BOXLIGHT CORP

FORM 10-Q
(Quarterly Report)

Filed 05/14/25 for the Period Ending 03/31/25

Address	2750 PREMIERE PARKWAY, SUITE 900 DULUTH, GA, 30097
Telephone	676-367-0809
CIK	0001624512
Symbol	BOXL
SIC Code	8200 - Services-Educational Services
Industry	Electronic Equipment & Parts
Sector	Technology
Fiscal Year	12/31

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 March 31, 2025

or

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

For the transition period from ______________ to ______________

Commission File Number 001-37564

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's Class A common stock on May 12, 2025 was 2,230,379.

BOXLIGHT CORPORATION

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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 months ended March 31, 2025 and 2024
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues, net	$ 22,423	$ 37,093
Cost of revenues	14,380	24,278
Gross profit	8,043	12,815
Operating expense:		
General and administrative	10,039	15,249
Research and development	912	1,171
Total operating expense	10,951	16,420
Loss from operations	(2,908)	(3,605)
Other (expense) income:		
Interest expense, net	(2,487)	(2,607)
Other income (expense), net	653	(199)
Loss on warrant issuance	(578)	—
Change in fair value of derivative liabilities	(9)	192
Change in fair value of common warrants	1,936	—
Total other expense	(485)	(2,614)
Loss before income taxes	$ (3,393)	$ (6,219)
Income tax benefit (expense)	150	(870)
Net loss	$ (3,243)	$ (7,089)
Fixed dividends - Series B Preferred	(317)	(317)
Net loss attributable to common stockholders	$ (3,560)	$ (7,406)
Comprehensive loss:		
Net loss	$ (3,243)	$ (7,089)
Other comprehensive income (loss):		
Foreign currency translation adjustment	570	(811)
Total comprehensive loss	$ (2,673)	$ (7,900)
Net loss per share of Class A common stock – basic and diluted	$ (1.41)	$ (3.81)
Weighted average number of shares of Class A common stock outstanding – basic and diluted	2,529	1,943

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Condensed Consolidated Balance Sheets
As of March 31, 2025 and December 31, 2024
(in thousands, except share amounts)

	March 31, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,077	$ 8,007
Accounts receivable – trade, net of allowances for credit losses of $811 and $394	17,444	18,325
Inventories, net of reserves	38,354	43,265
Prepaid expenses and other current assets	10,078	8,785
Total current assets	73,953	78,382
Property and equipment, net of accumulated depreciation	2,097	2,134
Operating lease right of use asset	7,858	8,055
Intangible assets, net of accumulated amortization	24,034	25,944
Other assets	754	790
Total assets	**$ 108,696**	**$ 115,305**
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 17,350	$ 24,176
Short-term debt	39,618	37,148
Operating lease liabilities, current	1,934	2,018
Deferred revenues, current	9,143	9,015
Derivative liabilities	10	1
Other short-term liabilities	4,288	4,682
Total current liabilities	72,343	77,040
Deferred revenues, non-current	14,824	15,158
Deferred tax liabilities, net	891	901
Operating lease liabilities, non-current	6,321	6,428
Other long-term liabilities	1,623	165
Total liabilities	96,002	99,692
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	12,363	12,363
Total mezzanine equity	28,509	28,509
Stockholders’ deficit:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized; 167,972 shares issued and outstanding, respectively	—	—
Common stock, $0.0001 par value, 3,750,000 shares authorized; 2,232,578 and 1,970,615 Class A shares issued and outstanding, respectively	—	—
Additional paid-in capital	119,241	119,487
Accumulated deficit	(135,853)	(132,610)
Accumulated other comprehensive income	797	227
Total stockholders’ deficit	(15,815)	(12,896)
Total liabilities and stockholders’ equity	**$ 108,696**	**$ 115,305**

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Condensed Consolidated Statements of Changes in Stockholders' Deficit
For the three months ended March 31, 2025
(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, 2024	167,972	$ —	1,970,615	$ —	$ 119,487	$ 227	$ (132,610)	$ (12,896)
Shares issued for:								
Vesting of restricted share units	—	—	1,930	—	—	—	—	—
Reverse stock split fractional adjustment	—	—	33	—	—	—	—	—
Stock compensation	—	—	—	—	71	—	—	71
Proceeds from issuance of common stock	—	—	260,000	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	570	—	570
Fixed dividends Preferred Series B	—	—	—	—	(317)	—	—	(317)
Net loss	—	—	—	—	—	—	(3,243)	(3,243)
Balance as of March 31, 2025	167,972	$ —	2,232,578	$ —	$ 119,241	$ 797	$ (135,853)	$ (15,815)

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation

Condensed Consolidated Statements of Changes in Stockholders' Equity
For the three months ended March 31, 2024
(Unaudited)
(in thousands, except share amounts)

	Series A Preferred Stock		Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023 - as adjusted	167,972	$ —	1,940,900	$ —	$ 119,725	$ 1,301	$ (104,275)	$ 16,751
Shares issued for:								
Vesting of restricted share units	—	—	14,646	—	—	—	—	—
Stock compensation	—	—	—	—	549	—	—	549
Foreign currency translation	—	—	—	—	—	(811)	—	(811)
Fixed dividends Preferred Series B	—	—	—	—	(317)	—	—	(317)
Net loss	—	—	—	—	—	—	(7,089)	(7,089)
Balance as of March 31, 2024	167,972	$ —	1,955,546	$ —	$ 119,957	$ 490	$ (111,364)	$ 9,083

See accompanying notes to unaudited condensed consolidated financial statements.

Boxlight Corporation
Condensed Consolidated Statements of Cash Flows
For the three months ended March 31, 2025 and 2024
(Unaudited)
(in thousands)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities:		
Net loss	$ (3,243)	$ (7,089)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt premium, discount and issuance cost	530	592
Provision for credit losses	(32)	129
Paid-in-kind accrual on short-term debt	150	—
Changes in deferred tax assets and liabilities	(10)	(323)
Change in allowance for sales returns and volume rebates	(947)	(418)
Change in fair value of common warrants	(1,936)	—
Change in inventory reserve	(699)	86
Change in fair value of derivative liabilities	9	(192)
Stock compensation expense	169	549
Depreciation and amortization	2,463	2,069
Loss on warrant issuance	578	—
Change in right of use assets and lease liabilities	(303)	1
Changes in operating assets and liabilities:		
Accounts receivable – trade	1,138	2,947
Inventories	6,354	4,735
Prepaid expenses and other current assets	(1,411)	(1,057)
Other assets	41	22
Accounts payable and accrued expenses	(7,269)	(7,860)
Other short-term liabilities	265	—
Other liabilities	165	3,762
Deferred revenues	(691)	105
Net cash used in operating activities	$ (4,680)	$ (1,942)
Cash flows from investing activities:		
Purchases of furniture and fixtures, net	(127)	(394)
Net cash used in investing activities	$ (127)	$ (394)
Cash flows from financing activities:		
Proceeds from short-term debt	2,500	—
Principal payments on short-term debt	(710)	—
Principal payments on long term debt	—	(2,307)
Payments of fixed dividends to Series B Preferred stockholders	—	(317)
Proceeds from issuance of common stock and pre-funded warrants	2,818	—
Net cash provided by (used in) financing activities	$ 4,608	$ (2,624)
Effect of foreign currency exchange rates	269	(481)
Net increase (decrease) in cash and cash equivalents	70	(5,441)
Cash and cash equivalents, beginning of the period	8,007	17,253
Cash and cash equivalents, end of the period	$ 8,077	$ 11,812
Supplemental cash flow disclosures:		
Cash paid for income taxes	$ 656	$ 101
Cash paid for interest	$ 1,687	$ 1,806
Non-cash investing and financing transactions:		
Addition of operating lease liabilities	$ —	$ 52
Cash dividends declared to Series B Preferred stockholders	$ 317	$ —

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, 2024 and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Annual Report"). Certain information and note disclosures normally included in consolidated financial statements have been condensed. The December 31, 2024 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 2024 contained in the 2024 Annual Report filed with the SEC on March 28, 2025, 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 fair value of warrants, 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

In order to regain compliance with NASDAQ Listing Rule 5550(a)(2) (the "Bid Price Rule"), on February 14, 2025, the Company effected a reverse stock split of the Company's Class A common stock whereby each five 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 3,750,000, the authorized shares for Class B common stock remained at 50,000,000 shares, and the authorized shares of preferred stock remained unchanged at 50,000,000 shares. All share of Class A common stock 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 $1 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. There are presently no shares of Class B common stock outstanding and none were outstanding as of March 31, 2025. The Company issued 33 shares of Class A common stock to adjust fractional shares following the reverse stock split to the nearest whole share.

