Section 1: 10-K

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

FORM 10-K

(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, 2018

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, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [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. $19,202,312.

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 25, 2019 was 10,516,352.

DOCUMENTS INCORPORATED BY REFERENCE

None

BOXLIGHT CORPORATION

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (including the section regarding Management's Discussion and Analysis and Results of 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 I

ITEM 1. DESCRIPTION OF BUSINESS

We are an education technology company that develops, sells and services interactive classroom solutions for the global education market. We are seeking to become a world leading innovator and integrator of interactive products and software for schools, as well as for business and government learning spaces. We currently design, produce and distribute interactive technologies including flat panels, projectors, whiteboards and peripherals to the education market. We also distribute science, technology, engineering and math (or "STEM") products, including our portable science lab. All of our products are integrated into our classroom software suite that provides tools for whole class learning, assessment and collaboration. To date, we have generated substantially all of our revenue from the sale of our software and interactive displays to the educational market.

We are a vertically integrated total solution provider with hardware, engineering and manufacturing, software and content development. We provide comprehensive services to our clients and customers, including installation, training, consulting and maintenance. We seek to provide easy-to-use solutions combining interactive displays with robust software to enhance the educational environment, ease the teacher technology burden, and improve student outcomes. Our goal is to become a single source solution to satisfy the needs of educators around the globe and provide a holistic approach to the modern classroom. Our products are currently sold in approximately 60 countries and our software is available in 32 languages, helping children learn in over 850,000 classrooms. We sell our products and software though more than 500 global reseller partners. We believe we offer the most comprehensive and integrated line of interactive display solutions, audio products, peripherals and accessories for schools and enterprises. Our products are backed by nearly 30 years of research and development. We introduced the world's first interactive projector in 2007 and obtained patents to the technology in 2010.

Advances in technology and new options for introduction into the classroom have forced school districts to look for solutions that allow teachers and students to bring their own devices into the classroom, provide school district information technology departments with the means to access data with or without internet access, handle the demand for video, and control cloud and data storage challenges. Our design teams are able to quickly customize systems and configurations to serve the needs of clients so that existing hardware and software platforms can communicate with one another. We have created plug-ins for annotative software that make existing and legacy hardware interactive and allows interactivity with or without wires through our MimioTeach product. Our goal is to become a single source solution to satisfy the needs of educators around the globe and provide a wholistic approach to the modern classroom.

We pride ourselves in providing industry-leading service and support and have received numerous product awards. Our STEM product, Labdisc, won the BETT Awards 2018 in the tools for teaching, learning and assessment category. In 2017, our MimioStudio with MimioMobile was a BETT Awards finalist in the tools for teaching, learning and assessment area. Our Labdisc product was named Best of BETT 2017 for the Tech & Learning award. In 2017 our Labdisc product won Best In Show at TCEA. Our P12 Projector Series won the Tech & Learning best in show award at ISTE in 2017. Our MimioMobile App with Mimio Studio Classroom Software won the 2016 Cool Tool Award. We received the 2016 Award of Excellence for our MimioTeach at the 34th Tech & Learning Awards of Excellence program honoring new and upgraded software.

Since the Company launched its patented interactive projectors in 2007, we have sold them to public schools in the United States and in 49 other countries, as well as to the Department of Defense International Schools, and in approximately 3,000 classrooms in 20 countries, the Job Corp, the Library of Congress, the Center for Disease Control, the Federal Emergency Management Agency, nine foreign governments and the City of Moscow and numerous Fortune 500 companies, including Verizon, GE Healthcare, Pepsico, First Energy, ADT, Motorola, First Data and Transocean and custom built 4,000 projectors for the Israeli Defense Forces.

Our Company

Boxlight Corporation was incorporated in Nevada on September 18, 2014 for the purpose of acquiring technology companies that sell interactive products into the education market. As of the date of this Annual Report, we have five subsidiaries, consisting of Boxlight Inc., a Washington State corporation, Boxlight Latinoamerica, S.A. DE C.V. and Boxlight Latinamerica Servicios, S.A. DE C.V., both incorporated in Mexico, Boxlight Group Ltd., a company incorporated in the UK and EOSEDU, LLC, a Nevada limited liability company

Effective April 1, 2016, we acquired Mimio LLC ("Mimio"). Mimio designs, produces and distributes a broad range of Interactive Classroom Technology products primarily targeted at the global K-12 education market. Mimio's core products include interactive projectors, interactive flat panel displays, interactive touch projectors, touchboards and MimioTeach, which can turn any whiteboard interactive within 30 seconds. Mimio's product line also includes an accessory document camera, teacher pad for remote control and an assessment system. Mimio was founded on July 11, 2013 and maintained its headquarters in Boston, Massachusetts. Manufacturing is by ODM's and OEM's in Taiwan and China. Mimio products have been deployed in over 600,000 classrooms in dozens of countries. Mimio's software is provided in over 30 languages. Effective October 1, 2016 Mimio LLC was merged into our Boxlight Inc. subsidiary.

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

Effective July 18, 2016, we acquired Boxlight Inc., Boxlight Latinoamerica, S.A. DE C.V. ("BLA") and Boxlight Latinoamerica Servicios, S.A. DE C.V. ("BLS") (together, "Boxlight Group"). The Boxlight Group sells and distributes a suite of patented, award-winning interactive projectors that offer a wide variety of features and specifications to suit the varying needs of instructors, teachers and presenters. With an interactive projector, any wall, whiteboard or other flat surface becomes interactive. A teacher, moderator or student can use the included pens or their fingers as a mouse to write or draw images displayed on the surface. As with interactive whiteboards, interactive projectors accommodate multiple users simultaneously. Images that have been created through the projected interactive surface can be saved as computer files. The new Company's new ProjectoWrite 12 series, launched in February 2016, allows the simultaneous use of up to ten simultaneous points of touch.

On May 9, 2018 and pursuant to a stock purchase agreement, we acquired 100% of the share capital of Cohuborate, Ltd., a United Kingdom corporation based in Lancashire, England. Cohuborate produces, sells and distribute interactive display panels designed to provide new learning and working experience through high-quality technologies and solutions through in-room and room-to-room multi-device multi-user collaboration. Although a development stage company with minimal revenues to date, we believe that Cohuborate will enhance our software capability and product offerings.

On June 22, 2018 pursuant to a stock purchase agreement, Boxlight Parent acquired 100% of the capital stock of Qwizdom Inc., a Washington corporation and its subsidiary Qwizdom UK Ltd. a corporation organized under the laws of Ireland (the "Qwizdom Companies"). The Qwizdom Companies develop software and hardware solutions that are quick to implement and designed to increase participation, provide immediate data feedback, and, most importantly, accelerate and improve comprehension and learning. The Qwizdom Companies have offices outside Seattle, WA and Belfast, Northern Ireland and deliver products in 44 languages to customers around the world through a network of partners. Over the last three years, over 80,000 licenses have been distributed for the Qwizdom Companies' interactive whiteboard software and online solutions.

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

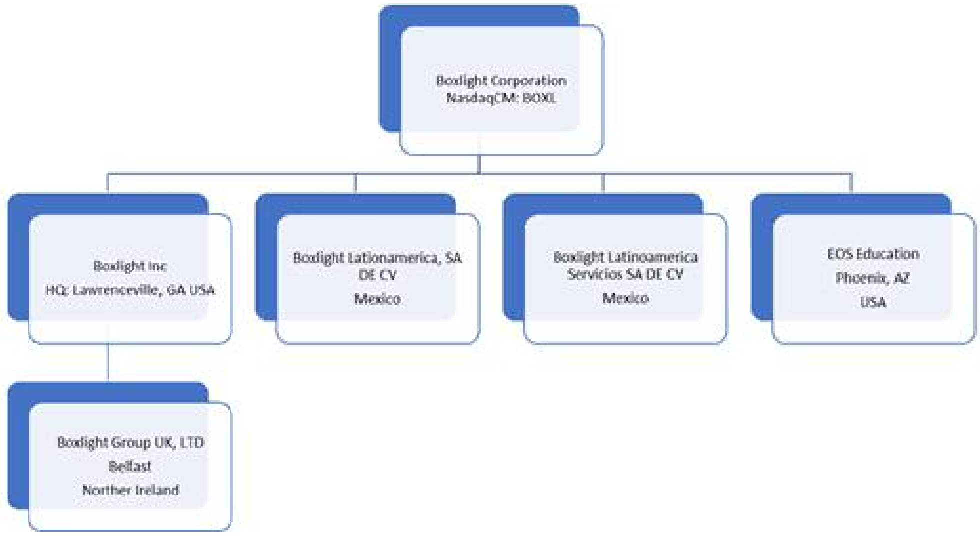
The businesses previously conducted by Cohuborate Ltd. and Qwizdom UK Limited are now operated by the Boxlight Group Ltd. wholly-owned subsidiary of Boxlight, Inc.

On August 31, 2018, we purchased 100% of the membership interest equity of EOSEDU, LLC, an Arizona limited liability company owned by Daniel and Aleksandra Leis. EOSEDU is in the business of providing technology consulting, training, and professional development services to create sustainable programs that integrate technology with curriculum in K-12 schools and districts.

On March 12, 2019 Boxlight Inc. acquired substantially all of the assets and assumed certain liabilities of Modern Robotics Inc. Modern Robotics is a company engaged in the business of developing, selling and distributing STEM, robotics and programming solutions to the education market globally.

For a description of the terms of our acquisitions of Cohuborate, the Qwizdom Companies, EOSEDU and Modern Robotics, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Acquisitions" elsewhere in this Annual Report.

The organizational structure of our companies is as follows:



Our Markets

The global education industry is undergoing a significant transition, as primary and secondary school districts, colleges and universities, as well as governments, corporations and individuals around the world are increasingly recognizing the importance of using technology to more effectively provide information to educate students and other users. In the United States, which is our primary market, we sell and distribute interactive educational products for K-12 to both public and private schools. The K-12 education sector represents one of the largest industry segments. The sector is comprised of approximately 15,600 public school districts across the 50 states and 132,000 public and private elementary and secondary schools. In addition to its size, the U.S. K-12 education market is highly decentralized and is characterized by complex content adoption processes. We believe this market structure underscores the importance of scale and industry relationships and the need for broad, diverse coverage across states, districts and schools. Even while we believe certain initiatives in the education sector, such as the Common Core State Standards, a set of shared math and literacy standards benchmarked to international standards, have increased standardization in K-12 education content, we believe significant state standard specific customization still exists, and we believe the need to address customization provides an ongoing need for companies in the sector to maintain relationships with individual state and district policymakers and expertise in state-varying academic standards.

According to "*All Global Market Education & Learning*", an industry publication, the market for hardware products is growing due to increases in the use of interactive whiteboards and simulation-based learning hardware. Educational institutions have become more receptive to the implementation of hi-tech learning tools. The advent of technology in the classroom has enabled multi-modal training and varying curricula. In general, technology based tools help develop student performance when integrated with the curriculum. The constant progression of technology in education has helped educators to create classroom experiences that are interactive, developed and collaborative.

Our Opportunity

We believe that our patented products and software portfolios and the software and products we intend to develop either alone or in collaboration with other technology companies positions us to be a leading manufacturer and provider of interactive educational products in the global educational and learning market. We believe that increased consumer spending driven by the close connection between levels of educational attainment, evolving standards in curriculum, personal career prospects and economic growth will increase the demand for our interactive educational products. Some of the factors that we believe will impact our opportunity include:

Growth in U.S. K-12 Market Expenditures

Significant resources are being devoted to primary and secondary education, both in the United States and abroad. As set forth in the Executive Office of the President, Council of Economic Advisers report, U.S. education expenditure has been estimated at approximately $1.3 trillion, with K-12 education accounting for close to half ($625 billion) of this spending. Global spending is roughly triple U.S. spending for K-12 education.

While the market has historically grown above the pace of inflation, averaging 7.2% growth annually since 1969, as expenditures by school districts and educational institutions are largely dependent upon state and local funding, the world-wide economic recession caused many states and school districts to defer spending on educational materials, which materially and adversely affected our historical revenues as well as those of many of our competitors. However, expenditures and growth in the U.S. K-12 market for educational content and services now appears to be rebounding in the wake of the U.S. economic recovery. Although, the economic recovery has been slower than anticipated, and there is no assurance that any further improvement will be significant, nonetheless, states such as Florida, California and Texas were all scheduled to adopt interactive educational materials for certain subjects, including reading and math, by 2016.

Increasing Focus on Accountability and the Quality of Student Education

U.S. K-12 education has come under significant political scrutiny in recent years, with findings that American students rank far behind other global leaders in international tests of literacy, math and science, with the resulting conclusion that the current state of U.S. education severely impairs the United States' economic, military and diplomatic security as well as broader components of America's global leadership.

Trends in Tech-Savvy Education

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

New Technologies

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

Demand for Interactive Projectors is on the Rise

As a complete system, interactive projectors are considerably less expensive than interactive whiteboards or interactive flat panel displays, placing them at a distinct advantage in price sensitive markets. According to *FutureSource*, an industry publication, "sales of interactive projectors are expected to grow steadily from 2014 to 2017 with a CAGR at 10.3% worldwide."

