Section 1: 10-K/A

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

FORM 10-K/A
(Amendment No. 1)

(Mark One)

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2017

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	46-4116523
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

BOXLIGHT CORPORATION
1045 Progress Circle
Lawrenceville, Georgia 30043
Phone: (678) 367-0809
(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

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

Title of each class	Name of each exchange on which registered
Common Stock, $0.0001 par value	NASDAQ Capital Market

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 [X]

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 [X]

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ]

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	[X]
		Emerging growth company	[X]

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 to Section 7(a)(2)(B) of the Securities Act. [ ]

State 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. $0

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

The number of shares outstanding of the registrant's common stock on March 28, 2018 was 9,648,198.

DOCUMENTS INCORPORATED BY REFERENCE

None

Boxlight Corporation
Form 10-K/A Amendment No. 1
Explanatory Note

This Amendment No. 1 to the annual report of Boxlight Corporation (the "Company") on Form 10-K/A amends our Annual Report on Form 10-K for the years ended December 31, 2017 and 2016 (the "Original 10-K"), which was originally filed on April 2, 2018. Subsequent to the filing of the Company's Form 10-K filed on April 2, 2018, the Company identified (1) misstatements of stock compensation expense and (2) improper classification of certain warrants with net cash and non fixed settlement provisions through internal discussions and reviews.

The Company is filing this amendment to (i) to amend Item 8 – "Financial Statements and Supplementary Data" to restate our audited consolidated financial statements for the year ended December 31, 2017 to correct the misstatement to stock compensation and reflect the reclassification of certain warrants from equity to liabilities, and (ii) to make corresponding amendments to Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"), item 10 – "Directors, Executive Officers And Corporate Governance, and item 12 – "Security Ownership Of Certain Beneficial Owners And Management To Related Stockholder Matters". The impact of the restatement is summarized at the consolidated financial statement footnote No. 19 – restatement.

The Company reviewed its internal control over financial reporting and revised its disclosures regarding material weaknesses over its review of material agreements to ensure the accuracy of financial reporting at Item 9.A.

This Amendment No. 1 does not reflect subsequent events occurring after the original filing date of the Original 10-K or modify or update in any way disclosures made in the Original 10-K except as noted above. This Amendment No. 1 should be read in conjunction with the Original 10-K and with other Company filings with the Securities and Exchange Commission subsequent to the filing of the Original 10-K.

BOXLIGHT CORPORATION

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FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (including the section regarding Management's Discussion and Analysis and Results of Operation) 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;
- 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 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 on Form 10-K and the documents that we reference in this Annual Report on Form 10-K and have filed as exhibits thereto with the Securities and Exchange Commission, or 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 report refer to Boxlight Corporation and its consolidated subsidiaries.

PART II

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

Our common stock commenced trading on the NASDAQ Capital Market, or 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. The prices set forth below reflect the quarterly high and low sales prices per share for our common stock, as reported by the NASDAQ:

	High		Low	
2018				
First Quarter (through March 9)	$	6.97	$	4.00
2017				
First Quarter	$	N/A	$	N/A
Second Quarter	$	N/A	$	N/A
Third Quarter	$	N/A	$	N/A
Fourth Quarter	$	7.98	$	5.74
2016				
First Quarter	$	N/A	$	N/A
Second Quarter	$	N/A	$	N/A
Third Quarter	$	N/A	$	N/A
Fourth Quarter	$	N/A	$	N/A

Holders

As of March 22, 2018, we have 407 holders of record of our common stock.

Dividends

We have never paid cash dividends on our common stock. Holders of our common stock are entitled to receive dividends, if any, declared and paid from time to time by the Board of Directors out of funds legally available. We intend to retain any earnings for the operation and expansion of our business and do not anticipate paying cash dividends on our 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.

Equity Compensation Plans

Adoption of the 2014 Stock Option Plan

On September 19, 2014, prior to the listing of our common stock on NASDAQ, the Board approved the Company's 2014 Stock Option Plan. The total number of underlying shares of the Company's Class A common stock available for grant to directors, officers, key employees, and consultants of the Company or a subsidiary of the Company under the plan is 2,390,438 shares.

The following table provides information as of December 31, 2017 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	812,574	$	3.01	1,577,864
Equity compensation plans not approved by security holders	870,717	$	7.70	-
Total				

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Use of Proceeds

On January 30, 2017, a Registration Statement on Form S-1 (Reg. No. 333-204811) was declared effective with the Securities and Exchange Commission. A Post-Effective Amendment to the Registration Statement was declared effective on August 29, 2017, for the sale of up to 1,000,000 shares of Class A common stock of the Company at an initial offering price of $7.00 per share. The offering was consummated on November 30, 2017 by the Company with Aegis Capital Corp, as the lead placement agent on a "best efforts" basis, without a firm commitment by Aegis, who had no obligation or commitment to purchase any of the Company's shares. The Company received gross proceeds in the amount of $7,000,000.

From the effective date of the Registration Statement to December 31, 2017, we incurred actual expenses in the amount of approximately $1,034,000. We had net proceeds from the offering in the amount of $5,678,609 and converted accounts payable into common stock on IPO of $287,119.

We have used approximately $3,500,000 of the net proceeds as of December 31, 2017. The net proceeds were used to pay the Skyview Note, purchase inventory and for general working capital requirements.

ITEM 6. SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis should be read in conjunction with our financial statements and the related notes thereto included elsewhere herein. The Management's Discussion and Analysis 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 form. 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 including, but not limited to, those noted under "Risk Factors" of the reports filed with the Securities and Exchange Commission.

We do not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this transition report.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain forward-looking statements. 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. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed in "Risk Factors." 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 visual display technology company that is seeking to become a world leading innovator, and integrator of interactive products for schools, as well as for business and government conferencing. We currently design, produce and distribute interactive projectors and distribute interactive LED flat panels in the education market. We also distribute science, technology, engineering and math (or "STEM") data logging products to the educational market.

To date, we have generated substantially all of our revenue from the sale of our software and expanding product line of projectors, LED panels, interactive whiteboards and display devices to the educational market.

In addition, we have implemented a comprehensive plan to reach profitability for our business acquisitions. Highlights of this plan include:

- We have integrated products of the acquisition companies and cross trained our sales reps to increase their offerings. The combination of products and cross training has already resulted in increased sales. The synergy we have found between the products of Boxlight and Mimio are adding opportunities to resellers for both companies to increase their sales.

- Recently hired new sales representatives with significant education technology sales experience in their respective territories and our current pipeline has reached a record high level.

- We are seeing increased demand in the US market for technology sales and have the products and infrastructure in place to handle our expected growth.

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. We expect to expend significant resources to undertake business, financial and legal due diligence on our potential acquisition targets, and there is no guarantee that we will complete any acquisition that we pursue.

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

- Staff reductions – consolidating resources, such as accounting, marketing and human resources.

- Economies of scale – improved purchasing power with a greater ability to negotiate prices with suppliers.

- 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 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, 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

Our revenue is comprised of product revenue, software revenue, installation revenue and professional development revenue.

- *Product revenue.* Product revenue is derived from the sale of our interactive projectors, flat panels, peripherals and accessories, along with other third party products, directly to our customers, as well as through our network of domestic and international distributors.

- *Installation and professional development.* We receive revenue from installation and professional development that we outsource to third parties.

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; and

- write-downs of inventory carrying value to adjust for excess and obsolete inventory and periodic physical inventory counts.

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

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 projector models; component, contract manufacturing and supplier pricing and foreign currency exchange. As we primarily procure our product components and manufacture our products in Asia, our suppliers incur many costs, including labor costs, in other currencies. To the extent that exchange rates move unfavorably for our suppliers, they may seek to pass these additional costs on to us, which could have a material impact on 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. We expect our general and administrative expense to increase in absolute dollars following the completion of our initial public offering due to the anticipated growth of our business and related infrastructure as well as accounting, insurance, investor relations and other costs associated with becoming a public company. 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 consists of interest expense associated with our debt financing arrangements and interest income earned on our cash. We do not utilize derivatives to hedge our foreign exchange risk, as we believe the risk to be immaterial to our results of operations.

Income tax expense

We are subject to income taxes in the United States and Mexico in which we do business. Mexico has a statutory tax rate different from those 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 (Retrospectively adjusted for the acquisitions of Mimio and Genesis)

For the years ended December 31, 2017 and 2016

Revenues. Total revenues for the year ended December 31, 2017 were $25,743,612 as compared to $20,371,826 for the year ended December 31, 2016. Revenues consist of product revenue, software revenue, installation and professional development. For the year ended December 31, 2016, Boxlight Group's operating results were only included in the balances from their acquisition date on July 18, 2016 through December 31, 2016. Accordingly, the increase in revenues in 2017 is primarily attributable to the inclusion of Boxlight Group's revenues for a full year in 2017.

Cost of Revenues. Cost of revenues for the year ended December 31, 2017 was $19,329,831 as compared to $12,959,749 for the year ended December 31, 2016. Cost of revenues consists primarily of product cost, freight expenses and inventory write-downs. Cost of revenues increased due to the increase in revenues. Another factor resulting in an increase in cost of revenues was the Company sold product in some instances at a lower margin in exchange for improved payment terms. Freight expenses as a component of cost of revenues increased approximately $1.7 million in 2017 due to alternative freight arrangements. Prior to the completion of our IPO, we had restrictive credit terms with existing freight vendors due to cash restrictions. These costs are expected to be significantly reduced in 2018.

Gross Profit. Gross profit for the year ended December 31, 2017 was $6,413,781 as compared to $7,412,077 for the year ended December 31, 2016 due to the sale of some products at lower margins to increase cash flow and increased freight costs in the amount of approximately $1.7 million.

General and Administrative Expense. General and administrative expense for the year ended December 31, 2017 was $13,189,879 as compared to $7,689,898 for the year ended December 31, 2016. The increase resulted from the inclusion of a full year of Boxlight Group's operating expenses included for the year ended December 31, 2017, along with $4 million of non-cash stock compensation expense.

Research and Development Expense. Research and development expense was $465,940 and $1,008,433 for the years ended December 31, 2017 and 2016, respectively. Research and development expense primarily consists of costs associated with Mimio's development of proprietary technology. The decrease was due to the company's decision to decrease research and development expenditures in 2017. The R&D investments are cyclical and we had limited major enhancements to our software products or new hardware launches. A significant portion of our research and development is now paid for by several of our contract manufacturers.

Other income (expense), net. Other expense for the year ended December 31, 2017 was $702,472 as compared to $(775,729) for the year ended December 31, 2016. During 2017, the Company settled debt and other liabilities with a net gain of $276,026. In addition, the Company recognized a change in the fair value of warrant derivative liabilities of $861,302. In 2016, the Company amended a note payable agreement that resulted in $350,000 of additional interest expense in August, which resulted in a significant increase in interest expense. Additionally, the Company issued additional notes to acquire Mimio and Boxlight Group during 2016 resulting in an increase in interest expense.

Net loss. Net loss was $6,539,566 and $2,061,983 for the years ended December 31, 2017 and 2016, respectively. There were some major contributing factors to the increase in net loss in 2017, including expense incurred in the amount of $4 million for non-cash stock compensation expense and approximately $1.7 million in additional freight expense.

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 and EBITDA and Adjusted EBITDA, both non-GAAP financial measures of earnings.

EBITDA represents net income before income tax expense, interest income, interest expense, depreciation and amortization. Adjusted EBITDA represents EBITDA, plus stock compensation expense and non-recurring expenses and minus changes in fair value of derivative liabilities. 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 year ended
December 31, 2017 and 2016 to EBITDA

(in thousands)	2017	2016
Net loss	$ (6,540)	$ (2,062)
Depreciation and amortization	747	353
Interest expense	635	818
EBITDA	$ (5,158)	$ (891)
Stock compensation expense	4,344	464
Change in fair value of derivative liabilities	(861)	-
Non-recurring IPO expenses	-	528
Adjusted EBITDA	$ (1,675)	$ 101

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 that will help offset the seasonality of our business.

Liquidity and Capital Resources

In 2017, the Company struggled with liquidity issues due to credit limitations and the added expenses necessary to fund the initial public offering. The liquidity issues led to a significant increase in freight costs to enable us to meet shipping demands of our customers. We also sold product, in some instances, at lower margins in exchange for improved payment terms.

Our liquidity and capital resources were significantly improved through funding from our initial public offering in November 2017, along with our ability to close on a lending agreement in August 2017 that allows us to borrow using our accounts receivable as collateral.

The Company made great strides in 2017 improving our balance sheet through debt repayments and debt conversions. Our total short-term and long-term debt was decreased from $7,778,917 at December 31, 2016 to $856,449 at December 31, 2017.

As of December 31, 2017, we had cash and cash equivalents of $2,010,325. We financed our operations and our capital expenditures during the year ended December 31, 2017 primarily through our initial public offering and a financing agreement entered into with a lender.

The Company's initial public offering was completed on November 30, 2017. The Company raised the maximum amount offered of 1,000,000 shares and received net proceeds through the offering of $5,678,609.

On August 15, 2017, the Company entered into a $6,000,000 accounts receivable sale and purchase agreement with Sallyport Commercial Finance, LLC ("Sallyport"). Pursuant to the agreement, Sallyport agreed to purchase 85% of the eligible accounts receivable of the Company with the right of recourse.

In addition to our cash and banking arrangements, we had accounts receivable of $3,089,932 on December 31, 2017. Our accounts receivable and our ability to borrow agains accounts receivable provides an additional source of liquidity as cash payments are collected from customers in the normal course of business. Our accounts receivable balance fluctuates throughout the year based on the seasonality of the business. At December 31, 2017, we had additional borrowings available under the credit agreement of $1.5 million.

Our other cash requirements consist primarily of day-to-day operating expenses, capital expenditures and contractual obligations with respect to facility leases and other operating leases. We lease all of our office facilities. We expect to make future payments on existing leases from cash generated from operations.

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 notes of the consolidated financial statements. 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. Acquisition of Boxlight Group
3. Common control transactions
4. Long-lived assets
5. Intangible assets
6. Fair value of financial instruments
7. Share-based compensation

Emerging Growth Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Certain specified reduced reporting and other regulatory requirements that are available to public companies that are emerging growth companies.

These provisions include:

(1) an exemption from the auditor attestation requirement in the assessment of our internal controls over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002;

(2) an exemption from the adoption of new or revised financial accounting standards until they would apply to private companies;

(3) an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about our audit and our financial statements; and

(4) reduced disclosure about our executive compensation arrangements.

We have elected to take advantage of the exemption from the adoption of new or revised financial accounting standards until they would apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

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

All financial information required by this Item is attached hereto at the end of this report beginning on page F-1 and is hereby incorporated by reference.

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 related to the following:

- Insufficient review of material agreements to ensure the accuracy and completeness of financial reporting;
- insufficient personnel resources within the accounting function to segregate the duties between preparation and review of financial statements; and
- insufficient written policies and procedures over accounting transaction processing and period end financial disclosure,

resulting in ineffective oversight in the establishment and proper monitoring controls over accounting and financial reporting.

Notwithstanding the existence of the internal control deficiencies, management believes that the consolidated financial statements in this annual report on Form 10-K fairly present, in all material respects, the Company's financial condition as of the Evaluation Date, and results of its operations and cash flows for the Evaluation Date, in conformity with United States Generally Accepted Accounting Principles ("GAAP").

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 management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed 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. The internal controls for the Company are provided by executive management's review and approval of all transactions. Our internal control over financial reporting also includes those policies and procedures that:

1. pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of these controls.

Based on this assessment, management has concluded that as of December 31, 2017, our internal control over financial reporting was not effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles, due to insufficient personnel resources within the accounting function to segregate the duties and insufficient written policies and procedures over accounting transaction processing and period end financial disclosure.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting for the year ended December 31, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth information concerning our directors, executive officers and other key members of our management team as of March 29, 2018:

Name	Age	Position(s)
James Mark Elliott	66	Chief Executive Officer and Director
Henry ("Hank") Nance	45	Chief Operating Officer
Takesha Brown	45	Chief Financial Officer
Michael Pope	37	President and Director
Tiffany Kuo	28	Non-Executive Director
Rudolph F. Crew	67	Independent Director (1) (2) (3)
Steve Hix	79	Independent Director (1) (3)
Dale Strang	58	Independent Director (1) (2) (3)
Robin D. Richards*	61	Independent Director
Harold Bevis	58	Independent Director (2) (3)

* Mr. Richards resigned for personal reasons on February 23, 2018.

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.

Set forth below is biographical information about each of the individuals named in the tables above:

James Mark Elliott. Mr. Elliott has served as our Chief Executive Officer and a director since September 18, 2014. From 2012 to date, he has also served as the President of Genesis. From 2005 through 2012, he was the President of Promethean, Inc., a manufacturer and distributor of whiteboards and interactive learning devices and led the team that grew Promethean in the Americas from $5 million in revenue to $250 million, with over 1,300,000 interactive whiteboards installed around the world. Throughout his career, Mr. Elliott has held senior executive roles, including president, senior vice president or director roles with Apple Computer, Lawson Software, E3 Corporation, PowerCerv Technologies, Tandem Computers, and Unisys/Burroughs. Mr. Elliott received a BBA in Economics from the University of North Georgia and a Master of Science degree in Industrial Management from Georgia Institute of Technology. Based on Mr. Elliott's position as the chief executive officer of both the Company and Genesis, and his executive level experience in interactive learning devices and computer technology industries, our board of directors believes that Mr. Elliott has the appropriate set of skills to serve as a member of the board.

