Table of Contents

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, 2026**
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	**85-1836381**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
17760 Newhope Street, **Fountain Valley, California**	**92708**
(Address of principal executive offices)	(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 ☐
Non-accelerated filer ☑

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 13, 2026, there were **9,941,072** shares of the registrant's common stock, par value $0.00001 per share, outstanding.

MOVING iMAGE TECHNOLOGIES, INC.

TABLE OF CONTENTS

		Page
PART I - FINANCIAL INFORMATION		
ITEM 1.	**Financial Statements**	
	Condensed Consolidated Balance Sheets as of March 31, 2026 (unaudited) and June 30, 2025	**3**
	Condensed Consolidated Statements of Operations (unaudited) for the three and nine months ended March 31, 2026 and 2025	**4**
	Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited) for the three and nine months ended March 31, 2026 and 2025	**5**
	Condensed Consolidated Statements of Cash Flows (unaudited) for the nine months ended March 31, 2026 and 2025	**6**
	Notes to Unaudited Condensed Consolidated Financial Statements	**7**
ITEM 2.	**Management's Discussion and Analysis of Financial Condition and Results of Operations**	**19**
ITEM 3.	**Quantitative and Qualitative Disclosures About Market Risk**	**26**
ITEM 4.	**Controls and Procedures**	**27**
PART II - OTHER INFORMATION		**27**
ITEM 1.	**Legal Proceedings**	**27**
ITEM 1A.	**Risk Factors**	**27**
ITEM 2.	**Unregistered Sales of Equity Securities and Use of Proceeds**	**27**
ITEM 3.	**Defaults Upon Senior Securities**	**27**
ITEM 4.	**Mine Safety Disclosures**	**28**
ITEM 5.	**Other Information**	**28**
ITEM 6.	**Exhibits**	**28**
SIGNATURES		**29**

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, 2026 (unaudited)	June 30, 2025
Assets		
Current Assets:		
Cash	$ 2,363	$ 5,715
Accounts receivable, net	1,626	1,464
Inventories, net	3,180	2,066
Prepaid expenses and other	372	162
Total Current Assets	7,541	9,407
Long-Term Assets:		
Right-of-use assets	915	1,087
Property and equipment, net	51	15
Intangibles, net	320	364
Other assets	15	15
Total Long-Term Assets	1,301	1,481
Total Assets	$ 8,842	$ 10,888
Liabilities And Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 1,968	$ 3,009
Accrued expenses	409	362
Customer refunds	277	379
Customer deposits	270	1,101
Lease liabilities–current	252	227
Unearned warranty revenue	57	35
Total Current Liabilities	3,233	5,113
Long-Term Liabilities:		
Lease liabilities–non-current	727	918
Total Long-Term Liabilities	727	918
Total Liabilities	3,960	6,031
Stockholders' Equity		
Common stock, $0.00001 par value, 100,000,000 shares authorized, 9,941,072 and 9,939,080 shares issued and outstanding at March 31, 2026 and June 30, 2025, respectively	—	—
Additional paid-in capital	12,087	12,061
Accumulated deficit	(7,205)	(7,204)
Total Stockholders' Equity	4,882	4,857
Total Liabilities and Stockholders' Equity	$ 8,842	$ 10,888

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,	
	2026	**2025**	**2026**	**2025**
Net sales	$ 3,397	$ 3,571	$ 12,771	$ 12,264
Cost of goods sold	2,214	2,508	8,750	8,894
Gross profit	1,183	1,063	4,021	3,370
Operating expenses:				
Research and development	45	49	140	157
Selling and marketing	484	429	1,316	1,421
General and administrative	788	855	2,757	2,691
Total operating expenses	1,317	1,333	4,213	4,269
Operating loss	(134)	(270)	(192)	(899)
Other income (expense)				
Extinguishment of payables	—	—	128	—
Interest and other income, net	12	30	63	107
Total other income	12	30	191	107
Net loss	$ (122)	$ (240)	$ (1)	$ (792)
Loss per share:				
Basic	$ (0.01)	$ (0.02)	(0.00)	(0.08)
Diluted	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.08)
Shares used in computing loss per share:				
Basic	9,945,384	9,911,015	9,942,367	9,901,554
Diluted	9,945,384	9,911,015	9,942,367	9,901,554

