
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**
FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

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 001-37564

BOXLIGHT CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	36-4794936
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2750 Premiere Parkway, Suite 900 Duluth, Georgia 30097	
(Address of principal executive offices) (Zip Code)	
(678) 367-0809	
(Registrant's telephone number, including area code)	
N/A	
(Former name, former address and former fiscal year, if changed since last report)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	BOXL	The Nasdaq Stock Market LLC

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 (\$232.405 of this chapter) 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

The number of shares outstanding of the registrant's common stock on November 11, 2024 was 9,830,431.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Boxlight Corporation
Condensed Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2024 and 2023
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues, net	\$ 36,289	\$ 49,667	\$ 111,897	\$ 137,909
Cost of revenues	24,037	31,653	72,302	86,919
Gross profit	12,252	18,014	39,595	50,990
Operating expense:				
General and administrative	12,089	15,408	39,659	45,366
Research and development	1,022	979	3,178	2,101
Impairment of goodwill	—	13,226	—	13,226
Total operating expense	13,111	29,613	42,837	60,693
Loss from operations	(859)	(11,599)	(3,242)	(9,703)
Other (expense) income:				
Interest expense, net	(2,550)	(2,987)	(7,723)	(8,222)
Other income (expense), net	330	(181)	(98)	(231)
Change in fair value of derivative liabilities	6	90	202	50
Total other expense	(2,214)	(3,078)	(7,619)	(8,403)
Loss before income taxes	\$ (3,073)	\$ (14,677)	\$ (10,861)	\$ (18,106)
Income tax benefit (expense)	12	(3,073)	(767)	(3,379)
Net loss	\$ (3,061)	\$ (17,750)	\$ (11,628)	\$ (21,485)
Fixed dividends - Series B Preferred	(317)	(317)	(952)	(952)
Net loss attributable to common stockholders	\$ (3,378)	\$ (18,067)	\$ (12,580)	\$ (22,437)
Comprehensive loss:				
Net loss	\$ (3,061)	\$ (17,750)	\$ (11,628)	\$ (21,485)
Other comprehensive loss:				
Foreign currency translation adjustment	2,270	(2,854)	1,412	(574)
Total comprehensive loss	\$ (791)	\$ (20,604)	\$ (10,216)	\$ (22,059)
Net loss per common share – basic and diluted	\$ (0.34)	\$ (1.90)	\$ (1.29)	\$ (2.39)
Weighted average number of common shares outstanding – basic and diluted	9,823	9,484	9,775	9,399

See accompanying notes to unaudited condensed financial statements.

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Boxlight Corporation
Condensed Consolidated Balance Sheets
As of September 30, 2024 and December 31, 2023
(in thousands, except share and per share amounts)

	September 30, 2024	December 31, 2023
(Unaudited)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,493	\$ 17,253
Accounts receivable – trade, net of allowances for credit losses of 352 and 421	25,387	29,523
Inventories, net of reserves	42,320	44,131
Prepaid expenses and other current assets	9,157	9,471
Total current assets	<u>87,357</u>	<u>100,378</u>
Property and equipment, net of accumulated depreciation	2,317	2,477
Operating lease right of use asset	8,575	8,846
Intangible assets, net of accumulated amortization	41,702	45,964
Other assets	1,444	906
Total assets	<u>\$ 141,395</u>	<u>\$ 158,571</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 26,050	\$ 32,899
Short-term debt	1,682	1,037
Operating lease liabilities, current	2,335	1,827
Deferred revenues, current	9,459	8,698
Derivative liabilities	3	205
Other short-term liabilities	<u>2,000</u>	<u>1,566</u>
Total current liabilities	<u>41,529</u>	<u>46,232</u>
Deferred revenues, non-current	16,366	16,347
Long-term debt	37,111	39,134
Deferred tax liabilities, net	4,299	4,316
Operating lease liabilities, non-current	<u>7,039</u>	<u>7,282</u>
Total liabilities	<u>106,344</u>	<u>113,311</u>
Commitments and contingencies (Note 14)		
Mezzanine equity:		
Preferred Series B, 1,586,620 shares issued and outstanding	16,146	16,146
Preferred Series C, 1,320,850 shares issued and outstanding	<u>12,363</u>	<u>12,363</u>
Total mezzanine equity	<u>28,509</u>	<u>28,509</u>
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized; 167,972 and 167,972 shares issued and outstanding, respectively	—	—
Common stock, \$0.0001 par value, 18,750,000 shares authorized; 9,842,315 and 9,704,496 Class A shares issued and outstanding, respectively	1	1
Additional paid-in capital	119,731	119,724
Accumulated deficit	(115,903)	(104,275)
Accumulated other comprehensive income	<u>2,713</u>	<u>1,301</u>
Total stockholders' equity	<u>6,542</u>	<u>16,751</u>
Total liabilities and stockholders' equity	<u>\$ 141,395</u>	<u>\$ 158,571</u>

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the three months ended September 30, 2024
(Unaudited)
(in thousands, except share amounts)

	Series A		Class A		Additional Paid-in Capital	Other Comprehensive Income	Accumulated		Total		
	Preferred Stock		Common Stock				Other Comprehensive Income	Accumulated Deficit			
	Shares	Amount	Shares	Amount			Income	Deficit			
Balance as of June 30, 2024	167,972	\$ —	9,817,875	\$ 1	\$ 119,882	\$ 443	\$ (112,842)	\$ 7,484			
Shares issued for:											
Vesting of restricted share units	—	—	24,440	—	—	—	—	—	—		
Stock compensation	—	—	—	—	166	—	—	—	166		
Foreign currency translation	—	—	—	—	—	2,270	—	—	2,270		
Fixed dividends Preferred Series B	—	—	—	—	(317)	—	—	—	(317)		
Net loss	—	—	—	—	—	—	(3,061)	(3,061)			
Balance as of September 30, 2024	167,972	\$ —	9,842,315	\$ 1	\$ 119,731	\$ 2,713	\$ (115,903)	\$ 6,542			

Boxlight Corporation
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the nine months ended September 30, 2024
(Unaudited)
(in thousands, except share amounts)

	Series A Preferred Stock		Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income		Accumulated Deficit	Total
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2023	167,972	\$ —	9,704,496	\$ 1	\$ 119,724	\$ 1,301	\$ (104,275)	\$ 16,751	
Shares issued for:									
Vesting of restricted share units	—	—	137,819	—	—	—	—	—	—
Stock compensation	—	—	—	—	959	—	—	959	
Foreign currency translation	—	—	—	—	—	1,412	—	—	1,412
Fixed dividends Preferred Series B	—	—	—	—	(952)	—	—	(952)	
Net loss	—	—	—	—	—	—	(11,628)	(11,628)	
Balance as of September 30, 2024	167,972	\$ —	9,842,315	\$ 1	\$ 119,731	\$ 2,713	\$ (115,903)	\$ 6,542	

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the three months ended September 30, 2023
(Unaudited)
(in thousands, except share amounts)

	Series A		Class A		Accumulated			
	Preferred Stock		Common Stock		Additional	Other		
	Shares	Amount	Shares	Amount	Paid-in Capital	Comprehensive Income (loss)	Accumulated Deficit	Total
Balance as of June 30, 2023	167,972	\$ —	9,465,494	\$ 1	\$ 118,379	\$ 1,366	\$ (68,854)	\$ 50,892
Shares issued for:								
Vesting of restricted share units	—	—	139,866	—	—	—	—	—
Stock compensation	—	—	—	—	671	—	—	671
Foreign currency translation	—	—	—	—	—	(2,854)	—	(2,854)
Fixed dividends Preferred Series B	—	—	—	—	(317)	—	—	(317)
Net Loss	—	—	—	—	—	—	(17,750)	(17,750)
Balance as of September 30, 2023	167,972	\$ —	9,605,360	\$ 1	\$ 118,733	\$ (1,488)	\$ (86,604)	\$ 30,642

Boxlight Corporation
Condensed Consolidated Statements of Changes in Stockholders' Equity
For the nine months ended September 30, 2023
(Unaudited)
(in thousands, except share amounts)

	Series A		Class A		Accumulated			Accumulated Deficit	Total
	Preferred Stock		Common Stock		Additional	Other	Comprehensive		
	Shares	Amount	Shares	Amount	Paid-in Capital	Loss	Deficit		
Balance as of December 31, 2022	167,972	\$ —	9,339,587	\$ 1	\$ 117,849	\$ (914)	\$ (65,043)	\$ 51,893	
Cumulative effect of change in accounting principle, net of tax									
	—	—	—	—	—	—	—	(76)	(76)
Balance as of December 31, 2022 - as adjusted	167,972	\$ —	9,339,587	\$ 1	\$ 117,849	\$ (914)	\$ (65,119)	\$ 51,817	
Shares issued for:									
Stock options exercised	—	—	12,500	—	13	—	—	—	13
Reverse stock split fractional adjustment	—	—	33,414	—	—	—	—	—	—
Vesting of restricted share units	—	—	219,859	—	—	—	—	—	—
Stock compensation	—	—	—	—	1,823	—	—	—	1,823
Foreign currency translation	—	—	—	—	—	(574)	—	—	(574)
Fixed dividends Preferred Series B	—	—	—	—	(952)	—	—	—	(952)
Net loss	—	—	—	—	—	—	(21,485)	—	(21,485)
Balance as of September 30, 2023	167,972	\$ —	9,605,360	\$ 1	\$ 118,733	\$ (1,488)	\$ (86,604)	\$ 30,642	

See accompanying notes to unaudited condensed financial statements.

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Boxlight Corporation
Condensed Consolidated Statements of Cash Flows
For the nine months ended September 30, 2024 and 2023
(Unaudited)
(in thousands)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Cash flows from operating activities:		
Net loss	\$ (11,628)	\$ (21,485)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Amortization of debt premium, discount and issuance cost	1,806	1,800
Provision for credit losses	168	(197)
Paid-in-kind accrual on short-term debt	240	—
Changes in deferred tax assets and liabilities	(324)	907
Change in allowance for sales returns and volume rebates	(1,820)	1,266
Change in inventory reserve	110	676
Change in fair value of derivative liabilities	(202)	(50)
Stock compensation expense	1,233	1,823
Depreciation and amortization	6,187	6,893
Impairment of goodwill	—	13,226
Change in right of use assets and lease liabilities	330	249
Changes in operating assets and liabilities:		
Accounts receivable – trade	6,336	(10,344)
Inventories	2,763	13,788
Prepaid expenses and other current assets	(1,009)	(602)
Other assets	(531)	(450)
Accounts payable and accrued expenses	(7,791)	(972)
Other liabilities	2,099	2,036
Deferred revenues	(56)	(322)
Net cash (used in) provided by operating activities	\$ (2,089)	\$ 8,242
Cash flows from investing activities:		
Purchases of furniture and fixtures, net	(279)	(226)
Net cash used in investing activities	\$ (279)	\$ (226)
Cash flows from financing activities:		
Proceeds from short-term debt	4,000	3,000
Principal payments on short-term debt	(3,509)	(3,000)
Principal payments on long term debt	(3,915)	(2,048)
Payments of fixed dividends to Series B Preferred stockholders	(952)	(952)
Proceeds from the exercise of options and warrants	—	13
Net cash used in financing activities	\$ (4,376)	\$ (2,987)
Effect of foreign currency exchange rates	(16)	(1,206)
Net (decrease) increase in cash and cash equivalents	(6,760)	3,823
Cash and cash equivalents, beginning of the period	17,253	14,591
Cash and cash equivalents, end of the period	\$ 10,493	\$ 18,414
Supplemental cash flow disclosures:		
Cash paid for income taxes	\$ 2,542	\$ 2,650
Cash paid for interest	\$ 5,452	\$ 6,390
Non-cash investing and financing transactions:		
Addition of operating lease liabilities	\$ 585	\$ 5,369

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Boxlight Corporation, a Nevada Corporation ("Boxlight"), designs, produces and distributes interactive technology solutions for the education, corporate and government markets under its Clevertouch and Mimio brands. Boxlight's solutions include interactive displays, audio and other accessory products, software, and professional services.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Boxlight and its direct and indirect wholly owned subsidiaries (collectively, the "Company," "we," "us," and "our"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim unaudited condensed consolidated financial information and interim financial reporting guidelines and rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete condensed consolidated financial statements. The unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2023 and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report"). Certain information and note disclosures normally included in consolidated financial statements have been condensed. The December 31, 2023 balance sheet included herein was derived from the Company's audited consolidated financial statements, but does not include all disclosures, including notes, required by GAAP for complete financial statements.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, 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. Note 1 in the Notes to the Consolidated Financial Statements for 2023 contained in the 2023 Annual Report filed with the SEC on March 14, 2024, describes the significant accounting policies that the Company used in preparing its condensed consolidated financial statements. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to reserves for inventory obsolescence; the recoverability of deferred tax assets; the fair value and recoverability of intangible assets; the relative stand-alone selling prices of goods and services; variable consideration; and long-term incentive plans. The Company bases estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates under different assumptions or conditions.

REVERSE STOCK SPLIT

On June 14, 2023, the Company effected a reverse stock split of the Company's Class A common stock whereby each eight shares of the Company's authorized and outstanding Class A common stock was converted into one share of Class A common stock. The par value of the Class A common stock was not adjusted. Following the reverse split, the authorized shares for Class A common stock was adjusted to 18,750,000, the authorized shares for Class B common stock remained at 50,000,000 shares, and the authorized share of preferred stock remained unchanged at 50,000,000 shares. All Class A common share and per share amounts for all periods presented in the condensed consolidated financial statements and the notes to the condensed consolidated financial statements have been retrospectively adjusted to give effect to the reverse stock split, including reclassifying an amount equal to the reduction in aggregate par value of Class A common stock to additional paid-in capital on the condensed consolidated balance sheets of approximately \$6 thousand. The

quantity of Class A common stock equivalents and the conversion and exercise ratios were adjusted for the effect of the reverse stock split for warrants, stock-based compensation arrangements, and the conversion features on preferred shares. All of the agreements include existing conversion language in the event of a stock split and thus did not result in modification accounting or additional incremental expense as a result of this transaction. The Company issued 33,414 shares of Class A common stock to adjust fractional shares following the reverse stock split to the nearest whole share. There are presently no shares of Class B common stock outstanding, and none were outstanding as of September 30, 2024.

GOING CONCERN

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business.

As described in Note 8, the Company was not in compliance with the Senior Leverage Ratio financial covenant under its Credit Agreement at December 31, 2023, June 30, 2024 and September 30, 2024. Non-compliance was waived by the Agent and Lender under amendments to the Credit Agreement. On November 14, 2024, the Company obtained a waiver for the Credit Agreement with the Collateral Agent and Lender (the "November 2024 Waiver") which waived any Event of Default that may have arisen directly as a result of the financial covenant default at September 30, 2024 and in the interim period ended October 31, 2024. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$60 thousand of prepayment penalties. In addition, in February 2024, the Company paid \$ 1.7 million, inclusive of a \$0.1 million pre-payment penalty to Whitehawk to maintain compliance with the borrowing base covenant calculation as of January 31, 2024.

Because of the significant decreases in the required Senior Leverage Ratio that have occurred over the past twelve months under the Credit Agreement, the Company's current forecast projects the Company may not be able to maintain compliance with this ratio. There can be no assurance that the Lender will not declare an event of default and acceleration of all of our obligations under the Credit Agreement in the event we are unable to comply with the Senior Leverage Ratio financial covenant, borrowing base covenant or any other related covenants thereunder, in the future.

In addition, to the extent not converted into the Company's Class A common stock, the outstanding shares of our Series B preferred stock became redeemable at the option of the holders at any time or from time to time commencing on January 1, 2024 upon 30 days' prior written notice to the Company, for a redemption price, payable in cash, equal to the sum of (a) \$10.00 multiplied by the number of shares of Series B preferred stock being redeemed (the "Redeemed Shares"), plus (b) all accrued and unpaid dividends, if any, on such Redeemed Shares. We may be required to seek alternative financing arrangements or restructure the terms of the agreement with the Series B preferred shareholders on terms that are not favorable to us if cash and cash equivalents are not sufficient to fully redeem the Series B preferred shares. We are currently evaluating alternatives to refinance or restructure the Series B preferred shares including extending the maturity of the Series B preferred shares beyond the current optional conversion date.