Henry ("Hank") Nance Mr. Nance has been our Chief Operating Officer since September 18, 2014 and served as our President from September 18, 2014 until July 15, 2015. Mr. Nance began his career with the Boxlight Group in 1999 and has served as the Boxlight Group's President since 2009. At the Boxlight Group, he developed the company's first business-to-consumer division, generating over $12 million in sales within the first 24 months of inception. Shortly thereafter he took over product development, corporate relations, and negotiations for business-to-consumer and business-to-business products. Prior to Mr. Nance's tenure at the Boxlight Group, he managed commercial and residential construction working in the San Juan Islands, Washington State and Northern California.

Takesha Brown. Ms. Brown was appointed by our Board on March 15, 2018 as our Chief Financial Officer. Since April 2017, Ms. Brown has served as the Company's Controller. Prior to that, from 2010 through 2017, Ms. Brown first served in the role as Controller and then as Financial Reporting Manager at General Electric in Atlanta, Georgia. Ms. Brown started her career in public accounting, first with PricewaterhouseCoopers, then moving to Ernst & Young and staying there until 2010. At the time of her departure from Ernst & Young, Ms. Brown was an Audit Senior Manager. Ms. Brown is a licensed CPA with a Bachelor of Science in Commerce and Business Administration and a Masters of Accounting from The University of Alabama.

Michael Pope. Mr. Pope has served as our President since July 15, 2015 and has been a director of our Company since September 18, 2014. Mr. Pope served as Managing Director of Vert Capital Corp., a Los Angeles based merchant bank, and its affiliates from October 2011 to October 2016, managing portfolio holdings in education, consumer products and digital media. Prior to joining Vert Capital, from May 2008 to October 2011, Mr. Pope was Chief Financial Officer and Chief Operating Officer for the Taylor Family, managing family investment holdings in consumer products, professional services, real estate and education. Mr. Pope also held positions including senior SEC reporting at Omniture and Assurance Associate at Grant Thornton. Mr. Pope holds an active CPA license and serves on the boards of various organizations. Mr. Pope earned his undergraduate and graduate degrees in accounting from Brigham Young University with academic honors.

Tiffany Kuo. Ms. Kuo has been a director of our Company since September 18, 2014. Ms. Kuo has been a General Management Consultant in Strategy and Operations for Deloitte Consulting, LLP in Houston, TX since August 2011. Ms. Kuo graduated from Rice University with a Bachelor of Science and Masters of Science in Electrical Engineering in 2011 and is currently in the Sloan Masters of Business Administration Program at The Massachusetts Institute of Technology. We believe that Ms. Kuo should serve as a member of our board of directors due to her experience in business strategy and operations at Deloitte Consulting, LLP.

Rudolph F. Crew. Dr. Crew has been a director of our Company since April 1, 2015. Since August 2013, Dr. Crew has served as the president of Medgar Evers College. From July 2012 to July 2013, he was the chief education officer at Oregon Education Investment Board, overseeing the PK-16 system. From September 2011 to July 2012, Dr. Crew served as the president of K12 Division at Revolution Prep, a company that offers preparation courses for the SAT and ACT standardized achievement tests. Prior to that, from January 2009 to July 2013, he was a professor at USC Rossier School of Education, teaching graduate school courses. From January 2009 to September 2011, Dr. Crew also served as the president of Global Partnership Schools, an organization offers planning support services and collaborative programs to public schools and school districts. Dr. Crew received his bachelor’s degree in management from Babson College in 1972. He earned his master’s degree in urban education in 1973 and his degree of doctor of education in educational administration in 1978, both from University of Massachusetts. We believe that Dr. Crew’s in-depth knowledge and extensive experience in education field make him a valuable member of our board of directors.

Steve Hix. Mr. Hix has been a director of our company since June 30, 2017. He is a business executive and founder of numerous public and private companies spanning his 40-year business career. Since 2012, Mr. Hix has served as the President of Circle Technology, a wireless presentation company. Previously, he was the Founder & CEO of InFocus Systems from 1987-1993 (projector company) which grew to nearly $1 billion in sales and had a market value of more than $2 billion as a public company. He was also the Founder, CEO & President of Phix Focus (R&D in Display Technology and Touch Screen Technology) 2005-2012, CEO of i3 Identification International (finger printing technology company) 2005-2010, Founder of Advan Media (Advertising Trucks with Digital Display Screens) 2003-2005, Founder & CEO of SARIF (High Temperature Poly-silicon LCD) 1993-2002, founder of Motif, Inc. (High Speed LCD Technology) 1990-1993, and co-Founder of Planar Systems (Electroluminescence Technology) 1983-1987. Mr. Hix has nearly a dozen patents in the display technology and wireless transmission space and continues to be a pioneer in the industry. He began his career serving the US Navy as Naval Intelligence and sits on the board of several companies including Melexis, Community Foundation of Southwest Washington and Puget Sound Blood Center.

Dale Strang. Mr. Strang has been a director of our company since August 10, 2017. He has served as a Senior Vice President of Media Strategy & Operations at Healthline Networks since 2015. Mr. Strang was President and Chief Excutive officer of SpinMedia from 2013 to 2015. Mr. Strang was the Chief Executive Officer and President at Viximo from 2010 to 2012. Mr. Strang has over 25 years of media experience with successful businesses including IDG, Ziff-Davis and IGN/Fox Interactive. Mr. Strang has more than 18 years of experience in consumer technology and video game publishing, including 14 years at the senior management level. He served as Executive Vice President and General Manager, Media Division, of IGN Entertainment. In this position, he oversaw advertising sales, marketing and the production of editorial content for all IGN entertainment media properties.

Harold Bevis. Mr. Bevis has served as a Director since March 2018. He has 25 years of business leadership experience, including 15 years as a Chief Executive Officer. He was a business leader at both GE and Emerson Electric. He has led or directed 8 businesses in 6 industries, 148 plants in 22 countries, 12 new business/new plant startups, 11 acquisitions, 24 business/plant expansions, and over 10,000 employees. Mr. Bevis is currently President of OmniMax International, a portfolio of building products businesses, since October 2017. Mr. Bevis earned a BS degree in industrial engineering from Iowa State University and an MBA degree from Columbia Business School. He is a member of the National Association of Corporate Directors and has served on 5 Boards of Directors. Since June 2014, he has served at Commercial Vehicle Group, a NASDAQ listed company, where he serves as a member of the audit and compensation committees.

Family Relationships

There are no family relationships between any of our directors or executive officers.

Involvement in Certain Legal Proceedings

No executive officer or director is a party in a legal proceeding adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries. No executive officer or director has been involved in the last ten years in any of the following:

- Any bankruptcy petition filed by or against any business or property of such person, or of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

- Being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

- Being the subject of or a party to any judicial or administrative order, judgment, decree or finding, not subsequently reversed, suspended or vacated relating to an alleged violation of any federal or state securities or commodities law or regulation, or any law or regulation respecting financial institutions or insurance companies, including but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail, fraud, wire fraud or fraud in connection with any business entity; or

- Being the subject of or a party to any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act, any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Board of Directors

All directors hold office until the next annual meeting of shareholders and until their successors have been duly elected and qualified. Directors are elected at the annual meetings to serve for one-year terms. Officers are elected by, and serve at the discretion of, the board of directors. Our board of directors shall hold meetings on at least a quarterly basis.

Director Independence

As of the date of this Annual Report, Dr. Rudy Crew, Steve Hix and Dale Strang are our current independent directors. As a Nasdaq listed company, we believe that the foregoing directors satisfy the definition of "Independent Director" under Nasdaq Rule 5605(a)(2). In making this determination, our board of directors considered the relationships that each of these non-employee directors has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence. As required under applicable NASDAQ rules, we anticipate that our independent directors will meet on a regular basis as often as necessary to fulfill their responsibilities, including at least annually in executive session without the presence of non-independent directors and management.

On February 23, 2018, Mr. Robin D. Richards resigned from the Board of Directors for personal reasons and not as a result of any disagreements between Mr. Richards and the Company on any matter relating to the Company's operations, policies or practices. On March 15, 2018 the Board elected Harold Bevis to join the Board of Directors. Mr. Bevis accepted the position on March 29, 2018.

Board Committees

Our board of directors has established standing committees in connection with the discharge of its responsibilities. These committees include an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Our board of directors has adopted written charters for each of these committees. Copies of the charters are available on our website at www.boxlightcorp.com. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Board Leadership Structure and Role in Risk Oversight

Mr. Elliott holds the positions of chief executive officer and chairman of the board of the Company. The board believes that Mr. Elliott's services as both chief executive officer and chairman of the board is in the best interest of the Company and its shareholders. Mr. Elliott possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing us in our business and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most critical matters relating to the business. His combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to our shareholders, employees and customers.

The Board has not designated a lead director. The independent directors can call and plan their executive sessions collaboratively and, between meetings of the Board, communicate with management and one another directly. Under these circumstances, the directors believe designating a lead director to take on responsibility for functions in which they all currently participate might detract from rather than enhance performance of their responsibilities as directors.

Corporate Governance

Audit Committee

According to its charter, the Audit Committee consists of at least three members, each of whom shall be a non-employee director who has been determined by the Board to meet the independence requirements of NASDAQ, and also Rule 10A-3(b)(1) of the SEC, subject to the exemptions provided in Rule 10A-3(c). A copy of our Audit Committee Charter is located under the "Corporate Governance" tab on our website at www.boxlight.com. The Audit Committee members shall consist of Mr. Hix, serving as our Audit Chair, Mr. Strang and Dr. Crew. All members of the Audit Committee are independent directors. The Audit Committee will assist the Board by overseeing the performance of the independent auditors and the quality and integrity of our internal accounting, auditing and financial reporting practices. The Audit Committee is responsible for retaining (subject to stockholder ratification) and, as necessary, terminating the engagement of, the independent auditors, annually reviews the qualifications, performance and independence of the independent auditors and the audit plan, fees and audit results, and pre-approves audit and non-audit services to be performed by the auditors and related fees. Our board has determined that we have at least one "audit committee financial expert," as defined by the rules and regulations of the SEC and that is Mr. Hix.

Compensation Committee

The Compensation Committee members are Mr. Strang, Dr. Crew and Mr. Bevis. The Compensation Committee shall make recommendations to the Board concerning salaries and incentive compensation for our officers, including our principal executive officer, and employees and administers our stock option plans. A copy of our Compensation Committee Charter is located under the "Corporate Governance" tab on our website at www.boxlight.com.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee members are Dr. Crew, Mr. Hix, Mr. Bevis Steve Hix and Mr. Strang. All members of the Corporate Governance and Nominating Committee are independent directors. The Corporate Governance and Nominating Committee assists the Board in identifying qualified individuals to become board members, in determining the composition of the Board and in monitoring the process to assess Board effectiveness. A copy of our Corporate Governance and Nominating Committee Charter is located under the "Corporate Governance" tab on our website at www.boxlight.com.

Material Changes to the Procedures by which Security Holders May Recommend Nominees to the Board

We do not currently have a procedure by which security holders may recommend nominees to the Board. Prior to the listing of our common stock on NASDAQ, as a private company with a limited shareholder base, we did not believe that it was important to provide such a procedure. However, in connection with our listing on NASDAQ and the requirement to hold annual shareholder meetings, we will consider implementing such a policy in the future.

Director Qualifications

The Board of Directors is responsible for overseeing the Company's business consistent with their fiduciary duty to the stockholders. This significant responsibility requires highly-skilled individuals with various qualities, attributes and professional experience. There are general requirements for service on the Board that are applicable to directors and there are other skills and experience that should be represented on the Board as a whole but not necessarily by each director. The Corporate Governance and Nominating Committee considers the qualifications of director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

In its assessment of each potential candidate, including those recommended by the stockholders, the Corporate Governance and Nominating Committee will consider the nominee's judgment, integrity, experience, independence, understanding of the Company's business or other related industries and such other factors it determines are pertinent in light of the current needs of the Board. The Corporate Governance and Nominating Committee also takes into account the ability of a director to devote the time and effort necessary to fulfill his or her responsibilities to the Company. evaluate the business experience, specialized skills and experience of director candidates. Diversity of background including diversity of race, ethnicity, international background, gender and age, may be considered by the Nominating and Corporate Governance Committee when evaluating candidates for Board membership.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code will be made available on the Corporate Governance section of our website, which is located at www.boxlight.com. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms furnished to us and written representations by our officers and directors regarding their compliance with applicable reporting requirements under Section 16(a) of the Exchange Act, we believe that all Section 16(a) filing requirements for our executive officers, directors and 10% stockholders were met during the year ended December 31, 2017; except for the following:

Name	Late Reports	Transactions Covered	Number of Shares
Michael Pope	Form 3	Common stock	637,453
		Warrants	249,203
	Form 5	Common stock	659,987
Steven Hix	Form 3	Common stock	-
	Form 5	Stock options	50,000
Dale Strang	Form 3	Common stock	-
	Form 5	Stock options	50,000
John Patrick Henry	Form 3	Common stock	-
	Form 5	Stock options	8,990
Everest Display Inc.	Form 3	Common stock	565,122
	Form 4	Common stock	1,903,586

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information regarding the total compensation received by, or earned by, our Chief Executive Officer, our President and Chief Operating Officer and our Chief Financial Officer (collectively, the "named executive officers") during the years ended December 31, 2017 and 2016.

Name and Principal Position	Year	Salary ($)	Option Awards ($)	Total ($)
James Mark Elliott, Chief Executive Officer	2016	125,000	-(2)	125,000
James Mark Elliott, Chief Executive Officer	2017	129,884	-(2)	129,884
Michael Pope, President	2016	23,885	-	23,885
Michael Pope, President	2017	163,419	-	163,419
Henry ("Hank") Nance, Chief Operating Officer	2016	130,545	-	130,545
Henry ("Hank") Nance, Chief Operating Officer	2017	147,606	126,452(5)	274,058
Sheri Lofgren, former Chief Financial Officer (1)	2016	170,000	484,235(3)	654,235
Sheri Lofgren, former Chief Financial Officer (1)	2017	227,500	204,397(3)	431,897
Takesha Brown, Chief Financial Officer (1)	2016	-	-	-
Takesha Brown, Chief Financial Officer (1)	2017	98,116	6,617(4)	104,733

(1) On March 15, 2018, Sheri Lofgren, the Chief Financial Officer of the Company tendered her resignation from such position. On the same date, the Board appointed Ms. Takesha Brown to serve as the new Chief Financial Officer of the Company.

(2) On September 18, 2014, the Company granted 331,841 options to Mark Elliott Chief Executive Officer, with an exercise price of $0.13 per share, a term of 5 years and vesting over a 3-year period. The options have a fair value of $1 at grant date using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include: (1) discount rate of 2.09% (2) expected life of 5.75 years, (3) expected volatility of 69%, and (4) zero expected dividends. During the years ended December 31, 2017 and 2016, the Company recorded $0 stock compensation expense.

(3) On September 18, 2014, the Company granted 291,402 options to Sheri Lofgren, former Chief Financial Officer, with an exercise price of $0.13 per share, a term of 5 years and vesting over a 3-year period. The options have a fair value of $1 at grant date using the Black-Scholes option-pricing model. Variables used in the Black-Scholes option-pricing model include: (1) discount rate of 2.09% (2) expected life of 5.75 years, (3) expected volatility of 69%, and (4) zero expected dividends.

On November 1, 2016, the Company entered into an amended employment agreement with its Chief Financial Officer, which amended the exercise price of the 291,402 options granted from $0.13 to $0.0001 per share. The options vesting term was changed to (i) 50% of the remaining unvested options shall vest immediately following the agreement, (ii) all remaining unvested options shall vest on March 31, 2017. Pursuant to the amendment of employment agreement, the fair value of options granted was changed to approximately $484,000 using the Black-Scholes option-pricing model.

In November 2017, the Company granted options to purchase 29,200 options at $0.0001 per share to its former Chief Financial Officer for services. These options vested immediately and expire 5 years from the date of grant. The options had a fair value of approximately

$204,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

(4) On April 4, 2017, the Company granted options to purchase 18,000 shares of Series A common stock at $5.60 per share to the Chief Financial Officer for services. These options vest in four years and commenced in the quarter ended June 30, 2017 and expire 5 years from the date of grant. The options have a fair value of approximately $7,000 that was calculated using the Black-Scholes option-pricing model.

(5) In November 2017, the Company granted options to purchase 37,829 options at $7.00 per share to its Chief Operating Officer for service. These options vest in 3 years and expire 5 years from the date of grant. The options had a fair value of approximately $126,000 on grant date that was calculated using the Black-Scholes option-pricing model.

Employment Agreements

We entered into employment agreements with Mr. Elliott, Mr. Nance, Ms. Lofgren, Mr. Pope and Ms. Brown, the terms of which are set forth below.

James Mark Elliott

The Company entered into an employment agreement with Mr. Elliott dated as of November 30, 2017, pursuant to which Mr. Elliott shall receive a base salary of $195,000 per year and shall, upon evaluation of his performance and at the discretion of the Company's board of directors, be awarded a cash bonus in the amount of $25,000 on a quarterly basis commencing on the quarter ending December 31, 2017. In addition to (and not in lieu of) the base salary, the Company shall grant Mr. Elliott employee stock options to purchase up to 100,000 shares of common stock (vesting in equal monthly installments over a one-year period, commencing on January 31, 2018), pursuant to the Corporation's 2014 Stock Incentive Plan.

Mr. Elliott's agreement contains confidentiality and non-competition and non-solicitation covenants that continue during and for two years following the expiration or termination of his employment agreement; provided, that such restrictive covenants expire immediately if Mr. Elliott terminates his employment agreement for "good reasons" or, in nine months if we elect to terminate his employment prior to the expiration of the term of the agreement without "cause".

