UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **March 31, 2025**
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to ________________

Commission file number: **001-40511**

Moving iMage Technologies, Inc.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**85-1836381** (I.R.S. Employer Identification No.)
17760 Newhope Street, **Fountain Valley, California** (Address of principal executive offices)	**92708** (Zip Code)

(714) 751-7998
(Registrant's telephone number, including area code)

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 Stock, $0.00001 par value	MITQ	NYSE American

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 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 ☐	Accelerated filer ☐
Non-accelerated filer ☑	Smaller reporting company ☑
	Emerging growth company ☑

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑.

As of May 15, 2025, there were **9,933,679** shares of the registrant's common stock, par value $0.00001 per share, outstanding.

MOVING iMAGE TECHNOLOGIES, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2025 (unaudited)	June 30, 2024
Assets		
Current Assets:		
Cash	$ 5,369	$ 5,278
Accounts receivable, net	940	1,048
Inventories, net	3,065	3,117
Prepaid expenses and other	241	470
Total Current Assets	9,615	9,913
Long-Term Assets:		
Right-of-use asset	1,142	144
Property and equipment, net	18	28
Intangibles, net	378	422
Other assets	15	16
Total Long-Term Assets	1,553	610
Total Assets	$ 11,168	$ 10,523
Liabilities And Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 2,745	$ 2,261
Accrued expenses	351	320
Customer refunds	288	399
Customer deposits	1,534	1,651
Lease liability–current	219	151
Unearned warranty revenue	53	31
Total Current Liabilities	5,190	4,813
Long-Term Liabilities:		
Lease liability–non-current	979	—
Total Long-Term Liabilities	979	—
Total Liabilities	6,169	4,813
Stockholders' Equity		
Common stock, $0.00001 par value, 100,000,000 shares authorized, 9,933,679 and 9,896,850 shares issued and outstanding at March 31, 2025 and June 30, 2024, respectively	—	—
Additional paid-in capital	12,047	11,965
Accumulated deficit	(7,048)	(6,255)
Total Stockholders' Equity	4,999	5,710
Total Liabilities and Stockholders' Equity	$ 11,168	$ 10,523

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Net sales	$ 3,571	$ 3,890	$ 12,264	$ 13,790
Cost of goods sold	2,508	3,214	8,894	10,536
Gross profit	1,063	676	3,370	3,254
Operating expenses:				
Research and development	49	73	157	212
Selling and marketing	429	547	1,421	1,717
General and administrative	855	705	2,691	2,421
Total operating expenses	1,333	1,325	4,269	4,350
Operating (loss)	(270)	(649)	(899)	(1,096)
Other income (expense)				
Interest and other income, net	30	48	107	140
Total other income	30	48	107	140
Net (loss)	$ (240)	$ (601)	$ (792)	$ (956)
Weighted average shares outstanding: basic and diluted (Note 2)	9,911,015	10,436,519	9,901,554	10,593,229
Net (loss) income per common share basic and diluted	$ (0.02)	$ (0.06)	$ (0.08)	$ (0.09)

The accompanying notes are an integral part of these condensed consolidated financial statements.

MOVING IMAGE TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands except for share amounts)
(unaudited)

Three and Nine months ended March 31, 2025

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-In Capital	Deficit	Total
Balance as of June 30, 2024	9,896,850	$ —	$ 11,965	$ (6,255)	$ 5,710
Grant of options to officer	—	—	5	—	5
Net loss	—	—	—	(25)	(25)
Balance as of September 30, 2024	9,896,850	$ —	$ 11,970	$ (6,281)	$ 5,690
Grant of options to officer	—	—	32	—	32
Net loss	—	—	—	(527)	(527)
Balance as of December 31, 2024	9,896,850	$ —	$ 12,003	$ (6,808)	$ 5,195
Grant of options to officers	—	—	11	—	11
Issuance of stock to directors	36,829	—	23	—	23
Repriced options for directors and officer	—	—	11	—	11
Net loss	—	—	—	(240)	(240)
Balance as of March 31, 2025	9,933,679	$ —	$ 12,047	$ (7,048)	$ 4,999
Three and Nine months ended March 31, 2024					
Balance June 30, 2023	10,685,778	$ —	$ 12,462	$ (4,883)	$ 7,579
Grant of options to officer	—	—	5	—	5
Net profit	—	—	—	439	439
Balance as of September 30, 2023	10,685,778	$ —	$ 12,467	$ (4,444)	$ 8,023
Grant of options to officer	—	—	5	—	5
Share buyback and cancellation	(109,135)	—	(101)	—	(101)
Net loss	—	—	—	(794)	(794)
Balance as of December 31, 2023	10,576,643	$ —	$ 12,371	$ (5,238)	$ 7,133
Grant of options to officer	—	—	5	—	5
Issuance of stock to directors	18,938	—	13	—	13
Share buyback and cancellation	(260,024)	—	(200)	—	(200)
Share buyback and cancellation for officer	(49,586)	—	(33)	—	(33)
Net loss	—	—	—	(601)	(601)
Balance as of March 31, 2024	10,285,971	$ —	$ 12,157	$ (5,840)	$ 6,317

The accompanying notes are an integral part of these condensed consolidated financial statements.

