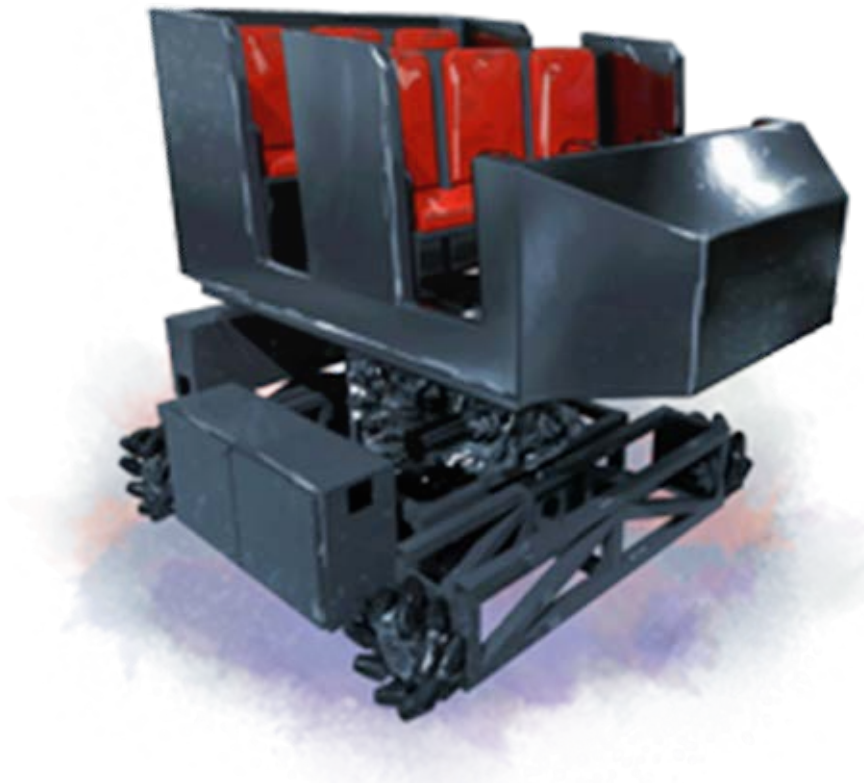
Dynamic Structures' Awards



**BUSINESS
VANCOUVER**



- 2019 **Engineering the Impossible Award** – Autodesk Technology
- 2018 **Advancing Technology & Innovation** - Canadian Manufacturers & Exporters
- 2017 **Innovations in Technology** – Orlando Business Journal
- 2016 **Top 100 Manufacturer** – Business In Vancouver
- 2014 **Business of the Year** – Tri-Cities Chamber of Commerce
- 2013 **Best Business Star Award** – City of Port Coquitlam
- 2012 **Steel Design Award, Architectural** – Canadian Institute of Steel Construction
- 2012 **Steel Design Award, Sustainability** – Canadian Institute of Steel Construction
- 2010 **Project of the Year** – Steel Plus Network
- 2010 **Manufacturing 100 Award** – Managing Automation Magazine
- 2010 **Inventor of the Year** – Autodesk Technologies
- 2008 **Model Competition Winner** – Tekla Structures
- 2008 **Extraordinary Design Award** – Canadian Institute of Steel Construction
- 2008 **Fabricator of the Year** – Steel Plus Network
- 2007 **Outstanding Steel Structure Award** – Canadian Institute of Steel Construction
- 2004 **Outstanding Project** – National Council of Structural Engineers
- 2004 **Krentz Award** – Canadian Institute of Steel Construction
- 1998 **Award of Excellence** – National Excellence in Constructions
- 1998 **1st Place Excellence in Construction** – Associated Builders & Contractors