These conditions raise substantial doubt about the ability of the Company to continue as a going concern within one year after the date of the accompanying unaudited condensed consolidated financial statements. Continuation as a going concern is dependent upon the Company's ability to continue to achieve positive cash flow from operations, obtain waivers or other relief under the Credit Agreement for any future non-compliance with the Senior Leverage Ratio and other financial covenants, or refinance its existing Credit Agreement with a different lender on more favorable terms. The Company is actively working to refinance its debt with new or existing lenders prior to its maturity. While the Company is confident in its ability to refinance its existing debt, it does not have written or executed agreements as of the filing of this Form 10-Q. The Company's ability to refinance its existing debt is based upon credit markets and economic forces that are outside of its control. The Company has a good working relationship with its current banking partner. However, there can be no assurance that the Company will be successful in refinancing its debt, or on terms acceptable to the Company.

These financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments primarily include cash, accounts receivable, derivative liabilities, accounts payable and debt. Due to the short-term nature of cash, accounts receivable and accounts payable, the carrying amounts of these assets and liabilities approximate their fair value. The Company has determined that the estimated fair value of debt is approximately \$41.2 million while the carrying value, excluding premiums, discounts, and issuance costs, is approximately

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\$40.1 million. The fair value of debt was estimated using market rates the Company believes would be available for similar types of financial instruments and represents a Level 2 measurement.

Derivative liabilities are recorded at fair value on a recurring basis.

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. A fair value hierarchy has been established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.
- Level 3 Inputs - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

Transfers into Level 3 measurements during the three and nine months ended September 30, 2024 of \$ 0.3 million were related to the Company's long-term incentive plan. There were no transfers into or out of Level 3 measurements in 2023.

The following table sets forth, by level within the fair value hierarchy, the Company's financial liabilities that were accounted for at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 (in thousands):

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of September 30, 2024
Derivative liabilities - warrant instruments	—	—	3	\$ 3
Long-term incentive plan	—	—	274	274

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of December 31, 2023
Derivative liabilities - warrant instruments	—	—	\$ 205	\$ 205

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The following tables reconcile the beginning and ending balances of the warrant instruments and long-term incentive plan within Level 3 of the fair value hierarchy, respectively:

	Derivative Liabilities (in thousands)	Long-term incentive plan (in thousands)
Balance, June 30, 2024	\$ 9	—
Change in fair value	(6)	274
Balance, September 30, 2024	\$ 3	274
	(in thousands)	(in thousands)
Balance, December 31, 2023	\$ 205	—
Change in fair value	(202)	274
Balance, September 30, 2024	\$ 3	274
	(in thousands)	(in thousands)
Balance, June 30, 2023	\$ 512	—
Change in fair value	(90)	—
Balance, September 30, 2023	\$ 422	—
	(in thousands)	(in thousands)
Balance, December 31, 2022	\$ 472	—
Change in fair value	(50)	—
Balance, September 30, 2023	\$ 422	—

See Note 9 and Note 12 for discussion of the valuation techniques and inputs and reconciliation of the opening and closing balances of the fair value of warrants and long-term incentive plan, respectively.

LOSS PER COMMON SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. For purposes of this calculation, options to purchase common stock, restricted stock units subject to vesting, and warrants to purchase common stock were considered to be common stock equivalents. Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period giving effect to all potentially dilutive securities to the extent they are dilutive. The dilutive effect of options to purchase common stock, restricted stock units subject to vesting and other share-based payment awards is calculated using the "treasury stock method," which assumes that the "proceeds" from the exercise of these instruments are used to purchase common shares at the average market price for the period. The dilutive effect of convertible securities is calculated using the "if-converted method." Under the if-converted method, securities are assumed to be converted at the beginning of the period, and the resulting common shares are included in the denominator of the diluted calculation for the entire period being presented.

For the three and nine months ended September 30, 2024, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise 0.2 million shares issuable upon exercise of options to purchase common stock, 0.1 million of unvested shares of restricted stock and 1.4 million shares issuable upon exercise of warrants. Additionally, potentially dilutive securities of 2.2 million shares issuable from the assumed conversion of preferred stock are excluded from the denominator because they would be anti-dilutive. For the nine months ended September 30, 2023, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise 0.3 million shares from options to purchase shares of common stock and 0.5 million of unvested restricted stock units as well as 1.4 million shares of common stock issuable upon exercise of warrants. Additionally, potentially dilutive securities of 2.2 million from the assumed conversion of preferred stock are excluded from the denominator because they would be anti-dilutive.

REVENUE RECOGNITION

The Company recognizes revenue at the amount to which it expects to be entitled when control of the products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and the title, and the significant risks and rewards of ownership of the products or services, have been transferred to its customers. Product revenue is derived from the sale of interactive devices and related software and accessories to distributors, resellers and end users. Service revenue is derived from hardware maintenance services, product installation, training, software maintenance and subscription services.

Nature of Products and Services and Related Contractual Provisions

The Company's sales of interactive devices, including panels, whiteboards, and other interactive devices generally include hardware maintenance services, a license to use software, and the provision of related software maintenance. We also distribute science, technology, engineering, and math (or "STEM") products, including a robotics and coding system, 3D printing solution and portable science lab. In most cases, interactive devices are sold with hardware maintenance services with terms of approximately 30-60 months. Software maintenance includes technical support, product updates performed on a when and if available basis, and error correction services. At times, non-interactive projectors are also sold with hardware maintenance services with terms of approximately 60 months. The Company also licenses software independently of its interactive devices, in which case it is bundled with software maintenance, and in some cases, subscription services that include access to on-line content and cloud-based applications. The Company's software subscription services provide access to content and software applications on an as needed basis over the Internet, but do not provide the right to take delivery of the software applications.

The Company's product sales, including those with software and related services, generally include a single payment up front for the products and services, and revenue is recorded net of estimated sales returns and rebates based on the Company's expectations and historical experience. For most of the Company's product sales, control transfers and, therefore, revenue is recognized when products are shipped at the point of origin. When the Company transfers control of its products to the customer prior to the related shipping and handling activities, the Company has adopted a policy of accounting for shipping and handling activities as a fulfillment cost rather than a performance obligation. For many of the Company's software product sales, control is transferred when shipped at the point of origin since the software is installed on the interactive hardware device in advance of shipping. For software product sales, control is transferred when the customer receives the related interactive hardware since the customer's connection to the interactive hardware activates the software license, at which time the software is made available to the customer. For the Company's software maintenance, hardware maintenance and subscription services, revenue is recognized ratably over time as the services are provided since time is the best output measure of how those services are transferred to the customer.

The Company excludes all taxes assessed by a governmental agency that are both imposed on and concurrent with the specific revenue-producing transaction from revenue (for example, sales and use taxes). In essence, the Company is reporting these amounts collected on behalf of the applicable government agency on a net basis as though they are acting as an agent. The taxes collected and not yet remitted to the governmental agency are included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Significant Judgments

For contracts with multiple performance obligations, each of which represent promises within a contract that are distinct, the Company allocates revenue to all distinct performance obligations based on their relative stand-alone selling prices ("SSPs"). The Company's products and services included in its contracts with multiple performance obligations generally are not sold separately and there are no observable prices available to determine the SSP for those products and services. Since observable prices are not available, SSPs are established that reflect the Company's best estimates of what the selling prices of the performance obligations would be if they were sold regularly on a stand-alone basis. The Company's process for estimating SSPs without observable prices considers multiple factors that may vary depending upon the unique facts and circumstances related to each performance obligation including, when applicable, the estimated cost to provide the performance obligation, market trends in the pricing for similar offerings, product-specific business objectives, and competitor or other relevant market pricing and margins. Because observable prices are generally not available for the Company's performance obligations that are sold in bundled arrangements, the Company does not apply the residual approach to determining SSP.

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The Company has applied the portfolio approach to its allocation of the transaction price for certain portfolios of contracts that are executed in the same manner, contain the same performance obligations, and are priced in a consistent manner. The Company believes that the application of the portfolio approach produces the same result as if they were applied at the contract level.

Contract Balances

The timing of invoicing to customers often differs from the timing of revenue recognition and these timing differences can result in receivables, contract assets, or contract liabilities (deferred revenue) on the Company's consolidated balance sheets. Fees for the Company's product and most service contracts are fixed, except as adjusted for rebate programs when applicable, and are generally due within 30-60 days of contract execution. Fees for installation, training and professional development services are fixed and generally become due as the services are performed. The Company has an established history of collecting under the terms of its contracts without providing refunds or concessions to its customers. The Company's contractual payment terms do not vary when products are bundled with services that are provided over multiple years. In these contracts where services are expected to be transferred on an ongoing basis for several years after the related payment, the Company has determined that the contracts generally do not include a significant financing component. The upfront invoicing terms are designed (1) to provide customers with a predictable way to purchase products and services where the payment is due in the same timeframe as when the products, which constitute the predominant portion of the contractual value, are transferred, and (2) to ensure that the customer continues to use the related services; so that the customer can receive the optimal benefit from the products during the course of such product's lifetime. Additionally, the Company has elected the practical expedient to exclude any financing component from consideration for contracts where, at contract inception, the period between the transfer of services and the timing of the related payment is not expected to exceed one year.

The Company has an unconditional right to consideration for all products and services transferred to the customer. That unconditional right to consideration is reflected in accounts receivable in the accompanying condensed consolidated balance sheets in accordance with Topic 606. Contract liabilities are reflected in deferred revenue in the accompanying condensed consolidated balance sheets and reflect amounts allocated to performance obligations that have not yet been transferred to the customer related to software maintenance, hardware maintenance, and subscription services. The Company had no material contract assets as of September 30, 2024 or December 31, 2023. During the three months ended September 30, 2024 and September 30, 2023, respectively, the Company recognized \$2.1 million and \$1.9 million of revenue that was included in the deferred revenue balance as of December 31, 2023 and December 31, 2022, respectively. During the nine months ended September 30, 2024 and September 30, 2023, the Company recognized \$6.5 million and \$6.0 million of revenue that was included in the deferred revenue balance as of December 31, 2023 and December 31, 2022, respectively.

Variable Consideration

The Company's otherwise fixed consideration may vary when refunds or credits are provided for sales returns, stock rotation rights, price protection provisions, or in connection with certain other rebate provisions. The Company generally does not allow product returns other than under assurance warranties or hardware maintenance contracts. However, the Company, on a case-by-case basis, will grant exceptions, mostly for "buyer's remorse" where the distributor or reseller's end customer either did not understand what they were ordering or otherwise determined that the product did not meet their needs. An allowance for sales returns is estimated based on an analysis of historical trends. In very limited situations, a customer may return previous purchases held in inventory for a specified period of time in exchange for credits toward additional purchases. The Company provides rebates to certain customers based on the achievement of certain sales targets. The provision for rebates is estimated based on customers' contracted rebate programs and our historical experience of rebates paid. The Company includes variable consideration in its transaction price when there is a basis to reasonably estimate the amount of the fee and it is probable there will not be a significant reversal. These estimates are generally made using the most likely method based on historical experience and are measured at each reporting date. There was no material revenue recognized in the three and nine months ended September 30, 2024 related to changes in estimated variable consideration that existed at December 31, 2023.

Remaining Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting within the contract. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised good or service to

the customer. The Company identifies performance obligations at contract inception so that it can monitor and account for the obligations over the life of the contract. Remaining performance obligations represent the portion of the transaction price in a contract allocated to products and services not yet transferred to the customer. As of September 30, 2024 and December 31, 2023, the aggregate amount of the contractual transaction prices allocated to remaining performance obligations was \$25.8 million and \$25.0 million, respectively. The Company expects to recognize revenue on 36.6% of the remaining performance obligations during the next 12 months, 29.0% in the following 12 months, 19.9% in the 12 months ended September 30, 2027, 11.1% in the 12 months ended June 30, 2028, with the remaining 3.4% recognized thereafter.

In accordance with Topic 606, the Company has elected not to disclose the value of remaining performance obligations for contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed (for example, a time-and-materials professional services contracts). In addition, the Company has elected not to disclose the value of remaining performance obligations for contracts with performance obligations that are expected, at contract inception, to be satisfied over a period that does not exceed one year.

Disaggregated Revenue

The Company disaggregates revenue based upon the nature of its products and services and the timing and in the manner which it is transferred to the customer. Although all products are transferred to the customer at a point in time, hardware and some software which comes pre-installed on an interactive device is transferred at the point of shipment, while some software is transferred to the customer at the time the hardware is received by the customer or when software product keys are delivered electronically to the customer. All service revenue is transferred over time to the customer; however, professional services are generally transferred to the customer within a year from the contract date as measured based upon hours or time incurred while software maintenance, hardware maintenance, and subscription services are generally transferred over three to five years from the contract execution date as measured based upon the passage of time.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	(in thousands)		(in thousands)	
	2024	2023	2024	2023
Product revenue	\$ 33,948	\$ 47,383	\$ 104,065	\$ 130,599
Service revenue	2,341	2,284	7,832	7,310
Total revenues, net	\$ 36,289	\$ 49,667	\$ 111,897	\$ 137,909

Contract Costs

The Company capitalizes incremental costs to obtain a contract with a customer if the Company expects to recover those costs. The incremental costs to obtain a contract are those that the Company incurs to obtain a contract with a customer that it would not have otherwise incurred if the contract were not obtained (e.g., a sales commission). The Company capitalizes the costs incurred to fulfill a contract only if those costs meet all the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- The costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

Certain sales commissions incurred by the Company are determined to be incremental costs to obtain the related contracts, which are deferred and amortized ratably over the estimated economic benefit period. For these sales commissions that are incremental costs to obtain where the period of amortization would be recognized over a period that is one year or less, the Company has elected the practical expedient to expense those costs as incurred. Commission costs that are deferred are classified as current or non-current assets based on the timing of when the Company expects to recognize the expense and are included in prepaid and other current assets and other assets, respectively, in the accompanying condensed consolidated balance sheets. Total deferred commissions, net of accumulated amortization, as of September 30, 2024 and December 31, 2023 were \$0.5 million and \$0.6 million, respectively.

The Company has not historically incurred any material fulfillment cost that meet the criteria for capitalization.

ADVERTISING COSTS

Advertising costs are expensed as incurred and included in General and Administrative expenses in the accompanying consolidated statements of operations. Advertising expense for the three and nine months ended September 30, 2024 totaled \$80 thousand and \$135 thousand, respectively. Advertising expense for the three and nine months ended September 30, 2023 totaled \$31 thousand and \$196 thousand respectively.

SEGMENT REPORTING

ASC 280, *Segment Reporting*, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. Our CODM is our Chief Executive Officer.

The Company's operations are organized, managed and classified into three reportable segments – Europe, Middle East, and Africa ("EMEA"), North and Central America (the "Americas") and all other geographic regions ("Rest of World"). Our EMEA segment consists of the operations of Sahara Holding Limited and its subsidiaries (the "Sahara Entities"). Our Americas segment consists primarily of the operations of Boxlight, Inc. and its subsidiaries, and the Rest of World segment consists primarily of the operations of Boxlight Australia, PTY LTD ("Boxlight Australia").

Each of our operating segments are primarily engaged in the sale of education technology products and services in the education market but which are also sold into the health, government and corporate sectors and derive a majority of their revenues from the sale of flat-panel displays, audio and other hardware accessory products, software solutions and professional services. Generally, our displays produce higher net operating revenues but lower gross profit margins than our accessory solutions and professional services. The Americas operating segment includes salaries and overhead for corporate functions that are not allocated to the Company's individual reporting segments. Transfers between segments are generally valued at market and are eliminated in consolidation.

ACCOUNTING STANDARDS PENDING ADOPTION

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which enhances reporting requirements under Topic 280. The enhanced disclosure requirements include: title and position of the Chief Operating Decision Maker (CODM), significant segment expenses provided to the CODM, extending certain annual disclosures to interim periods, clarifying single reportable segment entities must apply ASC 280 in its entirety, and permitting more than one measure of segment profit or loss to be reported under certain circumstances. This change is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. This change will apply retrospectively to all periods presented. The adoption of this ASU is not expected to result in significant changes to the Company's current segment disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*, which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. The new guidance requires consistent categorization and greater disaggregation of information in the rate reconciliation, as well as further disaggregation of income taxes paid. This change is effective for annual periods beginning after December 15, 2024. This change will apply on a prospective basis to annual financial statements for periods beginning after the effective date. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40)*, which improves the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales, SG&A, and research and development). This change is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. This change will apply on a prospective basis to annual financial statements for periods beginning after the effective date. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

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NOTE 2 – ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	2024	2023
Accounts receivable – trade	\$ 27,050	\$ 33,089
Allowance for credit losses	(352)	(421)
Allowance for sales returns and volume rebates	(1,311)	(3,145)
Accounts receivable - trade, net of allowances	<u><u>\$ 25,387</u></u>	<u><u>\$ 29,523</u></u>

NOTE 3 – INVENTORIES

Inventories consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	2024	2023
Finished goods	\$ 44,021	\$ 45,461
Spare parts	1,064	1,221
Reserve for inventory obsolescence	(2,765)	(2,551)
Inventories, net	<u><u>\$ 42,320</u></u>	<u><u>\$ 44,131</u></u>

NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at September 30, 2024 and December 31, 2023 (in thousands):

	2024	2023
Prepayments to vendors	\$ 1,096	\$ 3,176
Prepaid licenses and other	8,061	6,295
Prepaid expenses and other current assets	<u><u>\$ 9,157</u></u>	<u><u>\$ 9,471</u></u>

Prepaid expenses and other current assets as of September 30, 2024 and December 31, 2023 are net of reserves of \$ 1.4 million related to vendor receivables.