International Catalysts Driving Adoption of Learning Technology

According to *Ambient Insights 2012 Snapshot of the Worldwide and US Academic Digital Learning Market*, substantial growth in revenues for e-learning products in the academic market segment are anticipated throughout the world due to several convergent catalysts, including population demographics such as significant growth in numbers of 15-17 year old students and women in education in emerging markets; government-funded education policies mandating country-wide deployment of digital learning infrastructures; large scale digitization efforts in government and academic markets; significant increases in the amount of digital learning content; migration to digital formats by major educational publishers and content providers; mass purchases of personal learning devices and strong demand for learning platforms, content and technology services; and rapid growth of part-time and fulltime online student enrollments.

Growth in the E-learning Market

According to the "*E-learning Market – Global Outlook and Forecast 2018-2023*"

The introduction of technology-enabled learning that helps organizations train human resource is driving the growth of the global e-learning market. These training modules offer continuous and effective learning at an optimal cost and provide customized course content that meets the specific requirements of end-users. The advent of cloud infrastructure, peer-to-peer problem solving, and open content creation will help to expand business opportunities for service providers in the global e-learning market.

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

Major vendors are introducing technology-enabled tools that can facilitate the user engagement, motivate learners, and help in collaborations, thereby increasing the market share and attracting new consumers to the market. The growing popularity of blended learning that enhances the efficiency of learners will drive the growth of the e-learning market. The e-learning market is expected to generate revenue of $65.41 billion by 2023, growing at a CAGR of 7.07% during the forecast period.

Demand for Interactive Projectors is on the Rise

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Handheld Device Adoption

Handheld devices, including smartphones, tablets, e-readers and digital video technologies, are now fundamental to the way students communicate. A 2010 FCC survey provides evidence that the rates of handheld use will increase dramatically. It reported that while 50% of respondents currently use handhelds for administrative purposes, 14% of schools and 24% of districts use such devices for academic or educational purposes. Furthermore, 45% of respondents plan to start using such devices for academic and educational purposes within the next 2 to 3 years. The survey stated that, "The use of digital video technologies to support curriculum is becoming increasingly popular as a way to improve student engagement."

Natural User Interfaces (NUIs)

Tablets and the new class of "smart TVs" are part of a growing list of other devices built with natural user interfaces that accept input in the form of taps, swipes, and other ways of touching; hand and arm motions; body movement; and increasingly, natural language. Natural user interfaces allow users to engage in virtual activities with movements similar to what they would use in the real world, manipulating content intuitively. The idea of being able to have a completely natural interaction with a device is not new, but neither has its full potential been realized. For example, medical students increasingly rely on simulators employing natural user interfaces to practice precise manipulations, such as catheter insertions, that would be far less productive if they had to try to simulate sensitive movements with a mouse and keyboard. NUIs make devices seem easier to use and more accessible, and interactions are far more intuitive, which promotes exploration and engagement. (NMC Horizon Project *Technology Outlook STEM+ Education 2012-2017*).

Our Current Products

We currently offer the following products:

Boxlight ProColor Interactive Flat Panel Displays

Our ProColor series of interactive LED panels are available in four sizes – 65”, 70”, 75”, and 86”. Each offers 4K resolution that produces extraordinarily sharp images suitable for a range of classroom sizes. They also include a slot for an optional PC Module that provides embedded Windows 10. All also include embedded Android computing capability for control, applications, and annotation. ProColor Interactive LED panels utilize infrared touch tracking technology, offering 20 points of touch for simultaneous interaction of multiple users. ProColor’s built-in speakers add room filling sound to the display’s vivid colors. The interactive LED panels feature anti-glare safety glass with optical coatings that are highly scratch resistant, improve viewing angles, and reduce ambient light interference.

Boxlight ProColor Interactive Projectors

We offer a suite of patented, award-winning interactive projectors with a wide variety of features and specifications to suit the varying needs of instructors, teachers and presenters around the world. With an interactive projector any wall, whiteboard or other flat surface can become an interactive surface and enable computer control. A user can utilize a pen stylus or finger as a mouse or to write or draw images displayed on the screen. As with interactive whiteboards, the interactive projector accommodates multiple users simultaneously. Images that have been created through the projectors can be saved as computer files. Except for the ProjectorWrite 12 series, all the Boxlight Group interactive projectors use LCD or DLP technology.

We offer interactive projectors using lamp and laser illumination technologies. Each ultra-short throw model is available with pen-based interactivity using infra-red emitting pens or touch-based technology using an emitter that generates a laser curtain over the entire surface of an associated whiteboard.

The pen versions of these interactive projectors can display images as large as 130” diagonally in 16:10 aspect ratio. The touch-based versions can display images as large as 100” in the same 16:10 aspect ratio. All models support up to ten simultaneous interactions meaning multiple students can simultaneously work. The projectors come with high quality audio and appropriate wall mounting hardware.

The *ProjectoWrite 9* series provides wired interactivity and features 60 frames per second. These projectors have built-in storage of up to 1.5 GB for on-the-go display; a USB or EZ WiFi LAN connection from the PC, Mac or mobile device to the interactive projector is required for interactivity with the projected images. The ProjectoWrite 9 interactive projector series allows for a maximum of ten interactive pens working simultaneously. Utilizing its patented embedded interactive CMOS camera at 60 frames per second, response time is less than 12 minutes, and accuracy is within 3 pixels.

The *ProjectoWrite 12* series is first in the Boxlight Group’s line of patented finger-touch interactive projectors to offer a driverless installation. With the addition of a laser module, a moderator or student can use a finger, or any solid object, to interact and control the computer at the projected image. With 10-point touch, a user can capitalize on the new touch features of Microsoft Windows 10, emulating a tablet computer.

Boxlight’s MimioTeach Interactive Whiteboard

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

ProColor Display 490 Interactive Touch Table

The ProColor Display 490 Interactive Touch Table enables up to four students to work collaboratively or individually on a horizontal surface, which is particularly well-suited to younger students or those with motor skill limitations. The height of the table can be adjusted electrically, which is to accommodate a wide range of students and even wheelchairs.

Boxlight’s MimioFrame retro-fittable Touch Board

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

Boxlight's MimioBoard Touch interactive whiteboards

Boxlight's Interactive Touch Boards are available in 78" 4:3 aspect ratio and 87" 16:10 aspect ratio. These boards provide sophisticated interactivity with any projector because the touch interactivity is built into the board. Unlike many competitive products, Boxlight's touch boards are suited for use with dry erase markers. Many competitive products advise against using dry erase markers because their boards stain. Boxlight's touch boards use a porcelain-on-steel surface for durability and dry erase compatibility. The Boxlight Touch Boards are also much lighter weight than most competitive products which results in faster, easier and a lower cost installation process.

MimioStudio Interactive Instructional Software

MimioStudio Interactive Instructional Software enables the creation, editing, and presentation of interactive instructional lessons and activities. These lessons and activities can be presented and managed from the front of the classroom using any of Boxlight's front of classroom display systems including MimioTeach + our non-interactive projectors, ProColor Interactive LED panels, MimioBoard Touch + our non-interactive projectors, MimioFrame + our non-interactive projectors or ProjectoWrite "P" Series interactive projectors in either pen or touch controlled versions. MimioStudio can also be operated using MimioPad as a full-featured remote control or a mobile device such as an iPad or tablet which includes a display screen that fully replicates the front-of-classroom display generated by MimioStudio. Operation with a mobile device is enabled via the three-user license for MimioMobile, see next, provided with the MimioStudio license that accompanies all front-of-classroom devices from Mimio.

MimioMobile Collaboration and Assessment Application

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

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

Boxlight Front-of-Classroom Interactive Displays

Boxlight offers the broadest line of interactive displays, each of which provides large image size and interactive technology that complements the capabilities of MimioStudio and MimioMobile.

Boxlight's MimioSpace ultra-wide 135" TouchBoard System

MimioSpace combines an eleven-foot-wide 32-touch interactive whiteboard with a 16:6 aspect ratio ultra-wide projector to produce an extraordinary combination of digital classroom technology and the extremely wide working surface of classical blackboard-based classrooms.

Peripherals and accessories

We offer a line of peripherals and accessories, including amplified speaker systems, mobile carts, installation accessories and adjustable wall-mount accessories that complement our entire line of interactive projectors, LED flat panels and standard projectors. The height and tilt adjustable DeskBoard mobile cart, which won the Best of ISTE in June 2014 for Best Hardware product, can be used as an interactive screen or interactive desktop with the ProjectoWrite 8 ultra-short throw interactive projectors.

Boxlight's MimioVote Student Assessment System

Boxlight's MimioVote is a handheld "clicker" that enables student assessment with essentially zero training. MimioVote is so simple it genuinely qualifies as intuitive, an elusive and often proclaimed attribute that is actually merited by MimioVote. MimioVote fully integrates into the MimioMobile environment and offers everything from attendance to fully immersive and on-the-fly student assessment. The MimioVote was specifically designed to survive the rigors of even kindergarten and elementary classrooms where being dropped, stepped on, and kicked are all part of a normal day. The handset's non-slip coating helps keep it from sliding off desktops or out of little hands. Should they take "flight", the rugged construction keeps them working.

Boxlight's MimioPad wireless pen tablet

MimioPad is a lightweight, rechargeable, wireless tablet used as a remote control for the MimioStudio running on a teacher's Windows, Mac, or Linux computer. MimioPad enables the teacher to roam the classroom which significantly aids classroom management. MimioPad is a classroom management tool which can be handed off to enable a student to be part of the interactive experience – all without leaving their seat to go to the front of the room.

Boxlight's MimioView document camera

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

Audio Solutions

We offer SoundLite audio solutions as an affordable and easy-to-install amplified speaker system for use with all of our projectors. The 30 watt SoundLite product is available with a wireless RF microphone. This device produces quality stereo sound in any room.

Features in future SoundLite models will have a security-enabled system and IP addressable audio classroom solution allowing point-to-point address as well as a wide area network address. A panic switch on the wireless transmitters will enable live broadcast of classroom audio and simultaneously trigger predetermined alerts. This feature is designed to work over a school's existing network infrastructure.

Non-Interactive projectors

We distribute a full line of standard, non-interactive projectors. The Cambridge Series features embedded wireless display functions and is available in short and standard throw options. Offering brightness from 2,700 to 4,000 lumens, we furnish projectors for small classrooms to large classrooms with the Cambridge platform. This series is available in both XGA and WXGA resolutions to replace projectors on existing interactive whiteboards in classrooms operating on limited budgets. The Boxlight Group has designed this platform to provide easy user maintenance with side-changing lamps and filters and developed HEPA filtration systems for harsh environments.

Over the past several years, we have together with strategic allies, provided customized products that fit specific needs of customers, such as the Israeli Ministry of Defense. Working with Nextel Systems, the Boxlight Group delivered approximately 4,000 projectors, with special kitting performance, asset tagging, custom start up screens, operating defaults appropriate for harsh environments, and other unique product specifications. the Boxlight Group also met requirements that each projector contain at least 51% U.S. content and be assembled in the United States. A service center was appointed in Israel to provide warranty service and support. The US Army in connection with the Israeli Defense Forces found the Boxlight Group to be the only manufacturer able to meet the stringent requirements, leading not only to the original multi-year contract, but to extensions for favorable execution and performance.

Integration Strategy

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

Logistics; Suppliers

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

Technical Support and Service

The Company currently has its technical support and service centers located near Seattle, WA, Boston, MA, Atlanta, GA, and Belfast, Northern Ireland. Additionally, the Company's technical support division is responsible for the repair and management of customer service cases, resulting in more than 60% of the Company's customer service calls ending in immediate closure of the applicable service case. We accomplish this as a result of the familiarity between our products and having specialized customer service technicians.

Sales and Marketing

Our sales force consists of nine regional account managers in the US, two in Latin America, four in Europe and one Head of Sales, two sales support staff and one Vice President of Sales. Our marketing team consists of one Vice President of Global Marketing, One Vice President of Marketing Communications, one Marketing Coordinator in Latin America (contractor), two Marketing Coordinators (Qwizdom|Boxlight), one Education Specialist (Qwizdom), one Graphic Designer (Qwizdom) and three additional contract specialists (Boxlight). Our sales force and marketing teams primarily drive sales of interactive flat panels, interactive projectors, interactive touch table, education software, STEM data logging products and related peripherals and accessories to school districts, throughout North, Central and South America, Europe, the Middle East and Asia. In addition, we go to market through an indirect channel distribution model and utilize traditional value-added resellers and support them with training to become knowledgeable about the products we sell. We currently have approximately 800 resellers.

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

Competition

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

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

Employees

As of December 31, 2018, we had approximately 54 employees, of whom six are executives, five employees are engaged in product development, engineering and research and development, 14 employees are engaged in sales and marketing, 21 employees are engaged in administrative and clerical services and eight employees are engaged in service and production. In addition, a total of approximately five individuals provide sales agency services to us as independent contractors.