Henry "Hank" Nance

The Company entered into an employment agreement with Mr. Nance, dated as of November 30, 2017, pursuant to which Mr. Nance shall receive a base salary of $195,000 per year and shall, upon evaluation of his performance and at the discretion of the Company's chief executive officer, be awarded a cash bonus in the amount of $25,000 on a quarterly basis commencing on the quarter ending December 31, 2017. In addition to (and not in lieu of) the base salary, the Company shall grant Mr. Nance employee stock options to purchase up to 200,000 shares of common stock (vesting in equal monthly installments over a one-year period, commencing on January 31, 2018), pursuant to the Corporation's 2014 Stock Incentive Plan.

Mr. Nance's agreement contains confidentiality and non-competition and non-solicitation covenants that continue during and for two years following the expiration of his employment agreement; provided that such restrictive covenants expire immediately if we breach his employment agreement or, in nine months, if we elect to terminate his employment prior to the expiration of the term of the agreement for reasons other than cause (as defined in the employment agreement).

Sheri Lofgren

The Company entered into an employment agreement with Ms. Lofgren dated as of November 30, 2017, pursuant to which Ms. Lofgren shall receive a base salary of $195,000 per year and shall, upon evaluation of her performance and at the discretion of the Company's Chief Executive Officer, be awarded a cash bonus in the amount of $25,000 on a quarterly basis commencing on the quarter ending December 31, 2017. In addition to (and not in lieu of) the base salary, the Company shall grant Ms. Lofgren employee stock options to purchase up to 100,000 shares of common stock (vesting in equal monthly installments over a one-year period, commencing on January 31, 2018), pursuant to the Corporation's 2014 Stock Incentive Plan.

Ms. Lofgren's agreement contains confidentiality and non-competition and non-solicitation covenants that continue during and for two years following the expiration of her employment agreement; provided, that such restrictive covenants expire immediately if we breach her employment agreement or, in nine months, if we elect to terminate her employment prior to the expiration of the term of the agreement for reasons other than for cause (as defined in the employment agreement).

On March 15, 2018, Sheri Lofgren, the Chief Financial Officer of the Company tendered her resignation. Ms. Lofgren's resignation was for personal reasons and not as the result of disagreements between Ms. Lofgren and the Company on any matter relating to the Company's operations, policies or practices.

Michael Pope

The Company entered into an employment agreement with Mr. Pope dated as of November 30, 2017, pursuant to which Mr. Pope shall receive a base salary of $195,000 per year and shall, upon evaluation of his performance and at the discretion of the Company's Chief Executive Officer, be awarded a cash bonus in the amount of $25,000 on a quarterly basis commencing on the quarter ending December 31, 2017. In addition to (and not in lieu of) the base salary, the Company shall grant Mr. Pope employee stock options to purchase up to 100,000 shares of common stock (vesting in equal monthly installments over a one-year period, commencing on January 31, 2018), pursuant to the Corporation's 2014 Stock Incentive Plan.

Mr. Pope's agreement contains confidentiality and non-competition and non-solicitation covenants that continue during and for two years following the expiration of his employment agreement; provided, that such restrictive covenants expire immediately if we breach his employment agreement or, in nine months, if we elect to terminate his employment prior to the expiration of the term of the agreement for reasons other than for cause (as defined in the employment agreement).

Takesha Brown

The Company entered into an employment agreement with Ms. Brown, dated as of March 19, 2018, pursuant to which Ms. Brown shall receive a base salary of $165,000 per year and shall, upon evaluation of her performance and at the discretion of the Company's chief executive officer, be awarded a cash bonus in the amount of $12,500 on a quarterly basis commencing on the quarter ending June 30, 2018. In addition to (and not in lieu of) the base salary, the Company shall grant Ms. Brown employee stock options to purchase up to 35,000 shares of common stock (vesting in equal monthly installments over a one-year period, commencing on March 19, 2018), pursuant to the Corporation's 2014 Stock Incentive Plan.

Ms. Brown's agreement contains confidentiality and non-competition and non-solicitation covenants that continue during and for two years following the expiration of her employment agreement; provided, that such restrictive covenants expire immediately if we breach her employment agreement or, in nine months, if we elect to terminate her employment prior to the expiration of the term of the agreement for reasons other than for cause (as defined in the employment agreement).

Outstanding Equity Awards at December 31, 2017

The following table provides information regarding outstanding equity awards held by our named executive officers as of December 31, 2017. All share amounts and exercise prices in the following table reflects stock splits after grant date.

	Option Awards					
Name	**Grant Date**	**Number of Securities Underlying Options (#) Exercisable**	**Number of Securities Underlying Options (#) Unexercisable**		**Option Exercise Price ($)**	**Option Expiration Date**
James Mark Elliott	September 18, 2014	331,841	-	$	0.13	September 18, 2024
Sheri Lofgren	September 18, 2014 and amended at November 1, 2016	29,200	-	$	0.0001	November 30, 2022
Henry Nance	December 31, 2014	12,001	132,091	$	0.13-7.00	November 30, 2022
Takesha Brown	April 4, 2017	3,375	14,625	$	5.60	April 4, 2022

Director Compensation

We reimburse all members of our board of directors for their direct out of pocket expenses incurred in attending meetings of our board. This table summarizes the compensation paid to each of our independent directors who served in such capacity during the fiscal year ended December 31, 2017.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Total($)
Rudolph F. Crew	50,000	370,995	420,995
Steve Hix	5,000	159,466	164,466
Dale Strang	-	159,466	159,466
Robin D. Richards	-	930,987	930,987
Tiffany Kuo	-	-	-

Director Compensation Arrangements

Rudolph F. Crew

Dr. Crew receives an annual fee of $50,000, payable monthly, which commenced on March 26, 2016. In addition, in connection with the listing on NASDAQ, Dr. Crew was entitled to a one-time purchase, at par value, of 53,000 shares of our Class A common stock.

Dr. Crew will not be permitted to sell any of his shares for the six months immediately following the consummation of this public offering and thereafter, not more than 50% of his shares between the seventh month and 12th month after the consummation of this public offering, and not more than 50% of the remaining shares between the 12th month and 18th months after the consummation of this public offering.

Steve Hix

Mr. Hix receives an annual fee of $10,000 for serving as the Chair of our Audit Committee. The fee is payable quarterly, with the first payment to be made on September 30, 2017. On November 30, 2017, Mr. Hix was granted stock options to purchase 50,000 shares of our Class A common stock exercisable at $7.00 per share with vesting over one year.

Dale Strang

On November 30, 2017, Mr. Strang was granted stock options to purchase 50,000 shares of our Class A common stock exercisable at $7.00 per share with vesting over one year.

Robin D. Richards

On November 30, 2017, Mr. Richards purchased, at the par value, 133,000 shares of our common stock, representing 1.25% of the number of fully diluted shares of common stock after giving effect to the acquisitions of the Boxlight Group and Genesis.

Mr. Richards is not permitted to sell any of his shares until May 30, 2018, which is six months following the consummation of our public offering and thereafter, not more than 50% of his shares between the seventh month and 12th month after the consummation of our public offering, and not more than 50% of the remaining shares between the 12th month and 18th months after the consummation of our public offering.

On February 23, 2018, Mr. Robin D. Richards resigned from the Board of Directors for personal reasons and not as a result of any disagreements between Mr. Richards and the Company on any matter relating to the Company's operations, policies or practices.

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

The following table sets forth, as of March 28, 2018, certain information with respect to the beneficial ownership of our Class A common stock, by each beneficial owner of more than 5% of the Company's Class A common stock, each director and each named executive officer and all directors and executive officers of the Company as a group, except as qualified by the information set forth in the notes to this table. As of December 31, 2017, 9,558,997 shares of our Class A common stock were issued and outstanding.

Unless otherwise noted, the address for each director and executive officer is c/o Boxlight Corporation, 1045 Progress Circle, Lawrenceville, Georgia 30043.

Name of Beneficial Owner	Number	Percentage
Named Executive Officers		
James Mark Elliott	497,618(1)	4.43%
Henry("Hank") Nance	97,715(2)	.87%
Sheri Lofgren	320,602(3)	2.85%
Michael Pope	249,203(4)	1.77%
Directors		
Tiffany Kuo	-0-	-
Rudolph F. Crew	53,000(6)	.47%
Robin D. Richards	133,000(7)	1.18%
Steve Hix	12,500	.11%
Dale Strang	12,500	.11%
All Directors and Executive Officers as a Group(7 persons)	1,326,138	11.80%
Beneficial Owners of 5% or More of Our Outstanding Common Stock		
Everest Display, Inc.	2,468,708(5)	21.97%
Sugar House Trust	577,450(8)	5.14%
AEL Irrevocable Trust	1,912,350(9)	17.02%
Dynamic Capital, LLC	747,610(10)	5.32%

(1) Represents 100% of 331,841 shares subject to a stock option granted to Mr. Elliott which have vested as of December 31, 2016. Upon completion of our initial public offering, Mr. Elliott will receive an additional 92,510 shares of our Class A common stock representing 25% of the shares to be issued to the former members of Genesis upon automatic conversion of BOXL's Series B convertible preferred stock. In addition, Mr. Elliott converted accounts payable due from Genesis into 73,267 shares of common stock.

(2) Upon completion of our initial public offering, Mr. Nance will receive 85,714 shares of our Class A common stock representing his pro-rata portion of the 2,055,873 shares to be issued to the former stockholders of Boxlight upon automatic conversion of BOXL's Series C convertible preferred stock. In addition, stock options to purchase 144,020 shares were granted to Mr. Nance under our 2014 Stock Incentive Plan. These options commenced vesting on December 31, 2017.

(3) Represents 100% of 320,602 shares subject to a stock option grant to Ms. Lofgren which have vested as of March 31, 2017.

(4) Consists of 249,203 shares issuable upon exercise of a warrant issued to an entity associated with Mr. Pope in October 2016 and November 2017. Does not include 82,534 shares, Mr. Pope's portion of 330,135 shares held by Mim Holdings, LLC, or 577,450 shares held by Sugar House Trust. Mim Holdings is a limited liability company owned by the Marlborough Brothers Family Trust, a trust established for the benefit of members of the families of Michael Pope and Adam Levin. Sugar House Trust is a trust established for the benefit of the family of Michael Pope. Mr. Pope does not have voting or dispositive power and authority of the shares beneficially owned by Mim Holdings or Sugar House Trust and disclaims any voting or dispositive power with respect to those shares.

(5) Represents 1,903,586 shares of Class A common stock that were issued upon the automatic conversion of our Series C preferred stock issued to Everest Display, Inc., or its wholly owned subsidiary, in connection with our July 2016 acquisition of the Boxlight Group. In June, 2017, Everest Display, Inc. agreed to convert $1,500,000 of accounts payable into 238,095 shares of Class A common stock at a conversion price of $6.30 per share. In August, 2017, Everest Display, Inc. converted a long-term convertible note payable and accrued interest into 327,027 shares of common stock at $6.30 per share. K Laser is the majority stockholder of Everest Display, Inc.. Mr. Alex Kuo is the majority stockholder of K Laser and holds the power to vote and dispose of our shares issued and issuable to EDI. Such 1,903,586 shares do not include (a) 178,572 shares of Class A common stock that K Laser purchased at $5.60 per share in the September 2016 private placement, and (b) an additional 142,857 shares of Class A common stock that Alex Kuo, K Laser or other affiliates or business associates of Mr. Kuo may elect to purchase at a price of $7.00 per share in our initial public offering.

(6) Includes 53,000 shares of common stock that Dr. Crew purchased at par value on November 30, 2017.

(7) Includes 133,000 shares of common stock that Mr. Richards purchased at par value on November 30, 2017.

(8) Mr. Lane, 26716 Via Colina, Stevanson Ranch, CA 91381 is trustee of Sugar House Trust, established for the benefit of the family of Michael Pope, our President and a Director. Mr. Lane has sole investment and voting power with respect to the shares.

(9) Mr. Edwin Hur, 11441 Beach St., Cerritos, CA 90703 is trustee of AEL Irrevocable Trust, established for the benefit of the family of Adam Levin. Mr. Hur has sole investment and voting power with respect to the shares.

(10) Consists of 747,610 shares issuable upon exercise of a warrant issued to Dynamic Capital, LLC in October, 2016 and November 2017. Dynamic Capital is owned by the AEL Irrevocable Trust.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

On September 30, 2014, the Company entered into a line of credit agreement with Vert Capital. The line of credit allowed the Company to borrow up to $500,000 for public offering expenses. On March 31, 2016, we amended the line of credit to increase it to $900,000. The funds accrued interest at 10% per annum. The interest rate decreased to 5.75% pursuant to the amendment to purchase agreement with EDI entered in September 2016. Interest on any advanced funds was accrued monthly and all outstanding principal and accrued interest was due in full from the proceeds of our initial public offering. On December 1, 2017, the outstanding principal and accrued interest in the amount of $775,259 was paid in full.

On July 15, 2015, the Company entered into a management agreement with VC2 Advisors LLC, a Delaware limited liability company, in which Michael Pope, our President and Director, was a manager. VC2 Advisors is owned by Sugar House Trust and AEL Irrevocable Trust, trusts established for the benefit of the families of Michael Pope and Adam Levin. Pursuant to the agreement, VC2 shall perform consulting services for the Company relating to, among other things, sourcing and analyzing strategic acquisitions and introductions to various financing sources. VC2 shall receive an annual management fee payable in cash equal to 1.5% of total consolidated revenues at the end of each fiscal year ended December 31, 2016, 2017 and 2018, payable in monthly installments, commencing as of the date of the Company’s IPO. The annual fee is subject to a cap of $1,000,000 in each of 2016, 2017 and 2018. At its option, VC2 may also defer payment until the end of each year, payable as an option to purchase shares of Class A common stock of the Company, at a price per share equal to 100% of the closing price of the Company’s Class A common stock as traded on Nasdaq or any other national securities exchange as of December 31 of such year in question. Effective October 12, 2016, as a result of Adam Levin and Michael Pope no longer being employed at VC2, the consulting agreement with VC2 was terminated. Subsequently, the Company entered into new consulting agreements on identical terms with other entities which now employ Michael Pope and Adam Levin. As of December 31, 2017, the Company had a payable of $35,632 pursuant to these agreements.

In 2018, as a result of Adam Levin and Michael Pope no longer working at VC2 Advisors, the Company canceled the VC2 Advisors agreement and entered into a new management agreement, with substantially the same terms, with Canaan Parish, LLC, an entity affiliated with Michael Pope.

On July 18, 2016, Boxlight Holdings, Inc., a newly formed Delaware subsidiary of Boxlight Parent, consummated the acquisition of the Boxlight Group under a share purchase agreement, dated May 10, 2016, with Everest Display, Inc., a Taiwan corporation ("EDI") and its subsidiary, Guang Feng International Ltd. ("Guang Feng") subsidiary, the former shareholder of the Boxlight Group. K Laser Technology, Ltd., a Taiwan corporation ("K Laser") is the majority shareholder of EDI and one of our major shareholders. Under the terms of the share purchase agreement, we issued EDI 270,000 shares of our Series C Preferred Stock, that has a stated or liquidation value of $20.00 per share. Upon completion of our initial public offering on November 30, 2017, the Series C Preferred Stock automatically converted into shares of our Class A common stock. Such newly converted shares of Class A common stock, (including certain bonus shares of Class A common stock represented 8% of the shares issuable upon conversion of the Series C Preferred Stock) to be issued to EDI or its subsidiaries, and totaled 2,055,872 shares of our Class A common stock, representing approximately 22.22% of our fully-diluted common stock as defined in the purchase agreement. Hank Nance, our Chief Operating Officer and the President of the Boxlight Group, will received 85,714 of these shares.

Under the terms of the EDI share purchase agreement, as amended on September 28, 2016, the parties agreed that the Boxlight Group and Boxlight Parent will settle and pay approximately $5.75 million of accrued accounts payable currently owed to EDI, in the manner set forth below.

(1) $1,000,000 was paid at the closing of the acquisition out of the net proceeds of a note issued to Hitachi Capital America Corp. (See Note 10);

(2) An additional $1,500,000 of the $5.75 million owed to EDI was to be paid by Boxlight Corporation and its subsidiaries in six monthly installments of $250,000 each, commencing 30 days after the initial $1,000,000 payment paid at closing. However, in view of the fact that such installment payments could than not be made by the Company, EDI agreed to convert $1,500,000 accounts payable into 238,095 shares of Boxlight's Class A common stock in June 2017.

(3) $2,000,000 of the unpaid balance of the account payable was settled with a 4% non-negotiable convertible promissory note of Boxlight Corporation payable to EDI, together with accrued interest, on March 31, 2019 (the "EDI Note"). In August 2017, the EDI Note was converted into 327,027 shares of Boxlight Corporation's Class A common stock at a conversion price of $6.30 pursuant to an agreement. The Company recorded no gain or loss from the conversion.

On May 5, 2016, pursuant to a membership interest purchase agreement, dated as of April 1, 2016, Boxlight Parent acquired 100% of the membership interest in Mimio, from Mim Holdings, LLC., a Delaware limited liability company wholly-owned by the Marlborough Brothers Trust, a trust established for the benefit of members of the families of Adam Levin and Michael Pope, our President and Director, in exchange for a 4% $2,000,000 unsecured convertible promissory note due March 31, 2019, and the assumption of a 6% $3,425,000 senior secured note of Mim Holdings that was due July 3, 2016 and was payable to Skyview Capital, LLC, ("Skyview"), the former equity owner of Mimio (the "Skyview Note"). For purposes of the purchase agreement, the sale to Boxlight Parent, was deemed to have been consummated as of April 1, 2016.