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, 2026

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance as of June 30, 2025	9,939,080	$ —	$ 12,061	$ (7,204)	$ 4,857
Grant of options to officer	—	—	8	—	8
Issuance of stock to directors	652	—	1	—	1
Net income	—	—	—	509	509
Balance as of September 30, 2025	9,939,732	$ —	$ 12,070	$ (6,695)	$ 5,375
Grant of options to officer	—	—	8	—	8
Issuance of stock to directors	5,383	—	4	—	4
Net loss	—	—	—	(388)	(388)
Balance as of December 31, 2025	9,945,115	$ —	$ 12,081	$ (7,082)	$ 4,999
Issuance of stock to directors	5,957	—	4	—	4
Grant of options to officer	—	—	7	—	7
Stock repurchased	(10,000)	—	(6)	—	(6)
Net loss	—	—	—	(122)	(122)
Balance as of March 31, 2026	9,941,072	$ —	$ 12,087	$ (7,205)	$ 4,882

Three and Nine Months Ended
March 31, 2025

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	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	$ (6,280)	$ 5,690
Grant of options to officer	—	—	32	—	32
Net loss	—	—	—	(527)	(527)
Balance as of December 31, 2024	9,896,850	$ —	$ 12,002	$ (6,807)	$ 5,195
Grant of options to officer	—	—	11	—	11
Issuance of stock to directors	36,829	—	23	—	23
Repriced option for directors and officer	—	—	11	—	11
Net loss	—	—	—	(240)	(240)
Balance as of March 31, 2025	9,933,679	$ -	$ 12,046	$ (7,047)	$ 5,000

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,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (1)	$ (792)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Provision for credit losses	247	59
Inventory reserve	55	277
Depreciation expense	9	10
Amortization expense	44	44
Right-of-use amortization	172	197
Stock compensation expense	23	59
Stock issued for director expenses	—	23
Changes in operating assets and liabilities		
Accounts receivable	(409)	50
Inventories	(1,169)	(226)
Prepaid expenses and other	(210)	230
Accounts payable	(1,041)	484
Accrued expenses and customer refunds	(46)	(81)
Unearned warranty revenue	22	22
Customer deposits	(830)	(117)
Lease liabilities	(167)	(148)
Net cash (used in) provided by operating activities	(3,301)	91
Cash flows from investing activities		
Purchases of property and equipment	(45)	—
Net cash used in investing activities	(45)	—
Cash flows from financing activities		
Repurchases of shares	(6)	—
Net cash used in financing activities	(6)	—
Net (decrease) increase in cash	(3,352)	91
Cash, beginning of the period	5,715	5,278
Cash, end of the period	$ 2,363	$ 5,369
Non-cash investing and financing activities:		
Director fees settled by stock issuance	$ 9	—
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.

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, 2025, and with the disclosures and risk factors presented therein. The June 30, 2025 condensed consolidated balance sheet has been derived from the audited consolidated financial statements. Operating results for the three and nine months ended March 31, 2026 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending June 30, 2026.

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, 2026 and June 30, 2025 the allowance for credit losses is approximately $483,000 and $236,000, 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, 2026 and June 30, 2025, the inventory reserve was $1,468,000 and $1,413,000 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, management 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. Management 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.

Contract Liabilities ($ in Thousands)	March 31, 2026	June 30, 2025
Customer deposits	$ 270	$ 1,101
Unearned warranty revenue	57	35
Customer refunds	277	379
Total	$ 604	$ 1,515

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)	**2026**	**2025**	**2026**	**2025**
Equipment upon delivery (point in time)	$ 3,367	$ 3,540	$ 12,630	$ 12,138
Installation (point in time)	19	18	105	85
Software and services (over time)	11	13	36	41
Total revenues	$ 3,397	$ 3,571	$ 12,771	$ 12,264

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 $0 and $4,600 for the three months ended March 31, 2026 and 2025, respectively and $6,400 and $16,800 for the nine months ended March 31, 2026 and 2025, 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 were no intangible asset impairments recognized for the three and nine months ended March 31, 2026 or 2025.

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, 2026 and June 30, 2025 (in thousands):

$ in Thousands	**Deferred Tax Assets (Liabilities)**	
	March 31, 2026	**June 30, 2025**
Inventory reserve	$ 411	395
Accumulated depreciation	—	(3)
Accumulated goodwill amortization	53	57
Accumulated intangible amortization	117	121
ROU Asset	(256)	(304)
ROU Liability	274	321
Warranty reserve	16	10
Stock compensation	68	68
Net operating loss carryforward	997	997
Tax credits	—	86
Allowance for credit losses	135	66
Net	1,816	1,814
Valuation allowance	(1,816)	(1,814)
Total	$ —	$ —

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, 2026 and June 30, 2025, the Company has established a warranty reserve of $20,000 and $37,000, 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 nine months ended March 31, 2026 and the year ended June 30, 2025 (in thousands):

Warranty Liabilities ($ in Thousands)	**March 31, 2026**	**June 30, 2025**
Product warranty liability beginning of period	$ 37	$ 69
Accruals for warranties issued	64	354
Settlements made	(81)	(386)
Product warranty liability end of the period	$ 20	$ 37

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 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 for its 2026 fiscal year.