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

ITEM 1A. RISK FACTORS

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

ITEM 2. PROPERTIES

Our corporate headquarters is located at 1045 Progress Circle, Lawrenceville, Georgia 30043, in a building of approximately 48,000 square feet, for which we pay approximately $20,000 per month as rent pursuant to a rental agreement that extends through March 2019. Our corporate headquarters house our administrative offices as well as distribution operations and assembly for the Boxlight brand.

We also maintain an office in Poulsbo, Washington, for sales, marketing, technical support and service staff.

ITEM 3. LEGAL PROCEEDINGS

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

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	
2019				
First Quarter (through March 25, 2019)	$	4.20	$	1.25
2018				
First Quarter	$	7.00	$	3.00
Second Quarter	$	17.40	$	3.18
Third Quarter	$	5.95	$	2.88
Fourth Quarter	$	4.84	$	1.20
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

Holders

As of March 25, 2019, we had 371 holders of record of our common stock and 10,516,352 shares of common stock issued and outstanding.

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

2014 Stock Option Plan, as amended

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 Boxlight 2014 Stock Option plan is 2,390,438 shares. The plan was amended on September 7, 2018, wherein the Board and shareholders approved the addition of 300,000 shares increasing the total plan shares to 2,690,438.

The following table provides information as of December 31, 2018 about our equity compensation plans and arrangements.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights		Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,718,024	$	4.18	972,414
Equity compensation plans not approved by security holders	1,184,121	$	1.90	-
Total	2,902,145			972,414

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Use of Proceeds

None.

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 ("MD&A") contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this 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.

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

Overview

We are an educational technology company that is seeking to become a world leading innovator and integrator of interactive products and software for schools, as well as for business and government learning spaces. We currently design, produce and distribute interactive projectors and distribute interactive technologies, including flat panels, projectors, whiteboards and peripherals to the education market. We also distribute science, technology, engineering and math (or "STEM") products, including a portable science lab. All of our products are integrated into our classroom software suite that provides tools for whole class learning, assessment and collaboration.

To date, we have generated substantially all of our revenue from the sale of our software and interactive displays to the K-12 U.S. educational market.

We have also implemented a comprehensive plan to reach profitability both from our core business operations and as a result of making strategic business acquisitions. We have already started to implement this strategy as set forth below. Highlights of our plan include:

- Integrating products of the acquired companies and cross training 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.

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

- Seeking to increase demand in the US market for technology sales and have the products and infrastructure in place to handle our expected growth.

Recent Acquisitions

On May 11, 2018, we acquired 100% of the share capital of Cohuborate, Ltd., a company based in Lancashire, England from its five shareholders. Cohuborate produces, sells and distributes interactive display panels designed to provide new learning and working experiences using high-quality technologies and solutions through in-room and room-to-room multi-device multi-user collaboration. Although an early stage company with minimal revenues to date, the Company anticipates that Cohuborate will enhance our software capability and product offerings as the Company further develops the Cohuborate operations and revenue capabilities.

We purchased the Cohuborate shares through the issuance of 257,200 shares of our Class A common stock. The Cohuborate shareholders agreed not to sell their shares for one year from the closing of the acquisition, and for a period of five years thereafter, not to sell more than 20% of their Boxlight Parent shares in any 12-month period.

On June 25, 2018, we purchased the Qwizdom, Inc. shares for consideration in the form of $410,000 in cash, a 6% note of $656,000, 142,857 shares of Boxlight Class A common stock, and a maximum $410,000 earnout based on future revenues derived from the Qwizdom companies. The principal and accrued interest under the note is due and payable in 12 equal quarterly payments. The first quarterly payment is due on the last business day of March 2019 and subsequent quarterly payments are to be made on the last business day of the 6^{th}, 9^{th} and 12^{th} calendar month and quarterly thereafter until the Maturity Date. The Maturity Date is defined as the earlier of (i) our completing a public offering of its common stock or private placement of its debt or equity securities (each a "Financing") that results in our receipt of gross proceeds from such Financing of $10,000,000 or more, or (ii) that date which shall be the last business day of July 2021.

In addition, the former Qwizdom shareholders are entitled to receive an annual payment, to be made within 90 days following the end of each of the three years ending December 31, 2018, December 31, 2019 and December 31, 2020 (each an "Anniversary Year") in an amount equal to 16.4% of all consolidated net sales revenues of the Qwizdom Companies in excess of $750,000 Dollars that may be obtained by Boxlight and its consolidated subsidiaries (including the Qwizdom Companies) in any one or more of the three Anniversary Years from the sale of software (the "Earn-Out"); *provided, that* in no event shall the aggregate amount of the Earn-Out payments payable to the shareholders in respect of such three Anniversary Years exceed the sum of $410,000.

As part of the transaction, Qwizdom entered into a three-year employment agreement with Darin Beamish, its Chief Executive Officer, and Qwizdom UK entered into a three year employment agreement with Dermot Sweeney, its President. In addition, Boxlight granted options to Mr. Sweeney and Mr. Beamish to purchase 40,000 and 20,000 shares of Boxlight Class A common stock. respectively at an exercise price of $5.78 per share.

On September 17, 2018, we completed the acquisition of 100% of the membership interest equity of EOSEDU, LLC, an Arizona limited liability company owned by Daniel and Aleksandra Leis. EOSEDU is in the business of providing technology consulting, training, and professional development services to create sustainable programs that integrate technology with curriculum in K-12 schools and districts. The purchase price paid at closing was 100,000 shares of our Class A common stock. The business formerly conducted by EOSEDU will be operated as a division of our subsidiary Boxlight, Inc. As part of the transaction, Daniel and Aleksandra Leis each received three-year employment agreements with Boxlight, Inc., under which they each shall serve as an executive of Boxlight, Inc. at an annual base salary of $121,000 plus a commission equal to 5% of gross revenues derived by Boxlight, Inc. from the services provided from the EOSEDU business to clients of Boxlight, Inc.

On March 12, 2019, we and our subsidiary, Boxlight Inc. acquired the assets and business of Modern Robotics, Inc., a New York corporation ("MRI"). The MRI assets were purchased for consideration including (i) $70,000 in the form of a promissory note and (ii) Two Hundred Thousand (200,000) shares of our Class A Common Stock. At closing Boxlight Inc. entered into an employment agreement with Stephen Barker, MRI's Chief Executive Officer, pursuant to which Mr. Barker will serve as Vice President of Robotics at Boxlight Inc. In addition, we granted options to Mr. Barker to purchase 20,000 shares of our Class A common stock at an exercise price of $2.52 per share.

Our Acquisition Strategy and Challenges

Our growth strategy includes acquiring assets and technologies of companies that have products, technologies, industry specializations or geographic coverage that extend or complement our existing business. The process to undertake a potential acquisition is time-consuming and costly. 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 revenue.* We receive revenue from installation services that we outsource to third parties.

- *Professional development revenue*. We receive revenue from providing professional development services through third parties and our network of distributors.

Cost of revenue

Our cost of revenue is comprised of the following:

- third-party logistics costs;

- costs to purchase components and finished goods directly;

- inbound and outbound freight costs and duties;

- costs associated with the repair of products under warranty;

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

- cost of professionals to deliver the professional development training.

We outsource some of our warehouse operations and order fulfillment and we purchase products from related entities 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. 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, United Kingdom and Mexico where we do business. Mexico and the United Kingdom have a statutory tax rate different from that in the United States. Additionally, certain of our international earnings are also taxable in the United States. Accordingly, our effective tax rates will vary depending on the relative proportion of foreign to U.S. income, the absorption of foreign tax credits, changes in the valuation of our deferred tax assets and liabilities and changes in tax laws. We regularly assess the likelihood of adverse outcomes resulting from the examination of our tax returns by the U.S. Internal Revenue Service, or IRS, and other tax authorities to determine the adequacy of our income tax reserves and expense. Should actual events or results differ from our current expectations, charges or credits to our income tax expense may become necessary. Any such adjustments could have a significant impact on our results of operations.

Operating Results – Boxlight Corporation

For the years ended December 31, 2018 and 2017

Revenues. Total revenues for the year ended December 31, 2018 were $37,841,277 as compared to $25,743,612 for the year ended December 31, 2017, resulting in a 47% increase. Revenues consist of product revenue, software revenue, installation and professional development. The increase in revenue in 2018 is primarily attributable to new contracts with school districts which resulted in an increase in sales volume.

Cost of Revenues. Cost of revenues for the year ended December 31, 2018 was $29,188,108 as compared to $19,329,831 for the year ended December 31, 2017, resulting in a 51% increase. Cost of revenues consists primarily of product cost, freight expenses and inventory write-downs. Cost of revenues increased due to the overall increase in revenues as well as lower margins on initial deliveries of two large contracts.

Gross Profit. Gross profit for the year ended December 31, 2018 was $8,653,169 as compared to $6,413,781 for the year ended December 31, 2017. Gross Profit as an overall percentage decreased from 25% to 23% as a result of lower profit margins on initial deliveries of two large contracts in the second quarter of 2018 and a shift in product mix from higher to lower margin products with a concentration in lower profit margin panel sales.

General and Administrative Expense. General and administrative expense for the year ended December 31, 2018 was $14,978,079 as compared to $13,189,879 for the year ended December 31, 2017. The increase resulted from increases in stock compensation expense and professional fees primarily related to a management agreement with Dynamic Capital Management. See Note 15.

Research and Development Expense. Research and development expense was $671,653 and $465,940 for the years ended December 31, 2018 and 2017, respectively. Research and development expense primarily consists of costs associated with development of proprietary technology. A significant portion of our research and development is paid for by several of our contract manufacturers. However, with the acquisition of Qwizdom Companies and its related software business the expense is expected to increase.

Other income (expense), net. Other expense for the year ended December 31, 2018 was $(181,320) as compared to $702,472 for the year ended December 31, 2017. Other expense increased primarily due to the change in the fair value of the derivative liability of $426,981 subject to the change of the Company's stock price and the reset of exercise prices of certain warrant agreements.

Net loss. Net loss was $7,177,883 and $6,539,566 for the years ended December 31, 2018 and 2017, respectively. The increase in the net loss was primarily due to lower margins on products with a higher cost of revenue and stock compensation offset by the change in the fair value of the derivative liability related to certain warrants.

To provide investors with additional insight and allow for a more comprehensive understanding of the information used by management in its financial and decision-making surrounding operations, we supplement our consolidated financial statements presented on a basis consistent with U.S. generally accepted accounting principles ("GAAP") and EBITDA and Adjusted EBITDA, both non-GAAP financial measures of earnings.

EBITDA represents net income (loss) 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, 2018 and 2017 to EBITDA

(in thousands)	2018	2017
Net loss	$ (7,178)	$ (6,540)
Depreciation and amortization	893	747
Interest expense	842	635
EBITDA	$ (5,443)	$ (5,158)
Stock compensation expense	1,985	4,344
Change in fair value of derivative liabilities	(427)	(861)
Non-recurring IPO expenses	-	-
Adjusted EBITDA	$ (3,885)	$ (1,675)

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

As of December 31, 2018, we had cash and cash equivalents of $901,459 and a working capital deficit of $2,598,173. For the years ended December 31, 2018 and 2017, we had net cash used in operating activities of $3,774,818 and $1,343,382 respectively. We had net cash provided by (used in) investing activities of $900,196 and $(10,001) for the years ended December 31, 2018 and 2017. In addition, we had net cash provided by financing activities of $1,781,885 and $2,927,738, for the years ended December 31, 2018 and 2017. We had accounts receivable of $3,634,726 on December 31, 2018.

We financed our operations in 2018 primarily with an accounts receivable financing arrangement entered into with a lender. The lender agreed to purchase 85% of the eligible accounts receivable of the Company, up to $6 million, with the right of recourse. Our accounts receivable and our ability to borrow against 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.

Our 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. We have limited credit available from our major vendors and are required to prepay for the majority of our inventory purchases, which further constrains our cash liquidity.

The Company had an accumulated deficit, a net working capital deficit and net cash used in operations of approximately $3,774,818 for the year ended December 31, 2018. These factors raise substantial doubt regarding the Company's ability to continue as a going concern within one year after the issuance date of these financial statements. 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.

Recent Financing

On March 22, 2019, we entered into a securities purchase agreement with Lind Global Marco Fund, LP (the "Investor") that contemplates a $4,000,000 working capital financing for Boxlight Parent and its subsidiaries. The investment is in the form of a $4,400,000 principal amount convertible secured Boxlight Parent note with a maturity date of 24 months. The note is convertible at the option of the Investor into our Class A voting common stock at a fixed conversion price of $4.00 per share. We will have the right to force the Investor to convert up to 50% of the outstanding amount of the note if the volume weighted average closing price of our Class A common stock trades above $8.00 for 30 consecutive days; and 100% of the outstanding amount of the note if the volume weighted average closing price of our Class A common stock trades above $12.00 for 30 consecutive days. At closing a total of $4,000,000 will be funded under the note.