The Skyview Note was issued by Mim Holdings to Skyview on November 4, 2015 as payment for the acquisition of 100% of the membership equity of Mimio. Skyview Note was guaranteed and secured by a lien and security interest on all of the assets of Mimio. Prior to the sale of Mimio to Boxlight Parent, VC2 Partners LLC (the former owner of Mim Holdings) assigned its equity in Mim Holdings to the Marlborough Brothers Family Trust (the "Marlborough Trust"). Adam Levin and Michael Pope, our President and Director, and members of their families, are beneficiaries of the Marlborough Trust and other trusts who are principal stockholders of Boxlight Parent. See "Principal Stockholders".

In connection with the acquisition of Mimio by Boxlight Parent, in May 2016 we issued a $2,000,000 note payable to Mim Holdings, Inc., the former stockholder of Mimio. In June, 2017 this convertible promissory note was converted into 330,135 shares of our Class A common stock at $6.30 per share.

Mim Holdings is wholly-owned by the Marlborough Brothers Family Trust, a trust established for the benefit of members of the families of Adam Levin and Michael Pope. Mr. Pope is the President and a member of our board of directors.

On September 28, 2016, we sold to K Laser, the principal stockholder of EDI, an aggregate of 178,572 shares of our Class A common stock at a purchase price of $5.60 per share and received net proceeds of $1,000,003. The per share sales price is intended to be 80% of the initial price per share of Class A common stock offered to the public. Accordingly, the 178,572 shares of Class A common stock are subject to increase in the event that the initial offering price of the shares offered is less than $7.00. The private placement was conducted through the efforts of our management and with the assistance of K Laser and its affiliates. No commissions or other compensation was paid in connection with such private placement. The $1,000,003 of net proceeds of such private placement was used together with advances from Crestmark under the above line of credit to retire outstanding indebtedness to Hitachi and pay the $2,500,000 installment due under Skyview Note.

In October 2016, the Company issued 73,266 shares to Mark Elliott, the Company's CEO, at $1.055 per share to settle accounts payable of $77,268.

On November 30, 2017, in connection with the listing on NASDAQ, Dr. Crew purchased, at the par value, 53,000 shares of our Class A common stock representing 0.5% of the number of fully diluted shares of Class A common stock after giving effect to the acquisitions of the Boxlight Group and Genesis and our initial public offering. If we file a registration statement registering for resale shares held by its officers or directors, Dr. Crew may request that we include his shares in such registration statement. Dr. Crew will not be permitted to sell any of his shares until May 30, 2018 (six months following the consummation of our public offering) and thereafter, not more than 50% of his shares between the seventh month and 12th month after the consummation our public offering, and not more than 50% of the remaining shares between the 12th month and 18th months after the consummation of our public offering.

On November 30, 2017, in connection with the listing on NASDAQ, Mr. Richards purchased, at the par value, 133,000 shares of our Class A common stock representing 1.25% of the number of fully diluted shares of Class A common stock after giving effect to the acquisitions of the Boxlight Group and Genesis and our initial public offering.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table represents fees for professional audit services for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2017 and 2016, respectively, rendered by GBH, CPA's.

	Fiscal year ended December 31,	
	2016	**2017**
Audit fees [1]	$ 277,987	$ 293,075
Audit-related fees [2]	-	43,910
Tax fees [3]	-	-
Total fees	$ 277,987	$ 336,985

1. *Audit fees consist of fees for professional services rendered by the principal accountant for the audit of the Company's annual financial statements and review of the financial statements included in the Company's Form 10-Q and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.*

2. *Audit-related fees consist primarily of fees for assurance and related services by the accountant that are reasonably related to the performance of the audit or review of the Company's financial statements.*

3. *Tax fees include the preparation of federal tax returns as well as tax planning and consultation on new tax legislation, regulations, rulings, and developments.*

Audit Committee Pre-Approval Policies

The Audit Committee shall pre-approve any non-audit services proposed to be provided to the Company by the independent auditors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description of Exhibit
3.1	Eleventh Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.2 in the Draft Registration Statement on Form S-1 (Reg. No. 377-00845) filed on November 12, 2014)
3.2	Bylaws (Incorporated by reference to Exhibit 3.3 in the Draft Registration Statement on Form S-1(Reg. No. 377-00845) filed on November 12, 2014)
4.1	Certificate of Designations of Series A Convertible Preferred Stock (Incorporated by reference to Exhibit 4.4 in the Draft Registration Statement on Form S-1 (Reg. No. 377-00845) filed on November 12, 2014)
4.2	Certificate of Designations of Series B Convertible Preferred (Incorporated by reference to Exhibit 34.5 in the Draft Registration Statement on Form S-1 (Reg. No. 377-00845) filed on November 12, 2014)
4.3	Amended and Restated Certificate of Designations of Series C Convertible Preferred Stock (Incorporated by reference to Exhibit 4.6 in the Draft Registration Statement on Form S-1(Reg. No. 377-00845) filed on November 12, 2014)
4.4	Form of Warrant Held by Vert Capital Corp. (Incorporated by reference to Exhibit 4.6 in the Draft Registration Statement on Form S-1(Reg. No. 377-00845) filed on February 12, 2015)
4.5	Form of Warrant Held by Lackamoola, LLC (Incorporated by reference to Exhibit 4.7 in the Draft Registration Statement on Form S-1 (Reg. No. 377-00845) filed on November 12, 2014)
4.6	Form of Subscription Agreement for $1.00 per share (Incorporated by reference to Exhibit 4.6 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on October 28, 2016)
4.7	Share Purchase Agreement, dated as of May 10, 2016 by and among Everest Display, Inc., Guang Feng International Ltd., Boxlight Holdings, Inc., the registrant, Boxlight, Inc., Boxlight Latinoamerica, S.A. DE C.V. and Boxlight Latinoamerica, Servicios S.A. DE C.V. (Incorporated by reference to Exhibit 10.1 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on May 13, 2016)
10.1	Amended and Restated Share Exchange Agreement, dated as of May 9, 2016, by and among Vert Capital Corp. and the former members of Genesis Collaboration LLC, the Delaware subsidiary of the registrant (Incorporated by reference to Exhibit 10.2 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on May 13, 2016)
10.2	Membership Interest Purchase Agreement, dated as of April 1, 2016, by and among the registrant, Mim Holdings, Inc., Mimio LLC and the Marlborough Partners Family Trust (Incorporated by reference to Exhibit 10.13 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on May 13, 2016)
10.3	Trademark Assignment between Herbert Myers, the registrant and Boxlight Inc. (Incorporated by reference to Exhibit 10.6 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on May 13, 2016)
10.4*	Employment Agreement by and between Boxlight Corporation and James Mark Elliott, dated November 30, 2017*

10.5*	Employment Agreement by and between Boxlight Corporation and Michael Pope, dated November 30, 2017*
10.6*	Employment Agreement by and between Boxlight Corporation and Sheri Lofgren, dated November 30, 2017*
10.7*	Employment Agreement by and between Boxlight Corporation and Henry Nance, dated November 30, 2017*
10.8	$2,000,000 convertible promissory note of the registrant to Mim 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)
10.9	Agreement by and between Loeb & Loeb LLP and the registrant (Incorporated by reference to Exhibit 10.38 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on December 28, 2015)
10.10	Amendment No. 2 to Membership Interest Purchase Agreement among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and the registrant. (Incorporated by reference to Exhibit 10.30 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on December 15, 2016)
10.11	Amendment No. 3 to Membership Interest Purchase Agreement among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and the registrant (Incorporated by reference to Exhibit 10.1 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on August 12, 2016)
10.12	Promissory Note 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)
10.13	Loan and Security agreement with Hitachi Capital America Corp (Incorporated by reference to Exhibit 10.1 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on August 12,, 2016)
10.14	Crestmark Loan and Security Agreement (Incorporated by reference to Exhibit 10.35 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on January 12, 2017)
10.15	Amendment 1 to Share Purchase Agreement and Option Agreement by and Among Everest Display, Inc., Guang Feng International, Ltd., Boxlight Holdings, the Registrant, 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)
10.16	Subscription Agreement between K Laser International Co., Ltd. And the Registrant 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)
10.17	$2,000,000 Convertible Promissory Note between the Registrant and Everest Display, Inc., dated September 29, 2016 (Incorporated by reference to Exhibit 10.38 in the Registration Statement on Form S-1(Reg. No. 333-204811) filed on October 28, 2016)
10.18	Notice of Default – 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)
10.19*	Account Sale and Purchase Agreement between Sallyport Commercial Finance LLC and registrant*
21*	Subsidiaries
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

* Filed with the Original 10-K

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 the registrant has duly caused this Amendment No.1 to the Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Lawrenceville, of the State of Georgia, on this 16th [1] day of April, 2018.

BOXLIGHT CORPORATION

By: ***/s/ JAMES MARK ELLIOTT***
James Mark Elliott
Chief Executive Officer

By: ***/s/ TAKESHA BROWN***
Takesha Brown
Chief Financial Officer

Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the board of directors of
Boxlight Corporation
Lawrenceville, Georgia

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Boxlight Corporation (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for each of the years then ended, and the related notes (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, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Restatement of Previously Issued Financial Statements

As discussed in Note 19 to the consolidated financial statements, the Company has restated its consolidated financial statements as of and for the year ended December 31, 2017 to correct misstatements.

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 included 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.

Other matters

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations and has a net cash used in operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ GBH CPAs, PC

We have served as the Company's auditor since 2014.

GBH CPAs, PC
www.gbhcpas.com
Houston, Texas
April 2, 2018, except for the effects of the restatements discussed in Note 19 as to which the date is August 16, 2018

Boxlight Corporation
Consolidated Balance Sheets
As of December 31, 2017 and December 31, 2016

	December 31, 2017 (As Restated)	December 31, 2016*
ASSETS		
Current asset:		
Cash and cash equivalents	$ 2,010,325	$ 456,502
Accounts receivable – trade, net of allowances	3,089,932	2,943,954
Inventories, net of reserve	4,626,569	4,164,116
Prepaid expenses and other current assets	388,006	447,036
Total current assets	10,114,832	8,011,608
Property and equipment, net of accumulated depreciation	29,752	60,040
Intangible assets, net of accumulated amortization	6,126,558	6,833,477
Goodwill	4,181,991	4,181,991
Other assets	292	33,262
Total assets	$ 20,453,425	$ 19,120,378
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,994,918	$ 4,453,893
Accounts payable and accrued expenses – related parties	4,391,713	3,754,050
Short-term debt	752,449	2,791,582
Short-term debt – related parties	54,000	876,550
Convertible notes payable – related party	50,000	50,000
Deferred revenues – short-term	1,127,423	495,603
Derivative liabilities	1,857,252	-
Other short-term liabilities	-	251,537
Total current liabilities	11,227,755	12,673,215
Long-term convertible note payable – related parties	-	4,060,785
Deferred revenues – long-term	175,294	272,123
Total liabilities	11,403,049	17,006,123
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized; 250,000 and 1,270,000 shares issued and outstanding, respectively	25	127
Common stock, $0.0001 par value, 200,000,000 shares authorized; 9,558,997 and 4,621,687 Class A shares issued and outstanding, respectively	956	461
Additional paid-in capital	21,125,956	7,615,732
Subscriptions receivable	(325)	(325)
Accumulated deficit	(12,028,388)	(5,488,822)
Other comprehensive loss	(47,848)	(12,918)
Total stockholders' equity	9,050,376	2,114,255
Total liabilities and stockholders' equity	$ 20,453,425	$ 19,120,378

* Financial information has been retrospectively adjusted for the acquisitions of Mimio and Genesis.
See accompanying notes to the financial statements.

Boxlight Corporation
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended December 31, 2017 and 2016

	2017 (As Restated)	2016*
Revenues	$ 25,743,612	$ 20,371,826
Cost of revenues	19,329,831	12,959,749
Gross profit	6,413,781	7,412,077
Operating expense:		
General and administrative expenses	13,189,879	7,689,898
Research and development	465,940	1,008,433
Total operating expense	13,655,819	8,698,331
Loss from operations	(7,242,038)	(1,286,254)
Other income (expense):		
Interest expense, net	(635,445)	(818,234)
Other income, net	200,589	42,505
Gain on settlement of liabilities, net	276,026	-
Change in fair value of derivative liabilities	861,302	-
Total other income (expense)	702,472	(775,729)
Net loss	$ (6,539,566)	$ (2,061,983)
Comprehensive loss:		
Net loss	$ (6,539,566)	$ (2,061,983)
Other comprehensive loss:		
Foreign currency translation loss	(34,930)	(12,918)
Total comprehensive loss	$ (6,574,496)	$ (2,074,901)
Net loss per common share – basic and diluted	$ (1.20)	$ (0.48)
Weighted average number of common shares outstanding – basic and diluted	5,455,161	4,299,315

* Financial information has been retrospectively adjusted for the acquisitions of Mimio and Genesis.
See accompanying notes to the financial statements

Boxlight Corporation
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
As Restated For the Years Ended December 31, 2017 and 2016

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Class A Common Stock		Additional Paid-in	Subscriptions	Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital*	Receivable*	Loss	Deficit*	Total
Balance, December 31, 2015	-	$ -	-	$ -	-	$ -	4,183,030	$ 418	$ 3,469,703	$ (1,975)	$ -	$ (3,426,839)	$ 41,307
Equity transactions in connection with the acquisitions:													
Additional consideration given to Mim Holdings for Mimio acquisition	-	-	-	-	-	-	-	-	(2,000,000)	-	-	-	(2,000,000)
Acquisition of Genesis	-	-	1,000,000	100	-	-	-	-	(100)	-	-	-	-
Assumption of debt for Mimio acquisition	-	-	-	-	-	-	-	-	(3,425,000)	-	-	-	(3,425,000)
Acquisition of Boxlight Group	-	-	-	-	270,000	27	-	-	8,243,270	-	-	-	8,243,297
Shares issued for:													
Issuance of common stock for cash to K-Laser	-	-	-	-	-	-	178,572	18	999,985	-	-	-	1,000,003
Issuance of common stock for cash	-	-	-	-	-	-	51,879	5	218,999	(100)	-	-	218,904
Settlement of accounts payable and debt	-	-	-	-	-	-	208,206	20	236,809	-	-	-	236,829
Collection of subscriptions receivable	-	-	-	-	-	-	-		-	1,750	-	-	1,750
Forgiveness of related party debt	-	-	-	-	-	-	-	-	222,370	-	-	-	222,370
Distribution to Vert Capital	-	-	-	-	-	-	-	-	(814,625)	-	-	-	(814,625)
Stock compensation	-	-	-	-	-	-	-	-	464,321	-	-	-	464,321
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	(12,918)	-	(12,918)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(2,061,983)	(2,061,983)
	-	-											
Balance, December 31, 2016	-	-	1,000,000	$ 100	270,000	$ 27	4,621,687	$ 461	7,615,732	(325)	(12,918)	(5,488,822)	2,114,255
Equity transactions in connection with IPO:													
Issuance of common shares for cash	-	-	-	-	-	-	958,983	96	5,678,513		-	-	5,678,609
Issuance of common shares for settlement of accounts payable	-	-	-	-	-	-	41,017	4	287,115	-	-	-	287,119
Conversion of preferred stock to common stock for Genesis	-	-	(1,000,000)	(100)			370,040	37	63	-	-	-	-
Conversion of preferred stock to common stock for Boxlight Group acquisition	-	-	-	-	(270,000)	(27)	2,055,873	206	(179)	-	-	-	-
Issuance of Series A preferred stock for Genesis acquisition	250,000	25	-	-	-	-	-	-	(25)	-	-	-	-
Issuance of common shares to directors	-	-	-	-	-	-	186,000	19	1,301,981	-	-	-	1,302,000
Settlement of trademark liability	-	-	-	-	-	-	-	-	278,887	-	-	-	278,887
Issuance of common shares for legal services	-	-	-	-	-	-	138,692	14	(14)	-	-	-	-
Shares issued for:													
Settlement of accounts payable – related parties for common shares	-	-	-	-	-	-	238,095	24	1,499,976	-	-	-	1,500,000
Conversion of EDI note for common shares	-	-	-	-	-	-	327,027	33	2,060,241	-	-	-	2,060,274
Conversion of Marlborough note for common shares							330,135	33	2,079,820	-	-	-	2,079,853
Exercise of stock options	-	-	-	-	-	-	291,448	29	(29)	-	-	-	-
Stock compensation	-	-	-	-	-	-	-	-	323,875	-	-	-	323,875
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	(34,930)	-	(34,930)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(6,539,566)	(6,539,566)
Balance, December 31, 2017	250,000	$ 25	-	$ -	-	$ -	9,558,997	$ 956	$ 21,125,956	$ (325)	$ (47,848)	$(12,028,388)	$ 9,050,376

* Financial information has been retrospectively adjusted for the acquisitions of Mimio and Genesis.
See accompanying notes to the financial statements