In July 2025, the FASB issued ASU 2025 No. 2025-05, *Financial Instruments-Credit Losses* (Topic 326), which provides for a practical expedient for the evaluation of expected credit losses that assumes that current conditions as of the balance sheet do not change for the remaining life of the asset. The provisions of this pronouncement are effective for annual periods beginning after December 15, 2025, and interim periods within those periods. The Company will first adopt this standard in the first quarter of its fiscal year ending June 30, 2027.

NOTE 2 — INCOME (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 income (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	
	2026	2025	2026	2025
Numerator:				
Net loss	$ (122)	$ (240)	$ (1)	$ (792)
Denominator:				
Basic Weighted average basic shares outstanding	9,945,384	9,911,015	9,942,367	9,901,554
Effect of dilutive share-based awards	-	-	-	-
Weighted-average dilutive shares	9,945,384	9,911,015	9,942,367	9,901,554
Net loss per share				
Basic loss per share	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.08)
Diluted loss per share	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.08)

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 Three and Nine Months Ended	
	March 31, 2026	March 31, 2025
Options	450,000	450,000
Total potentially dilutive shares	450,000	450,000

The Company had net losses for three and nine months ended March 31, 2026 and March 31, 2025. All potentially dilutive securities were deemed to be anti-dilutive in those periods because of the net losses incurred.

NOTE 3 — INTANGIBLE ASSETS

The following table summarizes the Company's intangible assets as of March 31, 2026 (in thousands):

	Amortization Period (in years)	Gross Asset Cost	Accumulated Amortization	Net Book Value
Customer relations	11	$ 970	$ 749	$ 221
Patents	20	70	23	47
Trademark	20	78	26	52
		$ 1,118	$ 798	$ 320

NOTE 3 — INTANGIBLE ASSETS (continued)

The following table summarizes the Company's intangible assets as of June 30, 2025 (in thousands):

	Amortization Period (in years)	Gross Asset Cost	Accumulated Amortization	Net Book Value
Customer relations	11	$ 970	$ 711	$ 260
Patents	20	70	21	49
Trademark	20	78	23	55
		$ 1,118	$ 755	$ 364

Amortization expense was $15,000 and $15,000 for the three months ended March 31, 2026 and 2025 respectively, and $44,000 and $44,000 for the nine months ended March 31, 2026 and 2025, respectively,
and is included in general and administrative expense.

Estimated amortization expense related to intangible assets subject to amortization at March 31, 2026 in each of the years subsequent to March 31, 2026, and thereafter is as follows (amounts in thousands);

2026 balance of fiscal year	$ 15
2027	60
2028	60
2029	60
2030	60
Thereafter	65
Total	$ 320

NOTE 4 — ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

Accrued Expenses ($ in Thousands)	March 31, 2026	June 30, 2025
Employee compensation	$ 328	$ 225
Accrued warranty	20	37
Freight	23	16
Sales tax	19	28
Other	19	56
Total	$ 409	$ 362

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, 2026, the Plan provides for the issuance of up to 1,500,000 stock-based awards. There are 1,050,000 stock-based awards available to grant under the Plan at March 31, 2026.

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.

NOTE 5 — STOCKHOLDERS' EQUITY (continued)

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 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 $7,300 and $22,000 for stock options during the three and nine months ended March 31, 2026, respectively, and $15,000 and $59,000 during the three and nine months ended March 31, 2025, respectively.

The estimated fair value of each option award granted was determined on the date of grant using the Black-Scholes option valuation model. There were no option grants during the three and nine months ended March 31, 2026:

	March 31, 2025 Options	October 30, 2024 Options
Risk-free interest rate	4.35%	4.22%
Expected volatility	83.50%	83.50%
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, 2026 and changes during the nine months ended March 31, 2026 are presented below.