We anticipate that the closing will occur on or about March 29, 2019 or shortly thereafter.

We are required to make monthly interest payments on the note at the rate of 8% per annum and principal payments in 18 equal monthly installments of $244,444.44 each, commencing six months after closing. So long as shares of our Class A common stock are registered for resale under the Securities Act or may be sold without restriction on the number of shares or manner of sale, we have the right to make interest payments in the form of additional shares of Class A common stock. We have the right to prepay the convertible note at any time with no penalty (the "Buy-Back Right"). Should we exercise our Buy-Back Right, the Investor will have the option of converting 25% of the outstanding $4.4 million principal amount of the note into shares of our Class A common stock.

The convertible note is secured by a lien on our assets and properties.

Off Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in 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 Qwizdom
3. Long-lived assets
4. Intangible assets
5. Share-based compensation
6. Derivative Liabilities

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 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 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, 2018. 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 the Evaluation Date, 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, 2018, 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 25, 2019:

Name	Age	Position(s)
James Mark Elliott	67	Chief Executive Officer and Director
Henry ("Hank") Nance	46	Chief Operating Officer
Takesha Brown	44	Chief Financial Officer
Michael Pope	38	President and Director
John Patrick Henry	65	Vice-President, Sales
Lori Page	52	Vice-President, Marketing
Tiffany Kuo	29	Non-Executive Director
Rudolph F. Crew	68	Independent Director (1) (2) (3)
Steve Hix	80	Independent Director (1) (3)
Dale Strang	59	Independent Director (1) (2) (3)
Harold Bevis	59	Independent Director (2) (3)

(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.

John Patrick Henry. Mr. Henry has served as our Vice-President of Sales since May 15, 2015. Prior to joining Boxlight, Mr. Henry served as the Chief Marketing Officer for Promethean North America and Director of Strategic Alliances for the Apple Education division. Mr. Henry earned his undergraduate degree from Georgia Institute of Technology and graduate degree from Georgia State University.

Lori Page. Ms. Page has served as our Vice-President of Global Marketing since January 17, 2018. Prior to that, from 2015-2017 Ms. Page served as Director, Customer Relationship Marketing at Cox Media Solutions Group in Atlanta, Georgia and managed B2B and B2C CRM strategy for the Autotrader, Kelley Blue Book and Dealer.com brands. Ms. Page began her career at Apple Computer and held various market development and business development positions. During her 12-year career at Apple she was recognized seven times with awards and accolades including Business Development Executive of the Year in 1991. Over the next 14 years, Ms. Page held leadership roles in marketing, corporate sponsorship, public relations and brand execution at Air2Web, Eastman Kodak Company, and Promethean where she was vice president of marketing for North America from 2012-2014. During her six year career at Promethean, Ms. Page designed and directed an award-winning experiential marketing mobile tour, recognized nationally by *Event Marketer Magazine* in 2011 as best mobile marketing program of the year. Ms. Page received a BBA cum laude in Marketing from Georgia State University.

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's experience in business strategy and operations at Deloitte Consulting, LLP adds value and insight to our board of directors.

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. We believe Mr. Hix's vast business experience adds value and insight to our board of directors.

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 Executive 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. We believe Mr. Stang's experience in business, advertising and marketing will add value and insight to our board of directors.

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 CEO. He was a business leader at both GE and Emerson Electric. He has led or directed eight businesses in six industries, 150+ operating facilities in 22 countries, 12 new business/new plant startups, 11 acquisitions, 20+ global refinancings, and 20+ business/plant expansions. Mr. Bevis also serves as a Director of Commercial Vehicle Group. Mr. Bevis earned an MBA degree from Columbia Business School and a bachelor of science degree in industrial engineering from Iowa State University. He is a member of the National Association of Corporate Directors and has served on the boards of six companies. We believe Mr. Bevis's experience in business make him a valuable member of our board of directors.

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.

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 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, we are taking into consideration 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, 2018; except for the following:

Name	Late Reports	Transactions Covered	Number of Shares
Sheri Lofgren	Form 4	Options	29,200
James Mark Elliott	Form 5	Options	100,000
Sheri Lofgren	Form 5	Options	100,000
Michael Pope	Form 5	Options	100,000
Henry “Hank” Nance	Form 5	Options	200,000
Takesha Brown	Form 5	Options	35,000
John Patrick Henry	Form 5	Options	35,000
Lori Page	Form 5	Options	25,000
Harold Beavis	Form 5	Options	25,000
Tiffany Kuo	Form 5	Options	25,000
Rudolph Crew	Form 5	Options	15,000

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, 2018 and 2017.

Name and Principal Position	Year	Salary ($)	Option Awards ($)	Total ($)
James Mark Elliott, Chief Executive Officer	2017	129,884	-(2)	129,884
James Mark Elliott, Chief Executive Officer	2018	200,125	229,966(2)	430,091
Michael Pope, President	2017	163,419	-	163,419
Michael Pope, President	2018	197,625	229,966(3)	427,591
Henry (“Hank”) Nance, Chief Operating Officer	2017	147,606	126,452(4)	274,058
Henry (“Hank”) Nance, Chief Operating Officer	2018	198,333	459,932(4)	658,265
Sheri Lofgren, former Chief Financial Officer (1)	2017	227,500	204,397(5)	431,897
Sheri Lofgren, former Chief Financial Officer (1)	2018	69,375	229,966(5)	299,341
Takesha Brown, Chief Financial Officer (1)	2017	98,116	6,617(6)	104,733
Takesha Brown, Chief Financial Officer (1)	2018	158,750	65,394(6)	224,144
John Patrick Henry, Vice President Sales	2017	181,074	30,943(7)	212,017
John Patrick Henry, Vice President Sales	2018	235,942	95,045(7)	293,378
Lori Page, Vice President Marketing	2017	-	-	-
Lori Page, Vice President Marketing	2018	133,709	67,889(8)	201,598

(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 January 2, 2018, the Company granted 100,000 options with an exercise price of $5.01, a term of five years and vesting over a one- year period. The options had a fair value of approximately $230,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(3) On January 2, 2018, the Company granted 100,000 options with an exercise price of $5.01, a term of five years and vesting over a 1 year period. The options had a fair value of approximately $230,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(4) On November 30, 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 over a period of three years and expire five 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.

On January 2, 2018, the Company granted 200,000 options with an exercise price of $5.01, a term of five years and vesting over a one year period. The options had a fair value of approximately $460,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(5) 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 five years and vesting over a three 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 vested immediately following the agreement, and (ii) all remaining unvested options vested 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 five 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.

On January 2, 2018, the Company granted 100,000 options with an exercise price of $5.01, a term of five years and vesting over a one year period. The options had a fair value of approximately $230,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(6) 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 five 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.

On March 19, 2018, the Company granted 35,000 options with an exercise price of $4.00, a term of five years and vesting over a one year period. The options had a fair value of approximately $65,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(7) On November 30, 2017, the Company granted options to purchase 8,990 shares of Series A common stock at $7.00 per share to Mr. Henry. These options vest in four years and expire five years from the date of grant. The options had a fair value of approximately $31,000 on grant date that was calculated using the Black-Scholes option-pricing model.

On February 14, 2018, the Company granted 35,000 options with an exercise price of $4.00, a term of five years and vesting over a four year period. The options had a fair value of approximately $95,000 on grant date that was calculated using the Black-Scholes option-pricing method.

(8) On February 14, 2018, the Company granted 25,000 options with an exercise price of $4.00, a term of five years and vesting over a four year period. The options had a fair value of approximately $68,000 on grant date that was calculated using the Black-Scholes option-pricing method.

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).

Lori Page

Ms. Page currently does not have an employment agreement. However, her compensation plan includes a base salary of $130,000 per year and she is eligible for a $5,000 quarterly bonus. In addition to (and not in lieu of) the base salary, the Company shall grant Ms. Page employee stock options to purchase up to 25,000 shares of common stock (vesting in equal quarterly installments over a four-year period commencing on March 31, 2018.

John Patrick Henry

Mr. Henry currently does not have an employment agreement. However, his compensation plan includes a base salary of $100,000 per year and he is eligible for commissions of .4% of certain sales territories. In addition to (and not in lieu of) the base salary, the Company shall grant Mr. Henry employee stock options to purchase up to 35,000 shares of common stock (vesting in equal quarterly installments over a four-year period commencing on March 31, 2018)

Outstanding Equity Awards at December 31, 2018

The following table provides information regarding outstanding equity awards held by our named executive officers as of December 31, 2018. 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 and January 2, 2018	431,841	-	$ 0.13-5.01	September 18, 2024 and January 2, 2023
John Patrick Henry	November 30, 2017 and February 14, 2018	11,559	32,431	$ 5.40-7.00	November 30, 2022 and February 14, 2023
Henry "Hank" Nance	December 31, 2014, November 30, 2017 and January 2, 2018	260,008	84,012	$ 0.13-7.00	November 30, 2022 and January 2, 2023
Takesha Brown	April 4, 2017 and March 19, 2018	37,042	15,958	$ 4.00-5.60	April 4, 2022 and March 19, 2023
Michael Pope	January 2, 2018	100,000	-	$ 5.01	January 2, 2023
Lori Page	February 14, 2018	6,250	18,750	$ 5.40	February 14, 2023

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, 2018.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Total($)
Rudolph F. Crew	50,000	-	50,000
Steve Hix	10,000	-	10,000
Dale Strang	-	-	-
Tiffany Kuo	-	-	-
Harold Beavis	-	47,391	47,391

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 was not be permitted to sell any of his shares for the six months immediately following the consummation of the Company's 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 which are fully vested as of December 31, 2018.

Harold Beavis

On March 29, 2018, Mr. Beavis was granted stock options to purchase 25,000 shares of our Class A common stock exercisable at $4.06 per share with vesting over one year.

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

The following table sets forth, as of March 25, 2019, 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, 2018, 10,176,433 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	597,618(1)	4.66%
Henry("Hank") Nance	345,722(2)	2.69%
Takesha Brown	45,792(3)	*
Michael Pope	370,000(4)	2.88%
John Patrick Henry	8,750(5)	*
Lori Page	6,250(6)	*
Directors		
Tiffany Kuo	-	-
Rudolph F. Crew	53,000(7)	*
Steve Hix	50,000(8)	*
Dale Strang	50,000	*
Harold Beavis	25,000	*
All Directors and Executive Officers as a Group (11 persons)	1,552,132	12.09%
Beneficial Owners of 5% or More of Our Outstanding Common Stock		
Everest Display, Inc.	2,468,708	19.23%
AEL Irrevocable Trust	1,912,350(9)	14.90%
Dynamic Capital, LLC	834,121(10)	6.89%

* Less than one percent

(1) Includes 431,841 shares of Class A common stock issuable upon exercise of a stock option and 165,777 shares of Class A common stock.

(2) Includes 260,008 shares of Class A common stock issuable upon exercise of a stock option and 85,714 shares of Class A common stock.

(3) Includes 45,792 shares of Class A common stock issuable upon exercise of a stock option.

(4) Includes 100,000 and 270,000 shares of Class A common stock issuable upon exercise of a stock option and warrant, respectively.

(5) Includes 11,559 shares of Class A common stock issuable upon exercise of a stock option.

(6) Includes 6,250 shares of Class A common stock issuable upon exercise of a stock option.

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

(11) 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.

(12) Consists of 834,121 shares issuable upon exercise of warrants issued to Dynamic Capital, LLC. Dynamic Capital is owned by Adam E. Levin.

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, 2018, the Company had a payable of $425,619 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 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 was 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, 2018 and 2017, respectively, rendered by GBH, CPA's and Dixon Hughes Goodman LLP.

	Fiscal year ended December 31,	
	2018	**2017**
Audit fees [1]	$ 397,698	$ 293,075
Audit-related fees [2]	60,336	43,910
Tax fees [3]	-	-
Total fees	$ 458,304	$ 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 Stock (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	Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1/A (Reg. No 333-204811) filed on December 9, 2015.
4.5	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).
4.6	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).
4.7	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).
4.8	Share Purchase Agreement, dated as of May 10, 2016 by and among Everest Display, Inc., Guang Feng International Ltd., Boxlight Holdings, Inc., Boxlight Corporation, 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).
4.9	Operating Agreement of EOSEDU, LLC by and between the Boxlight Corporation and EOSEDU, LLC dated September 17, 2018 (incorporated by reference to Exhibit 4.8 to Amendment No. 1 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on September 24, 2018).
4.10	Warrant to Purchase 270 shares of Class A Common Stock, dated June 21, 2018, issued to Canaan Parish LLC (incorporated by reference to Exhibit 10.22 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).
4.11	Warrant to Purchase 25,000 shares of Class A Common Stock, dated June 21, 2018, issued to Lackamoola LLC (incorporated by reference to Exhibit 10.23 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).
10.1	Trademark Assignment between Herbert Myers, Boxlight Corporation and Boxlight Inc. (incorporated by reference to Exhibit 10.6 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on May 13, 2016).
10.2	Employment Agreement by and between Boxlight Corporation and James Mark Elliott, dated November 30, 2017 (incorporated by reference to Exhibit 10.4 to the Annual Report on Form 10-K filed April 2, 2018).