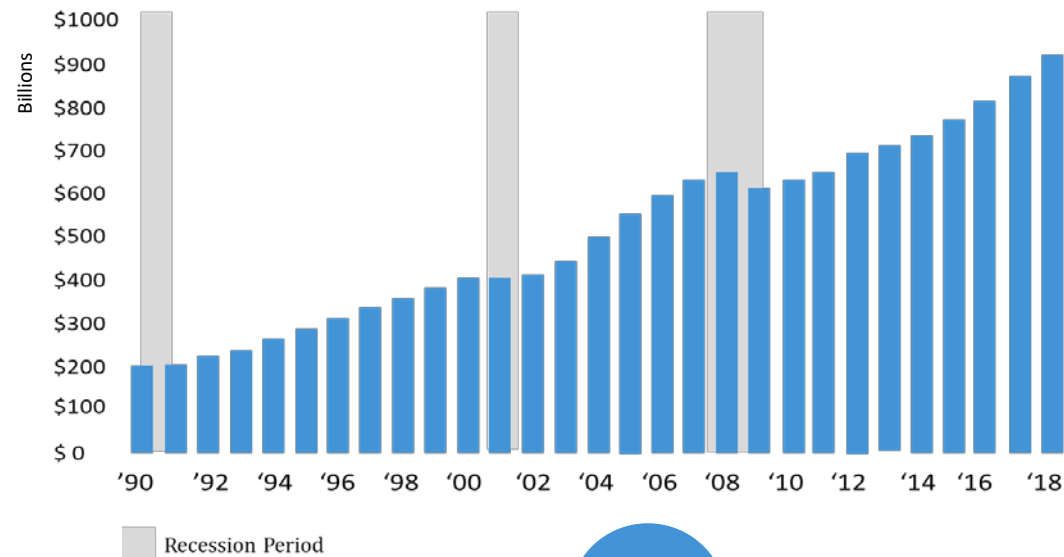


V. Industry Overview

Leisure and Experience Economy Fuels Growth in Attraction Demand

- Inexorable long-term, growth in leisure experience spending, even with periodic dips during recessions
- Consumers are spending more on experiences than goods
- Global tourism has grown and is expected to continue to grow, despite recessions and pandemics

Leisure Experience Spending



9.3%
CAGR

Source: US Bureau of Economic Analysis, 2018

Future Growth in International Tourism 2015-2028

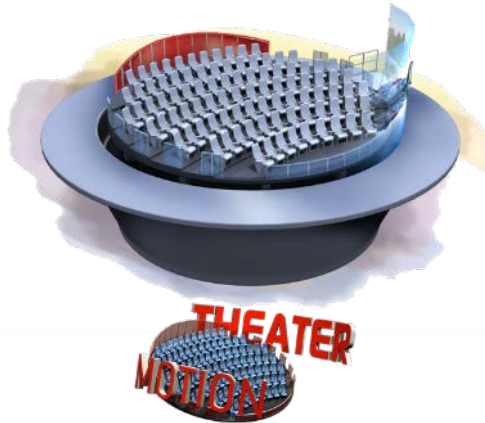


9.6%
CAGR

Source: World Travel and Tourism Council 12/01/2019

Co-Venture Strategy Targets Growing Market Niches

Co-Venture Products



Co-venture Markets

+250,000

Global Visitor Attractions²



+1000

Regional Amusement Parks¹



+135,000

Malls in the G8³



1. IAAPA Euromonitor Data

2. David Camp DJ International

3. Includes, US, Europe, China, Japan, Australia. Data from ICSC.

Co-Venture Opportunities with Visitor Attraction Operators

- D&J ¹ estimates that there are about 250,000 visitor attractions globally
 - Theme Parks, Regional Amusement Parks, Museums, towers, cultural sites
 - National Parks & Historic sites
 - Entertainment Areas (mega malls, entertainment malls, downtown districts)
- Visitor attractions draw in the region of 10 billion visits a year.
- Visitor Attractions are a very fragmented business;
 - Disney that draws less than 1.5% of the world's attractions visitors
 - Combined attendance at the top 10 global operating groups only accounts for 4% of the total visits.
- Dynamic's Co-venture business broadens our reach to the most popular global visitor attractions



