

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

FORM 10-Q

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

For the quarterly period ended June 30, 2019

or

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

For the transition period from to

Commission File Number: 001-38167

PENSARE ACQUISITION CORP.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction  
of incorporation)

81-2402421

(IRS Employer  
Identification Number)

1720 Peachtree Street, Suite 629

Atlanta, GA 30309

(Address of principal executive offices)

(404) 234-3098

(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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, each consisting of one share of Common Stock, one Right and one-half of one Warrant	WRLSU	The Nasdaq Stock Market LLC
Common Stock, par value \$0.001 per share	WRLS	The Nasdaq Stock Market LLC
Warrants, each whole Warrant entitling the holder to purchase one share of Common Stock	WRLSW	The Nasdaq Stock Market LLC
Rights, each Right entitling the holder to receive one-tenth (1/10) of one share of Common Stock	WRLSR	The Nasdaq Stock Market LLC

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 14, 2019, 8,068,265 shares of the Company's common stock, par value \$0.001 per share, were outstanding.

PENSARE ACQUISITION CORP.

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**PENSARE ACQUISITION CORP.  
CONDENSED BALANCE SHEETS**

	<u>June 30,</u> 2019	<u>March 31,</u> 2019
	(Unaudited)	
<b>ASSETS</b>		
Current Assets		
Cash	\$ 217,099	\$ 135,265
Cash and marketable securities held in Trust Account available to pay taxes	125,225	62,725
Prepaid expenses	55,672	10,398
Other current assets	12,338	12,266
<b>Total Current Assets</b>	<u>410,334</u>	<u>220,654</u>
Deferred tax asset	160,000	216,000
Office furniture and equipment, net of accumulated depreciation	12,819	13,734
Cash and marketable securities held in Trust Account	62,990,930	290,392,032
<b>TOTAL ASSETS</b>	<u>\$ 63,574,083</u>	<u>\$ 290,842,420</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 5,525,133	\$ 5,214,351
Taxes payable	125,225	62,725
Promissory notes-related party	3,910,840	1,864,745
Convertible promissory notes-related party	1,500,000	1,357,628
<b>Total Current Liabilities</b>	<u>11,061,198</u>	<u>8,499,449</u>
<b>Commitments</b>		
<b>Common stock subject to possible redemption, 4,570,974 and 26,984,101 shares at redemption value as of June 30, 2019 and March 31, 2019, respectively</b>	<u>47,512,884</u>	<u>277,342,970</u>
<b>Stockholders' Equity (Deficit)</b>		
Preferred stock, \$0.001 par value; 1,000,000 authorized; none issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized; 9,251,564 and 9,032,109 shares issued and outstanding as of June 30, 2019 and March 31, 2019 (excluding 4,570,974 and 26,984,101 shares subject to possible redemption, respectively)	9,252	9,033
Additional paid-in capital	6,114,573	6,580,407
Accumulated deficit	(1,123,824)	(1,589,439)
<b>Total Stockholders' Equity</b>	<u>5,000,001</u>	<u>5,000,001</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 63,574,083</u>	<u>\$ 290,842,420</u>

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

**PENSARE ACQUISITION CORP.**  
**CONDENSED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For The Three Months Ended June 30, 2019	For The Three Months Ended June 30, 2018
Operating costs	<u>\$ 697,195</u>	<u>\$ 834,918</u>
<b>Loss from operations</b>	<b>(697,195)</b>	<b>(834,918)</b>
Other income:		
Interest income	<u>1,218,810</u>	<u>1,061,704</u>
Income before provision for income taxes	521,615	226,786
Provision for income taxes	<u>(56,000)</u>	<u>(47,847)</u>
<b>Net income</b>	<b><u>\$ 465,615</u></b>	<b><u>\$ 178,939</u></b>
Weighted average shares outstanding, basic and diluted	<u>9,032,109</u>	<u>8,469,986</u>
<b>Basic and diluted net loss per common share</b>	<b><u>\$ (0.05)</u></b>	<b><u>\$ (0.10)</u></b>

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

**PENSARE ACQUISITION CORP.**  
**CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**For the three months ended June 30, 2019 and 2018**  
**(Unaudited)**

