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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

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

Commission File Number: 333-165972

BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc. and subsidiaries)
(Exact name of Registrant as specified in its charter)

Delaware	**22-3956444**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

1080 N. Batavia Street
Suite A
Orange, California 92867
(Address of principal executive offices)

(855) 558-8363
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒ Emerging growth company ☐

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

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

The number of shares outstanding of the registrant's common stock, $0.001 par value per share, was 32,177,416 as of October 3, 2018.

BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc. and subsidiaries)
FORM 10-Q
For the Three and Six Months Ended June 30, 2018

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BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc.)

Condensed Consolidated Balance Sheets

	June 30, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets:		
Cash	$ 181,633	$ 87,667
Accounts receivable	123,621	28,572
Inventory (net)	318,338	81,621
Prepaid expenses and other assets	28,902	19,674
Total current assets	652,494	217,534
Noncurrent assets:		
Property and equipment (net)	761,520	594,236
Security deposits	12,261	11,416
Intangible assets (net)	66,289	86,801
Total assets	$ 1,492,564	$ 909,987
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 458,020	$ 460,719
Accrued expenses	179,606	88,250
Accrued interest	519,816	366,327
NHL and MLB sponsorship liability	50,000	1,956,204
Amounts due to officers	750,155	586,851
Senior convertible notes, net of discount	418,804	443,804
Promissory notes payable	522,784	464,899
Convertible notes payable, net of discount	678,869	358,046
Current capital lease obligation	214,453	148,235
Total current liabilities	3,792,507	4,873,335
Noncurrent liabilities:		
Senior convertible notes, net of discount	24,112	-
Convertible notes payable, net of discount	2,299,865	2,201,954
Capital lease obligation	145,768	-
Warrant liabilities	149,559	121,860
Total noncurrent liabilities	2,619,304	2,323,814
Total liabilities	6,411,811	7,197,149
Stockholders' deficit:		
Common stock, $.001 par value, 600,000,000 shares authorized, 31,626,659 and 27,614,992 shares issued and outstanding, respectively	31,627	27,615
Additional paid in capital	5,614,673	5,303,434
Accumulated deficit	(10,565,547)	(11,618,211)
Total stockholders' deficit	(4,919,247)	(6,287,162)
Total liabilities and stockholders' deficit	$ 1,492,564	$ 909,987

The accompanying notes are an integral part of the condensed consolidated financial statements

BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc.)

Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenue	$ 457,956	$ 441,156	$ 745,789	$ 771,182
Cost of Goods Sold	245,975	221,465	398,142	390,356
Gross Profit	211,981	219,691	347,647	380,826
Operating Expenses				
Selling	490,402	398,762	1,150,429	786,867
General and administrative	331,268	393,751	603,644	702,767
Total operating expenses	821,670	792,513	1,754,073	1,489,634
Operating loss	(609,689)	(572,822)	(1,406,426)	(1,108,808)
Other Expenses (Income):				
Gain on change in fair value of debt and warrant liabilities	-	(13,989)	-	(25,358)
Gain on settlement of liability	(2,674,419)	-	(2,674,419)	-
Gain on sale of asset	(23,984)	-	(23,984)	-
Amortization of debt discount and deferred financing costs	18,537	23,620	47,861	47,416
Interest expense	104,409	84,623	191,452	165,364
Unrealized loss (gain) on foreign currency	-	(667)	-	1,140
Total other expenses (income):	(2,575,457)	93,587	(2,459,090)	188,562
Net Income (Loss)	$ 1,965,768	$ (666,409)	$ 1,052,664	$ (1,297,370)
Net income (loss) per share – basic and diluted	$ 0.07	$ (0.03)	$ 0.04	$ (0.05)
Weighted average common shares – basic and diluted	30,215,105	25,378,325	29,172,961	25,212,770

The accompanying notes are an integral part of the condensed consolidated financial statements

BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc.)

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six months Ended June 30, 2018	Six months Ended June 30, 2017
Cash Flows from Operating Activities:		
Net income (loss)	$ 1,052,664	$ (1,297,370)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Gain on fair value of warrant liabilities	-	(25,358)
Stock based compensation	37,252	122,847
Depreciation	96,541	84,196
Amortization of intangible assets	43,400	43,400
Amortization of debt discount and deferred financing costs	47,861	47,416
Unrealized loss on foreign currency	-	1,140
Gain on settlement of liability	(2,674,419)	-
Gain on sale of assets	(23,984)	-
Changes in operating assets and liabilities:		
Accounts receivable	(95,049)	(15,525)
Inventory	(236,717)	(48,077)
Prepaid expenses and other assets	(10,073)	(9,137)
Accounts payable and accrued expenses	88,657	611,385
Accrued interest	153,489	121,350
NHL and MLB sponsorship liability	768,215	-
Amount due to officers	163,304	186,207
Net cash used in operating activities	(588,859)	(177,526)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(34,932)	(38,478)
Proceeds from sale of property and equipment	23,984	-
Purchases of intangible assets	(22,888)	-
Net cash used in investing activities	(33,836)	(38,478)
Cash Flows from Financing Activities:		
Proceeds from warrant exercise	278,000	20,000
Proceeds from promissory notes	196,778	37,300
Proceeds from convertible notes	415,000	220,000
Repayments of capital lease obligations	(16,907)	-
Repayment of convertible note	-	(50,000)
Repayments of promissory notes	(156,210)	(30,266)
Net cash provided by financing activities	716,661	197,034
Net increase (decrease) in cash	93,966	(18,970)
Cash, beginning of period	87,667	61,914
Cash, end of period	$ 181,633	$ 42,944
Supplemental disclosures:		
Interest paid	$ -	$ 41,000
Supplemental disclosures of non-cash items:		
Assets acquired through capital lease	$ 228,893	$ -

Debt discount related to warrant liability and beneficial conversion feature	$ 23,582	$ 18,602

The accompanying notes are an integral part of the condensed consolidated financial statements

BOXSCORE BRANDS, INC.
(Formerly U-Vend Inc.)
Notes to Condensed Consolidated Financial Statements
June 30, 2018 (Unaudited)

Note 1 – Nature of the Business

BoxScore Brands, Inc. (formerly U-Vend Inc.) (the "Company") develops, markets and distributes various self-serve electronic kiosks and mall/airport co-branded islands throughout North America. The Company seeks to place its kiosks in high-traffic host locations such as big box stores, restaurants, malls, airports, casinos, universities, and colleges. Currently, the Company leases, owns and operates their kiosks and intends to also provide the kiosks, through a distributor relationship, to the entrepreneur wanting to own their own business.

On February 26, 2018 the Company filed a Certificate of Amendment of the Certificate of Incorporation. The Certificate of Amendment changed the Company's name to BoxScore Brands, Inc. from U-Vend Inc. to better reflect the nature of the Company's current business operations, which has expanded to include relationships with major sports organizations dispensing ice cream products through vending machines.

