



MOVING iIMAGE TECHNOLOGIES

Moving iImage Technologies Announces First Quarter Fiscal 2023 Results

*Revenue growth of 69% to \$5.9 Million
Operating income growth of 109%; EPS growth of 83%*

November 15, 2022 07:00 AM Eastern Standard Time

FOUNTAIN VALLEY, Calif.--(BUSINESS WIRE)--Moving iImage Technologies, Inc. (NYSE AMERICAN: MITQ), ("MIT"), a leading digital cinema technology company, today announced results for its first fiscal quarter ended September 30, 2022.

"We started the year out on solid footing with strong revenue growth, roughly improving to break-even on a net income and EPS basis," said Phil Rafnson, chairman and chief executive officer. "During the quarter, we signed a major movie theater chain for our emerging CineQC quality control SaaS platform and saw strong sales of our USL ADA compliance products as well. We have also been building our eSports product pipeline in conjunction with our partner SNDBX."

Fiscal First Quarter 2023 Highlights (compared to the first quarter fiscal 2022)

- Revenue increased 68.5% to \$5.9 million compared to \$3.5 million;
- Gross margin expanded by 580 basis points to 26.6%;
- Operating income of \$0.0 million compared to an operating loss of (\$0.5) million;
- Net loss and diluted loss per share of (\$0.1) million and (\$0.01) compared to (\$0.6) million and (\$0.06), respectively.

Select Financial Metrics: Fiscal 2023 versus Fiscal 2022 as of 9/30/2022*

(in millions, except for Loss per Share and percentages)	1Q23	1Q22	Change
Total Revenue	\$5.9	\$3.5	68.5%
Gross Profit	\$1.6	\$0.7	115.9%
<i>Gross Margin</i>	26.6%	20.8%	
Operating Income (Loss)	\$0.0	(\$0.5)	108.9%
<i>Operating Margin</i>	0.8%	-15.5%	
Net Loss	(\$0.1)	(\$0.6)	83.5%
Diluted Loss Per Share	(\$0.01)	(\$0.06)	83.3%

Fiscal 2023 Commentary and Guidance

	<u>Fiscal 2023 Guidance</u>	<u>Fiscal 2022 Actuals</u>	<u>Change</u>
Revenue	\$22.0 - \$23.5 Million	\$18.4 Million	20 - 31%
EPS	\$0.04 - \$0.08	(\$0.13)	\$0.17 - 0.21
Diluted Shares			
Outstanding	10.9 million	10.6 million	0.3 million

“We started 2023 on a high note and have a strong pipeline of opportunities for the remainder of the year. In our second quarter, we expect to see a traditional dropoff in revenue relative to the first quarter due to seasonality over the holidays, where we see three potential blockbusters being released this calendar year leading into a strong lineup for calendar 2023.

“Additionally, we continue to move forward with the sales process for our newer, high-margin products like CineQC and our eSports offering. In fact, we have a strong pipeline of potential opportunities from theater operators/owners that want to host SNDBX’s eSports leagues, which we are optimistic will turn into initial orders in the coming months. Given the early stages of both products, which will have a small impact on our financial results during the first half of the year, we are maintaining the guidance we provided last quarter until we report our second quarter earnings, at which time we’ll have better visibility,” concluded Rafnson.

Earnings Conference Call and Webcast Information

Management will host a conference call and webcast to review the Company’s results and forward expectations. **Investors can submit questions ahead of time to brian@haydenir.com** or ask questions through the webcast portal in real-time.

Toll Free: 1-877-407-4018

Toll/International: 1-201-689-8471

Webcast Date/Time: Tuesday, November 15, 2022, 11:00 AM ET

Webcast Location: https://viaavid.webcasts.com/starthere.jsp?ei=1582601&tp_key=ae97d6bd91

Replay

Toll Free: 1-844-512-2921

Toll/International: 1-412-317-6671

Replay Pin Number: 13734423

Replay Start: Tuesday, November 15, 2022, 2:00 PM ET

Replay Expiry: Tuesday, November 29, 2022, 11:59 PM ET

About Moving iMage Technologies

Moving iMage Technologies is a leading manufacturer and integrator of purpose-built technology solutions and equipment to support a wide variety of entertainment applications, with a focus on motion picture exhibitions, sports venues and eSports. MiT offers a wide range of products and services, including custom engineering, systems design, integration and installation, enterprise software solution, digital cinema, A/V integration, as well as customized solutions for emerging entertainment technology. MiT’s Caddy Products division designs and sells proprietary cup-holder and other seating-based products and lighting systems for theaters and stadiums. For more information, visit www.movingimagetech.com.

