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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT UNDER 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	8211	36-4794936
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

2750 Premiere Pkwy #900
Duluth, Georgia 30097
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(678) 367-0809**

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

Title of each class	Ticker Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	**BOXL**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was $20,384,326.

The number of shares outstanding of the registrant's common stock on March 8, 2024 was 9,728,465.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference to certain portions of the registrant's Definitive Proxy Statement for the 2024 Annual Meeting of the Stockholders, which will be filed within 120 days of December 31, 2023.

BOXLIGHT CORPORATION
TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (including the section regarding Management's Discussion and Analysis and Results of Operations, the "Annual 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. These statements 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.

Forward-looking statements include statements concerning the following:

- our possible or assumed future results of operations;
- our business strategies;
- our ability to attract and retain customers;
- our ability to sell additional products and services to customers;
- our cash needs and financing plans;
- our competitive position;
- our industry environment;
- our potential growth opportunities;
- expected technological advances by us or by third parties and our ability to leverage them;
- our inability to predict, adapt to, or anticipate the duration or long-term economic and business consequences of the ongoing conflicts between Ukraine and Russia, and Israel and Hamas, or the COVID-19 pandemic;
- our ability to protect the Company against cybersecurity risks and threats;
- our ability to maintain the listing of our securities on a national securities exchange;
- the effects of future regulation; and
- our ability to protect or monetize our intellectual property.

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 predictions. You should not place undue reliance on forward-looking statements, because they involve known and unknown risks, uncertainties, and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in the reports we file with the Securities and Exchange Commission (the "SEC"). Actual events or results may vary significantly from those implied or projected by the forward-looking statements due to these risk factors. No forward-looking statement is a guarantee of future performance. You should read this Annual Report, the documents that we reference in this Annual Report and the documentation we have filed as exhibits thereto with the SEC, with the understanding that our actual future results and circumstances may be materially different from what we expect.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

Unless the context otherwise requires, the terms "the Company," "we," "us," and "our" in this Annual 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 "year" and "fiscal year" refer to our fiscal year ending December 31st.

PART I

ITEM 1. BUSINESS

We are a technology company that develops, sells and services interactive solutions predominantly for the global education market, but also for the corporate and government sectors. We are seeking to become a worldwide leading innovator and integrator of interactive products and software solutions and improve collaboration and effective communication in meeting environments. We currently design, produce and distribute interactive technologies including our interactive and non-interactive flat-panel displays, LED video walls, media players, classroom audio and campus communication, cameras and other peripherals for the education market and non-interactive solutions including flat-panels, LED video walls and digital signage for the Enterprise market. We also distribute science, technology, engineering and math (or "STEM") products, including our 3D printing and robotics solutions, and our portable science lab. All products are integrated into our classroom software suite that provides tools for whole class learning, assessment and collaboration. In addition, we offer professional training services related to our technology to our U.S. educational customers. To date, we have generated the majority of our revenue in the U.S. and internationally from the sale of interactive displays and related software to the educational market. We have sold our solutions into more than 70 countries and into more than 1.5 million classrooms and meeting spaces. We sell our products and software through more than 1,000 global reseller partners. We believe we offer the most comprehensive and integrated line of interactive display solutions, audio products, peripherals and accessories, software and professional development for schools and enterprises on the market today. The majority of our products are backed by nearly 30 years of research and development. Our website address is https://boxlight.com. Information available on our website is not a part of, and is not incorporated into, this Annual Report.

Advances in technology and new options for the introduction of technology into the classroom have forced school districts to look for solutions that allow teachers and students to bring their own devices into the classroom, provide school districts with information technology departments with the means to access data with or without internet access, handle higher demand for video, as well as control cloud and data storage challenges. Our design teams are able to quickly customize systems and configurations to serve the needs of clients so that existing hardware and software platforms can communicate with one another. Our goal is to become a single source solution to satisfy the needs of educators around the globe and provide a holistic approach to the modern classroom.

We pride ourselves in providing industry-leading service and support and have received numerous product awards:

- In 2023, Boxlight received multiple awards from various industry events and publications. Boxlight's Clevertouch brands were awarded three best of show awards at the ISE conference for LYNX Whiteboard, IMPACT Max and UX Pro 2. At the EdTech awards, Attention!® was named winner of the EDTech Cool Tool Award and Clevershare was a finalist in the screen mirroring software. At the 5th annual EdTech Breakthrough Awards, Boxlight received Best Technology Solution for Student Safety. Boxlight won 9 Tech and Learning Best for Back to School Awards for its MimioWall, MimioDS, MyBot Recruit, IMPACT Lux and Teacher Action! Mic., while Clevertouch by Boxlight won signage Technology of the Year for the CleverLive products.

- In 2022, Boxlight received awards from various industry publications including Overall EdTech Company of the Year in the EdTech Breakthrough Awards, Tech and Learning Best of Show for ISTELive 22, multiple awards from Tech & Learning's Back to School Awards of Excellence, 4 awards for new products from THE Journal, multiple awards from Tech and Learning for Mimio, Clevertouch and FrontRow solutions and the Campus Technology New Product of the Year award for CleverLive digital signage.

- In 2021, Boxlight received Tech & Learning's 2021 Awards of Excellence - Best Tools for Back to School, in both Primary and Secondary levels for: MimioConnect® blended learning platform, MimioSTEM solutions, Boxlight-EOS Professional Development Learning Solutions, and our ProColor interactive flat-panel. Clevertouch was awarded for Best Business Growth and Corporate Social Responsibility by Inavation Awards and 4 AV Awards for Product, Manufacturer, Distributor, and Channel Team of the Year.

Our Company

Boxlight Corporation was incorporated in Nevada on September 18, 2014 for the purpose of acquiring technology companies that sell interactive products into the education market. As of the date of this Annual Report, we have four subsidiaries, consisting of Boxlight Inc., a Washington State corporation, Sahara Holdings Limited, an England and Wales corporation ("Sahara"), Boxlight Latinoamerica, S.A. DE C.V. (“BLS”) and Boxlight Latinoamerica Servicios, S.A. DE C.V., (“BLA”), both BLS and BLA are incorporated in Mexico. BLS and BLA are currently inactive. Our Sahara Holding Limited subsidiary has eight directly and indirectly owned subsidiaries located in the United States, the United Kingdom, the Netherlands, Belgium, Sweden, Finland and Germany, and our subsidiary Boxlight Inc., in turn, has six directly and indirectly owned subsidiaries located in the United States, Australia, Northern Ireland, Canada and Denmark.

On December 31, 2021, we acquired FrontRow Calypso LLC, a California company and a leader in classroom and campus communication solutions for the education market.

On March 23, 2021, we acquired Interactive Concepts BV, a company incorporated and registered in Belgium and a distributor of interactive technologies and subsequently renamed to Sahara Presentation Systems (Interactive) Europe BV. The company has been our key distributor in Belgium and Luxembourg.

On September 24, 2020, we acquired Sahara., a leader in distributed AV products and a manufacturer of multi-award-winning touchscreens and digital signage products, including the globally renowned Clevertouch brand. Headquartered in the United Kingdom, Sahara and its subsidiaries have a strong presence in the EMEA interactive flat-panel display (IFPD) market selling into education, health, government, military and corporate sectors.

On April 17, 2020, we acquired MyStemKits Inc. (“MyStemKits”). MyStemKits is in the business of developing, selling and distributing 3D printable science, technology, engineering and math curriculums incorporating 3D printed project kits for education, and owns the right to manufacture, market and distribute Robo 3D branded 3D printers and associated hardware for the global education market.

On March 12, 2019, we acquired Modern Robotics Inc. (“MRI”), a company based in Miami, Florida. MRI is engaged in the business of developing, selling and distributing science, technology, engineering and math (STEM), robotics and programming solutions to the global education market.

On August 31, 2018, we purchased EOS, an Arizona limited liability company owned by Daniel and Aleksandra Leis. EOS is in the business of providing technology consulting, training, and professional development services to create sustainable programs that integrate technology with curriculum in K-12 schools and districts.

On June 22, 2018, we acquired Qwizdom, Inc. and its subsidiary Qwizdom UK Limited (together, the “Qwizdom Companies”). The Qwizdom Companies develop software and hardware solutions that are quick to implement and designed to increase participation, provide immediate data feedback, and, most importantly, accelerate and improve comprehension and learning. The Qwizdom Companies have offices outside Seattle, WA and Belfast, Northern Ireland and deliver products in more than 40 languages to customers around the world through a network of partners.

On May 9, 2018, we acquired Cohuborate, Ltd., a United Kingdom corporation based in Lancashire, England. Cohuborate produces, sells and distributes interactive display panels designed to provide new learning and working experiences through high-quality technologies and solutions through in-room and room-to-room multi-device multi-user collaboration.

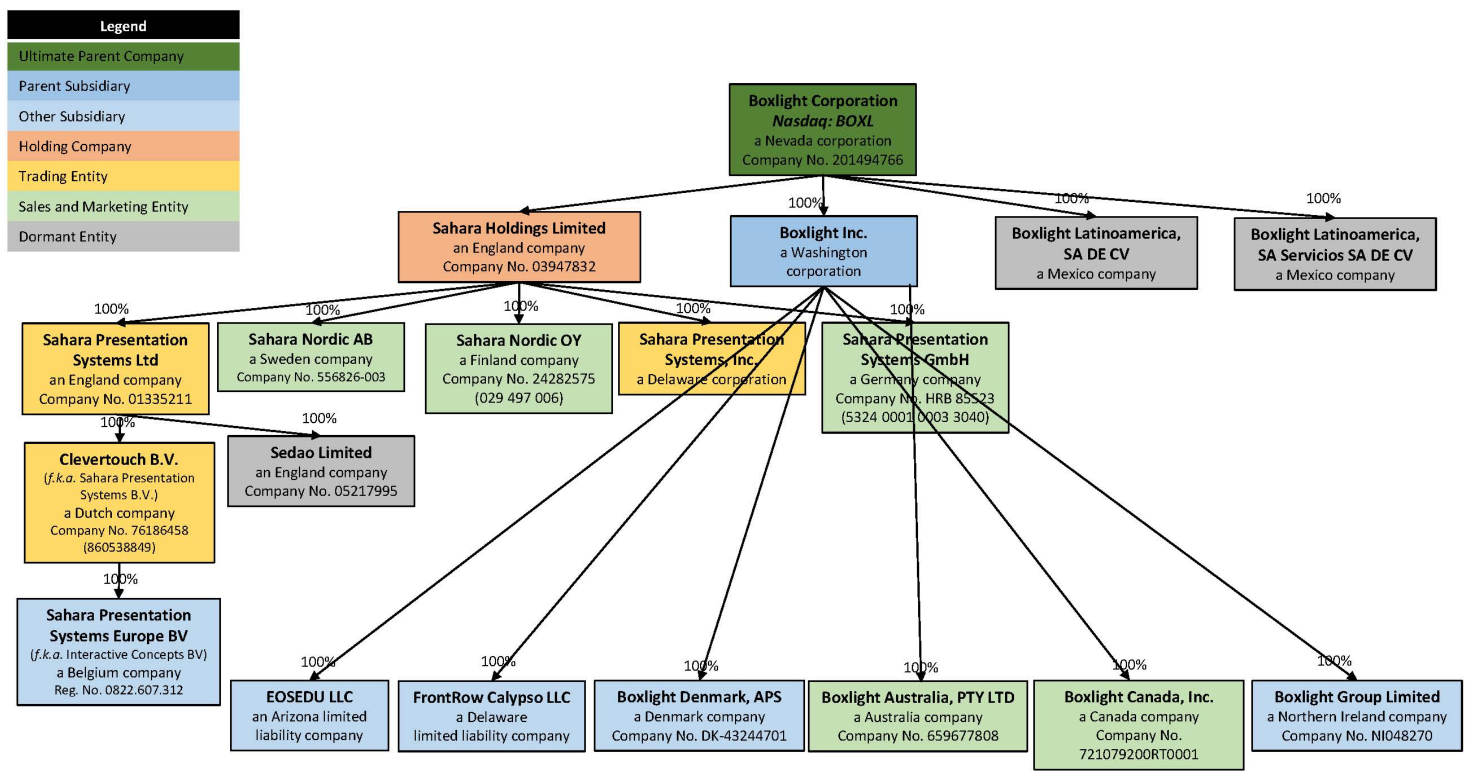
On December 20, 2018, Cohuborate Ltd. transferred all of its assets and liabilities to Qwizdom UK Limited and changed its name to Qwizdom UK Limited. On December 20, 2018, Qwizdom UK Limited changed its name to Boxlight Group Ltd. On January 24, 2019, we merged Qwizdom, Inc. with and into Boxlight, Inc.

The businesses previously conducted by Cohuborate Ltd. and Qwizdom UK Limited are now operated by the Boxlight Group Ltd., a wholly owned subsidiary of Boxlight, Inc.

On May 9, 2016, we acquired Genesis Collaboration LLC, a Georgia limited liability company (“Genesis”). Genesis, is a value-added reseller of interactive learning technologies, selling into the K-12 education market in Georgia, Alabama, South Carolina, northern Florida, western North Carolina and eastern Tennessee. Genesis also sells our interactive solutions into the business and government markets in the United States. Effective August 1, 2016, Genesis was merged into our Boxlight Inc. subsidiary.

On April 1, 2016, we acquired Mimio LLC, a Delaware limited liability company ("Mimio"). Mimio designs, produces and distributes a broad range of Interactive Classroom Technology products primarily targeted at the global K-12 education market. Mimio's core products include interactive projectors, interactive flat-panel displays, interactive touch projectors, touch boards and MimioTeach, which can turn any whiteboard interactive within 30 seconds. Mimio's product line also includes an accessory document camera, teacher pad for remote control and an assessment system. Manufacturing is by ODMs and OEMs in Taiwan and Mainland China. Mimio products have been deployed in over 600,000 classrooms in dozens of countries. Mimio's software is provided in over 30 languages. Effective October 1, 2016, Mimio was merged into our Boxlight Inc. subsidiary.

The organizational structure of our companies as of the date of this Annual Report is as follows:



Our Markets

We believe that the global interactive technology education industry is undergoing a significant transition, as primary and secondary school districts, colleges and universities, as well as governments, corporations and individuals around the world are increasingly recognizing the importance of using technology to more effectively educate, communicate and collaborate. Across the globe, state governments along with local communities continue to make sustained investments in education.

The K-12 education sector represents one of the largest industry segments. The U.S. sector is comprised of approximately 15,600 public school districts across the 50 states and 132,000 public and private elementary and secondary schools. In addition to its size, the U.S. and certain EMEA K-12 education markets are highly decentralized and are characterized by complex content adoption processes. We believe this market structure underscores the importance of scale and industry relationships and the need for broad, diverse coverage across states, districts and schools. Even while we believe certain initiatives in the education sector, such as the Common Core State Standards, a set of shared math and literacy standards benchmarked to international standards, have increased standardization in K-12 education content, we believe significant state standard specific customization still exists, and we believe the need to address customization provides an ongoing need for companies in the sector to maintain relationships with individual state and district policymakers and expertise in state-varying academic standards.

According to a December 2023 report by FutureSource Consulting Ltd.("Futuresource"), the U.S. display market is expected to reach $44 billion by 2027. While the education sector has historically represented the majority of displays sold, growth in the corporate sector continue to outpace the education sector with sales to the corporate sector expected to reach approximately 44% of the global display market in 2027. We believe the growth in both the education and corporate sectors provides the Company with significant growth opportunities. In addition, the display market is highly fragmented allowing the Company to position itself for increased market share in each of these sectors.

Our Opportunity

Globally it is widely acknowledged that long-term economic growth is closely correlated to investment in education and educational technology, thus sustaining long-term growth in the market, even during periods of economic downturn. Further details of our solution and favorable macro-economic analysis are set forth below:

Growth in U.S. K-12 Market Expenditures

Significant resources are being devoted to primary and secondary education, both in the United States and abroad. As set forth in a December 2023 report by Futuresource, US Schools are budgeting for more IT in their classrooms.

The market for K-12 services and technology has historically grown above the pace of inflation, averaging 7.2% growth annually since 1969. Deviations around this mean occur during periods of economic growth and recession causing peaks and troughs in the K-12 market, albeit below other sectors.

HolonIQ reported in the Global EdTech Venture Capital Report that there has been some $32 billion in venture capital investment in the education/technology sector in the last decade (approximately 33% within the US) and predicts nearly triple that investment through to 2030. Further, the report estimates that the global “expenditure on education and training from governments, parents, individuals and corporates continues to grow to historic levels and is expected to reach USD $10 trillion by 2030.”

Increasing Focus on Accountability and the Quality of Student Education

U.S. K-12 education has come under significant political scrutiny in recent years, with findings that American students rank far behind other global leaders in international tests of literacy, math and science, with the resulting conclusion that the current state of U.S. education severely impairs the United States’ economic, military and diplomatic security as well as broader components of America’s global leadership. We believe this scrutiny will cause there to be increased investment into the education sector.

Trends in Tech-Savvy Education

While industries from manufacturing to health care have adopted technology to improve their results, according to Stanford Business School in its *Trends in Tech-Savvy Education*, the education field remains heavily reliant on “chalk and talk” instruction conducted in traditional settings; however, that is changing as schools and colleges adopt virtual classrooms, data analysis, online games, highly customized coursework, and other cutting-edge tools to help students learn.

New Technologies

The delivery of digital education content is also driving a substantial shift in the education market. In addition to interactive flat-panels, other technologies are being adapted for educational uses on the Internet, mobile devices and through cloud-computing, which permits the sharing of digital files and programs among multiple computers or other devices at the same time through a virtual network. We intend to be a leader in the development and implementation of these additional technologies to create effective digital learning environments.

Growth in the E-learning Market

According to the "*E-learning Market – Global Outlook and Forecast 2020-2025,*" the e-learning market is expected to display significant growth opportunities in the next five years. While the growth curve is uniform in terms of the number of users, the same is not the case by revenues; the average cost of content creation and delivery with the same is undergoing a consistent decline. However, the advent of cloud infrastructure, peer-to-peer problem solving, open content creation, and rapid expansion of the target audience has enabled e-learning providers to rein in economies of choice and offer course content at a competitive price. While the growth prospects of the e-learning market remain stable, the rise of efficient sub-segments is changing the learning and training landscape gradually.

Vendors are also focusing on offering choices on the course content at competitive prices to gain market share in the global e-learning space. The exponential growth in the number of smartphone users and internet connectivity across emerging markets is driving the e-learning market in these regions. The introduction of cloud-based learning and Augmented/Virtual reality mobile-based learning is likely to revolutionize the e-learning market during the forecast period.

Major vendors are introducing technology-enabled tools that can facilitate user engagement, motivate learners, and help in collaborations, thereby increasing the market share and attracting new consumers to the market. The growing popularity of blended learning that enhances the efficiency of learners will drive the growth of the e-learning market. According to an article by Futuresource in December 2023, the education market for interactive flat-panel displays is expected to comprise of 56% by 2027.

Our Portfolio of Products

We currently offer products within the following categories:

- Front-of-Class Display (Mimio and Clevertouch brands)
- FrontRow Classroom Audio and IP-based school-wide communication systems for bells, paging, intercom, and alerting
- STEM
- Educational Software & Content (Mimio Connect, LYNK Whiteboard, OKTOPUS, MimioStudio)
- Peripherals and Accessories
- Professional Development

The Boxlight portfolio of solutions is designed to create dynamic teaching, learning, and presentation experiences. When integrated, our innovative solutions provide opportunity for a holistic approach to in-person or virtual learning experiences, meetings and professional learning, campus wide communication, or any situation where presentation, interaction, or engagement occurs.

Front-of-Class Display Category

Boxlight offers a choice of Interactive Flat-Panel Displays (IFPD), Interactive Whiteboards (IWB), and Non-Interactive Flat-Panel Displays. Each comes with licensed copies of our software, access to prepared content and Professional Development modules. These present upsell opportunities for our software and Professional Development modules.

Clevertouch, IMPACT Plus

The IMPACT Plus interactive LED flat-panels deliver a truly intuitive experience and are available in four sizes 55," 65," 75," and 86". With 4K resolution, 20 points of touch and built-in collaboration screen sharing with touchback capabilities, IMPACT Plus is built with teacher requirements for a new generation of front of class displays. Running Android 8 with an optional slot in PC, Clevertouch is designed to run and fit into any technology set up. Standard features include built in line array microphones for distance learning, proximity sensors that boot up the screen or shuts down the screen when the room is not in use, built in app store with hundreds of educational apps, enhanced USB-C connectivity and device charging, cloud accounts to log into personal settings and cloud drives; built in digital signage, to display messaging a cloud-based LYNX Whiteboard for lesson planning and deployment and Snowflake software. Every screen runs Over-the-Air (OTA) updates and comes with Mobile Device Management to run diagnostics on each screen.

Clevertouch, IMPACT

The Clevertouch IMPACT is the perfect all-around solution for the modern classroom. Featuring high precision technology, LYNX Whiteboard, Cleverstore, and Snowflake – IMPACT helps save time lesson planning with lots of resources. Available in three sizes 65", 75" and 86", each panel is 4K with 20 points of touch, comes with an optional slot in PC and runs on Android 8. All IMACT screens have Cleverstore, which has hundreds of educational apps to keep young minds learning. Also included is the cloud-based LYNX Whiteboard for lesson planning and deployment and Snowflake software as standard. Every screen runs OTA updates and comes with Mobile Device Management to run diagnostics on each screen.

Clevertouch UX Pro

UX Pro interactive LED flat-panels are designed for the modern meeting space and are available in four sizes - 55", 65", 75" and 86". With 4K resolution, 20 points of touch and built-in collaboration screen sharing with touchback capabilities, the UX Pro is built around meeting requirements with Stage software to enable remote meetings in which participants can annotate on documents, while the launcher will give instant access to favorite unified communication apps at the touch of a button. Running Android 8 with an optional slot in PC, the UX Pro is designed to run and fit into any technology set up. Key features include built-in line array microphone for meetings; proximity sensors that boot up the screen or shuts down the screen when the room is not in use; enhanced USB-C connectivity and device charging; cloud accounts to log into personal settings and cloud drives; built-in digital signage to display messages; every screen runs OTA updates and comes with Mobile Device Management to run diagnostics on each screen; and Clevershare to enable instant screen sharing through the app or dongle to engage and enhance collaboration.

Clevershare

Clevershare allows users to share content with any device from either the dongle and the USB C connection or the Clevershare app. Up to 50 devices can connect with the Clevertouch screen and share content – images, video, and audio with touch-back for two-way control. The presenter has full control over what is shared and can show up to four device screens simultaneously, increasing collaboration and participation within every session.

CleverLive Digital Signage

CleverLive is a unique cloud-based cloud management platform (or CMP) for managing all Clevertouch device endpoints, designed to customize the user interface based on device functionality, CleverLive combines simplicity of use with feature rich functionality. The platform comes standard with 200+ editable templates enabling a mix of multimedia content. Features include built-in presentation creation tools for designing bespoke layouts, wayfinding screens and touch interfaces, scheduling, grouping, instant emergency messaging, and QR code creation and display for an audience interactive experience. Rounding off the unique features is the built-in Cleverstore from which users can download apps for their touch screens.

Clevertouch CM Series

The CM Series non-touch large format professional display for meeting presentations and digital signage is available in six sizes - 43″, 49″, 55″, 65″, 75″, and 86″. This 4K UHD, non-touch meeting room collaboration screen has wireless display connectivity and RS232 control for professional meeting room integration with control systems. The built-in Android system includes the CleverLive app for managing digital signage content of full screen capacity or can be packaged with a Clevertouch Media Player to enhance digital signage playout multimedia functionality. With 16/7 display, the CM Series has a built-in scheduler to manage on/off timing of messages, including instant messaging when needed. The CleverLive digital signage feature sets this display apart from screens in the marketplace.

Clevertouch Live Rooms

Live Rooms is a room booking solution that simplifies the meeting room booking process. Live Rooms features a 10" tablet that is manufactured with integrated room booking and digital signage software to deliver a powerful product to a busy marketplace. The tablet features red and green LED side lighting for instant availability recognition and is capable of at-the-source and calendar (O365 and ME) room booking with instant updates, to prevent booking overlaps. With analytics that identify users, rooms booked, frequencies and more, Live Rooms offers a smart room booking solution that, when not in use, can also serve as digital signage and provide instant messages for emergency alerts.

Clevertouch PRO V4

As the enterprise-level media player, the PRO V4 allows organizations to engage with their audience 24/7 or deploy dedicated messages via power scheduling for startup/shutdown and auto reboots. A slimline design, power boosting WIFI connectivity, and both HDMI and DisplayPort Outputs enables connection to multiple screens, the PRO V4 can be connected to a kiosk or UX Pro for touch interaction or a non-touch screen for feature-rich digital signage. The PRO V4 can connect to Clevertouch physical button technology for managing emergencies and instant messaging away from the CMP. With multimedia-zoned presentation playout, the PRO V4 can livestream web pages and URL KPIs, text, images, videos, posters, RSS Feeds, social media content, audio, and more.

Clevertouch PICO MK5

PICO MK 5 is a mid-range media player with 24/7 playout capability, WIFI connectivity, and is designed for multimedia-zoned presentations with text, images, videos, posters, RSS Feeds, social media content, and audio.

CleverWall

CleverWall is an all-in-one intelligent display solution, for enriched interaction in large spaces, lecture halls, meeting rooms, and more. This videowall solution is available in nine sizes – 120", 138", 150", 165", 180", 199", 220", 249", and 299", the latter three being ultra-wide options or larger spaces like lecture halls. The large displays with in-built audio system and 178-degree viewing angle create an immersive user experience that is unmatched. Its plug-and-play design – one button on/off and smart remote control – make this LED solution user-friendly. Standard features include built-in Android technology, real-time wireless screen-sharing from up to four devices simultaneously, synchronized annotating from multiple devices, and syncing with CleverLive accounts for messaging (instant and scheduled) to all displays for campus or location-wide communication.

MimioPro 4

MimioPro Series 4 adds power to any learning ecosystem – a true Connected Classroom. The MimioPro 4 is a touchscreen UHD HDR display with 20 points of touch, digital passive pen and eraser, and comes in three sizes – 65", 75" and 86". Its natural user interface and rich features support teachers to effectively and efficiently realize learning objectives. For example, in Windows Ink compliant applications such as Office 365, the passive digital pen draws, the eraser block erases digital ink (while cleaning the glass), and touches provide gestures without having to use the software's user interface. The MimioPro 4 has a custom inbuilt Android 11 Launcher tailored for an interactive large screen and comes with: LYNX whiteboarding app to create and capture outcomes, share content, collaborate, and distribute ad-hoc content via cloud services through a dynamic QR code; Clevershare mirroring app used on all models of Boxlight Interactive Flat-Panel Displays that allows teachers to orchestrate up to six simultaneous displays across Windows, Chrome OS, Android and iOS, and casting of the MimioPro 4 to all the devices in a classroom; NDMS (Network Device Management Systems), a cloud-based device management system to remotely manage displays, troubleshoot, message, and schedule; and CleverStore – app store which houses curated Android applications that are safe for teachers to install onto the display.

Mimio DS Series Non-Interactive Display

The Mimio DS Series displays are high-definition displays that feature enhanced color calibration, precise picture quality adjustment, flicker-free and anti-glare viewing and are available in six sizes – 43", 55”, 65”, 75”, 86”, and 98”. The Mimio DS series runs on Android 11 with seamless OTA upgrading, includes a quad-core CPU, 4 GB of RAM, and an invisible IR receiver. Connectivity is made easy with multi-functional USB Type-C ports that enable 4K audio and video transmission, network connections, charging external devices, and provide access to external microphone and camera. The displays can be orientated vertically or horizontally and tilt up to 15-degree for easy viewing from high places. Multiple displays can daisy chain via HDMI ports, up to 3 by 3, and create a larger, unified display through screen splicing. The displays come with CleverLive management and digital signage platform for enhanced control of content on all displays.