The Company's vending kiosks incorporate advanced wireless technology, creative concepts, and ease of management. They have been designed to be tech-savvy and can be managed online 24 hours day/7 days a week, accepting traditional cash input as well as credit and debit cards. Host locations and suppliers have been drawn to this distribution concept of product vending based on the advantages of reduced labor and lower product theft as compared to non-kiosk merchandising platforms. The Company takes a solutions development approach for the marketing of products through a variety of kiosk offerings. The Company's approach to the market can include the addition of a digital LCD monitor to most makes and models in a kiosk program. This would allow the Company to offer digital advertising as a national and/or local loop basis and a corresponding additional revenue stream for the Company.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, these consolidated financial statements do not include all of the information and footnotes required for audited annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary to make the consolidated financial statements not misleading have been included. The balance sheet at December 31, 2017, has been derived from the Company's audited consolidated financial statements as of that date.

The unaudited consolidated financial statements included herein should be read in conjunction with the audited consolidated financial statements and the notes thereto that are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, that was filed with the SEC on September 4, 2018. The results of operations for the three and six months ended June 30, 2018, are not necessarily indicative of the results to be expected for the full year or any further periods.

The significant accounting policies followed by the Company for interim reporting are consistent with those included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

The unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Fair Value of Financial Instruments

Financial instruments include cash, accounts receivable, accounts payable, accrued expenses, derivative warrant liabilities, promissory notes payable, capital lease obligation, convertible notes payables, and senior convertible notes payable. Fair values were assumed to approximate carrying values for these financial instruments, except for derivative warrant liabilities, convertible notes payable and senior convertible notes payable, since they are short term in nature or they are payable on demand. The senior convertible notes and the convertible notes payable are recorded at face value net of any unamortized discounts, based upon the number of underlying convertible shares. The estimated fair value of the convertible notes is determined based on the trading price on June 30, 2018 since the underlying shares are trading in an active observable market, the fair value measurement qualifies as a Level 1 input. The determination of the fair value of the derivative warrant liabilities include unobservable inputs and is therefore categorized as a Level 3 measurement. Changes in unobservable inputs may result in significantly higher or lower fair value measurement. The carrying value of the short-term instruments approximates their fair values at March 31, 2018 and December 31, 2017 due to their short-term nature.

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 at the measurement date. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ASC 820 "Fair Value Measurement" establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;

- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Income Taxes

The Company has approximately $8 million in federal net operating loss carryforwards ("NOLs") available to reduce future taxable income, which will expire at various dates from 2029 through 2037. The Company also has approximately $8.9 million of gross state NOLs that will expire at various dates from 2021 and 2037. As these NOL's were generated prior to the enactment of H.R. 1 ("Tax Cuts and Jobs Act" or "TCJA") they are eligible to fully offset taxable income. While the company generated taxable income due to the extinguishment of certain liabilities, it is not expected to reoccur. Therefore, due to the uncertainty as to the Company's ability to generate sufficient taxable income in the future and utilize the NOLs before they expire, the Company has maintained a full valuation allowance against its deferred tax assets accordingly.

Recent Accounting Pronouncements

On January 1, 2018, the Company adopted FASB ASC 606, "Revenue from Contracts with Customers" and all related amendments for all contracts using the modified retrospective method. There was no impact upon the adoption of ASC 606. The Company has determined that the adoption of this standard did not require a cumulative effect adjustment. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company has 139 and 144 electronic kiosks installed in the southern California and Las Vegas areas from which it generated revenue during the six month periods ended June 30, 2018 and 2017, respectively. Revenue is recognized at the time each vending transaction occurs, the payment method is approved, and the product is disbursed from the machine. Wholesale revenues, including revenue earned under contracts with major sports organizations, are recognized at the time the products are delivered to the customer based on the agreement with the customer.

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments", which clarifies the treatment of several types of cash receipts and payments for which there was diversity in practice. This update is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted, including adoption in an interim period. The Company has evaluated the impact of the adoption of this standard had on the consolidated financial statements and related disclosures and determined the effective was not material.

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires that lease arrangements longer than 12 months result in an entity recognizing an asset and liability. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements and does not anticipate a material impact to its financial statements.

In July 2017, the FASB issued ASU 2017-11, "Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception, (ASU 2017-11)." Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating *Topic 480, Distinguishing Liabilities from Equity*, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable non-controlling interests. The amendments in Part II of this update do not have an accounting effect. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company is still evaluating the impact this ASU will have on the consolidated financial statements and related disclosures.

Note 3 – Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis. The Company reported net income of $1,965,768 for the three months ended June 30, 2018 and $1,052,664 for the six months ended June 30, 2018 due to a one-time gain on the disposition of a liability, however experienced operating losses for both the three and six months ended June 30, 2018, and has incurred accumulated losses totaling $10,565,547 through June 30, 2018. In addition, the Company has incurred negative cash flows from operating activities since its inception. The Company has relied on the proceeds from loans and private sales of its stock from its stockholders, in addition to its revenues, to finance its operations. These factors, among others, indicate that the Company may be unable to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Until the Company can generate significant cash from operations, its ability to continue as a going concern is dependent upon obtaining additional financing. The Company intends to raise additional financing to fund its operations for the next 12 months and allow the Company to continue the development of its business plans and satisfy its obligations on a timely basis. Should additional financing not be available, the Company will have to negotiate with its lenders to extend the repayment dates of its indebtedness. There can be no assurance that the Company will be able to successfully restructure its debt obligations in the event it fails to obtain additional financing.

Note 4 – Property and Equipment

Property and equipment consist of the following as of June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
Electronic kiosks and vending machines	$ 1,355,170	$ 1,091,345
Delivery vans	21,700	21,700
Less: accumulated depreciation	(615,350)	(518,809)
Total	**$ 761,520**	**$ 594,236**

Depreciation expense amounted to $96,541 and $84,196, respectively for the six months ended June 30, 2018 and 2017.

Note 5 – Intangible Assets

Intangible assets consist of the following as of June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
Operating agreement	$ 434,000	$ 434,000
App development	22,888	-
Less: accumulated amortization	(390,599)	(347,199)
Total	**$ 66,289**	**$ 86,801**

Amortization expense amounted to $43,400 for each of the six months ended June 30, 2018 and 2017.

Note 6 – Debt

Senior Convertible Notes

During the year ended December 31, 2017, a Senior Convertible Note in the aggregate principal amount of $310,000 and a maturity date of December 31, 2017 payable to Cobrador Multi-Strategy Partners, LP ("Cobrador 1"), a related party, was extended until December 31, 2018. The Company also extended the expiration dates of Series A Warrants issued in connection with Cobrador 1 by one year. The fair value of the Series A Warrants did not materially change due to the extension. Cobrador, an entity controlled by the Company's CEO, is a related party.