Theme Parks

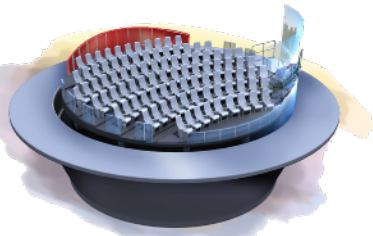


National Parks

Co-Venture opportunities with Regional Amusement Parks

- Target 18 Regional Amusement Parks in North America with > 2 million in annual attendance because they need to bring world class experiences to the region but do not have the capital (pandemic) to satisfy this need.

Bundled Products for Regional Park Co-Ventures



Deal Size \$20 - \$100 M



Target Regional Parks as Co-Venture Partners

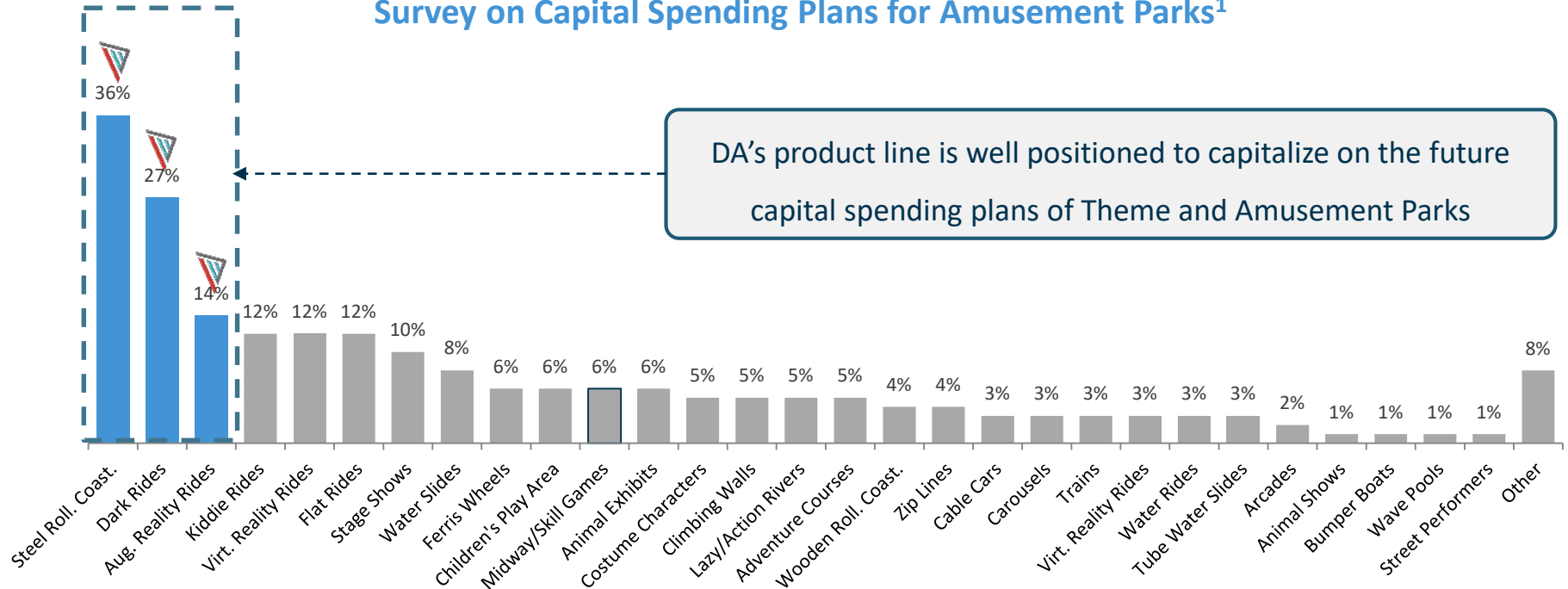


Global Market is focused on Dynamic Attractions' product niche

The need to refresh Theme and Amusement Parks with world class rides won't change post pandemic, financing alternatives will (i.e. The Island Theme Park co-venture)