MOVING IMAGE TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended March 31 2025	Nine Months Ended March 31 2024
Cash flows from operating activities:		
Net (loss)	$ (792)	$ (956)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:		
Provision for credit losses	59	(52)
Inventory reserve	277	433
Depreciation expense	10	9
Amortization expense	44	43
Right-of-use amortization	197	201
Stock option compensation expense	59	15
Stock issued for director expenses	23	13
Changes in operating assets and liabilities		
Accounts receivable	50	67
Inventories	(226)	(234)
Prepaid expenses and other	230	(487)
Accounts payable	484	(50)
Accrued expenses and customer refunds	(81)	129
Unearned warranty revenue	22	26
Customer deposits	(117)	726
Lease liabilities	(148)	(207)
Net cash provided by (used in) operating activities	91	(324)
Cash flows from investing activities		
Purchases of property and equipment	—	(12)
Net cash (used in) investing activities	—	(12)
Cash flows from financing activities		
Stock Buyback	—	(334)
Net cash (used in) financing activities	—	(334)
Net increase (decrease) in cash	91	(670)
Cash, beginning of the period	5,278	6,616
Cash, end of the period	$ 5,369	$ 5,946
Non-cash investing and financing activities:		
Right-of-use assets from new lease	$ (207)	$ —
Right-of-use assets from lease modification	$ (988)	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 — BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Moving iMage Technologies, Inc., a Delaware corporation, together with its wholly owned subsidiaries unless the context indicates otherwise, the ("Company") was incorporated in June 2020. The Company, through its wholly owned subsidiary, Moving iMage Technologies, LLC ("MiT LLC") and MiT LLC's wholly-owned subsidiary, Moving iMage Acquisition Co., (DBA "Caddy Products"), designs, integrates, installs and distributes proprietary and custom designed equipment as well as off the shelf cinema products needed for contemporary cinema requirements. The Company also offers single source solutions for cinema design, procurement, installation and service to the creative and production communities for screening, digital intermediate and other critical viewing rooms. Additionally, the Company offers a wide range of technical, design and consulting services such as custom engineering, systems design, integration and installation, and digital technology, as well as software solutions for operations enhancement and theatre management. The Company also provides turnkey furniture, fixture and equipment services to commercial cinema exhibitors for new construction and remodels including design, consulting, installation and project management as well as procurement of seats, lighting, acoustical treatments, screens, projection and sound.

Moving iMage Acquisition Co. (DBA "Caddy Products") designs, develops and manufactures innovative products for the entertainment, cinema, grocery, worship, restaurant, sports and restroom industries.

Impact of the COVID-19 Pandemic: The COVID-19 pandemic has had an unprecedented impact on the world and the movie exhibition industry. The social and economic effects have been widespread. 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. The repercussions of the COVID-19 global pandemic resulted in a significant impact to our customers, specifically those in the entertainment and cinema industries. As a result, the Company implemented various cash preservation strategies, including, but not limited to, temporary personnel and salary reductions, halting non-essential operating and capital expenditures, and negotiating modified timing and/or abatement of contractual payments with landlords and other major suppliers.

Throughout 2020 and through 2022 the theatres reopened as soon as local restrictions, and the status of the COVID-19 pandemic would allow. As of March 31, 2025, a large majority of domestic and international theatres were open. The industry's recovery to historical levels of new film content, both in terms of the number of new films and box office performance, is still underway, as the industry also continues to adjust to evolving theatrical release windows, competition from streaming and other delivery platforms, supply chain delays, inflationary pressures, labor shortages, wage rate pressures and other economic factors.

Based on the management's current estimates, it believes it will generate sufficient cash to sustain operations for a period of 12 months from the issuance of these financial statements.

Principles of Consolidation: The condensed consolidated financial statements include the accounts of MiT Inc., its wholly owned subsidiary, MiT LLC, and MiT LLC's wholly owned subsidiary, Moving iMage Acquisition Co., (DBA "Caddy Products"). All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation: The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Unaudited Interim Condensed Consolidated Financial Statements: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP. However, in the opinion of the management of the Company, all adjustments of a normal recurring nature necessary for a fair presentation of the financial position and operating results have been included in these statements. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2024, and with the disclosures and risk factors presented therein. The June 30, 2024 condensed consolidated balance sheet has been derived from the audited consolidated financial statements. Operating results for the three and nine months ended March 31, 2025 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending June 30, 2025.

NOTE 1 — BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets and Liabilities Measured on a Non-recurring Basis - In addition to assets and liabilities that are measured at fair value on a recurring basis, we also measure certain assets and liabilities at fair value on a nonrecurring basis. Our non-financial assets, including intangible assets and property and equipment, are measured at fair value when there is an indication of impairment and the carrying amount exceeds the asset's projected undiscounted cash flows. These assets are recorded at fair value only when an impairment charge is recognized.

Use of Estimates: The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities (including sales returns, credit losses, inventory reserves, warranty reserves, purchase price allocation and asset impairments), disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Concentration of Cash: The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on its cash balances.

Accounts Receivable: Accounts receivable are carried at original invoice amount less allowance for credit losses. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Accounts receivable are considered to be past due if any portion of the receivable balance is outstanding for more than 90 days past the customer's granted terms. The Company does not charge interest on past-due balances or require collateral on its accounts receivable. As of March 31, 2025 and June 30, 2024 the allowance for credit losses is approximately $436,000 and $378,000, respectively.

Inventories: Inventories are stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out cost method of accounting. The Company purchases finished goods and materials to assemble kits in quantities that it anticipates will be fully used in the near term. Changes in operating strategy, customer demand, and fluctuations in market values can limit the Company's ability to effectively utilize all products purchased and can result in finished goods with above-market carrying costs which may cause losses on sales to customers. The Company's policy is to closely monitor inventory levels, obsolescence and lower market values compared to costs and, when necessary, reduce the carrying amount of its inventory to its net realizable value. As of March 31, 2025 and June 30, 2024, the inventory reserve was $1,383,000 and $1,106,000 respectively, and inventory on hand was comprised primarily of finished goods ready for sale.

Revenue Recognition: The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers ("ASC 606")*.

Revenue is recognized when control of the promised goods is transferred at the point of shipment to a customer, and when performance conditions are satisfied at the customer location, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods as per the agreement with the customer. The Company generates all its revenue from agreements with customers based on equipment shipment dates and when customer location work is completed. In cases of agreements with multiple performance obligations, the Company identifies each performance obligation and evaluates whether the performance obligations are distinct within the context of the agreement at the agreement's inception. Performance obligations that are not distinct at agreement inception are combined. The Company allocates the transaction price to each distinct performance obligation proportionately based on the estimated standalone selling price for each performance obligation and then evaluates how the services are transferred to the customer to determine the timing of revenue recognition.