	Options	Wtd. Avg. Exercise Price
Balance, July 1, 2025	450,000	$ 0.65
Granted during the period	—	—
Exercised during the period	—	—
Cancelled during the period	—	—
Balance, March 31, 2026	450,000	$ 0.65

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	450.000	0.65
Exercised during the period	—	—
Canceled during the period	(250,000)	(1.10)
Balance, March 31, 2025	450,000	$ 0.90

The following table summarizes information about outstanding and exercisable stock options at March 31, 2026:

Range of Exercise Price	Number Outstanding	Number Exercisable	Wtd. Avg, Life (in years)	Wtd. Avg. Exercise Price
$ 0.65	450,000	331,000	7.79	$ 0.65

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. During the three months ended March 31, 2026 and 2025, the Company issued 5,957 and 36,829 shares, respectively, to the independent directors for director fees earned. During the nine months ended March 31, 2026 and 2025, the Company issued 11,992 and 36,829 shares, respectively, to the independent directors for director fees earned.

NOTE 6 — CUSTOMER AND VENDOR CONCENTRATIONS

Customers: No customers accounted for more than 10% of the Company's sales for the three months ended March 31, 2026. One customer accounted for 10% of the Company's sales for the nine months ended March 31, 2026.

At March 31, 2026, two customers accounted for 28% of accounts receivable. The amount of outstanding receivables related to the two customers was approximately $615,000.

For the three months ended March 31, 2025, one customer accounted for 12% of the Company's sales. For the nine months ended March 31, 2025, no customers accounted for more than 10% of the Company's sales.

Vendors: For the three months ended March 31, 2026 one vendor accounted for 16% of the Company's purchases. For the nine months ended March 31, 2026 three vendors accounted for 15%, 12% and 11%, respectively, of the Company's purchases. For the three months ended March 31, 2025, two vendors accounted for 24% and 20% of the Company's purchases. For the nine months ended March 31, 2025, two vendors accounted for 18% and 15% of the Company's purchases.

NOTE 7 — LEASE COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Company occupies an executive office and warehouse space in Fountain Valley and Whittier, 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 consolidated balance sheet.

The Company's executive office and warehouse lease agreements are classified as operating leases. The office lease agreement, as amended, expires on January 31, 2030, and does not include any renewal options. The Whittier, CA warehouse lease agreement commenced on February 1, 2025 expires on January 31, 2028, and does not include any renewal options. The agreements provide for initial monthly base amounts plus annual escalations through the term of the leases.

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 $79,000 and $98,000 for the three months ended March 31, 2026 and 2025, respectively, and $238,000 and $283,000 for the nine months ended March 31, 2026 and 2025, respectively.

Future minimum lease payments at March 31, 2026 under these arrangements are as follows:

Operating leases	**Total**
($ in Thousands)	**Payments**
2026 balance of fiscal year	$ 80
2027	326
2028	303
2029	266
2030	159
Total future minimum lease payments	1,134
Less imputed interest (at 8%)	(155)
Present value of operating lease payments	$ 979

The following table sets forth the ROU assets and operating lease liabilities as of March 31, 2026:

Assets	**(in thousands)**
ROU assets-net	$ 915
Liabilities	
Current operating lease liabilities	$ 252
Long-term operating lease liabilities	727
Total ROU liabilities	$ 979

The Company's weighted average remaining lease term for its operating leases is 3.52 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—SEGMENT INFORMATION

Operating segments are defined as components of an enterprise about which separate discrete information is available or evaluation by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance. The Company and the Company's chief operating decision maker view the Company's operations and manage its business in one operating segment, which is the business of identifying, developing and manufacturing products to meet the needs of the cinema market. The CODM, who is the President, manages and allocates resources to the operations of the Company on a consolidated basis. The Company's measure of segment profit or loss is currently a net loss. Managing and allocating resources on a consolidated basis enables the President to assess the overall level of resources available and how to best deploy those resources across functions that are in line with the Company's long-term company-wide strategic goals. Consistent with this decision-making process, the President uses consolidated financial information for purposes of evaluating performance, forecasting future period financial results, allocating resources and setting incentive targets. Operating expenses are used to monitor budget versus actual results. The CODM does not review assets in evaluating the results of the Company, and therefore, such information is not presented. In addition, substantially all of the Company's revenue was generated in the United States and substantially all of the Company's long-lived assets reside in the United States.