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 June 30, 2024, September 30, 2024, December 31, 2024 and March 31, 2025. Non-compliance was waived by the Agent and Lender under amendments to the Credit Agreement. In addition, the Company was also not in compliance with its borrowing base covenant under the Credit Agreement at December 31, 2024, January 31, 2025 and February 28, 2025. On March 24, 2025, the Company entered into an eighth amendment to the Credit Agreement with the Collateral Agent and Lender (the "Eighth Amendment") to (i) provide the Company with an additional $2.5 million working capital bridge loan in March 2025 and (ii) waive any events of default that may have arisen directly as a result of (1) the Financial Covenant Event of Default (as defined in the Eighth Amendment) for the periods ended December 31, 2024 and March 31, 2025 and (2) the Borrowing Base defaults described in the Eighth Amendment for the months ended December 31, 2024, January 31, 2025 and February 28, 2025. The bridge loan, including the related fee, is due and payable in full on August 31, 2025, and are not subject to prepayment penalties. In conjunction with obtaining the waiver, the Company must now also comply with the following covenants:

- Initiate recapitalization efforts and/or other financing arrangements with target completion milestones starting on March 21, 2025 through an expected completion of the recapitalization and/or repayment of the debt by June 16, 2025. Not meeting these dates is an event of default under the credit facility.

- Provide budgets to the lender with variances in excess of specified thresholds resulting in an event of default at the discretion of the lender. The Company will also be required to meet with a financial advisor, as designated by the lender, if requested.

In addition, the amendment prohibits the Company from paying dividends or distributions to the preferred stockholders and reduces the borrowing base calculations by reducing the value assigned to its intellectual property to $11.2 million.

The Company also was not in compliance with its financial covenant related to the borrowing base under the Credit Agreement at March 31, 2025. However, the non-compliance was cured by the payment of approximately $1.3 million under the Credit Agreement in April and May 2025.

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, the Company's current forecast projects the Company may not be able to maintain compliance with this ratio.

In addition, the Company's Term Loan, which has an outstanding balance of $39.6 million as of March 31, 2025, matures on December 31, 2025. As of March 31, 2025, the Company's short-term debt will mature within the next nine months. The Company is actively working to refinance its debt with new lenders. However there can be no assurance that these efforts will be successful prior to the maturity date at which time all amounts under the Term Loan will become due.

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 the Term Loans being payable in full within the next nine months and the required Senior Leverage Ratio, 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, or refinance its Credit Agreement with a different lender on more favorable terms. The Company is actively working to refinance its debt with new lenders. While the Company has currently engaged financial advisors and is actively working to refinance its existing debt, it does not have written or executed agreements as of the issuance 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. We believe we have a good working relationship with our current lender. However, there can be no assurance that the Company will be successful in refinancing its debt, on a timely basis, or on terms acceptable to the Company, or at all.

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. If all unconverted shares of Series B Preferred Stock were redeemed on March 31, 2025, the total amount payable by the Company would be $15.9 million.

In addition, our Series C preferred stock will become redeemable at the option of the holders at any time or from time to time commencing on January 1, 2026 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 C preferred stock being redeemed (the "Redeemed Shares"), plus (b) all accrued and unpaid dividends, if any, on such Redeemed Shares. If all unconverted shares of Series C Preferred Stock were redeemed, the total amount payable by the Company would be $13.2 million.

We may be required to seek alternative financing arrangements or restructure the terms of the agreements with the Series B and C preferred shareholders on terms that are not favorable to us if cash and cash equivalents are not sufficient to fully redeem the Series B and C preferred shares. We are currently evaluating alternatives to refinance or restructure the Series B and C preferred shares including extending the maturity of the Series B preferred shares beyond the current optional conversion date.

As a result of the aforementioned factors, cash and cash equivalents, along with anticipated cash flows from operations, may not provide sufficient liquidity for our working capital needs, debt service requirements or to maintain minimum liquidity requirements under our Credit Agreement. 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.

REVISIONS OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the fourth quarter of 2024, the Company determined that the prior year financial statements contained immaterial errors related to the classification of its rebate liability and sales return reserve. Specifically, the Company notes that the rebate liability should be recorded as a reduction to revenue with an offset to other current liabilities in the Company's condensed consolidated balance sheets. In addition, the Company notes that the offset to its sales return reserve balance should have been recorded as a refund liability included in other current liabilities in the Company's condensed consolidated balance sheets. As a result, certain prior year amounts have been revised for consistency with the current presentation.

The Company has evaluated these corrections in accordance with Accounting Standards Codification ("ASC") Topic 250, Accounting Changes and Error Corrections, Financial Accounting Standards Board ("FASB") Concepts Statement No. 2, Qualitative Characteristics of Accounting Information, and SAB No. 99- Materiality, and determined it was not necessary to amend its previously issued fiscal year condensed consolidated financial statements upon overall considerations of both quantitative and qualitative factors. The corrections had no impact on the Statement of Operations and Comprehensive Loss or Statement of Changes in Stockholders' Deficit for the prior period ended, March 31, 2024.

A summary of immaterial corrections to the Company's previously issued condensed consolidated balance sheet are as follows (in thousands):

	March 31, 2024		
	As reported	Adjustments	As revised
Accounts receivable – trade, net of allowances	26,519	2,951	$ 29,470
Prepaid expenses and other current assets	8,999	210	$ 9,209
Total assets	142,384	3,161	$ 145,545
Accounts payable and accrued expenses	24,685	(243)	$ 24,442
Other short-term liabilities	3,348	3,164	$ 6,512
Total current liabilities	39,894	2,921	$ 42,815
Total liabilities	104,792	2,921	$ 107,713
Total stockholders' (deficit) equity	142,384	3,161	$ 145,545

A summary of immaterial corrections to the Company's previously issued condensed consolidated statements of cash flows are as follows (in thousands):

	March 31, 2024		
	As reported	Adjustments	As revised
Change in allowance for sales returns and volume rebate	(175)	(243)	(418)
Prepaid expenses and other current assets	(1,086)	(29)	(1,057)
Accounts payable and accrued expenses	(8,103)	243	(7,860)
Other liabilities	3,791	(29)	3,762

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 $36 million while the carrying value, excluding premiums, discounts, and issuance costs, is approximately $39.6 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.

As of March 31, 2025, the Company classified newly issued warrants to purchase up to an aggregate of 1,323,000 shares of Class A Common Stock (the “2025 Common Warrants”) as a liability due to the Company having insufficient authorized shares to share-settle the 2025 Common Warrants, which were otherwise determined to be equity classified. The Company also reclassified 32,308 vested stock options from equity classification to liability classification as a result of the Company having insufficient authorized shares of Class A common stock available pursuant to the Company’s articles of incorporation to settle the share-based payment arrangements when the awards are exercised.