The Company considers the U.S. GAAP criteria for determining whether to report revenue gross as a principal versus net as an agent. Factors considered include whether the Company is the primary obligor, has risks and rewards of ownership, and bears the risk that a customer may not pay for the products provided or services performed. If there are circumstances where the above criteria are not met, revenues recognized are presented net of cost of goods sold.

NOTE 1 — BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract assets consist of conditional or unconditional rights to consideration. Accounts receivable represent amounts billed to customers where the Company has an enforceable right to payment for performance completed to date (i.e., unconditional rights to consideration). The Company does not have contract assets that represent conditional rights to consideration.

Contract liabilities consist of customer refunds and warranty liabilities, as well as deposits received in advance on sales to certain customers. Such deposits are reflected as customer deposits and recognized in revenue when control of the products is transferred or when performance conditions are satisfied per the agreement. The change in contract liabilities (customer deposits and unearned warranty revenue) during the nine months ended March 31, 2025 included $0.207 million for revenue recognized that was included in contract liability as of June 30 2024.

Contract Liabilities ($ in Thousands)	**March 31,**	**June 30,**
Contract Liabilities	2025	2024
Customer deposits	$ 1,534	$ 1,651
Unearned warranty revenue	53	31
Customer refunds	288	399
Total	$ 1,874	$ 2,081

Cost of goods sold includes cost of inventory sold during the period, net of vendor discounts and allowances, and shipping and handling costs, and sales taxes. Taxes collected from customers are included in accounts payable on a net basis (excluded from revenues) until remitted to the government.

Deferred contract acquisition costs consist of sales commissions paid to the sales force, and the related employer payroll taxes, and are considered incremental and recoverable costs of obtaining a contract with a customer. Management has determined that sales commissions paid are an immaterial component of obtaining a customer's contract and has elected to expense sales commissions when earned.

	Three Months Ended March 31,		**Nine Months Ended March 31,**	
Disaggregation of Revenue ($ in Thousands)	**2025**	**2024**	**2025**	**2024**
Equipment upon delivery (point in time)	$ 3,540	$ 3,767	$ 12,138	$ 13,484
Installation (point in time)	18	107	85	255
Software and services (over time)	13	16	41	51
Total revenues	**$ 3,571**	**$ 3,890**	**$ 12,264**	**$ 13,790**

Revenue from the sale of equipment is recognized upon shipment of such equipment to customers and when performance conditions are satisfied at the custom location.

Revenue from installation labor is recognized upon completion of the installation project and when the performance obligation is complete.

Software subscription revenue for remote monitoring services is recognized on a straight-line basis over the term of the contract, usually one year. Services revenues are generally recognized over time as the contracts are performed.

Returns and Allowances: The Company records allowances for discounts and product returns at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends.

Shipping and Handling Costs: Shipping and handling costs are included in cost of goods sold and are recognized as a period expense during the period in which they are incurred.

NOTE 1 — BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Costs: Advertising costs were approximately $4,600 and $13,600 for the three months ended March 31, 2025 and 2024, respectively and $16,800 and $23,200 for the nine months ended March 31, 2025 and 2024, respectively. Advertising costs are expensed as incurred within selling and marketing expenses.

Intangible assets: Intangible assets arising from business combinations, such as customer relationships, trade names, and/or intellectual property, are initially recorded at fair value. The Company amortizes these intangible assets over the determined useful life which generally ranges from 11 to 20 years. Management reviews its intangible assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. There was no intangible asset impairments recognized for the three or nine months ended March 31, 2025 or 2024.

Business Combinations: The Company includes the results of operations of the businesses that it acquires commencing on the respective dates of acquisition. The Company allocates the fair value of the purchase price of its acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill.

Income Taxes: The Company utilizes an asset and liability approach for financial accounting and reporting for income taxes. The provision for income taxes is based upon income or loss after adjustment for those permanent items that are not considered in the determination of taxable income. Deferred income taxes represent the tax effects of differences between the financial reporting and tax basis of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The following table summarizes the components of deferred tax assets and deferred tax liabilities at March 31, 2025 and June 30, 2024 (in thousands):

$ in Thousands	**Deferred Tax Assets (Liabilities)**	
	March 31, 2025	**June 30, 2024**
Inventory reserve	$ 387	$ 309
Accumulated depreciation	(4)	(6)
Accumulated goodwill amortization	58	63
Accumulated intangible amortization	122	125
Deferred rent	16	2
Warranty reserve	15	9
Stock compensation	68	68
Net operating loss carryforward	1,703	1,481
Allowance for doubtful accounts	106	106
Net	2,471	2,157
Valuation allowance	(2,471)	(2,157)
Total	**$** —	**$** —

Leases: In accordance with ASC 842, on July 1, 2024 the Company recognized Right of Use Assets in the amount of $1,062,000 and a lease liability of $1,062,000 for the leases associated with its executive office and warehouse space, as described in Note 7.

Product Warranty: The Company's digital equipment products are sold under various limited warranty arrangements ranging from one year to three years. Company policy is to establish reserves for estimated product warranty costs in the period when the related revenue is recognized. The Company has the right to return defective products for up to three years, depending on the manufacturers' individual policies. As of March 31, 2025 and June 30, 2024, the Company has established a warranty reserve of $41,000 and $69,000, respectively, which is included in accrued expenses in the accompanying condensed consolidated balance sheets.

NOTE 1 — BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The changes in the Company's aggregate warranty liabilities were as follows for the following periods (in thousands):

	March 31, 2025	June 30, 2024
Product warranty liability, beginning of period	$ 69	$ 53
Accruals for warranties issued	309	250
Settlements made	(337)	(234)
Product warranty liability, end of period	$ 41	$ 69

Research and Development: The Company incurs costs to develop new products, as well as improve the appeal and functionality of its existing products. Research and development costs are charged to expense when incurred.