Forward-Looking Statements

All statements above that are not purely about historical facts, including, but not limited to, those in which we use the words “believe,” “anticipate,” “expect,” “plan,” “intend,” “estimate,” “target” and similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. While these forward-looking statements represent our current judgment of what may happen in the future, actual results may differ materially from the results expressed or implied by these statements due to numerous important factors. Our filings with the SEC provide detailed information on such statements and risks and should be consulted along with this release. To the extent permitted under applicable law, we assume no obligation to update any forward-looking statements.

MOVING IMAGE TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except share and per share amounts)

	September 30,	June 30,
	2022	2022
	(unaudited)	
<u>Assets</u>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 2,294	\$ 2,340
Marketable securities	4,234	4,363
Accounts receivable, net	1,750	1,762
Inventories	4,920	4,033
Prepaid expenses and other	439	864
	13,637	13,362
<i>Long-Term Assets:</i>		
Marketable securities	315	325
Right-of-use asset	604	—
Property, plant and equipment, net	22	22
Intangibles, net	815	839
Goodwill	287	287
Other assets	16	16
	2,059	1,489
<u>Total Assets</u>	\$ 15,696	\$ 14,851
 <u>Liabilities and Stockholders' Equity</u>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 3,179	\$ 1,583
Accrued expenses	530	655
Customer deposits	1,846	3,158
Lease liability – current	258	—
Unearned warranty revenue	46	18
	5,859	5,414
<i>Long-Term Liabilities:</i>		
Lease liability – non-current	364	—
Deferred rent	—	22
	364	22
Total Liabilities	6,223	5,436
<i>Stockholders' Equity</i>		

Common stock, \$0.00001 par value, 100,000,000 shares authorized, 10,958,398 and 10,828,398 shares issued and outstanding at September 30, 2022 and June 30, 2022, respectively

Additional paid-in capital	12,653	12,500
Accumulated deficit	(3,180)	(3,085)
Total Stockholders' Equity	<u>9,473</u>	<u>9,415</u>
Total Liabilities and Stockholders' Equity	<u>\$ 15,696</u>	<u>\$ 14,851</u>

MOVING IMAGE TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except share and per share amounts)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Net sales	\$ 5,852	\$ 3,474
Cost of goods sold	4,293	2,752
Gross profit	<u>1,559</u>	<u>722</u>
Operating expenses:		
Research and development	66	54
Selling and marketing	610	544
General and administrative	835	663
Total operating expenses	<u>1,511</u>	<u>1,261</u>
Operating income (loss)	48	(539)
Other (income) expenses:		
Unrealized loss on investments	140	—
Realized loss on investments	23	—
Interest and other income	(20)	—
Interest expense	—	38
Total other (income) expense	<u>143</u>	<u>38</u>
Net loss	<u>\$ (95)</u>	<u>\$ (577)</u>
Weighted average shares outstanding: basic and diluted	<u>10,928,724</u>	<u>10,254,686</u>
Net loss per common share basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>

MOVING IMAGE TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
<i>Cash flows from operating activities:</i>		
Net loss	\$ (95)	\$ (577)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for (reversal of) doubtful accounts	3	(90)
Depreciation expense	2	13
Amortization expense	24	24
Unrealized loss on investments	140	—
Realized loss on investments	23	—
Cash expended in excess of rent expense	(5)	—
Stock compensation expense	—	56
Changes in operating assets and liabilities		
Accounts receivable	9	(354)
Inventories	(887)	(377)
Prepaid expenses and other	425	(547)
Accounts payable	1,597	(70)
Accrued expenses	28	(217)
Unearned warranty revenue	28	—
Customer deposits	(1,312)	1,370
Net cash used in operating activities	(20)	(769)
<i>Cash flows from investing activities</i>		
Sale of marketable securities	493	—
Purchases of marketable securities	(517)	—
Purchases of property, plant and equipment	(2)	—
Net cash used in investing activities	(26)	—
<i>Cash flows from financing activities</i>		
Net Proceeds from initial public offering	—	12,360
Payments on line of credit	—	(590)
Payments on notes payable	—	(1,241)
Net cash provided by financing activities	—	10,529
Net increase (decrease) in cash and cash equivalents	(46)	9,760
Cash and cash equivalents, beginning of the period	2,340	1,270

Cash and cash equivalents, end of the period	\$	2,294	\$	11,030
Non-cash investing and financing activities:				
Reclassification of IPO related costs from other assets to equity	\$	—	\$	1,116
Accrued expenses settled by issuance of common stock	\$	153	—	—
Right-of-use asset recorded upon adoption of ASC 842	\$	681	\$	—
Cash paid during the period:				
Interest	\$	—	\$	38
Income taxes	\$	—	\$	—

Contacts

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