On June 30, 2016, the Company issued an additional Senior Convertible Note in the face amount of $108,804 to Cobrador ("Cobrador 2") in settlement of previously accrued interest, additional interest, fees and penalties. The additional interest, fees and penalties was $72,734 and this amount was charged to operations as debt discount amortization during the year ended December 31, 2016. The Senior Convertible Note was extended during the year ended December 31, 2017 and is due on December 31, 2018. It is convertible into shares of common stock at a conversion price $.05 per share and bears interest at 7% per annum. The Company determined that Cobrador 2 had a beneficial conversion feature based on the difference between the conversion price and the market price on the date of issuance and allocated $87,043 as debt discount representing the beneficial conversion feature which was fully amortized at December 31, 2017.

During December 2017, the Company issued a Senior Convertible Note in the amount of $25,000 to Cobrador. The note bears interest at 7%, is due in December 2019, and is convertible into common shares at a conversion price of $0.05 per share. In addition, in conjunction with this note, the Company issued 500,000 warrants to purchase common shares at $0.05 with a contractual term of 5 years. The estimated value of the warrants was determined to be $1,421 and was recorded as interest expense during 2017 and a warrant liability due to the down round provision in the note agreement.

At June 30, 2018 and December 31, 2017, the Cobrador notes had a carrying value of $442,916 and $443,804, net of discount of $888 and $1,421, respectively.

Promissory Notes Payable

During 2014, the Company issued an unsecured promissory note to a former employee of U-Vend Canada. The original amount of this note was $10,512 has a term of 3 years and accrues interest at 17% per annum. The total principal outstanding on this promissory note at June 30, 2018 and December 31, 2017 was $6,235 and $6,235, respectively.

During the six months ended June 30, 2018 and 2017, the Company borrowed $79,278 and $12,300, respectively, pursuant to a series of promissory notes from the same lender. All of the notes bear interest at a rate of 19% per annum, and are payable together with interest over a period of six (6) months from the date of borrowing. The Company repaid $29,546 and $17,233 during the six months ended June 30, 2018 and 2017, respectively, and the balance outstanding on these notes at June 30, 2018 and December 31, 2017, was $65,799 and $16,067, respectively.

During the year ended December 31, 2016, the Company issued two unsecured promissory notes and borrowed an aggregate amount of $80,000. The promissory notes bear interest at 10% per annum, with a provision for an increase in the interest rate upon an event of default as defined therein and were due at various due dates in May and September 2017. The due dates of both notes were extended to December 31, 2018. As of June 30, 2018 and December 31, 2017, the balance outstanding on these notes was $80,000.

In December 2017, the Company issued promissory notes in the aggregate principal balance of $28,000 to Cobrador, a related party. The notes accrue interest at 7% and have a two-year term. As of June 30, 2018 and December 31, 2017, the balance outstanding on these notes was $28,000.

On November 8, 2017, the Company issued a convertible promissory note (the "Note") in the principal amount of $50,000 with net proceeds of $47,000. The Note bears interest at the rate of 12% per annum, has a nine-month maturity, and includes prepayment interest fees increasing based on the prepayment date from 15-40% of the principal amount if the Note is repaid prior to 181 days following the issuance date. There is no right to prepay the Note after the 180th day of issuance. The Note becomes convertible 180 days following the issuance date and the conversion price for the Note is equal to a 39% discount to the average of the two lowest closing bid prices of the Company's common stock during the 15-trading day period prior to conversion. Conversion of the Note is restricted in the event the number of shares of common stock beneficially held by the note holder and its affiliates in the aggregate after such conversion exceeds 4.99% of the then outstanding shares of common stock. As of December 31, 2017, the note had a carrying value of approximately $47,000. The Company repaid $64,164 including principal and interest on the Note in February 2018.

On April 13, 2018, the Company issued a promissory note in the principal amount of 115,000. This note bears interest at the rate of 7% per annum, due on June 30, 2018. The Company repaid $60,000 during the six months ended June 30, 2018, and the balance outstanding on this note at June 30, 2018, was $55,000.

In October 2014, January 2015 and October 2015, the Company entered into three (3) separate 24-month equipment financing agreements (the "Agreements") with Perkin Industries, LLC ("Perkin") for equipment in the aggregate amount of $387,750 with an annual interest rate of 15%. The assets financed consisted of self-service electronic kiosks placed in service in the Company's Southern California region. The Company is obligated to make monthly interest only payments in accordance with the Agreements. The Agreements include a put/call option at the end of year one and the end of year two. Neither of these options were exercised.

During 2017 $100,000 was paid down on the notes, and the carrying value as of June 30, 2018 and December 31, 2017 was $287,750.

Pursuant to the Agreements Perkins received a warrant to purchase an aggregate of 310,200 shares at an exercise price of $0.35 per share with a contractual term of three (3) years. The warrant was recorded as a debt discount and a warrant liability in the aggregate amount of $3,708 due to the down round provision, pursuant which the exercise price of the warrants was revised to $0.26 at December 31, 2016.

In October 2016, the Company and Perkins agreed to extend the termination date of two of the Agreements to October 17, 2017 and January 5, 2018. In consideration of this extension, the Company issued an additional 200,000 warrants with an exercise price of $0.05 per share and a five-year contractual term. The fair value of the warrants was not material and was charged to operations in the accompanying statement of operations for the year ended December 31, 2016.

During the six months ended June 30, 2018 the Agreements were purchased by a third party and the terms are unchanged.

Convertible Notes Payable

2014 Stock Purchase Agreement

In 2014 and 2015 the Company entered into the 2014 Securities Purchase Agreement (the "2014 SPA") pursuant to which it issued eight (8) convertible notes in the aggregate face amount of $146,000 due at various dates between August 2015 and March 2016. The principal on these notes is due at the holder's option in cash or common shares at a conversion rate of $0.30 per share. In connection with these borrowings the Company granted a total of 360,002 warrants with an exercise price of $0.35 per share and a 5 year contractual term. The warrants issued have a down round provision and as a result are classified as a liability in the accompanying consolidated balance sheets. Pursuant to the down round provision, the exercise price of the warrants was reduced $0.22 at December 31, 2016. During 2017 the Company repaid one of the notes in the amount of $50,000. On May 1, 2018, the Company granted 1,000,000 warrants with an exercise price of $0.15 per share and a 5 year contractual term, valued at $2,841, which was recorded as debt discount. As of June 30, 2018 and December 31, 2017, outstanding balances of these notes were $166,000.