NOTE 5 – INTANGIBLE ASSETS

Intangible Assets

Intangible assets consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	Useful lives	2024		2023	
INTANGIBLE ASSETS					
Patents	4-10 years	\$	182	\$	182
Customer relationships	8-15 years		54,795		52,588
Technology	3-5 years		9,118		8,944
Domain	7 years		14		14
Non-compete	3 years		391		391
Tradenames	2-10 years		13,045		12,723
Intangible assets, at cost			77,545		74,842
Accumulated amortization			(35,843)		(28,878)
Intangible assets, net of accumulated amortization		\$	41,702	\$	45,964

For the three months ended September 30, 2024 and 2023, the Company recorded amortization expense of \$ 1.9 million and \$2.1 million, respectively. For the nine months ended September 30, 2024 and 2023, the Company recorded amortization expense of \$5.7 million and \$6.4 million, respectively. Changes to gross carrying amount of recognized intangible assets due to translation adjustments include approximately \$2.5 million as of September 30, 2024 and (\$ 0.1) million as of December 31, 2023.

During the quarter ended September 30, 2024, the Company determined that a triggering event had occurred as a result of a decline in the Company's revenues resulting from lower sales volume primarily resulting from lower global demand for interactive flat panel displays, which suggested one or more of the reporting units may have fallen below the carrying amounts. As a result, the Company performed an interim impairment test on its finite-lived intangible assets using undiscounted cash flows. There was no impairment recorded on finite-lived intangible assets during the nine months ended September 30, 2024.

Goodwill

During the quarter ended September 30, 2023, due to further declines in the Company's market capitalization and a reduction in cashflows resulting from continued softening in the industry leading to a reduction in sales from interactive flat-panel displays, the Company determined that a triggering event had occurred.

As of September 30, 2023, the Company performed an interim goodwill impairment test as a result of the triggering events identified. In analyzing goodwill for potential impairment in the quantitative impairment test, the Company used a combination of the income and market approaches to estimate the fair value. Certain estimates and assumptions, including the Company's operating forecast for 2023 and future periods, were revised based on current industry and Company trends. For the three and nine months ended September 30, 2023, the Company recorded goodwill impairment charges of \$10.4 million and \$2.8 million to the Americas and EMEA reporting units, respectively, which also represents total accumulated goodwill impairment charges for each reporting unit.

NOTE 6 – LEASES

The Company has entered into various operating leases for certain offices, support locations and vehicles with terms extending through December 2038. Generally, these leases have initial lease terms of five years or less.

As of September 30, 2024, the Company had no leases classified as finance leases. The Company is currently not a lessor in any lease arrangement.

Operating lease expense was \$595 thousand and \$712 thousand for the three months ended September 30, 2024 and 2023, respectively and \$ 1.8 million for the nine months ended September 30, 2024 and September 30, 2023. Variable

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and short-term lease cost was \$470 thousand and \$1.4 million for the three and nine months ended September 30, 2024, respectively. Variable and short-term lease cost were not material for the three and nine months ended September 30, 2023. Cash paid for amounts included in the measurement of lease liabilities was \$426 thousand and \$660 thousand for the three months ended September 30, 2024 and 2023, respectively and \$ 1.3 million and \$1.9 million for the nine months ended September 30, 2024 and September 30, 2023, respectively.

Future maturities of the Company's operating lease liabilities are summarized as follows (in thousands):

Fiscal year ended,

2024	\$ 722
2025	2,298
2026	1,850
2027	1,211
2028	881
Thereafter	7,090
Total lease liabilities	14,052
Less: Imputed interest	(4,678)
Present value of lease liabilities	\$ 9,374

The following is supplemental lease information as of September 30, 2024 and December 31, 2023:

	2024	2023
Weighted-average remaining lease term (years)	9.9	9.9
Weighted-average discount rate	10.1 %	10.8 %

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	2024	2023
Accounts payable	\$ 19,102	\$ 27,448
Accrued expenses and other	6,317	5,106
Other	631	345
Accounts payable and accrued expenses	\$ 26,050	\$ 32,899

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NOTE 8 – DEBT

The following is a summary of the Company's debt as of September 30, 2024 and December 31, 2023 (in thousands):

	2024	2023
Debt – Third Parties		
Paycheck Protection Program	\$ 30	\$ 72
Note payable - Whitehawk	40,064	43,206
Total debt	40,094	43,278
Less: Premium, discount and issuance costs	1,301	3,107
Current portion of debt	1,682	1,037
Long-term debt	\$ 37,111	\$ 39,134
Total debt (net of premium, discount and issuance costs)	<u><u>\$ 38,793</u></u>	<u><u>\$ 40,171</u></u>

Debt - Third Parties:

Whitehawk Finance LLC

In December 2021, the Company and substantially all of its direct and indirect subsidiaries (the "Loan Parties") entered into a term loan credit facility, dated December 31, 2021 (the "Credit Agreement"), with Whitehawk Finance LLC, as lender (the "Lender"), and White Hawk Capital Partners, LP, as collateral agent ("Whitehawk" or the "Collateral Agent"). Under the Credit Agreement, the Company received an initial term loan of \$58.5 million and a subsequent delayed draw facility of up to \$10 million (collectively, the "Term Loans"). The Term Loans are secured by substantially all of the assets of the Company. Portions of the Term Loans were subject to repayment in February 2022, and quarterly principal payments of \$625,000 and interest payments commenced March 31, 2022, with the remaining balance becoming due and payable in full on December 31, 2025. The Term Loans bore interest at the LIBOR rate plus 10.75%; subject to the Company maintaining a borrowing base in compliance with the Credit Agreement.

In April 2022, the Company entered into a First Amendment to the Credit Agreement with the Collateral Agent and Lender (the "First Amendment"), pursuant to which the Collateral Agent and Lender agreed to extend the terms of repayment of \$8.5 million originally due in February 2022 until February 2023. The First Amendment also included forbearance on certain over-advances to allow the Company to come into compliance with the borrowing base requirements set forth in the Credit Agreement. In addition, the Collateral Agent and Lender agreed to (i) reduce, through September 2022, the minimum cash reserve requirement for the Loan Parties, (ii) reduce the interest rate by 50 basis points (to LIBOR plus 9.75%) after delivery of the Loan Parties' September 30, 2023 financial statements, subject to the Loan Parties maintaining a 1.75 EBITDA coverage ratio, and (iii) waive all prior events of default under the Credit Agreement. The parties also agreed that no prepayment premiums would be payable with respect to the first \$5.0 million paid under the Term Loan, any payments made in relation to the \$8.5 million due on or before February 2023, any required amortization payments under the Credit Agreement and any mandatory prepayments by way of excess cash flow or casualty events.

In June 2022, the Loan Parties entered into a second amendment to the Credit Agreement with the Collateral Agent and Lender (the "Second Amendment"). Under the Second Amendment, the Lender funded a \$ 2.5 million delayed draw term loan and adjusted certain terms of the Credit Agreement, including the Applicable Margin (as defined in the Second Amendment) to 13.25% for LIBOR Rate Loans and 12.25% for Reference Rate Loans, increasing the definition of change of control from 33% voting power to 40% voting power, requiring the Company to engage a financial advisor, and allowing additional time, until July 2022, for the Company to come into compliance with certain borrowing base requirements set forth in the Second Amendment, among other adjustments.

In April 2023, the Company entered into a third amendment to the Credit Agreement with the Collateral Agent and the Lender (the "Third Amendment"). Under the Third Amendment, the Lender funded an additional \$3.0 million delayed draw term loan, which was required to be repaid on or prior to September 29, 2023, and adjusted certain terms of the Credit Agreement, including the test period end dates and corresponding Senior Leverage Ratios (as defined in the Credit Amendment) and the minimum liquidity requirements that the Company must maintain compliance with pertaining to certain Borrowing Base Requirements (as defined in the Credit Agreement), among other adjustments. Following this

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additional draw, no further delayed draws remained under the Credit Agreement. In July 2023, the Company repaid the \$ 3.0 million delayed draw term loan with no prepayment penalties or premiums.

In June 2023, the Company entered into a fourth amendment to the Credit Agreement with the Collateral Agent and the Lender (the "Fourth Amendment") to replace LIBOR-based rates with a SOFR-based rate. Following the Fourth Amendment, the Company's interest rate is calculated as the Daily Simple SOFR, subject to a floor of 1%, plus the SOFR Term Adjustment and Applicable Margin, each as defined in the Credit Agreement, as amended. The Fourth Amendment made no other changes to the Credit Agreement.

On March 14, 2024, the Company entered into a fifth amendment to the Credit Agreement with the Collateral Agent and Lender (the "Fifth Amendment") to (i) amend and restate the Senior Leverage Ratio and Minimum Liquidity (each as defined in the Fifth Amendment), and (ii) waive any event of default that may have arisen directly as a result of the Company's Financial Covenant Default (as defined in the Fifth Amendment) at December 31, 2023. Under the Fifth Amendment, the Senior Leverage Ratio requirement at March 31, 2024 was amended from 2.00 to 6.00, at June 30, 2024 remained at 2.00 and thereafter remained at 1.75. The Fifth Amendment also added additional financial reporting obligations and additional guarantors under the Credit Agreement.

On April 19, 2024, the Company entered into a sixth amendment to the Credit Agreement with the Collateral Agent and Lender (the "Sixth Amendment"). The Sixth Amendment provided the Company with an additional \$2 million working capital bridge loan in April 2024, and an additional \$ 3 million working capital bridge loan in June 2024, of which \$2 million was advanced to the Company. The Company was required to pay a fee equal to 6% of the aggregate amount of borrowings under the Sixth Amendment (i.e. \$4.0 million). Both working capital bridge loans, including the related fee, are due and payable in full on November 29, 2024, and are not subject to prepayment penalties.

On August 12, 2024, the Company entered into a seventh amendment to the Credit Agreement with the Collateral Agent and Lender (the "Seventh Amendment") to (i) reduce the intellectual property sublimit under the borrowing base from \$15.0 million to \$11.2 million, and (ii) waive the event of default that may have arisen directly as a result of the Financial Covenant Default (as defined in the Seventh Amendment) at June 30, 2024.

On November 14, 2024, the Company obtained a waiver for the Credit Agreement from the Collateral Agent and Lender (the "November 2024 Waiver") to waive any events of default that may have arisen directly as a result of (i) the Financial Covenant Default (as defined in the November 2024 Waiver) at September 30, 2024 and (ii) the Borrowing Base Default (as defined in the November 2024 Waiver) for the month ended October 31, 2024. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$ 60 thousand of prepayment penalties.

During the three months ended September 30, 2024, the Company repaid \$ 3.5 million of the \$4.0 million additional borrowings under the Sixth Amendment. In October 2024, the Company repaid the remaining \$0.5 million borrowings under the Sixth Amendment and \$ 0.2 million in financing fees related to the borrowing.

Covenant Compliance and Liquidity Considerations

The Credit Agreement, as amended to date, requires compliance with certain monthly covenants, which include provisions regarding over advance limitations based upon a borrowing base. In June 2023, in connection with obtaining a waiver of compliance with those covenants, the Company agreed to engage a financial advisor and to use commercial reasonable efforts to refinance the Credit Agreement with an alternative lender and repay the credit facility by September 30, 2023, or as soon thereafter as practical. The waiver also increased the prepayment premium from the amount included in the original Credit Agreement. The Company has either implemented or initiated plans regarding refinancing procedures that are within management's control to comply with the waiver requirements. The Company's financial statements do not include any adjustments that might result from the outcome of the Company's activities to refinance and repay the credit facility.

The Company was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at September 30, 2023. The Company cured the non-compliance at September 30, 2023 by paying \$4.3 million inclusive of \$0.3 million in prepayment penalties and accrued interest in November 2023 which would have resulted in the Company being in compliance with the Senior Leverage Ratio at September 30, 2023.

The Company was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at December 31, 2023. The non-compliance was cured through a waiver under the Fifth Amendment.

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In February 2024, the Company paid \$1.7 million, inclusive of a \$0.1 million pre-payment penalty, to Whitehawk to maintain compliance with the borrowing base covenant calculation as of January 31, 2024. After the payment the Company was in compliance with the borrowing base covenant.

The Company also was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at June 30, 2024. The non-compliance was cured through a waiver under the Seventh Amendment.

The Company also was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at September 30, 2024 and its borrowing base covenant for the month ended October 31, 2024. The non-compliance was cured through a waiver under the November 2024 Waiver. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$60 thousand of prepayment penalties.

Issuance Cost and Warrants

In conjunction with its receipt of the Initial Loan, the Company issued to the Lender (i) 66,022 shares of Class A common stock (the "Shares"), which Shares were registered pursuant to its existing shelf registration statement and were delivered to the Lender in January 2022, (ii) a warrant to purchase 255,411 shares of Class A common stock (subject to increase to the extent that 3% of any Series B and Series C convertible preferred stock converted into Class A common stock), exercisable at \$16.00 per share (the "Warrant"), which Warrant was subject to repricing on March 31, 2022 based on the arithmetic volume weighted average prices for the 30 trading days prior to September 30, 2022, in the event the Company's stock is then trading below \$16.00 per share, (iii) a 3% fee of \$1,800,000, and (iv) a \$500,000 original issue discount. In addition, the Company agreed to register for resale the shares issuable upon exercise of the Warrant. The Company also incurred agency fees, legal fees, and other costs in connection with the execution of the Credit Agreement totaling approximately \$1.7 million. Under the terms of the Warrant issued to Whitehawk on December 31, 2021, the exercise price of the warrants would reprice if the stock price on March 31, 2022 was less than the original exercise price, at which time the number of Warrants would also be increased proportionately, so that after such adjustment the aggregate exercise price payable for the increased number of Warrant shares would be the same as the aggregate exercise price previously in effect. The Warrants repriced on March 31, 2022 to \$9.52 per share and the number of Warrant shares increased to 429,263.

On July 22, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with an accredited institutional investor. According to the terms of the Credit Agreement, as amended, the Purchase Agreement triggered a reduction of the exercise price of the warrants and a revaluation of the derivative liability. The Whitehawk Warrants were repriced to \$8.80 and the number of Warrant shares increased to 464,385.

NOTE 9 – DERIVATIVE LIABILITIES

The Company determined that certain warrants to purchase common stock do not satisfy the criteria for classification as equity instruments due to the existence of certain net cash and non-fixed settlement provisions that are not within the sole control of the Company. Conversion and exercise prices may be lowered if the Company issues securities at lower prices in the future. Such warrants are measured at fair value at each reporting date, and the changes in fair value are included in determining net income (loss) for the period. The Company used a Model Monte Carlo Simulation model to determine the fair value of the derivative liabilities.

	September 30, 2024
Common stock issuable upon exercise of warrants	464,385
Market value of common stock on measurement date	\$ 0.53
Exercise price	\$ 8.80
Risk free interest rate (1)	3.54 %
Expected life in years	2.25 years
Expected volatility (2)	76.0 %
Expected dividend yields (3)	— %

	December 31, 2023
Common stock issuable upon exercise of warrants	464,385
Market value of common stock on measurement date	\$ 1.07
Exercise price	\$ 8.80
Risk free interest rate (1)	3.93 %
Expected life in years	3 years
Expected volatility (2)	114.0 %
Expected dividend yields (3)	— %

(1) The risk-free interest rate was determined by management using the applicable Treasury Bill as of the measurement date.

(2) The historical trading volatility was based on historical fluctuations in stock price for Boxlight and certain peer companies.