Boxlight Corporation
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017 (As Restated)	2016*
Cash flows from operating activities:		
Net loss	$ (6,539,566)	$ (2,061,983)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Bad debt expense	(88,783)	425,155
Change in allowance for sales returns and volume rebate	407,655	53,031
Change in inventory reserve	134,200	13,610
Stock compensation expense	4,344,429	464,321
Depreciation and amortization	747,208	353,386
Loss on disposal of other assets	7,108	-
Amortization of debt discount	-	17,607
Debt extension fees through increased principal for Skyview Note	-	350,000
Gain on settlement of debt	(276,026)	-
Gain on derivative liabilities	(861,302)	-
Changes in operating assets and liabilities:		
Accounts receivable – trade	(464,657)	(909,466)
Inventories	(596,653)	2,654,058
Prepaid expenses and other current assets	78,679	324,807
Accounts payable and accrued expenses	(985,986)	(8,621)
Accounts payable and accrued expenses – related parties	2,137,661	637,681
Deferred revenues	614,337	4,358
Other short-term liabilities	(1,686)	(8,346)
Accrued interest on long-term debt – related parties	-	60,785
Net cash (used in) provided by operating activities	(1,343,382)	2,370,383
Cash flows from investing activities:		
Cash acquired through the acquisition of Boxlight Group and Mimio	-	357,573
Payment made for purchase of intangible assets	(10,001)	-
Proceeds from sale of property and equipment and other assets	-	9,033
Net cash (used in) provided by investing activities	(10,001)	366,606
Cash flows from financing activities:		
Proceeds from short-term debt	10,214,673	6,701,590
Proceeds from short-term debt – related parties	-	239,000
Principal payments on short-term debt	(12,143,023)	(10,580,414)
Principal payments on short-term debt-related party	(822,550)	-
Principal payments on convertible debt – related party	-	(60,000)
Proceeds from subscriptions receivable	-	1,750
Distributions to the member of Mimio	-	(814,625)
Proceeds from issuance of common stock at IPO	5,678,609	1,218,907
Proceeds from issuance of common stock upon exercise of options	29	-
Net cash (used in) provided by financing activities	2,927,738	(3,293,792)
Effect of currency exchange rates	(20,532)	19,202
Net increase (decrease) in cash and cash equivalents	1,553,823	(537,601)
Cash and cash equivalents, beginning of the year	456,502	994,103
Cash and cash equivalents, end of the year	$ 2,010,325	$ 456,502
Supplemental cash flows disclosures:		
Cash paid for interest	$ 518,106	$ 748,261
Cash paid for income taxes	$ -	$ -
Non-cash investing and financing activities:		
Decrease in additional paid-in capital due to the acquisitions of Mimio and Genesis under common control	$ -	$ 5,425,100
Intangibles and goodwill acquired through acquisitions of Mimio and Boxlight Group	$ -	$ 10,887,060
Issuance of note payable and long-term convertible note payable to acquire Mimio	$ -	$ 5,425,000

Issuance of Series A Preferred stock for the acquisition of Genesis	$	25	$	-
Issuance of Series B Preferred Stock for the acquisition of Genesis	$	-	$	100
Issuance of Series C Preferred Stock for the acquisition of Boxlight Group	$	-	$	8,243,297
Issuance of note payable to settle accounts payable	$	-	$	2,547,538
Derivative liabilities from issuance of warrants	$	2,718,554	$	-
Forgiveness of short-term debt – related parties	$	-	$	222,370
Conversion of Series B and C Preferred Stock to common stock upon IPO	$	127	$	-
Conversion of convertible note payable – related parties to common stock	$	4,140,127	$	-
Settlement of short-term debt through issuance of common stock	$	-	$	115,919
Settlement of accounts payable through issuance of common stock	$	1,787,119	$	120,910
Settlement of trademark liability at IPO date	$	250,000	$	-

* Financial information has been retrospectively adjusted for the acquisition of Genesis.
See accompanying notes to the financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY

Boxlight Corporation (the "Company" or "Boxlight Parent") 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.

Boxlight, Inc., Boxlight Latinoamerica, S.A. DE C.V. ("BLA") and Boxlight Latinoamerica Servicios, S.A. DE C.V. ("BLS") (together, "Boxlight Group") were incorporated on July 11, 2009, October 17, 2002 and October 17, 2002, respectively. The Boxlight Group is involved principally in the distribution of interactive projectors and integrated solutions that enhance learning and enable people to collaborate with each other in innovative and effective ways. On July 18, 2016, the Company acquired Boxlight Group. Boxlight Group was previously wholly owned by Everest Display Inc., a manufacturing company in Taiwan. In May 2016, Everest Display Inc. agreed to sell all of its ownership in Boxlight Group to the Company.

Mimio LLC ("Mimio") was formed in Delaware on July 1, 2013. Mimio designs, develops and sells interactive classroom technology products, of which Mimio owns most of the design and performance patents, and which are manufactured by contract manufacturers in Hong Kong and China. Mimio also purchases and sells other non-proprietary products such as classroom projectors and flat panel displays as an original equipment manufacturer ("OEM") from manufacturers in China and Taiwan. The primary market for Mimio's products is classrooms K-12. All of the products are integrated in the classroom through Mimio's award winning operating software "Mimio Studio." Mimio's products are distributed globally through a network of value added resellers ("VARs") in the U.S. and Canada, and through master distributors in the rest of the world. On November 4, 2015, Mimio was acquired by Mim Holdings, Inc. ("Mim Holdings"), a Delaware corporation wholly-owned by Marlborough Trust. Marlborough Trust was established for the benefit of members of the families of Adam Levin and Michael Pope, our President and Director. On April 1, 2016, Boxlight Parent acquired 100% of the membership interests in Mimio from Mim Holdings.

Genesis Collaboration, LLC ("Genesis") was formed as a limited liability company in September 2011 in Atlanta, Georgia, to provide solutions that enhance interactive learning in the business, government, and education markets. Genesis is a technology provider that facilitates effective communication in schools, training facilities and workplaces around the world. Genesis offers a wide range of integrated products that change the way individuals collaborate and learn. In the classroom, Genesis offers a wide range of integrated interactive solutions that transform the way teachers deliver lessons and assess progress. Genesis' products include interactive whiteboard systems, interactive tables, interactive and standard projectors, audio systems, data loggers, software, assessment and student response systems. On October 31, 2013, Vert Capital's subsidiary acquired all of the outstanding membership interests of Genesis. On May 12, 2016, the Company acquired Genesis from Vert Capital. Effective August 1, 2016, Genesis was merged into Boxlight Inc.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

Acquisitions from Vert Capital and Mim Holdings are considered common control transactions. When businesses acquired from Vert Capital and Mim Holdings were consolidated by us, they were accounted for as if the transfer had occurred at the beginning of the period of transfer, with prior periods retrospectively adjusted to furnish comparative information. The acquisitions of Mimio and Genesis were transfers of businesses between entities under common control. Accordingly, the accompanying financial statements and related notes have been retrospectively adjusted to include the historical results and financial position of the acquired entities prior to the effective dates of such acquisitions. The information prior to the Company's incorporation on September 18, 2014 represents the historical results of Genesis as Genesis was first controlled by Vert Capital and determined to be our predecessor entity for accounting purposes. The financial information for Mimio has been included in the Company's consolidated financial statements beginning on November 4, 2015 when Mimio was acquired by Mim Holdings Boxlight Group was acquired by the Company on July 18, 2016. The acquisition of Boxlight Group was accounted for under the acquisition method of accounting. See Note 3—Acquisitions, for additional information.

The accompanying consolidated financial statements include the accounts of Boxlight Corporation, Boxlight Group, Mimio and Genesis. Transactions and balances among Boxlight Corporation, Boxlight Group, Mimio and Genesis have been eliminated. The assets and liabilities of Mimio and Genesis in these financial statements have been reflected on a historical cost basis because the transfers of Mimio and Genesis to the Company are considered common control transactions. When the Company acquired Mimio and Genesis, the Company, Mimio and Genesis were under direct or indirect control of Vert Capital. The accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP")

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosure of contingent assets and liabilities at the date of the 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 allowances for bad debts, inventory obsolescence, initial valuations and recoverability of intangible assets including goodwill, stock compensation, fair values of assets acquired and estimates for contingent liabilities related to debt obligations and litigation matters.

FOREIGN CURRENCIES

The Company's functional currency is the U.S. dollar. BLA and BLS's functional currency is the Mexican Peso. The Company translates their financial statements from their functional currencies into the U.S. dollar.

An entity's functional currency is the currency of the primary economic environment in which it operates and is generally the currency in which the business generates and expends cash. BLA and BLS, whose functional currency is the Mexican Peso, 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. Translation adjustments are included in accumulated other comprehensive income (loss), a separate component of equity (deficit). Foreign exchange gains and losses included in net income result from foreign exchange fluctuations on transactions denominated in a currency other than an entity's functional currency.

ACQUISITION OF BOXLIGHT GROUP

The financial statements include the operations of Boxlight Group after the completion of the acquisition on July 18, 2016. We accounted for the acquisition of Boxlight Group using the acquisition method of accounting, which requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date on the balance sheet. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill. The estimated fair values of assets acquired and liabilities assumed were determined based on management's best estimates. Preliminary estimated fair values are subject to measurement period adjustments which represent updates made to the preliminary purchase price allocation based on revisions to valuation estimates in the interim period subsequent to the acquisition and initial accounting date up until the purchase price allocation is finalized which cannot be any later than one year from the acquisition date.

COMMON CONTROL TRANSACTIONS

Businesses acquired from Vert Capital are accounted for as common control transactions whereby the net assets (liabilities) acquired (assumed) are combined with the Company's at their historical carrying value. Any difference between carrying value and recognized consideration is treated as a capital transaction. Cash received from the acquired entities is presented as an investing activity in our consolidated statement of cash flows.

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 rick of loss on its cash bank accounts.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at historical carrying amounts, net of write-offs and allowance for doubtful accounts. Allowance for doubtful accounts represents management's estimate of the amount that ultimately will be realized in cash. The Company reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical payment trends, the age of receivables and knowledge of the individual customers. 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 included spare parts and finished goods. Inventories are primarily determined using specific identification method and the first-in, first-out ("FIFO") cost method. Cost includes direct cost from the CM or 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 a number of 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 its carrying amount or fair value less cost to sell.

INTANGIBLE ASSETS

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 and goodwill are tested for impairment on an annual basis, and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. Goodwill is not amortized and is not deductible for tax purposes.

DEBT DISCOUNT AND DEBT ISSUANCE COSTS

Debt discount is amortized over the term of the debt using the effective interest rate method. Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.

DERIVATIVES

The Company classifies Common Stock purchase warrants and other free standing derivative financial instruments 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.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments primarily include cash, accounts receivable, prepayments, derivative liabilities and accounts payable. Due to the short-term nature of cash, receivables, prepayments and accounts payable the carrying amounts of these assets and liabilities approximate their fair value.

Derivatives are recorded at fair value at each period end. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value.

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).

As required by Accounting Standard Codification ("ASC") Topic No. 820 - 10 *Fair Value Measurement*, 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.

The following table sets forth, by level within the fair value hierarchy, the Company's financial liabilities that were accounted for at fair value on a recurring basis as of December 31, 2017:

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of December 31, 2017
Derivative liabilities - warrant instruments	$ -	$ -	$ 1,857,252	$ 1,857,252
			$ 1,857,252	$ 1,857,252

DEFERRED REVENUE

Deferred revenue represents amounts collected for any extended warranty that is separately priced. The Company recognizes revenue from extended warranty contracts using the straight-line method over the estimated life of the product which is three years.

REVENUE RECOGNITION

Revenue is comprised of product sales and service revenue, net of sales returns, co-operative advertising credits, early payment discounts, and special incentive payments ("SPIFF") paid to the VARs. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured.

Revenue from product sales is derived from the sale of projectors, interactive panels and related accessories. Evidence of an arrangement consists of an order from its distributors, resellers or end users. The Company considers delivery to have occurred once title and risk of loss has been transferred.

Service revenue is comprised of product installation services and training services. These service revenues are normally entered into at the time products are sold. Service prices are established depending on product equipment sold and include a cost value for the estimated services to be performed based on historical experience. The Company outsources installation and training services to third parties and recognizes revenue upon completion of the services.

The Company evaluates the criteria outlined in FASB ASC Subtopic 605-45, Principal Agent Considerations, in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as revenue. Generally, when the Company is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, revenue is recorded at the gross amount. If the Company is not primarily obligated and amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two, the Company generally records the net amounts as revenue earned.

The Company's standard terms and conditions of sale do not allow for product returns and it generally does not allow product returns other than under warranty. However, the Company, on a case by case basis, will grant exceptions, mostly "buyer's remorse" where the VAR's end user 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.

While the Company uses resellers and distributors to sell its products, the Company's sale agreements do not contain any special pricing incentives, right of return or other post shipment obligations.

Before Mimio was acquired by the Company, it generally provided 24 to 60 months of warranty coverage on all of its products. Mimio product's standard warranty period is 24 months, which can be extended to 60 months upon the end user "registering" their device on-line. The Company's warranty provides for repair or replacement of the associated products during the warranty period. The Company does not record warranty cost upon sale, and instead conducts a quarterly review of the warranty liability reserve, and based on historical cost-to-trailing revenue history, will adjust up or down the warranty liability, with the offset to this adjustment posted to cost of revenue.

After the acquisitions of Mimio, Genesis and Boxlight Group, the Company determined a new warranty policy to provide 12 to 36 months warranty coverage on projectors, displays, accessories, batteries and computers except when sold through a "Premier Education Partner" or sold to schools where the Company provides a 60 month warranty. The Company establishes a liability for estimated product warranty costs at the time product revenue is recognized, if the liability is expected to be material. The warranty obligation is affected by 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.

The Company offers sales incentives where the Company offers discounted products delivered by the Company to its resellers and distributors that are redeemable only if the resellers and distributors complete specified cumulative levels of revenue agreed to and written into their reseller and distributor agreements through an executed addendum. The resellers and distributors have to submit a request for the discounted products and cannot redeem additional discounts within 180 days from the date of the discount given on like products. The value of the award products as compared to the value of the transactions necessary to earn the award is generally insignificant in relation to the value of the transactions necessary to earn the award. The Company estimates and records the cost of the products related to the incentive as marketing expense based on analyses of historical data.

RESEARCH AND DEVELOPMENT EXPENSES

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

INCOME TAXES

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.

SHARE-BASED COMPENSATION

The Company estimates the fair value of each share-based compensation award at the grant date by using the Black-Scholes option pricing model. 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. As share-based compensation expense is recognized based on awards ultimately expected to vest. Excess tax benefits, if any, are recognized as an addition to paid-in capital.

SUBSEQUENT EVENTS

The Company has evaluated all transactions through the financial statement issuance date for subsequent event disclosure consideration.

NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The new guidance provides new criteria for recognizing revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new guidance requires expanded disclosures to provide greater insight into both revenue that has been recognized and revenue that is expected to be recognized in the future from existing contracts. Quantitative and qualitative information will be provided about the significant judgments and changes in those judgments that management made to determine the revenue that is recorded. This accounting standard update, as amended, will be effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. Early adoption is permitted, but no earlier than fiscal 2017. The Company is currently assessing the provisions of the guidance and has not determined the impact of the adoption of this guidance on its consolidated financial statements.

In August 2014, the FASB issued ACU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The new standard requires management to assess the company's ability to continue as a going concern. Disclosures are required if there is substantial doubt as to the company's continuation as a going concern within one year after the issue date of financial statements. The standard provides guidance for making the assessment, including consideration of management's plans which may alleviate doubt regarding the Company's ability to continue as a going concern. ASU 2014-15 is effective for years ending after December 15, 2016. The Company adopted this standard for the year ending December 31, 2016. There was no significant impact in the financial results.

In April 2015, the FASB issued ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs." ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The ASU was effective for annual periods beginning after December 15, 2015. The Company adopted this guidance 2016. There was no significant impact in the financial results.

In February 2016, a pronouncement was issued that creates new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early application permitted. The new standard is to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the new pronouncement on its financial statements.

In April 2016, the FASB issued ASU No. 2016-09, "Compensation – Stock Compensation" (topic 718). The FASB issued this update to improve the accounting for employee share-based payments and affect all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The updated guidance is effective for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company adopted this guidance for the year ending December 31, 2017. There was no significant impact in the financial results.

There were various other accounting standards and interpretations issued recently, none of which are expected to a have a material impact on our financial position, operations or cash flows.

NOTE 2 – GOING CONCERN

These financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to repay its debt obligation currently in default or negotiate alternative repayment arrangements, to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As of December 31, 2017, the Company had an accumulated deficit of $12,028,388 and net working capital of $(1,112,923). During the year ended December 31, 2017, the Company incurred a net loss of $6,539,566 and net cash used in operations was $1,343,382. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company is seeking to obtain funds for operations from its initial public offering and support from its majority shareholder.

NOTE 3 – ACQUISITIONS

Acquisition of Mimio

Effective April 1, 2016, pursuant to a membership interest purchase agreement, the Company acquired 100% of the membership interest in Mimio from Mim Holdings. As consideration, the Company issued a $2,000,000 unsecured convertible promissory note (the "Marlborough Note") to Marlborough Trust. See Note 13.

Additionally, the Company assumed from Mim Holdings a $3,425,000 senior secured note (the "Skyview Note") that is payable to Skyview Capital, LLC, ("Skyview"), the former equity owner of Mimio and interest accrued on the note. The Skyview Note was issued by Mim Holdings to Skyview on November 4, 2015 as payment for the acquisition of 100% of the membership equity of Mimio. See Note 10.

The Company's financial statements include Mimio's assets and liabilities at the historical cost of Mim Holdings. Mimio was acquired by Mim Holdings on November 4, 2015. Mim Holdings accounts for acquired businesses using the acquisition method of accounting, which requires, among other things, that most assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired is recorded as goodwill.

The following table shows the purchase price, acquisition-date fair values of the assets acquired and liabilities assumed and calculation of goodwill utilizing the information at November 4, 2015, when Mim Holdings acquired Mimio. Subsequently on April 1, 2016, the Company acquired Mimio from Mim Holdings in a transaction between entities under common control. Accordingly, the purchase price allocation reflects the fair value as of the date acquired by Mim Holdings. Upon acquisition by the Company, these amounts were recorded on the historical cost basis of Mim Holdings.