MimioWall

MimioWall LED all-in-one display solution is designed to enrich any space, including classrooms, entryways, hallways, shared spaces, and more. Available in nine different sizes (120” - 299”) including three ultra-wide screen options, the 4K UHD Android digital display and built-in speakers provide users an exceptional and immersive experience. Key features include integrated design with no external devices; 3-in-1 board that integrates power supply, a receiving card, and hub board; smart remote-control access to settings; plug-and-play system with one button on/off; and unified hardware. MimioWall enables users to screen-share wirelessly to/from up to four devices (smartphones, tablets, laptops) simultaneously. Also comes with CleverLive digital signage platform to deliver campus- and site-wide communication of information, announcements, and emergency alerts.

MimioTeach Interactive Whiteboard

MimioTeach is one of our best known and longest-lived products. Hundreds of thousands of MimioTeach portable digital interactive whiteboard systems and its predecessor models are used in classrooms around the world. MimioTeach can turn any whiteboard (retrofit) into an interactive whiteboard in as little as 30 seconds. This portable product fits into a tote bag with room for a small desktop projector, which is attractive to teachers who move from classroom to classroom. For schools where “change is our normal,” MimioTeach eliminates the high cost of moving fixed-mount implementations.

MimioFrame Touch Kit

MimioFrame can turn a projection (dry erase) board into an Interactive Whiteboard in 10-15 minutes. Millions of classrooms already have a conventional whiteboard and a non-interactive projector. MimioFrame uses infrared (IR) technology embedded in the four sides of the frame to turn that non-interactive combination into a modern 10touch-interactive Digital Classroom. No drilling or cutting is required, MimioFrame easily and quickly attaches with industrial-strength double-sided tape.

Classroom Audio and School-wide Communication Category

Juno

Juno® is the towering standard of sound quality that reinforces a teacher’s voice so that every student gets a FrontRow seat. Juno sets up in minutes — and yet evenly fills the classroom with the kind of exciting, multi-layered stereo sound typical of larger installed systems. Juno is superior to other products in the classroom audio category, offering premium features such as feedback suppression, digital EQ, Bluetooth, and teacher voice priority. Juno is also uniquely expandable, with the ability to add modules for additional microphones, speakers, analog page override, and Conductor compatibility for networked campus communication.

EzRoom

EzRoom™ is an integrated AV solution designed for larger capital projects such as technology retrofits or new school construction. A highly customizable solution, EzRoom offers wall and ceiling mountable enclosures with pre-installed options customized for a school’s needs, simplifying the installation process for AV integrators (resellers). EzRoom is an “everything but the display” solution, providing sound reinforcement, microphones, speakers, AV control devices, AV wall plates, and networked cameras. The depth and breadth of the solution necessitates a service layer of pre-sale and post-sale support for the channel, supplied by FrontRow architectural/engineering consultant liaisons, providing design support, and the FrontRow Technical Services Group, offering system commissioning and customization. EzRoom can use FrontRow's SmartIR transmission technology or take advantage of FrontRow's latest wireless voice technology – ELEVATE – that boasts the benefits of digital RF (Radio Frequency) microphone systems, combined with flexible programmability and ease-of-use features found nowhere else. The ELEVATE teacher microphone can be used as a wearable alert device, notifying administrators of urgent situations in the classroom.

Lyrik

The Lyrik™ amplification solution is a small yet portable system for instruction and audio media to be heard anywhere, from the classroom to the bus line, or even online. The tower has an integrated rechargeable battery and can be connected to a computer or other auxiliary audio source either directly using cables or wirelessly using Bluetooth®. Weighing less than 10 pounds, Lyrik is designed to be taken anywhere voice reinforcement is needed whether on campus or off.

Conductor

The Conductor™ School Communication System is an IP-based, campus-wide communication and control solution that allows administrators to manage their day-to-day operations with Bells, Paging, Intercom, and Alerts. Built on a client-server architecture that utilizes a school's existing network, Conductor streams digital audio directly to FrontRow EzRoom and Juno Connect equipped classrooms, and interfaces with legacy analog paging systems for common areas to provide comprehensive audio coverage for announcements and alerts. The recently introduced Attention! feature integrates the CleverLive digital signage service with Conductor to synchronize audio with visual alerts to Clevertouch and Mimio interactive panels to maximize the impact of school-wide or zone-specified communications.

STEM Category

Through the acquisitions of Modern Robotics, Robo3D and MyStemKits, Boxlight has added to its portfolio a growing category of STEM (science, technology, engineering, and math) products.

Mimio MyBot

The Mimio MyBot system bridges the gap between learning about robotics in the classroom and the application of robotics in the real world. The intuitive and accessible system helps students develop core skills in programming, engineering, and robotics. We provide a system to facilitate learning and ignite a passion in students with the freedom and flexibility to build, code, and test new and unique models. Mimio MyBot allows students to explore and learn freely while removing common obstacles such as requiring network infrastructure changes or expensive workstations.

Robo3D

Robo E3, and the Robo E3 Pro are smart, safe, and simple 3D printers that come with access to over 300+ lessons of 3D printable STEM curriculum, replacement materials and accessories.

MyStemKits

MyStemKits offers hundreds of standards-driven lesson plans, activities, assessments, and Design Challenges for grades K-12 math and science teachers. High-quality lessons plans are developed and studied by The Florida Center for Research in Science. Technology, Engineering, and Mathematics (FCR-STEM), which is part of one of the nation's oldest and most productive university-based education research organizations.

MimioView document camera

Boxlight's MimioView 350U is a 4K document camera that is integrated with MimioStudio to make the combination easy to use with a single cable connection that carries power, video, and control. MimioView 350U is fully integrated into our MimioStudio software solution and is controlled through MimioStudio's applications menu. With two clicks, the teacher or user can turn on, auto-focus, and illuminate the included LED lights for smooth high-definition images.

Educational Software Category

The Mimio suite of software and applications is a combination of titles from acquisitions of Mimio, Qwizdom, and Sahara (Clevertouch) - leading brands in the IWB and Formative Assessment Software Categories, and since then capabilities have been built upon that IP. The premise of our software is to provide the “glue” that integrates the hardware to provide a Connected Classroom; help educators inform their decisions in the classroom, through more systematic data about their students’ performance and behaviors; make learning more engaging, interactive, accessible, and innovative; and support teachers in becoming more efficient in planning, preparation, reporting and analysis, and effective in instruction and assessment.

MimioStudio Interactive Instructional Software

MimioStudio Interactive Instructional Software enables the creation, editing, and presentation of interactive instructional lessons and activities. These lessons and activities can be presented and managed from the front of the classroom using any of Boxlight’s front-of-classroom display systems including MimioTeach, ProColor Interactive LED panels, MimioPro 4, and MimioFrame. MimioStudio can also be operated using a mobile device such as an iPad or tablet that fully replicates the front-of-classroom display generated by MimioStudio. Operation with a mobile device is enabled via the three-user license for MimioMobile, provided with the MimioStudio license that accompanies all front-of-classroom devices from Mimio.

MimioMobile Collaboration and Assessment Application

The introduction of MimioMobile, a software accessory for MimioStudio, in 2014 introduced a new era of fully interactive student activities that are directly and immediately able to be displayed on the front-of-classroom interactive displays through MimioStudio.

MimioMobile allows fully interactive activities to be pushed to student classroom devices. The students can manipulate objects within the activities, annotate “on top” of them, and even create completely new content on their own handheld devices. MimioMobile also enables assessment using mobile devices. The teacher can create multiple choice, true\false, yes\no, and text entry assessment questions. The students can respond at their own pace and their answers are stored within MimioStudio from which the teacher can display graphs showing student results. This “continuous assessment” provides formative assessment that can help guide the teacher as to whether to re-teach the material if understanding is low or move forward in the lesson. We believe that this interactive and student dependent instructional model can dramatically enhance student outcomes.

OKTOPUS Instructional and Whiteboarding Software

Designed specifically for touch-enabled devices, OKTOPUS Interactive Instructional Software enables the creation, editing, and presentation of interactive instructional lessons and activities. More than 70 interactive widgets, tools, and classroom game modes make it simple and fun to run ad-hoc or pre-planned sessions. Similar to MimioStudio, these lessons and activities can be presented and managed from the front of the classroom using any of Boxlight’s front-of-classroom display systems.

Notes+ Collaboration and Assessment Application

Notes+ is a software accessory for use with OKTOPUS Software or a PPT plugin that allows students to view and interact with the teacher presentation during a live class session. Students can answer questions, annotate, request help, and share content with the main display from nearly any mobile device or laptop. Question types supported include multiple choice, multiple mark, yes/no, true/false, sequencing, numeric and text response.

GameZones Multi-student Interactive Gaming Software

GameZones allows up to four students to work simultaneously on a touch screen or tablet to complete interactive ‘game style’ activities. The solution is extremely simple and easy to use and includes over 150 educational activities.

MimioConnect Student Engagement Platform

MimioConnect is an online student engagement platform that combines innovative lesson building and instructional tools to create an active learning environment. Teachers can create interactive content and assessments from scratch, import existing lessons and content, or draw from 10,000+ premade digital lessons in the lesson library. Built-in tools for collaboration, instant polling, assessment, student monitoring and management, make classroom teaching and discussion more impactful. Other modes extend usage outside of the classroom, allowing students to complete homework or review daily lessons at their own pace. MimioConnect also integrates deeply with all the major LMS (Learning Management System). Users can sign in and access assignments through their LMS, use existing rosters, and pass data back to the LMS. MimioConnect helps teachers and students connect, collaborate, and learn more effectively from anywhere, making it a perfect solution for inside and outside the classroom. A MimioConnect Classroom license (lifetime) and MimioConnect Pro license (1 year) accompanies all front-of-classroom Boxlight displays.

LYNX

Designed for interactive displays, LYNX Whiteboard is a free-to-use lesson building app, enabling student collaboration and allowing teachers to bring vibrancy to their lessons with a built-in media search. In addition, LYNX Whiteboard provides searchable images, GIFs and videos, allowing users to drag content into whiteboard presentations, all in a safe search enabled environment. With teacher favorites, such as Rainbow Pen and Spotlight included, as well as interactive learning tools, LYNX Whiteboard is packed with features to make lessons flow seamlessly.

Peripherals and Accessories

We offer a line of peripherals and accessories, mobile carts, installation accessories, and adjustable wall-mount accessories that complement our entire line of interactive LED flat-panels and audio solutions.

LessonCam Instructional Camera

The FrontRow LessonCam is a high-definition Pan, Tilt, Zoom (PTZ) instructional camera with 12x optical zoom, enabling dynamic and engaging remote-only, hybrid, or asynchronous learning. LessonCam integrates with the FrontRow EzRoom and Juno classroom audio systems with popular video conferencing solutions such as Microsoft Teams, Microsoft Skype, Zoom, Google Meet, and Cisco Webex. LessonCam is a stand-out educational tool for teachers who want to engage with students wherever they are learning.

Clever Peripherals

Our Ever-growing suite of Clevertouch products includes a variety of Clever Peripherals such as OPS PC modules, which is a windows i5 and i7 modular PC, and our sensor module which plugs into the Clevertouch screens and measures temperature, humidity CO2 and air quality as well as an NFC.RFID sensor for logging into screens. In addition, we also offer our Clever Connect device that allows users to mirror directly to the screen. These and other Clever Peripherals continue to enhance the user experience of our Clevertouch displays.

Boxlight-EOS Professional Development

Mimio strives to provide the best tools to help teachers improve student outcomes. Through our subsidiary, EOS Education, we can extend our commitment to schools and districts by providing a rich portfolio of classroom training, professional development, and educator certification. EOS Education provides engaging and differentiated professional development for teachers to ensure that every student benefits from the technology tools available in their classrooms and schools. Programs can be customized, building comfort, confidence, and competence using the specific hardware and software platforms available to each teacher.

EOS Education unique professional learning experiences are:

- Teacher-centric - We help teachers use the technology they have access to for their specific instructional purposes—we go beyond just point and click.

- Hands-on - Teachers have an opportunity to practice new technical skills during sessions.

- Differentiated - Adjusted to current skills, knowledge, and teachers' in-classroom practices.
- Job-embedded - Grounded in day-to-day teaching to be relevant, engaging, and practical to implement.
- Student context - Introducing technology tools to students and how to engage them with purpose.

Integration Strategy

We have centralized our business management for all acquisitions through an enterprise resource planning (ERP) system which offers streamlined subsidiary integration utilizing a multi-currency platform. We have strengthened and refined the process to drive front-line sales forecasting to factory production. Through the ERP system, we have synchronized five separate accounting and customer relationship management systems through a cloud-based interface to improve inter-company information sharing and allow management of the Company to have immediate access to snapshots of the performance of each of our subsidiaries in a common currency. As we grow, organically or through acquisition, we plan to quickly integrate each subsidiary or division into the Company to allow for clearer and earlier visibility of performance to enable timely and effective business decisions.

Logistics (Suppliers)

Logistics is currently provided in the US by our Lawrenceville, Georgia facility and internationally by the Sahara team in London. Together these teams manage multiple third-party logistics partners throughout the world (3PL's). These 3PL partners allow Boxlight to provide affordable freight routes and shorter delivery times to our customers by providing on-hand inventory in localized markets. Contract manufacturing for Boxlight products is through original design manufacturer (ODM) and original equipment manufacturer (OEM) partners according to Boxlight's specific engineering specifications and utilizing IP developed and owned by Boxlight. Boxlight's factories for ODM and OEM are located in the USA, Taiwan, Mainland China, Germany, and Turkey.

Technical Support and Service

The Company currently has its core technical support and service centers located near Atlanta, GA, London, England, and Belfast, Northern Ireland. Additionally, the Company's technical support division is responsible for the repair and management of customer service cases, resulting in more than 60% of the Company's customer service calls ending in immediate closure of the applicable service case. We accomplish this as a result of the familiarity between our products and having specialized customer service technicians hired internally and with key partners in certain international markets.

Sales and Marketing

Our sales force consists of 56 account managers in EMEA including an EMEA sales director, 41 regional account managers in the U.S. including two Vice Presidents of Sales U.S., four sales heads based in Canada, three sales heads in Northern Ireland, two in Australia, and one in Latin America. Our marketing team consists of our Vice President of Marketing Communications, a senior manager of marketing, four marketing specialist, an education specialist, and a graphic designer. Our sales force and marketing teams primarily drive sales of all Boxlight products (including our Mimio, Clevertouch, FrontRow and EOS brands) throughout North, Central and South America, Europe, the Middle East and Asia. In addition, we go to market through an indirect channel distribution model and utilize traditional value-added resellers and support them with training to become knowledgeable about the products we sell. We currently have approximately 800 resellers.

We believe we offer the most comprehensive product portfolio in today's education technology industry, along with best-in-class service and technical support. Our award-winning, interactive classroom technology and easy to use line of classroom hardware and software solutions provide schools and districts with the most complete line of progressive, integrated classroom technologies available worldwide.

We are also developing our Corporate, Higher Education and Government solutions and have separate sales teams in both the U.S. and in other countries focused on these areas. Our expectation is that over time, opportunity in these areas will expand to be as large or potentially larger than our K-12 Education business.

Competition

The interactive education industry is highly competitive and characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of interactive flat-panels and interactive whiteboards. Interactive displays, since the time they were first introduced, have evolved from a high-cost technology that involves multiple components requiring professional installers, to a one-piece technology that is available at increasingly reduced-price points and affords simple installations. With lowered technology entry barriers, we face heated competition from other interactive display developers, manufacturers and distributors. We compete with other developers, manufacturers and distributors of interactive displays and personal computer technologies, tablets, television screens and smart phones, such as Smart Technologies, Promethean, ViewSonic, Dell Computers, Samsung, Panasonic and ClearTouch.

Even with these competitors, the market presents new opportunities in responding to demands to replace outdated and failing interactive displays with more affordable and simpler solution interactive displays. Our ability to integrate our technologies and remain innovative and develop new technologies desired by our current and potential new contract manufacturing customers will determine our ability to grow our contract manufacturing divisions. In addition, we have begun to see expansion in the market for sales of complementary products that work in conjunction with the interactive technology, including software, audio solutions, data capture and tablets.

Employees

As of December 31, 2023, we had the following distribution of employees:

Operations	90
Sales & Marketing	117
Administration	21
Total	228

All of our employees are full-time employees. None of our employees are represented by labor organizations. We consider our relationship with our employees to be excellent. A majority of our employees have entered into non-disclosure and non-competition agreements with us or our operating subsidiaries.

Recent Financing

On December 31, 2021, the Company and substantially all of its direct and indirect subsidiaries, including Boxlight, FrontRow, and Sahara as guarantors (together the "Loan Parties"), entered into a maximum four-year $68.5 million term loan credit facility, dated December 31, 2021 (the “Credit Agreement”), with WhiteHawk Finance LLC, as lender (the “Lender”), and WhiteHawk Capital Partners, LP, as collateral agent (“the Collateral Agent”). Under the terms of the Credit Agreement, the Company received an initial term loan of $58.5 million on December 31, 2021 (the “Initial Loan”) and obtained a delayed draw facility of up to $10 million (the “Delayed Draw”). The Initial Loan and the Delayed Draw are collectively referred to as the Term Loans. The “Term Loans” bear interest at the LIBOR rate plus 10.75%; provided that after June 30, 2022, if the Company’s Senior Leverage Ratio (as defined in the Credit Agreement) is less than 2.25, the interest rate would be reduced to LIBOR plus 10.25%. Such terms are subject to the Company maintaining a borrowing base in compliance with the Credit Agreement.

The proceeds of the Initial Loan were used to finance the Company’s acquisition of FrontRow and pay off all indebtedness owed to our then lenders. Of the Initial Loan, $8.5 million, was subject to repayment on February 28, 2022, with quarterly principal payments of $625,000 and interest payments commencing March 31, 2022, and the $40.0 million remaining balance plus any Delayed Draw loans becoming due and payable in full on December 31, 2025.

In conjunction with its receipt of the Initial Loan, the Company issued to the Lender (i) 66,022 shares of Class A common stock (the “Shares”), which Shares were registered pursuant to our existing shelf registration statement and were delivered to the Lender in January 2022, (ii) a warrant to purchase 255,412 shares of Class A common stock (subject to increase to the extent of 3% of any Series B and Series C convertible preferred stock converted into Class A common stock), exercisable at $16.00 per share (the “Warrant”), which Warrant may be subject to repricing on March 31, 2022 based on the arithmetic volume weighted average prices for the 30 trading days prior to March 31, 2022, in the event our stock is then trading below $16.00 per share, (iii) a 3% fee of $1,800,000 and (iv) a $500,000 original issue discount. In addition, the Company agreed to register for resale the shares issuable upon exercise of the Warrant. The Company also incurred agency fees, legal fees and other costs in connection with the execution of the Credit Agreement. Based on the arithmetic volume weighted average prices of the Company's Class A common stock for the 30 trading days prior to March 31, 2022, the exercise price of the Warrant was reduced to $9.52 per share and the shares increased to 429,263. On July 22, 2022, the Company entered into a Securities Purchase Agreement with an accredited institutional investor. According to the terms of the Credit Agreement, this purchase agreement triggered a reduction of the exercise price of the Warrants. The Warrants were repriced to $8.80, and shares increased to 464,385.

In February 2022, the Lender and the Company agreed in principle to an extension of the February 2022 Payment. Pursuant to amendment to the Credit Agreement, dated April 4, 2022, the Collateral Agent and Lender agreed to extend the terms of repayment of the $8.5 million originally due on February 28, 2022 until February 28, 2023 and waive and/or otherwise extend compliance with certain other terms of the Credit Agreement in order to allow the Loan Parties adequate time to comply with such terms (the "First Amendment"). In July 2022, the Company and the Lender agreed that the notice had inadvertently included the default with respect to the failure to repay $8.5 million of the facility. As a result, notwithstanding the notice, both the Lender and the Company have agreed that the Company was not in default in making the February 2022 Payment to the Lender.

The principal elements of the First Amendment included (a) an extension of time to repay $8.5 million of the principal amount of the term loan from February 28, 2022 to February 28, 2023, and (b) forbearance on $3,500,000 in over advances until May 16, 2022 to allow the Company to come into compliance with the borrowing base requirements set forth in the Credit Agreement. In such connection, the Loan Parties have obtained credit insurance on certain key customers whose principal offices are located in the European Union and Australia as, without the credit insurance, their accounts owed to the Loan Parties had been deemed ineligible for inclusion in the borrowing base calculation primarily due to the perceived inability of the Collateral Agent to enforce security interests on such accounts. In addition, the Lender and Collateral Agent agreed to (i) reduce, through September 30, 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 1.75 EBITDA coverage ratio, and (iii) waive all prior Events of Default (as defined therein) under the Credit Agreement. In conjunction with this First Amendment to the Credit Agreement, the parties entered into an amended and restated fee letter (the "Fee Letter") pursuant to which the parties agreed to prepayment premiums of (i) 5% for payments made on or before December 31, 2022, (ii) 4% for payments made between January 1, 2023 and December 31, 2023, and (iii) 2% for payments made between January 1, 2024 and December 31, 2025. Furthermore, the parties 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 28, 2023, any required amortization payments under the Credit Agreement and any mandatory prepayments by way of ECF or casualty events.

On March 29, 2022, the Company received a notice from the Collateral Agent, alleging, among other things, defaults as a result of (i) failure to repay $8.5 million of the facility by February 28, 2022, (ii) non-compliance with the borrowing base resulting in the Company being in an over advance position under the Credit Agreement, and (iii) failure to timely provide certain reports and documents. As a result, all accrued and unpaid interest owed under the Term Loan, became subject to a post-default interest rate equal to the highest interest rate allowed for under the Credit Agreement plus 2.50% until such time as the events of default were either waived or cured.

On April 4, 2022, the Collateral Agent and Lender agreed to extend the terms of repayment of the $8.5 million originally due on February 28, 2022 until February 28, 2023. The principal elements of the April amendment included (a) an extension of time to repay $8.5 million of the principal amount of the term loan from February 28, 2022 to February 28, 2023, and (b) forbearance on $3.5 million in over advances until May 16, 2022 to allow the Company to come into compliance with the borrowing base requirements set forth in the Credit Agreement. In such connection, the Loan Parties obtained credit insurance on certain key customers whose principal offices are located in the European Union and Australia as, without the credit insurance, the accounts of these key customers had been deemed ineligible for inclusion in the borrowing base calculation primarily due to the perceived inability of the Collateral Agent to enforce security interests on such accounts. In addition, the Lender and Collateral Agent agreed to (i) reduce, through September 30, 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 1.75 EBITDA coverage ratio, and (iii) waive all prior Events of Default under the Credit Agreement. Furthermore, the parties 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 28, 2023, any required amortization payments under the Credit Agreement and any mandatory prepayments by way of excess cash flow or casualty events.

On June 21, 2022, the Company and substantially all of its direct and indirect subsidiaries, entered into a second amendment (the "Second Amendment") to the Credit Agreement December 31, 2021 and as amended on April 4, 2022, with the Collateral Agent and Lender. The Second Amendment to the Credit Agreement was entered into for purposes of the Lender funding a $2.5 million delayed draw term loan and adjusting certain terms to the Credit Agreement, including adjusting 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 15, 2022, for the Company to come into compliance with certain borrowing base requirements set forth in the Second Amendment to the Credit Agreement, among other adjustments.

On April 24, 2023, the Loan Parties entered into a third amendment (the "Third Amendment") to the Credit Agreement, with the Collateral Agent and the Lender. The Third Amendment was entered into for purposes of the Lender funding an additional $3.0 million delayed draw term loan (the "Additional Draw"). The Additional Draw was funded on April 24, 2023, must be repaid on or prior to September 29, 2023, and is not subject to any prepayment penalties, and adjusts certain terms to the Credit Agreement, including adjusting the test period end dates and corresponding Senior Leverage Ratios (as defined in the Credit Amendment) and revising the minimum liquidity requirements that the Company must maintain compliance with pertaining to certain Borrowing Base Requirements, among other adjustments. The completion of the Additional Draw eliminates further delayed draws under the Credit Agreement. On July 20, 2023, the Company paid the $3.0 million due under the terms of the Third Amendment. There were no prepayment penalties or premiums included with this payment.

On June 26, 2023, the Loan Parties entered into a fourth amendment (the "Fourth Amendment") to the Credit Agreement with the Collateral Agent and the Lender for the sole purpose of replacing 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, as defined in the Credit Agreement, as amended. The Fourth Amendment made no other changes to the Credit Agreement.

Effective as of March 14, 2024, the Loan Parties entered into a fifth amendment (the "Fifth Amendment") to the Credit Agreement with the Collateral Agent and the Lender for the purpose of amending and restating the Senior Leverage Ratio and Minimum Liquidity (as defined in the Fifth Amendment), In addition, the Lender and Collateral Agent agreed to waive any actual or potential event of default that may have arisen as a result of the Loan Parties failure to comply with certain financial covenants required in the fiscal quarter ended December 31, 2023 and in the interim two-month period ended February 29, 2024. The Fifth Amendment also added additional financial reporting obligations and potentially may include certain foreign subsidiaries of Boxlight Inc. as additional guarantors under the Credit Agreement.

Although, as of the date of this report, we have been successful in obtaining a waiver from the Lender regarding the above mentioned financial covenant default, 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 get into full compliance with these covenants in the future. See "Item 1 Risk Factors - Risks Related to Our Business, Operations and Financial Condition - *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*."

ITEM 1A. RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider all of the risks described below, together with the other information contained in this Annual Report, including our financial statements and related notes, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.

Summary Risk Factors

Some of the factors that could materially and adversely affect our business, financial condition, results of operations and cash flows include, but are not limited to, the following:

- Unfavorable global economic or political conditions, including the ongoing conflicts between Russia and Ukraine, and Israel and Hamas, may adversely affect our business, financial condition, results from operations, or the businesses of our suppliers, vendors and logistics partners;
- our inability to predict or anticipate the duration or adapt to the long-term economic and business consequences of a global pandemic linked to the COVID-19 pandemic or any future pandemics;
- our inability to predict or adapt to the unstable market and economic conditions of the global economy;
- our ability to continue to attract and retain customers;
- our ability to sell additional products and services to customers;
- our ability to raise funds in a timely fashion and successfully manage cash flow needs and financing plans;
- our ability to successfully maintain a competitive position in our industry and market;
- our ability to manage our business and sell our products within a changing and evolving industry environment;
- our ability to locate and leverage potential growth opportunities;
- our ability to achieve expected technological advances by us or by third parties and our ability to leverage them;
- our ability to integrate our business acquisitions fully and successfully into Boxlight's existing business and platform;
- the effects of future regulation; and
- our ability to protect and monetize our intellectual property.

Risks Related to Our Business, Operations and Financial Condition

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 mentioned before, 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. We are considering various alternatives to potentially refinancing such indebtedness. We believe that our ability to do so will require an improvement of our 2023 financial performance in 2024. In addition, there is no assurance that we will refinance the indebtedness, so if so, the terms will be favorable to us. Additionally, we have disclosed this in our periodic reports filed with the SEC that there is substantial doubt about our ability to continue as a going concern.

We have a substantial amount of indebtedness bearing interest at a variable rate, which may adversely affect our cash flow and our ability to operate our business.