Transfers into Level 3 measurements during the three months ended March 31, 2025 of approximately $1.5 million were related to the 2025 Common Warrants. There were no transfers into or out of Level 3 measurements in the first quarter of 2024.

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 March 31, 2025 and December 31, 2024 (in thousands):

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of March 31, 2025
Derivative liabilities - warrant instruments	—	—	$ 10	$ 10
Long-term incentive plan	—	—	$ 189	$ 189
Common warrants [(1)]	—	—	$ 1,460	$ 1,460

(1) Due to insufficient authorized shares to share-settle the 2025 Common Warrants, these were classified as liabilities and included in the "other long-term liabilities" on the balance sheet.

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of December 31, 2024
Derivative liabilities - warrant instruments	—	—	$ 1	$ 1
Long-term incentive plan	—	—	$ 358	$ 358

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)	Common warrants (in thousands)
Balance, December 31, 2024	$ 1	$ 358	$ —
Common warrants issuance on February 21, 2025	—	—	3,396
Reclass to accrued expenses	—	(236)	—
Change in fair value	9	67	(1,936)
Balance, March 31, 2025	$ 10	$ 189	$ 1,460

	(in thousands)	(in thousands)	(in thousands)
Balance, December 31, 2023	$ 205	$ —	$ —
Change in fair value	(192)	—	—
Balance, March 31, 2024	$ 13	$ —	$ —

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 SHARE OF COMMON STOCK

Basic net loss per share is computed by dividing net loss attributable to Class A common stockholders by the weighted-average number of shares of Class A common stock outstanding during the period. For purposes of this calculation, options to purchase Class A common stock, restricted stock units subject to vesting, and pre-funded warrants to purchase Class A common stock were considered to be Class A common stock equivalents. Diluted net loss per share of Class A common stock is determined using the weighted-average number of shares of Class A common stock outstanding during the period, adjusted for the dilutive effect of Class A common stock equivalents. The dilutive effect of convertible instruments is determined using the if-converted method, presuming share settlement. Under the if-converted method, securities are assumed to be converted at the beginning of the period, and the resulting shares of Class A common stock are included in the denominator of the diluted calculation for the entire period being presented. In periods when losses are reported, the weighted-average number of shares of Class A common stock outstanding excludes Class A common stock equivalents, because their inclusion would be anti-dilutive.

For the three months ended March 31, 2025, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise $34 thousand shares issuable upon exercise of options to purchase Class A common stock, $12 thousand of unvested shares of restricted stock and 2.7 million shares issuable upon exercise of warrants. Additionally, potentially dilutive securities of 0.4 million shares issuable from the assumed conversion of preferred stock are excluded from the denominator because they would be anti-dilutive. For the three months ended March 31, 2024, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise 70 thousand shares from options to purchase shares of common stock and 30 thousand of unvested restricted stock units as well as 0.3 million shares of Class A common stock issuable upon exercise of warrants. Additionally, potentially dilutive securities of 0.4 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 online 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.

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 March 31, 2025 or December 31, 2024. During the three months ended March 31, 2025 and March 31, 2024, respectively, the Company recognized $1.9 million and $2.3 million of revenue that was included in the deferred revenue balance as of December 31, 2024 and December 31, 2023, 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 months ended March 31, 2025 related to changes in estimated variable consideration that existed at December 31, 2024.

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 March 31, 2025 and December 31, 2024, the aggregate amount of the contractual transaction prices allocated to remaining performance obligations was $24.0 million and $24.2 million, respectively. The Company expects to recognize revenue on approximately 38% of the remaining performance obligations during the next 12 months, 29% in the following 12 months, 19% in the 12 months ended September 30, 2027, 11% in the 12 months ended June 30, 2028, with the remaining 3% 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 March 31, (in thousands)	
	2025	**2024**
Product revenue	$ 21,643	$ 34,435
Service revenue	780	2,658
Total revenues, net	$ 22,423	$ 37,093

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 March 31, 2025 and December 31, 2024 were both less than $0.5 million, respectively.

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

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.

The CODM evaluates the performance of each segment based on revenues, gross profit, and operating income, with operating income being the primary GAAP measure. Gross margin can influence key decisions as margins can be indicative of the level of saturation in the market with existing products or can be indicative of changes in manufacturing or shipping costs. If trends are sustained, the CODM may seek to adjust operations to more favorable markets or may evaluate whether the Company should introduce new products in a given area. Operating income provides the CODM with an overview of the profitability of a given segment and whether resources should be allocated or removed to ensure sustained profitability for both the segment and the consolidated entity. Since the Company's operating segments are organized by geography, this structure allows the CODM to be responsive to needs of customers and can execute strategic plans and initiatives accordingly.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs are expensed as incurred and consist primarily of personnel related costs, prototype and sample costs, design costs, and global product certifications mostly for wireless certifications.

ACCOUNTING STANDARDS PENDING ADOPTION

In December 2023, the FASB issued Accounting Standards Update ("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.

In November 2024, the FASB issued ASU 2024-04, *Debt-Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, to improve the relevance and consistency in application of the induced conversion guidance in Subtopic 470-20, Debt-Debt with Conversion and Other Options. This change is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact of this ASU on its financial statements.

In January 2025, the FASB ASU 2025-01—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. The Board is issuing this Update to clarify the effective date of Accounting Standards Update No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The change is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its financial statements.

NOTE 2 – ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	2025	2024
Accounts receivable – trade	$ 18,255	$ 18,719
Allowance for credit losses	(811)	(394)
Accounts receivable - trade, net of allowances	$ 17,444	$ 18,325

NOTE 3 – INVENTORIES

Inventories consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	2025	2024
Finished goods	$ 39,781	$ 45,352
Spare parts	1,065	1,065
Reserve for inventory obsolescence	(2,492)	(3,152)
Inventories, net	$ 38,354	$ 43,265

NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at March 31, 2025 and December 31, 2024 (in thousands):

	2025	2024
Prepayments to vendors	$ 2,355	$ 2,212
Prepaid licenses and other	7,723	6,573
Prepaid expenses and other current assets	$ 10,078	$ 8,785

Prepaid expenses and other current assets as of March 31, 2025 and December 31, 2024 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 March 31, 2025 and December 31, 2024 (in thousands):

	Useful lives	2025	2024
INTANGIBLE ASSETS			
Patents	4-10 years	$ 100	$ 100
Customer relationships	8-15 years	49,307	48,036
Technology	3-5 years	8,477	8,371
Non-compete	3 years	391	391
Tradenames	2-10 years	12,428	12,253
Intangible assets, at cost		70,703	69,151
Accumulated amortization		(46,669)	(43,207)
Intangible assets, net of accumulated amortization		$ 24,034	$ 25,944

For the three months ended March 31, 2025 and 2024, the Company recorded amortization expense of $2.3 million and $1.9 million, respectively. Changes to gross carrying amount of recognized intangible assets due to translation adjustments include approximately $0.8 million as of March 31, 2025 and ($0.8) million as of December 31, 2024.

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 March 31, 2025, the Company had no leases classified as finance leases. The Company is currently not a lessor in any lease arrangement.

Operating lease expense was $583 thousand and $630 thousand for the three months ended March 31, 2025 and 2024, respectively. Variable and short-term lease cost was $323 thousand and $528 thousand for the three months ended March 31, 2025 and 2024, respectively. Cash paid for amounts included in the measurement of lease liabilities was $599 thousand and $466 thousand for the three months ended March 31, 2025 and 2024, respectively.