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, March 31, 2018</b>	<b>8,469,986</b>	<b>\$ 8,470</b>	<b>\$ 7,570,769</b>	<b>\$ (2,579,238)</b>	<b>\$ 5,000,001</b>
Common stock subject to possible redemption	80,550	81	(179,020)	-	(178,939)
Net Income	-	-	-	178,939	178,939
<b>Balance, June 30, 2018</b>	<b>8,550,536</b>	<b>\$ 8,551</b>	<b>\$ 7,391,749</b>	<b>\$ (2,400,299)</b>	<b>\$ 5,000,001</b>
	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount			
<b>Balance, March 31, 2019</b>	<b>9,032,109</b>	<b>\$ 9,033</b>	<b>\$ 6,580,407</b>	<b>\$ (1,589,439)</b>	<b>\$ 5,000,001</b>
Common stock subject to possible redemption	219,455	219	(465,834)	-	(465,615)
Net Income	-	-	-	465,615	465,615
<b>Balance, June 30, 2019</b>	<b>9,251,564</b>	<b>\$ 9,252</b>	<b>\$ 6,114,573</b>	<b>\$ (1,123,824)</b>	<b>\$ 5,000,001</b>

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

**PENSARE ACQUISITION CORP.**  
**CONDENSED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	For The Three Months Ended June 30, 2019	For The Three Months Ended June 30, 2018
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 465,615	\$ 178,939
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest earned on marketable securities held in Trust Account	(1,218,810)	(1,061,704)
Depreciation	915	915
Deferred income taxes	56,000	-
Changes in operating assets and liabilities:		
Prepaid expenses	(45,274)	21,286
Other current assets	(72)	(49)
Taxes payable	62,500	6,838
Accounts payable and accrued expenses	310,782	270,024
<b>Net cash used in operating activities</b>	<b>(368,344)</b>	<b>(583,751)</b>
<b>Cash Flows from Investing Activities:</b>		
Investment of cash in Trust Account	(1,738,289)	-
Withdrawal from Trust Account for redemption of common stock	230,295,701	-
<b>Net cash provided by investing activities</b>	<b>228,557,412</b>	<b>-</b>
<b>Cash Flows from Financing Activities:</b>		
Payment of redemption of common stock	(230,295,701)	-
Proceeds from promissory notes-related party	2,046,095	-
Proceeds from convertible promissory notes - related parties	142,372	1,000,000
<b>Net cash (used in) provided by financing activities</b>	<b>(228,107,234)</b>	<b>1,000,000</b>
<b>Net Change in Cash</b>	<b>81,834</b>	<b>416,249</b>
Cash - Beginning	135,265	482,676
<b>Cash - Ending</b>	<b>\$ 217,099</b>	<b>\$ 898,925</b>
<b>Supplemental Information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ 41,009
<b>Non - Cash investing and financing activities:</b>		
Offering costs charged to additional paid-in capital	\$ -	\$ -
Initial classification of common stock subject to possible redemption	\$ -	\$ -
Change in value of common stock subject to possible redemption	\$ 1,216,674	\$ 178,939

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

**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Pensare Acquisition Corp. (the “Company”), is a blank check company incorporated in Delaware on April 7, 2016. The Company was formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, recapitalization, exchangeable share transaction or other similar business transaction, one or more operating businesses or assets that the Company has not yet identified (a “Business Combination”). Although the Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company intends to focus on businesses in the wireless telecommunications industry in the United States.

All activity through June 30, 2019 relates to the Company’s formation, its initial public offering (“Initial Public Offering”) as described below, identifying a target company for a Business Combination and activities in connection with the proposed mergers with U.S. TelePacific Holdings Corp. d/b/a TPx Communications (“TPx”) and Stratos Management Systems, Inc., a Delaware corporation (“Computex”). On May 20, 2019, the Company mutually agreed with TPx to terminate the Business Combination Agreement (the “TPx Agreement”) between the Company, TPx and Tango Merger Sub Corp., a Delaware corporation and a wholly-owned subsidiary of the Company (“Merger Sub”), pursuant to a Termination of Business Combination Agreement dated as of May 20, 2019, effective as of such date. As a result of the termination of the TPx Agreement, effective as of May 20, 2019, the TPx Agreement is of no further force or effect, and no party to the TPx Agreement shall have any liability under the TPx Agreement except as otherwise expressly set forth in the agreement. On July 24, 2019, the Company entered into a Business Combination Agreement (the “Agreement”) among the Company, Stratos Management Systems, Inc. a Delaware corporation (“Computex”), Merger Sub and Stratos Management Systems Holdings, LLC, a Delaware limited liability company (“Holdings”), as discussed in Note 10, below.