The Company and Cobrador held three of the convertible notes in the aggregate face amount of $45,000, and agreed to extend the repayment date to November 17, 2020. The Company and Cobrador extended the due date to December 31, 2018 on notes totaling $25,000, and the Company agreed to a revised conversion price of $.05 per share and a revised exercise price of $0.07 per share. The change in the value of warrants was not material and was charged to operations during the year ended December 31, 2017.

2015 Stock Purchase Agreement

During the year ended December 31, 2015, the Company issued eleven subordinated convertible notes bearing interest at 9.5% per annum with an aggregate principal balance of $441,000 pursuant to the 2015 Stock Purchase Agreement (the "2015 SPA").The notes were due in December 2017 and are payable at the noteholder's option in cash or common shares at a conversion rate of $0.30 per share The conversion rate was later revised to $0.05 due to down round provisions contained in the 2015 SPA, and the due date was extended to November 17, 2020. In connection with these borrowings, the Company issued a warrant to purchase 735,002 shares of the Company's common stock at an exercise price of $0.40 per share and a 5 year contractual term. The exercise price was later revised to $0.22 per share pursuant to the down round provisions in the 2015 SPA. The Company allocated $8,113 of proceeds received to debt discount based on the computed fair value of the convertible notes and warrants issued. During the year ended December 31, 2016, the noteholder converted one note in the face amount of $35,000 into 700,000 shares of common stock. As of June 30, 2018 and December 31, 2017, the 2015 SPA had a balance of $406,000. The debt discount was fully amortized as of December 31, 2016.

2016 Stock Purchase Agreement

On June 30, 2016, the Company entered into the 2016 Stock Purchase Agreement (the "2016 SPA") pursuant to which it issued five convertible notes in the aggregate principal amount of $761,597. The 2016 SPA notes are due in November 2020 and bear interest at 9.5% per annum. The notes are convertible into shares of common stock at a conversion price of $0.17 per share. With this note, the Company satisfied its obligations for: previously issued promissory notes of $549,000, accrued interest of $38,615, lease principal installments of $47,466, previously accrued registration rights penalties of $22,156, due to a former officer of $81,250, and additional interest, expenses, fine and penalties of $23,110 through the issuance of 2016 SPAs. The Company charged additional interest, expenses, fines and penalties $23,110 to operations as amortization of debt discount and deferred financing costs during the year ended December 31, 2016.

In connection with the 2016 SPA, the Company granted a total of 2,239,990 warrants with an exercise price of $0.30 per share which was later revised to $0.05 per share due to down round provisions, with a 5 year contractual life. The Company allocated $19,242 to debt discount based on the computed fair value of the convertible notes and warrants issued and classified the debt discount is as a warrant liability due to the down round provision in the warrants.

As of June 30, 2018 and December 31, 2017, the 2016 SPA had a face value of $761,597 and a carrying value of $761,597 and $756,786, respectively.

Other 2016 Financings

During the year ended December 31, 2016, the Company issued four convertible notes (the "Cobrador 2016 Notes") in the aggregate principal amount of $115,000. The Cobrador 2016 Notes, to a related party, have a 2 year term, bear interest at 9.5% per annum, and are convertible into shares of common stock at a conversion price of $0.17 per share. The conversion price was subsequently revised to $0.05 per the down round provisions and the maturity date was extended to September 26, 2021. In connection with the Cobrador 2016 Notes, the Company granted a total of 338,235 warrants with an exercise price of $0.30 per share which was subsequently revised to $0.05 per share due to down round provisions with a 5 year contractual term. The Company allocated $1,994 to debt discount based on the computed fair value of the convertible notes and warrants issued, and classified the debt discount as a warrant liability due to the down round provision in the warrants. As of June 30, 2018 and December 31, 2017, the Cobrador 2016 Notes had a carrying value of $115,000 and $114,500, respectively.

During the fourth quarter of 2016, the Company issued three additional convertible notes in the aggregate principal amount of $250,000. The notes have a 2 year term, bear interest at 9.5% per annum and are convertible into shares of common stock at a conversion price of $0.05 per share. In connection with these borrowings, the Company granted warrants to purchase 5,000,000 shares of common stock with an exercise price of $0.07 per share. The Company allocated $27,585 to debt discount based on the computed fair value of the convertible notes and warrants issued, and the debt discount is classified as a warrant liability due to the down round provision in the warrants. As of June 30, 2018 the carrying value of the note was $241,944 and $238,046 as of December 31, 2017.

2017 Financings

During the year ended December 31, 2017, the Company entered into nineteen separate convertible notes agreements (the "2017 Convertible Notes)" in the aggregate principal amount of $924,282. The 2017 Convertible Notes each have a 2 year term, bear interest at 9.5%, and are convertible into shares of common stock at a conversion price of $0.05 per share. In connection with the 2017 Convertible Notes, the Company issued a total of 16,537,926 warrants with an exercise price of $0.07 per share with a 5 year term. The Company allocated $59,403 to a debt discount based on the computed fair value of the convertible notes and warrants issued, and classified the debt discount as a warrant liability due to the down round provision in the warrants. During the six months ended June 30, 2018, the Company amortized $9,292 of debt discount resulting in unamortized debt discount of $35,321 and carrying value of $888,961 at June 30, 2018. The carrying value of the notes at December 31, 2017 was $878,668.

2018 Financings

During the six months ended June 30, 2018, the Company entered into nine separate convertible notes agreements (the "2018 Convertible Notes)" in the aggregate principal amount of $340,000. The 2018 Convertible Notes each have a 2 year term, bear interest at 9.5% if paid in cash, 15% if paid in common stock, and are convertible into shares of common stock at a conversion price of $0.05 per share. In connection with the 2018 Convertible Notes, the Company issued a total of 6,800,000 warrants with an exercise price of $0.07 per share with a 5 year term. The Company allocated $22,161 to a debt discount based on the computed fair value of the convertible notes and warrants issued, and classified the debt discount as a warrant liability due to the down round provision in the warrants. During the six months ended June 30, 2018, the Company amortized $4,830 of debt discount resulting in an unamortized debt discount of $17,331 and carrying value of $322,669 at June 30, 2018.

Other 2018 Financings

On January 26, 2018, the Company entered into a convertible note agreement in the amount of $78,750, with original discount of $3,750, bearing an annual interest rate of 8%. The note is convertible into common stock at a conversion price of $0.07 per share. During six months ended June 30, 2018, the Company amortized $1,563 of debt discount resulting in unamortized debt discount of $3,125 and carrying value of $76,563 at June 30, 2018.