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

Fiscal year ended,		**(in thousands)**
2025	$	1,616
2026		1,889
2027		1,242
2028		881
2029		850
Thereafter		6,017
Total lease liabilities		12,495
Less: Imputed interest		(4,240)
Present value of lease liabilities	$	8,255

The following is supplemental lease information as of March 31, 2025 and December 31, 2024:

	2025	**2024**
Weighted-average remaining lease term (years)	9.7	9.6
Weighted-average discount rate	9.9 %	10.1 %

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

		2025		**2024**
Accounts payable	$	14,138	$	20,703
Accrued expenses and other		3,212		3,164
Other		—		309
Accounts payable and accrued expenses	$	17,350	$	24,176

NOTE 8 – DEBT

The following is a summary of the Company's debt as of March 31, 2025 and December 31, 2024 (in thousands):

		2025		**2024**
Debt – Third Parties				
Paycheck Protection Program	$	—	$	16
Note payable - Whitehawk		39,587		37,630
Total debt		39,587		37,646
Less: Premium, discount and issuance costs		(31)		498
Current portion of debt		39,618		37,148
Total debt (net of premium, discount and issuance costs)	$	39,618	$	37,148

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 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.

Covenant Compliance and Liquidity Considerations

The Company's 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 the second quarter of 2023, as part of obtaining an appropriate waiver, 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 did not amend the maturity date of the Credit Agreement. Upon repayment, the Company will be subject to a prepayment premium that is higher than the prepayment premium included in the original Credit Agreement, as defined in the waiver.

The Company has either implemented or initiated appropriate plans regarding refinancing procedures that are within management’s control to comply with the waiver requirements. The financial statements do not include any adjustments that might result from the outcome of the Company’s ability 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 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.

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 was not in compliance with its financial covenant related to the borrowing base under the Credit Agreement at December 31, 2023. The non-compliance was cured by a waiver applied in accordance with the Fifth Amendment to the Credit Agreement dated March 14, 2024 which waived any Event of Default that may have arisen directly as a result of the financial covenant default at December 31, 2023 and in the interim two-month period ended February 29, 2024. The Fifth Amendment also amended and restated the Senior Leverage Ratio and Minimum Liquidity requirements. 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 will remain at 2.00 and thereafter will remain at 1.75.

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 were paid in full by November 2024, and were 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.

The Company was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at December 31, 2024. In addition, the Company was not in compliance with its borrowing base covenant under the Credit Agreement at December 31, 2024, January 31, 2024 and February 28, 2025. On March 24, 2025, the Company entered into an eighth amendment to the Credit Agreement with the Collateral Agent and Lender (the “Eighth Amendment”) to (i) provide the Company with an additional $2.5 million working capital bridge loan and (ii) waive any events of default that may have arisen as a result of the Company’s failure to (A) maintain the required ratio of indebtedness to adjusted EBITDA (defined more specifically as the “Senior Leverage Ratio” in the Credit Agreement) for the periods ended December 31, 2024 and March 31, 2025 and (B) maintain a value of specified assets in excess of certain borrowings (defined more specifically as a “Borrowing Base” in the Credit Agreement) for the months ended December 31, 2024, January 31, 2025 and February 28, 2025. In addition, no payments were required to be made by the Company to pay down the borrowing base defaults for December 2024, January 2025 and February 2025. The Company is required to pay a fee equal to 6% of the working capital bridge loan under the Eighth Amendment. The bridge loan, including the related fee, is due and payable in full on August 31, 2025, and is not subject to prepayment penalties.

The Company also was not in compliance with its financial covenant related to the borrowing base under the Credit Agreement at March 31, 2025. However, the non-compliance was cured by the payment of approximately $1.3 million under the Credit Agreement in April and May 2025.

Issuance Cost and Warrants

In conjunction with its receipt of the Initial Loan, the Company issued to the Lender (i) 13,205 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 51,083 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 $80.00 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 $80.00 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 $47.60 per share and the shares increased to 85,853.

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 $44.00, and shares increased to 92,877.

On February 19, 2025, the Company entered into a Securities Purchase Agreement (the "2025 Purchase Agreement") with certain institutional accredited investors. According to the terms of the Credit Agreement, as amended, the Purchase Agreement triggered a reduction of the exercise price of the Whitehawk warrants and a revaluation of the derivative liability. The Whitehawk warrants were repriced to $19.39, and shares increased to 210,723.

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.

	March 31, 2025
Common stock issuable upon exercise of warrants	92,877
Market value of common stock on measurement date	$ 1.46
Exercise price	$ 44.00
Risk free interest rate (1)	3.82 %
Expected life in years	1.75 years
Expected volatility (2)	131.0 %
Expected dividend yields (3)	— %

	December 31, 2024
Common stock issuable upon exercise of warrants	92,877
Market value of common stock on measurement date	$ 1.90
Exercise price	$ 44.00
Risk free interest rate (1)	4.17 %
Expected life in years	2 years
Expected volatility (2)	80.0 %
Expected dividend yields (3)	— %

(1) The risk-free interest rate was determined 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.
(3) The Company does not expect to pay a dividend in the foreseeable future.

Following the private placement offering in February 2025, which included the sale of warrants (the "2025 Common Warrants") to purchase up to an aggregate of 1,323,000 shares of Class A Common Stock, the Company, assisted by third-party valuation experts, used a Monte Carlo Simulation model to determine the fair value of the derivative liabilities.

	Three Months Ended March 31, 2025
Common stock issuable upon exercise of 2025 Common Warrants	1,323
Market value of common stock on measurement date	$ 1.46
Exercise price	$ 2.13
Risk free interest rate (1)	3.99 %
Expected life in years	5.39 years
Expected volatility (2)	119 %
Expected dividend yields (3)	— %

(1) The risk-free interest rate was determined 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.
(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 March 31,	Three Months Ended March 31,
	2025	2024
United States	$ (2,232)	$ (6,109)
Foreign	(1,161)	(110)
Total pretax book loss	$ (3,393)	$ (6,219)

The Company recorded income tax benefit of $150 thousand and income tax expense of $870 thousand for the three months ended March 31, 2025 and 2024, respectively. The effective tax rate was 4.4% due to various permanent differences for Boxlight and a change in valuation allowance for certain deferred assets. The Sahara entities are fully taxable.

The decrease in tax expense year-over-year is largely due to increase in book loss and limitation on interest expense and net operating loss ("NOL") for the three months ended March 31, 2025 as compared to prior year estimates for the three months ended March 31, 2024.

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 and other jurisdictions, primarily driven by the aforementioned 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 2018 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 March 31, 2025 and December 31, 2024.

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 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. This includes the deferred tax liability recorded during 2021 for the acquisition of Interactive Concepts. 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 2011 to 2024 remain open to examination in the U.S. federal jurisdiction. The tax years from 2023 to 2024 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 March 31, 2025.

NOTE 11 – EQUITY

Preferred Stock

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 Stock

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 March 31, 2025, a total of 167,972 shares of Series A preferred stock remained outstanding which can be converted into 6,693 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 $66.40 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).

On February 20, 2025, the Company filed with the Secretary of State of the State of Nevada (i) an Amendment to the Certificate of Designation of its Series B Preferred Stock (the "Series B Amendment") and (ii) an Amendment to the Certificate of Designation of its Series C Preferred Stock (the "Series C Amendment" and, together with the Series B

Amendment, the “Amendments”). Each Amendment was approved by the holders of a majority of the outstanding shares of Series B Preferred Stock or Series C Preferred Stock, as applicable, in accordance with the applicable Certificate of Designation. Pursuant to the Amendments, neither the Series B Preferred Stock nor the Series C Preferred Stock shall be convertible into Class A Common Stock until the earlier of (1) the effectiveness of an amendment to the articles of incorporation of the Company increasing the number of shares of authorized Class A Common Stock to at least 25,000,000 shares (subject to adjustments as set forth therein) and (2) August 19, 2025.