($ in Thousands)	**Quarter Ended March 31,**	
	2026	**2025**
Revenue	$ 3,397	$ 3,571
Cost of Sales	2,214	2,508
Gross Margin	1,183	1,063
Segment operating expenses:		
Payroll and related	958	923
Marketing	62	50
G&A	86	128
Compliance	118	118
Occupancy	144	170
Overhead	(51)	(56)
Total segment operating expenses	1,317	1,333
Interest and other income	(12)	(30)
Net loss	$ (122)	$ (240)

($ in Thousands)	**For the Nine Months Ended March 31,**	
	2026	**2025**
Revenue	$ 12,771	$ 12,264
Cost of Sales	8,750	8,894
Gross Margin	4,021	3,370
Segment operating expenses:		
Payroll and related	2,870	2,905
Marketing	134	192
G&A	302	302
Compliance	638	489
Occupancy	425	525
Overhead	(156)	(144)
Total segment operating expenses	4,213	4,269
Interest and other income	(191)	(107)
Net loss	$ (1)	$ (792)

NOTE 9 — SUBSEQUENT EVENTS

On April 27, 2026, William Greene retired as CFO. On April 27, 2026, the Company hired Bart Bedard as CFO and he will be paid an annual salary of $200,000.

Management has evaluated events from April 1, 2026 through May 14, 2026, 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, 2025, filed with the Securities and Exchange Commission (the "SEC") on September 26, 2025 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,

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 provide 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

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

Investment in growth. Based on FY2025 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.

Trade disputes could have a material adverse impact on our business, financial condition, liquidity and results of operations. Trade disputes can lead to the implementing of tariffs on products or on commodities that we use in our operations which could cause significant fluctuations in prices and have a material adverse effect on our operations and financial results. In early 2025, the Trump administration announced additional tariffs on various imports from China, Mexico, and Canada, and signaled a willingness to renegotiate or withdraw from existing trade agreements. A series of executive orders issued in March and April of 2025 proposed significant changes to U.S. trade policy, including a baseline 10% tariff on a broad range of imported goods, unless replaced by higher country-specific rates. These actions have prompted actual or threatened retaliatory measures against U.S. exports. However, there is currently significant uncertainty about potential trade actions or how they may affect our business. We cannot predict the impact that future trade policy or the terms of any negotiated trade agreements may have on our business or on our industry.

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, 2026 compared to the three months ended March 31, 2025

Sales

Three Months Ended March 31,	
(in 000's)	
2026	2025
$ 3,397	$ 3,571

Net sales decreased by 4.9% to $3.397 million for the three months ended March 31, 2026 from $3.571 million for the three months ended March 31, 2025 due to lower one-time project sales. Estimated quarterly recurring sales revenues are $2.0 million.

Gross Profit

Three Months Ended March 31,	
(in 000's)	
2026	2025
$ 1,183	$ 1,063

Gross profit dollars increased by $0.120 million or 11.3% to $1.183 million for the three months ended March 31, 2026 from $1.063 million for the three months ended March 31, 2025. As a percentage of total revenues, gross profit percentage increased to 34.8% from 29.8% due to higher Digital Speaker Series ("DCS") sales and its related higher margin. The Company realized approximately $0.065 million improvement in gross profit due to the purchase of DCS inventory at a discount from the initial October 2025 purchase.

Research and Development

Three Months Ended March 31,	
(in 000's)	
2026	2025
$ 45	$ 49

Research and development expenses decreased by $0.004 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This decrease is deemed immaterial.

Selling, General and Administrative Expense

Three Months Ended March 31, (in 000's)	
2026	2025
$ 1,272	$ 1,284

The decrease in selling, general and administrative expense of $0.012 million or 0.9% and was virtually unchanged.

Other Income

Three Months Ended March 31, (in 000's)	
2026	2025
$ 12	$ 30

Other Income was $0.012 million for the three months ended March 31, 2026 compared to Other Income of $0.030 million for the three months ended March 31, 2025 or a decrease of $0.018 million. The decrease was due to lower interest income on cash savings accounts in the three months ended March 31, 2026 compared to the three months ended March 31, 2025.

Net Income (Loss)

Three Months Ended March 31, (in 000's)	
2026	2025
$ (122)	$ (240)

Net loss was $(0.122) million for the three months ended March 31, 2026 compared to a net loss of $(0.240) million for the three months ended March 31, 2025 or an improvement in loss reduction of $0.118 million. The improvement was due to higher gross margin of $0.120 million and lower operating expense of $0.016 million, offset by lower other income of $0.018 million.

Nine months ended March 31, 2026 compared to the nine months ended March 31, 2025

Sales

Nine Months Ended March 31, (in 000's)	
2026	2025
$ 12,771	$ 12,264

Net sales increased 4.1% to $12.771 million for the nine months ended March 31, 2026 from $12.264 million for the nine months ended March 31, 2025 due to higher one-time project sales.