(3) The Company does not expect to pay a dividend in the foreseeable future.

NOTE 10 – INCOME TAXES

Pretax (loss) income resulting from domestic and foreign operations is as follows (in thousands):

	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
United States	\$ (4,681)	\$ (8,041)	\$ (11,748)	\$ (11,761)
Foreign	1,608	(6,636)	887	(6,345)
Total pretax book loss	\$ (3,073)	\$ (14,677)	\$ (10,861)	\$ (18,106)

The Company recorded income tax benefit of \$ 12 thousand and income tax expense of \$ 3.1 million for the three months ended September 30, 2024 and 2023, respectively, and income tax expense of \$767 thousand and \$3.4 million for the nine months ended September 30, 2024 and 2023, respectively. The effective tax rate was (7.1)% and (18.7)% for the nine months ended September 30, 2024 and September 30, 2023. The negative year to date effective tax rate is due to the Company paying income taxes in various jurisdictions while incurring a worldwide net loss.

The decrease in income tax expense year-over-year is primarily due to an increase in the forecasted worldwide net loss for the nine months ended September 30, 2024 as compared to the prior year.

The Company operates in the United States, United Kingdom, and other jurisdictions. Income taxes have been provided based upon the tax laws and rates of the countries in which operations are conducted and income is earned.

The legacy Boxlight entities are in a net deferred tax asset position in the United States, the United Kingdom, and other jurisdictions, primarily driven by its net operating losses. The recoverability of these deferred tax assets depends on the Company's ability to generate taxable income in the jurisdiction to which the carryforward applies. It also depends on specific tax provisions in each jurisdiction that could impact utilization. For example, in the United States, a change in ownership, as defined by federal income tax regulations, could significantly limit the Company's ability to utilize its U.S. net operating loss carryforwards. Additionally, because U.S. tax laws limit the time during which the net operating losses generated prior to 2020 may be applied against future taxes, if the Company fails to generate U.S. taxable income prior to the expiration dates, the Company may not be able to fully utilize the net operating loss carryforwards to reduce future income taxes. The Company has evaluated both positive and negative evidence as to the ability of its legacy entities in each jurisdiction to generate future taxable income. Based on its long history of cumulative losses in those jurisdictions, it believes it is appropriate to maintain a full valuation allowance on its net deferred tax asset at September 30, 2024 and December 31, 2023.

The Company completed its IRC Sec. 382 analysis during the second quarter of 2024 and determined that it underwent an ownership change. This caused a limit on the net operating losses generated before 2020. Due to the full

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valuation allowance on net operating loss carryovers, there is no impact to the interim financial statements as a result of this limitation.

The Sahara entities have recorded a net deferred tax liability, which is primarily driven by the net deferred tax liability on the intangibles for which it does not have tax basis. The Company does not qualify for any consolidated filing positions in any of these countries, so there is no ability to net the deferred tax liabilities of the Sahara companies against the deferred tax assets of the legacy Boxlight companies.

The tax years from 2010 to 2023 remain open to examination in the U.S. federal jurisdiction and in most U.S. state jurisdictions. The tax years from 2021 to 2023 remain open to examination in the U.K. Statutes of limitations vary in other immaterial jurisdictions.

During the second quarter of 2021, the Company became aware of a potential state tax exposure for failure to file minimum tax returns in a state for several years. The Company has recorded an exposure item of \$95 thousand for its best estimate of the amount for which it will settle the exposure. This amount includes \$24 thousand of income tax and \$71 thousand of penalties and interest. The Company has not identified any other material uncertain tax positions during the three months ended September 30, 2024.

The Organization for Economic Co-operation and Development ("OECD") introduced Base Erosion and Profit Shifting ("BEPS") Pillar 2 rules that impose a global minimum tax rate of 15%. Numerous countries, including European Union member states, have enacted or are expected to enact legislation to be effective as early as January 1, 2024, with general implementation of a global minimum tax rate by January 1, 2025. We are currently evaluating the potential impact of the rules on our consolidated financial statements and related disclosures.

NOTE 11 – EQUITY

Preferred Shares

The Company's articles of incorporation, as amended, provide that the Company is authorized to issue 50,000,000 shares of preferred stock, with such preferred stock consisting of: (1) 250,000 shares of non-voting Series A preferred stock, with a par value of \$ 0.0001 per share; (2) 1,586,620 shares of voting Series B preferred stock, with a par value of \$0.0001 per share; (3) 1,320,850 shares of voting Series C preferred stock, with a par value of \$ 0.0001 per share; and (4) remaining shares of "blank check" preferred stock to be designated by the Company's board of directors. Each authorized series of preferred stock is described below.

Issuance of Preferred Shares

Series A Preferred Stock

At the time of the Company's initial public offering, the Company issued 250,000 shares of the Company's non-voting convertible Series A preferred stock to Vert Capital for the acquisition of Genesis Collaboration LLC. As of September 30, 2024, a total of 167,972 shares of Series A preferred stock remained outstanding which can be converted into 33,461 shares of Class A common stock, at the discretion of the Series A stockholder.

Series B Preferred Stock and Series C Preferred Stock

On September 25, 2020, in connection with the acquisition of Sahara Holding Limited ("Sahara"), the Company issued 1,586,620 shares of Series B preferred stock and 1,320,850 shares of Series C preferred stock. The Series B preferred stock has a stated and liquidation value of \$ 10.00 per share and pays a dividend out of the earnings and profits of the Company at the rate of 8% per annum, payable quarterly. The Series B preferred stock is convertible into the Company's Class A common stock at a conversion price of \$13.28 per share which was the closing price of the Company's Class A common stock on the Nasdaq Stock Market on September 25, 2020 (the "Conversion Price"). Such conversion may occur either (i) at the option of the holder at any time after January 1, 2024, or (ii) automatically upon the Company's Class A common stock trading at 200% of the Conversion Price for 20 consecutive trading days (based on a volume weighted average price). The Series C preferred stock has a stated and liquidation value of \$10.00 per share and is convertible into the Company's Class A common stock at the Conversion Price either (i) at the option of the holder at any time after January 1, 2026, or (ii) automatically upon the Company's Class A common stock trading at 200% of the Conversion Price for 20 consecutive trading days (based on a volume weighted average price).

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To the extent not previously converted into the Company's Class A common stock, the outstanding shares of Series B preferred stock shall be redeemable at the option of the holders at any time or from time to time commencing on January 1, 2024 upon, 30 days prior written notice from the holders, for a redemption price, payable in cash, equal to the sum of (a) \$10.00 multiplied by the number of shares of Series B preferred stock being redeemed (the "Redeemed Shares"), plus (b) all accrued and unpaid dividends, if any, on such Redeemed Shares. The Series C preferred stock is also subject to redemption on the same terms commencing January 1, 2026. The aggregate estimated fair value of the Series B and C preferred stock of \$28.5 million was included as part of the total consideration paid for the purchase of Sahara.

As the redemption features in the Series B preferred stock and Series C preferred stock are not solely within the control of the Company, the Company has classified the Series B preferred stock and Series C preferred stock as mezzanine or temporary equity in the Company's condensed consolidated balance sheet.

Common Stock

The Company's authorized common stock consists of 1) 18,750,000 shares of Class A voting common stock and 2) 50,000,000 shares of Class B non-voting common stock. Class A and Class B common stock have the same rights except that Class A common stock is entitled to one vote per share while Class B common stock has no voting rights. Upon any public or private sale or disposition by any holder of Class B common stock, such shares of Class B common stock would automatically convert into shares of Class A common stock. No Class B shares were outstanding as of September 30, 2024 or December 31, 2023.

Warrants

The Company had equity warrants outstanding of 921,618 and 921,306 as of September 30, 2024 and December 31, 2023, respectively.

Repurchase Plan

On February 14, 2023, the Board of Directors of Boxlight Corporation approved the Company's establishment of a share repurchase program (the "Repurchase Program") authorizing the Company to purchase up to \$15.0 million of the Company's Class A common stock. Pursuant to the Repurchase Program, the Company may, from time to time, repurchase its Class A common stock in the open market, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in accordance with applicable securities laws and other restrictions. The timing and total amount of any repurchases made under the Repurchase Program will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The authorization expires on January 26, 2027, may be suspended or discontinued at any time, and does not obligate the Company to acquire any amount of Class A common stock. As of September 30, 2024, the Company has not utilized the Repurchase Program.

NOTE 12 – STOCK COMPENSATION

The Company has issued grants under two equity incentive plans, both of which have been approved by the Company's shareholders: (i) the 2014 Equity Incentive Plan, as amended (the "2014 Plan"), pursuant to which a total of 798,805 shares of the Company's Class A common stock have been approved for issuance, and (ii) the 2021 Equity Incentive Plan (the "2021 Plan"), pursuant to which a total of 625,000 shares of the Company's Class A common stock have been approved for issuance. Upon approval of the 2021 Plan in September 2022, any shares remaining available for issuance under the 2014 Plan were cancelled, and all future grants were issued under the 2021 Plan. The 2021 Plan allows for issuance of shares of our Class A common stock, whether through restricted stock, restricted stock units, options, stock appreciation rights or otherwise, to the Company's officers, directors, employees and consultants.

Stock Options

Under the Company's stock option program, pursuant to the 2014 Plan and 2021 Plan, employees may be eligible to receive awards that provides the opportunity in the future to purchase the Company's shares at the market price of the stock on the date the award is granted (the strike price). Following the issuance, such options become exercisable over a range of immediately vested to four-year vesting periods and expire five years from the grant date, unless stated differently in the option agreements, if they are not exercised. Stock options have no financial statement effect on the date they are granted but rather are reflected over time through compensation expense. We record compensation expense based on the

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estimated fair value of the awards which is amortized as compensation expense on a straight-line basis over the vesting period. Accordingly, total expense related to the award is reduced by the fair value of options that are forfeited by employees that leave the Company prior to vesting as they occur.

The following is a summary of the option activities during the nine months ended September 30, 2024:

	Number of Units
Outstanding, December 31, 2023	348,259
Granted	—
Exercised	—
Forfeited	(29,302)
Expired	(138,125)
Outstanding, September 30, 2024	180,832
Exercisable, September 30, 2024	<u><u>173,013</u></u>

Restricted Stock Units

Under the Company's 2014 Plan and 2021 Plan, the Company may grant restricted stock units ("RSUs") to certain employees and non-employee directors. Upon granting the RSUs, the Company recognizes a fixed compensation expense equal to the fair market value of the underlying shares of RSUs granted on a straight-line basis over the requisite services period for the RSUs. Compensation expense related to the RSUs is reduced by the fair value of units that are forfeited by employees that leave the Company prior to vesting. The RSUs vest over a range of immediately vested to four-year vesting periods in accordance with the terms of the applicable RSU grant agreement.

The following is a summary of the RSU activities during the nine months ended September 30, 2024:

	Number of Units
Outstanding, December 31, 2023	408,451
Granted	15,999
Vested	(137,370)
Forfeited	(202,488)
Outstanding, September 30, 2024	<u><u>84,592</u></u>

Stock Compensation Expense

Long-term incentive plan

On August 15, 2024, the Company granted a long-term incentive plan (LTIP) cash award pursuant to its 2021 Equity Incentive Plan to members of the Company's Board of Directors and senior management. The amount of each award earned will depend on the performance of the Company relative to certain performance targets related to share price appreciation of the Company's Class A common stock during the respective performance cycles. The LTIP awarded to the Company's Board of Directors have a performance period ending on March 31, 2025, whereas the LTIP awarded to senior management have three consecutive 12-month performance periods ending June 30, 2025, June 30, 2026, and June 30, 2027. If the Company's performance relative to the performance goal during the performance cycle is not equal to the performance target, the target Cash LTIP Award will be adjusted based on actual performance. At no time during the performance cycle shall the payout be less than 1/3 or exceed 3 times the target cash LTIP Award, unless a change of control has occurred. Cash payments are subject to the Company's compliance with all covenants contained in the Company's credit facilities in effect at the conclusion of each performance cycle. There have been no cash payments as of September 30, 2024. As amounts earned for the awards are based on changes in the Company's stock price, the Company will recognize a liability for compensation cost each reporting period based on the fair value as of each reporting date proportionally with the elapsed time at each reporting period. The liability is recognized in other short-term liabilities in the consolidated balance sheets. The Company used a Model Monte Carlo Simulation model to determine the fair value of the

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LTIP as of September 30, 2024 to be \$ 274 thousand. Key inputs to the valuation of the awards include the stock price as of the award effective date and the valuation date, the discount rate, and historical volatility in the Company's stock price.

	September 30, 2024
Market value of common stock on measurement date	\$ 0.53
Risk free interest rate (1)	3.54% - 4.29%
Expected life in years	0.5 - 2.75 years
Expected volatility (2)	60% - 76%

(1) The risk-free interest rate was determined by management using the applicable Treasury Bill as of the measurement date.

(2) The historical trading volatility was based on historical fluctuations in stock price for Boxlight and certain peer companies.

For the three and nine months ended September 30, 2024 and 2023, the Company recorded the following stock compensation in general and administrative expense (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Stock options	\$ 6	\$ 125	\$ 75	\$ 446
Restricted stock units	161	545	883	1,375
Warrants	—	1	1	2
Long-term incentive plan	274	—	274	—
Total stock compensation expense	<u>\$ 441</u>	<u>\$ 671</u>	<u>\$ 1,233</u>	<u>\$ 1,823</u>

NOTE 13 – RELATED PARTY TRANSACTIONS

Management Agreement

On November 1, 2022, the Company entered into a consulting agreement with Mark Elliott, former Chief Executive Officer of Boxlight and a current member of the Board of Directors. Under the terms of the agreement, Mr. Elliott is to provide sales, marketing, management and related consulting services to assist the Company in sourcing and entering into agreements with one or more customers to provide products and services for specified school districts. The Company will pay Mr. Elliott a fixed payment of \$4 thousand per month and commissions equal to 15% of gross profit derived by the Company based on total purchase order revenue. The agreement, unless cancelled, will automatically renew on December 31, 2024. For the nine months ended September 30, 2024 and 2023, the Company paid \$189 thousand and \$92 thousand under the agreement, respectively.

On January 31, 2018, the Company entered into a management agreement (the "Management Agreement") with an entity owned and controlled by our former Chief Executive Officer and Chairman, Michael Pope. The Management Agreement is separate and apart from Mr. Pope's employment agreement with the Company. The Management Agreement became effective as of the first day of the same month that Mr. Pope's employment with the Company terminated, and will be in effect for a period of 13 months, in which Mr. Pope will provide consulting services to the Company including sourcing and analyzing strategic acquisitions, assisting with financing activities, and other services. As consideration for the services provided, the Company will pay Mr. Pope a management fee equal to 0.375% of the consolidated net revenues of the Company, payable in monthly installments, not to exceed \$ 250,000 in any calendar year. At his option, Mr. Pope may defer payment until the end of each year and/or receive payment in the form of shares of Class A common stock of the Company.

On January 4, 2024, Mr. Pope's employment with the Company terminated at which time his Management Agreement became effective. For the nine months ended September 30, 2024, the Company paid \$250 thousand under the agreement.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Contingencies

The Company assesses its exposure related to legal matters and other items that arise in the regular course of its business. If the Company determines that it is probable a loss has been incurred, the amount of the loss, or an amount within the range of loss, that can be reasonably estimated is recorded. The Company has not identified any legal matters that could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

Purchase Commitments

The Company is legally obligated to fulfill certain purchase commitments made to vendors that supply materials used in the Company's products. As of September 30, 2024, the total amount of such open inventory purchase orders was \$12.9 million.

NOTE 15 – CUSTOMER AND SUPPLIER CONCENTRATION

There was one customer that accounted for greater than 10% of the Company's consolidated revenues for the nine months ended September 30, 2024 and 2023. Details are as follows:

Customer	Total revenues from the customer as a percentage of total revenues for the nine months ended September 30, 2024	Accounts receivable from the customer as of September 30, 2024 (in thousands)	Total revenues from the customer as a percentage of total revenues for the nine months ended September 30, 2023	Accounts receivable from the customer as of September 30, 2023 (in thousands)
1	10.0 %	\$ 581	12.8 %	\$ 5,417

For the nine months ended September 30, 2024 and 2023, the Company's purchases were concentrated primarily with one vendor. Details are as follows:

Vendor	Total purchases from the vendor as a percentage of total cost of revenues for the nine months ended September 30, 2024	Accounts payable to the vendor as of September 30, 2024 (in thousands)	Total purchases from the vendor as a percentage of total cost of revenues for the nine months ended September 30, 2023	Accounts payable to the vendor as of September 30, 2023 (in thousands)
1	60.6 %	\$ 14,927	45.1 %	\$ 22,715

The Company believes there are other suppliers that could be substituted should the above cited vendor were to become unavailable or non-competitive.