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.

The Series B Preferred Stock has been recorded at its estimated fair value on the date of issuance of approximately $16.1 million, which includes the conversion and redemption features as they have not been bifurcated from the host instruments.

The Series C Preferred Stock has been recorded at its estimated fair value on the date of issuance of approximately $12.4 million, which includes the redemption features as they have not been bifurcated from the host instrument.

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 temporary equity in the Company’s condensed consolidated balance sheet.

Common Stock

Following the Company's one-for-five reverse stock split in February 2025, the Company’s common stock consists of 3,750,000 shares of Class A voting common stock and 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 shall automatically convert into shares of Class A common stock. As of March 31, 2025 and December 31, 2024, the Company had 2,232,578 and 1,970,615 shares of Class A common stock issued and outstanding, respectively. No Class B shares were outstanding as of March 31, 2025 or December 31, 2024.

Private Placement

On February 19, 2025, the Company entered into a Securities Purchase Agreement (the “2025 Purchase Agreement”) with certain institutional accredited investors, pursuant to which the Company agreed to issue and sell, in a private placement priced at-the-market under the rules of The Nasdaq Stock Market (the “2025 Private Placement”), an aggregate of (i) 260,000 shares (the “2025 Shares”) of the Company’s Class A common stock, (ii) pre-funded warrants (the “2025 Pre-Funded Warrants”) to purchase up to an aggregate of 1,063,000 shares of Class A Common Stock (the “2025 Pre-Funded Warrant Shares”), and (iii) warrants (the “2025 Common Warrants” and, together with the 2025 Pre-Funded Warrants, the “2025 Warrants”) to purchase up to an aggregate of 1,323,000 shares of Class A Common Stock (the “2025 Common Warrant Shares” and, together with the 2025 Pre-Funded Warrant Shares, the “2025 Warrant Shares”). The purchase price of each 2025 Share and accompanying 2025 Common Warrant was $2.13, and the purchase price of each 2025 Prefunded Warrant and accompanying 2025 Common Warrant was $2.1299. The 2025 Private Placement closed on February 21, 2025, and the Company issued the 2025 Shares and executed and delivered the 2025 Warrants. The gross proceeds from the 2025 Private Placement were approximately $2.8 million, before deducting placement agent fees and other private placement expenses. Each 2025 Pre-Funded Warrant has an initial exercise price of $0.0001 per share (subject to adjustments as set forth therein), is immediately exercisable upon issuance and will expire when exercised in full. Each 2025 Common Warrant has an initial exercise price of $2.13 per share (subject to adjustments as set forth therein), is exercisable six months following the date of issuance and will expire five and a half years from the date of issuance. Pursuant to the Purchase Agreement, the Company filed a registration statement on Form S-3 (the “Registration Statement”) with the Securities Exchange Commission (“SEC”) on April 7, 2025 to register the resale of the 2025 Shares and the 2025 Pre-Funded Warrant Shares. The Registration Statement was declared effective by the SEC on April 24, 2025.

Following the 2025 Private Placement, which included the sale of the 2025 Common Warrants, our number of authorized but unissued shares of Class A common stock remaining under our articles of incorporation would not be sufficient to issue shares should all of the 2025 Common Warrants be exercised. During 2025, the Company intends to request shareholder approval to amend the Company's articles of incorporation to increase the number of authorized shares of Class A common stock. However, there can be no certainty that shareholder approval will be obtained.

Amendments to Certificates of Designation

On February 20, 2025, the Company filed with the Secretary of State of the State of Nevada (i) an Amendment to the Certificate of Designation of its Series B Preferred Stock (the "Series B Amendment") and (ii) an Amendment to the Certificate of Designation of its Series C Preferred Stock (the "Series C Amendment" and, together with the Series B Amendment, the "Amendments"). Each Amendment was approved by the holders of a majority of the outstanding shares of Series B Preferred Stock or Series C Preferred Stock, as applicable, in accordance with the applicable Certificate of Designation. Pursuant to the Amendments, neither the Series B Preferred Stock nor the Series C Preferred Stock shall be convertible into Class A Common Stock until the earlier of (1) the effectiveness of an amendment to the articles of incorporation of the Company increasing the number of shares of authorized Class A Common Stock to at least 25,000,000 shares (subject to adjustments as set forth therein) and (2) August 19, 2025.

Warrants

The Company had equity warrants outstanding of 2,663,201 and 277,201 as of March 31, 2025 and December 31, 2024, respectively.

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 159,761 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 125,000 shares of the Company's Class A common stock have been approved for issuance. Upon approval of the 2021 Plan in March 2023, 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 our Equity Incentive Plans, an employee may receive an award of stock option grants that provides the opportunity in the future to purchase the Company's shares at the market price of our stock on the date the award is granted (strike price). The 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. We record compensation expense based on the 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 three months ended March 31, 2025:

	Number of Units
Outstanding, December 31, 2024	34,141
Granted	—
Exercised	—
Forfeited	—
Expired	(625)
Outstanding, March 31, 2025	33,516
Exercisable, March 31, 2025	32,558

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. Each RSU represents a contingent right to receive one share of Class A common stock. 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 three months ended March 31, 2025:

	Number of Units
Outstanding, December 31, 2024	14,636
Granted	—
Vested	(1,930)
Forfeited	(639)
Outstanding, March 31, 2025	12,067

Warrants

The following is a summary of the warrant activities for warrants to purchase Class A common stock during the three months ended March 31, 2025:

	Number of Units
Outstanding, December 31, 2024	277,201
Granted	2,386,000
Exercised	—
Outstanding, March 31, 2025	2,663,201
Exercisable, March 31, 2025	2,663,201

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. The target payout under the LTIP awarded to the Board of Directors and senior management is $420 thousand and $1.1 million, respectively. 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. Consequently, the projected payout under the LTIP awarded to the Board was $236 thousand as of March 31, 2025 due to the change in stock price. 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 a 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 March 31, 2025. 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 LTIP as of March 31, 2025 to be $189 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.

	March 31, 2025
Market value of common stock on measurement date	$ 1.46
Risk free interest rate (1)	3.82 %
Expected life in years	2.25 years
Expected volatility (2)	131 %

(1) The risk-free interest rate was determined 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.

For the three months ended March 31, 2025 and 2024, the Company recorded the following stock compensation in general and administrative expense (in thousands):

	Three Months Ended March 31,	
	2025	2024
Stock options	$ 5	$ 104
Restricted stock units	66	444
Equity based warrants	30	1
Long-term incentive plan	68	—
Total stock compensation expense	$ 169	$ 549

As of March 31, 2025, there was approximately $0.3 million of unrecognized compensation expense related to unvested options, RSU's, and warrants, which will be amortized over the remaining vesting period.

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, 2025. For the three months ended March 31, 2025 and 2024, the Company paid $42 thousand and $79 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. In accordance with the Management Agreement, Mr. Pope is expected to continue providing consulting services to the Company for the subsequent 13 months.

For the three months ended March 31, 2025, the Company paid $43 thousand under the agreement. Mr. Pope continues to serve as a director of the Company.

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 March 31, 2025, the total amount of such open inventory purchase orders was $18.1 million.

NOTE 15 – CUSTOMER AND SUPPLIER CONCENTRATION

There was no customer that accounted for greater than 10% of the Company's consolidated revenues for the three months ended March 31, 2025 and 2024.