Assets acquired:		
Current assets	$	6,677,842
Intangible assets		179,722
Goodwill		44,931
Total assets		6,902,495
Total liabilities		(3,477,495)
Net assets acquired	$	3,425,000

Acquisition of Genesis

On May 12, 2016, Vert Capital contributed 100% of the membership interests in Genesis to the Company. In connection with the Company's acquisition of Genesis, the former members of Genesis received 1,000,000 shares of the Company's Series B Preferred Stock which automatically converted into 370,040 shares that represent 4.0% of the Company's fully diluted common stock as defined in the agreement at the IPO date. Upon completion of the Company's initial public offering, an aggregate of 250,000 shares of the Company's non-voting convertible Series A preferred stock were issued to Vert Capital. Such 250,000 shares of the Company's non-voting convertible Series A preferred stock will automatically convert into 398,406 shares of our Class A common stock on November 30, 2018, which is one year from the date of the Company's initial public offering.

Common Control Transactions

The acquisitions of Mimio and Genesis were considered as transfers of businesses between entities under common control; and therefore, the assets acquired and liabilities assumed were transferred at historical cost of Vert Capital. Because the acquisitions were common control transactions in which the Company acquired businesses, the Company's historical financial statements have been retrospectively adjusted to reflect the results of operations, financial position, and cash flows of Mimio and Genesis as if the Company owned Mimio and Genesis for all periods presented from the date Mimio, Genesis and the Company were under common control, which was November 4, 2015 and October 31, 2013, respectively.

Acquisition of Boxlight Group

On July 18, 2016, the Company acquired 100% of the equity interest of Boxlight Group, under the terms of a Share Purchase Agreement entered into on May 10, 2016 with Everest Display, Inc. ("EDI"). Under the terms of the share purchase agreement, Boxlight Holdings, Inc., a newly formed Delaware subsidiary of Boxlight Corporation acquired the equity of Boxlight Group. The Company issued to EDI 270,000 shares of Series C Preferred Stock, that has a stated or liquidation value of $20.00 per share. Upon completion of Boxlight Corporation's IPO and the listing of its Class A common stock on the Nasdaq Capital Market, the Series C Preferred Stock was automatically converted into 2,055,873 shares of Class A common stock. Such converted shares of Class A common stock issued to EDI or its subsidiaries represented approximately 22.22% of Boxlight Corporation's fully-diluted common stock upon the Company's IPO, excluding shares issued for private placements and debt conversions.

Under the terms of the share purchase agreement, as amended on September 28, 2016, Boxlight Corporation agreed to pay EDI approximately $5.75 million of accrued accounts payable owed by Boxlight Group to EDI at September 28, 2016, in the manner set forth below.

(1) $1,000,000 was paid at the closing of the acquisition out of the net proceeds of a note issued to Hitachi Capital America Corp. (See Note 10);

(2) An additional $1,500,000 of the $5.75 million owed to EDI was to be paid by Boxlight Corporation and its subsidiaries in six monthly installments of $250,000 each, commencing 30 days after the initial $1,000,000 payment paid at closing. However, in view of the fact that such installment payments could not then be made by the Company, EDI agreed to convert $1,500,000 accounts payable into 238,095 shares of Boxlight's Class A common stock in June 2017.

(3) $2,000,000 of the unpaid balance of the account payable was settled with a 4% non-negotiable convertible promissory note of Boxlight Corporation payable to EDI, together with accrued interest, on March 31, 2019 (the "EDI Note"). In August 2017, the EDI Note was converted into 327,027 shares of Boxlight Corporation's Class A common stock at a conversion price of $6.30 pursuant to an agreement. The Company recorded no gain or loss from the conversion.

On the acquisition date, the Company recognized the assets acquired and liabilities assumed from Boxlight Group at their fair value and the excess in purchase price over these values was allocated to goodwill. The estimated fair values of consideration paid, assets acquired and liabilities assumed were determined based on third-party valuation reports provided by specialists.

The following table shows the purchase price, estimated acquisition-date fair values of the assets acquired and liabilities assumed and calculation of goodwill for Boxlight Group utilizing the information at acquisition date.

Assets acquired:		
Current assets	$	5,737,836
Property and equipment		65,866
Intangible assets		7,000,000
Other assets		514,696
Goodwill		4,137,060
Total assets acquired		17,455,458
Total liabilities assumed		(9,212,161)
Net assets acquired	$	8,243,297
Consideration paid:		
Issuance of 270,000 shares of Series C preferred stock	$	8,828,353
Preexisting net payable to Boxlight Group		(585,056)
Total	$	8,243,297

The Company valued the Series C Preferred shares issued to EDI based on an entity value of the Company of approximately $39,700,000 and 270,000 shares of the Series C Preferred Stock represents approximately 22.22% of ownership of the Company.

Unaudited Pro Forma Results Of Operation

The following table presents the unaudited condensed pro forma results of operations that reflect the acquisition of Boxlight Group as if the acquisition had occurred as of the first day of the period presented, adjusted for items that are directly attributable to the acquisition. This information has been compiled from historical financial statements and is not necessarily indicative of the results that actually would have been achieved had the transaction already occurred or that may be achieved in the future.

(in thousands)		For the year ended December 31, 2016
Revenues	$	25,391
Cost of revenues		(16,809)
Operating expenses		(11,240)
Other incomes (expenses)		(1,036)
Income tax expense		-
Net loss	$	(3,694)
Net loss per common share	$	(0.86)
Weighted average outstanding common shares – basic and diluted		4,299,315

The pro forma combined results of operations were adjusted to include Boxlight Group's operating results for the period from January 1, 2016 to July 18, 2016 since Boxlight Group was acquired by the Company on July 18, 2016. In addition, the pro forma results of operations were adjusted for the following expenses:

(in thousands)		For the year ended December 31, 2016
Record amortization expense of intangible assets acquired from Boxlight Group	$	385

The Company issued 270,000 shares of Series C preferred stock to the previous owners of Boxlight Group. These shares were automatically converted into Class A common stock upon completion of the Company's IPO and listing on NASDAQ in November 2017.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents held by the Company at December 31, 2017 and December 31, 2016 are summarized as follows:

	December 31, 2017	December 31, 2016
U.S. Dollars	$ 2,007,423	$ 450,549
Mexican Pesos	2,902	5,953
Total	$ 2,010,325	$ 456,502

NOTE 5 – ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consisted of the following at December 31, 2017 and 2016:

	2017	2016
Accounts receivable - trade	$ 3,846,724	$ 3,562,832
Allowance for doubtful accounts	(200,874)	(453,059)
Allowance for sales returns and volume rebates	(555,918)	(165,819)
Accounts receivable - trade, net of allowances	$ 3,089,932	$ 2,943,954

The Company wrote off accounts receivable of $163,402 and $55,929 for the years ended December 31, 2017 and 2016, respectively.

NOTE 6 – INVENTORIES

Inventories consisted of the following at December 31, 2017 and 2016:

	2017	2016
Finished goods	$ 4,611,973	$ 4,102,621
Spare parts	187,158	183,357
Reserves for inventory obsolescence	(172,562)	(121,862)
Inventories, net	$ 4,626,569	$ 4,164,116

The Company wrote off inventories of $83,500 and $326,984 for the years ended December 31, 2017 and 2016, respectively.

NOTE 7 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at December 31, 2017 and 2016:

	2017	2016
Prepayments to vendors	$ 295,448	$ 351,408
Employee receivables	6,203	3,571
Prepaid local taxes	1,015	16,385
Prepaid and refundable income taxes	33,435	30,879
Prepaid licenses and other	51,905	44,793
Prepaid expenses and other current assets	$ 388,006	$ 447,036

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2017 and 2016:

	Useful lives	2017	2016
Leasehold improvements	9-10 years	$ 3,355	$ 3,355
Office equipment	3-5 years	21,341	21,341
Other equipment	5 years	42,485	42,485
Property and equipment, at cost		67,181	67,181
Accumulated depreciation		(37,429)	(7,141)
Property and equipment, net of accumulated depreciation		$ 29,752	$ 60,040

For the year ended December 31, 2017 and 2016, the Company recorded depreciation expense of $30,288 and $7,141, respectively.

NOTE 9 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill consisted of the following at December 31, 2017 and 2016:

	Useful lives	2017	2016
Patents	10 years	$ 67,395	$ 67,395
Customer relationships	10 years	3,567,396	3,567,396
Trademarks	10 years	3,554,932	3,544,931
Intangible assets, at cost		7,189,723	7,179,722
Accumulated amortization		(1,063,165)	(346,245)
Intangible assets, net of accumulated amortization		$ 6,126,558	$ 6,833,477
Goodwill from acquisition of Mimio	N/A	$ 44,931	$ 44,931
Goodwill from acquisition of Boxlight	N/A	4,137,060	4,137,060
		$ 4,181,991	$ 4,181,991

For the year ended December 31, 2017 and 2016, the Company recorded amortization expense of $716,920 and $346,245, respectively.

NOTE 10 – DEBT

The following is debt at December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Short-term debt – third parties		
Note payable – Skyview	$ -	$ 1,460,508
Note payable – AHA	250,000	610,783
Line of credit – Crestmark Bank	-	720,291
Accounts receivable financing – Sallyport Commercial	502,449	-
Total short-term debt –third parties	752,449	2,791,582
Short-term debt – related parties		
Line of credit – Vert Capital	-	822,550
Note payable – Logical Choice Corporation - Delaware	54,000	54,000
Total short-term debt –related parties	54,000	876,550
Convertible debt – related party		
Convertible note payable – Mark Elliott	50,000	50,000
Long-term debt – related parties		
Note payable – Marlborough Trust	-	2,040,183
Note payable - EDI	-	2,020,602
Total notes payable – related parties	-	4,060,785
Less: current portion	-	-
Total long-term notes payable	-	4,060,785
Total debt	$ 856,449	$ 7,778,917

Short-Term Debt - Third Parties:

Line of Credit – Sy Silverstein

On April 3, 2015, the Company entered into a line of credit agreement with Sy Silverstein, an individual. Pursuant to the agreement, the Company obtained the line of credit for up to a maximum of $300,000 to complete its initial public offering ("IPO") process. The Company borrowed $100,000 under the agreement. The advances from this agreement accrue interest at 12% per annum, along with a $10,000 documentation fee, and was due on the effective date of the Company's IPO. The $10,000 documentation fee was recorded as debt discount.

On October 4, 2016, Mr. Silverstein agreed to settle the outstanding principal of $100,000 and accrued interest of $15,919 with 109,915 shares of the Company's Class A common stock. These shares were valued at $115,919 based on the Company's most recent trading price of the Class A common stock on the settlement date.

Skyview Note

On April 1, 2016, the Company assumed from Mim Holdings a $3,425,000 senior secured note that was payable to Skyview Capital, the former equity owner of Mimio for the acquisition of Mimio. The Skyview Note accrued interest at 6% per annum and was due on July 3, 2016. The Skyview Note is secured by a lien and security interest on all of the assets of Mimio, subordinating to the Crestmark line of credit, and guaranteed by Vert Capital and VC2 Partners.

On July 5, 2016 and August 3, 2016, the Skyview Note was amended. On July 5, 2016, principal was increased to $3,660,508 to settle $235,508 of accounts payable owed by Mimio to Skyview's affiliate. On August 3, 2016, the principal of the note was increased to $4,010,508 to include an additional fee of $350,000 to extend the maturity date to December 15, 2016. The Company recorded the $350,000 extension fee to interest expense. Additionally, the Company agreed to pay $2,500,000 of the note on the earlier of (1) September 30, 2016 or (2) the date the Company obtained a new debt facility. The Company made the $2,500,000 payment on September 29, 2016 with the proceeds from a line of credit with Crestmark Bank. The remaining outstanding balance together with any unpaid accrued interest was due and unpaid on December 15, 2016. On December 28, 2016, the Company received a Notice of Default from Skyview because the Company failed to make a $1,460,508 payment on December 15, 2016. On June 1, 2017, we were served with a lawsuit from Skyview seeking judgment on the $1,460,508 outstanding balance due under the defaulted Skyview Note, plus accrued interest thereon, and also seeking to foreclose on the assets of Mimio that is now owned and operated by our Boxlight, Inc.

On September 11, 2017, the outstanding principal and accrued interest were settled in full with funds from the Sallyport Commercial Finance, LLC line of credit. As of December 31, 2016, outstanding principal and accrued interest for the Skyview Note were $1,460,508 and $1,905, respectively.

AHA Note

On June 3, 2016, prior to the Company's acquisition, Boxlight Group issued a promissory note to AHA Inc. Co Ltd. ("AHA"), a Korean corporation, in the amount of $1,895,413 to settle unpaid accounts payable of $1,866,418 for purchases of inventory. Interest shall be payable in the amount of 6.5% per annum. The principal was due and payable in eight equal monthly principal payments in the amount of $236,926 beginning on June 30, 2016. Interest was to be paid in consecutive monthly installments for eight months.

On November 29, 2017, the outstanding principal and interest were reduced to $500,000 related to a settlement agreement reached with AHA, resulting in a gain on settlement of $304,913. Pursuant to the settlement agreement, the Company was required to pay $250,000 in or before December 2017 and the remaining principal is due in six equal monthly payment of $41,667 commencing January 2018. The balance on the note payable to AHA was $250,000 and $610,783 at December 31, 2017 and 2016, respectively. The Company have made monthly payments in 2018 pursuant to the schedule.

Loan and Security Agreement – Hitachi Capital America Corp.

Effective July 6, 2016, the Company entered into a loan and security agreement with Hitachi Capital America Corp. ("Hitachi"). The agreement allowed the Company to borrow up to $2,500,000 based on the balance of eligible accounts receivable and inventory at an interest rate equal to 1.75% in excess of the prime rate. The loan was due and payable on demand. Under the terms of the Hitachi loan agreement, the Company applied $1,000,000 of the initial funding to pay EDI $1,000,000 in reduction of Boxlight Group's outstanding accounts payable. The Hitachi loan was secured by all assets of Boxlight Inc. and guaranteed by Boxlight Parent. The outstanding amount payable to Hitachi was paid in full on September 29, 2016, out of the proceeds of the line of credit financing received from Crestmark Bank. In connection with the agreement with Hitachi, the Company paid $18,000 of loan fees which was included in interest expense.

Line of Credit – Crestmark Bank

On September 21, 2016, the Company entered into a $5,000,000 line of credit agreement with Crestmark Bank. Advances against this agreement accrued interest at 2.25% in excess of prime rate, with a minimum rate of 5.75% per annum. The outstanding balance under this agreement was secured by all assets of the Company and its subsidiaries and was due and payable upon demand.

As of December 31, 2016, outstanding principal and accrued interest were $720,291 and $0, respectively. $61,000 of loan fees related to the agreement with Crestmark Bank was included in interest expense.

On January 12, 2017, the Company received a default notice from Crestmark Bank due to the Notice of Default received from Skyview Capital and not meeting the tangible net worth covenant requirement. On February 2, 2017, the Company satisfied in full all obligations due to Crestmark and received a general release from all indebtedness.

Accounts Receivable Financing – Sallyport Commercial Finance

On August 15, 2017, Boxlight Inc, and Genesis entered into a 12-month term account sale and purchase agreement with Sallyport Commercial Finance, LLC ("Sallyport"). Pursuant to the agreement, Sallyport agreed to purchase 85% of the eligible accounts receivable of the Company with right of recourse back to the Company if the receivables are not collectible. This agreement requires a minimum monthly draw of $1,250,000 with a maximum facility limit of $6,000,000. Advances against this agreement accrue interest at 4% in excess of highest prime rate publicly announced from time to time with a floor of 4.25%. In addition, the Company is required to pay a $950 audit fee per day. The Company granted Sallyport a security interest to all of Boxlight Inc. and Genesis's assets.

As of December 31, 2017, outstanding principal and accrued interest were $502,449 and $0, respectively. For the year ended December 31, 2017, the Company incurred interest expense and loan fees of $220,607.

Short-Term Debt - Related Parties:

Line of Credit - Vert Capital

On September 30, 2014, the Company entered into a line of credit agreement with Vert Capital. Pursuant to the agreement as amended, the Company obtained a line of credit from Vert Capital up to a maximum of $900,000 to complete its IPO process. The funds originally accrued interest at 10% per annum. Pursuant to an amendment to the purchase agreement with EDI entered in September 2016, the funds began to accrue interest at 5.75% per annum. The advance was due on the effective date of the Company's IPO. In connection with this agreement, the Company granted Vert Capital a security interest to all of its assets and properties, subordinated to Sallyport's accounts receivable financing. The outstanding principle and accrued interest payable to Vert Capital of $775,259 was paid in full on December 1, 2017 out of the proceeds of the initial public offering. As of December 31, 2016, outstanding principal and accrued interest under this agreement were $822,550 and $115,319 respectively.

Line of Credit - Logical Choice Corporation-Delaware

On May 21, 2014, the Company entered into a line of credit agreement with Logical Choice Corporation-Delaware ("LCC-Delaware"), former sole member of Genesis. The line of credit allowed the Company to borrow up to $500,000 for working capital and business expansion. The funds when borrowed accrued interest at 10% per annum. Interest accrued on any advanced funds was due monthly and the outstanding principal and any accrued interest were due in full on May 21, 2015. In May 2016, the maturity date was extended to May 21, 2018. The assets of Genesis have been pledged as a security interest against any advances on the line of credit. As of December 31, 2017, outstanding principal and accrued interest under this agreement was $54,000 and $15,916, respectively. As of December 31, 2016, outstanding principal and accrued interest under this agreement was $54,000 and $10,516, respectively.