Gross Profit

Nine Months Ended March 31, (in 000's),	
2026	2025
$ 4,021	$ 3,370

Gross profit dollars increased by $0.651 million or 19.3% to $4.021 million for the nine months ended March 31, 2026 from $3.370 million for the nine months ended March 31, 2025. As a percentage of total revenues, gross profit percentage increased to 31.5% from 27.5% due to DCS higher margin product revenues.

Research and Development

Nine Months Ended March 31, (in 000's)	
2026	2025
$ 140	$ 157

Research and development expenses decreased by $(0.017) million or 10.8% for the nine months ended March 31, 2026 compared to the nine months ended March 31, 2025 due to headcount reduction.

Selling, General and Administrative Expense

Nine Months Ended March 31, (in 000's)	
2026	2025
$ 4,073	$ 4,112

In the nine months ended March 31, 2026, selling, general and administrative expense decreased by $0.039 million or 0.9% due primarily to lower payroll costs.

Other Income

Nine Months Ended March 31, (in 000's)	
2026	2025
$ 191	$ 107

Other Income was $0.191 million for the nine months ended March 31, 2026 compared to Other Income of $0.107 million for the nine months ended March 31, 2025 or an increase of $0.084 million. The increase was due to a one-time payables extinguishment in the nine months ended March 31, 2026 compared to the nine months ended March 31, 2025.

Net Income (Loss)

Nine Months Ended March 31, (in 000's)	
2026	2025
$ (1)	$ (792)

Net income was $(0.001) million for the nine months ended March 31, 2026 compared to a net loss of $(0.792) million for the nine months ended March 31, 2025 or an improvement in loss reduction of $0.791 million. The improvement was due to higher gross margin of $0.651 million, lower selling, general and administrative expenses of $0.039 million and higher other income of $0.084 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, 2026 was approximately $2.400 million, as compared to $5.715 million at June 30, 2025. The $3.352 million decrease was largely due to the DCS inventory purchase of $1.5 million in October 2025 and subsequent DCS inventory purchases during the March quarter. On October 31, 2025, the Company entered into an Asset Purchase Agreement (the "APA") with QSC, LLC ("QSC") pursuant to which the Company purchased certain assets comprising QSC's Digital Cinema Speaker Series ("DCS") loudspeaker product line including, the DCS loudspeaker product line, including the SC, SR, SB, and RSM product families; intellectual property, including trademarks, designs, and trade secrets; inventory and raw materials; OEM supplier agreements; product technical documentation; and rights to service and support existing DCS customers, for a purchase price of $1.5 million.

Cash Flows from Operating Activities

Compared to March 31, 2025, net cash used in operating activities increased by $3.393 million in March 31, 2026 due largely to the increased DCS inventory and payables of $2.200 million. Net cash used in operating activities was $(3.301) million for the nine months ended March 31, 2026, which were offset by $0.001 million in net loss and $0.549 million in other non-cash expenses. Within the working capital change, cash used in operating activities included $(3.872) million in inventory, accounts payable, customer deposits, accounts receivable, prepaids and lease liabilities offset by $0.022 million in unearned warranty revenue.

For the nine months ended March 31, 2025, net cash provided by operating activities was $0.091 million, 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.

Cash Flows from Investing Activities

Net cash used in investing activities was $0.045 million for equipment purchases for the nine months ended March 31, 2026 and zero for the nine months ended March 31, 2025.

Cash Flows from Financing Activities

Net cash used in financing activities was $0.006 million for repurchase of shares for the nine months ended March 31, 2026 and zero for the nine months ended March 31,2025.

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, 2026 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, 2026. 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, 2026 due to material weaknesses in our internal controls over financial reporting as described below.

Since our July 2021 IPO filing in July 2021, we have 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. Since March 31, 2023, Management updates month end close checklists, has implemented more segregation of duties among its limited accounting staff and formally approves month end journal entries. Upon future profitability and the ability to increase accounting staff, we will seek to implement further internal control improvements.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2026, 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, 2025.

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 March 31, 2026, 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 14, 2026

By: /s/ Bart Bedard
Name: Bart Bedard
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 14, 2026

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, Bart Bedard, 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 14, 2026

By: /s/ Bart Bedard
Bart Bedard
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, 2026 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 14, 2026

By: /s/ Bart Bedard
Bart Bedard
Chief Financial Officer
May 14, 2026