Scheduled maturities of debt remaining as of March 31, 2018 for each respective fiscal year end are as follows:

2018	$ 1,312,588
2019	1,028,032
2020	1,552,597
2021	115,000
	4,008,217
Less: unamortized debt discount	(63,783)
	$ 3,944,434

Note 7 – Related Party Debt

Mr. Graber, the Company's Chief Executive Officer, is affiliated with Cobrador Multi-Strategy Partners LP (Cobrador), and Cobrador has provided significant financing to the Company. As of June 30, 2018, the Company had $1,517,591 in aggregate face amount due pursuant to Senior Convertible Notes, Convertible Notes and Promissory Note, net of unamortized discount of $4,186 with $1,513,405 carrying value. During the six months ended June 30, 2018 and 2017, the Company incurred approximately $67,000 of interest expense for the borrowing from Cobrador.

Note 8 – Capital Lease Obligations

The Company acquired capital assets under capital lease obligations. Pursuant to the agreement with the lessor, the Company makes quarterly lease payments and will make a guaranteed residual payment at the end of the lease as summarized below. At the end of the lease, the Company will own the equipment.

In August 2016, the Company and the lessor agreed to extend the term of the lease until December 31, 2018. As a consideration of the extension, the Company issued warrants to acquire 150,000 shares of common stock. The warrants have an exercise price of $0.30 per share, a term of three years, and were recorded as a debt discount and warrant liability due to the down round provision and as such are marked to market each reporting period.

The following schedule provides minimum future rental payments required as of June 30, 2018, under the current portion of capital leases.

2018	$	83,398
2019		83,043
2020		83,043
2021		37,609
2022		20,160
2023		7,165
Total minimum lease payments		314,418
Guaranteed residual value		120,668
		435,086
Less: Amount represented interest		(74,865)
Present value of minimum lease payments and guaranteed residual value	$	360,221

Equipment held under capital leases at June 30, 2018 had a cost of $694,400 and accumulated depreciation of $306,000. Equipment held under capital leases at December 31, 2017 had a cost of $465,500 and accumulated depreciation of $267,000.

Note 9 – Capital Stock

The Company has authorized 600,000,000 shares of common stock.

During the six months ended June 30, 2018, the Company issued 825,000 shares of common stock with a fair value of $27,410 for services rendered.

During the six months ended June 30, 2018, the Company issued 3,186,667 shares of common stock for $278,000 upon exercise of warrants.

Note 10 – Stock Options and Warrants

Warrants

At June 30, 2018 the Company had the following warrant securities outstanding:

	Warrants		**Exercise Price**	**Expiration**
2013 Series A warrants-Senior Convertible Notes	3,000,000	$	0.05	December 2019
2013 Series B warrants-Senior Convertible Notes	6,000,000	$	0.06	December 2019
2014 Series A warrants -Senior Convertible Notes	6,000,000	$	0.05	December 2019
2014 Series B warrants -Senior Convertible Notes	6,000,000	$	0.06	January - December 2019
2014 Warrants for services	656,364	$	0.22	August - December 2019
2014 Warrants for services	1,072,000	$	0.06	June - December 2018
2014 Warrants- 2014 SPA convertible debt	208,334	$	0.22	August 2019
2014 Warrants - 2014 SPA convertible debt	35,000	$	0.05	October - November 2019
2015 Warrants - 2014 SPA convertible debt	116,668	$	0.22	January - March 2020
2015 Warrants - convertible financing obligation	57,600	$	0.26	October 2018
2015 Warrants - 2015 SPA convertible debt	735,002	$	0.22	April - November 2020
2015 Warrants for services	407,067	$	0.22	April - November 2020

2015 Warrants issued in exchange for equipment	318,182	$	0.22	January 2020
2016 Warrants - 2016 SPA convertible debt	2,239,990	$	0.05	June 2021
2016 Warrants for services	850,000	$	0.05	June 2021
2016 Warrants - lease extension	150,000	$	0.05	August 2019
2016 Warrants - Convertible notes	338,236	$	0.05	August - September 2021
2016 Warrants for services	200,000	$	0.07	October 2019
2016 Warrants - lease extension	200,000	$	0.05	October 2021
2016 Warrants issued with Convertible Notes	5,000,000	$	0.07	November -December 2021
2017 Warrants – 2017 financing	15,109,354	$	0.07	December 2022
2018 Warrants – 2018 financing	6,041,905	$	0.07	January - March 2023
Total	**54,735,702**			

A summary of all warrants activity for the six months ended June 30, 2018 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding at December 31, 2017	50,299,469	$ 0.07	2.71
Granted	7,800,000	$ 0.08	4.73
Exercised	(3,186,667)	$ 0.09	4.73
Forfeited	-	-	-
Expired	(177,100)	$ 2.23	-
Balance outstanding at June 30, 2018	54,735,702	$ 0.07	2.74
Exercisable at June 30, 2018	54,735,702	$ 0.07	2.74

The following table provides a summary of changes in the warrant liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2018 and 2017.

	June 30, 2018	December 31, 2017
Balance at beginning of period	$ 121,860	$ 184,680
Fair value of warrants issued and recorded as liabilities	27,699	59,043
Gain on fair value adjustment	-	(121,863)
Balance at end of period	$ 149,559	$ 121,860

The fair value of warrants outstanding at June 30, 2018 and December 31, 2017 has been determined based on the consideration of the enterprise value of the Company, the limited market of the shares issuable under the agreement and modeling of the Monte Carlo simulation using multiple volatility assumptions. Warrants issued in and prior to 2012 are significantly out of the money and diluted therefore, management has deemed the fair value of these to be minimal.

Equity Incentive Plan

On July 22, 2011, the Board of Directors of the Company approved the Company's 2011 Equity Incentive Plan (the "Plan") and on July 26, 2011, stockholders holding a majority of shares of the Company approved, by written consent, the Plan. The total number of shares of common stock available for issuance under the Plan is 5,000,000 shares. Awards may be granted to employees, officers, directors, consultants, agents, advisors and independent contractors of the Company and its related companies. Such options may be designated at the time of grant as either incentive stock options or nonqualified stock options. Stock-based compensation includes expense charges related to all stock-based awards. Such awards include options, warrants and stock grants. Generally, the Company issues stock options that vest over three years and expire in 5 to 10 years. On November 16, 2017, the Board of Directors approved an increase of 10,000,000 shares to be made available for issuance under the Plan.

A summary of all stock option activity for the six months ended June 30, 2018 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding at December 31, 2017	3,155,100	$ 0.25	2.5
Granted	-	-	-
Exercised	-	-	-
Cancelled or expired	-	-	-
Balance outstanding at June 30, 2018	3,155,100	$ 0.25	2.0
Exercisable at June 30, 2018	3,149,267	$ 0.25	2.0

Stock-based compensation related to vested options totaled $128 and $67,786 for the six months ended June 30, 2018 and 2017, respectively. At June 30, 2018, there was $192 of unrecognized compensation cost related to unvested options. This cost is expected to be recognized over a weighted average period of approximately one year.