We have a significant amount of indebtedness. As of December 31, 2023, we have approximately $43 million of indebtedness outstanding, all of which is secured. Our substantial amount of indebtedness could have important consequences. For example, it could:

- increase our vulnerability to adverse economic, industry or competitive developments;
- result in an event of default if we fail to satisfy our obligations with respect to our Credit Agreement or which event of default could result in all of our debt becoming immediately due and payable and could permit our lenders to foreclose on our assets securing such debt;
- require a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use cash flow to fund our operations, capital expenditures and future business opportunities;
- limit our ability to service our indebtedness;
- limit our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, or general corporate purpose;

The occurrence of any one of these events could have a material adverse effect on our business, financial condition, results of operations or prospects.

In addition, borrowings under the Credit Agreement bear interest at variable rates. If these rates were to increase significantly, the risk related to our substantial indebtedness would intensify. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection for this risk.

***Unfavorable global economic or political conditions, including the ongoing conflict between Russia and Ukraine, and Israel and Hamas may adversely affect our business, financial condition, or results of operations*.**

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Inflation rates, particularly in the United States, have increased recently to levels not seen in years. Increased inflation may result in increased operating costs (including our labor costs), reduced liquidity, and limitations on our ability to access credit or otherwise raise debt and equity capital. In addition, the United States Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks, which may impact our ability to raise additional capital in the future. The March 2023 failure of Silicon Valley Bank and its potential near- and long-term effects on the overall banking industry, may also adversely affect our operations and stock price. In addition, U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the military conflict between Russia and Ukraine.

On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops began. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine has led to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain disruptions. While neither Ukraine nor Russia is a key supplier of ours, the scope, intensity, duration and outcome of the ongoing war is uncertain and its continuation or escalation could have a material adverse effect on our business due to the general impact on the global supply chain and prices of certain commodities. While we presently have no business or direct trade relationships with entities located in Russia or Ukraine, the ongoing conflict between Russia and Ukraine could potentially cause supply chain disruptions that could disrupt our business should any of our end-suppliers rely on supplies, products or shipments from those regions.

In response to the war, the United States, other North Atlantic Treaty Organization (“NATO”) member states, as well as non-member states, have announced targeted economic sanctions on Russia, certain Russian citizens and enterprises. Any continuation or escalation of the war may trigger a series of additional economic and other sanctions. Certain companies have experienced negative reactions from their investors, employees, customers, or other stakeholders as a result of their action or inaction related to the war between Russia and Ukraine. We continue to monitor the reactions of our investors, employees, customers and other stakeholders and, as of the date of this report, have neither experienced any material adverse financial impacts nor suffered from the loss of key customers or employees.

Further, in October 2023, a military conflict commenced between Israel and Hamas. It is not possible to predict the broader or longer-term consequences of these conflicts, which could include further sanctions, embargoes, regional instability, energy shortages, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, currency exchange rates and financial markets. Such geopolitical instability and uncertainty could have a negative impact on our ability to sell to, ship products to, collect payments from, and support customers in certain regions based on trade restrictions, embargoes and export control law restrictions, and logistics restrictions including closures of air space, and could increase the costs, risks and adverse impacts from these new challenges. We may also be the subject of increased cyber-attacks. While currently the countries involved in these conflicts do not constitute a portion of our business, a significant escalation or expansion of economic disruption or the conflicts' current scope could have a material adverse effect on our results of operations.

In addition, the risk of cybersecurity incidents has increased in connection with the ongoing war, driven by justifications such as retaliation for the sanctions imposed in conjunction with the war, or in response to certain companies' continued operations in Russia. For example, the war has been accompanied by cyberattacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations and could increase the frequency and severity of cyber-based attacks against our information technology systems. While we have taken actions to mitigate such potential risks, the proliferation of malware from the war into systems unrelated to the war or cyberattacks against U.S. companies in retaliation for U.S. sanctions against Russia or U.S. support of Ukraine, could also adversely affect our operations.

We insure ourselves against many types of risks; however, while this insurance may mitigate certain of the risks associated with general market disruptions, including the risk related to the banking system and the ongoing war in Ukraine, our level of insurance may not cover all losses we could incur. The potential effects of these conditions could have a material adverse effect on our business, results of operations and financial condition.

War, terrorism, other acts of violence, changing circumstances related to the COVID-19 Pandemic or potential effects of future pandemics, are unpredictable and could adversely affect our business operations and the market for our products.

War, terrorism, other acts of violence or natural or man-made disasters, including a global pandemic, may affect the markets in which the Company operates, the Company's customers, the Company's delivery of products and customer service, and could have a material adverse impact on our business, results of operations, or financial conditions.

The Company's business may be adversely affected by instability, disruption or destruction in a geographic region in which it operates, regardless of cause, including war, terrorism, riot, civil insurrection or social unrest, and natural or man-made disasters, including famine, food, fire, earthquake, storm or pandemic events and spread of disease (including the COVID-19 outbreak which commenced in 2020). Such events may cause customers to suspend their decisions on using the Company's products and services, make it impossible to attend or sponsor trade shows or other conferences in which our products and services are presented to customers and potential customers, cause restrictions, postponements and cancellations of events that attract large crowds and public gatherings such as trade shows at which we have historically presented our products, and give rise to sudden significant changes in regional and global economic conditions and cycles that could interfere with purchases of goods or services, commitments to develop new products. These events also pose significant risks to the Company's personnel and to physical facilities, transportation and operations, which could materially adversely affect the Company's financial results.

While conditions surrounding the COVID-19 pandemic seem to have stabilized, there is nonetheless a risk related to modification of the traditional classroom setting, similar to what occurred during 2020 to 2021 when many classrooms were all virtual, that may result in reduced demand for our classroom solutions, including reduced demand for our interactive displays due to extended or indefinite distance and digital learning.

There is also a risk of reduced borrowing with our factoring and purchase order financing facilities, as well as the risk of inability to raise additional capital.

We generate a substantial portion of our revenue from the sale of our display products, and any significant reduction in sales of these products would materially harm our business.

For the year ended December 31, 2023, we generated approximately 78% of our revenues from sales of our interactive display products, consisting of interactive flat-panels and whiteboards. A decrease in demand for our interactive displays would significantly reduce our revenue. If any of our competitors introduces attractive alternatives to our interactive displays, we could experience a significant decrease in sales as customers migrate to those alternative products.

Our business is subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter-to-quarter and adversely affect our working capital and liquidity throughout the year.

Our revenues and operating results normally fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Traditionally, the bulk of expenditures by school districts occur in the second and third calendar quarters after receipt of budget allocations. We expect quarterly fluctuations in our revenues and operating results to continue. These fluctuations could result in volatility and adversely affect our cash flow. As our business grows, these seasonal fluctuations may become more pronounced. As a result, we believe that sequential quarterly comparisons of our financial results may not provide an accurate assessment of our financial position.

Our working capital requirements and cash flows are subject to fluctuation, which could have an adverse effect on our financial condition.

Our working capital requirements and cash flows have historically been, and are expected to continue to be, subject to quarterly and yearly fluctuations, depending on a number of factors. Factors which could result in cash flow fluctuations include:

- the level of sales and the related margins on those sales;
- the collection of receivables;
- the timing and size of purchases of inventory and related components; and
- the timing of payment on payables and accrued liabilities.

If we are unable to manage fluctuations in cash flow, our business, operating results and financial condition may be materially adversely affected. For example, we may be unable to make required interest payments on our indebtedness.

We operate in a highly competitive industry.

We are engaged in the interactive education industry. We face substantial competition from developers, manufacturers and distributors of interactive learning products and solutions, including interactive flat-panel displays, interactive whiteboards and micro-computer data logging products and any new product we may offer in the future. The industry is highly competitive and characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of interactive flat-panel displays, interactive whiteboards, and micro-computer-based logging technologies and combinations of them. We face increased competition from companies with strong positions in certain markets we serve, and in new markets and regions we may enter. These companies manufacture and/or distribute new, disruptive or substitute products that compete for the pool of available funds that previously could have been spent on interactive displays and associated products.

Many of these competitors have, and our potential competitors may have, significantly greater financial and other resources than we do and have spent, and may continue to spend, significant amounts of resources to try to enter or expand their presence in the market. In addition, low-cost competitors have appeared in China and other countries. We may not be able to compete effectively against these current and future competitors. Increased competition or other competitive pressures have and may continue to result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on our business, financial condition or results of operations.

Some of our customers are required to purchase equipment by soliciting proposals from several sources and, in some cases, are required to purchase from the lowest bidder. While we attempt to price our products competitively, based upon the relative features they offer, our competitors' prices and other factors, we are often not the lowest bidder and, in such cases, may lose sales.

Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively and faster than we can or devote greater resources to the development, promotion and sale of products than we can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of customers. If these interactive display competitors or other substitute or alternative technology competitors acquire significantly increased market share, it could have a material adverse effect on our business, financial condition or results of operations.

If we are unable to continually enhance our products and to develop, introduce and sell new technologies and products at competitive prices and in a timely manner, our business will be harmed.

The market for interactive learning and collaboration solutions is still emerging and evolving. It is characterized by rapid technological change and frequent new product introductions, many of which may compete with, be considered as alternatives to or replace our interactive displays. For example, we have recently observed significant sales of tablet computers by competitors to school districts in the U.S. whose technology budgets could otherwise have been used to purchase interactive displays. Accordingly, our future success will depend upon our ability to enhance our products and to develop, introduce and sell new technologies and products offering enhanced performance and functionality at competitive prices and in a timely manner.

The development of new technologies and products involves time, substantial costs and risks. Our ability to successfully develop new technologies will depend in large measure on our ability to maintain a technically skilled research and development staff and to adapt to technological changes and advances in the industry. The success of new product introductions depends on a number of factors, including timely and successful product development, market acceptance, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of components in appropriate quantities and costs to meet anticipated demand, the risk that new products may have quality or other defects and our ability to manage distribution and production issues related to new product introductions. If we are unsuccessful in selling the new products that we develop and introduce, or any future products that we may develop, we may carry obsolete inventory and have reduced available working capital for the development of other new technologies and products.

If we are unable, for any reason, to enhance, develop, introduce and sell new products in a timely manner, or at all, in response to changing market conditions or customer requirements or otherwise, our business will be harmed.

We may not be successful in our strategy to increase sales in the business and government market.

The majority of our revenue has been derived from sales to the education market. Our business strategy contemplates expanding our sales in both the education market, as well as the business and government training sectors. However, to date, there has not been widespread adoption of interactive displays and collaboration solutions in the business and government market, and these solutions may fail to achieve wide acceptance in this market. Successful expansion into the business and government markets will require us to augment and develop new distribution and reseller relationships, and we may not be successful in developing those relationships. In addition, widespread acceptance of our interactive solutions may not occur due to lack of familiarity with how our products work, the perception that our products are difficult to use and a lack of appreciation of the contribution they can make in the business and government markets. In addition, the Boxlight brands are less recognized in these markets as compared to the education market. A key part of our strategy to grow in the business and government market is to develop strategic alliances with companies in the unified communications and collaboration sector, and there can be no assurance that these alliances will help us to successfully grow our sales in this market.

Furthermore, our ability to successfully grow in the business and government market depends upon revenue and cash flows derived from sales to the education market. As the education market represents a significant portion of our revenue and cash flow, we utilize cash from sales in the education market for our operating expenses. If we cannot continue to augment and develop new distributor and reseller relationships, market our brand, develop strategic alliances and innovate new technologies, we may not be successful in our strategy to grow in the business and government market.

As a result of market saturation, our future sales of interactive displays in developed markets may slow or decrease.

As a result of the high levels of penetration in developed markets, the education market for interactive displays in the U.S., U.K. and Australia may have reached saturation levels. Future sales growth in those markets and other developed markets with similar penetration levels may, as a result, be difficult to achieve, and our sales of interactive displays may decline in those countries. If we are unable to replace the revenue and earnings, we have historically derived from sales of interactive displays to the education market in these developed markets, whether through sales of additional products, sales in other underserved markets, such as Africa, Latin America, and Asia, sales in the business and government market or otherwise, our business, financial condition and results of operations may be materially adversely affected.

We face significant challenges growing our sales in foreign markets.

For our products to gain broad acceptance in all markets, we may need to develop customized solutions specifically designed for each country in which we seek to grow our sales and to sell those solutions at prices that are competitive in that country. For example, while our hardware requires only minimal modification to be usable in other countries, our software and content require significant customization and modification to adapt to the needs of foreign customers. Specifically, our software will need to be adapted to work in a user-friendly way in several languages and alphabets, and content that fits the specific needs of foreign customers (such as, for example, classroom lessons adapted to specific foreign curricula) will need to be developed. If we are not able to develop, or choose not to support, customized products and solutions for use in a particular country, we may be unable to compete successfully in that country and our sales growth in that country will be adversely affected. We cannot assure you that we will be able to successfully develop or choose to support customized solutions for each foreign country in which we seek to grow our sales or that our solutions, if developed, will be competitive in the relevant country.

Growth in many foreign countries will require us to price our products competitively in those countries. In certain developing countries, we have been and may continue to be required to sell our products at prices significantly below those that we are currently charging in developed countries. Such pricing pressures could reduce our gross margins and adversely affect our revenue.

Our customers' experience with our products will be directly affected by the availability and quality of our customers' Internet access. We are unable to control broadband penetration rates, and, to the extent that broadband growth in emerging markets slows, our growth in international markets could be hindered.

In addition, we will face lengthy and unpredictable sales cycles in foreign markets, particularly in countries with centralized decision making. In these countries, particularly in connection with significant technology product purchases, we have experienced recurrent requests for proposals, significant delays in the decision-making process and, in some cases, indefinite deferrals of purchases or cancellations of requests for proposals. If we are unable to overcome these challenges, the growth of our sales in these markets would be adversely affected, and we may incur unrecovered marketing costs, impairing our profitability.

Our suppliers may not be able to always supply components or products to us on a timely basis and on favorable terms, and as a result, our dependency on third-party suppliers has adversely affected our revenue and may continue to do so.

We do not manufacture any of the products we sell and distribute and, therefore, rely on our suppliers for all products and components and depend on obtaining adequate supplies of quality components on a timely basis with favorable terms. Some of those components, as well as certain complete products that we sell are provided to us by only one key supplier or contract manufacturer. We are subject to disruptions in our operations if our sole or limited supply contract manufacturers decrease or stop production of components and products, or if such suppliers and contract manufacturers do not produce components and products of sufficient quantity. Alternative sources for our components are not always available. Many of our products and components are manufactured overseas, so they have long lead times, and events such as local disruptions, natural disasters or political conflict may cause unexpected interruptions to the supply of our products or components. In addition, we do not have written supply agreements with our suppliers. Although we are endeavoring to enter into written agreements with certain of our suppliers, we cannot assure that our efforts will be successful. Furthermore, the Company may experience materially adverse impacts on its supply chain in the event of sanctions or shipping embargoes caused by any conflict, war, or pandemics.

We rely on highly skilled personnel, and, if we are unable to attract, retain or motivate qualified personnel, we may not be able to operate our business effectively.

Our success depends in large part on continued employment of senior management and key personnel who can effectively operate our business, as well as our ability to attract and retain skilled employees. Competition for highly skilled management, technical, research and development and other employees is intense in the high-technology industry, and we may not be able to attract or retain highly qualified personnel in the future. In making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity awards they would receive in connection with their employment. Our long-term incentive programs may not be attractive enough or perform sufficiently to attract or retain qualified personnel.

If any of our employees leaves us, and we fail to effectively manage a transition to new personnel, or if we fail to attract and retain qualified and experienced professionals on acceptable terms, our business, financial condition and results of operations could be adversely affected.

Our success also depends on our having highly trained financial, technical, recruiting, sales and marketing personnel. We will need to continue to hire additional personnel as our business grows. A shortage in the number of people with these skills or our failure to attract them to our Company could impede our ability to increase revenues from our existing products and services, ensure full compliance with federal and state regulations, or launch new product offerings and would have an adverse effect on our business and financial results.

We may have difficulty in entering into and maintaining strategic alliances with third parties.

We have entered into and we may continue to enter into strategic alliances with third parties to gain access to new and innovative technologies and markets. These parties are often large, established companies. Negotiating and performing under these arrangements involves significant time and expense, and we may not have sufficient resources to devote to our strategic alliances, particularly those with companies that have significantly greater financial and other resources than we do. The anticipated benefits of these arrangements may never materialize and performing under these arrangements may adversely affect our results of operations.

We use resellers and distributors to promote and sell our products.

Substantially all our sales are made through resellers and distributors. Industry and economic conditions have the potential to weaken the financial position of our resellers and distributors. Such resellers and distributors may no longer sell our products, or may reduce efforts to sell our products, which could materially adversely affect our business, financial condition and results of operations. Furthermore, if our resellers and distributors’ abilities to repay their credit obligations were to deteriorate and result in the write-down or write-off of such receivables, it would negatively affect our operating results and, if significant, could materially adversely affect our business, financial condition and results of operations.

In addition, our resellers and most of our distributors are not contractually required to sell our products exclusively and may offer competing interactive display products, and therefore we depend on our ability to establish and develop new relationships and to build on existing relationships with resellers and distributors. We cannot ensure that our resellers and distributors will act in a manner that will promote the success of our products. Factors that are largely within the control of those resellers and distributors but are important to the success of our products include:

- the degree to which our resellers and distributors actively promote our products;

- the extent to which our resellers and distributors offer and promote competitive products; and

- the quality of installation, training and other support services offered by our resellers and distributors.

In addition, if some of our competitors offer their products to resellers and distributors on more favorable terms or have more products available to meet their needs, there may be pressure on us to reduce the price of our products, or those resellers and distributors may stop carrying our products or de-emphasize the sale of our products in favor of the products of these competitors. If we do not maintain and continue to build relationships with resellers and distributors our business will be harmed.

If our electronic data is compromised, our business could be significantly harmed.

We and our business partners maintain significant amounts of data electronically in locations around the world. This data relates to all aspects of our business, including current and future products under development, as well as certain customer, consumer, supplier, partner and employee data. We maintain systems and processes designed to protect this data, but notwithstanding such protective measures, there is a risk of intrusion, cyber-attacks or tampering that could compromise the integrity and privacy of this data. In addition, we provide confidential and proprietary information to our third-party business partners in certain cases where doing so is necessary to conduct our business. While we obtain assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners may also be subject to data intrusion or otherwise compromise the protection of such data. Any compromise of the confidential data of our customers, consumers, suppliers, partners, employees or ourselves, or failure to prevent or mitigate the loss of or damage to this data through breach of our information technology systems or other means could substantially disrupt our operations, harm our customers, consumers, employees and other business partners, damage our reputation, violate applicable laws and regulations, subject us to potentially significant costs and liabilities and result in a loss of business that could be material.

A failure to keep pace with developments in technology could impair our operations or competitive position.

Our business continues to demand the use of sophisticated systems and technology. These systems and technologies must be refined, updated and replaced with more advanced systems on a regular basis in order for us to meet our customers' demands and expectations. If we are unable to do so on a timely basis or within reasonable cost parameters, or if we are unable to appropriately and timely train our employees to operate any of these new systems, our business could suffer. We also may not achieve the benefits that we anticipate from any new system or technology, such as fuel abatement technologies, and a failure to do so could result in higher than anticipated costs or could impair our operating results.

An information security incident, including a cybersecurity breach, could have a negative impact to the Company's business or reputation.

To meet business objectives, the Company relies on both internal information technology (IT) systems and networks, and those of third parties and their vendors, to process and store sensitive data, including confidential research, business plans, financial information, intellectual property, and personal data that may be subject to legal protection. The extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these IT systems and networks, and the confidentiality, integrity and availability of the Company's sensitive data. The Company continually assesses these threats and makes investments to increase internal protection, detection and response capabilities, as well as ensure the Company's third-party providers have required capabilities and controls to address these risks. To date, the Company has not experienced any material impact to the business or operations resulting from information or cybersecurity attacks; however, because of the frequently changing attack techniques, along with the increased volume and sophistication of the attacks, there is the potential for the Company to be adversely impacted. This impact could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action.

Risks Related to our Industry and Regulations

Decreases in, or stagnation of, spending or changes in the spending policies or budget priorities for government funding of schools, colleges, universities, other education providers or government agencies may have a material adverse effect on our revenue.

Our customers include primary and secondary schools, colleges, universities, other education providers and, to a lesser extent, government agencies, each of which depends heavily on government funding. The COVID-19 pandemic and resulting economic recession could cause a substantial disruption in, decrease or stagnation of, spending and budget priorities for government funding of schools, colleges, universities and other education providers and government agencies. The economy had only recently experienced a similar disruption from the worldwide recession of 2008 and subsequent sovereign debt and global financial crisis, which resulted in substantial declines in the revenues and fiscal capacity of many national, federal, state, provincial and local governments. Like in the 2008 financial crisis, where many of those governments have reacted to the decreases in revenues by cutting funding to educational institutions, we anticipate that governments and governmental entities will react similarly to the economic crisis and resulting decreases in revenue caused by the COVID-19 pandemic by cutting funding to educational institutions. If our products are not a high priority expenditure for such institutions, or if such institutions allocate expenditures to substitute alternative technologies, we could lose revenue.

Any additional decrease in, stagnation of or adverse change in national, federal, state, provincial or local funding for primary and secondary schools, colleges, universities, or other education providers or for government agencies that use our products could cause our current and prospective customers to further reduce their purchases of our products, which could cause us to lose additional revenue. In addition, a specific reduction in governmental funding support for products such as ours could also cause us to lose revenue.

If our products fail to comply with consumer product or environmental laws, it could materially affect our financial performance.

Because we sell products used by children in classrooms and because our products are subject to environmental regulations in some jurisdictions in which we conduct business and sell our products, we are and will be required to comply with a variety of product safety, product testing and environmental regulations, including compliance with applicable laws and standards with respect to lead content and other child safety and environmental issues. If our products do not meet applicable safety or regulatory standards, we could experience lost sales, diverted resources and increased costs, which could have a material adverse effect on our financial condition and results of operations. Events that give rise to actual, potential or perceived product safety or environmental concerns could expose us to government enforcement action or private litigation and result in product recalls and other liabilities. In addition, negative consumer perceptions regarding the safety of our products could cause negative publicity and harm our reputation.

Risks Related to our Foreign Operations

We are subject to risks inherently related to our foreign operations.

Sales outside the US represented 49% of our revenues for the year ended December 31, 2023. We have committed, and may continue to commit, significant resources to our international operations and sales and marketing activities.

Our significant foreign operations subject us to several risks related to these international business activities that may increase costs, lengthen sales cycles and require significant management attention. International operations carry certain risks and associated costs, such as the complexities and expense of administering a business abroad, complications in compliance with, and unexpected changes in regulatory requirements, foreign laws, international import and export legislation, trading and investment policies, exchange controls, tariffs and other trade barriers, difficulties in collecting accounts receivable, potential adverse tax consequences, uncertainties of laws, difficulties in protecting, maintaining or enforcing intellectual property rights, difficulty in managing a geographically dispersed workforce in compliance with diverse local laws and customs, and other factors, depending upon the country involved. Moreover, local laws and customs in many countries differ significantly and compliance with the laws of multiple jurisdictions can be complex, difficult and costly. We cannot ensure that risks inherent in our foreign operations will not have a material adverse effect on our business.

We must comply with the Foreign Corrupt Practices Act.

We are required to comply with the United States Foreign Corrupt Practices Act, which prohibits U.S. companies from engaging in bribery of or other prohibited payments to foreign officials for the purpose of obtaining or retaining business and requires that we maintain adequate financial records and internal controls to prevent such prohibited payments. Our international operations are managed by the Sahara team who are required to comply with the U.K. Bribery Act 2010 which goes further than current U.S. legislation where the Bribery Act is not limited to foreign officials but also includes customers and includes all form of inducement and incentives; the same standard is expected of all our Sahara employees of other European countries where similar legislation is in force under EU-Law Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur in countries where we do business. If our competitors engage in these practices, they may receive preferential treatment from personnel of some companies, giving our competitors an advantage in securing business or from government officials who might give them priority in obtaining new business, which would put us at a disadvantage. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties.

Our worldwide operations will subject us to income taxation in many jurisdictions, and we must exercise significant judgment to determine our worldwide financial provision for income taxes. That determination ultimately is an estimate, and, accordingly, we cannot assure that our historical income tax provisions and accruals will be adequate.

We are subject to income taxation in the United States and numerous other jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, we cannot assure you that the final determination of any tax audits and litigation will not be materially different from that which is reflected in our historical income tax provisions and accruals. Should additional taxes be assessed against us as a result of an audit or litigation, there could be a material adverse effect on our current and future results and financial condition.

Certain of our subsidiaries provide products to and may from time to time undertake certain significant transactions with us and our other subsidiaries in different jurisdictions. In general, cross-border transactions between related parties and, in particular, related party financing transactions, are subject to close review by tax authorities. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules that require all transactions with nonresident related parties to be priced using arm's-length pricing principles and require the existence of contemporaneous documentation to support such pricing. A tax authority in one or more jurisdictions could challenge the validity of our related party transfer pricing policies. If in the future any taxation authorities are successful in challenging our financing or transfer pricing policies, our income tax expense may be adversely affected and we could become subject to interest and penalty charges, which may harm our business, financial condition and operating results.

If we are unable to ship and transport components and final products efficiently and economically across long distances and borders, our business would be harmed.

We transport significant volumes of components and finished products across long distances and international borders. Any increases in our transportation costs, as a result of increases in the price of oil or otherwise, would increase our costs and the final prices of our products to our customers. In addition, any increases in customs or tariffs, as a result of changes to existing trade agreements between countries or otherwise, could increase our costs or the final cost of our products to our customers or decrease our margins. Such increases could harm our competitive position and could have a material adverse effect on our business. The laws governing customs and tariffs in many countries are complex and often include substantial penalties for non-compliance. Disputes may arise and could subject us to material liabilities and have a material adverse effect on our business.

If our procedures to ensure compliance with export control laws are ineffective, our business could be harmed.

Our extensive foreign operations and sales are subject to far reaching and complex export control laws and regulations in the United States and elsewhere. Violations of those laws and regulations could have material negative consequences for us including large fines, criminal sanctions, prohibitions on participating in certain transactions and government contracts, sanctions on other companies if they continue to do business with us and adverse publicity.

We will be exposed to fluctuations in foreign currencies that may materially adversely affect our results of operations.

Our reporting currency is the U.S. dollar. Sahara consolidates results using the British pound (with principal functional currencies in British pound, Euro and U.S. dollar) and Boxlight Latin America uses the Mexican Peso as functional currency to report revenue and expenses. As a result, we will be exposed to foreign exchange rate fluctuations when we translate the financial statements of our group companies into U.S. dollars in consolidation. If there is a change in foreign currency exchange rates, the translation of any of the group companie's financial statements into U.S. dollars will lead to a translation gain or loss which is recorded as a component of other comprehensive income. In addition, we may have certain monetary assets and liabilities that are denominated in currencies other than the relevant entity's functional currency. To the extent the U.S. dollar strengthens or weakens against the certain foreign currencies then the translation of foreign currency denominated transactions will result in a change to reported revenue, operating expenses and net income for subsidiary operations. We have not entered into agreements or purchased instruments to hedge our exchange rate risks, although we may do so in the future. The availability and effectiveness of any hedging transaction may be limited, and we may not be able to successfully hedge fully our exchange rate risks.

We monitor our foreign exchange exposures, and these activities mitigate, but do not eliminate, our exposure to exchange rate fluctuations. As a result, exchange rate fluctuations may materially adversely affect our operating results in future periods.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and results of operations.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates and uncertainty about economic stability. Any such volatility and disruptions may have adverse consequences on us or the third parties upon whom we rely.

Risks Related to Our Intellectual Property and Technology

Defects in our products can be difficult to detect before shipment. If defects occur, they could have a material adverse effect on our business.

Our products are highly complex and sophisticated and, from time to time, have contained and may continue to contain design defects or software "bugs" or failures that are difficult to detect and correct in advance of shipping.