On April 22, 2019, the Company announced that Pensare Sponsor Group, LLC (the “Sponsor”), had agreed to contribute to the Company’s Trust Account, as defined below, as a loan, \$0.033 for each share of common stock issued in the initial public offering that was not redeemed in connection with the stockholder vote to approve an amendment to the Company’s amended and restated certificate of incorporation to extend the date by which they have to consummate a business combination for an additional three months, from May 1, 2019 to August 1, 2019. On May 31, 2019, the Company announced that the Sponsor had determined to adjust the contributions that it would make to the Trust Account and that the Company would offer its public stockholders the right to redeem their Public Shares, as defined below, in connection with such adjustment. Holders of 18,361,687 shares of the Company’s common stock elected to redeem their shares for their pro rata portion of the funds available in the Trust Account, less any income taxes owed on such funds but not yet paid. The per-share redemption amount for such redeemed Public Shares, was approximately \$10.39. After giving effect to the redemptions 13,822,538 shares of the Company’s common stock (including 6,060,038 Public Shares) remained issued and outstanding. Additionally, as previously reported on May 31, 2019, the Sponsor agreed to contribute to the Trust Account as a loan \$0.033 for each Public Share that was not redeemed for each of June and July 2019, up to a maximum of \$200,000 per month. Accordingly, the Sponsor made contributions to the Trust Account of \$399,962 in aggregate for June and July 2019. As a result of the Charter Amendment on July 31, 2019, the Company was granted an additional four month extension to December 1, 2019, as discussed in Note 10, below.

**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (continued)**

The registration statements for the Company's Initial Public Offering were declared effective on July 27, 2017. On August 1, 2017, the Company consummated the Initial Public Offering of 27,000,000 units ("Units" and with respect to the shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"), included in the Units, the "Public Shares") at \$10.00 per Unit, generating gross proceeds of \$270,000,000, which is described in Note 4.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 9,500,000 private placement warrants ("Private Placement Warrants") at a price of \$1.00 per warrant in a private placement to the Sponsor, MasTec, Inc. ("MasTec") and EarlyBirdCapital, Inc. ("EBC"), generating gross proceeds of \$9,500,000, which is described in Note 5.

Following the closing of the Initial Public Offering on August 1, 2017, an amount of \$270,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the Private Placement Warrants was placed in a trust account (the "Trust Account") and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below, except that interest earned on the Trust Account can be released to pay the Company's tax obligations.

On August 4, 2017, the underwriters exercised their over-allotment option in full resulting in an additional 4,050,000 Units being issued for \$40,500,000, less the underwriters' discount of \$1,012,500, netting \$39,487,500, which was deposited into the Trust Account. In connection with the underwriters' exercise of their over-allotment option in full, the Company also consummated the sale of an additional 1,012,500 Private Placement Warrants at \$1.00 resulting in a total of \$310,500,000 held in the Trust Account.

On August 7, 2017, the Company announced that the holders of the Company's units may elect to separately trade the Common Stock, warrants and rights underlying the units commencing on August 8, 2017. No fractional warrants will be issued upon separation of the units only whole warrants will trade. Those units that are not separated will continue to trade on the NASDAQ Capital Market under the symbol "WRLSU" and the Common Stock, warrants and rights are expected to trade under the symbols "WRLS," "WRLSW" and "WRLSR", respectively.

Transaction costs amounted to \$8,646,303, consisting of \$7,762,500 of underwriting fees, and \$883,803 of other costs. In addition, as of June 30, 2019, \$217,099 of cash was held outside of the Trust Account, which is available for working capital purposes.

The Company's management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Placement Warrants (subject to terms and conditions set forth in the certain trust agreement), although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to successfully effect a Business Combination.



**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS (continued)**

The Company will provide its stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then on deposit in the Trust Account, net of taxes payable (initially \$10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants or rights. The Common Stock subject to redemption has been recorded at redemption value and classified as temporary equity upon the completion of the Offering, in accordance with Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." The Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and, in the case of a stockholder vote, a majority of the outstanding shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Certificate of Incorporation, conduct the redemptions pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents with the SEC prior to completing a Business Combination. If, however, a stockholder approval of the transaction is required by law, or the Company decides to obtain stockholder approval for business or other legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Initial Stockholders (as defined below) have agreed to vote their Founder Shares (as defined in Note 6), and any Public Shares held by them in favor of approving a Business Combination and not to redeem any shares. Additionally, each public stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction.

The Company has until December 1, 2019 to consummate a Business Combination (the "Combination Period"). If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned (net of taxes payable), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law.