Recently Issued Accounting Pronouncements:

In November 2023, FASB issued ASU 2023-07 on segment disclosures. The amendments will be effective for fiscal years beginning after December 15, 2024 (fiscal 2026 for the Company) and interim periods within fiscal years beginning after December 15, 2024 (fiscal 2026 for the Company).

In November 2024, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. The Company will adopt ASU 2024-03 in its fourth quarter of 2028 using a prospective transition method.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in its fourth quarter of 2026 using a prospective transition method.

NOTE 2 — LOSS PER SHARE

Basic loss per share data for each period presented is computed using the weighted average number of shares of common stock outstanding during each such period. Diluted loss per share data is computed using the weighted average number of common and potentially dilutive securities outstanding during each period. Potentially dilutive securities consist of shares that would be issued upon the exercise of stock options and warrants, computed using the treasury stock method. A reconciliation of basic and diluted loss per share is as follows:

Loss per Share (In Thousands except for share and per share price)	**For the Three Months Ended March 31**		**For the Nine Months Ended March 31**	
	2025	**2024**	**2025**	**2024**
Numerator:				
Net (loss)	$ (240)	$ (601)	$ (792)	$ (956)
Denominator:				
Weighted average common shares outstanding, basic and diluted	9,911,015	10,436,519	9,901,554	10,593,229
Net (loss) per share				
Basic and diluted	$ (0.02)	$ (0.06)	$ (0.08)	$ (0.09)

The following securities were excluded from the calculation of diluted loss per share in each period because their inclusion would have been anti-dilutive:

	For the Nine Months Ended March 31	
	2025	**2024**
Options	450,000	250,000
Total potentially dilutive shares	450,000	250,000

For the three and nine months ended March 31, 2025 and March 31, 2024 the Company had a net loss. However, all potentially dilutive securities were also deemed to be anti-dilutive because their exercise price exceeded the weighted average trading price of the Company's stock for the period.

NOTE 3— INTANGIBLE ASSETS

The following table summarizes the Company's intangible assets as of March 31, 2025 (in thousands):

	Amortization Period	**Gross Asset Cost**	**Accumulated Amortization**	**Net Book Value**
Customer relations	11 years	$ 970	$ 698	$ 272
Patents	20 years	70	20	50
Trademark	20 years	78	22	56
		$ 1,118	$ 740	$ 378

The following table summarizes the Company's intangible assets as of June 30, 2024 (in thousands):

	Amortization Period	Gross Asset Cost	Accumulated Amortization	Net Book Value
Customer relations	11 years	$ 970	$ 660	$ 310
Patents	20 years	70	17	53
Trademark	20 years	78	19	59
		$ 1,118	$ 696	$ 422

Amortization expense was $15,000 and $15,000 for the three months ended March 31, 2025 and 2024, respectively, and $44,000 and $43,000 for the nine months ended March 31, 2025 and 2024, respectively, and is included in general and administrative expense.

Estimated amortization expense related to intangible assets subject to amortization at March 31, 2025 in each of the years subsequent to March 31, 2025, and thereafter is as follows (amounts in thousands);

2025	$ 15
2026	60
2027	60
2028	60
2029	60
Thereafter	123
Total	$ 378

NOTE 4— ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

Accrued Expenses ($ in Thousands)	March 31, 2025	June 30, 2024
Employee compensation	$ 254	$ 178
Accrued warranty	41	69
Freight	5	32
Sales tax	29	14
Other	22	27
Total	$ 351	$ 320

NOTE 5 — STOCKHOLDERS' EQUITY

In 2019, the Company adopted the 2019 Omnibus Incentive Plan (the "Plan"). The Plan, as amended, provides for the issuance of stock-based awards to employees. As of March 31, 2025, the Plan provides for the issuance of up to 1,500,000 stock-based awards. There are 1,020,000 stock-based awards available to grant under the Plan at March 31, 2025.

On October 30, 2024, and as part of Francis Godfrey's appointment as the Company's President and Chief Operating Officer, the Board granted Francis Godfrey 200,000 options with an exercise price of $0.65 with 25% vesting immediately and the remainder vesting at 25% per year thereafter. In December 2024, the Board of Directors granted Phil Rafnson, CEO, a $100,000 bonus in recognition of his prior salary concessions made and for his efforts in the revised Company budget and his leadership in securing Francois Godfrey as President.

On March 25, 2025, the Board of Directors (the "Board") of Moving iMage Technologies, Inc. cancelled the previously issued May 23, 2023 250,000 share options at $1.10 per share to outside directors consisting of 50,000 each to Directors Katherine Crothall, Scott Anderson and John Stiska and as well as 100,000 options to CFO William Greene at $1.10 per share. The Board reissued the 250,000 options at $0.65 per share. On May 26, 2023, the Board granted either (i) 10,000 shares of the Company's stock, or (ii) options for 10,000 shares at $1.10 per share to each outside director Katherine Crothall, Scott Anderson and John Stiska. On March 25, 2025, the Board re-priced the $1.10 shares or options to $0.65 per share which resulted in an incremental stock-based compensation charge of $11,000 in the three and nine-months ended March 31, 2025.

The Company recognized compensation expense of approximately $22,000 and $5,000 for stock options during the three months ended March 31, 2025 and March 31, 2024, respectively, and $59,000 and $16,000 during the nine months ended March 31, 2025 and March 31, 2024, respectively. None of these potentially dilutive securities were included in the computation of diluted earnings per share as their impact would be anti-dilutive.

The estimated fair value of each option award granted was determined on the date of grant using the Black-Scholes option valuation model during the three and nine months ended March 31, 2025. There were no option grants during the three and nine months ended March 31, 2024:

	March 31, 2025 Options	December 31, 2024 Options
Risk-free interest rate	4.35 %	4.22 %
Expected volatility	84 %	84 %
Dividend yield	— %	— %
Expected option term in years	2.4	5.5

NOTE 5 — STOCKHOLDERS' EQUITY (continued)

A summary of the status of the Company's stock options as of March 31, 2025 and changes during the nine months ended March 31, 2025 are presented below.