10.3	Employment Agreement by and between Boxlight Corporation and Michael Pope, dated November 30, 2017 (incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K filed April 2, 2018).
10.4	Employment Agreement by and between Boxlight Corporation and Sheri Lofgren, dated November 30, 2017 (incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K filed April 2, 2018).
10.5	Employment Agreement by and between Boxlight Corporation and Henry Nance, dated November 30, 2017 (incorporated by reference to Exhibit 10.7 to the Annual Report on Form 10-K filed April 2, 2018).
10.6	$2,000,000 convertible promissory note of Boxlight Corporation 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).
10.7	Agreement by and between Loeb & Loeb LLP and Boxlight Corporation (incorporated by reference to Exhibit 10.38 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on December 28, 2015).
10.8	Amendment No. 2 to Membership Interest Purchase Agreement among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.30 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on December 15, 2016).
10.9	Amendment No. 3 to Membership Interest Purchase Agreement among Skyview Capital, LLC, Mimio LLC, MIM Holdings, LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.1 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on August 12, 2016).
10.10	Promissory Note between Boxlight, Inc. and AHA Inc. Co Ltd. (Iicorporated by reference to Exhibit 10.32 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on July 11, 2016).
10.11	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).
10.12	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).
10.13	Amendment 1 to Share Purchase Agreement and Option Agreement by and Among Everest Display, Inc., Guang Feng International, Ltd., Boxlight Holdings, Boxlight Corporation, Boxlight Inc., Boxlight Latinoamerica S.A. and Boxlight Latinoamerica Servicios, S.A. DE C.V. (incorporated by reference to Exhibit 10.36 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on October 28, 2016).
10.14	Subscription Agreement between K Laser International Co., Ltd. And Boxlight Corporation for $1,000,000 equity investment at $5.60 per share (incorporated by reference to Exhibit 10.37 in the Registration Statement on Form S-1 (Reg. No. 333-204811) filed on October 28, 2016).
10.15	$2,000,000 Convertible Promissory Note between Boxlight Corporation 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).
10.16	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).
10.17	Account Sale and Purchase Agreement between Sallyport Commercial Finance LLC and Boxlight Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on September 11, 2017).
10.18	Employment Agreement by and between Boxlight Corporation and Takesha Brown, dated March 19, 2018 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on March 21, 2018).
10.19	Stock Purchase Agreement and exhibits among Boxlight Corporation, Cohuborate Ltd. and the shareholders of Cohuborate, Ltd. (incorporated by reference to Exhibit 10.20 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).
10.20	$500,000 promissory note from Boxlight Corporation to Harbor Gates Capital, LLC (incorporated by reference to Exhibit 10.21 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on July 5, 2018).

10.21	Membership Interest Purchase agreement, dated as of September 17, 2018, by and among the Boxlight Corporation, Daniel Leis, Aleksandra Leis and EOSEDU, LLC (incorporated by reference to Exhibit 10.24 in Amendment No. 1 to the Registration Statement on Form S-1 (Reg. No. 333-226068) filed on September 24, 2018).
10.22	Employment agreement, dated September 1, 2018, by and between Boxlight Corporation and Aleksandra Leis (incorporated by reference to Exhibit 10.25 in Amendment No. 1 to the Registration Statement on Form S-1(Reg. No. 333-226068) filed on September 24, 2018).
10.23	Employment agreement, dated September 1, 2018, by and between Boxlight Corporation and Daniel Leis (incorporated by reference to Exhibit 10.25 in Amendment No. 1 to the Registration Statement on Form S-1(Reg. No. 333-226068) filed on September 24, 2018.
10.24	Asset Purchase Agreement, dated March 12, 2019, between Boxlight Corporation, Boxlight Inc., Modern Robotics and Stephen Fuller (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on March 15, 2019).
10.25	Securities Purchase Agreement, dated March 22, 2019, between Boxlight Corporation and Lind Global Macro Fund, LP. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed March 25, 2019).
10.26	Form of Secured Convertible Promissory Note dated March 22, 2019 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed March 25, 2019).
10.27	Security Agreement, dated March 22, 2019, between Boxlight Corporation and Lind Global Macro Fund (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed March 25, 2019).
10.28	Intercreditor Agreement, dated March 22, 2019, between Boxlight Corporation, Sallyport Commercial Finance, LLC and Lind Global Macro Fund, LLP (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed March 25, 2019).
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 herewith.

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 28th day of March, 2019.

BOXLIGHT CORPORATION

By: ***/s/ JAMES MARK ELLIOTT***

James Mark Elliott
Chief Executive Officer
(Principal Executive Officer)

By: ***/s/ TAKESHA BROWN***

Takesha Brown
Chief Financial Officer
(Principal Financial Officer)

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Boxlight Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Boxlight Corporation and subsidiaries (the "Company") as of December 31, 2018, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the year 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, 2018, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses since inception, has a working capital deficit, and has not achieved profitable operations, which 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. 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 audit 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 audit 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 audit 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 audit 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 audit provides a reasonable basis for our opinion.

/s/ Dixon Hughes Goodman LLP

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

Atlanta, Georgia
March 28, 2019

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 sheet of Boxlight Corporation (the "Company") as of December 31, 2017, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the year 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 the results of its operations and its cash flows for the year 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 1 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 audit. 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 audit 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 audit 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 audit 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 audit 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 audit provides 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 served as the Company's auditor from 2014 to 2018.

GBH CPAs, PC
www.gbhcpas.com
Houston, Texas
April 2, 2018, except for the effects of the restatements discussed in Note 1 as to which the date is August 16, 2018

Boxlight Corporation
Consolidated Balance Sheets
As of December 31, 2018 and December 31, 2017

	December 31, 2018	December 31, 2017
ASSETS		
Current asset:		
Cash and cash equivalents	$ 901,459	$ 2,010,325
Accounts receivable – trade, net of allowances	3,634,726	3,089,932
Inventories, net of reserve	4,214,316	4,626,569
Prepaid expenses and other current assets	1,214,157	388,006
Total current assets	9,964,658	10,114,832
Property and equipment, net of accumulated depreciation	226,409	29,752
Intangible assets, net of accumulated amortization	6,352,273	6,126,558
Goodwill	4,723,549	4,181,991
Other assets	298	292
Total assets	$ 21,267,187	$ 20,453,425
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,883,626	$ 2,502,962
Accounts payable and accrued expenses – related parties	6,009,112	4,391,713
Warranty	580,236	491,956
Short-term debt	2,306,227	752,449
Short-term debt – related parties	377,333	54,000
Convertible notes payable – related party	-	50,000
Current portion of earn-out payable- related party	136,667	-
Deferred revenues – short-term	938,050	1,127,423
Derivative liabilities	326,452	1,857,252
Other short-term liabilities	5,128	-
Total current liabilities	12,562,831	11,227,755
Deferred revenues - long term	134,964	175,294
Earn-out payable-related party	273,333	-
Long term debt- related party	328,000	-
Total liabilities	13,299,128	11,403,049
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized; 250,000 shares issued and outstanding	25	25
Common stock, $0.0001 par value, 200,000,000 shares authorized; 10,176,433 and 9,558,997 Class A shares issued and outstanding, respectively	1,018	956
Additional paid-in capital	27,279,931	21,125,956
Subscriptions receivable	(225)	(325)
Accumulated deficit	(19,206,271)	(12,028,388)
Other comprehensive loss	(106,419)	(47,848)
Total stockholders' equity	7,968,059	9,050,376
Total liabilities and stockholders' equity	$ 21,267,187	$ 20,453,425

Boxlight Corporation
Consolidated Statements of Operations and Comprehensive Loss
For the Years Ended December 31, 2018 and 2017

	2018	2017
Revenues	$ 37,841,277	$ 25,743,612
Cost of revenues	29,188,108	19,329,831
Gross profit	8,653,169	6,413,781
Operating expense:		
General and administrative expenses	14,978,079	13,189,879
Research and development	671,653	465,940
Total operating expense	15,649,732	13,655,819
Loss from operations	(6,996,563)	(7,242,038)
Other income (expense):		
Interest expense, net	(841,788)	(635,445)
Other income, net	68,109	200,589
Gain on settlement of liabilities, net	165,378	276,026
Change in fair value of derivative liabilities	426,981	861,302
Total other income (expense)	(181,320)	702,472
Net loss	$ (7,177,883)	$ (6,539,566)
Comprehensive loss:		
Net loss	$ (7,177,883)	$ (6,539,566)
Other comprehensive loss:		
Foreign currency translation loss	(58,571)	(34,930)
Total comprehensive loss	$ (7,236,454)	$ (6,574,496)
Net loss per common share – basic and diluted	$ (.72)	$ (1.20)
Weighted average number of common shares outstanding – basic and diluted	9,922,042	5,455,161

Boxlight Corporation
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2018 and 2017

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Class A Common Stock		Additional Paid-in Capital	Subscriptions Receivable	Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
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
Shareholder payments received	-	-	-	-	-	-	-	-	-	100	-	-	100
Issuance of common shares for cash	-	-	-	-	-	-	60,000	6	419,994	-	-	-	420,000
Shares issued for:													
Settlement of accounts payable	-	-	-	-	-	-	10,968	1	40,690	-	-	-	40,691
Acquisitions	-	-	-	-	-	-	500,057	50	2,617,696	-	-	-	2,617,746
Services Rendered							17,211	2	92,234	-	-	-	92,236
Exercise of stock options	-	-	-	-	-	-	29,200	3	-	-	-	-	3
Warrant cancellations-related party	-	-	-	-	-	-	-	-	1,148,068	-	-	-	1,148,068
Stock compensation	-	-	-	-	-	-	-	-	1,835,293	-	-	-	1,835,293
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	(58,571)	-	(58,571)
Net loss	-	-	-	-	-	-	-	-	-	-	-	(7,177,883)	(7,177,883)
Balance, December 31, 2018	250,000	$ 25	-	$ -	-	$ -	10,176,433	$ 1,018	$27,279,931	$ (225)	$ (106,419)	$(19,206,271)	$ 7,968,059

Boxlight Corporation
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net loss	$ (7,177,883)	$ (6,539,566)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	66,236	-
Bad debt expense	75,634	(88,783)
Gain on settlement of accounts payable	(61,818)	-
Gain on settlement of derivative liabilities	(103,560)	-
Change in allowance for sales returns and volume rebate	190,766	407,655
Change in inventory reserve	34,121	134,200
Change in fair value of derivative liabilities	(426,981)	(861,302)
Stock compensation expense	1,984,587	4,344,429
Other share-based payments	36,000	-
Depreciation and amortization	885,699	747,208
Loss on disposal of other assets	-	7,108
Gain on settlement of debt		(276,026)
Changes in operating assets and liabilities:		
Accounts receivable – trade	(72,882)	(464,657)
Inventories	836,385	(596,653)
Prepaid expenses and other current assets	(805,365)	78,679
Accounts payable and accrued expenses	(583,132)	(985,986)
Accounts payable and accrued expenses – related parties	1,571,838	2,137,661
Deferred revenues	(224,463)	614,337
Other short-term liabilities	-	(1,686)
Net cash used in operating activities	(3,774,818)	(1,343,382)
Cash flows from investing activities:		
Cash receipts from acquisition	1,310,334	-
Cash paid for acquisition	(410,138)	-
Payment made for purchase of intangible assets	-	(10,001)
Net cash provided by investing activities	900,196	(10,001)
Cash flows from financing activities:		
Proceeds from short-term debt	23,861,448	10,214,673
Proceeds from short-term debt – related parties		-
Principal payments on short-term debt	(22,499,666)	(12,143,023)
Principal payments on short-term debt-related party		(822,550
Principal payments on convertible debt – related party		-
Proceeds from subscriptions receivable	100	-
Distributions to the member of Mimio		-
Proceeds from issuance of common stock	420,000	5,678,609
Proceeds from issuance of common stock upon exercise of options	3	29
Net cash (used in) provided by financing activities	1,781,885	2,927,738
Effect of currency exchange rates	(16,129)	(20,532)
Net increase (decrease) in cash and cash equivalents	(1,108,866)	1,553,823
Cash and cash equivalents, beginning of the year	2,010,325	456,502
Cash and cash equivalents, end of the year	$ 901,459	$ 2,010,325
Supplemental cash flows disclosures:		
Cash paid for interest	$ 808,694	$ 518,106
Cash paid for income taxes	$ -	$ -
Non-cash investing and financing activities:		
Shares issued as consideration for acquisition of Cohuba	$ 1,435,176	$ -
Shares issued, note payable and earnout out liability as consideration for acquisition of Qwizdom	$ 1,894,570	$ -

Shares issued as consideration for acquisition of EOS	$	354,000	$	-
Issuance of Series A Preferred stock for the acquisition of Genesis	$	-	$	25
Settlement of related party derivative	$	1,149,580	$	-
Shares to settle accounts payable	$	64,691	$	-
Derivative liabilities from issuance of warrants	$	-	$	2,718,554
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	$	-	$	-
Settlement of accounts payable through issuance of common stock	$	-	$	1,787,119
Settlement of trademark liability at IPO date	$	-	$	250,000

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. In 2016, the Company acquired Boxlight, Inc., Boxlight Latinoamerica, S.A. DE C.V. ("BLA") and Boxlight Latinoamerica Servicios, S.A. DE C.V. ("BLS") (together, "Boxlight Group"), Mimio LLC ("Mimio") and Genesis Collaboration, LLC ("Genesis"). In 2018, the Company acquired Cohuborate Ltd. ("Cohuba"), Qwizdom Inc. and its subsidiary Qwizdom UK Limited ("Qwizdom Companies") and EOSEDU, LLC ("EOS"). The Company currently designs, produces and distributes interactive technology solutions to the education market.