On September 30, 2014, the Company entered into a line of credit agreement with LCC-Delaware. Pursuant to the agreement, the Company obtained an additional line of credit from LCC-Delaware up to a maximum of $500,000 for a term of 3 years. The advances from this agreement accrue interest at 10% per annum and was due on demand. In connection with this agreement, the Company granted LCC-Delaware a second lien and security interest to all of its assets and properties, subordinated to the line of credit from Vert Capital. Pursuant to an amendment to the purchase agreement with EDI entered in September 2016, LCC - Delaware forgave the entire payable balance of $185,129 and interest of $37,241 owed by the Company. The forgiveness of the debt total of $222,370 was recorded as additional paid in capital.

Convertible Notes Payable - Third Parties:

Convertible Note Payable – Mark Elliott

On January 16, 2015, the Company issued a note to Mark Elliott, the Company's Chief Executive Officer, in the amount of $50,000. The note is due on December 31, 2018 as amended and bears interest at an annual rate of 10%, compounded monthly. The noted is currently in default and bears a 15% default rate. The note is convertible to the Company's common stock at the lesser of (i) $6.28 per share, (ii) a discount of 20% to the stock price if the Company's common stock is publicly traded, or (iii) if applicable, such other amount negotiated by the Company. The note holder may convert all, but not less than all, of the outstanding principal and interest due under this note upon the conversion date. As of December 31, 2017, outstanding principal and accrued interest under this agreement were $50,000 and $14,808, respectively. As of December 31, 2016, outstanding principal and accrued interest under this agreement were $50,000 and $9,809, respectively.

Convertible Note Payable – James Lofgren

On August 19, 2015, the Company issued a convertible promissory note to James Lofgren, spouse of Sheri Lofgren, the Company's Chief Financial Officer, in the amount of $45,000. The note was due on April 30, 2016 and bears interest at an annual rate of 13%, compounded monthly. Mr. Lofgren may convert all, but not less than all, of the outstanding principal and interest due under this note into the Company's Class A common stock, at the lesser of (i) $6.28 per share or (ii) a discount of 20% to the trading price if the Company's common stock is then publicly traded. The outstanding balance under this note was fully repaid on March 31, 2016.

Long-Term Debt - Related Parties:

Marlborough Note Payable

On April 1, 2016, the Company issued a $2,000,000 unsecured convertible promissory note to Marlborough Trust for the acquisition of Mimio. The Marlborough Note is convertible by the holder into the Company's Class A common stock at a per share conversion price equal to 55% of the initial offering price. The Marlborough note bears a one-time simple interest charge of 8% and was due on March 31, 2019.

On June 27, 2017, the Marlborough Trust entered into a note conversion agreement with Boxlight Parent under which the Marlborough Trust agreed, upon the effective date of the Company's post-effective amendment to the Company's registration statement on Form S-1, to convert 100% of the $2,000,000 Marlborough Note and $79,853 of accrued interest into shares of our Class A common stock at a conversion price of $6.30 per share, a total of 330,135 shares upon conversion. The effective date was August 29, 2017 at which time the outstanding note and accrued interest were converted into 330,135 shares.

As of December 31, 2016, outstanding principal and long-term accrued interest for the Marlborough Note were $2,000,000 and $40,183, respectively.

EDI Note Payable

On September 28, 2016, the Company entered into an amendment with EDI for the acquisition of Boxlight Group. The Company agreed to issue a $2,000,000 non-negotiable convertible promissory note (the "EDI Note") to settle the unpaid balance of the accounts payable owed by Boxlight Group to EDI. The note bears a one-time simple interest charge of 4% and all principal and accrued interest was due on March 31, 2019.

On May 11, 2017, the Company issued a $2,000,000 unsecured convertible promissory note to EDI replacing the 4% non-negotiable convertible promissory note of $2,000,000 issued at September 28, 2016. The new EDI Note was convertible into the Company's Class A common stock at a per share conversion price equal to 55% of the initial offering price. The new note bears a one-time simple interest charge of 4% and was due on March 31, 2019.

On June 27, 2017, EDI entered into a note conversion agreement with the Company under which EDI agreed, upon the effective date of the Company's post-effective amendment to the Company's registration statement on Form S-1, to convert 100% of the $2,000,000 convertible promissory note and $60,274 of accrued interest into shares of our Class A common stock at a conversion price of $6.30 per share, a total of 327,027 shares upon conversion. The effective date was August 29, 2017, at which time the outstanding note and accrued interest were converted into 327,027 shares.

As of December 31, 2016, outstanding principal and long-term accrued interest for EDI Note were $2,000,000 and $20,602, respectively.

NOTE 11 – DEFERRED REVENUE

On July 18, 2016, upon the acquisition of Boxlight Group, the Company assumed a $761,622 future performance obligation for separately priced extended warranties sold by Boxlight Group based on preliminary measurement of the assets acquired and liabilities assumed.

Deferred revenue consisted of the following as of December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Balance, beginning of year	$ 767,726	$ -
Assumed from Boxlight Group	-	761,622
Additions	1,070,528	259,744
Amortization	(535,537)	(253,640)
Balance, ending of year	1,302,717	767,726
Deferred revenue – short-term	1,127,423	495,603
Deferred revenue – long-term	$ 175,294	$ 272,123

NOTE 12 – INCOME TAXES

The Company operates in the United States and Mexico. 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 Company idled its office in Mexico in 2016. For the years ended December 31, 2017 and 2016, the Company has incurred net losses and, therefore, has no tax liability. The cumulative net operating loss carry-forward on tax basis was approximately $7.6 and $4.7 million at December 31, 2017 and 2016, respectively. The value of these carryforwards depends on the Company's ability to generate taxable income. A change in ownership, as defined by federal income tax regulations, could significantly limit the Company's ability to utilize our net operating loss carryforwards. Additionally, because federal tax laws limit the time during which the net operating loss carryforwards may be applied against future taxes, if the Company fails to generate taxable income prior to the expiration dates the Company may not be able to fully utilize the net operating loss carryforwards to reduce future income taxes. The Company has cumulative losses and there is no assurance of future taxable income, therefore, valuation allowances have been recorded to fully offset the deferred tax asset at December 31, 2017 and 2016.

The Company is subject to United States federal income taxes. The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows (rounded to nearest $000):

	2017	2016
Income tax benefit computed at the statutory rate	$ 2,289,000	$ 722,000
Stock compensation	(1,521,000)	(163,000)
Change in fair value of derivative liabilities	301,000	-
Non-deductible expenses	(21,000)	(25,000)
Depreciation and amortization expenses	(9,000)	(4,000)
Bad debt expense	(31,000)	(146,000)
Others	12,000	144,000
Effect of U.S. tax law change	(1,107,000)	-
Change in valuation allowance	87,000	(528,000)
Provision for income taxes	$ -	$ -

On December 22, 2017, new federal tax reform legislation was enacted in the United States (the "2017 Tax Act"), resulting in significant changes from previous tax law. The 2017 Tax Act reduces the federal corporate income tax rate to 21% from 35% effective January 1, 2018. The rate change, along with certain immaterial changes in tax basis resulting from the 2017 Tax Act, resulted in a reduction of the Company's deferred tax assets of approximately $1.1 million and a corresponding reduction in the valuation allowance.

Significant components of the Company's deferred tax assets after applying enacted corporate income tax rates are as follows (rounded to nearest $000):

	December 31, 2017	December 31, 2016
Depreciation and amortization expenses	$ 8,000	$ 4,000
Bad debt expense	106,000	146,000
Others	-	12,000
Net loss carrying forward	1,589,000	1,628,000
Valuation allowance	(1,703,000)	(1,790,000)
Net deferred income tax assets	$ -	$ -

The tax years from 2014 to 2017 remain open to examination by the major taxing jurisdictions to which the Company is subject.

NOTE 13 – EQUITY

Preferred Shares

The Company's articles of incorporation provide that the Company is authorized to issue 50,000,000 preferred shares consisting of: 1) 250,000 shares of voting Series A preferred stock, with a par value of $0.0001 per share; 2) 1,200,000 shares of voting Series B preferred stock, with a par value of $0.0001 per share; 3) 270,000 shares of voting Series C preferred stock, with a par value of $0.0001 per share; and 4) 48,280,000 shares to be designated by the Company's Board of Directors.

As of December 31, 2016, the Company had issued 1,000,000 shares of Series B Preferred Stock for the acquisition of Genesis and 270,000 shares of Series C Preferred Stock for the acquisition of Boxlight Group. Upon the completion of IPO in November 2017, all of the shares of Series B and C Preferred stock related to the acquisitions of Genesis and Boxlight Group were converted to Class A common stock.

Upon completion of the Company's initial public offering, an aggregate of 250,000 shares of the Company's non-voting convertible Series A preferred stock were issued to Vert Capital for the acquisition of Genesis. All of the Series A Preferred Stock shall be automatically converted into Class A common stock not later than November 30, 2018.

Common Shares

In January 2015, the Company amended its articles of incorporation to state that the Company's common shares consist of: 1) 150,000,000 shares of Class A voting common stock and 2) 50,000,000 shares of Class B non-voting common stock. Class A and Class B common stock have the same rights except that Class A common stock is entitled to one vote per share while Class B common stock has no voting rights. Upon any public or private sale or disposition by any holder of Class B common stock, such shares of Class B common stock shall automatically convert into shares of Class A common stock. As of December 31, 2017 and 2016, the Company had 9,558,997 and 4,621,687 shares of Class A common stock issued and outstanding, respectively. No class B shares were outstanding at December 31, 2017 and 2016.

Issuances in 2017:

Issuance of common stock in connection with IPO

In November 2017, the Company completed its initial public offering and issued 958,983 and 41,017 shares of Class A common stock at $7.00 per share for net proceeds of $5,678,609 and conversion of accounts payable to a third party of $287,119, respectively.

In November 2017, the Company issued 370,040 shares of Class A common stock for the conversion of 1,000,000 shares of Series B preferred stock in relation to the Genesis acquisition.

In November 2017, the Company issued 2,055,873 shares of Class A common stock for the conversion of 270,000 shares of Series C preferred stock in relation to the Boxlight Group acquisition.

Issuance of common stock for directors compensation

In March 2015, and as amended on February 26, 2016, the Company entered into agreements with two new Board members. In consideration of their agreement to serve on the Company's Board, the Company agreed to sell a number of common shares equal to 0.5% and 1.25%, respectively, of the Company's fully-diluted common shares to these members on IPO. Upon completion of the IPO, the two members were issued 186,000 shares in total at a purchase price of $0.0001 per share. The Company recognized stock compensation expense of $1,302,000 on the grant date. Additionally, one of the directors receives a fee payable in cash of $50,000 per annum, which commenced on February 26, 2016.

Settlement of trademark liability

On April 16, 2009, Boxlight Inc. entered into a trademark license agreement with Herbert H. Myers whereby Boxlight Inc. agreed to pay Mr. Myers 15% of the quarterly net income of Boxlight Inc. This payment shall continue until $1,250,000 is paid, upon which, the license fee shall drop to 10%. Upon reaching the aggregate sum of $2,500,000 or 10 years of licensing, whichever comes first, the trademark will be sold to Boxlight Inc. for $1. Through the period ended December 31, 2014, Boxlight Inc. paid $32,580 related to this agreement.

In October 2014, Boxlight Inc. entered into an amendment to the trademark license agreement with Mr. Myers, whereby Mr. Myers agreed to sell the trademark for $250,000. Payment would be made through the issuance of shares of Boxlight Corporation by dividing $250,000 by the initial price per share of shares of Boxlight Corporation's common stock sold in the initial public offering of Boxlight Corporation. In 2014, the Company issued 39,841 shares to Mr. Myers as security deposit. The Company completed its IPO in November 2017 at $7.00 per share. Total shares issued to Mr. Myers had a value of $278,887 on the IPO date. Mr. Myers confirmed the trademark liability was settled but would not return the additional 4,127 shares issued to him. The Company therefore recorded a loss from settlement of $28,887.

Issuance of common stock in connection with Loeb & Loeb agreement

On December 16, 2015, and as amended in April and November 2017, the Company agreed to pay Loeb & Loeb ("Loeb") for legal services rendered in connection with the Company's IPO for $900,000. Pursuant to the amendment agreement, upon closing the IPO, the Company made a cash payment to Loeb of $400,000 and issued 138,692 restricted shares of Class A common stock. Commencing with the first month after the closing of the IPO, the Company shall make six monthly cash payments to Loeb each in the amount of $47,500 no later than the fifth day of each month for a total amount of $285,000. Upon receipt of the total payment of $285,000, Loeb will return 82,059 shares to the Company. No later than 12 months after the closing of IPO, the Company shall pay the remaining balance of $215,000. Upon receipt of the final payment of $215,000, Loeb will return 33,517 shares to the Company. Loeb will continue to beneficially own 23,116 shares of our Class A common stock. At December 31, 2017, the Company had paid $400,000 and had a remaining payable of $500,000.

Issuances of common stock for settlement of accounts payable and debt

In June 2017, EDI agreed to convert $1,500,000 of accounts payable into 238,095 shares of Class A common stock at a conversion price of $6.30 per share. No gain or loss was recorded on the conversion.

In August 2017, EDI and Marlborough converted long-term convertible notes payable and accrued interest of $4,140,127 in total into 657,162 shares of Class A common stock at a conversion price of $6.30 per share. See Note 10. No gain or loss was recorded on the conversion.

Exercise of stock options

In 2017, the Company issued 291,402 shares of Class A common stock upon exercise of employee's options for net cash proceeds of $29.

Issuances in 2016:

Issuances of common stock to K-Laser for cash

On September 28, 2016, pursuant to an amended agreement with EDI, K Laser, the principal stockholder of EDI, purchased 178,572 shares of Class A common stock at $5.60 per share for cash of $1,000,003. The Company agreed to use $650,000 of the proceeds to retire a separate obligation owed by Boxlight Inc. to EDI.

Issuances of common stock for cash

In September 2016, the Company issued 18,014 shares of Class A common stock at $1.055 per share for cash of $19,000. As of December 31, 2016, the Company had received cash of $18,900 and had subscriptions receivable of $100.

In November 2016, the Company issued 33,865 shares of Class A common stock at $5.906 per share for cash of $200,004.

Issuances of common stock for settlement of accounts payable and debt

In October and September 2016, the Company issued an aggregate of 94,735 shares at $1.055 per share to settle accounts payable of $99,910 (including $77,268 of accrued commission payable to Mark Elliott, the Company's CEO).

In October 2016, the Company issued 3,556 shares of Class A common stock to a third party at $5.906 per share to settle accounts payable of $21,000.

In October 2016, the Company issued 109,915 shares of Class A common stock at $1.055 per share to settle $100,000 of the outstanding principal short-term debt and $15,919 of accrued interest.

Distribution to Vert Capital

During the first quarter of 2016, Mimio was under the control of Vert Capital. It distributed cash of $814,625 to Vert Capital for payments of the Skyview Note prior to the acquisition by the Company.

Stock Splits

In December 2016, the Company completed a stock split of 0.948207171 for 1 of its Class A common stock increasing its outstanding Class A common stock to 4,621,687 shares. All share numbers or per share information presented give effect to the stock splits.

NOTE 14 – SHARE-BASED COMPENSATION

On September 19, 2014, the Board approved the Company's 2014 Stock Option Plan. The total number of underlying shares of the Company's Class A common stock available for grant to directors, officers, key employees, and consultants of the Company or a subsidiary of the Company under the plan is 2,390,438 shares. Grants made under this plan must be approved by the Company's Board of Directors. As of December 31, 2017, the Company had 1,577,864 shares reserved for issuance under the plan. In 2018, the Board of Director approved to increase shares available for grant by 300,000 shares to 2,690,438 shares. The increase is not finalized and subject to shareholders' approvals.

Stock Options

Under our stock option program, an employee receives an award 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 immediate to 4 year vesting period and expire 5 years from the grant date, unless stated differently in the option agreements, if they are not exercised. Stock options have no financial statement effect on the date they are granted but rather are reflected over time through recording compensation expense and increasing shareholder's equity. We record compensation expense based on the estimated fair value of the awards that vest and that amount 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.

Following is a summary of the option activities during the years ended December 31, 2017 and 2016:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding, December 31, 2015	729,434	$ 0.12	
Granted	120,971	$ 0.13	
Outstanding, December 31, 2016	850,405	$ 0.08*	7.58
Granted	374,542	$ 6.39	
Exercised	(291,402)	$ 0.0001	
Cancelled	(120,971)	$ 0.12	
Outstanding, December 31, 2017	812,574	$ 3.01	5.64
Exercisable, December 31, 2017	396,596	$ 0.57	6.42

* Adjusted due to the change of exercise price of options issued to its Chief Financial Officer effective November 1, 2016.

The Company estimates the fair value of each stock option award on the date of grant using a Black- Scholes option pricing model. Outstanding stock option awards may be dilutive to earnings per share when they are in the money (i.e the market price of the Company's stock is greater than the strike price of the option). When an option is dilutive, it increases the number of shares used in the diluted earnings per share calculation which will decrease earnings per share. However, the effect stock options have on the number of shares added to the diluted earnings in not one-for-one. The average amount of unrecognized compensation expense (the portion of the fair value of these option awards not yet amortized) and the market price of the Company's stock during the reporting period affect how many of these potential shares are included in the calculation. The calculation assumes that proceeds received from the exercise and the unrecognized compensation expense are used to buy back shares, which reduces the dilutive impact. As of December 31, 2017, the options had an intrinsic value of $2,097,415.