	Options	Wtd. Avg. Exercise Price
Balance, July 1, 2024	250,000	$ 1.10
Granted during the period	200,000	0.65
Granted during the period	250,000	0.65
Exercised during the period	—	—
Cancelled during the period	(250,000)	$ (1.10)
Balance, March 31, 2025	450,000	$ 0.65

A summary of the status of the Company's stock options as of March 31, 2024 and changes during the nine months ended March 31, 2024 are presented below.

	Options	Wtd. Avg. Exercise Price
Balance, July 1, 2023	250,000	$ 1.10
Granted during the period	—	—
Exercised during the period	—	—
Terminated/Expired during the period	—	—
Balance, March 31, 2024	250,000	$ 1.10

The following table summarizes information about outstanding and exercisable stock options at March 31, 2025:

Range of Exercise Price	Number Outstanding	Number Exercisable	Wtd. Avg, Life	Wtd. Avg. Exercise Price
$0.65	450,000	250,000	8.79 years	$0.65

There was no warrant activity or warrants outstanding during the year ended June 30, 2024 or for the nine months ended March 31, 2025 and 2024.

As authorized by the Board on May 26, 2023, directors may receive their board fees as cash or in shares of the Company's stock. The Company records director fee expense at the end of each board meeting. On February 24, 2025, the Company subsequently issued 36,829 shares to its independent directors for director fees earned during the eleven-month period of April 2024 through February 2025. On March 25, 2024, the Company issued 18,938 shares to its independent directors for director fees earned during the nine months ended March 31, 2024.

On March 23, 2023 the Board of Directors re-authorized a stock repurchase program. Under the stock repurchase program, the Company may repurchase up to $1 million of its outstanding common stock over the next 12 months. The program expired on March 23, 2024 and a new program was established on April 1, 2024. During the nine months ended March 31, 2024, the Company repurchased 418,745 of the Company's stock at an average price of $0.78 per share. There were no share repurchases for the three months and nine months ended March 31, 2025.

NOTE 5 — STOCKHOLDERS' EQUITY (continued)

$ in Thousands, except shares and dollar per share amounts

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
Mar 23, 2023 - Mar 31, 2023	47,467	$ 1.04	47,467	$ 951,000
May 18 - Jun 30, 2023	225,153	1.13	225,153	697,000
Nov 1, 2023 - Dec 31, 2023	109,135	0.93	109,135	594,000
Jan 1, 2024 - Mar 31, 2024	309,610	0.77	309,610	363,000
Total	691,365	$ 0.92	691,365	$ 363,000

NOTE 6 — CUSTOMER AND VENDOR CONCENTRATIONS

Customers: Two customers accounted for more than 12% and 8%, respectively, of the Company's sales for the three months ended March 31, 2025. No customers accounted for more than 10% of the Company's sales for the nine months ended March 31, 2025.

At March 31, 2025, the amount of outstanding receivables related to the one customer was approximately $284,000.

One customer accounted for 24% of the Company's sales for the three months ended March 31, 2024. No customer accounted for more than 10% of the Company's sales for the nine months ended March 31, 2024.

Vendors: Two vendors accounted for 24% and 20%, respectively, of the Company's purchases for the three months ended March 31, 2025. Approximately 14% of the Company's purchases were provided by one vendor for the three months ended March 31, 2024. Two vendors accounted for 18% and 15%, respectively, of the Company's purchases for the nine months ended March 31, 2025. Approximately 16% and 15% of the Company's purchases were provided by two vendors for the nine months ended March 31, 2024.

NOTE 7 — LEASE COMMITMENTS AND CONTINGENCIES

Operating Leases: The Company leases executive office and warehouse space in Fountain Valley, CA, pursuant to separate lease agreements. Under ASC 842, at contract inception the Company determined whether the contract is or contains a lease and whether the lease should be classified as an operating or a financing lease. Operating leases are included in ROU (right-of-use) assets and operating lease liabilities in our condensed consolidated balance sheets.

The Company's executive office and warehouse lease agreements are classified as operating leases.

On July 23, 2024, the Company renewed its Fountain Valley location effective February 1, 2025 by an additional five years with a January 31, 2030 lease expiration date. Both parties agreed that July 23, 2024 was the effective modification date. The monthly rent payable for the first year of the extended term will be $19,362 and increases by 4% on each anniversary date. On June 4, 2024, the Company notified its Grace facility location landlord of its intent to vacate at the end of the current January 31, 2025 lease term.

On October 30, 2024, the Company entered into a new 4,344 square foot facility lease with a three-year lease term and a February 1, 2028.lease expiration date. The monthly rent payable for the first year of the extended term will be $6,299 and increases by 4% on each anniversary date.

In addition to the monthly base amounts in the lease agreements, the Company is required to pay a portion of real estate taxes and common operating expenses during the lease terms.

NOTE 7 — LEASE COMMITMENTS AND CONTINGENCIES (continued)

The Company’s operating lease expense was $98,000 and $72,000 for the three months ended March 31, 2025 and 2024, respectively. The Company’s operating lease expense was $283,000 and $218,000 for the nine months ended March 31, 2025 and 2024, respectively.

Future minimum lease payments at March 31, 2025 under these arrangements are as follows:

Operating leases	(in thousands) Total Payments
2025	$ 77
2026	313
2027	326
2028	303
2029	266
2030	159
Total undiscounted operating lease payments	$ 1,444
Less imputed interest (at 8.42%)	(246)
Present value of operating lease payments	$ 1,198

The following table sets forth the ROU assets and operating lease liabilities as of March 31, 2025:

Assets	(in thousands)
ROU assets-net	$ 1,142
Liabilities	
Current operating lease liabilities	$ 219
Long-term operating lease liabilities	979
Total ROU liabilities	$ 1,198

The Company’s weighted average remaining lease term for its operating leases is 4.5 years using a weighted average discount rate of 8.42%.

Legal Matters: From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. There are no significant legal proceedings pending to which the Company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company’s financial position.