Effective April 1, 2016, we acquired Mimio LLC ("Mimio"). Mimio designs, produces and distributes a broad range of Interactive Classroom Technology products primarily targeted at the global K-12 education market. Mimio's core products include interactive projectors, interactive flat panel displays, interactive touch projectors, touchboards and MimioTeach, which can turn any whiteboard interactive within 30 seconds. Mimio's product line also includes an accessory document camera, teacher pad for remote control and an assessment system. Mimio was founded on July 11, 2013 and maintained its headquarters in Boston, Massachusetts. Manufacturing is by ODM's and OEM's in Taiwan and China. Mimio products have been deployed in over 600,000 classrooms in dozens of countries. Mimio's software is provided in over 30 languages. Effective October 1, 2016, Mimio LLC was merged into our Boxlight Inc. subsidiary.

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

Effective July 18, 2016, we acquired Boxlight Inc., Boxlight Latinoamerica, S.A. DE C.V. ("BLA") and Boxlight Latinoamerica Servicios, S.A. DE C.V. ("BLS") (together, "Boxlight Group"). The Boxlight Group sells and distributes a suite of patented, award-winning interactive projectors that offer a wide variety of features and specifications to suit the varying needs of instructors, teachers and presenters. With an interactive projector, any wall, whiteboard or other flat surface becomes interactive. A teacher, moderator or student can use the included pens or their fingers as a mouse to write or draw images displayed on the surface. As with interactive whiteboards, interactive projectors accommodate multiple users simultaneously. Images that have been created through the projected interactive surface can be saved as computer files. The new Company's new ProjectoWrite 12 series, launched in February 2016, allows the simultaneous use of up to ten simultaneous points of touch.

On May 9, 2018, and pursuant to a stock purchase agreement, Boxlight Parent acquired 100% of the capital stock of Cohuborate LTD based in Lancashire, England. Cohuba produces, sells and distributes interactive display panels designed to provide new learning and working experiences through high-quality technologies and solutions through in-room and room-to-room multi-devices multi-user collaboration.

On June 22, 2018, and pursuant to a stock purchase agreement, Boxlight Parent acquired 100% of the capital stock of the Qwizdom Companies. The Qwizdom Companies develop software and hardware solutions that are quick to implement and designed to increase participation, provide immediate data feedback, and, most importantly, accelerate and improve comprehension and learning. The Qwizdom Companies have offices outside Seattle, WA and Belfast, Northern Ireland and deliver products in 44 languages to customers around the world through a network of partners. Over the last three years, over 80,000 licenses have been distributed for the Qwizdom Companies' interactive whiteboard software and online solutions.

On August 31, 2018, we purchased 100% of the membership interest equity of EOSEDU, LLC, an Arizona limited liability company owned by Daniel and Aleksandra Leis. EOSEDU is in the business of providing technology consulting, training, and professional development services to create sustainable programs that integrate technology with curriculum in K-12 schools and districts.

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Boxlight Corporation, Boxlight Group, Mimio, Genesis, Cohuba, Qwizdom Companies and EOS. Transactions and balances among Boxlight Corporation, Boxlight Group, Mimio, Genesis, Cohuba, Qwizdom Companies and EOS have been eliminated. The Company restated its financial statements as of and for the year ended December 31, 2017 to correct misstatements related to derivative liabilities and stock compensation.

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. Boxlight Group's functional currency is the British Pound. 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. Boxlight Group, whose functional currency is the British Pound, translates 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.

RECLASSIFICATIONS

We reclassified $491,956 between accounts payable and accrued expenses and warranty liabilities in the balance sheet as of December 31, 2017. This reclassification had no impact on our total current liabilities and statement of cash flows as of and for the year ended December 31, 2017.

CASH AND CASH EQUIVALENTS

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

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at contractual amounts, net of an allowance for doubtful accounts. The allowance for doubtful accounts represents management's estimate of the amounts that ultimately will not 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 include 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 carrying amount or fair value less cost to sell.

GOODWILL

Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized and is not deductible for tax purposes.

Under ASC 350, we have an option to perform a “qualitative” assessment of the Company to determine whether further impairment testing is necessary. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of the business is less than carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. If we determine that the Company meets these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the Company. Based on these assessments, we determine whether the likelihood that a current fair value determination would be less than the current carrying amount is not more likely than not. If it is determined it is not more likely than not, no further testing is required. If further testing is required, we continue with the quantitative impairment test.

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

INTANGIBLE ASSETS

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

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, 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).

The Company's assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

The following tables set forth, by level within the fair value hierarchy, the Company's financial liabilities that were accounted for at fair value on a recurring basis as of December 31, 2018 and 2017:

Description	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value as of December 31, 2018
Derivative liabilities - warrant instruments	$ -	$ -	$ 326,452	$ 326,452
Earn-out payable			410,000	410,000
			$ 736,452	$ 736,452

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

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 services to third parties and recognizes revenue upon completion of the services. The Company also performs training and professional development services and recognizes revenue upon completion of the training sessions.

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 does enter into some bill and hold arrangements with customers. Each arrangement is reviewed and revenue is recognized only when the following criteria have been met: (1) the risk of ownership has passed to the buyer (2) the customer must have made a fixed commitment to purchase the goods (3) the buyer must request the transaction to be on a bill and hold basis and have a substantial business purpose for the request (4) there must be a fixed schedule for delivery (5) no remaining performance obligations and (6) goods are complete and ready to ship and segregated from inventory.

The Company 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.

The Company has a 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 the related product revenue is recognized, if the liability is expected to be material. The warranty obligation is affected by historical product failure rates and the related use of materials, labor costs and freight incurred in correcting any product failure. Should actual product failure rates, use of materials, or other costs differ from the Company’s estimates, additional warranty liabilities could be required, which would reduce its gross profit.

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.

STOCK 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.

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. 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 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. 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 May 2017, the FASB issued ASU No. 2017-09, "Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting." This ASU provides amendments to the current guidance on determining which changes to the terms and conditions of share-based payment awards require the application of modification accounting. The effects of a modification should be accounted for unless there are no changes between the fair value, vesting conditions, and classification of the modified award and the original award immediately before the original award is modified. ASU 2017-09 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The adoption of this ASU did not have a significant impact on the financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820) - Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." This update is a part of FASB's disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements. The amendments in this update remove, modify, and add certain disclosure requirements within Topic 820. This standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted upon issuance of this update and an entity is permitted to early adopt any removed or modified disclosures upon issuance of this update and delay adoption of the additional disclosures until the effective date. Certain disclosure amendments are to be applied prospectively for only the most recent interim or annual period presented, while other amendments are to be applied retrospectively to all periods presented. The Company does not believe that the adoption of this ASU will have a significant impact on its financial statements.

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, 2018, the Company had an accumulated deficit of $19,206,271 and a net working capital deficit of $2,598,173. During the year ended December 31, 2018, the Company incurred a net loss of $7,177,883 and net cash used in operations was $3,774,818. 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 public or private sales of equity or debt securities or from banks or other loans.

NOTE 3 – ACQUISITIONS

The acquisitions described below were each accounted for as business combinations which requires, among other things, that 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.

On May 9, 2018, the Company acquired 100% of the share capital of Cohuborate, Ltd. based in Lancashire, England. Cohuborate produces, sells and distributes interactive display panels designed to provide new learning and working experience through high-quality technologies and solutions through in-room and room-to-room multi-device multi-user collaboration. Although a development stage company with minimal revenues to date, we believe that Cohuborate will enhance our software capability and product offerings. We purchased the Cohuborate shares for 257,200 shares of the Company's Class A common stock and 100 British pound sterling (US$138).

Assets acquired:		
Cash	$	1,038,368
Accounts receivable		12,114
Inventory		315,438
Other current assets		22,928
Property and equipment		4,321
Intangible assets		190,430
Total assets acquired		1,583,599
Total liabilities assumed		(148,285)
Net assets acquired	$	1,435,314
Consideration paid:		
Issuance of 257,200 shares of Class A common stock	$	1,435,176
Cash		138
Total	$	1,435,314

On June 22, 2018, the Company acquired 100% of the share capital of Qwizdom, Inc. based in the state of Washington and its subsidiary Qwizdom UK Limited based in Northern Ireland (the "Qwizdom Companies"). The Qwizdom companies develop software and hardware solutions that are quick to implement and designed to increase participation, provide immediate data feedback, and, most importantly, accelerate and improve comprehension and learning. We purchased the Qwizdom shares for (1) $410,000 in cash, (2) issuance of an 8% promissory note of $656,000 (3) issuance of 142,857 shares of the Company's Class A common stock, and (4) an annual earn-out payment at maximum of $410,000 based on 16.4% of future consolidated revenues as defined in the agreement from 2018 to 2020.

Assets acquired:		
Cash	$	239,698
Accounts receivable		662,636
Inventory		132,411
Other current assets		20,857
Property and equipment		299,525
Intangible assets		650,188
Goodwill		477,145
Total assets acquired		2,482,460
Total liabilities assumed		(177,890)
Net assets acquired	$	2,304,570
Consideration paid:		
Cash	$	410,000
Promissory note		656,000
Issuance of 142,857 shares of Class A common stock		828,570
Earn-out payable		410,000
Total	$	2,304,570

On August 31, 2018, the Company acquired 100% of the share capital of EOS based in Arizona. EOS is in the business of providing technology consulting, training, and professional development services to create sustainable programs that integrate technology with curriculum in K-12 schools and districts. The Company purchased the EOS shares for 100,000 shares of the Company's Class A common stock.

Assets acquired:		
Cash	$	32,269
Accounts receivable		89,871
Other current assets		4,543
Intangible assets		156,823
Goodwill		78,411
Total assets acquired		361,917
Total liabilities assumed		(7,917)
Net assets acquired	$	354,000
Consideration paid:		
Issuance of 100,000 shares of Class A common stock	$	354,000
Total	$	354,000

Unaudited Pro Forma Results of Operations

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

		For the year ended December 31, 2018
Revenues	$	39,118,779
Cost of revenues		(29,534,694)
Operating expenses		(16,874,840)
Other incomes (expenses)		(181,172)
Net loss	$	(7,471,927)
Net loss per common share	$	(0.74)
Weighted average outstanding common shares – basic and diluted		10,149,786

The pro forma combined results of operations were adjusted to include Cohuba's, Qwizdom Companies' and EOS' operating results for the period from January 1, 2018 to the day that the companies were acquired by the Company. In addition, the pro forma results of operations were adjusted for the following expenses:

		For the year ended December 31, 2018
Record amortization expense of intangible assets acquired	$	100,000

The Company engaged a third-party valuation specialist to assist in the valuation and is in the process of completing its assessment of the fair value of assets acquired and liabilities assumed. Thus, the preliminary measurement of the assets acquired and liabilities assumed are subject to change, which could be significant. The Company will finalize the amounts recognized no later than one year from the acquisition date.

NOTE 4 – ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consisted of the following at December 31, 2018 and 2017:

		2018		2017
Accounts receivable – trade	$	4,658,352	$	3,846,724
Allowance for doubtful accounts		(276,507)		(200,874)
Allowance for sales returns and volume rebates		(747,119)		(555,918)
Accounts receivable - trade, net of allowances	$	3,634,726	$	3,089,932

The Company wrote off accounts receivable of $90,890 and $163,402 for the years ended December 31, 2018 and 2017, respectively.

NOTE 5 – INVENTORIES

Inventories consisted of the following at December 31, 2018 and 2017:

	2018	2017
Finished goods	$ 4,135,424	$ 4,611,973
Spare parts	285,575	187,158
Reserves for inventory obsolescence	(206,683)	(172,562)
Inventories, net	$ 4,214,316	$ 4,626,569

The Company wrote off inventories of $105,669 and $83,500 for the years ended December 31, 2018 and 2017, respectively.