In 2015, the Company granted 500,000 restricted shares with a three-year vesting period to an officer. During the second quarter of 2017, upon the departure of the officer from the Company, the Board of Directors accelerated his vesting such that all shares were vested on his departure date. During the six months ended June 30, 2018 and 2017, $18,334 and $12,222, respectively, was charged to operations as stock-based compensation costs for the restricted shares granted.

Note 11 – Commitments and Contingencies

National Hockey League Retail License and Sponsorship Agreement

On February 27, 2015 BoxScore announced a multi-year, Corporate Marketing Letter Agreement (the "NHL Agreement") with the National Hockey League. The NHL Agreement includes the usage of NHL® team branded marks on the Company's Frozen Pond Premium Ice Cream™ for the period commencing March 1, 2015 through June 30, 2020 in retail distributions including mass merchants, specialty shops, convenience stores and in the Company's specialty kiosks in North America.

The Company entered into the NHL Agreement with NHL Enterprises, L.P, NHL Enterprises Canada, L.P. and NHL Interactive Cyber Enterprises, LLC (collectively referred to as the "NHL" and the "Licensors") and includes a retail license agreement, a corporate sponsorship and a marketing agreement. In connection with the Agreement, the Company shall pay to the NHL a royalty payment of five percent (5%) on net sales as well as fees attributable to national advertising, promotion and corporate marketing and branding events. The Agreement also provides for customary representations, warranties, and indemnification from the parties.

The Company has not shipped product to date under the license.

During the six months ended June 30, 2018, the Company and NHL agreed to terminate the NHL Agreement forgiving the Company CAD3,450,000 in outstanding obligations under the Sponsorship Agreement, in return the Company agreed to pay the NHL an amount equal to one percent (1%) of the Company's net sales of certain products as defined under the agreement (the 'Consideration'). The products include several types of frozen goods that bear the logo or other markings of sports or entertainment brands. This Consideration is to be paid to the NHL quarterly in arrears through the quarter ended June 30, 2026, or until the Company has paid USD1,600,000 in the aggregate from the date of the agreement. The $1,600,000 is a royalty payment due to the NHL based on future sales. The Company recorded $2,674,419 in gain on settlement of liabilities.

Major League Baseball Properties, Inc. License Agreement

In March, 2016 the Company entered into a license agreement beginning April 1, 2016 through December 31, 2019 with Major League Baseball Properties, Inc. ("MLB" "Licensor") for the non-exclusive right to certain proprietary intangible property of the Licensor to be used in connection with the manufacturing, distribution, promotion and advertisement of the Company's products sold within the U.S., the District of Columbia and U.S. territories. Under the license agreement, the Company is scheduled to pay the following guaranteed payments; $150,000 during 2016, $275,000 during 2017, $100,000 during 2018, and $115,000 during 2019. The Company is obligated to pay the licensor a royalty based on the product sold or advertising sold. The royalty paid will offset all or a portion of the guaranteed payments. The agreement is subject to customary default and termination clauses. The Company paid $222,000 and $48,000 during the six months ended June 30, 2018 and 2017, respectively, and has accrued $50,000 at

June 30, 2018, and $222,000 as of December 31, 2017, and charged to operations $50,000 and $137,500 of guaranteed payments related to the six months ended June 30, 2018 and 2017, respectively.

Operating Lease Obligations

As of June 30, 2018, the Company has two operating lease agreements for office and warehouse space, one in southern California and one in Las Vegas. During the six months ended June 30, 2018, the lease for the California warehouse was extended for an additional term of one year until February 2019 with a base rent of $2,830 a month. The lease for the warehouse in Las Vegas is for a term of 25 months commencing in February 2016 and provides for a base rent of $1,072 with scheduled increases. On March 1, 2018, the Company renewed its lease on the property for a period of twelve months for a base rent of $1,272. The Company also has two vehicle leases for use in product distribution and sales efforts. The vehicle leases expire in October 2017 and June 2021 and require a monthly payment of $1,063. Rent expense amounted to $26,158 and $23,752 during the six months ended June 30, 2018 and 2017, respectively.

The aggregate rental commitments for the leases at June 30, 2018 is:

2018	22,666
2019	8,204
Total	$ 30,870

In addition, the Company entered into a short term operating lease during the three months ended June 30, 2018 in Southern California. The lease is for a term of three months ending August 2018 at which point the lease becomes month to month. The Company is currently paying $845 per month in base rent for this lease.

Note 12 – Subsequent Events

Subsequent to June 30, 2018, the Company entered into a revenue advance agreement whereby it agreed to repay $187,500 and was loaned $150,000 less a $3,000 loan fee for net proceeds of $147,000. The facility charges 13% interest and self-liquidates through the collection of accounts receivable.

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

Forward-Looking Statements

Certain statements contained herein constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “1995 Reform Act”). BoxScore Brands, Inc. desires to avail itself of certain “safe harbor” provisions of the 1995 Reform Act and is therefore including this special note to enable us to do so. Except for the historical information contained herein, this report contains forward-looking statements (identified by the words “estimate,” “project,” “anticipate,” “plan,” “expect,” “intend,” “believe,” “hope,” “strategy” and similar expressions), which are based on our current expectations and speak only as of the date made. These forward-looking statements are subject to various risks, uncertainties and factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements, including, without limitation, those discussed under Part I, Item 1A “Risk Factors” in this Annual Report, and those described herein that could cause actual results to differ materially from the results anticipated in the forward-looking statements, and the following:

□ Our limited operating history with our business model;

□ The low cash balance and limited financing currently available to us. We may in the near future have a number of obligations that we will be unable to meet without generating additional income or raising additional capital;

□ Further cost reductions or curtailment in future operations due to our low cash balance and negative cash flow;

□ Our ability to effect a financing transaction to fund our operations which could adversely affect the value of our stock;

□ Our limited cash resources may not be sufficient to fund continuing losses from operations;

□ The failure of our products and services to achieve market acceptance; and

□ The inability to compete in our market, especially against established industry competitors with greater market presence and financial resources.

The following discussion and analysis provides information that our management believes is relevant to an assessment and understanding of our results of operations and financial condition, and should be read in conjunction with the consolidated financial statements and footnotes that appear elsewhere in this report.

Overview

The Company develops, markets and distributes various self-serve electronic kiosks and mall/airport co-branded islands throughout North America. The Company seeks to place its kiosks in high-traffic host locations such as big box stores, restaurants, malls, airports, casinos, universities, and colleges. Currently, the Company leases, owns and operates their kiosks but intends to also provide the kiosks, through a distributor relationship, to the entrepreneur wanting to own their own business.