The occurrence of errors and defects in our products could result in loss of, or delay in, market acceptance of our products, including harm to our brand. Correcting such errors and failures in our products could require significant expenditure of capital by us. In addition, we are rapidly developing and introducing new products, and new products may have higher rates of errors and defects than our established products. The Boxlight Group has historically provided product warranties between one and five years, and the failure of our products to operate as described could give rise to warranty claims. The consequences of such errors, failures and other defects and claims could have a material adverse effect on our business, financial condition, results of operations and our reputation.

We may not be able to obtain patents or other intellectual property rights necessary to protect our proprietary technology and business.

Our commercial success depends to a significant degree upon our ability to develop new or improved technologies and products, and to obtain patents or other intellectual property rights or statutory protection for these technologies and products in the United States and other countries. We will seek to patent concepts, components, processes, designs and methods, and other inventions and technologies that we consider have commercial value or that will likely give us a technological advantage. Boxlight own rights in patents and patent applications for technologies relating to interactive displays and other complementary products in the United States and other countries such as Germany, Mexico, Israel, Japan, Taiwan and China. Despite devoting resources to the research and development of proprietary technology, we may not be able to develop technology that is patentable or protectable. Patents may not be issued in connection with pending patent applications, and claims allowed may not be sufficient to allow them to use the inventions that they create exclusively. Furthermore, any patents issued could be challenged, re-examined, held invalid or unenforceable or circumvented and may not provide sufficient protection or a competitive advantage. In addition, despite efforts to protect and maintain patents, competitors and other third parties may be able to design around their patents or develop products similar to our products that are not within the scope of their patents. Finally, patents provide certain statutory protection only for a limited period of time that varies depending on the jurisdiction and type of patent. The statutory protection term of certain of our material patents may expire soon and, thereafter, the underlying technology of such patents can be used by any third-party including competitors.

Prosecution and protection of the rights sought in patent applications and patents can be costly and uncertain, often involve complex legal and factual issues and consume significant time and resources. In addition, the breadth of claims allowed in our patents, their enforceability and our ability to protect and maintain them cannot be predicted with any certainty. The laws of certain countries may not protect intellectual property rights to the same extent as the laws of the United States. Even if our patents are held to be valid and enforceable in a certain jurisdiction, any legal proceedings that we may initiate against third parties to enforce such patents will likely be expensive, take significant time and divert management's attention from other business matters. We cannot assure that any of the issued patents or pending patent applications will provide any protectable, maintainable or enforceable rights or competitive advantages to us.

In addition to patents, we will rely on a combination of copyrights, trademarks, trade secrets and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce our proprietary technology and intellectual property rights in the United States, the United Kingdom, Mexico, Australia, Malaysia, Canada, Turkey Sweden, Finland, Germany, Holland, and China. However, our ability to protect our brands by registering certain trademarks may be limited. In addition, while we will generally enter into confidentiality and nondisclosure agreements with our employees, consultants, contract manufacturers, distributors and resellers and with others to attempt to limit access to and distribution of our proprietary and confidential information, it is possible that:

- misappropriation of our proprietary and confidential information, including technology, will nevertheless occur;
- our confidentiality agreements will not be honored or may be rendered unenforceable;
- third parties will independently develop equivalent, superior or competitive technology or products;

- disputes will arise with our current or future strategic licensees, customers or others concerning the ownership, validity, enforceability, use, patentability or registrability of intellectual property; or
- unauthorized disclosure of our know-how, trade secrets or other proprietary or confidential information will occur.
- we cannot assure that we will be successful in protecting, maintaining or enforcing our intellectual property rights. If we are unsuccessful in protecting, maintaining or enforcing our intellectual property rights, then our business, operating results and financial condition could be materially adversely affected, which could:
- adversely affect our relationships with current or future distributors and resellers of our products;
- adversely affect our reputation with customers;
- be time-consuming and expensive to evaluate and defend;
- cause product shipment delays or stoppages;
- divert management’s attention and resources;
- subject us to significant liabilities and damages;
- require us to enter into royalty or licensing agreements; or
- require us to cease certain activities, including the sale of products.

If it is determined that we have infringed, violated or are infringing or violating a patent or other intellectual property right of any other person or if we are found liable in respect of any other related claim, then, in addition to being liable for potentially substantial damages, we may be prohibited from developing, using, distributing, selling or commercializing certain of our technologies and products unless we obtain a license from the holder of the patent or other intellectual property right. We cannot assure that we will be able to obtain any such license on a timely basis or on commercially favorable terms, or that any such licenses will be available, or that workarounds will be feasible and cost-efficient. If we do not obtain such a license or find a cost-efficient workaround, our business, operating results and financial condition could be materially adversely affected, and we could be required to cease related business operations in some markets and restructure our business to focus on our continuing operations in other markets.

Our business may suffer if it is alleged or determined that our technology or another aspect of our business infringes the intellectual property of others.

The markets in which we will compete are characterized by the existence of many patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, in recent years, individuals and groups have purchased patents and other intellectual property assets for the purpose of making claims of infringement to extract settlements from companies like ours. Also, third parties may make infringement claims against us that relate to technology developed and owned by one of our suppliers for which our suppliers may or may not indemnify us. Even if we are indemnified against such costs, the indemnifying party may be unable to uphold its contractual obligations and determining the extent of such obligations could require additional litigation. Claims of intellectual property infringement against us or our suppliers might require us to redesign our products, enter into costly settlements or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from marketing or selling our products or services. If we cannot or do not license the infringed intellectual property on reasonable terms or at all, or substitute similar intellectual property from another source, our revenue and operating results could be adversely impacted. Additionally, our customers and distributors may not purchase our offerings if they are concerned that they may infringe third-party intellectual property rights. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management’s attention and resources, damage our reputation and cause us to incur significant expenses. The occurrence of any of these events may have a material adverse effect on our business, financial condition and operating results.

If we are unable to anticipate consumer preferences and successfully develop attractive products, we might not be able to maintain or increase our revenue or achieve profitability.

Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing demands and preferences of customers in a timely manner. If we are unable to introduce new products or technologies in a timely manner or our new products or technologies are not accepted by our customers, our competitors may introduce more attractive products which would adversely impact our competitive position. Failure to respond in a timely manner to changing consumer preferences could lead to, among other things, lower revenues and excess inventory positions of outdated products.

We may be unable to keep pace with changes in technology as our business and market strategy evolves.

We will need to respond to technological advances and emerging industry standards in a cost-effective and timely manner in order to remain competitive. The need to respond to technological changes may require us to make substantial, unanticipated expenditures. There can be no assurance that we will be able to respond successfully to technological change.

Risks Related to Our Class A Common Stock

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

Because our Class A common stock is listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. At present, we are in the initial period of 180-day compliance period provided by Nasdaq relating to our failure to maintain the $1.00 minimum bid price requirement. On February 29, 2024, we received a letter from the Listing Qualifications Department (the “Staff”) of the Nasdaq notifying us that based upon the closing bid price for the last 30 consecutive business days, we no longer meet the Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Rule”). We have been provided an initial period of 180 calendar days, or until August 26, 2024, to regain compliance with the Bid Price Rule. If we are not in compliance with the Bid Price Rule by August 26, 2024, we may be afforded a second 180 calendar day period to regain compliance.

We will continue to actively monitor the closing bid price of our Class A common stock and will evaluate available options, including, without limitation, seeking to effect a reverse stock split, in order to resolve the deficiency and regain compliance with the Bid Price Rule. If we fail to regain compliance, or otherwise violate or fail to meet any Nasdaq listing requirements, our Class A common stock may be delisted. In addition, our Board may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our Class A common stock from Nasdaq may materially impair our stockholders’ ability to buy and sell our Class A common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our Class A common stock. In the event our stock is delisted from Nasdaq, whether by choice or otherwise, the delisting of our Class A common stock could significantly impair our ability to raise capital and stockholder value.

Future sales of our Class A common stock could adversely affect our share price, and any additional capital raised by us through the sale of equity or convertible debt securities may dilute your ownership in our securities and may adversely affect the market price of our Class A common stock.

The development and marketing of new products and the expansion of distribution channels require a significant commitment of resources. From time to time, we may seek additional equity or debt financing to finance working capital requirements, continue our expansion, develop new products or make acquisitions or other investments. In addition, if our business plans change, general economic, financial or political conditions in our industry change, or other circumstances arise that have a material effect on our cash flow, the anticipated cash needs of our business, as well as our conclusions as to the adequacy of our available sources of capital, could change significantly. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. If additional funds are raised through the issuance of equity shares, preferred shares or debt securities, the terms of such securities could impose restrictions on our operations and would reduce the percentage ownership of our existing stockholders. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business or to develop new business at the rate desired and our results of operations may suffer.

The market price of our Class A common stock may be volatile, which could cause the value of our common stock to fluctuate and possibly decline significantly.

The market price of our Class A common stock may be highly volatile and subject to wide fluctuations. In 2023, the price of our Class A common stock declined from $2.48 on January 3, 2023 to $1.07 per share on December 29, 2023. As of March 8, 2024, our Class A common stock closed at $0.92 per share. In addition, our financial performance, government regulatory action, tax laws and market conditions in general, including the ongoing COVID-19 pandemic and conflicts between Ukraine and Russia, and Israel and Hamas, and their resulting impact on the economy at large, could have a significant impact on the future market price of our Class A common stock. Some of the factors that could negatively affect our share price or result in fluctuations in the price of our common stock include:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- changes in, or failure to meet, earnings estimates or recommendations by research analysts who track our Class A common stock or the stock of other companies in our industry;
- the failure of analysts to cover our Class A common stock;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- announcements by us, our competitors or our vendors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations, or other regulatory developments, applicable to our industry;
- changes in general conditions in the United States and global economies or financial markets, including both social and economic conditions resulting from the ongoing COVID-19 pandemic and, conflicts between Ukraine and Russia, and Israel and Hamas, war, incidents of terrorism or responses to such events;
- changes in government spending levels on education;
- changes in key personnel;
- sales of common stock by us, members of our management team or our stockholders;
- the granting or exercise of employee stock options or other equity awards;
- the volume of trading in our Class A common stock; and
- the realization of any risks described in this Item 1A under the caption "Risk Factors".

Furthermore, the stock market has recently experienced extreme volatility that, in some cases, has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of our Class A common stock, regardless of our actual operating performance.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

Our Articles of Incorporation, Bylaws and Nevada law may have anti-takeover effects.

Our Articles of Incorporation authorize the issuance of common stock and preferred stock. Each share of Class A common stock entitles the holder to one vote on all matters to be voted upon by stockholders, and the Class B common stock has no vote, except as required by law. In addition, the Board has the authority to issue additional shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions of those shares without any further vote or action by the stockholders. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The ability of our Board to issue additional shares of preferred stock could make it more difficult for a third-party to acquire a majority of our voting stock. Other provisions of our Bylaws also may have the effect of discouraging, delaying or preventing a merger, tender offer or proxy contest, which could have an adverse effect on the market price of our Class A common stock.

In addition, certain provisions of Nevada law applicable to our company could also delay or make more difficult a merger, tender offer or proxy contest involving our company, including Sections 78.411 through 78.444 of the Nevada Revised Statutes, which prohibit a Nevada corporation from engaging in any business combination with any "interested stockholder" (as defined in the statute) for a period of two years unless certain conditions are met. In addition, our senior management is entitled to certain payments upon a change in control and certain of the stock options and restricted shares we have granted provide for the acceleration of vesting in the event of a change in control of our Company.

We have no intention of declaring dividends in the foreseeable future.

The decision to pay cash dividends on our Class A common stock rests with our Board and will depend on our earnings, unencumbered cash, capital requirements and financial condition. We do not anticipate declaring any dividends in the foreseeable future, as we intend to use any excess cash to fund our operations. Investors in our Class A common stock should not expect to receive dividend income on their investment, and investors will be dependent on the appreciation of our Class A common stock to earn a return on their investment.

If securities or industry analysts do not publish research or reports about us, or if they adversely change their recommendations regarding our Class A common stock, then our stock price and trading volume could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us, our industry and our market. If no analyst elects to cover us and publish research or reports about us, the market for our Class A common stock could be severely limited and our stock price could be adversely affected. In addition, if one or more analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. If one or more analysts who elect to cover us adversely change their recommendations regarding our Class A common stock, our stock price could decline.

We may be exposed to risks relating to evaluations of controls required by Sarbanes-Oxley Act of 2002.

Pursuant to Sarbanes-Oxley Act of 2002, our management is required to report on the effectiveness of our internal control over financial reporting. Although we prepare our financial statements in accordance with accounting principles generally accepted in the United States, our internal accounting controls may not meet all standards applicable to companies with publicly traded securities. If we fail to implement any required improvements to our disclosure controls and procedures, we may be obligated to report control deficiencies. In either case, we could become subject to regulatory sanction or investigation. Further, these outcomes could damage investor confidence in the accuracy and reliability of our financial statements.

If we fail to develop, implement and maintain an effective system of internal control over financial reporting, the accuracy and timing of our financial reporting in future periods may be adversely affected.

The Sarbanes-Oxley Act and related rules and regulations require that management report annually on the effectiveness of our internal control over financial reporting and assess the effectiveness of our disclosure controls and procedures on a quarterly basis. Effective internal controls are necessary for us to provide timely and reliable financial reports and effectively prevent fraud. We have identified control deficiencies that constituted a material weakness in our internal controls and procedures in the past and may experience a material weakness in future years. If we fail to maintain adequate internal controls, our financial statements may not accurately reflect our financial condition. Any material misstatements could require a restatement of our consolidated financial statements, cause us to fail to meet our reporting obligations or cause investors to lose confidence in our reported financial information, leading to a decline in the market value of our securities.

Unstable market and economic conditions and potential disruptions in the credit markets may adversely affect our business, including the availability and cost of short-term funds for liquidity requirements and our ability to meet long-term commitments, which could adversely affect our results of operations, cash flows and financial condition.

If internally generated funds are not available from operations, we may be required to rely on the banking and credit markets to meet our financial commitments and short-term liquidity needs. Our access to funds under our revolving credit facility or pursuant to arrangements with other financial institutions is dependent on the financial institution's ability to meet funding commitments. Financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience high volumes of borrowing requests from other borrowers within a short period of time.

In addition, the global credit and financial markets have recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, inflationary pressure and interest rate changes and uncertainty about economic stability. More recently, the closures of Silicon Valley Bank, Signature Bank and First Republic Bank and their placement into receivership with the Federal Deposit Insurance Corporation (FDIC) created bank-specific and broader financial institution liquidity risk and concerns. Future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages, impair the ability of companies to access near-term working capital needs, and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short-term liquidity risk and also make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, financial institutions, manufacturers and other partners may be adversely affected by the foregoing risks, which could directly affect our ability to attain our operating goals on schedule and on budget.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

As a regular part of our ordinary business operations, we collect and store data, including information necessary for our operations, information from our customers, employees, and our business partners. We recognize these networks and systems may be subject to increasing and continually evolving cybersecurity risks. Our Board is responsible for overseeing risk management and Cybersecurity is an integral part of the Company's overall risk management program. Our risk management process is designed to identify, prioritize, and monitor risks that could affect our ability to execute our corporate strategy and fulfill our business objectives and to appropriately mitigate such risks.

As part of our risk management processes, we are developing risk assessments to identify the probability, immediacy, and potential magnitude of information security risks. Our internal experts regularly conduct audits and tests of our information systems, and our cybersecurity program is periodically assisted by established, independent third-party consultants, who provide assistance through tabletop and other preparedness exercises. Additionally, we review regular publications on cyber awareness and conduct ongoing simulated phishing exercises. We use the findings from these and other processes to improve our information security practices, procedures and technologies.

While we have not yet experienced any material impacts from a cyber-attack, any one or more future cyber-attacks could materially adversely impact the Company, including a loss of trust among our customers, departures of key employees, general diminishment of our global reputation and financial losses from remediation actions, loss of business or potential litigation or regulatory liability. Further, evolving market dynamics are increasingly driving heightened cybersecurity protections and mandating cybersecurity standards for our products, and we may incur additional costs to address these increased risks and to comply with such demands.

ITEM 2. PROPERTIES

Our corporate headquarters is located at 2750 Premiere Parkway, Duluth, GA, 30097 in an office space of approximately 12,000 square feet, for which we pay approximately $23,000 per month as rent pursuant to a rental agreement expires on August 31, 2027. Our corporate headquarters house our administrative offices. The Company leases warehouse space in Lawrenceville, GA, for approximately $13,000 per month. This warehouse space rental agreement will expire on April 30, 2028.

We also maintain offices in Scottsdale, Arizona and Utica, NY in the U.S., and in Dartford, London, Leeds and Livingston and Belfast in the U.K. for sales, marketing, technical support and service staff. In addition, we also maintain sales, marketing and technical support offices in Apeldoorn, Netherlands, Anzegem, Belgium, Helsinki, Finland, Oskarshamn Kalmar, Sweden, and Düsseldorf, Germany.

On August 9, 2023 the Company signed a lease agreement for 15 years for approximately 32,000 feet of space for its new Sahara headquarters in the U.K.

ITEM 3. LEGAL PROCEEDINGS

From time to time we are party to litigation matters occurring in the ordinary course of our business. As of the date of this Annual Report, however, there are no material pending or threatened legal or governmental proceedings relating to our Company to which we are a party, and to our knowledge there are no material proceedings to which any of our directors, executive officers or affiliates are a party adverse to us or which have a material interest adverse to us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A common stock commenced trading on the Nasdaq under the symbol "BOXL" on November 30, 2017. Prior to that time, our common stock was not traded on any exchange or quoted on any over the counter market.

Holders

As of March 8, 2024, we had 378 holders of record of our class A common stock and 9,728,465 shares of Class A common stock issued and outstanding.

Dividends

We have never paid cash dividends on our Class A common stock. Holders of our Class A common stock are entitled to receive dividends, if any, declared and paid from time to time by the Board out of funds legally available. At present, we intend to retain any earnings for the operation and expansion of our business and do not anticipate paying cash dividends on our Class A common stock in the foreseeable future. Any future determination as to the payment of cash dividends will depend upon future earnings, results of operations, capital requirements, our financial condition and other factors that our board of directors may consider.

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Incentive Plans

The Company has issued grants under two equity incentive plans, both of which have been approved by the Company's shareholders: (i) the 2014 Equity Incentive Plan, as amended (the "2014 Plan"), pursuant to which a total of 798,805 shares of the Company's Class A common stock have been approved for issuance, and (ii) the 2021 Equity Incentive Plan (the "2021 Plan"), pursuant to which a total of 625,000 shares of the Company's Class A common stock have been approved for issuance. Upon approval of the 2021 Plan in June 2021, any shares remaining 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. As of December 31, 2023, a total of approximately 650 shares remained available for issuance under the 2021 Plan.

The following table provides information as of December 31, 2023 about our equity compensation plans and arrangements.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders (1)	755,745	$ 5.88	650
Equity compensation plans not approved by security holders (2)	1,386,002	$ 6.57	-
Total	2,141,747	$ 6.34	650

(1) Includes 340,675 equity incentive grants issued to Sahara employees in conjunction with our acquisition of Sahara Presentation Systems.
(2) Includes warrants issued to Dynamic Capital, Whitehawk, Ryan Legudi and a third-party investor.

Recent Sales of Unregistered Securities

None

Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

ITEM 6. [Reserved]

ITEM 7. 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 our financial statements and the related notes thereto included elsewhere herein MD&A contains forward-looking statements that involve risks and uncertainties, such as statements of our 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 Annual Report. Our 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 indicate future performance. Our forward-looking statements reflect our 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.

Overview

We are a technology company that develops, sells and services interactive solutions predominantly for the global education market, but also for the corporate and government sectors. We are seeking to become a worldwide leading innovator and integrator of interactive products and software solutions and improve collaboration and effective communication in meeting environments. We currently design, produce and distribute interactive technologies including our interactive and non-interactive flat-panel displays, LED video walls, media players, classroom audio and campus communication, cameras and other peripherals for the education market and non-interactive solutions including flat-panels, LED video walls and digital signage. We also distribute STEM products, including our 3D printing and robotics solutions, and our portable science lab. All products are integrated into our classroom software suite that provides tools for whole class learning, assessment and collaboration. In addition, we offer professional training services related to our technology to our U.S. educational customers. To date, we have generated the majority of our revenue in the U.S. and internationally from the sale of interactive displays and related software to the educational market. We have sold our solutions into over 70 countries and into over 1.5 million classrooms and meeting spaces. We sell our products and software through more than 1,000 global reseller partners. We believe we offer the most comprehensive and integrated line of interactive display solutions, audio products, peripherals and accessories, software and professional development for schools and enterprises on the market today. The majority of our products are backed by nearly 30 years of research and development.

Advances in technology and new options for the introduction of technology into the classroom have forced school districts to look for solutions that allow teachers and students to bring their own devices into the classroom, provide school districts with information technology departments with the means to access data with or without internet access, handle higher demand for video, as well as control cloud and data storage challenges. Our design teams are able to quickly customize systems and configurations to serve the needs of clients so that existing hardware and software platforms can communicate with one another. Our goal is to become a single source solution to satisfy the needs of educators around the globe and provide a holistic approach to the modern classroom.

Our Acquisition Strategy and Challenges

Our growth strategy includes acquiring assets and technologies of companies that have products, technologies, industry specializations or geographic coverage that extend or complement our existing business. The process to undertake a potential acquisition is time-consuming and costly. Prior to completing any acquisition, we expect to expend significant resources to undertake business, financial and legal due diligence on our potential acquisition targets, as a result, and there is no guarantee that we will complete any acquisition that we pursue.

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

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

As a result, we believe that an analysis of the historical costs and expenses of our Target Sellers (a company that is the subject of an attempted acquisition) prior to their acquisition will not provide guidance as to the anticipated results after acquisition. We anticipate that we will be able to achieve significant reductions in our costs of revenue and selling and, general and administrative expenses from the levels currently incurred by the Target Sellers operating independently, thereby increasing our EBITDA and cash flows.

Components of our Results of Operations and Financial Condition

Revenue

The Company's sales of interactive devices, including panels, whiteboards and other interactive devices generally include hardware maintenance services, a license to software, and the provision of related software maintenance. In most cases, interactive devices are sold with hardware maintenance services.

The Company's installation, training and professional development service include third-party products and services and are generally sold separately from the Company's products.

Cost of revenue

Our cost of revenue is comprised of the following:

- third-party logistics costs;
- costs to purchase components and finished goods directly;
- inbound and outbound freight costs and duties;
- 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;
- cost of professionals to deliver the professional development training; and
- customs expense.

We outsource some of our warehouse operations and order fulfillment and we purchase products from related entities and third parties. Our product costs vary directly with volume and based on the costs of underlying product components as well as the prices we 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 and it is rarely used as a result. The Company did not experience material delays in shipping during 2023 or 2022 that materially negatively impacted our revenues.

Gross profit and gross profit margin

Our gross profit and gross profit margin have been, and may in the future be, influenced by several factors including: product, channel and geographical revenue mix; changes in product costs related to the release of newer models; component, contract manufacturing and supplier pricing, foreign currency exchange and most recently, increased shipping costs due to the pandemic and global unrest. 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 our 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: research and development and general and administrative.

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.

General and administrative. General and administrative expense consists of personnel related costs, which include salaries, 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.

Other income (expense), net

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

Income tax expense

We are subject to income taxes in the United States, Canada, United Kingdom, Mexico, Sweden, Finland, Holland, Australia, Denmark and Germany where we do business. The United Kingdom, Mexico, Sweden, Finland, Holland and Germany, Australia, Canada and Denmark have a statutory tax rate different from that in the United States. Additionally, certain of our 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 years ended December 31, 2023 and 2022

Revenues. Total revenues for the year ended December 31, 2023 were $176.7 million as compared to $221.8 million for the year ended December 31, 2022, resulting in a 20.3% decrease. The decrease in revenues was primarily a result of softening world-wide demand for our products and solutions in both the U.S. and EMEA markets.

Cost of Revenues. Cost of revenues for the year ended December 31, 2023 was $113.4 million as compared to $156.9 million for the year ended December 31, 2022, resulting in a 27.7% decrease. The decrease in cost of revenues was primarily due to more favorable material and shipping cost and the decrease in revenues.

Gross Profit. Gross profit for the year ended December 31, 2023 was $63.3 million as compared to $64.9 million for the year ended December 31, 2022. Gross profit margin improved to 35.8% for the year ended December 31, 2023 compared to 29.2% for the year ended December 31, 2022 due to audio products comprising a greater percentage of total sales, which carry higher margins, and decreases in manufacturing and shipping cost.

General and Administrative Expense. General and administrative expense for the year ended December 31, 2023 was $61.3 million and 34.7% of revenue as compared to $59.3 million and 26.8% of revenue for the year ended December 31, 2022. The increase primarily relates to an increase in personnel related expenses to support the growth of the business in certain markets.

Research and Development Expense. Research and development expense was $3.2 million or 1.8% of revenue for the year ended December 31, 2023 as compared to $2.5 million or 1.1% of revenue for the year ended December 31, 2022. Research and development expense primarily consists of costs associated with development of proprietary technology. The increase in research and development expense was primarily driven by an increase in contract services related to software development.

Impairment of Goodwill. Impairment of goodwill for the year ended December 31, 2023 was $25.2 million and related to both the Americas and EMEA reporting segments. There was no impairment of goodwill for the year ended December 31, 2022.

Other Expense, net. Other expense for the year ended December 31, 2023 was $11.0 million as compared to $6.7 million for the year ended December 31, 2022. Other expense increased by $4.2 million, due to a $2.3 million decrease in fair value of derivative liabilities, $0.9 million increase in interest expense, and $0.9 million decrease from the settlement of liabilities in the prior year that did not recur in the current year.

Net Loss. Net loss attributable to common shareholders was $40.4 million and $5.0 million for the years ended December 31, 2023 and 2022, respectively, after deducting fixed dividends to Series B preferred shareholders of $1.3 million in each year.

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 consolidated financial statements presented on a basis consistent with U.S. generally accepted accounting principles (“GAAP”) with EBITDA and Adjusted EBITDA, both non-GAAP financial measures of earnings.

EBITDA represents net loss before income tax expense, interest expense, net, and depreciation and amortization expense. Adjusted EBITDA represents EBITDA, adjusted for stock compensation expense and changes in fair value of derivative liabilities, purchase accounting impact for fair valuing inventory and deferred revenue, net gain on settlement of debt, and impairment of goodwill. Our management uses EBITDA and Adjusted EBITDA as financial measures to evaluate the profitability and efficiency of our business model. We use these non-GAAP financial measures 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. We find this especially useful when reviewing results of operations, which include large non-cash amortizations of intangibles assets from acquisitions. Investors should consider our 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.

Reconciliation of net loss for the years ended December 31, 2023 and 2022 to EBITDA and Adjusted EBITDA

(in thousands)	2023	2022
Net loss	**$ (39,156)**	**$ (3,743)**
Depreciation and amortization	8,859	9,129
Interest expense	10,840	9,923
Income tax expense	1,866	49
EBITDA	**$ (17,591)**	**$ 15,358**
Stock compensation expense	3,131	3,313
Change in fair value of derivative liabilities	(267)	(2,591)
Purchase accounting impact of fair valuing inventory	448	1,496
Purchase accounting impact of fair valuing deferred revenue	1,649	2,229
Net gain on settlement of debt	—	(856)
Impairment of Goodwill	25,195	—
Adjusted EBITDA	**$ 12,565**	**$ 18,949**

Discussion of Effect of Seasonality on Financial Condition

Certain accounts on our balance sheets 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 the upcoming school year, we generally build up inventories during the second quarter of the year. Therefore, inventories tend to be at the 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 and we do not need the same inventory levels during the first quarter. Accounts receivable balances tend to be at the highest levels in the third quarter, in which we record the highest level of sales.