NOTE 8 — SUBSEQUENT EVENTS

Management has evaluated events from March 31, 2025 through May 15, 2025, the date these financial statements were available to be issued and determined that there have been no other events that occurred that would require adjustment to our disclosures in the condensed consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Certain matters in this Quarterly Report on Form 10-Q (this "Report"), including (without limitation) statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations", contain forward-looking statements. Although we believe that, in making any such statements, our expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, competitive position, business environment, and potential growth opportunities. Forward-looking statements include all statements that are not historical facts. In some cases, forward-looking statements can be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these expectations may not prove to be correct, or we may not achieve the financial results, savings or other benefits anticipated in the forward-looking statements. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control. These risks and uncertainties, including those disclosed under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, filed with the Securities and Exchange Commission (the "SEC") on September 27, 2024, and in our other filings with the SEC, could cause actual results to differ materially from those suggested by the forward-looking statements and include, without limitation:

- The condition of the economy in general and of the cinema and/or cinema equipment industry in particular,
- Our customers' adjustments in their order levels,
- Seasonality in our business, specifically our second fiscal quarter, is traditionally weaker,
- Changes in our pricing policies or the pricing policies of our competitors or suppliers,
- The addition or termination of key supplier relationships,
- The rate of introduction and acceptance by our customers of new products and services,
- Our ability to compete effectively with our current and future competitors,
- Our ability to enter into and renew key relationships with our customers and vendors,
- Changes in foreign currency exchange rates,
- A major disruption of our information technology infrastructure,
- Unforeseen catastrophic events such as the COVID-19 pandemic, armed conflict, terrorism, fires, typhoons and earthquakes,
- A lack of entertainment content caused by entertainment content provider labor disputes, strikes and work shutdowns, and

Any other disruptions, such as labor shortages, unplanned maintenance or other manufacturing problems.

Given these uncertainties, you should not place undue reliance on any forward-looking statements in this Report. Also, forward-looking statements represent our beliefs and assumptions only as of the date of this Report. You should read this Report and the documents that we have filed as exhibits, completely and with the understanding that our actual future results may be materially different from what we expect.

Any forward-looking statement made by us in this Report speaks only as of the date on which it is made. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward- looking statements, even if new information becomes available in the future. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and related notes included elsewhere in this Report.

Overview

We are a leading provider of technology, products, and services to movie theater operators and sports and entertainment venues.

1) We provide a set of valuable services to movie theater operators and other critical screening and viewing rooms. These services include overall project management, which can encompass a wide range of design, integration, installation, and procurement services for new auditorium builds, refurbishments, or upgrades to existing facilities.

2) We design and manufacture a set of proprietary products that are sold either as part of our project management services or a la carte. Examples of these products include our ADA-compliant accessibility products and our Caddy brand, a leading provider of proprietary cup holders, trays, and other products sold into our strategic markets of motion picture exhibition, entertainment, and sports venues as well as other non-strategic markets. We also resell third-party technologies, including but not limited to items such as screens, projectors, and servers.

3) We resell third-party products as part of our project management services or a la carte. These include technology products such as screens, projectors, servers, and FF&E (furniture, fixtures, and equipment).

4) Finally, we have a set of recently introduced products that we believe have the potential to be disruptive to the movie theater, entertainment and sports venue industries. For example, our operations enhancement and theater management solution include a software-as-a-service (SaaS) platform combined with other technologies that allow theater operators to improve their quality control. We have also developed a translator product and service that will enable moviegoers to watch a movie in any language that the film is available in, all in the same auditorium through a set of augmented reality glasses. Another example is a proprietary mobile cart we've developed to enable eSports and gaming in movie-theater auditoriums.

Factors affecting our performance

Effect of COVID-19 global pandemic. The COVID-19 pandemic has had an unprecedented impact on the world and the movie exhibition industry. The social and economic effects have been widespread. 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. The repercussions of the COVID-19 global pandemic resulted in a significant impact on our customers, specifically those in the entertainment and cinema industries. As a result, the Company implemented various cash preservation strategies, including, but not limited to, temporary personnel and salary reductions, halting non-essential operating and capital expenditures, and negotiating modified timing and/or abatement of contractual payments with landlords and other major suppliers.

Throughout 2020 and 2021 the theatres reopened as soon as local restrictions and the status of the COVID-19 pandemic would allow. As of March 31, 2025, a large majority of domestic and international theatres were open. The industry's recovery to historical levels of new film content, both in terms of the number of new films and box office performance, is still underway, as the industry recovers from the 2023 SAG-AFTRA strike, evolving theatrical release windows, competition from streaming and other delivery platforms, supply chain delays, inflationary pressures, labor shortages, wage rate pressures and other economic factors.

Based on our current estimates of recovery, we believe we have, and will generate, sufficient cash to sustain operations.

Investment in growth. Based on June 30, 2024 losses, we continue to selectively evaluate opportunities to expand our operations. We expect continued decreases to our total operating expenses in the foreseeable future to meet our revenue and cost control objectives. We plan to invest in our sales and support operations to support our new product initiatives and budget goals.

Adding New Customers and Expanding Sales to Our Existing Customer Base. We intend to target new customers by selectively investing in our field sales force. We also intend to continue to target large customers' organizations who have yet to use our products and services. A typical initial order involves educating prospective customers about the technical merits and capabilities and potential cost savings of our products and services as compared to our competitors' products. We believe that customer references have been, and will continue to be, an important factor in winning new business. We expect that a substantial portion of our future sales will be sales to existing customers, including expansion of their product and service offerings, as we offer new products and services through the existing sales channel. Our business and results of operations will depend on our ability to continue to add new customers and sell additional products and services to our growing base of customers.

Promoting Our Brand and Offering Additional Products. Our future performance will depend on our continued ability to achieve brand recognition for our proprietary line of products. We plan to increase our marketing expenditures to continue to create and maintain prominent brand awareness. Also, our future performance will depend on our ability to continue to offer high quality, high performance and high functionality products and services. We intend to continue to devote efforts to introduce new products and services including new versions of our existing product lines. We expect that our results of operations will be impacted by the timing, size and level of success of these brand awareness and product and service offering efforts.