The Company’s vending kiosks incorporate advanced wireless technology, creative concepts, and ease of management. The Company’s kiosks have been designed to be tech-savvy and can be managed on line 24 hours per day / 7 days a week, accepting traditional cash input as well as credit and debit cards. Host locations and suppliers have been drawn to this distribution concept of product vending based on the advantages of reduced labor and lower product theft as compared to non-kiosk merchandising platforms. The Company takes a solutions development approach for the marketing of products through a variety of kiosk offerings. The Company’s approach to the market includes the addition of digital LCD monitors to most makes and models of their kiosk program. This would allow the Company to offer digital advertising as a national and/or local loop basis and a corresponding additional revenue stream for the Company.

The Company has a depot and staffing to develop and service customers in Southern California and Las Vegas, Nevada. The Company will experience increased expenses with the growth in sales and number of kiosks in service, both of which increased as the Company executed it business plan.

Prior to June 30, 2018, the Company had an active license and sponsorship agreement in place with the National Hockey League. The Company has not produced product to date under the license. During the three months ended June 30, 2018, the Company and NHL agreed to terminate the NHL Agreement (see note 11).

In June 2016, the Company entered into a license agreement beginning January 1, 2016 through December 31, 2018 with Major League Baseball Properties, Inc. ("MLB", "Licensor") for the non-exclusive right to certain proprietary intangible property of the Licensor to be used in connection with the manufacturing, distribution, promotion and advertisement of an ice cream novelty product to be sold within the U.S., the District of Columbia and U.S. territories.

In 2017, the Company modified its agreement with Major League Baseball Properties to extend through calendar year 2019. Additionally, the Company has a revenue sharing agreement with MLB Properties for on screen advertising at Point-of- sale. The Company received an initial purchase order for pallets of MLB ice cream in May 2018 and shipped this product in June. The Company plans to sell pallets of MLB ice cream to large national wholesale distributors as well as through reach-in MLB branded freezers which include a digital advertising screen.

Critical Accounting Policies, Judgments and Estimates

The significant accounting policies followed by the Company for interim reporting are consistent with those included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

On January 1, 2018, the Company adopted FASB ASC 606, "Revenue from Contracts with Customers" and all related amendments for all contracts using the modified retrospective method. There was no impact upon the adoption of ASC 606. The Company has determined that the adoption of this standard did not require a cumulative effect adjustment. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company has 139 and 144 electronic kiosks installed in the southern California and Las Vegas areas from which it generated revenue during the six month periods ended June 30, 2018 and 2017, respectively. Revenue is recognized at the time each vending transaction occurs, the payment method is approved, and the product is disbursed from the machine. Wholesale revenues, including revenue earned under contracts with major sports organizations, are recognized at the time the products are delivered to the customer based on the agreement with the customer.

Results of Operations

For the Three Months Ended June 30, 2018 Compared to Three Months Ended June 30, 2017

Revenue

For the three months ended June 30, 2018, the Company's increased by $16,800 or 4% to $457,956 compared to revenues of $441,156 during the three months ended June 30, 2017. As of June 30, 2018, the Company had an installed base of 139 electronic kiosks in Southern California and Las Vegas, Nevada compared to 144 installed units at June 30, 2017.

Cost of Goods Sold

For the three months ended June 30, 2018, the Company's cost of goods sold increased by $24,510 or 11% to $245,975 compared to cost of goods sold of $221,465 during the three months ended June 30, 2017. The Company's gross margin during the three months ended June 30, 2018 was 46%, compared to 50% in 2017 due mainly to the mix of products sold during the respective periods.

Selling Expenses

Selling expenses for three months ended June 30, 2018 increased by $91,640 or 23% compared to $398,762 during the three months ended June 30, 2017. During the three months ended June 30, 2018, the Company expensed $400,085 compared to $238,464 in 2017 for sponsorship and media commitment fees in connection with the NHL Corporate Marketing Agreement and Major League Baseball Properties, Inc.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2018 were $331,268, a decrease of $62,483 or 16%, compared to $393,751 for the three months ended June 30, 2017. The decrease in general and administrative expenses was mainly due to decrease in wages and related expenses.

Gain on settlement of liability

During the three months ended June 30, 2018, the Company and NHL agreed to terminate the NHL Agreement (see note 11). As a result, the company recorded a gain on settlement of liability of $2,674,419. There was no gain on settlement of liability during the three months ended June 30, 2017.

Gain on Revaluation of Warrant Liabilities

Warrant Liabilities – Certain warrants issued by the Company have a “down round provision”. As such, the warrants have been recorded as liabilities and are subject to remeasurement at each balance sheet date. The warrants are valued using the Monte Carlo simulation method and will continue to be adjusted each reporting period for changes in fair value until the warrant is exercised or expires. Gains or losses on revaluation are recorded as a component of other expense on the accompanying consolidated statements of operation.

During the three months ended June 30, 2018, there was no gain on the change in fair value of warrant liabilities. The Company recognized a gain on the change in fair value of warrant liabilities in the amount $13,989 during the three months ended June 30, 2017.

Amortization of Debt Discount and Deferred Financing Costs

For the three months ended June 30, 2018, amortization of debt discount and deferred financing costs decreased by $5,083 or 22% from the three months ended June 30, 2017. The decrease was due to the Senior Convertible Note in the face amount of $108,804 to Cobrador whose debt discount was fully amortized during 2017.

Interest Expense

Interest expense for the three months ended June 30, 2018 increased by $19,786 or 23% from the three months ended June 30, 2017. The increase was due to higher levels of borrowings in 2018.

Unrealized Loss on Foreign Currency

The Company had two convertible notes, payable in Canadian dollars that were acquired in connection with the U-Vend Canada merger on January 7, 2014. The Company repaid one of the notes during the year ended December 31, 2016 and refinanced another in a note payable in U.S. Dollars. During the three months ended June 30, 2017, the Company recorded an unrealized loss of $667, and during the three months ended June 30, 2018, the Company had no such expense.

Gain on sale of asset

During three month ended June 30, 2018, the Company sold certain equipment and recorded $23,984 in gain on sale of assets, and during the three months ended June 30, 2017, the Company had no such expense.

Net Income (Loss)

As a result of the foregoing, the net income for the three months ended June 30, 2018 was $1,965,768 as compared to a net loss of $666,409 incurred during the three months ended June 30, 2017.

For the Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

Revenue

For the six months ended June 30, 2018, the Company’s revenue decreased by $25,393 or 3% to $745,789 compared to revenues of $771,182 during the six months ended June 30, 2017. As of June 30, 2018, the Company had an installed base of 139 electronic kiosks in Southern California and Las Vegas, Nevada compared to 144 installed units at June 30, 2017.

Cost of Goods Sold

For the six months ended June 30, 2018, the Company’s cost of goods sold increased by $7,786 or 2% to $398,142 compared to cost of goods sold of $390,356 during the six months ended June 30, 2017. The Company’s gross margin during the six months ended June 30, 2018 was 47%, compared to 49% in 2017 due mainly to the mix of products sold during the respective periods.