The Sponsor and other holders of Founder Shares prior to the Initial Public Offering (the "Initial Stockholders") have agreed to (i) waive their redemption rights with respect to their Founder Shares and Public Shares in connection with the consummation of a Business Combination, (ii) to waive their rights to liquidating distributions from the Trust Account with respect to their Founder Shares if the Company fails to consummate a Business Combination within the Combination Period and (iii) not to propose an amendment to the Company's Amended and Restated Certificate of Incorporation that would affect the substance or timing of the Company's obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination within the Combination Period, unless the Company provides the public stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment. However, the Initial Stockholders will be entitled to liquidating distributions with respect to any Public Shares acquired if the Company fails to consummate a Business Combination and liquidates within the Combination Period. In the event of such distribution, it is possible that the per share value of all the assets available for distribution (including Trust Account assets) will be less than the \$10.00 per Unit in the Offering.

In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriters of the Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent auditors), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**2. LIQUIDITY**

As of June 30, 2019, the Company had \$217,099 in its operating bank accounts, \$63,116,155 in cash and marketable securities held in the Trust Account to be used for a Business Combination, to repurchase or convert stock, or to pay corporate taxes in connection therewith and a working capital deficit of \$10,650,864. As of June 30, 2019, \$8,103,985 of the amount deposited in the Trust Account represented interest income, which is available to pay the Company's tax obligations. To date, the Company has withdrawn \$336,274 of interest from the Trust Account in order to pay the Company's tax obligations.

Until the consummation of a Business Combination, the Company will be using the funds not held in the Trust Account for identifying and evaluation of prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting target businesses to acquire, and structuring, negotiating and consummating the Business Combination.

For the period from April 1, 2019 through June 30, 2019, the Sponsor advanced the Company \$450,178 for working capital purposes. As of March 31, 2019, the Sponsor advanced the Company \$1,357,628 for working capital purposes. The Working Capital Loans, evidenced by a promissory note, shall be payable without interest upon consummation of a Business Combination or, at the holder's discretion, the note may be converted into warrants ("Warrants") at a conversion price of \$1.00 per Warrant. Each Warrant will contain terms identical to those of the warrants issued in the private placement, entitling the holder thereof to purchase one share of Common Stock at an exercise price of \$11.50 per share as more fully described in the prospectus for the IPO dated July 27, 2017.

In addition, two of the Company's service providers had agreed to defer the payment of fees owed to them until the consummation of a Business Combination, which amounted to \$5,152,054 as of June 30, 2019. Such fees are included in accounts payable and accrued expenses in the accompanying balance sheet at June 30, 2019. Based on the foregoing, the Company believes it will have sufficient cash to meet its needs for the next five months (through December 1, 2019).

In addition, the Company holds a Commitment Letter from its Chief Executive Officer and managing member of the Sponsor, whereby the managing member of the Sponsor commits to funding any working capital shortfalls through the earlier of an initial business combination or the Company's liquidation. The loans would be issued as required and each loan would be evidenced by a promissory note, up to an aggregate of \$750,000. The loans will be non-interest bearing, unsecured and payable upon the consummation of the Company's initial business combination or at the holder's discretion, convertible into warrants of the Company at a price of \$1.00 per warrant. If the Company does not complete a business combination, any such loans will be forgiven. On August 8, 2019, the Company signed a \$700,000 promissory note with an affiliate of the Sponsor. This promissory note shall be payable without interest and due upon the consummation of a Business Combination.

**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**2. LIQUIDITY (continued)**

The Company may raise additional capital through loans or additional investments from the Sponsor or its stockholders, officers, directors, or third parties. The Company's officers and directors and the Sponsor may, but, except as described above, are not obligated to, loan the Company funds, from time to time, in whatever amount they deem reasonable in their sole discretion, to meet the Company's working capital needs.

None of the Sponsor, stockholders, officers or directors, or third parties is under any obligation to advance funds to, or invest in, the Company, except for the \$750,000 commitment discussed above. Accordingly, the Company may not be able to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. Even if the Company can obtain sufficient financing or raise additional capital, it only has until December 1, 2019 to consummate a business combination. There is no assurance that the Company will be able to do so prior to December 1, 2019.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The accompanying unaudited condensed financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the Securities and Exchange Commissions ("SEC"). Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting.

Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended March 31, 2019 as filed with the SEC on June 14, 2019, which contains the audited financial statements and notes thereto. The financial information as of March 31, 2019 is derived from the audited financial statements presented in the Company's Annual Report on Form 10-K for the year ended March 31, 2019. The interim results for the three months ended June 30, 2019 are not necessarily indicative of the results expected for the year ending March 31, 2020 or any future interim periods.