NOTE 16 – SEGMENTS

Information about our Company's operations by operating segment is shown in the following tables (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues, net				
Americas	\$ 16,719	\$ 25,717	\$ 57,044	\$ 76,851
EMEA	20,412	24,330	57,955	68,249
Rest of World	(215)	799	412	2,443
Eliminations and Adjustments ⁽¹⁾	(627)	(1,179)	(3,514)	(9,634)
Total Revenues, net	\$ 36,289	\$ 49,667	\$ 111,897	\$ 137,909
Income (Loss) from Operations				
Americas	(1,485)	(5,124)	(3,710)	(2,330)
EMEA	831	(6,945)	613	(8,205)
Rest of World	(221)	401	(114)	806
Eliminations and Adjustments ⁽¹⁾	16	69	(31)	26
Total Loss from Operations	\$ (859)	\$ (11,599)	\$ (3,242)	\$ (9,703)

(1) Eliminations and adjustments represent net sales between the Americas, EMEA and Rest of World segments. Sales between these segments are generally valued at market.

	September 30, 2024	December 31, 2023
	2024	2023
Identifiable Assets		
Americas	\$ 57,711	\$ 69,749
EMEA	82,508	85,732
Rest of World	1,176	3,090
Total Identifiable Assets	\$ 141,395	\$ 158,571

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to the end of the third quarter of 2024, the Company was not in compliance with its borrowing base covenant under the Credit Agreement for the month ended October 31, 2024. On November 14, 2024, the Company a waiver for the Credit Agreement to waive any events of default that may have arisen directly as a result of (i) the Financial Covenant Default (as defined in the November 2024 Waiver) at September 30, 2024 and (ii) the Borrowing Base Default (as defined in the November 2024 Waiver) for the month ended October 31, 2024. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$ 60 thousand of prepayment penalties.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the financial statements and the related notes thereto included elsewhere herein. The MD&A contains forward-looking statements that involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations, and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this report. The actual

results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors.

Historical results may not be indicative of future performance. The Company's forward-looking statements reflect its current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

Unless the context otherwise requires, the terms "the Company," "we," "us," and "our" in this Quarterly Report refer to Boxlight Corporation and its consolidated direct and indirect subsidiaries, and the term "Boxlight" refers to Boxlight Inc., a Washington corporation and a wholly owned subsidiary of Boxlight Corporation. The terms "quarter" and "year to date" refer to our quarter ending September 30th.

FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (including the section regarding Management's Discussion and Analysis and Results of Operations, the "Quarterly Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only prediction, and are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Factors that may cause actual results to differ materially from current expectations include, among other things

- our ability to comply with certain covenants, minimum liquidity and borrowing base requirements under our existing credit agreement and our ability to continue to operate as a going concern;
- our indebtedness, a substantial amount of which is bearing interest at a variable rate;
- our ability to maintain a listing of our Class A common stock on Nasdaq Capital Market;
- changes in the sales of our display products;
- seasonal fluctuations in our business;
- changes in our working capital requirements and cash flow fluctuations;
- competition in our industry;
- our ability to enhance our products and to develop, introduce and sell new technologies and products at competitive prices and in a timely manner;
- our reliance on resellers and distributors to promote and sell our products;
- the success of our strategy to increase sales in the business and government market;
- changes in market saturation for our products;
- challenges growing our sales in foreign markets;
- our dependency on third-party suppliers;

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- our reliance on highly skilled personnel;
- our ability to enter into and maintain strategic alliances with third parties;
- unfavorable global economic or political conditions, including the ongoing conflict between Russia and Ukraine, and Israel and Hamas;
- war, terrorism, other acts of violence, or potential effects of future pandemics;
- a breach in security of our electronic data or our information technology systems, including any cybersecurity attack;
- our ability to keep pace with developments in technology;
- changes in the spending policies or budget priorities for government funding of schools, colleges, universities, other education providers or government agencies;
- consumer product and environmental laws;
- risks inherently related to our foreign operations;
- our compliance with the Foreign Corrupt Practices Act;
- income taxation for our worldwide operations;
- our ability to ship and transport components and final products efficiently and economically across long distances and borders;
- compliance with export control laws;
- fluctuations in foreign currencies;
- unstable market and economic conditions and potential disruptions in the credit markets;
- defects in our products and detection thereof;
- patents or other intellectual property rights necessary to protect our proprietary technology and business;
- assertions against us relating to intellectual property rights;
- our ability to anticipate consumer preferences and successfully develop attractive products;
- our ability to develop, implement and maintain an effective system of internal control over financial reporting;
- and those other risks referenced herein, including those risks referred to in Part II, Item 1A—"Risk Factors" in this Quarterly Report and those risks discussed in our other filings with the Securities and Exchange Commission ("SEC"), including those risks discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, which discussion is incorporated herein by this reference.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. You should read this Quarterly Report and the documents that we reference in this Quarterly Report and have filed as exhibits thereto completely and with the understanding that our actual future results may be materially different from what we expect. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this Quarterly Report. Except as required by law, we assume no 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.

Overview

We are a technology company that is seeking to become a world-wide leading innovator and integrator of interactive products and software for schools, education, business, and government interactive spaces. We currently design, produce and distribute interactive displays, collaboration software, supporting accessories and professional services. We also distribute science, technology, engineering, and math (or "STEM") products, including a robotics and coding system, 3D printing solution and portable science lab. The Company's products are integrated into its software suite that provides tools for presentation creation and delivery, assessment, and collaboration.

Our operations are organized, managed, and classified into three reportable segments – Europe, Middle East, and Africa ("EMEA"), North and Central America ("Americas"), and all other geographic regions ("Rest of World"). Our EMEA segment consists of the operations of Sahara Holding Limited and its subsidiaries. Our Americas segment consists primarily of the operations of Boxlight, Inc. and its subsidiaries, and the Rest of World segment consists primarily of the operations of Boxlight Australia, PTY LTD ("Boxlight Australia").

Each of our operating segments are primarily engaged in the sale of education technology products and services in the education market but which are also sold into the health, government and corporate sectors and derive a majority of their revenues from the sale of flat-panel displays, audio and other hardware accessory products, software solutions and professional services. Generally, our displays produce higher net operating revenues but lower gross profit margins than our accessory solutions and professional services.

To date, we have generated substantially all of the Company's revenue from the sale of hardware (primarily consisting of interactive displays and audio products) and software to the educational market in the United States and Europe.

We have also implemented a comprehensive plan to reach and maintain profitability both from our core business operations and as a result of making strategic business acquisitions. Highlights of the plan include:

- Integrating products of the acquired companies and cross training sales representatives to increase their offerings and productivity;
- Hiring new sales representatives with significant industry experience in their respective territories, and
- Expanding our reseller partner network both in key territories and in new markets, thereby increasing our penetration and reach.

Acquisition Strategy and Challenges

The Company completed multiple acquisitions from 2015 through 2021 and may target additional acquisition opportunities in the future. The Company's growth strategy includes acquiring assets and technologies of companies that have products, technologies, industry specializations or geographic coverage that extend or complement our existing business. The process to undertake a potential acquisition is time-consuming and costly. In the event we pursue additional acquisitions, we expect to expend significant resources to undertake business, financial and legal due diligence on our potential acquisition targets, and there is no guarantee that we will complete any acquisition that we pursue.

We believe we can achieve significant cost-savings by merging the operations of the companies we acquire and after their acquisition, leverage the opportunity to reduce costs through the following methods:

- Staff reductions – consolidating resources, such as accounting, marketing and human resources;
- Economies of scale – improved purchasing power with a greater ability to negotiate prices with suppliers; and
- Improved market reach and industry visibility – increasing our customer base and entry into new markets.

Components of our Results of Operations and Financial Condition

Revenues are comprised of hardware products, software services, and professional development revenues less sales discounts.

- *Product revenue.* Product revenue is derived from the sale of our hardware (interactive displays), peripherals, and accessories, along with other third-party products, directly to our customers, as well as through our network of domestic and international distributors.
- *Professional service revenue.* We receive revenue from providing professional development services through third parties and our network of distributors.

Cost of revenues

Our cost of revenues is comprised of the following:

- costs to purchase components and finished goods directly;
- third-party logistics costs;
- inbound and outbound freight costs, and customs and duties charges;
- costs associated with the repair of products under warranty;
- write-downs of inventory carrying value to adjust for excess and obsolete inventory and periodic physical inventory counts; and
- cost of professionals to deliver professional development training related to the use of our products.

We outsource some of our warehouse operations and order fulfillment and purchase products from related and third parties. Our product costs will vary directly with volume and the costs of underlying product components as well as the prices we are able to negotiate with our contract manufacturers. Shipping costs fluctuate with volume as well as with the method of shipping chosen in order to meet customer demand. As a global company with suppliers centered in Asia and customers located worldwide, we have used, and may in the future use, air shipping to deliver our products directly to our customers. Air shipping is more costly than sea or ground shipping or other delivery options. We primarily use air shipping to meet the demand for our products during peak seasons and new product launches.

Gross profit and gross profit margin

Gross profit and gross profit margin have been, and may in the future be, influenced by several factors including: competitive pricing within the industry, product, channel and geographical revenue mix; changes in product costs related to the release of projector models; and component, contract manufacturing and supplier pricing, freight, duties, and other shipping costs, and foreign currency exchange. As we primarily procure our product components and manufacture our products in Asia, our suppliers incur many costs, including labor costs, in other currencies. To the extent that exchange rates move unfavorably for our suppliers, they may seek to pass these additional costs on to us, which could have a material impact on future average selling prices and unit costs. Gross profit and gross profit margin may fluctuate over time based on the factors described above.

Operating expenses

We classify our operating expenses into two categories: general and administrative and research and development.

General and administrative. General and administrative expense consists of personnel related costs, which include salaries and stock-based compensation, as well as the costs of professional services, such as accounting and legal, facilities, information technology, depreciation and amortization and other administrative expenses. General and administrative expense may fluctuate as a percentage of revenue, notably in the second and third quarters of our fiscal year when we have historically experienced our highest levels of revenue.

Research and development. Research and development expense consists primarily of personnel related costs, prototype and sample costs, design costs and global product certifications mostly for wireless certifications.

Other (expense) income, net

Other (expense) income, net primarily consists of interest expense associated with our debt financing arrangements, and the effects of changes in the fair value of derivative liabilities.

Income tax expense

We are subject to income taxes in the jurisdictions in which we do business, including the United States, Canada United Kingdom, Mexico, Sweden, Finland, Holland, Australia, Denmark and Germany. The United Kingdom, Mexico, Sweden, Finland, Holland, Germany, Australia, Canada, and Denmark have a statutory tax rate different from that of the United States. Additionally, certain jurisdictions of the Company's international earnings are also taxable in the United States. Accordingly, our effective tax rates will vary depending on the relative proportion of foreign to U.S. income, the absorption of foreign tax credits, changes in the valuation of our deferred tax assets and liabilities and changes in tax laws. We regularly assess the likelihood of adverse outcomes resulting from the examination of our tax returns by the U.S. Internal Revenue Service, or IRS, and other tax authorities to determine the adequacy of our income tax reserves and expense. Should actual events or results differ from our current expectations, charges or credits to our income tax expense may become necessary. Any such adjustments could have a significant impact on our results of operations.

Operating Results – Boxlight Corporation

For the three-month periods ended September 30, 2024 and 2023

Revenues. Total revenues for the three months ended September 30, 2024 were \$36.3 million as compared to \$49.7 million for the three months ended September 30, 2023, resulting in a 26.9% decrease. The decrease in revenues was primarily due to lower sales volume across all markets primarily resulting from lower global demand for interactive flat panel displays.

Cost of Revenues. Cost of revenues for the three months ended September 30, 2024 were \$24.0 million as compared to \$31.7 million for the three months ended September 30, 2023, resulting in a 24.1% decrease. The decrease in cost of revenues was attributable to the decrease in units sold.

Gross Profit. Gross profit for the three months ended September 30, 2024 was \$12.3 million as compared to \$18.0 million for the three months ended September 30, 2023, a decrease of 32.0%. The gross profit margin was 33.8% for the three months September 30, 2024 and 36.3% for the three months ending September 30, 2023. The decrease in gross profit margin percentage is primarily related to competitive industry pricing in the interactive flat panel market coupled with a shift in product mix as audio revenues comprised a smaller percentage of total sales for the quarter compared with the prior year.

General and Administrative Expenses. General and administrative expenses for the three months ended September 30, 2024 were \$12.1 million, representing 33.3% of revenue as compared to \$15.4 million or 31.0% of revenue for the three months ended September 30, 2023. The decrease was due to planned initiatives to reduce operating expenses across all cost groups, with the largest declines in employee-related expenses of \$2.0 million, sales and marketing expense of \$0.4 million, travel expense of \$0.3 million, depreciation and amortization expense of \$0.2 million, and stock compensation expense of \$0.2 million.

Research and Development Expenses. Research and development expenses were \$1.0 million and \$979 thousand for the three months ended September 30, 2024 and 2023, respectively, and representing 2.8% of revenue for the three months ended September 30, 2024, and 2.0% of revenue for the three months ended September 30, 2023.

Other Income (Expense). Other expense, net for the three months ended September 30, 2024 was \$2.2 million as compared to \$3.1 million for the three months ended September 30, 2023, representing a decrease of \$0.9 million. Other income for the three months ended September 30, 2024 consisted primarily of realized foreign currency gains and losses. Other expense consists primarily of interest expense on our term loan.

Income Tax Benefit (Expense). Income tax benefit for the three months ended September 30, 2024 was \$12 thousand, as compared to income tax expense of \$3.1 million for the three months September 30, 2023. The decrease in tax expense year-over-year is largely due to foreign pretax book income for the three months ended September 30, 2024 as compared to foreign pretax loss for the three months ended September 30, 2023.

Net (Loss) Income. Net loss was \$3.1 million and \$17.8 million for the three months ended September 30, 2024 and September 30, 2023 and was a result of the changes noted above.

For the nine-month periods ended September 30, 2024 and 2023

Revenues. Total revenues for the nine months ended September 30, 2024 were \$111.9 million as compared to \$137.9 million for the nine months ended September 30, 2023, resulting in a 18.9% decrease. The decrease in revenues was due to lower sales volume across all markets primarily resulting from lower global demand for interactive flat panel displays.

Cost of Revenues. Cost of revenues for the nine months ended September 30, 2024 were \$72.3 million as compared to \$86.9 million for the nine months ended September 30, 2023, resulting in a 16.8% decrease. The decrease in cost of revenues was attributable to the decrease in units sold.

Gross Profit. Gross profit for the nine months ended September 30, 2024 was \$39.6 million as compared to \$51.0 million for the nine months ended September 30, 2023, a decrease of 22.3%. Gross profit margin was 35.4% for the nine months ended September 30, 2024 and 37.0% for the nine months ended September 30, 2023. The decrease in gross profit margin is primarily related to the continuous increase in pricing pressure within the industry as well as a difference in product mix compared to the prior year quarter.

General and Administrative Expenses. General and administrative expenses for the nine months ended September 30, 2024 were \$39.7 million, representing 35.4% of revenue as compared to \$45.4 million representing 32.9% of revenue for the nine months ended September 30, 2023. The decrease in general and administrative expenses for the period ended September 30, 2024 was due to planned initiatives to reduce operating expenses across all cost groups, with the largest declines in employee-related expenses of \$2.4 million, sales and marketing expense of \$0.8 million, stock compensation expense of \$0.6 million, depreciation and amortization expense of \$0.7 million, and travel expense of \$0.6 million.

Research and Development Expenses. Research and development expenses for the nine months ended September 30, 2024 and 2023 were \$3.2 million and \$2.1 million, respectively and represented 2.8% and 1.5% of revenue, respectively. The increase can be attributable to the allocation of certain general and administrative expenses to new and ongoing research and development projects.

Other Expense. Other expense, net for the nine months ended September 30, 2024 was \$7.6 million as compared to \$8.4 million for the nine months ended September 30, 2023, representing a decrease of \$0.8 million. Other expense consists primarily of interest expense on our term loan.