Selling Expenses

Selling expenses for six months ended June 30, 2018 increased by $363,562 or 46% compared to $786,867 during the six months ended June 30, 2017. During the six months ended June 30, 2018, the Company expensed $990,214 compared to $484,954 in 2017 for sponsorship and media commitment fees in connection with the NHL Corporate Marketing Agreement and Major League Baseball Properties, Inc.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2018 were $603,644, a decrease of $99,123 or 14%, compared to $702,767 for the six months ended June 30, 2017. The decrease in general and administrative expenses was mainly due to decrease in wages and related expenses.

Gain on settlement of liability

During the six months ended June 30, 2018, the Company and NHL agreed to terminate the NHL Agreement (see note 11). As a result, the company recorded a gain on settlement of liability of $2,674,419. There was no gain on settlement of liability during the six months ended June 30, 2017.

Gain on Revaluation of Warrant Liabilities

Warrant Liabilities – Certain warrants issued by the Company have a "down round provision". As such, the warrants have been recorded as liabilities and are subject to remeasurement at each balance sheet date. The warrants are valued using the Monte Carlo simulation method and will continue to be adjusted each reporting period for changes in fair value until the warrant is exercised or expires. Gains or losses on revaluation are recorded as a component of other expense on the accompanying consolidated statements of operation.

During the six months ended June 30, 2018, there was no gain on the change in fair value of warrant liabilities. The Company recognized a gain on the change in fair value of warrant liabilities in the amount $25,358 during the six months ended June 30, 2017.

Amortization of Debt Discount and Deferred Financing Costs

For the six months ended June 30, 2018, amortization of debt discount and deferred financing costs increased by $445 or 1% from the six months ended June 30, 2017.

Interest Expense

Interest expense for the six months ended June 30, 2018 increased by $26,088 or 16% from the six months ended June 30, 2017. The increase was due to higher levels of borrowings in 2018.

Unrealized Loss on Foreign Currency

The Company had two convertible notes, payable in Canadian dollars that were acquired in connection with the U-Vend Canada merger on January 7, 2014. The Company repaid one of the notes during the year ended December 31, 2016 and refinanced another in a note payable in U.S. Dollars. During the six months ended June 30, 2017, the Company recorded an unrealized loss of $1,140, and during the six months ended June 30, 2018, the Company had no such expense.

Gain on sale of asset

During three month ended June 30, 2018, the Company sold certain equipment and recorded $23,984 in gain on sale of assets, and during the three months ended June 30, 2017, the Company had no such expense.

Net Income (Loss)

As a result of the foregoing, the net income for the six months ended June 30, 2018 was $1,052,664 as compared to a net loss of $1,297,370 incurred during the six months ended June 30, 2017.

Liquidity and Capital Resources

The accompanying consolidated financial statements have been prepared on a going concern basis. The Company had an income of $1,052,664 during the six months ended June 30, 2018, has accumulated losses totaling $10,565,547, and has a working capital deficit of $3,140,013 at June 30, 2018. These factors, among others, indicate that the Company may be unable to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

The Company will need to raise additional financing in order to fund the its operations for the next 12 months, and to allow the Company to continue the development of its business plans and satisfy its obligations on a timely basis. Should additional financing not be available, the Company will have to negotiate with its lenders to extend the repayment dates of its indebtedness. There can be no assurance that the Company will be able to successfully restructure its debt obligations in the event it fails to obtain additional financing.

Operating Activities

During the six months ended June 30, 2018, we used $588,859 of cash in operating activities primarily as a result of our net loss of $1,052,664, offset by gain on settlement of liability of $2,674,419, gain on sale of asset of $23,984, share-based compensation of $37,252, $96,541 in depreciation expenses, $43,400 in amortization expenses, $47,861 in amortization of debt discount, and net changes in operating assets and liabilities of $831,826.

During the six months ended June 30, 2017, we used $177,526 of cash in operating activities primarily as a result of our net loss of $1,297,370, offset by share-based compensation of $122,847, $84,196 in depreciation expenses, $43,400 in amortization expenses, $(25,358) in change in warrant liabilities, $47,416 in amortization of debt discount, and net changes in operating assets and liabilities of $846,203.

Investing Activities

Net cash used in investing activities during the six months ended June 30, 2018, was $33,836, which consisted of the purchase of fixed assets of $27,855 and intangible assets of $22,888 and proceeds from sale of property and equipment of $23,984.

Net cash used in investing activities during the six months ended June 30, 2017, was $38,478, which consisted of the purchase of fixed assets.

Financing Activities

During the six months ended June 30, 2018, financing activities provided $278,000 in proceeds from warrant exercise, $196,778 in proceeds from promissory notes, $16,907 in repayments of capital lease obligations and $415,000 in proceeds from convertible notes. The Company used $156,210 in repayments of notes payable.

During the six months ended June 30, 2017, financing activities provided $20,000 in proceeds from warrant exercise, $220,000 in proceeds from convertible notes and $37,300 in proceeds from promissory notes. The Company used $50,000 in repayments of notes payable and $30,266 in repayment of convertible notes.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on its financial condition, financial statements, revenues or expenses.

Inflation

Although the Company's operations are influenced by general economic conditions, it does not believe that inflation had a material effect on its results of operations during the last two years as it is generally able to pass the increase in material and labor costs to its customers or absorb them as it improves the efficiency of its operations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

ITEM 4 – CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures:

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's chief executive officer also acting as chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our chief executive officer also acting as chief financial officer, after evaluating the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (Exchange Act) Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, have concluded that our disclosure controls and procedures were not effective and that material weaknesses described in our Form 10-K for the fiscal year ended December 31, 2017 exist in our internal control over financial reporting based on the evaluation of these controls and procedures as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

To address the material weaknesses, we performed additional analyses and other post-closing procedures and retained the services of a consultant to ensure that our condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Notwithstanding these material weaknesses, management believes that the financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, result of operations and cash flows for the periods presented.

(b) Changes in Internal Control over Financial Reporting:

There were no changes in the Company's internal control over financial reporting during the second quarter of 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three months ended June 30, 2018, the Company issued 100,000 shares of common stock with a fair value of $3,500 for services rendered.

During the three months ended June 30, 2018, the Company issued 2,829,524 shares of common stock for $253,000 upon exercise of warrants.

The shares of common stock to be issued in the above transactions have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and were issued and sold in reliance upon the exemption from registration contained in Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

ITEM 6 – EXHIBITS

31.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rule 13a-14(a) and15d-14(a)
32.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRLTaxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

*Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Exchange Act of 1934, as amended, are deemed not filed for purposes of Section 18 of the Securities Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BOXSCORE BRANDS, INC.

October 5, 2018

By: /s/ David Graber
David Graber
Chief Executive Officer and
Chief Financial Officer
(Principal Executive Officer and
Principal Financial Officer)