**Emerging growth company**

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Further, Section 102(b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company, which is neither an emerging growth company nor an emerging growth company, which has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

**Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

**Cash and cash equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2019 and March 31, 2019.

**Cash and marketable securities held in Trust Account**

At June 30, 2019 and March 31, 2019, the assets held in the Trust Account were held in cash and U.S. Treasury Bills and are classified as trading securities.

**Common stock subject to possible redemption**

The Company accounts for its Common Stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common Stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable Common Stock (including Common Stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, common stock is classified as stockholders' equity. The Common Stock features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, at June 30, 2019 and March 31, 2019, Common Stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's balance sheets.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income taxes**

The Company complies with the accounting and reporting requirements of ASC Topic 740 "Income Taxes," which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred income tax asset to the amount expected to be realized.

At June 30, 2019 and March 31, 2019, management had determined that it is more likely than not, that its deferred income tax asset, which previously had been reduced by a valuation allowance, will be realized within this year. The deferred income tax asset of \$160,000 and \$216,000, respectively, arose from tax benefits related to net operating losses not previously utilized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. As of June 30, 2019 and March 31, 2019, there were no unrecognized tax benefits and no amounts accrued for interest and penalties.

The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential examination by federal, state and city taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal, state and city tax laws. The Company has identified its Federal tax return and its State tax returns in Delaware, Georgia, and North Carolina as "major" tax jurisdictions. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next year.

**Net loss per common share**

The Company complies with accounting and disclosure requirements of ASC Topic 260, "Earnings Per Share." Net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. Shares of Common Stock subject to possible redemption at June 30, 2019 and June 30, 2018 have been excluded from the calculation of basic income (loss) per share since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. The Company has not considered the effect of (1) warrants sold in the Initial Public Offering and private placement to purchase 15,525,000 and 10,512,500 shares of Common Stock, respectively, (2) rights sold in the Initial Public Offering that convert into 3,105,000 shares of Common Stock, (3) the unit purchase option of up to 1,350,000 Units sold to the underwriters, exercisable at \$10.00 per Unit, which consists of 1,350,000 shares of Common Stock, 675,000 warrants (convertible into 675,000 shares of Common Stock), and 1,350,000 rights (convertible into 135,000 shares of Common Stock) and, 4) the \$1,717,628 promissory note, which is payable without interest upon consummation of a Business Combination or, at the holder's discretion, which may be converted, in part, into Warrants at a conversion price of \$1.00 per Warrant, in the calculation of diluted loss per share, since the exercise of the warrants, the conversion of the rights into shares of Common Stock and conversion of the working capital loan are contingent upon the occurrence of a future event. As a result, diluted loss per common share is the same as basic loss per common share for the periods.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Reconciliation of net loss per common share**

The Company's net income is adjusted for the portion of income that is attributable to Common Stock subject to redemption, as these shares only participate in the income of the Trust Account and not the losses of the Company. Accordingly, basic and diluted loss per common share is calculated as follows:

	For The Three Months Ended June 30, 2019	For The Three Months Ended June 30, 2018
Net income	\$ 465,615	\$ 178,939
Less: Income attributable to common shares subject to redemption (a)	(872,183)	(988,126)
Adjusted loss	\$ (406,568)	\$ (809,187)
Weighted average shares outstanding, basic and diluted	9,032,109	\$ 8,469,986
Basic and diluted net loss per common share	\$ (0.05)	\$ (0.10)
(a) Interest Income	\$ 1,218,810	\$ 1,061,704
Less: Income Taxes*	-	47,847
Less: Franchise Taxes	62,500	-
	1,156,310	1,013,857
Percentage of common shares subject to redemption to total common shares	75.43%	97.46%
Income attributable to common shares subject to redemption	\$ 872,183	\$ 988,126

\* Excludes any benefit derived from deferred income tax asset.

**Concentration of credit risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash accounts in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. At June 30, 2019 and March 31, 2019, the Company had not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fair value of financial instruments**

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheets, primarily due to their short-term nature.

**Recently issued accounting pronouncements**

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's condensed financial statements.

**4. INITIAL PUBLIC OFFERING**

Pursuant to the Initial Public Offering the Company sold 27,000,000 units at a purchase price of \$10.00 per Unit. Each Unit consists of one share of Common Stock, par value of \$0.001 of the Company ("Common Stock"), one right ("Public Right") and one-half of one redeemable warrant ("Public Warrant"). Each Public Right will convert into one-tenth (1/10) of one share of Common Stock upon consummation of a Business Combination (see Note 8). Each whole Public Warrant entitles the holder to purchase one share of Common Stock at an exercise price of \$11.50 (see Note 8).