For the three months ended March 31, 2025 and 2024, 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 three months ended March 31, 2025	Accounts payable to the vendor as of March 31, 2025 (in thousands)	Total purchases from the vendor as a percentage of total cost of revenues for the three months ended March 31, 2024	Accounts payable to the vendor as of March 31, 2024 (in thousands)
1	30.0 %	$ 8,652	47.6 %	$ 12,166

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):

	Year Ended March 31, 2025				
	Americas	EMEA	Rest of World	Eliminations and Adjustments	Total
Revenues, net	$ 9,888	$ 12,703	$ 317	$ (485)	$ 22,423
less [2]					
Cost of sales	$ 5,065	$ 9,461	$ 125	$ (271)	$ 14,380
Segment gross profit	$ 4,823	$ 3,242	$ 192	$ (214)	$ 8,043
less [2]					
General and administrative expenses	$ 4,906	$ 5,038	$ 95	$ —	$ 10,039
Impairment of goodwill	$ —	$ —	$ —	$ —	$ —
Interest expense	$ 2,367	$ 120	$ —	$ —	$ 2,487
Income tax expense	$ (13)	$ (137)	$ —	$ —	$ (150)
Other segment items [3]	$ (406)	$ (505)	$ —	$ (179)	$ (1,090)
Net Loss	$ (2,031)	$ (1,274)	$ 97	$ (35)	$ (3,243)

[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.
[2] The significant expense categories and amounts align with the segment-level information that is regularly provided to the Chief Operating Decision Maker.
[3] Other Segment items for reach reportable segment includes:
Research and development - consists primarily of personnel related costs, prototype and sample costs, design costs, and global product certifications mostly for wireless certifications.
Other Expense - consists of interest expense associated with our debt financing arrangements, the effects of changes in the fair value of derivative liabilities and warrants.

	Year Ended March 31, 2024				
	Americas	EMEA	Rest of World	Eliminations and Adjustments	Total
Revenues, net	$ 17,530	$ 21,001	$ 284	$ (1,722)	$ 37,093
less [2]					
Cost of sales	$ 10,801	$ 14,836	$ 190	$ (1,549)	$ 24,278
Segment gross profit	$ 6,729	$ 6,165	$ 94	$ (173)	$ 12,815
less [2]					
General and administrative expenses	$ 9,378	$ 5,787	$ 84	$ —	$ 15,249
Impairment of goodwill	$ —	$ —	$ —	$ —	$ —
Interest expense	$ 2,545	$ 62	$ —	$ —	$ 2,607
Income tax expense	$ 720	$ 150	$ —	$ —	$ 870
Other segment items [3]	$ 951	$ 343	$ —	$ (116)	$ 1,178
Net Loss	$ (6,865)	$ (177)	$ 10	$ (57)	$ (7,089)

[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.

(2) The significant expense categories and amounts align with the segment-level information that is regularly provided to the Chief Operating Decision Maker.
(3) Other Segment items for reach reportable segment includes:
Research and development - consists primarily of personnel related costs, prototype and sample costs, design costs, and global product certifications mostly for wireless certifications.
Other Expense - consists of interest expense associated with our debt financing arrangements, (gains) or losses on settlements of debt, and the effects of changes in the fair value of derivative liabilities.

	March 31, 2025	December 31, 2024
Identifiable Assets		
Americas	$ 47,736	$ 50,318
EMEA	59,636	63,863
Rest of World	1,324	1,124
Total Identifiable Assets	$ 108,696	$ 115,305

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 March 31st.

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 continue to operate as a going concern;

- our ability to regain compliance with the Nasdaq Capital Market continued listing requirements and maintain a listing of our Class A common stock on Nasdaq Capital Market;
- our ability to comply with certain covenants, including achievement of a recapitalization and/or repayment of our term loan by June 16, 2025, as well as minimum liquidity and borrowing base requirements under our existing credit agreement, or in the alternative, to continue to obtain forbearances or waivers from the lender thereunder;
- our ability to pay the redemption price of our outstanding Series B Preferred Stock and Series C Preferred Stock in the event the holders thereof were to opt to cause the Company to redeem the Series B Preferred Stock or Series C Preferred Stock;
- our indebtedness, a substantial amount of which is bearing interest at a variable rate;
- our history of operating losses;
- our ability to raise additional capital;
- our ability to increase the number of authorized shares of Class A common stock pursuant to our articles of incorporation;
- changes in the sales of our display products;
- changes in U.S. administrative policy, including the imposition of or increases in tariffs, changes to existing trade agreements and any resulting changes in international trade relations, such as trade wars;
- changes in the spending policies or budget priorities for government funding of schools, colleges, universities, other education providers or government agencies;
- 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;
- 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 epidemics, pandemics, or other health crises;
- 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;

- 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;
- our possible or assumed future results of operations;
- our ability to attract and retain customers;
- our ability to sell additional products and services to customers;
- our cash needs and financing plans;
- our potential growth opportunities;
- expected technological advances by us or by third parties and our ability to leverage them;
- the effects of future regulation;
- our ability to protect or monetize our intellectual property; and
- 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, 2024, 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. 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.

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, the effects of changes in the fair value of derivative liabilities and changes in the fair value of warrants.

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 March 31, 2025 and 2024

Revenues. Total revenues for the three months ended March 31, 2025 were $22.4 million as compared to $37.1 million for the three months ended March 31, 2024, resulting in a 39.5% 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 as well as competitive industry pricing.

Cost of Revenues. Cost of revenues for the three months ended March 31, 2025 were $14.4 million as compared to $24.3 million for the three months ended March 31, 2024, resulting in a 40.8% decrease. The decrease in cost of revenues was attributable to the decrease in units sold.

Gross Profit. Gross profit for the three months ended March 31, 2025 was $8.0 million as compared to $12.8 million for the three months ended March 31, 2024, a decrease of 37.2%. Gross profit margin was 35.9% for the three months ended March 31, 2025 and 34.5% for the three months ended March 31, 2024. The increase in gross profit margin is primarily related to the difference in product mix offset by increases in pricing pressure within the industry compared to the prior year quarter.

General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2025 were $10 million, representing 44.8% of revenue as compared to $15.2 million representing 41.1% of revenue for the three months ended March 31, 2024. The decrease in general and administrative expenses for the period ended March 31, 2025 was due to ongoing initiatives to reduce operating expenses across all cost groups, with the largest declines in employee-related expenses of $2.4 million, professional fees of $1.3 million, sales and marketing expenses of $0.9 million, travel expenses of $0.5 million and stock compensation expense of $0.4 million.

Research and Development Expenses. Research and development expenses for the three months ended March 31, 2025 and 2024 were $0.9 million and $1.2 million, respectively and represented 4.1% and 3.2% of revenue, respectively. The decrease can be attributable to management's ongoing initiatives to reduce operating expenses.

Other Expense. Other expense, net for the three months ended March 31, 2025 was $0.5 million as compared to $2.6 million for the three months ended March 31, 2024, representing a decrease of $2.1 million. Other expense consists primarily of interest expense on our term loan offset by change in fair value of common warrants compared to the prior year quarter.

Net Loss. Net loss was approximately $3.2 million and $7.1 million for the three months ended March 31, 2025 and 2024, 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, change in fair value of warrants 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 March 31, 2025	Three Months Ended March 31, 2024
Net Loss	**$ (3,243)**	**$ (7,089)**
Depreciation and amortization	2,463	2,069
Interest expense	2,487	2,607
Income tax (benefit) expense	(150)	870
EBITDA	**$ 1,557**	**$ (1,543)**
Stock compensation expense	169	549
Change in fair value of derivative liabilities	9	(192)
Change in fair value of common warrants	(1,936) —	—
Purchase accounting impact of fair valuing inventory	—	113
Purchase accounting impact of fair valuing deferred revenue	119	309
Severance charges	57	943
Adjusted EBITDA	**$ (25)**	**$ 179**

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 March 31, 2025, we had cash and cash equivalents of $8.1 million, a working capital balance of $1.6 million, and a current ratio of 1.02. As of March 31, 2024, we had $11.8 million of cash and cash equivalents, a working capital balance of $46.6 million, and a current ratio of 2.17.