NOTE 6 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following at December 31, 2018 and 2017:

	2018	2017
Prepayments to vendors	$ 1,033,896	$ 295,448
Employee receivables	1,794	6,203
Prepaid local taxes	1,614	1,015
Prepaid and refundable income taxes	-	33,435
Prepaid licenses and other	176,853	51,905
Prepaid expenses and other current assets	$ 1,214,157	$ 388,006

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2018 and 2017:

	Useful lives	2018	2017
Building	50 years	$ 199,708	$ -
Building improvements	15 years	9,086	-
Leasehold improvements	9-10 years	3,355	3,355
Office equipment	2-7 years	36,450	21,341
Other equipment	5 years	42,485	42,485
Property and equipment, at cost		291,084	67,181
Accumulated depreciation		(64,675)	(37,429)
Property and equipment, net of accumulated depreciation		$ 226,409	$ 29,752

For the years ended December 31, 2018 and 2017, the Company recorded depreciation expense of $107,296 and $30,288, respectively.

NOTE 8 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill consisted of the following at December 31, 2018 and 2017:

	Weighted Average useful lives	2018	2017
Patents	9 years	$ 81,683	$ 67,395
Customer relationships	10 years	4,009,355	3,567,396
Technology	5 years	178,400	-
Domain	15 years	13,955	-
Trademarks	10 years	3,917,590	3,554,932
Intangible assets, at cost		8,200,983	7,189,723
Accumulated amortization		(1,848,710)	(1,063,165)
Intangible assets, net of accumulated amortization		$ 6,352,273	$ 6,126,558
Goodwill from acquisition of Mimio	N/A	$ 44,931	$ 44,931
Goodwill from acquisition of Boxlight	N/A	4,137,060	4,137,060
Goodwill from acquisition of EOS	N/A	78,411	-
Goodwill from acquisition of Qwizdom	N/A	477,145	-
		$ 4,737,547	$ 4,181,991

For the years ended December 31, 2018 and 2017, the Company recorded amortization expense of $785,547 and $716,920, respectively.

NOTE 9 – DEBT

The following is debt at December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Short-term debt – third parties		
Note payable – Harbor Gates Capital	$ 500,000	$ -
Note payable – AHA	-	250,000
Note Payable – Radium Capital	725,159	-
Note Payable- Whitebirk Finance Limited	127,329	-
Accounts receivable financing – Sallyport Commercial	953,739	502,449
Total short-term debt – third parties	2,306,227	752,449
Short-term debt – related parties		
Note Payable – Qwizdom (Darin & Silvia Beamish)	273,333	-
Note payable – Logical Choice Corporation - Delaware	54,000	54,000
Note Payable - Mark Elliott	50,000	-
Total short-term debt – related parties	377,333	54,000
Convertible debt – related party		
Convertible note payable – Mark Elliott	-	50,000
Long-term debt – related parties		
Note payable – Qwizdom (Darin & Silvia Beamish)	328,000	-
Total debt	$ 3,011,560	$ 856,449

Short-Term Debt - Third Parties:

AHA Note

On June 3, 2016, prior to the Company's acquisition of Boxlight Group, 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 was 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 paid $250,000 with the remaining principal due in six equal monthly payments of $41,667 commencing January 2018. On June 8, 2018, the Company satisfied in full the obligation due to AHA and received a notice of dismissal.

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 a right of recourse back to the Company if the receivables are not collectible. This agreement requires a minimum monthly sales volume of $1,250,000 with a maximum facility limit of $6,000,000. Advances against this agreement accrue interest at 4% in excess of the 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 in all of Boxlight Inc. and Genesis' assets.

As of December 31, 2018, outstanding principal and accrued interest were $953,739 and $0, respectively. For the year ended December 31, 2018, the Company incurred interest expense of $642,888.

Harbor Gates Capital

On May 16, 2018, the Company entered into an unsecured promissory note agreement for $500,000 with Harbor Gates Capital. The note bears an interest rate of 7% and matures on February 16, 2019. In addition, the Company issued 5,715 shares of its Class A common stock valued at $56,236 to the lender in lieu of payment of origination fees which was recorded as original issue discount and fully amortized because of the short-term. If the Company fails to pay the note on the maturity date, the note may be converted into its Class A common stock at a price of $4.00 per share at the option of the holder. As of December 31, 2018, outstanding principal and accrued interest were $500,000 and $21,959, respectively.

Radium Capital

On September 20, 2018, the Company entered into an agreement for the purchase and sale of future receipts with Radium Capital. Pursuant to the agreement, Radium provided proceeds of $1,000,000 to the Company based on expected future revenue. The cost of the proceeds was 26% of the loan amount plus a $10,000 origination fee. The origination fee was recorded as original issue discount and fully amortized due to the short-term nature of the agreement. The Company is required to make weekly payments of $26,636 commencing October 3, 2018 to repay the debt. As of December 31, 2018, outstanding principal and accrued interest were $725,159 and $0, respectively.

Whitebirk Finance Limited

On September 20, 2018, the Company entered into an unsecured promissory note agreement for £98,701 with Whitebirk Finance Limited. The note bears an interest rate of 5% and matures on August 31, 2019. This note was entered to settle outstanding accounts payable between Cohuba and Whitebirk related to inventory purchases. As of December 31, 2018, outstanding principal and accrued interest were $127,329 and $2,122, respectively.

Short-Term Debt - Related Parties:

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. This loan is currently in default. The assets of Genesis have been pledged, but subordinated to Sallyport financing, as a security interest against any advances on the line of credit. As of December 31, 2018, outstanding principal and accrued interest under this agreement was $54,000 and $21,316, respectively. As of December 31, 2017, outstanding principal and accrued interest under this agreement was $54,000 and $15,916, respectively.

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 as amended was due on December 31, 2018 and bears interest at an annual rate of 10%, compounded monthly. The note is convertible into 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. On July 3, 2018, Mark Elliott, the Company's Chief Executive Officer amended the note to eliminate the conversion provision of the note. As of December 31, 2018, outstanding principal and accrued interest under this note were $50,000 and $19,808, respectively. The note is currently in default. As of December 31, 2017, outstanding principal and accrued interest under this note were $50,000 and $14,808, respectively.

Long-Term Debt - Related Parties:

Long Term Note Payable- Qwizdom Shareholders

On June 22, 2018, the Company issued a note to Darin and Silvia Beamish, previous 100% shareholders of Qwizdom, in the amount of $656,000 bearing an 8% interest rate. The note was issued as a part of the purchase price pursuant to the Stock Purchase agreement. The principal and accrued interest of the $656,000 note is due and payable in 12 equal quarterly payments. The first quarterly payment was due September 2018 and subsequent quarterly payments are due through June 2021. Principal and accrued interest become due and payable in full upon the completion of a public offering of Class A common stock or private placement of debt or equity securities for $10,000,000 or more. As of December 31, 2018, outstanding principal and accrued interest under this note were $601,333 and $12,126, respectively. Principal in the amount of $273,333 is due within a year from December 31, 2018.

Principal repayments to be made during the next five years are as follows:

	$
2019	2,683,560
2020	218,667
2021	109,333
2022	-
2023	-
Total	3,011,560

NOTE 10 – DEFERRED REVENUE

The Company has future performance obligations for separately priced extended warranties sold related to its Lamps for Life program and advances from customers. Deferred revenue consisted of the following:

	December 31, 2018	December 31, 2017
Balance, beginning of year	$ 1,302,717	$ 767,726
Additions	17,989,811	1,070,528
Amortization	(18,219,514)	(535,537)
Balance, ending of year	1,073,014	1,302,717
Deferred revenue – short-term	938,050	1,127,423
Deferred revenue – long-term	$ 134,964	$ 175,294

The Company entered an arrangement with a distributor which specified shipment to an intermediate site before final delivery to the end user. The distributor would prepay the majority of the sales price and assumes title to the products upon shipment to the intermediate site. The balance of the sales price would be payable upon final delivery to the end user. Revenue was deferred for sales subject to these payment terms and recognized upon final delivery.

NOTE 11 – DERIVATIVE LIABILITIES

At December 31, 2018 and December 31, 2017, the Company had warrants that contain net cash settlement provisions or do not have fixed settlement provisions because their conversion and exercise prices may be lowered if the Company issues securities at lower prices in the future. The Company concluded that the warrants should be accounted for as derivative liabilities. In determining the fair value of the derivative liabilities, the Company used the Black-Scholes option pricing model at December 31, 2018 and 2017:

	December 31, 2018
Common stock issuable upon exercise of warrants	1,129,121
Market value of common stock on measurement date	$ 1.20
Exercise price	$ 1.68
Risk free interest rate (1)	2.46 – 2.63%
Expected life in years	1.3 – 3.3 years
Expected volatility (2)	74% – 124%
Expected dividend yields (3)	0%

	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 rollforward for the years ended December 31, 2018 and 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
Initial valuation of derivative liabilities upon issuance of warrants	149,321
Cancellation of warrants	(1,253,140)
Change in fair value of derivative liabilities	(426,981)
Balance, December 31, 2018	326,452

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

NOTE 12 – INCOME TAXES

The Company operates in the United States, United Kingdom 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, 2018 and 2017, the Company has incurred net losses and, therefore, has no tax liability. The cumulative net operating losses carry-forward on tax basis income was approximately $9.8 and $7.6 million at December 31, 2018 and 2017, respectively. The recoverability 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, 2018 and 2017.

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):

	2018	2017
Income tax benefit computed at the statutory rate	$ 1,507,355	$ 2,289,000
Stock compensation	(417,000)	(1,521,000)
Non-deductible expenses	(176,000)	(21,000)
Effect of U.S. tax law change	-	(1,107,000)
Change in valuation allowance	(914,355)	360,000
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, 2018	December 31, 2017
Depreciation and amortization expenses	$ 26,000	$ 8,000
Bad debt expense	238,000	106,000
Others	200,000	-
Net loss carrying forward	2,060,000	1,589,000
Valuation allowance	(2,524,000)	(1,703,000)
Net deferred income tax assets	$ -	$ -

The tax years from 2015 to 2018 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 non-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.

The Company 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 the initial public offering ("IPO") in November 2017, all 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 IPO, 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 no later than November 30, 2018.

Common Stock

The Company's common stock consists 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, 2018, and December 31, 2017, the Company had 10,176,433 and 9,558,997 shares of Class A common stock issued and outstanding, respectively. No Class B shares were outstanding at December 31, 2018 and December 31, 2017.

Issuance of common stock

<u>Issuances in 2018:</u>

On January 8, 2018, the Company issued 60,000 shares of common stock to K Laser valued at $7.00 per share for cash of $420,000.

On April 13, 2018, the Company issued 1,015 shares of common stock at $3.94 to a consultant in lieu of payment for services.

On May 9, 2018, the Company issued 257,200 shares of common stock to the shareholders of Cohuba valued at $5.58 per share related to the acquisition of 100% of Cohuborate, Ltd.

On May 15, 2018, the Company issued 416 shares of common stock to Tysadco Partners valued at $9.62 per share in lieu of payment of professional fees.

On May 16, 2018, the Company issued 5,715 shares of common stock to a third-party lender valued at $9.84 per share in lieu of payment of origination fees.

On June 15, 2018, the Company issued 694 shares of common stock to Tysadco Partners valued at $5.76 per share in lieu of payment of professional fees.

On June 22, 2018, the Company issued 142,857 shares of common stock to the shareholders of Qwizdom, Inc. valued at $5.80 per share related to the acquisition of 100% of Qwizdom.

On July 15, 2018, the Company issued 962 shares of Class A common stock at $4.16 per share to a consultant in lieu of payment for services.

On August 15, 2018, the Company issued 806 shares of Class A common stock at $4.96 per share to a consultant in lieu of payment for services.

On August 20, 2018, the Company issued 10,968 shares of Class A common stock at $3.71 per share to a vendor for the settlement of accounts payable.

On August 31, 2018, the Company issued 100,000 shares of common stock to the shareholders of EOSEDU, LLC valued at $3.54 per share related to the acquisition of 100% of EOS.

On September 14, 2018, the Company issued 1,290 shares of Class A common stock at $3.10 per share to a consultant in lieu of payment for services.

On October 15, 2018, the Company issued 1,960 shares of Class A common stock at $2.04 per share to a consultant in lieu of payment for services.

On November 15, 2018, the Company issued 1,970 shares of Class A common stock at $2.03 per share to a consultant in lieu of payment for services.

On December 17, 2018, the Company issued 2,381 shares of Class A common stock at $1.68 per share to a consultant in lieu of payment for services.

Exercise of stock options

On March 20, 2018, the former Chief Financial Officer exercised 29,200 stock options and paid a total of $3 for the collective exercise price.

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 would 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, the trademark would 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 would 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 would return 82,059 shares to the Company. No later than 12 months after the closing of IPO, the Company would pay the remaining balance of $215,000. Upon receipt of the final payment of $215,000, Loeb would 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, 2018, the Company had paid $900,000 and had no remaining payable.

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.

NOTE 14 – SHARE-BASED COMPENSATION

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 Boxlight 2014 Stock Option plan is 2,390,438 shares. The plan was amended on September 7, 2018, wherein the Board and shareholders approved the addition of 300,000 shares increasing the total plan shares to 2,690,438. As of December 31, 2018, the Company had 972,414 shares reserved for issuance under the plan.