Ability to Maintain Gross Margins. Our gross margins have been and are expected to continue to be affected by a variety of factors, including competition, the timing of changes in pricing, shipment volumes, new product introductions, changes in product mixes, changes in our purchase price of components and assembly and test service costs and inventory write downs, if any. Our goal is to strive to maintain gross profits for products that may have a declining average selling price by continuing to focus on increased sales volume and looking to reduce operating costs. Decreases in average selling prices are primarily driven by competition and by reduced demand for products that face potential or actual technological obsolescence. We also focus on managing our inventory to reduce our overall exposure to price erosion. In addition, we seek to introduce new products and services with higher gross margins to offset the potential effect of price erosion on other lines of products. For example, we have recently productized and began marketing a new system which combines full compliance with the Americans with Disabilities Act with a multi-language capability we expect this system will have higher margins than a substantial number of existing products we offer. In addition, we expect our offerings of Direct View LED screens to also carry significantly higher margins.

Fluctuations in Revenues and Earnings. Both the sales cycle and the contract fulfillment cycle are dependent on a number of factors from our customers that are not in our control. Accordingly, backlog, the conversion of backlog into revenue and related earnings may fluctuate from quarter to quarter depending on our customers' particular requirements, which can sometimes change between the initial signing of a contract and its ultimate fulfillment.

Cost of goods sold

Cost of goods sold includes the cost of products or components that we purchase from third party manufacturers plus assembly and packaging labor costs for these third parties or in-house designed products. Cost of goods sold is also affected by inventory obsolescence if our inventory management is not effective or efficient. We mitigate the risk of inventory obsolescence by stocking relatively small amounts of inventory at any given time, except for periodic strategic purchases, and rely instead on a strategy of manufacturing or acquiring products based on orders placed by our customers.

General and administrative expenses

General and administrative expenses relate primarily to compensation and associated expenses for personnel in general management, information technology, human resources, procurement, planning and finance, as well as outside legal, investor relations, accounting, consulting and other operating expenses.

Selling and marketing expenses

Selling and marketing expenses relate primarily to salary and other compensation and associated expenses for internal sales and customer relations personnel, advertising, outbound shipping and freight costs, tradeshows, royalties under a brand license, and selling commissions.

Research and development expenses

Research and development expenses consist of compensation and associated costs of employees engaged in research and development projects, as well as materials and equipment used for these projects, and third-party compensation for research and development services. We do not engage in any long-term research and development contracts, and all research and development costs are expensed as incurred.

Results of Operations

Three months ended March 31, 2025 compared to the three months ended March 31, 2024

Sales

Three Months Ended March 31, (in 000's)	
2025	2024
$ 3,571	$ 3,890

Net sales decreased 8.2% to $3.571 million for the three months ended March 31, 2025 from $3.890 million for the three months ended March 31, 2024 due to higher one-time sales in the three months ended March 31, 2024.

Gross Profit

Three Months Ended March 31, (in 000's)	
2025	2024
$ 1,063	$ 676

Gross profit dollars increased by $0.387 million or 57.2% to $1.063 million for the three months ended March 31, 2025 from $0.676 million for the three months ended March 31, 2024. As a percentage of total revenues, gross profit percentage increased to 29.8% from 17.4% due to higher margin product revenues along with lower inventory reserve additions.

Research and Development

Three Months Ended March 31, (in 000's)	
2025	2024
$ 49	$ 73

Research and development expenses decreased by $(0.024) million or 33% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due to headcount reduction.

Selling, General and Administrative Expense

Three Months Ended March 31, (in 000's)	
2025	2024
$ 1,284	$ 1,252

The increase in selling, general and administrative expense of $0.032 million or 2.6% was due to higher compensation expense and rent expense in the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Other Income (Expense)

Three Months Ended March 31, (in 000's)	
2025	2024
$ 30	$ 48

Other Income(Expense) was $0.030 million for the three months ended March 31, 2025 compared to Other Income(Expense) of $0.048 million for the three months ended March 31, 2024 or a decline of $(0.018) million. The decline was due to a lower interest income on cash savings accounts in the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Net (Loss)

Three Months Ended March 31, (in 000's)	
2025	2024
$ (240)	$ (601)

Net loss was $(0.240) million for the three months ended March 31, 2025 compared to a net loss of $(0.601) million for the three months ended March 31, 2024 or a loss reduction of $0.361 million. The loss reduction was due to a combination of higher gross margin of $0.387 million, offset by higher operating expenses of $(0.008) million and lower other income of $(0.018) million.

Nine months ended March 31, 2025 compared to the nine months ended March 31, 2024

Sales

Nine Months Ended March 31, (in 000's)	
2025	2024
$ 12,264	$ 13,790

Net sales decreased $(1.526) million or 8.2% to $12.264 million for the nine months ended March 31, 2025 from $13.790 million for the nine months ended March 31, 2024 due to higher one-time sales in the nine months ended March 31, 2024.

Gross Profit

Nine Months Ended March 31, (in 000's),			
2025		2024	
$	3,370	$	3,254

Gross profit increased $0.116 million or 3.6% to $3.370 million for the nine months ended March 31, 2025 from $3.254 million for the nine months ended March 31, 2024. As a percentage of total revenues, gross profit percentage increased to 27.5% from 23.6% due to higher margin product revenues in March 31, 2025 compared to March 31, 2024.

Research and Development

Nine Months Ended March 31, (in 000's)			
2025		2024	
$	157	$	212

Research and development expenses decreased by $(0.055) million or 25.9% for the nine months ended March 31, 2025 compared to the nine months ended March 31, 2024 due to headcount reduction.

Selling, General and Administrative Expense

Nine Months Ended March 31, (in 000's)			
2025		2024	
$	4,112	$	4,138

The decrease in selling, general and administrative expense of $0.026 million or 0.6% due to headcount reduction and lower compensation expense in the nine months ended March 31, 2025 compared to the nine months ended March 31, 2024.