For the three months ended March 31, 2025 and 2024, we had net cash used in operating activities of $4.7 million and $1.9 million, respectively. Cash used in operating activities primarily relates to net loss for the three months ended March 31, 2025 as well as changes in working capital management. We had net cash used in investing activities of $127 thousand and $394 thousand for the three months ended March 31, 2025 and 2024, respectively. Cash used in investing activities is related to purchases of property and equipment. For the three months ended March 31, 2025 and 2024, we had net cash provided by and used in financing activities of $4.6 million and $2.6 million, respectively. Cash provided by financing activities in 2025 is related to proceeds from short-term debt of $2.5 million and proceeds from issuance of common stock and warrants of $2.8 million, partially offset by loss on revaluation of warrants and principal repayment of short-term debt of $0.7 million.

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.

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 were paid in full by November 2024, and were not subject to prepayment penalties.

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.

On February 20, 2025, we filed with the Secretary of State of the State of Nevada (i) an Amendment to the Certificate of Designation of our Series B Preferred Stock (the "Series B Amendment") and (ii) an Amendment to the Certificate of Designation of our Series C Preferred Stock (the "Series C Amendment" and, together with the Series B Amendment, the "Amendments"). Each Amendment was approved by the holders of a majority of the outstanding shares of Series B Preferred Stock or Series C Preferred Stock, as applicable, in accordance with the applicable Certificate of Designation. Pursuant to the Amendments, neither the Series B Preferred Stock nor the Series C Preferred Stock shall be convertible into Class A Common Stock until the earlier of (1) the effectiveness of an amendment to the articles of incorporation of the Company increasing the number of shares of authorized Class A Common Stock to at least 25,000,000 shares (subject to adjustments as set forth therein) and (2) August 19, 2025.

Given the uncertainty surrounding global supply chains, global markets, and general global uncertainty as a result of new U.S. tariff policy, trade wars, and the ongoing conflicts between Russia and Ukraine and Israel and Hamas, the availability of debt and equity capital has been reduced and the cost of capital has increased. Furthermore, recent adverse developments affecting the financial services industry including events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions may lead to market-wide liquidity problems. This in turn could result in a reduction in 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, there can be no guarantee we will be able to access capital when needed or be able to manage through the 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.

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.

The Company was not in compliance with its 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 rise 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.

The Company was not in compliance with its 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.

The Company was also not in compliance with its 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.

The Company was also not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at December 31, 2024. In addition, the Company was also not in compliance with its borrowing base covenant under the Credit Agreement at December 31, 2024, January 31, 2024 and February 28, 2025. On March 24, 2025, the Company entered into an eighth amendment to the Credit Agreement with the Collateral Agent and Lender (the “Eighth Amendment”) to (i) provide the Company with an additional $2.5 million working capital bridge loan and (ii) waive any events of default that may have arisen as a result of the Company’s failure to (A) maintain the required ratio of indebtedness to adjusted EBITDA (defined more specifically as the “Senior Leverage Ratio” in the Credit Agreement) for the periods ended December 31, 2024 and March 31, 2025 and (B) maintain a value of specified assets in excess of certain borrowings (defined more specifically as a “Borrowing Base” in the Credit Agreement) for the months ended December 31, 2024, January 31, 2025 and February 28, 2025. In addition, no payments were required to be made by the Company to pay down the borrowing base defaults for December 2024, January 2025 and February 2025. The Company is required to pay a fee equal to 6% of the working capital bridge loan under the Eighth Amendment. The bridge loan, including the related fee, is due and payable in full on August 31, 2025, and is not subject to 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.

In conjunction with obtaining the waiver pursuant to the Eighth Amendment, the Company must also comply with additional covenants, including meeting target completion milestones related to the Company’s recapitalization process, most notably achieving an expected completion of the recapitalization and/or repayment of its term loan by June 16, 2025. In addition, the Company is required to provide budgets to the lender with variance analysis in excess of specified thresholds resulting in an event of default at the discretion of the lender. The amendment also prohibits the Company from paying dividends or distributions to its preferred stockholders and reduces the value assigned to its intellectual property under its borrowing base calculation.

The Company also was not in compliance with its financial covenant related to the borrowing base under the Credit Agreement at March 31, 2025. However, the non-compliance was cured by the payment of approximately $1.3 million under the Credit Agreement in April and May 2025.

Because of the significant decreases in the required Senior Leverage Ratio that have occurred within the past eighteen 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, the borrowing base covenant, or any other financial covenants, or refinance our Credit Agreement with a different lender on a basis with more favorable terms. As part of our ongoing efforts to strengthen our financial position, the Company has initiated plans to recapitalize its balance sheet and refinance our current Credit Agreement. This initiative is part of our broader strategy to improve financial flexibility, reduce our cost of capital, and position the Company for sustainable growth in the long term. We are actively working to refinance our debt with new lenders. While we have currently engaged financial advisors and are actively working to refinance our existing debt, we do not have written or executed agreements as of the issuance of this Form 10-K. 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, 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 April 7, 2025, the Company received a letter (the “Notice”) from the Listing Qualifications

Department of The Nasdaq Stock Market ("Nasdaq") notifying the Company that it did not satisfy the continued listing requirements under Nasdaq Listing Rule 5550(b) for the Nasdaq Capital Market. Rule 5550(b) requires that a listed company must satisfy one of the following three standards: (1) stockholders' equity of at least $2.5 million; (2) market value of listed securities of at least $35 million; or (3) net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years. In its Annual Report on Form 10-K for the year ended December 31, 2024, the Company reported (i) stockholders' equity of ($12,896,000) at December 31, 2024, and (ii) net losses of ($28,335,000) and ($39,156,000) for the years ended December 31, 2024, and 2023, respectively. In addition, based on the consolidated closing bid price of the Company's Class A Common Stock on the Nasdaq Capital Market on April 4, 2025 of $1.27, the market value of the Company's listed securities was $2,830,180 as of such date. The Notice has no immediate effect on the Company's listing on the Nasdaq Capital Market. In accordance with Nasdaq rules, the Company has 45 calendar days from the date of the notification to submit a plan to regain compliance with Nasdaq Listing Rule 5550(b). The Company intends to submit a compliance plan within 45 days of the date of the notification and will evaluate available options to resolve the deficiency and regain compliance. If the Company's compliance plan is accepted, the Company may be granted up to 180 calendar days from April 7, 2025, to evidence compliance. There can be no assurance that the Company's compliance plan will be accepted by Nasdaq, or that the Company will be able to obtain compliance with Rule 5550(b) within the prescribed timeframe. If the Company's Class A Common Stock is delisted from the Nasdaq Capital Market, it could have a material adverse effect on the market price and liquidity of the Class A Common Stock, and could materially impair the Company's ability to raise equity capital.

Following a private placement offering in February 2025, which included the sale of warrants (the "2025 Common Warrants") to purchase up to an aggregate of 1,323,000 shares of Class A Common Stock, our number of authorized but unissued shares of Class A common stock remaining under our articles of incorporation would not be sufficient to issue shares should all of the 2025 Common Warrants be exercised. During 2025, the Company intends to request shareholder approval to amend the Company's articles of incorporation to increase the number of authorized shares of Class A common stock. However, there can be no certainty that shareholder approval will be obtained. If the Company's Class A Common Stock does not receive shareholder approval for an increase in the number of authorized shares of Class A common stock available under its articles of incorporation, it could also materially impair the Company's ability to raise equity capital.