- Global theme and amusement park spending exceeded US\$50 billion in 2019 and averaged 6.3% CAGR compared to 4.8% for GDP
- Park attendance continued to be the principal driver of global spending, with over 1.1 billion in 2019
- The 2020 Pandemic has dramatically reduced Ride Capital Expenditures in 2020 (after the survey below was completed) and this is expected to continue until vaccines have been widely distributed and park attendance returns to its robust, pre-pandemic levels

Survey on Capital Spending Plans for Amusement Parks¹



Source: IAAPA Global Theme and Amusement Park Outlook: 2018-2023

Co-Venture Opportunities are focused on the biggest Malls



+1,270 American Super Regional & lifestyle malls (average size is 1.25 million sqft) ¹
+4,150 Chinese malls ¹

- The very large malls are the primary group looking to reduce their retail offering by adding more entertainment
- Online shopping is disrupting retail malls everywhere and entertainment is being considered as a replacement
- Mall owners globally, with trillions of dollars already invested, are having to spend billions to refresh their offerings and stay relevant, reducing the mix of retail and increasing the mix of entertainment

eCommerce Acceleration Impact on Store Closures

Closures rising due to eCommerce, but other factors as well...



Source: Company filings, Department of Commerce, Cushman & Wakefield Research

Malls are investing billions in entertainment to avoid retail mall apocalypse

Brookfield Properties

CapitaMalls Asia
 凯德商用

印力 SCPG
 万科商业地产平台

JLL

Westfield

红星·美凯龙
 MACALLINE

SIMON MALLS

OXFORD

万达集团
 WANDA GROUP

1. ICSC calculate that the average size of Chinese malls is 1.0 million sqft and the average size of American malls is less than 0.1 million.



VI. Financial Highlights

Key Financial Metrics – 2018 through 2020

	3 quarters		
	2018	2019	2020
Operating Results:			
Revenues	135,395	110,130	50,414
Gross margin	8,818	14,125	11,559
Gross margin %	6.51%	12.83%	22.93%
EBITDA	(10,909)	(5,272)	1,396
EBITDA %	-8.1%	-4.8%	2.8%
EBIT	(16,765)	(12,432)	(2,643)
EBIT %	(12.4%)	(11.3%)	(5.2%)
Net loss from continuing operations	(48,338)	(20,379)	(8,247)
Net loss from discontinued operations	(2,125)	(6,708)	(1,190)
Net loss	(50,463)	(27,087)	(9,437)
Loss per share continuing operations - basic & diluted	(0.51)	(0.20)	(0.05)
Loss per share discontinued operations - basic & diluted	(0.02)	(0.06)	(0.01)
Loss per share - basic & diluted	(0.53)	(0.26)	(0.06)

Financial Highlights

- Revenues in the ride manufacturing business have been challenged in 2018 through 2020. This has been especially true in 2020's pandemic.
- The ride manufacturing business will continue to adjust its facility and overhead structure to match the near-term, lower ride equipment market demands caused by the pandemic.
- Notwithstanding the revenue declines, the Company's Gross Margin and EBITDA have improved in absolute and percentage terms. This trend will continue because the Co-venture business has significantly higher margins, on lower but recurring revenues.
- The company successfully restructured its US\$31 million of debt in October 2020.
- In the fall of 2017, the company started its plan to diversify by adding the co-venture business unit, with its recurring revenue model, largely financed on a project basis. The first such revenues and profit (Tennessee Co-Venture) are expected to positively impact our 2021 results.
- Pivoting to focus on leveraging its own IP through co-ventures post pandemic



EMPIRE
INDUSTRIES LTD

DYNAMIC
TECHNOLOGIES
GROUP INC

VII. NAME CHANGE TO REFLECT STRATEGIC CHANGE ¹



¹ The name change will be implemented after various name change administrative matters are completed