We have been very proactive, and will continue to be proactive, in obtaining contracts during the fourth and first quarters of each year in order to help offset the seasonality of our business.

Liquidity and Capital Resources

As of December 31, 2023, we had cash and cash equivalents of $17.3 million, a working capital balance of $54.1 million, and a current ratio of 2.17. At December 31, 2022, we had $14.6 million of cash and cash equivalents, a working capital balance of $62.8 million, and a current ratio of 2.29.

For the years ended December 31, 2023 and 2022, we had net cash provided by operating activities of $11.6 million and $1.2 million, respectively. Cash provided by operating activities increased year over year as a result of a change in working capital management. We had net cash used in investing activities of $1.3 million and $1.2 million for the years ended December 31, 2023 and 2022, respectively. Cash used in investing activities is primarily related to purchases of property and equipment. For the years ended December 31, 2023 and 2022, we had net cash used in financing activities of $8.0 million and $5.1 million, respectively. Cash used for financing activities for the year ended December 31, 2023 is primarily related to principal payments on debt of $6.8 million, and $1.3 million in payments of fixed dividends to our Series B preferred shareholders, and stock option exercise proceeds of $13 thousand. Cash used by financing activities for the year ended December 31, 2022 was primarily related to principal payments on debt, and payments of fixed dividends to our Series B preferred shareholders, partially offset by net proceeds of issuance of common stock, and proceeds from long-term debt and stock option exercises.

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

In addition to the cash flows generated by our ongoing operating activities we financed our operations during 2023 and 2022 with our Credit Facility with Whitehawk. Prior to April 24, 2023, we maintained a delayed draw term loan of which we had $7.5 million available. On April 24, 2023, we borrowed $3.0 million on our delayed draw term loan that was used for working capital purposes. The completion of the additional draw eliminates further draws under the term loan agreement. The $3.0 million was repaid during the third quarter of 2023.

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

Given the uncertainty surrounding global supply chains, global markets, and general global uncertainty as a result of the ongoing conflict between Russia and Ukraine and Israel and Hamas and the continuing COVID-19 pandemic, 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, while there can be no guarantee we will be able to access capital when needed, we are confident that the Company will be able to manage through 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, may not provide sufficient liquidity for our working capital needs, debt service requirements or to maintain minimum liquidity requirements under our Credit Agreement, and we may need to raise capital to meet current working capital requirements including maintaining sufficient inventory levels to meet future sales demand.

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 Senior Leverage Ratio financial covenant under the Credit Agreement at September 30, 2023. The non-compliance was cured by the Company paying $4.3 million, inclusive of $0.3 million in prepayment penalties and interest in November 2023 in order to bring the Company into compliance with the Senior Leverage Ratio at September 30, 2023.

The Company was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement at December 31, 2023. Although on March 14, 2024, the Loan Parties entered into the Fifth Amendment with the Collateral Agent and the Lender mainly for the purpose of (1) amending and restating the Senior Leverage Ratio and Minimum Liquidity (as defined in the Fifth Amendment), and (2) waiving any Event of Default that may have arisen directly as a result of the Financial Covenant Default (as defined in the Fifth Amendment), 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 get into full compliance with these covenants in the future. Following the Fifth Amendment to the Credit Agreement, the Senior Leverage ratio increased to 6.00 at March 31, 2024, remained at 2.00 at June 30, 2024 and 1.75 thereafter. Because of the significant decreases in the required Senior Leverage Ratio within the next twelve months, the Company's current forecast projects the Company 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 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 a basis with more favorable terms. The Company is actively working to refinance its debt with new lenders on terms more favorable to the Company. While the Company is confident in its ability to refinance its existing debt, it does not have written or executed agreements as of the issuance of this Form 10-K. 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 capital relationship with our current lender. However, there can be no assurance that the Company will be successful in refinancing its debt, or on terms acceptable to the Company.

Recent Financing

See Note 9 to the consolidated financial statements.

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 consolidated financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States. 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 the 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 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 detail in Note 1 to the accompanying consolidated financial statements, and briefly summarized below. 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. Goodwill and Intangible assets

3. Share-based Compensation

4. Derivative Warrant Liabilities

5. Income Taxes

REVENUE RECOGNITION

In accordance with the FASB's Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers)* ("Topic 606"), 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 significant risks and rewards of ownership of products or services are transferred to its customers. Product revenue is derived from the sale of interactive panels, audio and communication equipment 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.

The Company's sales of interactive devices, including panels, whiteboards, audio and communication equipment and other interactive devices generally include hardware maintenance services, a license to software, and the provision of related software maintenance. Interactive devices are generally sold with hardware maintenance services with terms ranging from 36-60 months. Software maintenance includes technical support, product updates 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 ranging from 36-60 months. The Company also licenses software independently of its interactive devices, in which case it is bundled with software maintenance, and in some cases, subscription services that include access to on-line content, access to replacement parts, 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 other software product sales, control is transferred when the customer receives the related access code or interactive hardware since the customer's access code or 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's installation, training and professional development services are generally sold separately from the Company's products. Control of these services is transferred to our customers over time with hours/time incurred in providing the service being the best depiction of the transfer of services since the customer is receiving the benefit of the services as the work is performed.

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").

GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized and is not deductible for tax purposes. Under ASC Topic 350 "*Business Combinations*," we have an option to perform a "qualitative" assessment of the Company to determine whether further impairment testing is necessary. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of the business is less than carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. If we determine that the Company meets these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the Company. Based on these assessments, we determine whether the likelihood that a current fair value determination would be less than the current carrying amount is not more likely than not.

Because the qualitative assessment is an option, we may bypass it for any reporting unit in any period as begin our analysis with the quantitative impairment test. We may elect to perform a quantitative impairment test based on the period of time that has passed since the most recent determination of fair value, even when we do not believe that it is more-likely-than-not that the fair value of the business is less than carrying amount.

In analyzing goodwill for potential impairment in the quantitative impairment test, we use a combination of the income and market approaches to estimate the fair value. Under the income approach, we calculate the fair value based on estimated future discounted cash flows. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before interest, income taxes, depreciation and amortization for benchmark companies. If the fair value exceeds carrying value, then no further testing is required. However, if the fair value were to be less than carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the goodwill exceeded its implied value.

Intangible assets are amortized using the straight-line method over their estimated period of benefit. We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. No material impairments of intangible assets have been identified during any of the periods presented. Intangible assets are tested for impairment on an annual basis, and between annual tests if indicators of potential impairment exist using an undiscounted cash-flow approach.

The Company's annual impairment testing date normally occurs as of October 1, which facilitates the overall coordination and timing of our annual financial statement close cycle and the preparation of our annual report. During the year ended December 31, 2023, due to triggering events, the Company performed Goodwill testing as of June 30, September 30, and December 31, 2023.

As of June 30, 2023, we determined that a triggering event had occurred as a result of our market capitalization that suggested one or more of the reporting units may have fallen below the carrying amounts. In addition, changes in our reporting segments resulted in a change in the composition of our reporting units. As a result of these changes, we determined the Company had two reporting units for purposes of testing based upon entities that comprise the Americas and EMEA reporting segments. For purposes of impairment testing, we allocated goodwill to the reporting units based upon a relative fair value allocation approach and assigned approximately $22.4 million and $2.8 million of goodwill to the Americas and EMEA reporting units, respectively.

As of June 30, 2023, we performed an interim goodwill impairment test as a result of the triggering events identified. In analyzing goodwill for potential impairment in the quantitative impairment test, we used a combination of the income and market approaches to estimate the fair value. Under the income approach, we calculated the fair value based on estimated future discounted cash flows. The assumptions used are based on what we believe a hypothetical marketplace participant would use in estimating fair value and include the discount rate, projected average revenue growth and projected long-term growth rates in the determination of terminal values. Under the market approach, we estimated the fair value based on market multiples of revenue or earnings before interest, income taxes, depreciation, and amortization for benchmark companies. Based on the results of our interim test as of June 30, 2023, we concluded that the estimated fair value of each reporting unit exceeded the respective carrying value and, as such, we concluded that the goodwill assigned to each reporting unit, as of June 30, 2023, was not impaired.

As of September 30, 2023, due to further declines in the Company’s market capitalization and a reduction in cash-flows resulting from continued softening in the industry leading to a reduction in sales from interactive flat-panel displays, the Company determined that a triggering event had occurred.

As of September 30, 2023, the Company performed an interim goodwill impairment test as a result of the triggering event identified. The Company’s methodology for estimating fair value was consistent with the income and market approaches used as of June 30, 2023. Certain estimates and assumptions, including the Company’s operating forecast for 2023 and future periods, were revised based on current industry and Company trends. For the three and nine months ended September 30, 2023, the Company recorded goodwill impairment charges of $10.4 million and $2.8 million to the Americas and EMEA reporting units, respectively.

As of December 31, 2023, the Company performed goodwill impairment testing as a result of another triggering event identified. The Company’s methodology for estimating fair value was consistent with the income and market approaches used as of June 30, 2023 and September 30, 2023. Certain estimates and assumptions, including the Company’s operating forecast for 2023 and future periods, were further revised based on current industry and Company trends. For the year ended December 31, 2023, the Company recorded goodwill impairment charges of $22.4 million and $2.8 million in the Americas and EMEA reporting units, respectively, which also represents total accumulated goodwill impairment charges for each reporting unit.

SHARE-BASED COMPENSATION

The Company estimates the fair value of each stock option compensation award at the grant date by using the Black-Scholes option pricing model; the fair value of each restricted stock unit awarded is the market price of the underlying shares at the date of grant. The fair value determined represents the cost for the award and is recognized over the vesting period during which an employee is required to provide service in exchange for the award. Accordingly, stock compensation expense is recognized based on the estimated fair value of the awards which is amortized as compensation expense on a straight-line basis over the vesting period. Total expense related to the award is reduced by the fair value of the options that are forfeited by the employees that leave the Company prior to vesting as they occur.

DERIVATIVE WARRANT LIABILITIES

The Company classifies common stock purchase warrants as equity if the contracts (i) require physical settlement or net-share settlement or (ii) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (iii) contain reset provisions as either an asset or a liability. The Company assesses the classification of its freestanding derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

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. Such warrants are measured at fair value at each reporting date, and the changes in fair value are included in determining net income for the period.

INCOME TAXES

The Company follows the asset and liability method of accounting for income taxes pursuant to the pertinent guidance issued by the FASB. Deferred income taxes are recorded to reflect the estimated future tax effects of differences between the financial statement and tax basis of assets, liabilities, operating losses, and tax credit carry forwards using the tax rates expected to be in effect when the temporary differences reverse. Valuation allowances, if any, are recorded to reduce deferred tax assets to the amount management considers more likely than not to be realized. Such valuation allowances are recorded for the portion of the deferred tax assets that are not expected to be realized based on the levels of historical taxable income and projections for future taxable income over the periods in which the temporary differences will be deductible.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders, Board of Directors, and Audit Committee of Boxlight Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Boxlight Corporation and its subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes and financial statement schedule II (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the financial statements, the Company has identified certain conditions relating to its outstanding debt and Series B Preferred Stock that are outside the control of the Company. In addition, the Company has generated recent losses. These factors, among others, raise substantial doubt regarding the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the accompanying financial statements. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits.

We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Critical Audit Matter – Goodwill Impairment Assessment

As described in Note 1, in analyzing goodwill for potential impairment in the quantitative impairment test, the Company uses a combination of the income and market approaches to estimate the fair value. Under the income approach, the Company calculates the fair value based on discounted estimated future cash flows. Under the market approach, the Company estimates the fair value based on the market multiples of revenue or earnings before interest, income taxes, depreciation, and amortization for benchmark companies.

We identified the quantitative impairment test of goodwill as a critical audit matter. The principal considerations for that determination included the judgment involved in assessing management's impairment test of goodwill due to the measurement uncertainty involved in determining the fair value of equity for the reporting units. In particular, the fair value estimates are sensitive to changes in assumptions such as discount rates, expected future cash flows, long-term growth rates, and comparable company earnings multiples.

The primary procedures we performed to address this critical audit matter included:

- We obtained an understanding of management's process for assessing goodwill impairment and performing the qualitative goodwill impairment test, including management's process for developing assumptions used in the income and market approaches to estimate the fair value of reporting units.
- We evaluated management's revenue growth rates, margins, and cash flows to current industry and economic trends, while also considering the current and future business, customer base, and product mix.
- We assessed management's process for estimating revenue growth and margins by comparing past projections to actual performance.
- With the assistance of our valuation professionals with specialized skills and knowledge, we evaluated the models, valuation methodology, and significant assumptions used in the income and market approaches to estimate the fair values.
- We tested management's reconciliation of the fair value of equity of the reporting units to the market capitalization of the Company.

/s/ FORVIS, LLP

We have served as the Company's auditor since 2018.

Atlanta, Georgia
March 14, 2024

Boxlight Corporation
Consolidated Balance Sheets
As of December 31, 2023 and 2022
(in thousands except share and per share amounts)

	December 31, 2023	December 31, 2022 (as adjusted)*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,253	$ 14,591
Accounts receivable – trade, net of allowances	29,523	31,009
Inventories, net of reserves	44,131	58,211
Prepaid expenses and other current assets	9,471	7,433
Total current assets	100,378	111,244
Property and equipment, net of accumulated depreciation	2,477	1,733
Operating lease right of use asset	8,846	4,350
Intangible assets, net of accumulated amortization	45,964	52,579
Goodwill	—	25,092
Other assets	906	397
Total assets	**$ 158,571**	**$ 195,395**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 32,899	$ 36,566
Short-term debt	1,037	845
Operating lease liabilities, current	1,827	1,898
Deferred revenues, current	8,698	8,308
Derivative liabilities	205	472
Other short-term liabilities	1,566	386
Total current liabilities	46,232	48,475
Deferred revenues, non-current	16,347	15,603
Long-term debt	39,134	43,778
Deferred tax liabilities, net	4,316	4,680
Operating lease liabilities, non-current	7,282	2,457
Total liabilities	113,311	114,993
Commitments and contingencies (Note 15)		
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' equity:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized; 167,972 and 167,972 shares issued and outstanding, respectively	—	—
Common stock, $0.0001 par value, 18,750,000 shares authorized; 9,704,496 and 9,339,587 Class A shares issued and outstanding at December 31, 2023 and 2022, respectively	1	1
Additional paid-in capital	119,724	117,849
Accumulated deficit	(104,275)	(65,043)
Accumulated other comprehensive income (loss)	1,301	(914)
Total stockholders' equity	16,751	51,893
Total liabilities and stockholders' equity	**$ 158,571**	**$ 195,395**

See Accompanying Notes to Financial Statements.

Boxlight Corporation
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended December 31, 2023 and 2022
(in thousands, except per share amounts)

	2023	2022
Revenues, net	$ 176,721	$ 221,781
Cost of revenues	113,419	156,913
Gross profit	63,302	64,868
Operating expense:		
General and administrative expenses	61,252	59,337
Research and development	3,155	2,482
Impairment of goodwill	25,195	—
Total operating expense	89,602	61,819
(Loss) income from operations	(26,300)	3,049
Other income (expense):		
Interest expense, net	(10,840)	(9,923)
Other expense, net	(417)	(267)
Gain on settlement of liabilities, net	—	856
Change in fair value of derivative liabilities	267	2,591
Total other expense	(10,990)	(6,743)
Loss before income taxes	(37,290)	(3,694)
Income tax expense	(1,866)	(49)
Net loss	(39,156)	(3,743)
Fixed dividends - Series B Preferred	(1,269)	(1,269)
Net loss attributable to common stockholders	$ (40,425)	$ (5,012)
Comprehensive loss:		
Net loss	(39,156)	(3,743)
Other comprehensive loss:		
Foreign currency translation adjustment	2,215	(4,642)
Total comprehensive loss	$ (36,941)	$ (8,385)
Net loss per common share – basic and diluted - as adjusted	$ (4.28)	$ (0.58)
Weighted average number of common shares outstanding – basic and diluted - as adjusted	9,455	8,644

See Accompanying Notes to Financial Statements.

Boxlight Corporation
Consolidated Statements of Changes in Stockholders' Equity
For the Year Ended December 31, 2023
(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, December 31, 2022	167,972	$ —	9,339,587	$ 1	$ 117,849	$ (914)	$ (65,043)	$ 51,893
Cumulative effect of change in accounting principle, net of tax	—	—	—	—	—	—	(76)	(76)
Balance, December 31, 2022 - as adjusted	167,972	—	9,339,587	1	117,849	(914)	(65,119)	51,817
Shares issued for:								
Stock options exercised	—	—	12,500	—	13	—	—	13
Vesting of restricted stock units	—	—	318,995	—	—	—	—	—
Reverse stock split fractional adjustment	—	—	33,414	—	—	—	—	—
Stock compensation	—	—	—	—	3,131	—	—	3,131
Foreign currency translation	—	—	—	—	—	2,215	—	2,215
Fixed dividends for preferred shareholders	—	—	—	—	(1,269)	—	—	(1,269)
Net loss	—	—	—	—	—	—	(39,156)	(39,156)
Balance, December 31, 2023	167,972	$ —	9,704,496	$ 1	$ 119,724	$ 1,301	$ (104,275)	$ 16,751

See Accompanying Notes to Financial Statements.

Boxlight Corporation
Consolidated Statements of Changes in Stockholders' Equity
For the Year Ended December 31, 2022
(in thousands except share amounts) - as adjusted

	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, December 31, 2021	167,972	$ —	7,977,738	$ —	$ 110,873	$ 3,728	$ (61,300)	$ 53,301
Shares issued for:								
Stock options exercised	—	—	37,105	—	81	—	—	81
Acquisition	—	—	28,846	—	150	—	—	150
Debt issuance costs	—	—	66,021	—	—	—	—	—
Vesting of restricted stock units	—	—	310,759	—	—	—	—	—
Securities purchase agreement	—	—	875,000	1	2,352	—	—	2,353
Warrant redemption, net	—	—	44,118	—	—	—	—	—
Issuance of warrants and prefunded warrants	—	—	—	—	2,349	—	—	2,349
Stock compensation	—	—	—	—	3,313	—	—	3,313
Foreign currency translation	—	—	—	—	—	(4,642)	—	(4,642)
Fixed dividends for preferred shareholders	—	—	—	—	(1,269)	—	—	(1,269)
Net loss	—	—	—	—	—	—	(3,743)	(3,743)
Balance, December 31, 2022	167,972	$ —	9,339,587	$ 1	$ 117,849	$ (914)	$ (65,043)	$ 51,893

See Accompanying Notes to Financial Statements.

Boxlight Corporation
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(in thousands)

	2023	2022
Cash flows from operating activities:		
Net loss	$ (39,156)	$ (3,743)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of debt discount and issuance cost	2,303	2,158
Bad debt expense	9	266
Gain on settlement of liabilities	—	(856)
Changes in deferred tax assets and liabilities	(347)	(3,776)
Change in allowance for sales returns and volume rebate	1,356	316
Change in inventory reserve	2,131	(68)
Change in fair value of derivative liability	(267)	(2,591)
Stock compensation expense	3,131	3,313
Depreciation and amortization	8,859	9,129
Impairment of goodwill	25,195	—
Change in right of use assets and lease liabilities	249	8
Changes in operating assets and liabilities:		
Accounts receivable – trade	781	(3,800)
Inventories	13,105	(10,272)
Prepaid expenses and other current assets	(1,874)	1,602
Other assets	(498)	(161)
Accounts payable and accrued expenses	(4,822)	5,756
Other short-term liabilities	1,136	256
Deferred revenues	290	3,965
Other liabilities	—	(312)
Net cash provided by operating activities	$ 11,581	$ 1,190
Cash flows from investing activities:		
Asset acquisition	—	(100)
Purchases of furniture and fixtures, net	(1,321)	(1,106)
Net cash used in investing activities	$ (1,321)	$ (1,206)
Cash flows from financing activities:		
Net proceeds from issuance of common stock and warrants, net of issuance costs	—	4,700
Proceeds from issuances of short-term debt	3,000	—
Proceeds from exercise of options and warrants	13	—
Principal payments on long-term debt	(6,755)	(11,141)
Proceeds from long term debt	—	2,500
Principal payments on short-term debt	(3,000)	—
Payments of fixed dividends to Series B Preferred stockholders	(1,269)	(1,269)
Proceeds from issuance of common stock	—	84
Net cash used in financing activities	$ (8,011)	$ (5,126)
Effect of foreign currency exchange rates	413	1,795
Net increase (decrease) in cash and cash equivalents	2,662	(3,347)
Cash and cash equivalents, beginning of the period	14,591	17,938
Cash and cash equivalents, end of the period	$ 17,253	$ 14,591
Supplemental cash flow disclosures:		
Cash paid for income taxes	$ 2,691	$ 1,615
Cash paid for interest	$ 8,290	$ 8,342
Non-cash investing and financing transactions:		
Addition of operating lease liabilities	$ 5,865	$ —
Shares issued for asset acquisition	$ —	$ 150

See Accompanying Notes to Financial Statements.

Notes to Consolidated Financial Statements
Boxlight Corporation

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

COMPANY HISTORY AND RECENT ACQUISITIVE GROWTH

Boxlight Corporation (the “Company”) was incorporated in the State of Nevada on September 18, 2014 with its headquarters in Atlanta, Georgia for the purpose of becoming a technology company that sells interactive educational products. The Company designs, produces and distributes interactive technology solutions predominantly to the education market.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Boxlight Corporation and its wholly owned subsidiaries. Intercompany transactions and account balances among all of affiliated entities have been eliminated.

In the opinion of management, the consolidated financial statements reflect all adjustments, which are normal and recurring in nature and necessary for fair financial statement presentation.

ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (“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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. Significant estimates include estimates of reserves for inventory obsolescence; the recoverability of deferred tax assets; the fair value of warrants; the fair value and recoverability of intangible assets and goodwill; the fair value of stock compensation; the relative stand-alone selling prices of goods and services; and variable consideration.

REVERSE STOCK SPLIT AND RECLASSIFICATIONS

On June 14, 2023, the Company effected a reverse stock split of the Company’s Class A common stock whereby each eight shares of the Company’s authorized and outstanding Class A common stock was converted into one share of common stock. The par value of the common stock was not adjusted. Following the reverse split, the authorized shares for Class A common stock was adjusted to 18,750,000, the authorized shares for Class B common stock remained at 50,000,000 shares, and the authorized shares of preferred stock remained unchanged at 50,000,000 shares. All Class A common share and per share amounts for all periods presented in the consolidated financial statements and the notes to the 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 consolidated balance sheets of approximately $6 thousand. The quantity of Class A common stock equivalents and the conversion and exercise ratios were adjusted for the effect of the reverse stock split for warrants, stock compensation arrangements, and the conversion features on preferred shares. All of the agreements included existing conversion language in the event of a stock split and thus did not result in modification accounting or additional incremental expense as a result of this transaction. The Company issued 33,414 shares of Class A common stock to adjust fractional shares following the reverse stock split to the nearest whole share. There are presently no shares of Class B common stock outstanding and none were outstanding as of December 31, 2023 and 2022.

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.

At September 30, 2023 the Company was not in compliance with its Senior Leverage Ratio financial covenant under the credit agreement, originally dated December 31, 2021, as amended (the "Credit Agreement"), between the Company, its direct and indirect subsidiaries, and Whitehawk Finance LLC, as lender, and White Hawk Capital Partners, LP, as collateral agent. The Company's non-compliance with the Credit Agreement was cured by the Company 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.

At December 31, 2023, the Company was not in compliance with its financial covenant related to the Senior Leverage Ratio under the Credit Agreement. The Senior Leverage Ratio, as stated in the Third Amendment to the Credit Agreement, decreases to 2.50 at December 31, 2023, 2.00 at March 31, 2024 and June 30, 2024 and at 1.75 thereafter.

On March 14, 2024 the Company entered into a fifth agreement (the 'Fifth Amendment') with the Collateral Agent and Lender 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 restated the Senior Leverage Ratio and Minimum Liquidity requirements. Under the Amended agreement, 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.

Because of the significant decreases in the required Senior Leverage Ratio that will occur over the next twelve months, the Company's current forecast projects the Company 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 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 is confident in its ability to refinance its existing debt, it does not have written or executed agreements as of the issuance of this Form 10-K. 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, or on terms acceptable to the Company.

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

These 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.

COMPREHENSIVE LOSS

Comprehensive income (loss) reflects the change in equity during the year except those resulting from investments by and distributions to stockholders and is comprised of all components of net loss and foreign currency translation adjustments.

FOREIGN CURRENCIES

The Company's reporting currency is the U.S. dollar.

The U.S. dollar is the currency of the primary economic environment in which it operates and is generally the currency in which the Company's business generates and expends cash. Subsidiaries with different functional currencies, translate their assets and liabilities into U.S. dollars at the exchange rates in effect as of the balance sheet date. Revenues and expenses are translated into U.S. dollars at the average exchange rates for the year. The resulting translation adjustments are included in accumulated other comprehensive income (loss), a separate component of equity (deficit). Foreign exchange gains and losses arise from transactions denominated in currencies other than the functional currency.

Gains and losses on those foreign currency transactions are included in determining net loss for the period in which the exchange rates change.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents. These investments are carried at cost, which approximates fair value. The Company maintains cash balances at financial institutions which, from time to time, may exceed Federal Deposit Insurance Corporation insured limits of $250,000 for banks located in the U.S. The Company has not experienced any losses with regard to its bank accounts and believes it is not exposed to any risk of loss on its cash bank accounts.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR EXPECTED CREDIT LOSS

Accounts receivable are stated at contractual amounts, net of an allowance for expected credit losses. The allowance for credit losses represents management's estimate of the amounts that ultimately will not be realized in cash. The Company reviews the adequacy of the allowance for credit losses on an ongoing basis, using historical payment trends, the age of receivables and knowledge of the individual customers. Estimated credit losses consider relevant information about past events, current conditions and reasonable and supporting forecasts that affect the collectability of financial assets. When the analysis indicates, management increases or decreases the allowance accordingly. However, if the financial condition of our customers were to deteriorate, additional allowances might be required.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value and include spare parts and finished goods. Inventories are primarily determined using specific identification and the first-in, first-out ("FIFO") cost methods. Cost includes direct cost from the Current Manufacturer ("CM") or Original Equipment Manufacturer ("OEM"), plus material overhead related to the purchase, inbound freight and import duty costs.

The Company continuously reviews its inventory levels to identify slow-moving merchandise and markdowns necessary to clear slow-moving merchandise, which reduces the cost of inventories to its estimated net realizable value. Consideration is given to several quantitative and qualitative factors, including current pricing levels and the anticipated need for subsequent markdowns, aging of inventories, historical sales trends, and the impact of market trends and economic conditions. Estimates of markdown requirements may differ from actual results due to changes in quantity, quality and mix of products in inventory, as well as changes in consumer preferences, market and economic conditions.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated life of the asset. Repairs and maintenance are charged to expense as incurred.

LONG–LIVED ASSETS

Long-lived assets to be held and used or disposed of other than by sale are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used or disposed of other than by sale are recognized based on the fair value of the asset. Long-lived assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. There was no impairment recognized for 2023 and 2022.

GOODWILL

Goodwill represents the cost in excess of the fair value of the net tangible and intangible assets of acquired businesses, and represents implied synergies expected of the completed business combinations. Most goodwill is not amortized and is not deductible for tax purposes.

Under Topic 350, *Intangibles—Goodwill and Other*, the Company has an option to perform a "qualitative" assessment to determine whether quantitative impairment testing is necessary. If, as a result of a qualitative assessment, it is more-likely-than-not that the fair value of the business is less than carrying amount, quantitative impairment testing is required. Otherwise, no further testing is necessary. If the Company performs a qualitative assessment, the Company considers the following criteria: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, the Company assesses whether the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the Company. Based on these assessments, the Company determines whether the likelihood that a current fair value determination would be less than the current carrying amount is not more likely than not.