Income Tax Expense. Income tax expense for the nine months ended September 30, 2024 was \$767 thousand, as compared to a \$3.4 million for the nine months ended September 30, 2023. The decrease in tax expense is primarily due to an increase in the forecasted worldwide net loss as compared to the prior year.

Net Loss. Net loss was \$11.6 million and \$21.5 million for the nine months ended September 30, 2024 and 2023, respectively, and was a result of the changes noted above.

Use of Non-GAAP financial measures

To provide investors with additional insight and allow for a more comprehensive understanding of the information used by management in its financial and decision-making surrounding operations, we supplement our condensed consolidated financial statements which are prepared in accordance with GAAP with EBITDA and Adjusted EBITDA, both non-GAAP financial measures of earnings.

EBITDA represents net loss before income tax expense, interest income, interest expense, depreciation and amortization. Adjusted EBITDA represents EBITDA, plus stock compensation expense, the change in fair value of

derivative liabilities, purchase accounting impact of fair valuing inventory and deferred revenue, goodwill impairment and severance charges. Management uses EBITDA and Adjusted EBITDA as financial measures to evaluate the profitability and efficiency of the Company's business model, and to assess the strength of the underlying operations of our business. These adjustments, and the non-GAAP financial measure that is derived from them, provide supplemental information to analyze our operations between periods and over time. Investors should consider the Company's non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP.

The following table contains reconciliations of net losses to EBITDA and adjusted EBITDA for the periods presented:

(in thousands)	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Loss	\$ (3,061)	\$ (17,750)	\$ (11,628)	\$ (21,485)
Depreciation and amortization	2,075	2,332	6,187	6,893
Interest expense (benefit)	2,550	2,987	7,723	8,222
Income tax expense	(12)	3,073	767	3,379
EBITDA	\$ 1,552	\$ (9,358)	\$ 3,049	\$ (2,991)
Stock compensation expense	441	671	1,233	1,823
Change in fair value of derivative liabilities	(6)	(90)	(202)	(50)
Purchase accounting impact of fair valuing inventory	—	113	225	336
Purchase accounting impact of fair valuing deferred revenue	208	366	778	1,308
Severance charges	—	—	943	—
Impairment of goodwill	—	13,226	—	13,226
Adjusted EBITDA	\$ 2,195	\$ 4,928	\$ 6,026	\$ 13,652

Discussion of Effect of Seasonality on Financial Condition

Certain accounts in our financial statements are subject to seasonal fluctuations. As our business and revenues grow, we expect these seasonal trends to be reduced. The bulk of our products are shipped to our educational customers prior to the beginning of the school year, usually in July, August or September. To prepare for each school year, we generally build up inventories during the second quarter of the year. As a result, inventories tend to be at their highest levels at that point in time. In the first quarter of the year, inventories tend to decline significantly as products are delivered to customers. Thereafter, during the first quarter, we do not generally need to restock inventories at the same inventory levels. Accounts receivable balances tend to be at the highest levels in the third quarter, at which point we record the highest level of sales.

Liquidity and Capital Resources

As of September 30, 2024, we had cash and cash equivalents of \$10.5 million, a working capital balance of \$45.8 million, and a current ratio of 2.10. As of September 30, 2023, we had \$18.4 million of cash and cash equivalents, a working capital balance of \$61.4 million, and a current ratio of 2.24.

For the nine months ended September 30, 2024 and 2023, we had net cash used in and provided by operating activities of \$2.1 million and \$8.2 million, respectively. Cash used in operating activities primarily relates to net loss for the nine months ended September 30, 2024 as well as changes in working capital primarily related to a reduction in accounts payable in 2024 resulting from large inventory purchases in 2023. We had net cash used in investing activities of \$279 thousand and \$226 thousand for the nine months ended September 30, 2024 and 2023, respectively. Cash used in investing activities is related to purchases of property and equipment. For the nine months ended September 30, 2024 and 2023, we had net cash used in financing activities of \$4.4 million and \$3.0 million, respectively. Cash used in financing activities in 2024 is related to principal payments on debt of \$7.4 million and \$0.9 million in payments of fixed dividends to our Series B preferred shareholders, partially offset by \$4.0 million proceeds from short-term debt.

Our liquidity needs are funded by operating cash flows and available cash. Our cash requirements consist primarily of day-to-day operating expenses, capital expenditures and contractual obligations with respect to facility leases. We lease all of our office facilities. We expect to make future payments on existing leases from cash generated from operations. We have limited credit available from our major vendors and are required to prepay a percentage of our inventory purchases, which further constrains our cash liquidity. In addition, our industry is seasonal with many sales to educational customers occurring during the second and third quarters when schools make budget appropriations and classes are not in session limiting disruptions related to product installation. This seasonality makes our needs for cash vary significantly from quarter to quarter.

In addition to the cash flows generated by our ongoing operating activities we financed our operations during 2024 and 2023 with our credit facility pursuant to our Credit Agreement with Whitehawk. On April 19, 2024, as a part of the Sixth Amendment to the Credit Agreement, we entered into a working capital loan with Whitehawk for \$5.0 million, with \$2.0 million funded on April 19, 2024 and the remaining \$3.0 million to be made available in June 2024 provided the Company was in compliance with certain covenants. On July 2, 2024, we requested and received \$2 million of the \$3 million working capital bridge loan. We were required to pay a fee equal to 6% of the aggregate amount of borrowings under the Sixth Amendment. Both working capital bridge loans are due and payable in full on November 29, 2024.

During the three months ended September 30, 2024, we repaid \$3.5 million of the \$4.0 million additional borrowings under the Sixth Amendment. In October 2024, we repaid the remaining \$0.5 million borrowings under the Sixth Amendment and \$0.2 million in financing fees related to the borrowing.

To the extent not previously converted into the Company's Class A common stock, the outstanding shares of our Series B preferred stock are redeemable at the option of the holders at any time or from time to time commencing on January 1, 2024 upon, 30 days' prior written notice to the Company, for a redemption price, payable in cash, equal to the sum of (a) \$10.00 multiplied by the number of shares of Series B preferred stock being redeemed (the "Redeemed Shares"), plus (b) all accrued and unpaid dividends, if any, on such Redeemed Shares. We may be required to seek alternative financing arrangements or restructure the terms of the agreement with the Series B preferred shareholders on terms that are not favorable to us if cash and cash equivalents are not sufficient to fully redeem the Series B preferred shares. We are currently evaluating alternatives to refinance or restructure the Series B preferred shares including extending the maturity of the Series B preferred shares beyond the current optional conversion date.

Our current levels of indebtedness and market conditions may affect our ability to access funding sources and credit arrangements in amounts adequate to finance our current and future business operations. Increasing our capital through equity issuance at this time could cause significant dilution to our existing stockholders. However, while there can be no guarantee we will be able to access capital when needed, we are confident that the Company will be able to manage through current challenges in the equity and debt finance markets by managing payment terms with our customers and vendors.

Cash and cash equivalents, along with anticipated cash flows from operations and recent financing arrangements with our lenders are expected to provide sufficient liquidity for working capital needs and debt service requirements.

Our financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business.

We were not in compliance with our financial covenant related to the Senior Leverage Ratio under the Credit Agreement at December 31, 2023. On March 14, 2024, we entered into the Fifth Amendment with the Collateral Agent and the Lender to (1) amend and restate the Senior Leverage Ratio and Minimum Liquidity (as defined in the Fifth Amendment), and (2) waive any event of default that may have arisen directly as a result of the Financial Covenant Default (as defined in the Fifth Amendment) at December 31, 2023. Under the Fifth Amendment, the Senior Leverage Ratio requirement at March 31, 2024 was amended from 2.00 to 6.00, at June 30, 2024 it remained at 2.00, and thereafter it remained at 1.75.

We were also not in compliance with our Senior Leverage Ratio financial covenant under the Credit Agreement at June 30, 2024. On August 12, 2024, we entered into the Seventh Amendment with the Collateral Agent and the Lender to (1) reduce the intellectual property sublimit under the borrowing base from \$15.0 million to \$11.2 million, and (2) waive the event of default that may have arisen directly as a result of the Financial Covenant Default (as defined in the Seventh Amendment) at June 30, 2024.

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We were also not in compliance with our Senior Leverage Ratio financial covenant under the Credit Agreement at September 30, 2024. Subsequent to the end of the third quarter of 2024, we were also not in compliance with our borrowing base covenant under the Credit Agreement for month ended October 31, 2024. On November 14, 2024, we obtained a waiver for the Credit Agreement from the Collateral Agent and Lender (the "November 2024 Waiver") to waive any events of default that may have arisen directly as a result of (i) the Financial Covenant Default (as defined in the November 2024 Waiver) at September 30, 2024 and (ii) the Borrowing Base Default (as defined in the November 2024 Waiver) for the month ended October 31, 2024. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$60 thousand of prepayment penalties. There can be no assurance that the Lender will not declare an event of default and acceleration of all of our obligations under the Credit Agreement in the event we are unable to maintain full compliance with these covenants in the future.

Because of the significant decreases in the required Senior Leverage Ratio that have occurred within the past twelve months, our current forecast projects that we may not be able to maintain compliance with this ratio. These conditions raise substantial doubt about the ability of the Company to continue as a going concern within one year after the date that the financial statements are issued.

In view of this matter, continuation as a going concern is dependent upon our ability to continue to achieve positive cash flow from operations, obtain waivers or other relief under the Credit Agreement for any future non-compliance with the Senior Leverage Ratio, or refinance our Credit Agreement with a different lender on a basis with more favorable terms. We are actively working to refinance our debt with new lenders. While we are confident in our ability to refinance our existing debt, we do not have written or executed agreements as of the issuance of this Form 10-Q. Our ability to refinance our existing debt is based upon credit markets and economic forces that are outside of our control. We have a good working relationship with our current banking partner and have seen a positive trend in the credit markets as of late. However, there can be no assurance that we will be successful in refinancing our debt, or on terms acceptable to us.

Because our Class A common stock is listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. On February 28, 2024, we received a letter from the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") notifying us that, based upon the closing bid price of our Class A Common Stock for the previous 30 consecutive business days, we no longer met the requirements of Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided an initial period of 180 calendar days, or until August 26, 2024, to regain compliance with the Bid Price Rule. On August 27, 2024, Nasdaq advised us in writing that, while we had not regained compliance with the Bid Price Rule, we had been granted an additional 180 calendar day extension, or until February 24, 2025, to regain compliance with the Bid Price Rule. Nasdaq's determination was based on our having met the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on The Nasdaq Capital Market, with the exception of the Bid Price Rule, and on our written notice to Nasdaq of our intention to cure the deficiency during the extended compliance period by effecting a reverse stock split, if necessary. If we do not regain compliance with the Bid Price Rule by the end of the extended compliance period, the Staff will provide written notification to us that our Class A Common Stock will be subject to delisting. At that time, we may appeal the Staff's delisting determination to a hearings panel. There can be no assurance that we will regain compliance with the Bid Price Rule or that we will otherwise maintain compliance with any of the other listing requirements for The Nasdaq Capital Market. In the event our stock is delisted from Nasdaq, whether by choice or otherwise, the delisting of our Class A common stock could significantly impair our ability to raise capital and stockholder value.

Financing

See Note 8 – *Debt* for a discussion of our existing debt financing arrangements.

Off Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, results of operations or liquidity and capital resources.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our

assumptions, estimates and judgments on historical experience, current trends, and other factors that management believes to be relevant at the time our condensed consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in the notes to the unaudited condensed consolidated financial statements and in Note 1 in the Company's 2023 Annual Report, which was filed with the SEC on March 14, 2024. We believe that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require our most difficult, subjective, or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain:

1. Revenue Recognition
2. Intangible Assets
3. Stock-based Compensation Expense
4. Income Taxes

Recent Accounting Pronouncements

For information on accounting pronouncements that have impacted or are expected to materially impact our consolidated financial condition, results of operations or cash flows, see Note 1 to our unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

As a "smaller reporting company," this item is not required.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to management, including the principal executive and financial officer as appropriate, to allow timely decisions regarding required disclosures. Our principal executive officer and principal financial officer evaluated the effectiveness of disclosure controls and procedures as of the end of the period covered by this report ("Evaluation Date"), pursuant to Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were not effective due to material weaknesses described in our 2023 Annual Report on Form 10-K, as filed with the SEC on March 14, 2024.

Notwithstanding the existence of these material weaknesses, we believe that the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present in accordance with the GAAP, in all material respects, our financial condition, results of operations and cash flows for the periods presented in this report.

Remediation Plans for Material Weaknesses in Internal Control Over Financial Reporting

The Company, under oversight by the Audit Committee of the Company's Board of Directors, is in the process of remediating the above noted material weaknesses. The Company's remediation plans include, among other things, the following:

- The Company has added and will continue to add finance and accounting personnel as required to the organization to strengthen our finance and accounting teams. The additional personnel are expected to provide oversight, structure, reporting lines, and additional review over the Company's disclosures.
- The Company will continue to develop new written accounting policies and procedures over accounting transaction processing and period end financial close and reporting.

- The Company has increased and will continue to increase training for all relevant personnel designed to uphold our internal controls standards.

The identified material weaknesses will not be considered remediated until the remediation plans have been fully implemented, the applicable controls operate for a sufficient period of time, and the Company has concluded that newly implemented controls are operating effectively.

Limitations on Effectiveness of Controls.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all controls systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving its objectives.

a. Changes in internal controls over financial reporting.

Other than the remediation activities described above, there were no changes made in the internal controls over financial reporting for the quarter ended September 30, 2024 that have materially affected our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

While we are not currently involved in any material legal proceedings, from time-to-time we are, and we anticipate that we will be, involved in legal proceedings, claims, and litigation arising in the ordinary course of our business and otherwise. The ultimate costs to resolve any such matters could have a material adverse effect on our financial statements. The Company's management believes, based on current information, matters currently pending or threatened are not expected to have a material adverse effect on the Company's consolidated financial position or results of operations.

ITEM 1A. RISK FACTORS

For information regarding other risk factors pertinent to the Company's business please refer to Part I Item 1A of the Company's 2023 Annual Report on Form 10-K, which was filed with the SEC on March 14, 2024 and is incorporated by reference herein, as further updated and supplemented by the risk factors set forth below.

We may not be able to maintain a listing of our Class A common stock on Nasdaq Capital Market, or Nasdaq

Because our Class A common stock is listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. On February 29, 2024, we received a letter from the Listing Qualifications Department (the "Staff") of the Nasdaq notifying us that based upon the closing bid price for the last 30 consecutive business days, we no longer meet the Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). We were provided an initial period of 180 calendar days, or until August 26, 2024, to regain compliance with the Bid Price Rule. On August 27, 2024, Nasdaq advised us in writing that, while we had not regained compliance with the Bid Price Rule, we had been granted an additional 180 calendar day extension, or until February 24, 2025, to regain compliance with the Bid Price Rule. As of the date of this filing, we have not had a closing bid price over \$1.00 and there can be no assurance that we will regain compliance with the Bid Price Rule prior to the end of the additional 180 calendar day period, or February 24, 2025 or that we will otherwise maintain compliance with any of the other Nasdaq listing requirements.

We will continue to actively monitor the closing bid price of our Class A common stock and will evaluate available options, including, without limitation, seeking to effect a reverse stock split, in order to resolve the deficiency and regain compliance with the Bid Price Rule. If we fail to regain compliance, or otherwise violate or fail to meet any Nasdaq listing requirements, our Class A common stock may be delisted. In addition, our Board may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our Class A

common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our Class A common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our Class A common stock. In the event our stock is delisted from Nasdaq, whether by choice or otherwise, the delisting of our Class A common stock could significantly impair our ability to raise capital and stockholder value.

We have not complied with certain covenants, minimum liquidity and borrowing base requirements under the Credit Agreement and this could cause us to be unable to continue to operate as a going concern.

As of September 30, 2024, we owed \$40.1 million to the Lender under our Credit Agreement. As previously disclosed, we have been unable to comply with certain covenants under our Credit Agreement with the Lender. Although, to date, we have been successful in obtaining forbearance agreements with respect to these matters and avoid defaults under the agreement, there can be no assurance that the lender will not declare an event of default and acceleration all of our obligations under the Credit Agreement in the event we are unable to get into full compliance with these covenants in the future.

Most recently, we were not in compliance with the Senior Leverage Ratio financial covenant under our Credit Agreement at September 30, 2024 and our borrowing base covenant under the Credit Agreement for the month ended October 31, 2024. Because of the significant decreases in the required Senior Leverage Ratio that have occurred within the past twelve months, our current forecast projects that we may not be able to maintain compliance with this ratio. These conditions raise substantial doubt about our ability to continue as a going concern within one year after the date that the financial statements are issued.