Other Income (Expense)

Nine Months Ended March 31, (in 000's)			
2025		2024	
$	107	$	140

Other Income(Expense) was $0.107 million for the nine months ended March 31, 2025 compared to Other Income(Expense) of $0.140 million for the nine months ended March 31, 2024 or a decline of $(0.033) million. The decline was due to a lower interest income on cash savings accounts in the nine months ended March 31, 2025 compared to the nine months ended March 31, 2024.

Net (Loss)

Nine Months Ended March 31, (in 000's)			
2025		2024	
$	(792)	$	(956)

Net loss was $(0.792) million for the nine months ended March 31, 2025 compared to a net loss of $(0.956) million for the nine months ended March 31, 2024 or a loss decrease of $0.164 million. The loss reduction was due to a combination of higher gross margin of $0.116 million and lower operating expenses of $0.081 million offset by lower other income of $(0.033) million.

Liquidity and Capital Resources

During the past several years, we have primarily met our working capital and capital resource needs from our operating cash flows and financing activities. We believe that our existing sources of liquidity, including cash and operating cash flow, will be sufficient to fund our operations and to meet our projected capital needs for a period of at least 12 months from the date the condensed consolidated financial statements are available to be issued. The cash balance at March 31, 2025 was approximately $5.369 million, as compared to $5.278 million at June 30, 2024.

Cash Flows from Operating Activities

Compared to March 31, 2024, net cash provided by operating activities increased by $0.415 million in March 31, 2025 due to cost reductions.   Net cash provided by operating activities was $0.091 million for the nine months ended March 31, 2025, primarily due to 0.214 million in working capital increases along with $(0.792) million in net losses and 0.669 million in other non-cash expenses. Within the working capital change, net cash provided included $0.786 million in accounts receivable, prepaids, payables and unearned warranty revenue offset by 0.572 million in inventory, accrued expenses, customer deposit declines and lease liabilities.

For the nine months ended March 31, 2024, net cash used by operating activities was $(0.324) million, primarily due to $(0.030) million in working capital decreases along with $(0.956) million in net losses and offset by $0.662 million in other non-cash expenses due primarily to extended payable terms. Within working capital change, the uses of cash of $(0.978) million included changes in inventory, prepaids, payables and lease liabilities offset by $0.948 million of changes in receivables, accrued expense, unearned warranty revenue, deposits and customer deposits.

Cash Flows from Investing Activities

Net cash used in investing activities was zero for the nine months ended March 31, 2025. Net cash used in investing activities was $(0.012) million for the nine months ended March 31, 2024, for equipment purchases.

Cash Flows from Financing Activities

Net cash provided by financing activities was zero for the nine months ended March 31, 2025 and $(0.334) million used to repurchase shares in the nine months ended March 31, 2024.

Critical Accounting Policies and Estimates

For a discussion of the critical accounting policies and estimates, refer to the "Critical Accounting Policies and Estimates" section in Part II, Item 7 of our 2024 Form 10-K. There have been no material changes during the nine months ended March 31, 2025 to the judgments, assumptions and estimates upon which our critical accounting estimates are based.

Additionally, refer to Note 1 of our notes to our unaudited consolidated financial statements included in this Form 10-Q for additional discussion of our summary of significant accounting policies and use of estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. As required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer (our principal executive) and Chief Financial Officer (our principal financial officer and principal accounting officer) carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in paragraph (e) of Rules 13a-15 and 15d-15 under the Exchange Act) were not effective at March 31, 2025 due to material weaknesses in our internal controls over financial reporting as described below.

Prior to the completion of our IPO in July 2021, we had been a private company with limited accounting personnel and other resources to address our internal control over financial reporting. During the course of preparing our consolidated financial statements for the years ended June 30, 2024, 2023 and 2022, we determined that we had material weaknesses in our internal control over financial reporting relating to our financial reporting processes relating to (i) the design and operation of our closing and financial reporting process, (ii) the fact that we had no formal or documented accounting policies or procedures, (iii) the fact that certain segregation of duties issues existed and (iv) the fact that there was no formal review process around journal entries recorded. To improve internal controls and starting with the three months ended March 31, 2023 and continuing since, Management updates month end close checklists, has implemented more segregation of duties among its limited accounting staff and the CFO formally approves month end journal entries.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2025, there have been no changes in our internal controls over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not party to any material pending legal proceedings. From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors reported in Item 1A in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description
3.1	Amended and Restated Bylaws of Moving iMage Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on January 9, 2024).
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1†	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2021, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Cash Flows, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Balance Sheets, and (iv) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104*	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101).

* Filed herewith.

✦ Indicates a management contract or compensatory plan or arrangement.

† Furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements 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.

MOVING IMAGE TECHNOLOGIES, INC.

Date: May 15, 2025

By:	/s/ William F. Greene
Name:	William F. Greene
Title:	Chief Financial Officer
	(Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Phil Rafnson, certify that:

1. I have reviewed this report on Form 10-Q of Moving iMage Technologies, Inc.;

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;

4. The registrant's other certifying officer 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;

    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

    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

5. The registrant's other certifying officer 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):

    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.

Date: May 15, 2025

By: /s/ Phil Rafnson
Phil Rafnson
Chief Executive Officer

Exhibit 31.2

CFO Certification

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

I, William F. Greene, certify that:

1. I have reviewed this report on Form 10-Q of Moving iMage Technologies, Inc.;

2. Based on your 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 your 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;

4. The registrant's other certifying office and I have been 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(t) and 15d-15(t)) 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;

    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

    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

5. The registrant's other certifying officer and I have disclosed, based on their 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):

    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.

Date: May 15, 2025

By:/s/ William F. Greene
William F. Greene
Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2025 of Moving iMage Technologies, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to your knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the Report.

By: /s/ Phil Rafnson
Phil Rafnson
Chief Executive Officer
May 15, 2025

By: /s/ William F. Greene
William F. Greene
Chief Financial Officer
May 15, 2025