Because the qualitative assessment is an option, the Company may bypass it for any reporting unit in any period and begin the analysis using a quantitative impairment test. The Company may also elect to perform a quantitative impairment test based on the period of time that has passed since the most recent determination of fair value, even when the Company does not believe that it is more-likely-than-not that the fair value of the business is less than carrying amount.

In analyzing goodwill for potential impairment in the quantitative impairment test, the Company uses a combination of the income and market approaches to estimate the fair value. Under the income approach, the Company calculates the fair value based on estimated future discounted cash flows. The assumptions used are based on what the Company believes a hypothetical marketplace participant would use in estimating fair value. Under the market approach, the Company estimates the fair value based on market multiples of revenue or earnings before interest, income taxes, depreciation, and amortization for benchmark companies. If the fair value exceeds carrying value, then no further testing is required. However, if the fair value were to be less than carrying value, the Company would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the goodwill exceeded its implied value.

As of June 30, 2023, we determined that a triggering event had occurred as a result of our market capitalization that suggested one or more of the reporting units may have fallen below the carrying amounts. In addition, changes in our reporting segments resulted in a change in the composition of our reporting units. As a result of these changes, we determined the Company had two reporting units for purposes of testing based upon entities that comprise the Americas and EMEA reporting segments. For purposes of impairment testing, we allocated goodwill to the reporting units based upon a relative fair value allocation approach and assigned approximately $22.4 million and $2.8 million of goodwill to the Americas and EMEA reporting units, respectively.

As of June 30, 2023, we performed an interim goodwill impairment test as a result of the triggering events identified. Based on the results of our interim test as of June 30, 2023, we concluded that the estimated fair value of each reporting unit exceeded the respective carrying value and, as such, we concluded that the goodwill assigned to each reporting unit, as of June 30, 2023, was not impaired.

As of September 30, 2023, due to further declines in the Company’s market capitalization and a reduction in cash-flows resulting from continued softening in the industry leading to a reduction in sales from interactive flat-panel displays, the Company determined that a triggering event had occurred.

As of September 30, 2023, the Company performed an interim goodwill impairment test as a result of the triggering event identified. Certain estimates and assumptions, including the Company’s operating forecast for 2023 and future periods, were revised based on current industry and Company trends. As of September 30, 2023, the Company recorded goodwill impairment charges of $10.4 million and $2.8 million to the Americas and EMEA reporting units, respectively.

As of December 31, 2023, the Company performed goodwill impairment testing as a result of another triggering event identified. Based upon that testing, the Company determined the remaining goodwill was fully impaired and the Company recognized goodwill impairment charges for the year ended December 31, 2023 of $22.4 million and $2.8 million in the Americas and EMEA reporting units, respectively.

INTANGIBLE ASSETS

Intangible assets are amortized using the straight-line method over their estimated period of benefit and presented net of accumulated amortization. The Company reviews the carrying amounts of intangible assets for impairment whenever an event or change in circumstances indicates that the carrying amount of the assets may not be recoverable. The Company measures the recoverability of intangible assets by comparing the carrying amount of each asset to the future undiscounted cash flows the Company expects the asset to generate. Impairment is measured by the amount in which the carrying value of the asset exceeds its fair value. In addition, the Company periodically evaluates the estimated remaining useful lives of long-lived intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization.

During the year ended December 31, 2023, the Company performed impairment testing for intangibles assets for the quarters ended September 30, 2023 and December 31, 2023 as a result of triggering events identified, including the impairment of goodwill balances. The Company has not recognized impairment on intangible assets as of December 31, 2023.

DERIVATIVE TREATMENT OF STOCK PURCHASE WARRANTS

The Company classifies common stock purchase warrants as equity if the contracts (i) require physical settlement or net-share settlement or (ii) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (iii) contain reset provisions as either an asset or a liability. The Company assesses classification of its freestanding derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

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. Such warrants are measured at fair value at each reporting date, and the changes in fair value are included in determining net loss for the period. See Note 10 “Derivative Liabilities” for more information.

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 $44.4 million when the carrying value, excluding discounts, premiums and issuance costs, of approximately $43.2 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.

There were no transfers into or out of Level 3 measurements in 2023 and 2022.

The following tables set 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 December 31, 2023 and 2022 (in thousands):

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

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of December 31, 2022
Derivative liabilities - warrant instruments	$ —	$ —	$ 472	$ 472

See Note 10 for discussion of the valuation techniques and inputs and reconciliation of the opening and closing balances of the fair value of warrants.

NET LOSS PER COMMON SHARE

Basic loss per common share is computed by dividing net loss available to common shareholders by the weighted-average number of common shares outstanding during the period. For purposes of this calculation, options to purchase common stock, restricted stock units subject to vesting and warrants to purchase common stock were considered to be common stock equivalents. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of 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 common shares 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 common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

For the year ended December 31, 2023, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise 0.3 million shares from options to purchase common shares, 0.4 million of unvested restricted shares, and 1.4 million shares issuable upon exercise of warrants. Additionally, potentially dilutive securities of 2.2 million shares from the assumed conversion of preferred stock are excluded from the denominator because they would be anti-dilutive. For the year ended December 31, 2022, potentially dilutive securities that were not included in the diluted per share calculation because they would be anti-dilutive comprise 0.5 million shares from options to purchase common shares, unvested restricted shares of 0.3 million and 1.3 million shares issuable upon exercise of warrants. Additionally, potentially dilutive securities of 2.2 million shares from the assumed conversion of preferred stock are excluded from the denominator because they would be anti-dilutive.

REVENUE RECOGNITION

In accordance with Topic 606 Revenue from Contracts with Customers, 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 products or services are transferred to its customers. Product revenue is derived from the sale of interactive panels, audio and communication equipment 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, audio and communication equipment and other interactive devices generally include hardware maintenance services, a license to software, and the provision of related software maintenance. Interactive devices are generally sold with hardware maintenance services with terms of approximately 36-60 months. Software maintenance includes technical support, product updates on a when and if available basis, and error correction services. At times, non-interactive panels are also sold with hardware maintenance services with terms of approximately 60 months. The Company also licenses software independently of its interactive devices, in which case it is bundled with software maintenance, and in some cases, subscription services that include access to on-line content, and cloud-based applications. The Company's software subscription services provide access to content and software applications on an as needed basis over the Internet, but do not provide the right to take delivery of the software applications.

The Company's product sales, including those with software and related services, generally include a single payment up front for the products and services, and revenue is recorded net of estimated sales returns and rebates based on the Company's expectations and historical experience. For most of the Company's product sales, control transfers, and therefore, revenue is recognized when products are shipped at the point of origin. When the Company transfers control of its products to the customer prior to the related shipping and handling activities, the Company has adopted a policy of accounting for shipping and handling activities as a fulfillment cost rather than a performance obligation. For many of the Company's software product sales, control is transferred when shipped at the point of origin since the software is installed on the interactive hardware device in advance of shipping. For other software product sales, control is transferred when the customer receives the related access code or interactive hardware since the customer's access code or 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's installation, training and professional development services are generally sold separately from the Company's products. Control of these services is transferred to our customers over time with hours/time incurred in providing the service being the best depiction of the transfer of services since the customer is receiving the benefit of the services as the work is performed.

For the sale of third-party products and services where the Company obtains control of the products and services before transferring it to the customer, the Company recognizes revenue based on the gross amount billed to customers. The Company considers multiple factors when determining whether it obtains control of the third-party products and services including, but not limited to, evaluating if it can establish the price of the product, retains inventory risk for tangible products or has the responsibility for ensuring acceptability of the product or service. The Company has not historically entered into transactions where it does not take control of the product or service prior to transfer 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 will receive the optimal benefit from the products over their lives. 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 consolidated balance sheets in accordance with Topic 606. Contract liabilities are reflected in deferred revenue in the accompanying 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 has no material contract assets at December 31, 2023 or 2022. During the years ended December 31, 2023 and 2022, the Company recognized $7.9 million and $7.5 million, respectively, of revenue that was included in the deferred revenue balance as of December 31, 2022 and 2021, respectively.

Variable Consideration

The Company's otherwise fixed consideration in its customer contracts 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 "buyer's remorse" where the distributor or reseller's end customer either did not understand what they were ordering, or 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 2023 related to changes in estimated variable consideration that existed at December 31, 2022.

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 December 31, 2023 and 2022, the aggregate amount of the contractual transaction prices allocated to remaining performance obligations was $25.0 million and $23.9 million, respectively. The Company expects to recognize revenue on approximately 34% of the remaining performance obligations in 2024, 28% in 2025, 21% in 2026, 12% in 2027, with the remainder 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 contract). 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 is pre-installed on the interactive device are 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 access codes 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 3- 5 years from the contract execution date as measured based upon the passage of time.

	Year Ended December 31, (in thousands)	
	2023	**2022**
Product revenues:		
Hardware	$ 163,948	$ 206,770
Software and embedded firmware	2,402	4,306
Service revenues:		
Professional services	1,480	1,458
Maintenance and subscription services	8,891	9,247
	$ 176,721	$ 221,781

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 fulfil 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.
- The costs are expected to be recovered.

Certain sales commissions incurred by the Company were 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 have been recognized over a period that is one year or less, the Company 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 assets and other assets, respectively, in the accompanying consolidated balance sheets. Total deferred commissions at December 31, 2023 and 2022 and the related amortization for 2023 and 2022 were less than $550,000.

The Company has not historically incurred any material fulfillment costs 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), or decision-making group, in deciding how to allocate resources and in assessing performance. Our CODM is our Chief Executive Officer.

Effective January 1, 2023, the Company changed its segment reporting to align with the geographic markets in which it operates, as further discussed in Note 17 - Segments. The Company previously managed the Company as one operating segment. Following the integration of recent acquisitions which further expanded the Company's operations into Europe, Middle East and Africa ("EMEA") and other international markets, the Company's operations are now organized, managed and classified into three reportable segments – 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 Boxlight, Inc. and its subsidiaries and the Rest of World segment consists primarily 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.

WARRANTY RESERVE

For customers that do not purchase hardware maintenance services, the Company generally provides warranty coverage on panels and accessories, batteries and computers. This warranty coverage ranges from 2-5 years, and the Company establishes a liability for estimated product warranty costs, included in other short-term liabilities in the consolidated balance sheets, at the time the related product revenue is recognized. The warranty obligation is affected by historical product failure rates and the related use of materials, labor costs and freight incurred in correcting any product failure. Should actual product failure rates, use of materials, or other costs differ from the Company's estimates, additional warranty liabilities could be required, which would reduce its gross profit.

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.

INCOME TAX

An asset and liability approach is used for financial accounting and reporting for income taxes. Deferred income taxes arise from temporary differences between income tax and financial reporting and principally relate to recognition of revenue and expenses in different periods for financial and tax accounting purposes and are measured using currently enacted tax rates and laws. In addition, a deferred tax asset can be generated by net operating loss carryforwards. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

STOCK COMPENSATION

The Company estimates the fair value of each stock option award at the grant date by using the Black-Scholes option pricing model; the fair value for each restricted stock unit award is the market price of the underlying shares at the date of grant. The fair value determined represents the cost for the award and is recognized on a straight-line basis over the vesting period during which an employee is required to provide service in exchange for the award. Total expense is reduced by the previously recognized compensation expense for options and restricted stock units that are forfeited prior to vesting when the forfeiture occurs.

LEASES

Operating lease assets and liabilities are reflected within operating lease assets, operating lease liabilities, current, and operating lease liabilities, non-current, on the consolidated balance sheets. Operating lease assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Many of the leases have one or more lease renewal options. The exercise of lease renewal options is at our sole discretion. The Company does not consider the exercise of any lease renewal options reasonably certain to occur. Certain of our lease agreements contain early termination options. No renewal options or early termination options have been included in the calculation of the operating right-of-use assets or operating lease liabilities. Certain of our lease agreements provide for periodic adjustments to rental payments for inflation, which is recognized as variable lease cost when they occur. As the majority of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate at the commencement date in determining the present value of lease payments. The incremental borrowing rate is based on the terms of the lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet. For these short-term leases, lease expense is recognized on a straight-line basis over the lease term. The Company is not a lessor in any lease agreement.

RECLASSIFICATIONS

The Company reclassified certain 2022 amounts in the footnotes to the consolidated financial statements to conform to the 2023 presentation.

NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which introduced a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses ("CECL"). The new guidance applies to loans, accounts receivable, trade receivables, other financial assets measured at amortized cost, loan commitments and other off-balance sheet credit exposures. The new guidance also applies to debt securities and other financial assets measured at fair value through other comprehensive income. Estimated credit losses under CECL consider relevant information about past events, current conditions and reasonable and supporting forecasts that affect the collectability of financial assets. The new guidance was effective January 1, 2023 and was applied using a modified retrospective approach through a cumulative effect adjustment to retained earnings as of January 1, 2023. Prior period comparative information has not been recast and continues to be reported under the accounting guidance in effect for those periods. The Company recognized a cumulative-effect adjustment to reduce retained earnings by $76 thousand, net of taxes. The change in the allowance for credit losses was not significant during the year ended December 31, 2023.

Recent Accounting Pronouncements not yet Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which enhances reporting requirements under Topic 280. The enhanced disclosure requirements include: title and position of the Chief Operating Decision Maker (CODM), significant segment expenses provided to the CODM, extending certain annual disclosures to interim periods, clarifying single reportable segment entities must apply ASC 280 in its entirety, and permitting more than one measure of segment profit or loss to be reported under certain circumstances. This change is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. This change will apply retrospectively to all periods presented. The Company is currently evaluating the impact of this ASU on its financial statements.

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

NOTE 2 – ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consisted of the following at December 31, 2023 and 2022 (in thousands):

	2023	2022
Accounts receivable – trade	$ 33,089	$ 33,198
Allowance for credit losses	(421)	(414)
Allowance for sales returns and volume rebates	(3,145)	(1,775)
Accounts receivable - trade, net of allowances	$ 29,523	$ 31,009

Write-offs of accounts receivable were approximately $78,000 and $243,000 for the years ended December 31, 2023 and 2022, respectively.

NOTE 3 – INVENTORIES

Inventories consisted of the following at December 31, 2023 and 2022 (in thousands):

	2023	2022
Finished goods	$ 45,461	$ 57,967
Spare parts	1,221	775
Reserve for inventory obsolescence	(2,551)	(531)
Inventories, net	$ 44,131	$ 58,211

NOTE 4 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at December 31, 2023 and 2022 (in thousands):

	2023	2022
Prepayments to vendors	$ 3,176	$ 4,131
Prepaid licenses and other	6,295	3,302
Prepaid expenses and other current assets	$ 9,471	$ 7,433

Prepaid expenses and other current assets as of December 31, 2023 and 2022 are net of reserves related to vendor receivables of $1.4 million and $0.8 million, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023 and 2022 (in thousands):

	2023	2022
Building	$ 200	$ 200
Building improvements	14	14
Leasehold improvements	544	450
Office equipment	1,242	1,057
Software	88	88
Other equipment	705	678
Construction in progress	1,029	14
Property and equipment, at cost	3,822	2,501
Accumulated depreciation	(1,345)	(768)
Property and equipment, net of accumulated depreciation	$ 2,477	$ 1,733

For the years ended December 31, 2023 and 2022, the Company recorded depreciation expense of $631,000 and $484,000, respectively.

NOTE 6 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill consisted of the following at December 31, 2023 and 2022 (in thousands):

	Useful lives	2023	2022
INTANGIBLE ASSETS			
Patents	4-10 years	$ 182	$ 182
Customer relationships	8-15 years	52,588	52,736
Technology	3-5 years	8,944	8,943
Domain	7 years	14	14
Non-compete	3 years	391	391
Tradenames	2-10 years	12,723	12,769
Intangible assets, at cost		74,842	75,035
Accumulated amortization		(28,878)	(22,456)
Intangible assets, net of accumulated amortization		$ 45,964	$ 52,579
GOODWILL			
Beginning Balance		$ 25,092	$ 26,037
Change due to foreign currency translation		103	(945)
Impairment		(25,195)	—
Ending Balance		$ —	$ 25,092

The Company's goodwill had an indefinite useful life and was tested for impairment annually. For the years ended December 31, 2023 and 2022, the Company recorded amortization expense of $8.3 million and $8.6 million, respectively. Changes to gross carrying amount of recognized intangible assets due to translation adjustments were approximately ($0.1) million and ($3.1) million as of December 31, 2023 and 2022, respectively.

Expected future amortization expense for intangible assets as of December 31, 2023 is as follows (in thousands):

2024	$	7,570
2025		7,398
2026		7,045
2027		6,630
2028		6,571
Thereafter		10,750
Total	$	45,964

NOTE 7 – 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.

Operating lease expense was $2.6 million and $2.1 million for the years ended December 31, 2023 and 2022, respectively. Variable lease costs and short-term lease cost were $1.7 million for the year ended December 31, 2023. For the year ended December 31, 2022, variable lease cost and short-term lease cost were immaterial. Cash paid for amounts included in the measurement of lease liabilities was $2.2 million and $2.4 million for the years ended December 31, 2023 and 2022, respectively.

Future minimum lease payments of the Company's operating leases with a term over one year subsequent to December 31, 2023 are as follows:

Year ending December 31,		(in thousands)
2024	$	1,949
2025		2,070
2026		1,640
2027		1,089
2028		831
Thereafter		6,700
Total Lease Liabilities		14,279
Less: Imputed Interest		(5,170)
Present Value of Lease Liabilities	$	9,109

During the year ended December 31, 2023, the weighted-average remaining lease term was 9.9 years, and the weighted-average discount rate was 10.8%. During the year ended December 31, 2022, the weighted-average remaining lease term was 3.2 years, and the weighted-average discount rate was 15.5%.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable consisted of the following at December 31, 2023 and 2022 (in thousands):

		2023		2022
Accounts payable	$	27,448	$	30,719
Accrued expense		5,106		5,306
Other		345		541
Accounts payable and other liabilities	$	32,899	$	36,566

NOTE 9 – DEBT

The following comprises debt at December 31, 2023 and 2022 (in thousands):

	2023	2022
Debt – Third Parties		
Paycheck Protection Program	$ 72	$ 127
Note payable - Whitehawk	43,206	49,906
Total debt	43,278	50,033
Less: Premium, discount and issuance costs	3,107	5,410
Current portion of debt	1,037	845
Long-term debt	$ 39,134	$ 43,778
Total debt (net of premium, discount and issuance costs)	$ 40,171	$ 44,623

Debt - Third Parties:

WhiteHawk Finance LLC

In order to finance the acquisition of FrontRow Calypso LLC (“FrontRow”), which closed on December 31, 2021, the Company and substantially all of its direct and indirect subsidiaries, including Boxlight and FrontRow as guarantors, entered into a maximum $68.5 million 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”). The Company received an initial term loan of $58.5 million on December 31, 2021 (the “Initial Loan”) and was provided with a subsequent delayed draw facility of up to $10.0 million that may be available for additional working capital purposes under certain conditions (the “Delayed Draw”). The Initial Loan and Delayed Draw are collectively referred to as the “Term Loans.” The Term Loans are secured by substantially all of the assets of the Company. The proceeds of the Initial Loan were used to finance the Company’s acquisition of FrontRow, pay off all indebtedness owed to the Company’s then existing lenders, Sallyport Commercial Finance, LLC and Lind Global Asset Management, LLC, pay related fees and transaction costs, and provide working capital. Of the Initial Loan, $8.5 million was subject to repayment on February 28, 2022, with quarterly principal payments of $625,000 and interest payments commencing March 31, 2022 and the $40.0 million remaining balance plus any Delayed Draw loans becoming due and payable in full on December 31, 2025. The Term Loans bear interest at the LIBOR rate plus 10.75%; provided that after March 31, 2022, if the Company’s Senior Leverage Ratio (as defined in the Credit Agreement) is less than 2.25, the interest rate would be reduced to LIBOR plus 10.25%. Such terms are subject to the Company maintaining a borrowing base in compliance with the Credit Agreement. In the event of non-compliance with the borrowing base, the Company would be subject to an increased interest rate as stated in the Credit Agreement.

On April 4, 2022, the Collateral Agent and Lender agreed to extend the terms of repayment of the $8.5 million originally due on February 28, 2022 until February 28, 2023. The principal elements of the April amendment included (a) an extension of time to repay $8.5 million of the principal amount of the term loan from February 28, 2022 to February 28, 2023, and (b) forbearance on $3.5 million in over advances until May 16, 2022 to allow the Company to come into compliance with the borrowing base requirements set forth in the Credit Agreement. In such connection, the Company and substantially all of its direct and indirect subsidiaries (together with the Company, the "Loan Parties") obtained credit insurance on certain key customers whose principal offices are located in the European Union and Australia as, without the credit insurance, the accounts of these key customers had been deemed ineligible for inclusion in the borrowing base calculation primarily due to the perceived inability of the Collateral Agent to enforce security interests on such accounts. In addition, the Lender and Collateral Agent agreed to (i) reduce, through September 30, 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 1.75 EBITDA coverage ratio, and (iii) waive all prior Events of Default under the Credit Agreement. Furthermore, the parties 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 28, 2023, any required amortization payments under the Credit Agreement and any mandatory prepayments by way of excess cash flow or casualty events.

On June 21, 2022, the Loan Parties entered into a second amendment (the “Second Amendment”) to the Credit Agreement with the Collateral Agent and Lender. The Second Amendment to the Credit Agreement was entered into for purposes of the Lender funding a $2.5 million delayed draw term loan and adjusting certain terms to the Credit Agreement, including adjusting 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 15, 2022, for the Company to come into compliance with certain borrowing base requirements set forth in the Second Amendment to the Credit Agreement, among other adjustments.

On April 24, 2023, the Company entered into a third amendment (the “Third Amendment”) to the Credit Agreement, with the Collateral Agent and the Lender. The Third Amendment was entered into for purposes of the Lender funding an additional $3.0 million delayed draw term loan (the “Additional Draw”). The Additional Draw was funded on April 24, 2023, and must be repaid on or prior to September 29, 2023, is not subject to any prepayment penalties, and adjusts certain terms to the Credit Agreement, including adjusting the test period end dates and corresponding Senior Leverage Ratios (as defined in the Credit Amendment) and revising the minimum liquidity requirements that the Company must maintain compliance with pertaining to certain Borrowing Base Requirements, among other adjustments. The completion of the additional draw eliminates further delayed draws under the term loan agreement. On July 20, 2023, the Company paid the $3.0 million due under the terms of the Third Amendment. There were no prepayment penalties or premiums included with this payment.

On June 26, 2023, the Company entered into a fourth amendment (the “Fourth Amendment”) with the Collateral Agent and the Lender for the sole purpose of replacing 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, as defined in the Credit Agreement, as amended. As of December 31, 2023, the rate was 16.4%. 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 Senior Leverage Ratio 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.

Issuance Cost and Warrants

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

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

Paycheck Protection Program Loan

On May 22, 2020, the Company received loan proceeds of $1.1 million under the Paycheck Protection Program. During 2021, the Company applied for forgiveness in the amount of $836 thousand. On March 2, 2022, the Company received a decision letter from the lender that the forgiveness application had been approved, leaving a remaining balance of $173 thousand to be paid. The Company received a payment schedule from the lender on May 5, 2022, extending the payoff date until May 2025 and bears 1% interest.

Debt Maturity

Principal repayments to be made during the next five years on the Company’s outstanding debt facilities at December 31, 2023 are as follows (in thousands):

2024	$	2,831
2025		40,447
2026		—
2027		—
2028		—
Total	$	43,278

NOTE 10 – DERIVATIVE LIABILITIES

The Company engaged a third-party specialist to determine the fair value of the derivative liabilities using a Monte Carlo Simulation model. There were no changes to the valuation techniques and the key assumptions used are as follows:

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

		December 31, 2022
Common stock issuable upon exercise of warrants		464,385
Market value of common stock on measurement date	$	2.48
Exercise price	$	8.80
Risk free interest rate (1)		4.02 %
Expected life in years		4 years
Expected volatility (2)		83.6 %
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 for 2023 and 2022 was based on historical fluctuations in stock price for Boxlight and certain peer companies.
(3) The Company does not expect to pay a dividend in the foreseeable future.

The following table shows the change in the Company's derivative liabilities for the years ended December 31, 2023 and 2022:

		Amount (in thousands)
Balance, December 31, 2022	$	472
Exercise of warrants		—
Issuance of warrants		—
Change in fair value of derivative liabilities		(267)
Balance, December 31, 2023	$	205

		Amount (in thousands)
Balance, December 31, 2021	$	3,064
Exercise of warrants		(1)
Issuance of warrants		—
Change in fair value of derivative liabilities		(2,591)
Balance, December 31, 2022	$	472

The change in fair value of derivative liabilities includes losses from exercise price modifications.

NOTE 11 – INCOME TAX

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

	2023	2022
United States	$ (30,393)	$ (2,569)
Foreign	(11,779)	(2,707)
Other Foreign Jurisdictions	4,882	1,582
Total pretax book loss	$ (37,290)	$ (3,694)

The components of income tax expense at December 31, 2023 and December 31, 2022, are as follows (in thousands):

	2023	2022
Current:		
Federal	$ 855	$ 1,491
State	93	138
Foreign	1,589	1,399
Total Current	$ 2,537	$ 3,028
Deferred:		
Federal	$ 81	$ (85)
State	—	—
Foreign	(752)	(2,894)
Total Deferred	$ (671)	$ (2,979)
Total	$ 1,866	$ 49

The reconciliation of the provision for income taxes at the United States Federal statutory rate compared to the Company's income tax expense (benefit) as reported is as follows (in thousands):

	2023	2022
Loss before income taxes	$ (37,290)	$ (3,694)
Income tax benefit computed at the statutory rate	(7,831)	(776)
State income taxes-net of federal tax benefit	74	73
Foreign tax rate differential	(273)	(19)
Section 162(m) compensation	61	61
Foreign currency adjustment	(90)	—
GILTI inclusion	693	160
Meals	75	39
Stock compensation	141	83
Amortization	4,845	11
Tax credits and government assistance	(623)	(179)
Non-deductible expenses	28	186
Other permanent differences	(270)	—
Adjustments to prior periods – temporary differences	1,000	197
Rate changes and differentials	(53)	(651)
Change in valuation allowance	4,089	864
Income tax expense	$ 1,866	$ 49

Tax effects of temporary differences at December 31, 2023 and December 31, 2022 are as follows (in thousands):

Deferred tax assets:	**2023**	**2022**
Fixed assets	$ 15	$ —
Allowance for bad debts	926	507
Inventory	432	294
R&D amortization	1,172	413
Deferred revenue	6,143	5,600
Stock compensation	291	1,209
Right of use liability	501	1
Other	—	203
Interest expense limitation	6,051	3,751
Net operating loss carry-forwards	6,635	7,282
Deferred tax assets	$ 22,166	$ 19,260
Valuation allowance	(18,173)	(14,084)
Deferred tax assets, net	$ 3,993	$ 5,176

Deferred tax liabilities:	**2023**	**2022**
Fixed assets	$ —	$ (24)
Intangible assets	(6,671)	(8,603)
Accrued expenses	(982)	(752)
Prepaid expenses	(48)	(169)
Right of use asset	(492)	—
Other	(116)	(308)
Deferred tax liabilities	$ (8,309)	$ (9,856)
Deferred tax liabilities, net	$ (4,316)	$ (4,680)

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 cumulative U.S. Federal net operating losses carryforward on tax basis income was approximately $20.4 million and $23.5 million at December 31, 2023 and 2022, respectively, of which $10.6 million will expire between December 31, 2029 and December 31, 2037 and $9.8 million will carryforward indefinitely. The cumulative U.S. state net operating losses carryforward was approximately $41.7 million and $45.8 million at December 31, 2023 and 2022, respectively. The cumulative foreign net operating losses carryforward was $2.1 million and $1.8 million at December 31, 2023 and 2022, respectively.