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 2024 Annual Report, which was filed with the SEC on March 28, 2025. 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 2024 Annual Report on Form 10-K, as filed with the SEC on March 28, 2025.

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 March 31, 2025 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 2024 Annual Report on Form 10-K, which was filed with the SEC on March 28, 2025 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

On April 7, 2025, the Company received a letter (the "Notice") from the staff at Nasdaq notifying the Company that it did not satisfy the continued listing requirements under Nasdaq Listing Rule 5550(b) for the Nasdaq Capital Market. Rule 5550(b) requires that a listed company must satisfy one of the following three standards: (1) stockholders' equity of at least $2.5 million; (2) market value of listed securities of at least $35 million; or (3) net income from continuing operations of $0.5 million in the most recently completed fiscal year or in two of the three most recently completed fiscal years. In its Annual Report on Form 10-K for the year ended December 31, 2024, the Company reported (i) stockholders' equity of $12.9 million at December 31, 2024, and (ii) net losses of $28.3 million and $39.2 million for the years ended December 31, 2024, and 2023, respectively. In addition, based on the consolidated closing bid price of the Company's Class A Common Stock on the Nasdaq Capital Market on April 4, 2025 of $1.27, the market value of the Company's listed securities was $2,830,180 as of such date.

The Notice has no immediate effect on the Company's listing on the Nasdaq Capital Market. In accordance with Nasdaq rules, the Company has 45 calendar days from the date of the notification to submit a plan to regain compliance with Nasdaq Listing Rule 5550(b). The Company intends to submit a compliance plan within 45 days of the date of the notification and will evaluate available options to resolve the deficiency and regain compliance. If the Company's compliance plan is accepted, the Company may be granted up to 180 calendar days from April 7, 2025, to evidence compliance.

There can be no assurance that the Company's compliance plan will be accepted by Nasdaq, or that the Company will be able to obtain compliance with Rule 5550(b) within the prescribed timeframe. If the Company does not submit a compliance plan or the compliance plan is not accepted by Nasdaq, the Company's Class A common stock could be delisted from the Nasdaq Capital Market.

In addition, as previously reported, on February 28, 2024, Boxlight Corporation, a Nevada corporation (the "Company"), received a letter from the staff of Nasdaq, notifying the Company that, based upon the closing bid price of the Company's Class A common stock for the previous 30 consecutive business days, the Company no longer met the requirements of Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). The Company was provided an initial period of 180 calendar days, or until August 26, 2024, to regain compliance with the Bid Price Rule. As previously reported, on August 27, 2024, Nasdaq advised the Company in writing that, while the Company had not regained compliance with the

Bid Price Rule, the Company had been granted an additional 180 calendar day extension, or until February 24, 2025 (the "Second Deadline"), to regain compliance with the Bid Price Rule.

We effected a reverse stock split of our authorized, issued and outstanding shares of Class A common stock, at a ratio of 1-for-5 (the "2025 Reverse Stock Split"). The 2025 Reverse Stock Split became effective at 5:01 p.m., Eastern Time, on February 14, 2025, with the Class A common stock trading on Nasdaq on a reverse split-adjusted basis under our existing trading symbol "BOXL" at the market open on February 18, 2025. We effectuated the Reverse Stock Split to raise the per share bid price of our Class A Common Stock above $1.00 per share in an effort to regain compliance with the Bid Price Rule. We were eligible to regain compliance with the Bid Price Rule if our Class A Common Stock traded at or above $1.00 for a minimum of 10 consecutive trading days on or before the Second Deadline.

On February 25, 2025, the staff of Nasdaq notified us in writing that we had not regained compliance with Nasdaq Listing Rule 5550(a)(2) by the Second Deadline, and that trading in our Class A common stock would be suspended at the opening of business on March 4, 2025, and a Form 25-NSE would be filed with the Securities and Exchange Commission (the "SEC") to remove our securities from listing and registration on Nasdaq. However, as of close of market on March 3, 2025, our Class A Common Stock had traded above $1.00 for 10 consecutive trading days, and, as a result, Nasdaq notified us in writing that the Staff had determined that we had regained compliance with the Bid Price Rule, and that suspension of trading in, and delisting of, our stock had been cancelled. Accordingly, we regained compliance with the Bid Price Rule and continued trading on Nasdaq under our existing trading symbol "BOXL" at the market open on March 4, 2025.

While the Company regained compliance with the Bid Price Rule at that time, there can be no assurance that the Company will maintain compliance with the Bid Price Rule, in the future. In addition, in accordance with Nasdaq Listing Rule 5810(c)(3)(A)(iv), if our stock price were to decline below $1.00 per share in the twelve months following our reverse stock split on February 14, 2025, we would not be eligible for any compliance period and the Nasdaq Listing Qualifications Department will issue a Staff Delisting Determination. In addition, our Board may determine in the future 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 March 31, 2025 we owed $39.6 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 (i) the Senior Leverage Ratio financial covenant under the Credit Agreement at March 31, 2025 and December 31, 2024, and (ii) our borrowing base covenant under the Credit Agreement at December 31, 2024, January 31, 2024 and February 28, 2025. On March 24, 2025, we entered into an eighth amendment to the Credit Agreement (the "Eighth Amendment") to, among other things, waive any events of default that may have arisen directly as a result of such non-compliance with the Senior Leverage Ratio financial covenant and our borrowing base covenant under the Credit Agreement with respect to each of these periods. We also were not in compliance with our borrowing base covenant under the Credit Agreement at March 31, 2025, which was subsequently cured by the payment of approximately $1.3 million under the Credit Agreement in April and May 2025. Because of the significant decreases in the required Senior Leverage Ratio that have occurred within the past 18 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 addition, pursuant to the Eighth Amendment, we must also comply with additional covenants, including meeting target completion milestones related to our recapitalization process, most notably achieving an expected completion of the recapitalization and/or repayment of our term loan by June 16, 2025. We are actively working to refinance our debt with new lenders. While we have currently engaged financial advisors and are actively working to refinance our existing debt, there can be no assurance we will be successful in refinancing our debt, on a timely basis, or on terms acceptable to us, or at all.

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 waivers 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, which we might not be able to do on acceptable terms or on a timely basis, or at all. Our ability to refinance our existing debt is based upon credit markets and economic forces 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 on a timely basis, 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.

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

Securities Trading Plans of Directors and Executive Officers

During the three months ended March 31, 2025, 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
3.1	Certificate of Change, filed on February 12, 2025 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on February 13, 2025).
4.1	Amendment to Certificate of Designation (Series B Preferred Stock) (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8- K filed February 21, 2025).
4.2	Amendment to Certificate of Designation (Series C Preferred Stock) (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8- K filed February 21, 2025).
4.3	2025 Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8- K filed February 21, 2025).
4.4	2025 Form of Common Warrant (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8- K filed February 21, 2025).
10.1	Placement Agent Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8- K filed February 21, 2025).
10.2	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8- K filed February 21, 2025).
10.3	Eight Amendment and Waiver to Credit Agreement, dated March 24, 2025, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC (incorporated by reference to exhibit 10.89 to the Annual Report on Form 10-K filed March 28, 2025)
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

May 14, 2025	By:	*/s/ Dale Strang*
		Dale Strang
		Chief Executive Officer
May 14, 2025	By:	*/s/ Greg Wiggins*
		Greg Wiggins
		Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

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 March 31, 2025, 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: May 14, 2025

/s/ Dale Strang

Dale Strang
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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 March 31, 2025, 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: May 14, 2025

/s/ Greg Wiggins

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

Exhibit 32.1

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

In connection with the Quarterly Report 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 March 31, 2025, 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: May 14, 2025

/s/ Dale Strang

Dale Strang
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 March 31, 2025, 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: May 14, 2025

/s/ Greg Wiggins

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