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 immediately or vest over four years and expire five years from the grant date, unless stated differently in the option agreements, if they are not exercised. Stock options, excluding immediately vested, have no financial statement effect on the date they are granted but rather are reflected over time through recording compensation expense. We record compensation expense based on the estimated fair value of the awards on a straight-line basis over the vesting period. Compensation expense is reduced by the fair value of options that are.

Following is a summary of the option activities during the years ended December 31, 2018 and 2017:

	Number of Units		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
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
Granted	1,019,500	$	5.08	
Exercised	(29,200)	$	0.0001	
Cancelled	(84,850)	$	4.81	
Outstanding, December 31, 2018	1,718,024	$	4.18	4.64
Exercisable, December 31, 2018	1,133,496	$	3.68	4.51

*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. As of December 31, 2018 and 2017, the options had an intrinsic value of approximately $0.5 million and $2.1 million, respectively.

Issuances in 2018:

On January 2, 2018, the Company granted 100,000 stock options each, 300,000 options in total, 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 of these options is five years from the grant date. These options had an aggregate fair value of approximately $689,000 on the grant date.

On January 2, 2018, the Company granted 200,000 stock options to its Chief Operating Officer with an exercise price of $5.01 per share vesting monthly over one year. The expiration date of these options is five years from the grant date. These options had a fair value of approximately $459,000 on the grant date.

On February 14, 2018, the Company granted an aggregate of 367,500 stock options in total to its employees with an exercise price of $5.40 per share vesting quarterly over four years. The expiration date of these options is five years from the grant date. These options had an aggregated fair value of approximately $998,000 on the grant date.

On March 19, 2018, the Company granted 35,000 stock options to its Chief Financial Officer with an exercise price of $4.00 per share vesting monthly over one year. The expiration date of these options is five years from the grant date. These options had an aggregate fair value of approximately $65,000 on the grant date.

On March 29, 2018, the Company granted 25,000 stock options to one of its Board of Directors with an exercise price of $4.06 per share vesting quarterly over one year. The expiration date of these options is five years from the grant date. These options had an aggregated fair value of approximately $47,000 on the grant date.

On June 22, 2018, the Company granted 60,000 stock options to employees from the Qwizdom acquisition with an exercise price of $5.78 per share vesting annually over four years commencing June 22, 2019. The expiration date of these options is ten years from the grant date. These options have an aggregate fair value of approximately $214,000 on the grant date.

On September 17, 2018, the Company granted 32,000 stock options to employees from the EOS acquisition with an exercise price of $3.08 per share vesting annually over four years commencing September 17, 2019. The expiration date of these options is ten years from the grant date. These options have an aggregate fair value of approximately $63,000 on the grant date.

Variables used in the Black-Scholes option-pricing model for options granted during the year ended December 31, 2018 include: (1) discount rate of 2.01% – 2.89% (2) expected life, using simplified method, of 3 – 6 years, (3) expected volatility of 66% – 71%, and (4) zero expected dividends.

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.

Warrants

Following is a summary of the warrant activities during the years ended December 31, 2018 and 2017:

	Number of Units		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding, December 31, 2016				
Granted	1,070,717	$	7.57	2.12
Outstanding, December 31, 2017	1,070,717	$	7.57	2.12
Granted	402,657	$	1.7	
Cancelled	(289,253)	$	3.94	1.50
Outstanding,December 31, 2018	1,184,121	$	1.90	1.63
Exercisable, December 31, 2018	835,059	$	1.68	1.00

On April 2, 2018, the Company issued a warrant to purchase 5,000 shares of Class A common stock at a strike price of $4.76 per share to a consultant. The warrant will vest on a quarterly basis over 4 years beginning September 30, 2018. The expiration date is 5 years from the issue date. These warrants have an aggregate fair value of approximately $12,000 on the grant date that was calculated using the Black-Scholes option-pricing model.

On May 31, 2018, the Company cancelled warrants to purchase 289,253 shares of Class A common stock at a strike price of $3.94 per share. The Company recorded additional contribution of $1,149,580 and gain from settlement of liabilities of $103,560 in connection with the cancellation.

On June 21, 2018, the Company issued warrants to purchase 270,000 and 25,000 shares of Class A common stock at a strike price of $6.00 per share to Canaan Parish and a consultant, respectively, for future advisory services. The warrants are exercisable by the holder only after October 1, 2018 and expire on December 31, 2021. These warrants have an aggregate fair value of approximately $930,000 on the grant date that was calculated using the Black-Scholes option-pricing model. These warrants contain non-fixed settlement provision that the exercise price can be lower when a qualified event occur as defined in the agreement. The Company concluded that the instruments are accounted for as derivative liabilities. See Note 11. During the year ended, the Company recorded approximately $62,000 compensation and derivative liabilities based on vesting term.

In 2018, the Company issued 86,511 and 16,146 warrants to Dynamic Capital and Canaan Parish, respectively. The warrants were issued in accordance with the terms of the warrant agreements that required the issuance of additional shares when the Company issues shares to either raise additional capital or complete an acquisition.

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 on the measurement date 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 the 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 the 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 the 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, 2018 include: (1) discount rate of 2.46% – 2.63% (2) expected life of 1.00 – 3.00 years, (3) expected volatility of 71% – 74%, and (4) zero expected dividends. As of December 31, 2018, the warrants had an intrinsic value of $0.

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.

During the year ended December 31, 2018, 1,129,121 warrants' exercise prices were reset to $1.68 per share, respectively, upon a qualified event as defined in the agreements.

Stock compensation expense

For the year ended December 31, 2018 and 2017, the Company recorded the following stock compensation in general and administrative expense:

	2018	2017
Stock options	$ 1,835,293	$ 323,875
Warrants	149,294	2,718,554
Class A common stock grants	-	1,302,000
Total stock compensation expense	$ 1,984,587	$ 4,344,429

As of December 31, 2018, there was approximately $1.5 million of unrecognized compensation expense related to unvested options, which will be amortized over the remaining vesting period. Of that total, approximately $0.5 million is estimated to be recorded as compensation expense in 2019.

NOTE 15 – OTHER RELATED PARTY TRANSACTIONS

Management Agreement – VC2 Advisors, LLC

On November 30, 2017, the Company entered into a management agreement with Dynamic Capital, LLC, a Delaware limited liability company owned by the AEL Irrevocable Trust and managed by Adam Levin ("Dynamic Capital"). Pursuant to the agreement, Dynamic Capital shall perform consulting services for the Company relating to, among other things, sourcing and analyzing strategic acquisitions and introductions to various financing sources. Dynamic Capital shall receive a management fee payable in cash equal to 1.125% of total consolidated net revenues for the fiscal years ended December 31, 2017 and 2018, payable in monthly installments. The annual fee is subject to a cap of $750,000 in each of 2017 and 2018. At its option, Dynamic Capital may defer payment until the end of each year and receive payment in the form of shares of Class A common stock of the Company. As of December 31, 2018 and December 31, 2017, the Company had a payable of $425,619 and $35,632, respectively, pursuant to the agreement.

On January 31, 2018, the Company entered into a management agreement with an entity owned and controlled by our President and Director, Michael Pope. Effective as of the first day of the same month that Mr. Pope's employment with the Company shall terminate, and for a term of 13 months, Mr. Pope shall provide consulting services to the Company including sourcing and analyzing strategic acquisitions, assisting with financing activities, and other services. As consideration for the services provided, the Company shall pay a management fee equal to 0.375% of the consolidated net revenues of the Company, payable in monthly installments, not to exceed $250,000 in any calendar year. At his option, Mr. Pope may defer payment until the end of each year and receive payment in the form of shares of Class A common stock of the Company.

Sales and Purchases - EDI

Everest Display Inc. ("EDI"), an affiliate of the Company's major shareholder K-Laser, is a major supplier of products to the Company. For the year ended December 31, 2018 and 2017, the Company had purchases of $4,203,800 and $3,210,252, respectively, from EDI. For the year ended December 31, 2018 and 2017, the Company had sales of $19,167 and $30,527, respectively, to EDI. As of December 31, 2018, and 2017, the Company had accounts payable of approximately of $5,491,616 and $4,325,000, respectively, to EDI.

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 plus 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 received a release from the Court. The Company recorded a gain from the settlement of approximately $26,000.

On April 2017, a Garnishment Action was filed by Asahi Net, Inc. ("Asahi") against Vert. Asahi was seeking to garnish funds in the amount of $2,180,881. The Company was listed as a garnishee in the Action because Vert had loaned money to the Company. The Company had already paid Vert in full satisfaction of the loan. On March 1, 2018, the Company was served a claim under the Georgia Uniform Voidable Transactions Act by Asahi, which was seeking to void transactions between the Company and Vert. The Company disputed these allegations. On April 26, 2018, Asahi filed a Notice of Dismissal for both the Garnishment Action as well as the claim under the Georgia Uniform Voidable Transactions Act.

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 Skyview Note, which was in default at the time, plus accrued interest thereon, and also seeking to foreclose on the assets of Mimio that is now owned and operated by 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 the acknowledgement of satisfaction of judgement was received on March 21, 2018 from the court.

Operating Lease Commitments

The Company leases two office spaces under non-cancelable lease agreements. The leases provide that the Company pay 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, 2018 are as follows:

Year ending December 31,		Amount
2019	$	124,873
2020		27,832
2021		-
Minimum Lease Payments	$	152,705

The Company also has another office lease on a month-to-month basis. For the years ended December 31, 2018 and 2017, aggregate rent expense was approximately $357,244 and $274,950, 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 with one customer for the years ended December 31, 2018 and 2017:

Customer	Total revenues from the customer to total revenues for the year ended December 31, 2018	Accounts receivable from the customer as of December 31, 2018 (rounded to 000)	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)
1	39%	$ 1,495,000	12%	$ 372,000

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 a few vendors for the years ended December 31, 2018 and 2017:

Vendor	Total purchases from the vendor to total purchases for the year ended December 31, 2018	Accounts payable (prepayment) to the vendor as of December 31, 2018 (rounded to 000)	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)
1	33%	$ (282,190)	37%	$ (61,000)
2	30%	$ (17,110)	-	-
3*	17%	$ 5,491,616	34%	$ 4,325,000

* 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 1, 2019, the Company issued 3,333 shares of Class A common stock at $1.20 per share to a consultant in lieu of payment for services.

On January 31, 2019, the Company issued 1,413 shares of Class A common stock at $2.83 per share to a consultant in lieu of payment for services.

On February 16, 2019, the Company failed to repay the $500,000 outstanding convertible note to Harbor Gates Capital. On March 14, 2019, the debt was converted to 133,750 shares of Class A common stock at $4.00 per share.

On March 12, 2019, the Company completed the acquisition of Modern Robotics, Inc., a Science, Technology, Engineering and Math (STEM) education company with programming and robotics solutions for the K-12 education market for 200,000 shares of the Company's Class A common stock and a $70,000 note payable. The Company will account for the acquisition 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 related goodwill, if any, will be deductible for tax purposes.

On March 22, 2019, we entered into a securities purchase agreement with Lind Global Marco Fund, LP (the "Investor") that contemplates a $4,000,000 working capital financing for Boxlight Parent and its subsidiaries. The investment is in the form of a $4,400,000 principal amount convertible secured Boxlight Parent note with a maturity date of 24 months. The note is convertible at the option of the Investor into our Class A voting common stock at a fixed conversion price of $4.00 per share. We will have the right to force the Investor to convert up to 50% of the outstanding amount of the note if the volume weighted average closing price of our Class A common stock trades above $8.00 for 30 consecutive days; and 100% of the outstanding amount of the note if the volume weighted average closing price of our Class A common stock trades above $12.00 for 30 consecutive days. At closing a total of $4,000,000 will be funded under the note.

(Back To Top)

Section 2: EX-21

Exhibit 21

List of Subsidiaries

Boxlight Inc., a Washington corporation

Boxlight Latinoamerica, S.A. DE C.V., a Mexico corporation

Boxlight Latinoamerica Servicios, S.A. DE C.V., a Mexico corporation

Boxlight Group Ltd., a U.K. limited company

EOSEDU, LLC, a Nevada limited liability company

(Back To Top)

Section 3: EX-31.1

Exhibit 31.1

Certification

I, James Mark Elliott, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Boxlight Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2019

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

(Back To Top)

Section 4: EX-31.2

Exhibit 31.2

CERTIFICATION

I, Takesha Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Boxlight Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2019

/s/ Takesha Brown
Takesha Brown
Chief Financial Officer
(Principal Financial Officer)

(Back To Top)

Section 5: 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 the Annual Report of Boxlight Corporation (the “Company”) on Form 10-K pursuant for the year ended December 31, 2018, 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: March 28, 2019

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

(Back To Top)

Section 6: 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 the Annual Report of Boxlight Corporation (the "Company") on Form 10-K for the year ended December 31, 2018, 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: March 28, 2019

/s/ Takesha Brown
Takesha Brown
Chief Financial Officer
(Principal Financial Officer)

(Back To Top)