The legacy Boxlight entities are in a net deferred tax asset position in the United States, the United Kingdom, and other jurisdictions are 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, under section 382 as defined by federal income tax regulations, could significantly limit the Company's ability to utilize our U.S. net operating loss carryforwards. 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 the net deferred tax asset of its legacy Boxlight entities at December 31, 2023 and 2022. The change in its valuation allowance during 2023 is approximately $4.1 million.

The Company has determined that it likely underwent IRC Sec 382 ownership changes in prior years. The Company is in the process of evaluating the Section 382 impact to determine what portion of its NOLs will be utilizable in the future. It is expected that the ownership change caused a limitation on the net operating losses generated before 2020.

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 Sahara entities have recorded a net deferred tax liability, which is primarily driven by the net deferred tax liability on the intangibles for which it does not have tax basis. The Company does not qualify for any consolidated filing positions in any of these countries, so there is no ability to net the deferred tax liabilities of the Sahara companies against the deferred tax assets of the legacy Boxlight companies. Therefore, the net deferred tax liability of $4.3 million at December 31, 2023 is primarily based on the Sahara acquired entities.

The tax years from 2009 to 2023 remain open to examination in the U.S. federal jurisdictions. The tax years from 2022 to 2023 remain open to examination in the U.K. Statues of limitations vary in other immaterial jurisdictions. The company has not identified any material uncertain tax positions at this time.

Effective January 1, 2022, for U.S. tax purposes research and development costs, including software development costs, are required to be capitalized and will be deductible over five years for costs incurred domestically and over fifteen years for costs incurred in a foreign country. Additionally, the first year of amortization requires that amortization begin with the midpoint of the taxable year. As of December 31, 2023, the Company has recorded a deferred tax asset of $1.2 million related to capitalized research and development costs.

NOTE 12 – EQUITY

Preferred Shares

The Company's articles of incorporation, as amended provide that the Company is authorized to issue 50,000,000 shares of preferred stock 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 as may be designated from time to by the Company's board of directors. Each authorized series of preferred stock is described below.

Issuance of preferred shares

Series A Preferred Stock

At the time of the Company's initial public offering, 250,000 shares of the Company's non-voting convertible Series A preferred stock were issued to Vert Capital for the acquisition of Genesis. As of December 31, 2023, a total of 167,972 shares of Series A preferred stock remained outstanding which can be converted into 33,461 shares of Class A common stock, at the discretion of the Series A stockholder.

Series B Preferred Stock and Series C Preferred Stock

On September 25, 2020, in connection with the acquisition of Sahara, the Company issued 1,586,620 shares of Series B Preferred Stock and 1,320,850 shares of Series C Preferred Stock. The Series B Preferred Stock has a stated and liquidation value of $10.00 per share and pays a dividend out of the earnings and profits of the Company at the rate of 8% per annum, payable quarterly. The Series B Preferred Stock is convertible into the Company's Class A common stock at a conversion price of $13.28 which was the closing price of BOXL's Class A common stock on the Nasdaq stock market on September 25, 2020 (the "Conversion Price") 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).

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 thirty (30) days prior written notice to the Holders, for a redemption price, payable in cash, equal to sum of (a) Ten ($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 with the control of the Company, the Company has classified the Series B Preferred Stock and Series C Preferred Stock in temporary equity on the Company's consolidated balance sheet.

Common Stock

The Company's common stock consists of 18,750,000 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 December 31, 2023 and December 31, 2022, the Company had 9,704,496 and 9,339,587 shares of Class A common stock issued and outstanding, respectively. No Class B shares were outstanding at December 31, 2023 and December 31, 2022.

Issuance of common stock

Securities Purchase Agreement

On July 22, 2022, the Company, entered into a Securities Purchase Agreement with an accredited institutional investor pursuant to which the Company agreed to issue and sell, in a registered direct offering directly to the Investor, 875,000 shares of the Company's Class A common stock, par value $0.0001 per share ("Common Stock"), pre-funded warrants (the "Pre-Funded Warrants") to purchase 44,118 shares of Common Stock at an exercise price of $0.0008 per share, which Pre-Funded Warrants were issued in lieu of shares of Common Stock to ensure that the Investor did not exceed certain beneficial ownership limitations, and warrants to purchase an aggregate of 919,118 shares of Common Stock at an exercise price of $5.44 per share (the "Warrants", and collectively with the Pre-Funded Warrants and the Shares, the "Securities"). The Securities were sold at a price of $5.44 per share for total gross proceeds to the Company of $5.0 million, before deducting estimated offering expenses, and excluding the exercise of any Warrants or Pre-Funded Warrants. The Pre-Funded Warrants were exercisable immediately and the Warrants will be exercisable six months after the date of issuance and will expire five and a half years from the date of issuance. As such, the net proceeds to the Company from the offering, after deducting placement agent's fees and estimated expenses payable by the Company and excluding the exercise of any Warrants or Pre-Funded Warrants was $4.6 million of which the proceeds net of issuance costs were allocated based on the relative fair values of the instruments, warrants and prefunded warrants; $2.4 million was allocated to common stock, $2.2 million was allocated to warrants and $118 thousand was allocated to the pre-funded warrants. On August 9, 2022, the Investor exercised the prefunded warrants.

The Company evaluated whether the Warrants, Pre-Funded Warrants and/or Shares were in the scope of ASC Topic 480 "*Distinguishing Liabilities from Equity,*" which discusses the accounting for instruments with characteristics of both liabilities and equity. The guidance in Topic 480, and the resulting liability classification, is applicable to such instruments when certain criteria are met. Based on its analysis, the Company concluded that the Warrants, Pre-Funded Warrants and Shares did not meet any of the criteria to be subject to liability classification under Topic 480 and are therefore classified as equity.

Credit Facility

In conjunction with its receipt of the WhiteHawk loan, the Company issued to WhiteHawk 66,022 shares of Class A common stock, which were registered pursuant to the Company's existing shelf registration statement and were delivered to the WhiteHawk in January 2022.

Repurchase Plan

On February 14, 2023, the Board of Directors of Boxlight Corporation approved the Company's establishment of a share repurchase program (the "Repurchase Program") authorizing the Company to purchase up to $15.0 million of the Company's Class A common stock. Pursuant to the Repurchase Program, the Company may, from time to time, repurchase its Class A common stock in the open market, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in accordance with applicable securities laws and other restrictions. The timing and total amount of any repurchases made under the Repurchase Program will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The authorization expires on January 26, 2027, may be suspended or discontinued at any time, and does not obligate the Company to acquire any amount of Class A common stock. As of December 31, 2023, the Company has not utilized the Repurchase Program.

NOTE 13 – STOCK COMPENSATION

The Company has issued grants under two equity incentive plans, both of which have been approved by the Company's shareholders: (i) the 2014 Equity Incentive Plan, as amended (the "2014 Plan"), pursuant to which a total of 798,805 shares of the Company's Class A common stock have been approved for issuance, and (ii) the 2021 Equity Incentive Plan (the "2021 Plan"), pursuant to which a total of 625,000 shares of the Company's Class A common stock have been approved for issuance. Upon approval of the 2021 Plan in September 2021, 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. Prior to the second quarter of 2023, the Company had issued 774,904 shares under the 2021 Plan such that the Company was over the authorized share number. The fair value of shares previously issued in excess of the approved shares under the 2021 Plan of approximately $13 thousand was reclassed from liability to equity during the year ended December 31, 2023.

Stock Options

Under our Equity Incentive Plans, an employee may receive an award of stock 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.

Following is a summary of the option activities during the years ended December 31, 2023 and 2022:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding, December 31, 2021	506,765	$ 15.36	2.29
Granted	152,718	$ 8.96	
Exercised	(37,105)	$ 2.00	
Cancelled	(132,893)	$ 20.72	
Outstanding, December 31, 2022	489,485	$ 12.88	2.17
Granted	364,299	$ 2.71	
Exercised	(12,500)	$ 1.04	
Cancelled	(493,025)	$ 10.05	
Outstanding, December 31, 2023	348,259	$ 6.65	2.09
Exercisable, December 31, 2023	295,296	$ 6.59	1.99

The Company estimates the fair value of each stock option award on the date of grant using a Black-Scholes option pricing model. The Company used the following inputs to value options issued and remeasurements, as applicable during the year ending December 31, 2023 using the Black Scholes option valuation method: market value on measurement date of $1.68 to $2.24; exercise price of $2.48 to $3.20; risk free interest rate of 4.19% to 4.22%; expected term, 3 to 4 years; expected volatility, ranging from 111.45% to 111.74% and expected dividend yield of 0%.

As of December 31, 2023 and December 31, 2022, the stock options had an intrinsic value of approximately $0 and $18 thousand, respectively.

During the year ended December 31, 2023, the Company granted 364,299 options of which 322,040 were subsequently cancelled and 42,259 vested during the year. Also, during the year ended December 31, 2023, 59,117 out of the money options were cancelled, with such shares being returned to the 2021 Plan and becoming available for re-issuance in new grants. During the year ended December 31, 2023, approximately 84,179 options expired during the period.

On May 3, 2022, the Boxlight board of directors adopted a resolution, in exchange for a three-year non-compete agreement, to grant Mark Elliott, a member of the board and former CEO of the Company, an extension for one-year, of previously granted stock options to purchase a total of 72,210 shares of Class A common stock, par value $0.001 per share, which had expired on January 12, 2022. The stock price on the remeasurement date was $8.32 and the incremental compensation recognized was approximately $314 thousand.

On June 13, 2022, the Boxlight board of directors granted Greg Wiggins, Chief Financial Officer, stock options for 18,750 shares of the Company's Class A common stock will vest in equal quarterly installments over a four-year term commencing on July 5, 2022.

On February 14, 2022, with an effective date of January 1, 2022, the Company entered into a letter agreement with Michael Pope, our now former Chairman and Chief Executive Officer, extending Mr. Pope's term of employment with the Company. Under the terms of the agreement, Mr. Pope received a grant 61,759 options to purchase Class A Common Stock, which are valued at approximately $420 thousand.

Restricted Stock Units

Under our Equity Incentive Plans, the Company may grant restricted stock units ("RSUs") to certain employees, contractors and non-employee directors. Upon granting the RSUs, the Company records 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 as they occur. The restricted stock units 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 restricted stock activities during the years ended December 31, 2023 and 2022.

	Number of Units	Weighted Average Grant Date Fair Value
Outstanding, December 31, 2021	246,744	$ 14.48
Granted	309,710	$ 9.52
Vested	(197,941)	$ 13.04
Forfeited	(54,634)	$ 10.72
Outstanding, December 31, 2022	303,879	$ 11.04
Granted	498,398	$ 2.05
Vested	(318,995)	$ 5.84
Forfeited	(74,831)	$ 3.56
Outstanding, December 31, 2023	408,451	$ 5.37

2023 Grants

During fiscal year 2023, the Company granted 498,398 RSUs of which 62,300 were subsequently cancelled. On August 25, 2023, the Company granted 211,056 RSUs to its board of directors and 214,994 RSUs to certain members of senior management.

2022 Grants

On January 25, 2022, the Company granted an aggregate of 5,000 RSUs to new employees. The RSUs vest over four years and the aggregate fair value of the shares was approximately $44 thousand.

On February 14, 2022, with an effective date of January 1, 2022, the Company entered into a letter agreement with Michael Pope, our now former Chairman and Chief Executive Officer, extending Mr. Pope's term of employment with the Company. Under the terms of the agreement, Mr. Pope received a grant of 20,455 RSU's, valued at approximately $180 thousand, and vesting over three years.

On February 24, 2022, following approval by the Company's board of directors, the Company's senior management issued a total of 221,494 RSUs under the terms of Amendment No. 2 to the Boxlight Corporation 2014 Stock Incentive Plan, vesting over four years, as long-term incentive awards to its employees in the U.S. and Europe. The aggregate fair value of the shares was $2.1 million.

On March 21, 2022, the Company granted an aggregate of 43,605 RSUs to its board members. These RSUs vest ratably over one year and had an aggregated fair value of approximately $450 thousand on the grant date.

On May 26, 2022, the Company granted 9,196 RSUs to a company owned and controlled by Karel Callens named OLORI. Mr. Callens performs certain sales and marketing functions in our EMEA markets. These RSUs vested and were issued directly to OLORI, and such common stock issuable upon vesting of the RSUs will be reserved for issuance directly out of the authorized shares of Class A common stock and not out of the Company's equity incentive plan.

Warrants

The following is a summary of the warrant activities during the years ended December 31, 2023 and 2022:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding, December 31, 2021	264,161	$ 16.00	0.94
Granted	1,165,959	$ 5.75	—
Exercised	(44,118)	$ 0.08	—
Outstanding, December 31, 2022	1,386,002	$ 6.57	5.25
Granted	—	$ —	
Exercised	—	$ —	
Outstanding, December 31, 2023	1,386,002	$ 6.57	3.72
Exercisable, December 31, 2023	1,385,690	$ 6.57	3.72

Stock compensation expense

For the years ended December 31, 2023 and 2022, the Company recorded the following stock compensation expense which is included in general and administrative expense in the Company's consolidated statement of operations and comprehensive loss (in thousands):

	2023	2022
Stock options	$ 1,105	$ 805
Restricted stock units	2,023	2,505
Equity-based Warrants	3	3
Total stock compensation expense	$ 3,131	$ 3,313

During the year ended December 31, 2023, certain members of senior management voluntarily forfeited certain unvested restricted stock units and stock option awards to increase share availability under the Company's Equity Incentive Plan. The Company recorded stock compensation expense for the fair value of these cancelled awards of $624 thousand during the year ended December 31, 2023. As of December 31, 2023, there was approximately $2.4 million of unrecognized compensation expense related to unvested options, RSU's, and warrants, which will be amortized over the remaining vesting period. Of that total, approximately $1.5 million is estimated to be recorded as stock compensation expense in 2024.

NOTE 14 – OTHER RELATED PARTY TRANSACTIONS

Management Agreements

On November 1, 2022, the Company entered into a consulting agreement with Mark Elliott, former CEO of Boxlight and a current member of the board of directors. The agreement is for Mr. Elliott 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 $4,000 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 renew every year on December 31st. For the year ended December 31, 2023, the Company paid $106 thousand under the agreement.

On January 31, 2018, the Company entered into a management agreement (the "Management Agreement") with an entity owned and controlled by our now former CEO and Chairman, Michael Pope. The Management Agreement is separate and apart from Mr. Pope's employment agreement. The Management Agreement is effective as of the first day of the same month that Mr. Pope's employment with the Company terminates, and for a term of 13 months, 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 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 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.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Company is legally obligated to fulfill certain purchase commitments made to vendors that supply materials used in the Company's products. At December 31, 2023 the total amount of such open inventory purchase orders was $49.9 million.

Legal Proceedings

From time to time, the Company is involved in routine litigation and legal proceedings in the ordinary course of its business, such as employment matters and contractual disputes. Currently, there is no pending litigation or proceedings that the Company's management believes will have a material effect, either individually or in the aggregate, on its business or financial condition.

NOTE 16 – CUSTOMER AND SUPPLIER CONCENTRATION

Significant customers and suppliers are those that account for greater than 10% of the Company's revenues and purchases.

For the year ended December 31, 2023, the Company's revenues were concentrated with one customer. The Company's revenues were concentrated with two customers for the year ended December 31, 2022.

Customer	Total revenues from the customer as a percentage of total revenues for the year ended December 31, 2023	Accounts receivable from the customer as of December 31, 2023 (in thousands)	Total revenues from the customers as a percentage of total revenues for the year ended December 31, 2022	Accounts receivable from the customers as of December 31, 2022 (in thousands)
1	10 %	$ 1,762	18 %	$ 8,468
2	— %	$ —	5 %	$ 469

The loss of a significant customer or the failure to attract new customers could have a material adverse effect on our business, results of operations and financial condition.

For the year ended December 31, 2023, the Company's purchases were concentrated among one vendor. The Company's purchases were concentrated among two vendors for the year ended December 31, 2022.

Vendor	Total purchases from the vendor as a percentage of total cost of revenues for the year ended December 31, 2023	Accounts payable (prepayment) to the vendor as of December 31, 2023 (in thousands)	Total purchases from the vendors as a percentage of total cost of revenues for the year ended December 31, 2022	Accounts payable (prepayment) to the vendors as of December 31, 2022 (in thousands)
1	48 %	$ 20,472	56 %	$ 24,029
2	— %	$ —	4 %	$ 705

The Company believes there are numerous other suppliers that could be substituted should the above supplier become unavailable or non-competitive.

NOTE 17 - SEGMENTS

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenue, net		
Americas	$ 95,995	$ 100,393
EMEA	88,256	127,664
Rest of World	2,943	791
Eliminations and Adjustments [1]	(10,473)	(7,067)
Total Revenue, net	$ 176,721	$ 221,781
(Loss) Income from Operations		
Americas	(18,695)	(591)
EMEA	(9,077)	3,534
Rest of World	977	144
Eliminations and Adjustments [1]	495	(38)
Total (Loss) Income from Operations	$ (26,300)	$ 3,049

[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.

	December 31, 2023	December 31, 2022
Identifiable Assets		
Americas	$ 69,749	$ 88,451
EMEA	85,732	104,978
Rest of World	3,090	1,966
Total Identifiable Assets	$ 158,571	$ 195,395

NOTE 18 – SUBSEQUENT EVENTS

On January 4, 2024, the board of directors appointed Dale Strang, a current member of the Board, to serve as the Company's interim Chief Executive Officer and principal executive officer. Mr. Strang replaced Michael Pope, whose last day as an employee of the Company was on January 12, 2024. Mr. Pope no longer serves as Chairman of the Board but will remain as a member of the Board.

On March 14, 2024, the Company entered into a fifth amendment (the "Fifth Amendment') with the Collateral Agent and Lender for the purpose of (1) amending and restating the Senior Leverage Ratio and Minimum Liquidity (as defined in the Fifth Amendment), and (2) waiving any Event of Default that may have arisen directly as a result of the Financial Covenant Default (as defined in the Fifth Amendment). The Fifth Amendment also added additional financial reporting obligations and potentially may include certain foreign subsidiaries of Boxlight Inc. as additional guarantors under the Credit Agreement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

As required by Rule 13a-15 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures and internal control over financial reporting as of the end of the period covered by this Annual Report.

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 Annual 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 report on internal control over financial reporting below.

Notwithstanding the existence of the material weaknesses, we believe that the consolidated financial statements included in this Annual Report fairly present in accordance with U.S. GAAP, in all material respects, our financial condition, results of operations and cash flows for the periods presented in this Annual Report.

Limitations on the 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.

Management’s Report on Internal Control Over Financial Reporting

Our principal executive officer and our principal accounting and financial officer are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria described in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO"). Based upon such assessment and due to the existence of the material weaknesses in our internal control over financial reporting described below, our principal executive officer and our principal accounting and financial officer have concluded that, as of December 31, 2023, our internal control over financial reporting was not effective, including:

- Our written policies and procedures over accounting transaction processing and period end financial close and reporting are limited which has resulted in ineffective oversight in the establishment of proper monitoring controls over accounting and financial reporting; and

- We lacked sufficient review of certain financial transactions, and critical financial spreadsheets, such that a proper review had not been performed by someone other than preparer, and that process documentation is lacking for review and monitoring controls over accounting and financial reporting.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

In light of the material weakness described above, we performed additional analysis and other post-closing procedures to ensure our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the consolidated financial statements included in this Annual Report fairly present in accordance with U.S. GAAP, in all material respects, our financial condition, results of operations and cash flows for the periods presented in this Annual Report.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the fiscal year ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

ITEM 11 EXECUTIVE COMPENSATION

The information required by this item will be included in our definitive proxy statement for the 2024 Annual Meeting of Stockholders and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item will be included in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be included in our definitive proxy statement for the 2024 Annual Meeting of Stockholders.

The independent registered public accounting firm is FORVIS, LLP (PCAOB Firm ID No. 686) located in Atlanta, Georgia.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Schedule II
Valuation and Qualifying Accounts
(in thousands)

	Balance at beginning of period	Additions: Charge (Credit) to Cost and Expense	Additions: Charged to Other Accounts(a)	Deductions (b)	Balance at end of period
Year Ended December 31, 2022					
Allowance for doubtful accounts	$ 405	$ 239	$	$ 230	$ 414
Total allowance deducted from assets	$ 405	$ 239	$ -	$ 230	$ 414
Year Ended December 31, 2023					
Allowance for credit losses	$ 414	$ 9	$ 76	$ 78	$ 421
Total allowance deducted from assets	$ 414	$ 9	$ 76	$ 78	$ 421

(a) The Company adopted the new standard using a modified retrospective transition approach, with the cumulative impact being charged to Retained Earnings.
(b) Write-offs, net of recoveries

(a) Financial Statements

We have filed the financial statements in Item 8. Financial Statements and Supplementary Data as a part of this Annual Report.

(b) Exhibits

The following is a list of all exhibits filed or incorporated by reference as part of this Annual Report

Exhibit No.	Description of Exhibit
3.1	Eleventh Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.5 to the Registration Statement on Form S-1 (File No. 333-204811) filed on December 15, 2016).
3.2	Amended and Restated Bylaws adopted June 24, 2021 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on June 24, 2021).
3.3	Certificate of Change, filed on June 13, 2023 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on June 13, 2023).
4.1	Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 in the Registration Statement on Form S-1 (Reg. No. 377-00845) filed on June 9, 2015).
4.2	Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1/A (Reg. No 333-204811) filed on December 28, 2015.

4.3	Operating Agreement of EOSEDU, LLC, dated September 17, 2018, by and between the Boxlight Corporation and EOSEDU, LLC dated September 17, 2018 (incorporated by reference to Exhibit 4.8 to Amendment No. 1 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on September 24, 2018).
4.4	Form of Certificate of Designations for Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed September 25, 2020).
4.5	Form of Certificate of Designations for Series C Convertible Preferred Stock (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed September 25, 2020).
4.6	Form of Amended and Restated Certificate of Designations for Series B Convertible Preferred Stock (incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q for the period ended September 30, 2020).
4.7	Form of Amended and Restated Certificate of Designations for the Series C Convertible Preferred Stock (incorporated by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q for the period ended September 30, 2020).
4.8	Form of Warrant, dated December 31, 2021, issued to WhiteHawk Finance LLC (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8- K filed January 5, 2022).
4.9	Description of Securities. (Incorporated by reference to Exhibit 4.9 to the Annual Report on Form 10-K filed March 16, 2023).
4.10	Form of Pre-Funded Warrant, dated July 22, 2022, issued to an accredited institutional investor (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8- K filed July 26, 2022).
4.11	Form of Warrant, dated July 22, 2022, issued to an accredited institutional investor (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8- K filed July 26, 2022).
10.1	Trademark Assignment dated May 27, 2016, between Herbert Myers, Boxlight Corporation and Boxlight Inc. (incorporated by reference to Exhibit 10.6 in the Registration Statement on Form S-1 (Reg. No. 33-204811 filed on May 13, 2016).
10.2	Share Purchase Agreement, dated as of May 10,2016 by and among Boxlight Holdings, Inc., Boxlight Corporation, Boxlight, Inc., Boxlight Latinoamerica, S.A. DE C.V. Boxlight Latinoamerica, Servicios S.A. DE C.V. Everest Display Inc. and Guang Feng International Ltd. (incorporated by reference to Exhibit 10.1 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on May 13, 2016.
10.3	$2,000,000 Convertible Promissory Note of Boxlight Corporation to Mimio Holdings, dated as of April 1, 2016 (Incorporated by reference to Exhibit 10.14 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on May 13, 2016).
10.4	Amendment No. 2 to Membership Interest Purchase Agreement, effective June 30, 2016 among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.30 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on December 15, 2016).

10.5	Amendment No. 3 to Membership Interest Purchase Agreement, effective August 3, 2016 among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.34 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on August 12, 2016).
10.6	Promissory Note, issued June 3, 2016 between Boxlight, Inc. and AHA Inc. Co Ltd. (Incorporated by reference to Exhibit 10.32 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on July 11, 2016).
10.7	Form of Loan and Security Agreement with Hitachi Capital America Corp (incorporated by reference to Exhibit 10.33 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on August 12, 2016).
10.8	Loan and Security Agreement, dated September 28, 2016, between Boxlight Inc., Crestmark Bank and Mimio LLC (incorporated by reference to Exhibit 10.35 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on January 12, 2017).
10.9	Amendment 1 to Share Purchase Agreement and Option Agreement, dated May 10, 2016 by and Among Everest Display, Inc., GuangFeng International, Ltd., Boxlight Holdings, Boxlight Corporation, Boxlight Inc., Boxlight Latinoamerica S.A. and Boxlight Latinoamerica Servicios, S.A. DE C.V. (incorporated by reference to Exhibit 10.36 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on October 28, 2016).
10.10	Subscription Agreement between K Laser International Co., Ltd. And Boxlight Corporation for $1,000,000 equity investment at $5.60 per share (incorporated by reference to Exhibit 10.37 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on October 28, 2016).
10.11	$2,000,000 Convertible Promissory Note, dated September 29,2016 between Boxlight Corporation and Everest Display, Inc. (incorporated by reference to Exhibit 10.38 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on October 28, 2016).
10.12	Notice of Default dated December 28, 2015 – Skyview Capital (incorporated by reference to Exhibit 10.39 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on January 12, 2017).
10.13	Account Sale and Purchase Agreement, dated September 5, 2017 between Sallyport Commercial Finance LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on September 11, 2017).
10.14	Stock Purchase Agreement and Exhibits, date May 9, 2018 among Boxlight Corporation, Cohuborate Ltd. and the shareholders of Cohuborate, Ltd. (incorporated by reference to Exhibit 10.20 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).
10.15	$500,000 Promissory Note, dated May 16, 2018, from Boxlight Corporation to Harbor Gates Capital, LLC (incorporated by reference to Exhibit 10.21 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).
10.16	Membership Interest Purchase agreement, dated as of September 17, 2018, by and among the Boxlight Corporation, Daniel Leis, Aleksandra Leis and EOSEDU, LLC (incorporated by reference to Exhibit 10.24 in Amendment No. 1 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on September 24, 2018).

10.17	Employment agreement, dated September 1, 2018, by and between Boxlight Corporation and Aleksandra Leis (incorporated by reference to Exhibit 10.25 to Amendment No. 1 to the Registration Statement on Form S-1(Reg. No. 333-226068) filed on September 24, 2018).
10.18	Employment agreement, dated September 1, 2018, by and between Boxlight Corporation and Daniel Leis (incorporated by reference to Exhibit 10.26 to Amendment No. 1 to the Registration Statement on Form S-1(Reg. No. 333-226068) filed on September 24, 2018.
10.19	Asset Purchase Agreement, dated March 12, 2019, between Boxlight Corporation, Boxlight Inc., Modern Robotics and Stephen Fuller (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on March 15, 2019).
10.20	Securities Purchase Agreement dated March 22, 2019 between Boxlight Corporation and Lind Global Macro Fund L.P. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed March 25, 2019).
10.21	Form of $4,400,000 Secured Convertible Promissory Note dated March 22, 2019 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed March 25, 2019).
10.22	Security Agreement, dated March 22, 2019, between Boxlight Corporation and Lind Global Macro Fund LP (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed March 25, 2019).
10.23	Intercreditor Agreement, dated March 22, 2019, between Boxlight Corporation, and Sallyport Commercial Finance LLC and Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed March 25, 2019).
10.24	Securities Purchase Agreement, dated as of December 13, 2019, between Boxlight Corporation and Lind Global Macro Fund, L.P. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 17, 2019).
10.25	Secured Convertible Note, Dated December 13, 2019, issued by Boxlight Corporation to Lind Global Macro Fund, L.P. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed December 17, 2019).
10.26	Amended and Restated Security Agreement dated as of December 13, 2019, between Boxlight Corporation, Sallyport Commercial Finance, LLC. And Lind Global Macro Fund, LP (filed as Exhibit 10.3 to the Current Report on Form 8-K filed December 17, 2019).
10.27	Amended and Restated Intercreditor Agreement, dated as of December 13, 2019, between Boxlight Corporation, Sallyport Commercial Finance, LLC and Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed December 17, 2019).
10.28	Amended and Restated Employment Agreement, dated January 13, 2020, between Boxlight Corporation and James Mark Elliott (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed January 14, 2020).
10.29	Employment letter, dated January 13, 2020, between Boxlight Corporation and Harold Bevis (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed January 14, 2020).