In view of these matters, continuation as a going concern is dependent upon our ability to continue to achieve positive cash flow from operations, obtain waivers or other relief under the Credit Agreement for any future non-compliance with the Senior Leverage Ratio, borrowing base requirements or any other covenants or requirements under the Credit Agreement, or refinance our Credit Agreement with a different lender. Furthermore, in the event the Lender refuses to grant forbearance to avoid a future default, the Lender might accelerate our obligations under the Credit Agreement. In order to satisfy such obligations, we would similarly have to refinance our obligations or seek additional capital. Our ability to refinance our existing debt is based upon credit markets and economic forces, whether on acceptable terms or at all, that are outside of our control. There can be no assurance that we will be successful in refinancing our debt or raising additional capital, whether on acceptable terms, or at all. Furthermore, if we were attempting to refinance our obligations or raise capital in response to an imminent or declared acceleration and default, we might have to do so on an expedited basis, which might further jeopardize our ability to successfully refinance or obtain capital. In the event we fail in any of the efforts described in the preceding sentences, our business may materially suffer or even cease operations.

If the holders of our Series B Preferred Stock were to redeem their shares, we may not be able to pay the redemption price .

On September 25, 2020, the Company issued 1,586,620 shares of Series B Preferred Stock. To the extent not previously converted into the Company's Class A common stock, the outstanding shares of Series B Preferred Stock are redeemable at the option of the holders at any time or from time to time commencing on January 1, 2024, upon 30 days prior written notice from the holders, for a redemption price, payable in cash, of \$10.00 per share being redeemed plus all accrued and unpaid dividends on such redeemed shares. If all unconverted shares of Series B Preferred Stock were redeemed on September 30, 2024, the total amount payable by the Company would be \$15.9 million.

If the holders of Series B Preferred Stock were to give notice of redemption, there is no guarantee that the Company would be able to satisfy the redemption price. Assuming it were unable to, the Company might have to seek additional capital (including through the incurrence of additional indebtedness, issuance of securities or sale of assets outside the ordinary course). There is no guarantee that the Company would be able to obtain such additional capital on acceptable terms, or at all. Moreover, redemption of the Series B Preferred Stock might cause a default under the Credit Agreement, and efforts to satisfy it might be effectively prohibited by covenants under the Credit Agreement.

The Company's failure to be able to timely satisfy any redemption of the Series B Preferred Stock, and other follow-on consequences of such failure, could materially negative affect the Company, including jeopardizing its ability to continue as a going concern.

The Company's Series C Preferred Stock is subject to redemption by the holder starting January 1, 2026, so it is possible the risk of a non-payable redemption price could increase in the future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASE OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Waiver to the Credit Agreement

On November 14, 2024, the Company obtained a waiver for the Credit Agreement (the "November 2024 Waiver") from Whitehawk Capital Partners LP, as collateral agent (the "Collateral Agent"), and Whitehawk Finance LLC (the "Lender"). The waiver further amends the Credit Agreement, originally entered into on December 31, 2021, as amended on April 4, 2022, June 21, 2022, April 24, 2023, June 26, 2023, March 14, 2024, and August 12, 2024 between the Company and all of its direct and indirect subsidiaries, the Collateral Agent, and the Lender.

Pursuant to the November 2024 Waiver, the Lender has agreed to waive any events of default that may have arisen directly as a result of (i) the Financial Covenant Default (as defined in the November 2024 Waiver) at September 30, 2024 and (ii) the Borrowing Base Default (as defined in the November 2024 Waiver) for the month ended October 31, 2024. In conjunction with obtaining the waiver, the Company paid down approximately \$1.1 million under the Credit Agreement, inclusive of \$60 thousand of prepayment penalties.

The foregoing description of the November 2024 Waiver does not purport to be complete and is qualified in its entirety by reference to the full text of the November 2024 Waiver, a copy of which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Securities Trading Plans of Directors and Executive Officers

During the three months ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

The following exhibits are filed or furnished with this report:

Exhibit No.	Description of Exhibit
10.1	Seventh Amendment and Waiver to Credit Agreement, dated August 12, 2024, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC (incorporated by reference to exhibit 10.3 to the Quarterly Report on Form 10-Q filed August 13, 2024)
10.2*	Waiver to Credit Agreement, dated November 14, 2024, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of 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	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirement 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.

BOXLIGHT CORPORATION

November 14, 2024

By: /s/ Dale Strang
Dale Strang
Chief Executive Officer

November 14, 2024

By: /s/ Greg Wiggins
Greg Wiggins
Chief Financial Officer
(Principal Financial and Accounting Officer)

SEVENTH AMENDMENT AND WAIVER TO CREDIT AGREEMENT

This SEVENTH AMENDMENT AND WAIVER TO CREDIT AGREEMENT, dated as of August 12, 2024 (this "Seventh Amendment"), is entered into by and among Boxlight Corporation, a Nevada corporation (the "Borrower"), each Subsidiary of the Borrower listed as a "Guarantor" on the signature pages hereto (each a "Guarantor" and collectively, the "Guarantors"), the financial institutions party hereto as Lenders and Whitehawk Capital Partners LP ("Whitehawk Capital"), as the Administrative Agent.

WHEREAS, the Borrower, the Guarantors, the Lenders, the Collateral Agent and the Administrative Agent are party to that certain Credit Agreement, dated as of December 31, 2021 ((a) as amended by the First Amendment to Credit Agreement dated as of April 4, 2022, (b) as amended by the Second Amendment to Credit Agreement dated as of June 21, 2022, (c) as amended by the Third Amendment to Credit Agreement dated as of April 24, 2023, (d) as amended by the Fourth Amendment to Credit Agreement dated as of June 26, 2023, (e) as amended by the Fifth Amendment to Credit Agreement dated as of March 14, 2024, (f) as amended by the Sixth Amendment to Credit Agreement dated as of April 19, 2024 and (g) as further amended, restated, supplemented or modified, the "Credit Agreement"; all capitalized terms defined in the Credit Agreement and not otherwise defined herein have the meanings assigned to them in the Credit Agreement, as amended hereby);

WHEREAS, reference is also made to each Loan Document, including, without limitation: (a) the Amended and Restated Fee Letter (as amended by the June 2023 Consent); (b) the April 2023 Consent; (c) the December 2022 Consent; (d) the June 2023 Consent and (e) the November 2023 Waiver;

WHEREAS, the Loan Parties acknowledge and agree that: (a) for the Testing Period Ended June 30, 2024 they have not maintained the Senior Leverage Ratio that is equal to or less than 2.00:1.00 ("Financial Covenant Default"); and (b) that the Financial Covenant Default constitutes an immediate Event of Default under the Credit Agreement ("Specified Event of Default");

WHEREAS, the Loan Parties have requested that the Lenders waive the Specified Event of Default and the exercise of remedies under the Credit Agreement by reason of the Loan Parties' Specified Event of Default;

WHEREAS, the Lenders are agreeing to waive the Specified Event of Default as provided below subject to the terms and conditions hereinafter set forth; and

WHEREAS, the Loan Parties, the Lenders and the Administrative Agent wish to make certain other amendments to the Credit Agreement as provided below subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Credit Agreement and this Seventh Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Each capitalized term used herein and not defined herein shall have the meaning ascribed to such term in the Credit Agreement.

2. Limited Waiver. Effective only as of the Seventh Amendment Effective Date, subject to the following terms and conditions and in reliance upon the representations, warranties and covenants set forth in Section 5 below, the Lenders hereby waive (the "Limited Waiver") the Specified Event of Default. For avoidance of doubt, the foregoing Limited Waiver shall not be deemed to be a waiver of any other existing or hereafter arising Defaults or Events of Default or any other deviation from the express terms of the Credit Agreement or any other Loan Document. This is a Limited Waiver and shall not be deemed to constitute a consent or waiver of any other term, provision or condition of the Credit Agreement or any other Loan Document, as applicable, or to prejudice any right or remedy (except with respect to the Specified Event of Default) that Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, including, without limitation, the right to: (i) declare all or any portion of the Loans then outstanding to be accelerated and due and payable, whereupon all or such portion of the aggregate principal of all Loans, all accrued and unpaid interest thereon (including interest at the Post-Default Rate), all fees, premiums and all other Obligations payable under the Credit Agreement (as amended by this Seventh Amendment) and the other Loan Documents shall become due and payable immediately without presentation, demand, protest or further notice of any kind, all of which are

hereby expressly waived by each Loan Party; and (ii) exercise any and all of its other rights and remedies under applicable law, under the Credit Agreement (as amended by this Seventh Amendment) and the other Loan Documents. This is a Limited Waiver and is conditioned upon the Loan Parties' compliance with each provision of this Seventh Amendment and failure by the Loan Parties to comply with each provision of this Seventh Amendment (including the amendments to the Credit Agreement) constitute an immediate Event of Default and the waivers and consents granted herein null and void without any further action on the part of any Lender or any Agent.

3. Amendments to the Credit Agreement. Subject to the satisfaction (or waiver in writing by the Administrative Agent and undersigned Lender) of the conditions set forth in Section 3 hereof and in reliance on the representations and warranties of the Loan Parties set forth in this Seventh Amendment and in the Credit Agreement, in accordance with Section 12.02 of the Credit Agreement, the Loan Parties, Administrative Agent and each of the Lenders hereby agree that the Credit Agreement is amended and modified as follows:

- a. Existing Definition: The defined term "Borrowing Base" in the Credit Agreement is amended by deleting the reference to "\$15,000,000" in clause (c)(ii) thereof and replacing it with "\$11,200,000".
- b. New Definitions: As used herein, the following terms shall have the following meanings given to them below, and the Credit Agreement and the other Loan Documents are hereby amended to include the following in alphabetical order:
 - i. "Seventh Amendment" means the Seventh Amendment and Waiver to this Agreement dated as of August 12, 2024.
 - ii. "Seventh Amendment Effective Date" has the meaning specified therefor in the Seventh Amendment.

4. Conditions Precedent. This Seventh Amendment shall become effective (the "Seventh Amendment Effective Date") immediately when:

- a. The Administrative Agent shall have received in .pdf format (followed promptly by originals to the extent requested by the Administrative Agent) counterparts of this Seventh Amendment, executed by an Authorized Officer of each Loan Party, the Administrative Agent, the Collateral Agent and the Lenders.
- b. On the date hereof, after giving effect to the transactions contemplated by this Seventh Amendment the representations and warranties of the Borrower and each other Loan Party contained in Section 5 hereof and in Article VI of the Credit Agreement or any other Loan Document are true and correct in all material respects on and as of the date hereof; *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they are true and correct in all material respects as of such earlier date; *provided further* that, any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language are true and correct (after giving effect to any qualification therein) in all respects on such respective dates, and except that for purposes of this Section 3, the representations and warranties contained in Section 6.01(g) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 7.01(a) of the Credit Agreement.
- c. no Default or Event of Default (other than the Specified Event of Default) shall exist.

5. Representations and Warranties. Each Loan Party hereby represents and warrants to each Agent and each Lender that:

- a. The Loan Parties are in compliance in all material respects with all of the terms and provisions set forth in the Credit Amendment and the other Loan Documents on their part to be observed or performed thereunder.
- b. No Default or Event of Default (other than the Specified Event of Default) has occurred and is continuing, or would result from, this Seventh Amendment.

c. (i) The execution, delivery and performance by such Loan Party of this Seventh Amendment has been duly authorized by all necessary corporate or other organizational action and (ii) this Seventh Amendment constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

d. The execution and delivery of this Seventh Amendment and the performance by such Loan Party (i) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (x) such as have been obtained or made and are in full force and effect or to be made and (y) such consents, approvals, registrations, filings, or other actions the failure to obtain or make which could not be reasonably expected to have a Material Adverse Effect, (ii) will not violate any (x) of such Loan Party's organizational documents or (y) requirements of law applicable to such Loan Party which violation, in the case of this clause (ii)(y), could reasonably be expected to have a Material Adverse Effect and (iii) will not violate or result in a default under any material Contractual Obligation to which such Loan Party is a party which violation, in the case of this clause (iii), could reasonably be expected to result in a Material Adverse Effect.

6. Governing Law. This Seventh Amendment and all disputes between the parties under or relating to this Seventh Amendment or the facts or circumstances leading to its execution, whether in contract, tort or otherwise, shall be construed in accordance with and governed by the laws (including statutes of limitation) of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

7. Entire Agreement; Effect of Waivers. This Seventh Amendment, and the terms and provisions hereof, and the documents referenced herein, constitute the entire agreement among the parties pertaining to the subject matter hereof and supersede any and all prior or contemporaneous provisions relating to the subject matter hereof. There are no oral agreements among the parties pertaining to the subject matter hereof. The Credit Agreement and the other Loan Documents shall be and remain in full force and effect in accordance with its respective terms and hereby is ratified and confirmed in all respects. The execution, delivery, and performance of this Seventh Amendment shall not, except as expressly set forth herein, operate as a consent to, as a waiver of or as an amendment of, any right, power, or remedy of the Administrative Agent, the Collateral Agent or any Lender under the Loan Documents nor constitute a consent, waiver or modification of any provision of any of the Loan Documents or any Default or Event of Default (other than the Specified Event of Default) thereunder that exists on the Seventh Amendment Effective Date. This Seventh Amendment is a "Loan Document" for all purposes.

8. Miscellaneous.

a. This Seventh Amendment shall not constitute a modification of the Credit Agreement or a course of dealing with the Administrative Agent, the Collateral Agent or any Lender at variance with the Credit Agreement or any other Loan Document such as to require further notice by the Administrative Agent, the Collateral Agent or any Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except, in each case, as expressly set forth herein.

b. Each of the Loan Parties as debtor, grantor, pledgor, guarantor, assignor, or in any other similar capacity in which such Loan Party grants liens or security interests in its property or otherwise acts as an accommodation party or a guarantor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect hereto) and (ii) to the extent such Loan Party granted liens on or security interests in any of its property pursuant to any such Loan Document as security for or otherwise guaranteed any of the Obligations, ratifies and reaffirms such guarantee and grant of security interests and liens and confirms and agrees that such security interests and liens hereafter secure all of the Obligations as amended hereby. Each of the Loan Parties hereby consents to this Seventh Amendment and acknowledges that each of the Loan Documents remains in full force and effect and is hereby ratified and reaffirmed. The execution of this Seventh Amendment shall not serve to effect a novation of the Obligations or, except to the

extent specifically provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender or constitute a waiver of any provision of any of the Loan Documents.

c. This Seventh Amendment shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto in accordance with the Credit Agreement and the other Loan Documents.

d. This Seventh Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Seventh Amendment by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Seventh Amendment.

e. Each of the following provisions of the Credit Agreement is hereby incorporated herein by this reference with the same effect as though set forth in its entirety herein, *mutatis mutandis*, and as if "this Agreement" in any such provision read "this Seventh Amendment": Section 12.01 (Notices), Section 12.06 (Severability), Section 12.07 (Governing Law),, Section 12.10 (Jurisdiction, Service of Process and Venue), Section 12.11 (Waiver of Jury Trial), Section 12.13 (No Party Deemed Drafter), Section 12.15 (Indemnification), Section 12.16 (Governing Law Attorney), Section 12.22 (Integration), and Section 12.25 (Electronic Signatures). This Seventh Amendment is a Loan Document and is subject to and has the benefit of all provisions in the Credit Agreement applicable to Loan Documents.

9. **General Release.**

a. Each Loan Party hereby absolutely and unconditionally releases and forever discharges each Agent and each Lender, and any and all of their respective participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing (each a "Released Party"), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which any Loan Party has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Seventh Amendment for or on account of, or in relation to, or in connection with any of the Credit Amendment, any of the Loan Documents or any of the transactions thereunder or related thereto, whether such claims, demands and causes of action are matured or unmatured or known or unknown. It is the intention of each Loan Party in providing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified, and in furtherance of this intention it waives and relinquishes all rights and benefits under any Applicable Law which provides that:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her might have materially affected his settlement with the debtor."

b. Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Released Party above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Released Party on the basis of any claim released, remised and discharged by any Loan Party pursuant to the above release. If any Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, such Loan Party, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Released Party may sustain as a result of such violation, all reasonable attorneys' fees and costs incurred by such Released Party as a result of such violation.