Issuances in 2017:

On April 4, 2017, the Company granted options to purchase 18,000 shares of Series A common stock at $5.60 per share to its then controller, currently Chief Financial Officer, for services. These options vest in 4 years and commenced in the quarter ended June 30, 2017 and expire 5 years from the date of grant. The options had a fair value of approximately $7,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

In November 2017, the Company granted options to purchase 29,200 options at $0.0001 per share to its former Chief Financial Officer for services. These options vested immediately and expire 5 years from the date of grant. The options had a fair value of approximately $204,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

In November 2017, the Company granted options to purchase 37,829 options at $7.00 per share to its former Chief Operating Officer for services. These options vest in 3 years and expire 5 years from the date of grant. The options had a fair value of approximately $126,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

In November 2017 and pursuant to Boxlight Group's acquisition agreement with EDI, the Company granted options to purchase 185,018 options at $7.00 per share to its Boxlight Group's employees. These options vest in 4 years and expire 5 years from the date of grant. The options had fair value of approximately $634,000 on grant date that was calculated using the Black-Scholes option-pricing model.

In November 2017, the Company granted options to purchase 4,495 options at $7.00 per share to one of its employees for services. These options vest in 4 years and expire 5 years from the date of grant. The options had a fair value of approximately $15,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

In November 2017, the Company granted options to purchase 100,000 options at $7.00 per share to two directors for services. These options vest in 1 year and expire 5 years from the date of grant. The options had a fair value of approximately $319,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

Variables used in the Black-Scholes option-pricing model for options granted during the year ended December 31, 2017 include: (1) discount rate of 1.47% – 1.90% (2) expected life of 2.5 – 3.75 years, (3) expected volatility of 65% – 69%, and (4) zero expected dividends.

Issuances in 2016:

On May 13, 2016, the Company granted options to purchase 120,971 shares of Class A common stock at $0.12 per share to an employee for services. These options vest in four years and commenced in the quarter ended June 30, 2016 and expire 5 years from the date of grant. The options have a fair value of $109,000 that was calculated using the Black-Scholes option-pricing model. These options were canceled in 2017 pursuant to the termination of employment agreement.

On November 1, 2016, the Company entered into an amended employment agreement with its prior Chief Financial Officer, which amended the exercise price of the 291,402 options granted from $0.13 to $0.0001 per share. The options vesting term was changed to (i) 50% of the remaining unvested options shall vest immediately following the agreement, (ii) all remaining unvested options shall vest on March 31, 2017. Pursuant to the amendment of employment agreement, the fair value of options granted was changed to approximately $484,000 using the Black-Scholes option-pricing model. In 2017, the officer exercised the options and the Company issued 291,402 shares to the officer and received $29 cash.

Variables used in the Black-Scholes option-pricing model for options granted during the year ended December 31, 2016 include: (1) discount rate of 0.97 - 0.99% (2) expected life of 3.75 to 3.96 years, (3) expected volatility range of 66 to 69%, and (4) zero expected dividends.

Warrants

Following is a summary of the warrants activities during the years ended December 31, 2017 and 2016:

	Number of Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding, December 31, 2015	-		
Granted	-		
Outstanding, December 31, 2016	-		
Granted	1,070,717	$ 7.57	2.12
Outstanding, December 31, 2017	1,070,717	$ 7.57	2.12
Exercisable, December 31, 2017	1,020,717	$ 7.56	2.00

On November 7, 2014, the Company agreed to issue to Vert Capital and a consultant five year warrants with terms contingent upon the completion of the IPO for advisory and consulting services to purchase 796,813 and 23,904, shares of our Class A common stock respectively. The warrants had an exercise price equal to 110% of the initial per share offering price. The Company completed its IPO in November 2017, establishing the exercise price and the grant date, and determined that these warrants had a fair value of $2,087,840 and $62,718, respectively, using a binomial option-pricing model.

Effective as of October 12, 2016 and November 28, 2017, and as a result of Adam Levin and Michael Pope no longer being employed at Vert Capital, Boxlight Parent cancelled the Vert Capital warrants and reissued 597,610 and 199,203 warrants under the same terms to Dynamic Capital LLC ("Dynamic") and Canaan Parish LLC ("Canaan"), entities associated with Adam Levin and to Michael Pope, respectively, upon the completion of the IPO. These warrants expire on December 31, 2019. Among other provisions, such warrants contain "cashless" exercise rights, certain warrant coverage provisions and net cash settlement rights. Specifically, the holders of the warrants were entitled to receive additional warrants to purchase up to 20% of the number of shares of Class A common stock in total (or securities convertible or exercisable for Class A common stock) that are issued by Boxlight Parent in connection with a qualified equity financing or acquisition event as defined in the warrants. The warrants prohibit the holder from selling any of the shares issuable upon exercise of such warrants for a period of not less than nine months from the date of issuance. These warrants had a fair value of $2,087,840 on measurement date using the binomial option-pricing model and were immediately exercisable upon the closing of IPO.

In November 2017, the Company committed to grant additional 150,000 and 50,000 warrants to Dynamic and Canaan, respectively. These warrants had a fair value of $567,996 on measurement date using the binomial option-pricing model and were immediately exercisable upon issuance.

In November 2017, the Company granted warrants to its placement agents for the IPO to purchase an aggregate of 50,000 shares of common stock with an exercise price at $7.70 price per share of the Company's IPO. These warrants expire on August 29, 2022. These warrants had a fair value of $192,591 on grant date using the Black-Scholes Option-Pricing Model and will be exercisable on August 29, 2018.

Variables used in the binomial and Black-Scholes option-pricing model for warrants granted during the year ended December 31, 2017 include: (1) discount rate of 1.75% – 2.14% (2) expected life of 2.09 – 4.75 years, (3) expected volatility of 69% – 71%, and (4) zero expected dividends. As of December 31, 2017, the warrants had an intrinsic value of $0.

The warrants granted to Dynamic, Canaan and Lackamoola contain net cash settlement provisions and do not have fixed settlement provisions because their exercise prices may be lowered if the Company issues securities at lower prices in the future. The Company concluded that the instruments are accounted for as derivative liabilities because of the net cash and non-fixed settlement provisions. See Note 19.

Stock compensation expense

For the years ended December 31, 2017 and 2016, the Company recorded the following stock compensation expense:

	2017	2016
Stock options	$ 323,875	$ 464,321
Warrants	2,718,554	-
Class A common stock grants	1,302,000	-
Total stock compensation expense	$ 4,344,429	$ 464,321

As of December 31, 2017, there was $1,025,157 of unrecognized compensation expense related to unvested options, which will be amortized over the remaining vesting period. Of that total, approximately $499,000 is estimated to be recorded as compensation expense in 2018.

NOTE 15 – OTHER RELATED PARTY TRANSACTIONS

Management Agreement – VC2 Advisors, LLC

On July 15, 2015, the Company entered into a management agreement with VC2 Advisors LLC, a Delaware limited liability company, in which Michael Pope, our President and Director, was a manager. VC2 Advisors is owned by Sugar House Trust and AEL Irrevocable Trust, trusts established for the benefit of the families of Michael Pope and Adam Levin. Pursuant to the agreement, VC2 shall perform consulting services for the Company relating to, among other things, sourcing and analyzing strategic acquisitions and introductions to various financing sources. VC2 shall receive an annual management fee payable in cash equal to 1.5% of total consolidated revenues at the end of each fiscal year ended December 31, 2016, 2017 and 2018, payable in monthly installments, commencing as of the date of the Company's IPO. The annual fee is subject to a cap of $1,000,000 in each of 2016, 2017 and 2018. At its option, VC2 may also defer payment until the end of each year, payable as an option to purchase shares of Class A common stock of the Company, at a price per share equal to 100% of the closing price of the Company's Class A common stock as traded on Nasdaq or any other national securities exchange as of December 31 of such year in question. Effective October 12, 2016, as a result of Adam Levin and Michael Pope no longer being employed at VC2, the consulting agreement with VC2 was terminated. Subsequently, the Company entered into new consulting agreements on identical terms with other entities which now employ Michael Pope and Adam Levin. As of December 31, 2017, the Company had a payable of $35,632 pursuant to these agreements.

In 2018, as a result of Adam Levin and Michael Pope no longer working at VC2 Advisors, the Company canceled the VC2 Advisors agreement and entered into a new management agreement, with substantially the same terms, with Canaan Parish, LLC, an entity affiliated with Michael Pope.

Sales and Purchases - EDI

EDI, an affiliate of the Company's major shareholder K-Laser, is a major supplier of products to the Company. For the years ended December 31, 2017 and 2016, the Company had purchases of approximately $5.3 and $2.8 million, respectively, from Everest Display Inc. For the years ended December 31, 2017 and 2016, the Company had sales of approximately $66,000 and $160,000, respectively, to Everest Display Inc. As of December 31, 2017 and 2016, the Company had accounts payable of approximately of $4,325,000 and $3,618,000, respectively, to Everest Display Inc.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

In July 2015, a supplier filed a lawsuit against the Company for outstanding payables owed by the Company of approximately $72,000. In February 2016, the supplier and the Company agreed to settle the indebted balance for $43,000 provided that the Company pays on or before March 16, 2016. The Company failed to make the payment and the judgement amount was therefore increased to approximately $70,000 and with interest and court costs of approximately $2,300. The Company is currently negotiating new terms with the supplier. On January 29, 2018, the Company entered into a Compromise Settlement and Release agreement with the supplier, where the Company agreed to settle the indebted balance for $39,000. On January 30, 2018 the Company paid the settlement in full and is currently waiting for a release from the Court.

On April 2017, a Garnishment Action was filed by Asahi Net, Inc. ("Asahi") against Vert. Asahi is seeking to garnish funds in the amount of $2,180,881. The Company is listed as a garnishee in the Action because Vert had loaned money to the Company. The Company has already paid Vert in full satisfaction of the loan. The Garnishment Action is currently in the discovery phase where the Company disputes Asahi's allegations. The outcome is unknown but likely to be favorable to the Company. On March 1, 2018, the Company was served a claim under the Georgia Uniform Voidable Transactions Act by Asahi, which is seeking to void transactions between the Company and Vert. The Company disputes these allegations. The outcome is unknown, but likely to be favorable to the Company.

On June 1, 2017, the Company was served with a lawsuit from Skyview seeking judgment on the $1,460,508 outstanding balance due under the currently defaulted Skyview Note, plus accrued interest thereon, and also seeking to foreclose on the assets of Mimio that is now owned and operated by our Boxlight, Inc. The Company paid off the $1,460,508 outstanding balance in November 2017. Skyview filed a request for additional attorney fees in the amount of $67,826. On March 14, 2018, the Company satisfied the claim and is currently waiting for the release in full from the Court.

Operating Lease Commitments

The Company leases two office spaces under non-cancelable lease agreements. The leases provide that the Company pays only a monthly rental and is not responsible for taxes, insurance or maintenance expenses related to the property. Future minimum lease payments of the Company's operating leases with a term over one year subsequent to December 31, 2017 are as follows:

Year ending December 31,	Amount
2018	$ 265,050
2019	60,600
2020	-
Net Minimum Lease Payments	$ 325,650

The Company also has another office lease on a month-to-month basis. For the twelve months ended December 31, 2017 and 2016, aggregate rent expense was approximately $274,950 and $286,999, respectively.

NOTE 17 – CUSTOMER AND SUPPLIER CONCENTRATION

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

The Company's revenues were concentrated among few customers for the years ended December 31, 2017 and 2016:

Customer	Total revenues from the customer to total revenues for the year ended December 31, 2017	Accounts receivable from the customer as of December 31, 2017 (rounded to 000)	Total revenues from the customer to total revenues for the year ended December 31, 2016	Accounts receivable from the customer as of December 31, 2016 (rounded to 000)
1	12%	$ 372,000	13%	$ 11,917
2	11%	$ 634,000	1%	$ 162,300

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

The Company's purchases were concentrated among few vendors for the years ended December 31, 2017 and 2016:

Vendor	Total purchases from the vendor to total purchases for the year ended December 31, 2017	Accounts payable (prepayment) to the vendor as of December 31, 2017 (rounded to 000)	Total purchases from the vendor to total purchases for the year ended December 31, 2016	Accounts payable (prepayment) to the vendor as of December 31, 2016 (rounded to 000)
1	37%	$ (61,000)	2%	$ (229,000)
2*	34%	$ 4,325,000	32%	$ 3,618,000

* EDI, a related party. See note 15.

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

NOTE 18 – SUBSEQUENT EVENTS

On January 2, 2018, the Company granted 100,000 stock options each to its President, Chief Executive Officer and former Chief Financial Officer with an exercise price of $5.01 per share vesting monthly over one year. The expiration date is five years from the grant date.

On January 2, 2018, the Company granted 200,000 stock options each to Hank Nance, Chief Operating Officer, with an exercise price of $5.01 per share vesting monthly over one year. The expiration date is five years from the grant date.

On January 8, 2018, K Laser purchased 60,000 shares of common stock at $7.00 per share.

On February 14, 2018, the Company granted 367,500 employee stock options with an exercise price of $5.40 per share vesting quarterly over four years. The expiration date is five years from the grant date.

On March 19, 2018, the Company granted 35,000 stock options to Takesha Brown, Chief Financial Officer, with an exercise price of $4.00 per share vesting monthly over one year in accordance with the terms of her employment agreement. The expiration date is five years from the grant date.

On March 20, 2018, Sheri Lofgren, the former Chief Financial Officer, exercised 29,200 stock options at par value and issued payment of $3.

NOTE 19 – RESTATEMENT

Summary of restatement

Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2017 on April 2, 2018, the Company identified that (1) warrants which contain certain net cash settlement and down-round provisions were incorrectly accounted for as equity instruments instead of derivative liabilities; (2) it did not record additional warrants to be issued to Dynamic and Canaan pursuant to an qualified equity event as defined in the warrants agreements; and (3) an overstatement of stock compensation expense. The Company recorded derivative liabilities of $1,857,252 and decreased additional paid-in capital by $2,614,795 at December 31, 2017. The Company also adjusted stock compensation expense and change in fair value of derivative liabilities for the year ended December 31, 2017 by $103,759 and $861,302, respectively.

Following is a summary of the restatement changes made to the consolidated financial statements previously issued as of and for the year ended December 31, 2017:

		Originally Reported 2017		Adjustments 2017		As Restated 2017
Consolidated balance sheet:						
Derivative liabilities	$	-	$	1,857,252	$	1,857,252
Additional paid-in capital	$	23,740,751	$	(2,614,795)	$	21,125,956
Accumulated deficit	$	(12,785,931)	$	(757,543)	$	(12,028,388)
Consolidated Statement of Operations and Comprehensive Loss:						
General and administrative	$	13,086,120	$	103,759	$	13,189,879
Change in fair value of derivative liabilities	$	-	$	861,302	$	861,302
Net loss	$	(7,297,109)	$	(757,543)	$	(6,539,566)
Total comprehensive loss	$	(7,332,039)	$	(757,543)	$	(6,574,496)
Consolidated Statement of Changes in Stockholder's Equity:						
Stock compensation	$	2,938,670	$	(2,614,795)	$	323,875
Net loss	$	(7,297,109)	$	(757,543)	$	(6,539,566)
Consolidated Statements of Cash Flows:						
Net loss	$	(7,297,109)	$	(757,543)	$	(6,539,566)
Stock compensation	$	4,240,670	$	103,759	$	4,344,429
Change in fair value of derivative liabilities	$	-	$	861,302	$	861,302

Derivative liabilities

ASC Topic No. 815 - Derivatives and Hedging provides guidance on determining what types of instruments or embedded features in an instrument issued by a reporting entity can be considered indexed to its own stock for the purpose of evaluating the first criteria of the scope exception in the pronouncement on accounting for derivatives. These requirements can affect the accounting for warrants issued by the Company. At December 31, 2017, the Company had warrants that contain a net cash settlement provision and do not have fixed settlement provisions because their exercise prices may be lowered if the Company issues securities at lower prices in the future. The Company concluded that the instruments are accounted for as derivative liabilities. In determining the fair value of the derivative liabilities, the Company used the binomial option pricing model at December 31, 2017:

		December 31, 2017
Common stock issuable upon exercise of warrants		1,020,717
Market value of common stock on measurement date	$	5.79
Exercise price	$	7.70 to $7.00
Risk free interest rate(1)		1.89%
Expected life in years		2 years
Expected volatility (2)		70.69%
Expected dividend yields (3)		0%

(1) The risk-free interest rate was determined by management using the applicable Treasury Bill as of the measurement date.
(2) The historical trading volatility was determined by calculating the volatility of the Company's peers common stock.
(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 that were accounted for at fair value on a recurring basis for the year ended December 31, 2017:

		Amount
Balance, December 31, 2016	$	-
Initial valuation of derivative liabilities of warrants		2,718,554
Change in fair value of derivative liabilities		(861,302)
Balance, December 31, 2017		1,857,252

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Section 2: EX-31.1

Exhibit 31.1

Certification

I, James Mark Elliott, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2017 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: August 16, 2018

/s/ James Mark Elliott
James Mark Elliott
Chief Executive Officer (Principal Executive Officer)

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Section 3: EX-31.2

Exhibit 31.2

CERTIFICATION

I, Takesha Brown, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2017 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: August 16, 2018

/s/ Takesha Brown
Takesha Brown
Chief Financial Officer

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Section 4: EX-32.1

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 Amendment No. 1 to the Annual Report of Boxlight Corporation (the “Company”) on Form 10-K pursuant for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James Mark Elliott, 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: August 16, 2018

/s/ James Mark Elliott
James Mark Elliott
Chief Executive Officer

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Section 5: EX-32.2

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 Amendment No. 1 to the Annual Report of Boxlight Corporation (the “Company”) on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Takesha Brown, 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: August 16, 2018

/s/ Takesha Brown
Takesha Brown
Chief Financial Officer

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