10.30	Asset Purchase Agreement dated February 3, 2020, between Boxlight Corporation, Boxlight Inc., MyStemKit, Inc. and STEM Education Holdings, Pty. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 7, 2020).
10.31	Securities Purchase Agreement dated February 4, 2020 between Boxlight Corporation and Lind Global Macro Fund, LP. (Incorporated by reference to Exhibit 10.2 to the Current Report 8-Kfiled February 7, 2020).
10.32	Secured Convertible Note, dated February 4, 2020, (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed February 7, 2020).
10.33	Second Amended and Restated Security Agreement, dated February 4, 2020, between Boxlight Corporation and Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed February 7, 2020).
10.34	Second Amended and Restated Intercreditor Agreement, dated February 4, 2020, between Boxlight Corporation, Sallyport Commercial Finance, LLC and Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed February 7, 2020).
10.35	Third Restated Convertible Promissory Note, dated February 4, 2020, issued by Boxlight Corporation to Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed February 7, 2020).
10.36	Second Restated Convertible Promissory Note, dated February 4, 2020, issued by Boxlight Corporation issued by Boxlight Corporation to Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed February 7, 2020).
10.37	Employment Agreement, dated February 21, 2020, between Boxlight Corporation and Takesha Brown (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 26, 2020).
10.38	Agreement, dated March 3, 2020, between Boxlight Corporation, Everest Display, Inc and AMAGIC Holographics, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed March 13, 2020).
10.39	Employment Agreement, dated March 20, 2020, between Boxlight Corporation and Michael Pope (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed March 23, 2020).
10.40	Amended and Restated Employment Agreement, dated April 1, 2020, between Boxlight Corporation and Daniel Leis (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 10, 2020).
10.41	Letter Agreement, dated April 17, 2020, between Boxlight Corporation, Boxlight Inc. and MyStemKits, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 22, 2020).
10.42	Letter Agreement, dated April 17, 2020, between Boxlight Corporation and Stemify Limited (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed April 22, 2020).
10.43	Agreement, dated June 11, 2020, between Boxlight Corporation, Everest Display, Inc. and Amagic Holographics, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 24, 2020).

10.44	Letter Agreement, dated June 30, 2020, between Boxlight Corporation and R. Wayne Jackson (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed July 7, 2020).
10.45	Letter Agreement, dated June 30, 2020, between Boxlight Corporation and Charles P. Amos (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on July 7, 2020).
10.46	Securities Purchase Agreement, dated September 21, 2020, between Boxlight Corporation and Lind Global Asset Management LLC (incorporated by reference to Exhibit 10.1 to the Current Report on For 8-K filed September 22, 2020).
10.47	Form of Convertible Secured Note issued to Lind Global Asset Management (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed September 22, 2020).
10.48	Third Amended and Restated Security Agreement, dated September 21, 2020, between Boxlight Corporation and Lind Global Macro Fund, LP (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed September 22, 2020).
10.49	Third Amended and Restated Intercreditor Agreement, dated September 21, 2020, between Boxlight Corporation, Sallyport Commercial Finance, LLC, Lind Global Macro Fund, LP and Lind Global Asset Management, LLC (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed September 22, 2020).
10.50	Patent Purchase Agreement, dated September 23, 2020, between Boxlight Corporation and Circle Technology Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 24, 2020).
10.51	Securities Purchase Agreement, dated September 24, 2020, between Boxlight Corporation and the Sellers of Sahara Holdings Limited (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 25, 2020).
10.52	Form of Lock-up Agreement (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed September 25, 2020).
10.53	Form of Accounts Receivable Agreement, effective September 30, 2020, between Boxlight Inc,, EOSEDU LLC and Sallyport Commercial Finance LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed October 9, 2020).
10.54	Employment Agreement, dated November 1, 2019, between Sahara Presentation Systems PLC and Mark Starkey (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 19, 2020).
10.55	Amendment No. 2 to the Boxlight Corporation 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-8 dated October 7, 2020).
10.56	Deed of Variation, dated September 24, 2020, between Sahara Presentation Systems PLC and Mark Starkey (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed November 19, 2020).
10.57	Employment Agreement, dated April 7, 2020, between Sahara Presentation Systems PLC and Patrick Foley (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 30, 2020).

10.58	Deed of variation, dated September 24, 2020, between Sahara Presentation Systems PLC and Patrick Foley (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed November 30, 2020).
10.59	Employment Agreement, dated January 1, 2019, between Sahara Presentation Systems PLC and Shaun Marklew (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed November 30, 2020).
10.60	Deed of variation, dated September 24, 2020, between Sahara Presentation Systems PLC and Shaun Marklew (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed November 30, 2020).
10.61	Agreement, dated January 29, 2021, between Boxlight Corporation, Everest Display, Inc. and Amagic Holographics, Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 1, 2021).
10.62	Preferred Stock Redemption and Conversion Agreement dated March 24, 2021, by and between Boxlight Corporation and the Preferred Stockholders (incorporated by reference to Exhibit 10.67 to the Annual Report on Form 10-K filed March 31, 2021).
10.63	Share Purchase Agreement, dated March 19, 2021, between Sahara Holdings Ltd., Clevertouch BV and Karel Callens (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on May 13, 2021).
10.64	Amendment to Preferred Stock Redemption Agreement, dated June 14, 2021, between Boxlight Corporation and the Preferred Stockholders (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on June 16, 2021).
10.65	Amendment to Accounts Receivable Agreement, dated July 20, 2021, between Boxlight Inc. and Sallyport Commercial Finance LLC (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed on July 21, 2021).
10.66	Amendment to Accounts Receivable Agreement, dated August 6, 2021, between Boxlight Inc. and Sallyport Commercial Finance LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on August 9, 2021).
10.67	Boxlight Corporation 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-8 filed on October 14, 2021).
10.68	Fourth Amended and Restated Intercreditor Agreement dated August 23, 2021, between Boxlight Corporation, Sallyport Commercial Finance, LLC, Lind Global Macro Fund, LP and Lind Global Asset Management, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on August 27, 2021).
10.69	Employment Agreement dated September 15, 2021 between Boxlight Corporation and Aleksandra Leis (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on September 20, 2021).
10.70	Membership Interest Purchase Agreement dated October 29, 2021, between Boxlight Corporation, Boxlight Inc., FrontRow Calypso LLC, Phonic Ear Inc. and Calypso Systems LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 1, 2021).

10.71	Credit Agreement dated December 31, 2021, between Boxlight Corporation, its subsidiaries, Whitehawk Finance LLC., and White Hawk Capital Partners, LP (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed January 5, 2022).
10.72	Employment Agreement dated February 14, 2022, between Boxlight Corporation and Michael Pope (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 18, 2022).
10.73	Notice of Default and Reservation of Rights dated March 29, 2022, from Whitehawk Capital Partners, LP (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 4, 2022).
10.74	Amendment to Credit Agreement, dated April 4, 2022, between Boxlight Corporation, its subsidiaries, Whitehawk Finance LLC and White Hawk Capital Partners, LP (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed April 4, 2022).
10.75	Amended and Restated Fee Letter, dated April 4, 2022, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance, LLC (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed April 4, 2022).
10.76	Employment Agreement, dated June 13, 2022, between Boxlight Corporation and Greg Wiggins (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 14, 2022).
10.77	Second Amendment to Credit Agreement (including Exhibit A), dated June 21, 2022, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 27, 2022).
10.78	Securities Purchase Agreement dated July 22, 2022, between Boxlight Corporation and an accredited institutional investor (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed July 26, 2022).
10.79	Placement Agency Agreement, dated July 22, 2022, between Boxlight Corporation and Maxim Group LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed July 26, 2022).
10.80	Third Amendment to Credit Agreement, dated April 24, 2023, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC.(Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 26, 2023)
10.81	Notice of Borrowing, dated April 24, 2023, from Boxlight Corporation addressed to Whitehawk Capital Partners, LP. (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed April 26, 2023)
10.82	Fourth Amendment to the Credit Agreement, dated June 26, 2023, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC. (incorporated by reference to exhibit 10.4 to the quarterly report on Form 10-Q filed August 9, 2023.
10.83	Fifth Amendment to Credit Agreement, dated March 14, 2024, between Boxlight Corporation, its subsidiaries, Whitehawk Capital Partners, LP and Whitehawk Finance LLC.*
14.1	Code of Business Conduct and Ethics *(Incorporated by reference to Exhibit 14.1 to the Annual Report on Form 10-K filed March 16, 2023)

16.1	Letter of FORVIS, LLP, dated June 2, 2022 to the Securities and Exchange Commission (incorporated by reference to Exhibit 16.1 to the Current Report on Form 8-K filed June 2, 2022.)
19.1	Amended and Restated Insider Trading Policy (Incorporated by reference to Exhibit 10.81 to the Annual Report on Form 10-K filed March 16, 2023)
21.1	Subsidiaries (Incorporated by reference to Exhibit 21.1 to the Annual Report on Form 10-K filed March 16, 2023)
23.1	Consent of FORVIS LLP*
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 Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* filed herewith.
**Furnished herewith

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

BOXLIGHT, CORPORATION
(Registrant)

By: */s/ DALE W. STRANG*
Dale W. Strang
Chief Executive Officer
Principal Executive Officer

Date: March 14, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dale W. Strang Dale W. Strang	Chief Executive Officer (principal executive officer)	March 14, 2024
/s/ Gregory S. Wiggins Gregory S. Wiggins	Chief Financial Officer (principal financial and accounting officer)	March 14, 2024
/s/ Rudolph F. Crew Rudolph F. Crew	Director	March 14, 2024
/s/ Roger W. Jackson Roger W. Jackson	Director (Chairman of the Board)	March 14, 2024
/s/ Tiffany Kuo Tiffany Kuo	Director	March 14, 2024
/s/ Charles P. Amos Charles P. Amos	Director	March 14, 2024
/s/ Michael R. Pope Michael R. Pope	Director (former Chairman and Chief Executive Officer)	March 14, 2024
/s/ Mark Elliott Mark Elliott	Director	March 14, 2024

FIFTH AMENDMENT TO CREDIT AGREEMENT

This FIFTH AMENDMENT TO CREDIT AGREEMENT, dated as of March 14, 2024 (this "Fifth Amendment"), is entered into by and among Boxlight Corporation, a Nevada corporation (the "Borrower"), each Subsidiary of the Borrower listed as a "Guarantor" on the signature pages hereto (each a "Guarantor" and collectively, the "Guarantors"), the financial institutions party hereto as Lenders and Whitehawk Capital Partners, LP ("Whitehawk Capital"), as the Administrative Agent.

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

WHEREAS, reference is also made to each Loan Document, including, without limitation: (a) the Amended and Restated Fee Letter dated April 4, 2022 (as amended by the June 2023 Consent and as further amended, restated, supplemented or modified, the "Fee Letter"), between the Borrower, the other Loan Parties, the Administrative Agent and the Collateral Agent; (b) the Consent to Waiver of Borrowing Base Default dated as of April 17, 2023 (the "April 2023 Consent"), between the Borrower, the Administrative Agent, the Collateral Agent and the Lenders; (c) the Consent to Waiver of Borrowing Base Default, "SOFR" Amendment and amendment of Prepayment Premium dated June 15, 2023 (the "June 2023 Consent"), between the Borrower, the Administrative Agent, the Collateral Agent and the Lenders and (d) Consent to Waiver of Default under Section 7.03(a) of the Credit Agreement with respect to Test Period Ended September 30, 2023 (the "November 2023 Waiver"), between the Borrower, the other Loan Parties, the Administrative Agent and the Collateral Agent;

WHEREAS, the Loan Parties have informed the Administrative Agent that for the (a) Testing Period Ended December 31, 2023 they have not maintained the Senior Leverage Ratio that is equal to or less than 2.50:1.00 (the "Financial Covenant Default") and (b) month ending February 29, 2024 they did not comply with the Borrowing Base requirements as set forth in the Credit Agreement (the "Borrowing Base Default" and together with the Financial Covenant Default, the "Specified Events of Default");

WHEREAS, the Loan Parties acknowledge that the (a) Financial Covenant Default constitutes an immediate Event of Default under Section 9.01(c) of the Credit Agreement and (b) Borrowing Base Default constitutes an immediate Event of Default under the Credit Agreement, including Sections 9.01(a)(i) and 9.01(c)(i) of the Credit Agreement; and

WHEREAS, the Loan Parties have requested that the Lenders (1) waive the Event of Default that may have arisen directly as a result of the Specified Events of Default and the exercise of remedies under the Credit Agreement by reason of the Specified Events of Default and (2) amend or waive certain provisions of the Credit Agreement as hereinafter set forth, and the Lenders (constituting at least the Required Lenders) are, on the terms and conditions stated below, have agreed to (x) waive the any Event of Default that may have arisen directly as a result of the Specified Events of Default (the "Limited Waiver"), (y) refrain from the exercise of remedies under the Credit Agreement by reason of the Specified Events of Default and (z) amend the Credit Agreement as hereinafter set forth.

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

SECTION 1.
AMENDMENTS

Subject to the satisfaction of the conditions set forth in Section 3 hereof and in reliance on the representations and warranties of the Loan Parties set forth in this Fifth Amendment and in the Credit Agreement, in accordance with Section 12.02 of the Credit Agreement, the Borrower, each Guarantor, Administrative Agent and each of the Lenders (constituting at least the Required Lenders) signatory hereto hereby agree that the Credit Agreement is amended and modified as follows:

(a) New Definitions: As used herein, the following terms shall have the following meanings given to them below, and the Credit Agreement and the other Loan Documents are hereby amended to include the following in alphabetical order:

(i) "April 2023 Consent" has the meaning specified therefor in the Fifth Amendment.

(ii) "Fifth Amendment" means the Fifth Amendment to this Agreement dated as of March 14, 2024.

(iii) "Fifth Amendment Effective Date" has the meaning specified therefor in the Fifth Amendment.

(iv) "Interim Mid-Month Borrowing Base Certificate" has the meaning specified therefor in Section 3.02(b).

(v) "Interim Monthly Borrowing Base Roll Forward" has the meaning specified therefor in Section 3.02(c).

(vi) "June 2023 Consent" has the meaning specified therefor in the Fifth Amendment.

(vii) "Monthly Borrowing Base Certificate" has the meaning specified therefor in Section 3.02(a).

(viii) "November 2023 Waiver" has the meaning specified therefor in the Fifth Amendment.

(b) Section 2.05(c)(vii) of the Credit Agreement is hereby amended and restated to read as follows:

"Loans in excess of Borrowing Base. If for any reason the Term Loans outstanding at any time exceed the Borrowing Base (any such amount, an "Over Advance") at such time, the Borrower shall immediately prepay Loans in an aggregate amount equal to such excess; provided that the Interim Mid-Month Borrowing Base Certificates and the Interim-Monthly Borrowing Base Roll-

Forward to be provided under Section 3.02(b) and (c) of this Fifth Amendment shall not be used to calculate whether or not any Over Advance then exists."

(c) Section 3.02 of the Credit Agreement is hereby amended and restated to read as follows:

"Borrowing Base Certificates.

(a) The Borrower shall furnish the Lenders with Borrowing Base Certificates on a monthly basis (each a "Monthly Borrowing Base Certificate") on or before the 15th day (whether or not a Business Day) of each month setting forth the calculation of the Borrowing Base as of the last Business Day of the immediately preceding month, duly completed and executed by a Authorized Officer, together with all schedules required pursuant to the terms of the Borrowing Base Certificate duly completed.

(b) Commencing with the fifteen (15) day period for the month of March ending on March 15, 2024, the Borrower shall furnish the Lenders with Borrowing Base Certificates for the period from the first calendar day (whether or not a Business Day) of each month through the fifteenth (15th) calendar day (whether or not a Business Day) of each month (each a "Interim Mid-Month Borrowing Base Certificate") not later than the date that is the 22nd of such month (whether or not a Business Day) setting forth the calculation of the Borrowing Base as of the fifteenth (15th) calendar day of each such month, duly completed and executed by a Authorized Officer, together with all schedules required pursuant to the terms of the Borrowing Base Certificate duly completed (first such Borrowing Base Certificate under this Section 3.02(b) shall be issued for the fifteen (15) calendar day period ending March 15, 2024 and delivered on or prior to March 22, 2024).

(c) Commencing with the last day for the month of March 2024 ending on March 31, 2024, the Borrower shall furnish the Lenders with an aging accounts receivable schedule, inventory detail and any intercompany transactions on a monthly basis which shall be prepared in a Borrowing Base format that assumes other input remains constant from the prior Monthly Borrowing Base Certificate (each an "Interim Monthly Borrowing Base Roll-Forward") on or before the 7th day (whether or not a Business Day) of each month, commencing with the April 7, 2024 for the month ending March 31, 2024 (and each calendar month thereafter) (whether or not a Business Day) of the immediately preceding month, duly completed and executed by a Authorized Officer, (first such Interim Monthly Borrowing Base Roll-Forward to be provided under this Section 3.02(c) shall be issued for the calendar month ending March 31, 2024 and delivered on or prior to April 7, 2024 (whether or not a Business Day))."

(d) Section 3.03 of the Credit Agreement is hereby amended and restated to read as follows:

"Over Advances. In the event that any Monthly Borrowing Base Certificate following the Effective Borrowing Base Certificate shall reflect that the Loan Parties are in an Over Advance position, Interest during such period shall accrue and shall be paid at the Post-Default Rate (provided that such payment at Post-Default Rate shall not be deemed to be a waiver of any Default and/or Event of Default that may occur as a result of such Over Advance)."

(e) The table in Section 7.03(a) of the Credit Agreement is hereby amended and restated to read as follows:

Test Period Ended	Senior Leverage Ratio
March 31, 2022	2.75:1.00
June 30, 2022	4.20:1.00
September 30, 2022	3.90:1.00
December 31, 2022	2.80:1.00
March 31, 2023	2.50:1.00
June 30, 2023	2.75:1.00
September 30, 2023	2.75:1.00
December 31, 2023	2.50:1.00
March 31, 2024	6.00:1.00
June 30, 2024	2.00:1.00
September 30, 2024 and thereafter	1.75:1.00

(f) Section 7.03(b) of the Credit Agreement is hereby amended and restated to read as follows:

"Minimum Liquidity. At all times, on and after the Effective Date, Qualified Cash shall not be less than: (i) until July 31, 2022, $1,000,000, (ii) from and after August 1, 2022 and until March 31, 2023, $4,000,000, (iii) from and after April 1, 2023 and until May 31, 2023, $1,000,000, (iv) from and after June 1, 2023 and until February 29, 2024, $4,000,000, (v) from and after March 1, 2024 and until September 30, 2024, $1,000,000, (vi) from and after October 1, 2024 and until December 31, 2024, $2,000,000 and (vii) from and after January 1, 2025, $4,000,000.

SECTION 2.
LIMITED WAIVER

(a) Effective only as of the Fifth Amendment Effective Date, subject to the following terms and conditions and in reliance upon the representations, warranties and covenants set forth in Section 7 below, the Administrative Agent and Required Lenders hereby waive the Specified Events of Default. For avoidance of doubt, the foregoing Limited Waiver shall not be deemed to be a waiver of any other existing or hereafter arising Defaults or Events of Default or any other deviation from the express terms of the Credit Agreement or any other Loan Document. This is a Limited Waiver and shall not be deemed to constitute a consent or waiver of any other term, provision or condition of the Credit Agreement or any other Loan Document, as applicable, or to prejudice any right or remedy (except with respect to the Specified Events of Default) that the Administrative Agent, the Collateral Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, including, without limitation, the right to: (i) declare all or any portion of the Term Loans then outstanding to be accelerated and due and payable, whereupon all or such portion of the aggregate principal of all Term Loans, all accrued and unpaid interest thereon (including interest at the Post-Default

Rate), all fees and all other amounts payable under the Credit Agreement (as amended by this Fifth Amendment) and the other Loan Documents shall become due and payable immediately, together with the payment of the Prepayment Premium (with such term as amended by the June 2023 Consent) with respect to the Term Loans so repaid, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Loan Party; and (ii) exercise any and all of its other rights and remedies under applicable law, under the Credit Agreement (as amended by this Fifth Amendment) and the other Loan Documents. This is a Limited Waiver and is conditioned upon the Loan Parties' compliance with each provision of this Fifth Amendment.

(b) In addition, neither the consent nor the Limited Waiver set forth in this Section 2 constitute or establish (and is not to be deemed to constitute or establish) a custom or a practice on the part of the Administrative Agent, the Collateral Agent or any Lender and do not prejudice any rights of the Administrative Agent, the Collateral Agent or any Lender in respect of any other departure from the terms of the Credit Agreement or any other Loan Document.

(c) The Loan Parties consent and agree that the Post-Default Rate of interest under the Credit Agreement shall accrue from and after the Fifth Amendment Effective Date until the Loan Parties are back in compliance with the Borrowing Base requirements of the Credit Agreement.

SECTION 3.
CONDITIONS TO EFFECTIVENESS

This Fifth Amendment shall become effective on the date (the "Fifth Amendment Effective Date") on which the following conditions are satisfied, in each case, in form and substance reasonably satisfactory to the Administrative Agent:

(a) the Administrative Agent shall have received one or more counterparts of this Fifth Amendment executed by the Borrower, each Guarantor, the Lenders and the Administrative Agent;

(b) no Default or Event of Default (other than the Specified Events of Default) shall exist;

(c) the representations and warranties of the Borrower and the Guarantors contained in this Fifth Amendment shall be true and correct in all material respects (in each case, without duplication of any materiality qualifier contained herein or therein, as applicable) on and as of the date hereof, as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (in each case, without duplication of any materiality qualifier contained herein or therein, as applicable); and

(d) all outstanding fees and expenses payable to the Administrative Agent, any Lender and/or any of their respective Affiliates and legal counsel for which invoices have been provided to the Administrative Borrower shall have been paid.

SECTION 4.
LIMITATION ON SCOPE

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

Agreement or any other Loan Document such as to require further notice by the Administrative Agent, the Collateral Agent or any Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except, in each case, as expressly set forth herein.

SECTION 5.
REAFFIRMATION

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

SECTION 6.
RELEASE OF CLAIMS

In consideration of the Administrative Agent's and each Lender's agreements contained in this Fifth Amendment, each Loan Party hereby irrevocably releases and forever discharges the Administrative Agent, the Collateral Agent, each Lender and their respective affiliates, subsidiaries, successors, assigns, directors, officers, employees, agents, consultants and attorneys (each, a "Released Person") of and from any and all claims, suits, actions, investigations, proceedings or demands, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law of any kind or character, known or unknown, which such Loan Party ever had or now has against such Released Person which relates, directly or indirectly, to any acts or omissions of any Released Person relating to the Credit Agreement or any other Loan Document on or prior to the date hereof.

SECTION 7.
MISCELLANEOUS

(a) Representations and Warranties. Each Loan Party hereby represents and warrants that:

(i) this Fifth Amendment has been duly authorized and executed by such Loan Party, and the Credit Agreement, as modified by this Fifth Amendment, is the legal, valid and binding obligation of the Borrower and each other Loan Party that is a party thereto, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

(ii) the representations and warranties in the Credit Agreement and the other Loan Documents are true and correct in all material respects (in each case, without duplication of any materiality qualifier contained herein or therein, as applicable) on and as of the date hereof, as though made on such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (in each case, without duplication of any materiality qualifier contained herein or therein, as applicable); and

(iii) no Default or Event of Default has occurred and is continuing after giving effect to this Fifth Amendment.

(b) Post-Closing Covenant. On or prior to April 30, 2024 (as such date may be extended by the Administrative Agent in its reasonable discretion), the Loan Parties shall comply with Section 7.01(c) with respect to each of the following entities (including, without limitation, delivery of local law Security Documents and amendments to the Credit Agreement to address local law matters required by the Administrative Agent): Sahara Presentation Systems GmbH; Boxlight Denmark APS; Boxlight Australia PTY LTD and Boxlight Canada, Inc.; provided that notwithstanding the foregoing inclusion of Accounts, Inventory and/or Intellectual; Property of any of these entities into the Borrowing Base shall be subject to the Administrative Agent's sole discretion.

(c) References. All references in the Loan Documents to the "Credit Agreement" and in the Credit Agreement as modified hereby to "this Agreement," "hereof," "herein" or the like shall mean and refer to the Credit Agreement as modified by this Fifth Amendment (as well as by all subsequent amendments, restatements, supplements and other modifications thereof).

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

[*remainder of page intentionally left blank*]

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

BORROWER:

BOXLIGHT CORPORATION

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

GUARANTORS:

Boxlight, Inc.,
a Washington corporation

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

EOSEDU LLC,
an Arizona limited liability company

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

Boxlight Group Limited
a Northern Ireland company

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

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

/s/ Shaun Marklew

Signature or director

/s/ John Ginty

Signature or director

Sahara Presentation Systems, Inc.,
a Delaware corporation

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

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

/s/ Shaun Marklew

Signature or director

/s/ John Ginty

Signature or director

Clevertouch B.V.,
a Netherlands limited liability company *(besloten vennootschap met beperkte aansprakelijkheid)*

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

Sahara Presentation Systems Europe BV
a Belgium company

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

FrontRow Calypso, LLC
a Delaware limited liability company

By: \s\ Dale Strang
Name: Dale Strang

Title: Chief Executive Officer

ADMINISTRATIVE AGENT AND LENDERS:

WHITEHAWK CAPITAL PARTNERS, LP, as Administrative Agent

By: \s\ Robert A. Louzan

Name: Robert A. Louzan

Title: Authorized Signatory

WHITEHAWK FINANCE LLC, as a Lender

By: \s\ Robert A. Louzan

Name: Robert A. Louzan

Title: Authorized Signatory

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-249375 and 333-260253) and Form S-3 (Nos. 333-239939 and 333-264809) of Boxlight Corporation of our reports dated March 14, 2024, with respect to the consolidated financial statements of Boxlight Corporation, included in this Annual Report on Form 10-K for the year ended December 31, 2023. Our report contains an explanatory paragraph describing conditions that raise substantial doubt about Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements.

/s/ FORVIS, LLP

Atlanta, Georgia
March 14, 2024

Exhibit 31.1

Certification

I, Dale Strang, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 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 officers 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 fourth fiscal quarter 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: March 14, 2024

/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 Annual Report on Form 10-K for the year ended December 31, 2023 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 officers 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 fourth fiscal quarter 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: March 14, 2024

/s/ Greg Wiggins
Greg Wiggins
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Annual Report of Boxlight Corporation (the “Company”) on Form 10-K pursuant for the year ended December 31, 2023, 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: March 14, 2024

/s/ Dale W. Strang
Dale W. 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 Annual Report of Boxlight Corporation (the "Company") on Form 10-K for the year ended December 31, 2023, 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: March 14, 2024

/s/ Greg Wiggins
Greg Wiggins
Chief Financial Officer
(Principal Financial Officer)