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WITNESS the due execution hereof by the respective duly authorized officers of the undersigned as of the date first written above

BORROWER:

BOXLIGHT CORPORATION

By: \s\ Gregory Wiggins

Name: Gregory Wiggins

Title: Chief Financial Officer

GUARANTORS:

Boxlight, Inc.,
a Washington corporation

By: \s\ Gregory Wiggins

Name: Gregory Wiggins

Title: Chief Financial Officer

EOSEDU LLC,
an Arizona limited liability company

By: \s\ Gregory Wiggins

Name: Gregory Wiggins

Title: Chief Financial Officer

Boxlight Group Limited
a Northern Ireland company

By: \s\ Gregory Wiggins

Name: Gregory Wiggins

Title: Chief Financial Officer

**EXECUTED as a DEED by Sahara Holdings
Limited, acting by two directors:**

\s\ Shaun Marklew

Shaun Marklew

Director

\s\ John Ginty

John Ginty

Director

**Sahara Presentation Systems, Inc.,
a Delaware corporation**

By: \s\ Dale Strang

Name: Dale Strang

Title: Chief Executive Officer

**EXECUTED as a DEED by Sahara Presentation
Systems Ltd, acting by two directors**

\s\ Shaun Marklew

Shaun Marklew

Director

\s\ John Ginty

John Ginty

Director

Clevertouch B.V.,

a Netherlands limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*)

By: \s\ Shaun Marklew

Name: Shaun Marklew

Title: Director

Sahara Presentation Systems Europe BV

a Belgium company

By: \s\ Shaun Marklew

Name: Shaun Marklew

Title: Director

FrontRow Calypso, LLC

a Delaware limited liability company

By: \s\ Dale Strang

Name: Dale Strang

Title: Chief Executive Officer

COLLATERAL AGENT AND ADMINISTRATIVE AGENT:

WHITEHAWK CAPITAL PARTNERS, LP, as Administrative Agent and Collateral Agent

By: \s\ Robert A. Louzan

Name: Robert A. Louzan

Title: Authorized Signatory

LENDERS:

WHITEHAWK FINANCE LLC

By: \s\ Robert A. Louzan

Name: Robert A. Louzan

Title: Authorized Signatory

BOXLIGHT CORPORATION
2750 Premiere Parkway, Suite 900
Duluth, GA 30097

November 13, 2024

Whitehawk Capital Partners, LP
11601 Wilshire Boulevard, Suite 1980
Los Angeles, CA 90025

Attention: Mr. Robert A. Louzan

RE: Consent to Waiver of Defaults under (i) Section 7.03(a) of the Credit Agreement with respect to Test Period Ended September 30, 2024, and (ii) Section 2.05(c)(vii) and Article III of the Credit Agreement.

Dear Mr. Louzan:

Reference is made to:

- (i) the Credit Agreement, originally dated December 31, 2021 (a) as amended by the First Amendment to Credit Agreement dated as of April 4, 2022, (b) as amended by the Second Amendment to Credit Agreement dated as of June 21, 2022, (c) as amended by the Third Amendment to Credit Agreement dated as of April 24, 2023, (d) as amended by the Fourth Amendment to Credit Agreement dated as of June 26, 2023, (e) as amended by the Fifth Amendment to Credit Agreement dated as of March 14, 2024, (f) as amended by the Sixth Amendment to Credit Agreement dated as of April 19, 2024, (g) as amended by the Seventh Amendment to Credit Agreement dated as of August 12, 2024 and (h) as further amended, restated, supplemented or modified, the Credit Agreement; (all capitalized terms defined in the Credit Agreement and not otherwise defined herein have the meanings assigned to them in the Credit Agreement, as amended hereby), between Boxlight Corporation, a Nevada corporation (the Company or the Borrower) and each subsidiary of the Borrower listed as a "Guarantor" on the signature pages thereto and each other Person that executes a joinder agreement and becomes a "Guarantor" thereunder, the financial institutions party hereto as Lenders and Whitehawk Capital Partners, LP (Whitehawk), as collateral agent for the Lenders (in such capacity, together with its designees, successors and assigns, the Collateral Agent) and as administrative agent for the Lenders (in such capacity, together with its designees, successors and assigns, the Administrative Agent, and with the Collateral Agent, the Agents); and
- (ii) each other Loan Document, including, without limitation: (a) the Amended and Restated Fee Letter (as amended by the June 2023 Consent); (b) the December 2022 Consent (c) the April 2023 Consent; (d) the June 2023 Consent and (e) the November 2023 Waiver;

The Loan Parties acknowledge and agree that:

- (x) for the Testing Period Ended September 30, 2024, they have a Senior Leverage Ratio that is greater than 1.75:1.00 (" Financial Covenant Default"), which is a Default under Section 7.03(a) of the Credit Agreement;
- (y) (1) the Monthly Borrowing Base Certificate for the month ending October 31, 2024 shall indicate that the Loan Parties are in an Over Advance and will not be in Borrowing Base compliance for the month ending October 31, 2024 and (2) the Loan Parties shall have not made and will not make the payment required to be made under Section 2.05(c)(vii) of the Credit Agreement in an aggregate amount equal to the Over Advance for the month ending October 31, 2024, which is a Default under Section 2.05(c)(vii) and Article III of the Credit Agreement (" Borrowing Base Default and together with the Financial Covenant Default, the November 2024 Waiver EODs"); and

(z) the November 2024 Waiver EODs constitute immediate Events of Default under Section 9.01(c) (the Financial Covenant Default) and Sections 9.01(c) and (d) (the Borrowing Base Default), respectively, of the Credit Agreement.

The Loan Parties have requested that the Lenders waive the November 2024 Waiver EODs and the exercise of remedies under the Credit Agreement by reason of the Loan Parties' November 2024 Waiver EODs (this "November 2024 Waiver"), and the Lenders have agreed to such November 2024 Waiver, in each case, based upon and subject to the following terms and conditions which the Loan Parties must comply with (each of 1 through and including 4 below, a "November 2024 Waiver Condition" and collectively, the "November 2024 Waiver Conditions") (and the failure to meet any of the November 2024 Waiver Conditions would effectively negate and void this November 2024 Waiver without any further action or notice on part of any Agent or Lender and shall also constitute an immediate Event of Default under the Credit Agreement and the other Loan Documents):

1. The Loan Parties shall make an optional prepayment of the Term Loan in an aggregate principal amount equal to \$1,000,000 (the "November 2024 Optional Prepayment") on or prior to November 14, 2024, plus accrued interest on the November 2024 Optional Prepayment to the date of such optional prepayment plus the Prepayment Premium on the November 2024 Optional Prepayment.
2. The November 2024 Optional Prepayment shall not be used for any purpose (including the calculation of interest or any premium) or basket under the Credit Agreement other than to show a reduction in the aggregate Term Loan principal balance on and as of the date of the November 2024 Optional Prepayment.
3. The requirements of Section 3.03 (i.e. Post-Default Rate) of the Credit Agreement shall remain in effect until compliance with the Borrowing Base requirements of the Credit Agreement (provided that the Secured Parties' right to receive the Post-Default Rate for any other Default or Event of Default is not waived).
4. Each Loan Party hereby represents and warrants to each Agent and each Lender that:
 - (a) The Loan Parties are in compliance in all material respects with all of the terms and provisions set forth in the Credit Amendment and the other Loan Documents (or in all respects with all of the terms and provisions set forth in the Credit Amendment and the other Loan Documents that are qualified by materiality or Material Adverse Effect) on their part to be observed or performed thereunder.
 - (b) No Default or Event of Default (other than the November 2024 Waiver EODs) has occurred and is continuing, or would result from, this November 2024 Waiver.
 - (c) (i) The execution, delivery and performance by such Loan Party of this November 2024 Waiver has been duly authorized by all necessary corporate or other organizational action and (ii) this November 2024 Waiver constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

In the event, the Borrower or any other Loan Party fails to comply with any of the November 2024 Waiver Conditions, then, and in any such event and anytime thereafter during the continuance of any such event, the Agents may, and shall at the request of the Required Lenders, (i) terminate or reduce all Commitments, whereupon all Commitments shall immediately be so terminated or reduced (ii) declare all or any portion of the Term Loans then outstanding to be accelerated and due and payable, whereupon all or such portion of the aggregate principal of all Term Loans, all accrued and unpaid interest thereon (including interest at the Post-Default Rate), all fees and all other amounts payable under this Agreement and the other Loan Documents shall become due and payable immediately, together with the payment of the Prepayment Premium (with such term as amended by the June 2023 Consent) with respect to the Commitments so terminated and the Term Loans so repaid, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Loan Party and (iii)

exercise any and all of its other rights and remedies under applicable law, hereunder and under the other Loan Documents.

All of the representations, warranties, terms, covenants and conditions of the Loan Documents remain in full force and effect in accordance with their respective terms. The conditional waiver set forth herein shall be limited precisely as provided for herein and, except to the extent specifically provided for herein, shall not be deemed to be waivers of, amendments of, consents to or modifications of any term or provision of the Loan Documents or any other document or instrument referred to therein or of any transaction or further or future action on the part of the Borrower or any other Loan Party requiring the consent of the Administrative Agent or any Lender. The Administrative Agent and the Lenders have not and shall not be deemed to have waived any of their respective rights and remedies against the Borrower or any other Loan Party for any existing or future Defaults or Events of Default (other than the defaults, as waived (subject to compliance by the Loan Parties with the conditions herein)). This waiver, subject to compliance by the Loan Parties with the conditions herein, except as expressly set forth herein, shall not constitute a modification of the Credit Agreement or any other Loan Document or a course of dealing with the Administrative Agent, the Collateral Agent or any Lender at variance with the Credit Agreement or any other Loan Document such as to require further notice by the Administrative Agent, the Collateral Agent or any Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except, in each case, as expressly set forth herein.

The execution and delivery of this November 2024 Waiver and the performance by such Loan Party (i) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (x) such as have been obtained or made and are in full force and effect or to be made and (y) such consents, approvals, registrations, filings, or other actions the failure to obtain or make which could not be reasonably expected to have a Material Adverse Effect; (ii) will not violate any (x) of such Loan Party's organizational documents or (y) requirements of law applicable to such Loan Party which violation, in the case of this clause (ii)(y), could reasonably be expected to have a Material Adverse Effect and (iii) will not violate or result in a default under any material Contractual Obligation to which such Loan Party is a party which violation, in the case of this clause (iii), could reasonably be expected to result in a Material Adverse Effect.

Each of the Loan Parties as debtor, grantor, pledgor, guarantor, assignor, or in any other similar capacity in which such Loan Party grants liens or security interests in its property or otherwise acts as an accommodation party or a guarantor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect hereto) and (ii) to the extent such Loan Party granted liens on or security interests in any of its property pursuant to any such Loan Document as security for or otherwise guaranteed any of the Obligations, ratifies and reaffirms such guarantee and grant of security interests and liens and confirms and agrees that such security interests and liens hereafter secure all of the Obligations as amended hereby. Each of the Loan Parties hereby consents to this November 2024 Waiver and conditions for this November 2024 Waiver and acknowledges that each of the Loan Documents remains in full force and effect and is hereby ratified and reaffirmed. The execution of this November 2024 Waiver shall not serve to effect a novation of the Obligations or, except to the extent specifically provided herein, operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender or constitute a waiver of any provision of any of the Loan Documents.

In consideration of the Administrative Agent's and each Lender's agreements contained in this November 2024 Waiver, each Loan Party hereby absolutely and unconditionally releases and forever discharges each Agent and each Lender, and any and all of their respective participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing (each a "Released Party"), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which any Loan Party has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this November 2024 Waiver for or on account of, or in relation to, or in connection with any of the Credit Amendment, any of the Loan Documents or any of the transactions thereunder or related thereto, whether such claims, demands and causes of action are matured or unmatured or

known or unknown. It is the intention of each Loan Party in providing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified, and in furtherance of this intention it waives and relinquishes all rights and benefits under any Applicable Law which provides that:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her might have materially affected his settlement with the debtor."

Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Released Party above that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Released Party on the basis of any claim released, remised and discharged by any Loan Party pursuant to the above release. If any Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, such Loan Party, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Released Party may sustain as a result of such violation, all reasonable attorneys' fees and costs incurred by such Released Party as a result of such violation.

This November 2024 Waiver shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto in accordance with the Credit Agreement and the other Loan Documents. This November 2024 Waiver may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this November 2024 Waiver by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this November 2024 Waiver.

Each of the following provisions of the Credit Agreement is hereby incorporated herein by this reference with the same effect as though set forth in its entirety herein, *mutatis mutandis*, and as if "this Agreement" in any such provision read "this November 2024 Waiver": [Section 12.01](#) (Notices), [Section 12.06](#) (Severability), [Section 12.07](#) (Governing Law), [Section 12.10](#) (Jurisdiction, Service of Process and Venue), [Section 12.11](#) (Waiver of Jury Trial), [Section 12.13](#) (No Party Deemed Drafter), [Section 12.15](#) (Indemnification), [Section 12.16](#) (Governing Law Attorney), [Section 12.22](#) (Integration), and [Section 12.25](#) (Electronic Signatures). This November 2024 Waiver is a Loan Document and is subject to and has the benefit of all provisions in the Credit Agreement applicable to Loan Documents.

BORROWER:

BOXLIGHT CORPORATION

By: \s\ Gregory Wiggins
Name: Gregory Wiggins
Title: Chief Financial Officer

GUARANTORS:

Boxlight, Inc.,
a Washington corporation

By: \s\ Gregory Wiggins
Name: Gregory Wiggins
Title: Chief Financial Officer

EOSEDU LLC,
an Arizona limited liability company

By: \s\ Gregory Wiggins
Name: Gregory Wiggins
Title: Chief Financial Officer

Boxlight Group Limited
a Northern Ireland company

By: \s\ Dale Strang
Name: Dale Strang
Title: Chief Executive Officer

**EXECUTED as a DEED by Sahara Holdings
Limited, acting by two directors:**

\s\ Shaun Marklew

Signature of director

Shaun Marklew

\s\ John Ginty

Signature of director

John Ginty

Sahara Presentation Systems, Inc.,
a Delaware corporation

By: \s\ Dale Strang

Name: Dale Strang

Title: Chief Executive Officer

**EXECUTED as a DEED by Sahara Presentation
directors:**

Systems Ltd, acting by two

\s\ Shaun Marklew

Signature of director

\s\ John Ginty

Signature of director

Clevertouch B.V.,

a Netherlands limited liability company (*besloten vennootschap met beperkte
aansprakelijkheid*)

By: \s\ Shaun Marklew

Name: Shaun Marklew

Title: Director

Sahara Presentation Systems Europe BV a Belgium company

By: \s\ Shaun Marklew
Name: Shaun Marklew
Title: Director

FrontRow Calypso, LLC
a Delaware limited liability company

By: \s\ Dale Strang
Name: Dale Strang
Title: Chief Executive Officer

ADMINISTRATIVE AGENT AND LENDERS:

WHITEHAWK CAPITAL PARTNERS LP,
as the Administrative Agent

By: \s\ Robert A. Louzan
Name: Robert A. Louzan
Title: Authorized Signatory

WHITEHAWK FINANCE LLC, as a Lender

By: \s\ Robert A. Louzan
Name: Robert A. Louzan
Title: Authorized Signatory

CERTIFICATION

I, Dale Strang, certify that:

1. I have reviewed this quarterly Report on Form 10-Q Pursuant to Rule 15d-2 under the Securities Exchange Act of 1934 for the period ended September 30, 2024, of Boxlight Corporation (the "Registrant");

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: November 14, 2024

/s/ Dale Strang

Dale Strang

Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Greg Wiggins, certify that:

1. I have reviewed this quarterly Report on Form 10-Q Pursuant to Rule 15d-2 under the Securities Exchange Act of 1934 for the period ended September 30, 2024, of Boxlight Corporation (the "Registrant");

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: November 14, 2024

/s/ Greg Wiggins

Greg Wiggins
Chief Financial Officer
(Principal Financial and Accounting Officer)

**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 of Boxlight Corporation (the "Company") on Form 10-Q pursuant to Rule 15d-2 Under the Securities Exchange Act of 1934 for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dale Strang, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2024

/s/ Dale Strang

Dale Strang
Chief Executive Officer
(Principal Executive Officer)

**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 of Boxlight Corporation (the "Company") on Form 10-Q pursuant to Rule 15d-2 Under the Securities Exchange Act of 1934 for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Greg Wiggins, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2024

/s/ Greg Wiggins

Greg Wiggins
Chief Financial Officer
(Principal Financial and Accounting Officer)