On August 4, 2017, the over-allotment option was exercised in full and the underwriters purchased 4,050,000 additional Units at \$10.00 per Unit, generating gross proceeds of \$40,500,000.

Proceeds of \$310,500,000 from the Initial Public Offering and Private Placement Warrants are held in the trust account, along with any additional interest earned thereon not used to pay for taxes.

**5. PRIVATE PLACEMENT**

Simultaneously with the Initial Public Offering, the Sponsor, MasTec and EBC purchased 9,500,000 Private Placement Warrants at \$1.00 per warrant in a private placement generating gross proceeds of \$9,500,000. Simultaneously with the sale of the over-allotment Units, the Company consummated the sale of an additional 1,012,500 warrants at \$1.00 per warrant, generating gross proceeds of \$1,012,500. The proceeds from the sale of the Private Placement Warrants were added to the net proceeds from the Initial Public Offering to be held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds of the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law) and the Private Placement Warrants will expire worthless. The Private Placement Warrants are identical to the Warrants sold in the Offering except that the Private Placement Warrants (i) will not be redeemable by the Company and (ii) may be exercised for cash or on a cashless basis, so long as they are held by the initial purchaser or any of its permitted transferees. In addition, the Private Placement Warrants and their component securities may not be transferable, assignable or salable until 30 days after the consummation of a Business Combination, subject to certain limited exceptions.

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**6. RELATED PARTY TRANSACTIONS**

**Founder Shares**

In May 2016, the Company issued 10,000 shares of Common Stock to the Sponsor for \$10.

In May 2017, the Company issued an additional 7,177,500 shares of Common Stock to the Sponsor and certain other persons (collectively, the “Founder Shares”) for an aggregate purchase price of \$24,990, or approximately \$0.0035 per share. In June 2017, the Sponsor transferred 1,575,000 of such shares to MasTec for the same purchase price originally paid for such shares. In July 2017, the company effected a stock dividend with respect to the Common Stock of 575,000 shares, resulting in the Initial Stockholders holding an aggregate of 7,762,500 shares. All share and per share, amounts have been retroactively restated to reflect the stock dividend. The Founder Shares included an aggregate of up to 1,012,500 shares that were subject to forfeiture by the Initial Stockholders to the extent that the underwriters’ over-allotment was not exercised in full or in part, so that the Initial Stockholders would own, on an as-converted basis, 20% of the Company’s issued and outstanding shares after the Offering. As a result of the underwriters’ election to exercise their over-allotment option in full on August 4, 2017, 1,012,500 Founder shares are no longer subject to forfeiture.

The Initial Stockholders have agreed that, subject to certain limited exceptions, the Founder Shares will not be transferred, assigned or sold until one year after the date of the consummation of a Business Combination or earlier if, subsequent to a Business Combination, the last sales price of the Company’s Common Stock equals or exceeds \$12.50 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within any 30-trading day period.

**Related Party Loans**

For the period from April 1, 2019 through June 30, 2019, the Sponsor advanced the Company \$450,178 for working capital purposes. As of June 30, 2019 and March 31, 2019, the Sponsor loaned the Company \$1,807,806 and \$1,357,628 for working capital purposes, respectively. The Working Capital Loans, evidenced by a promissory note, shall be payable without interest upon consummation of a Business Combination or, at the holder’s discretion, the note may be converted into Warrants at a conversion price of \$1.00 per Warrant. Each Warrant will contain terms identical to those of the warrants issued in the private placement, entitling the holder thereof to purchase one share of Common Stock at an exercise price of \$11.50 per share as more fully described in the prospectus for the IPO dated July 27, 2017.

In order to finance transaction costs in connection with a Business Combination, the Sponsor, the Company’s officers and directors may, but are not obligated to, loan the Company funds from time to time or at any time, as may be required (“Working Capital Loans”). Each Working Capital Loan would be evidenced by a promissory note. The Working Capital Loans would either be paid upon consummation of a Business Combination, without interest, or, at the holder’s discretion, up to \$1,500,000 of the Working Capital Loans may be converted into Warrants at a price of \$1.00 per Warrant. The Warrants would be identical to the Private Placement Warrants.

The Company received a Commitment Letter from the managing member of the Sponsor, whereby the Sponsor commits to funding any working capital shortfalls through the earlier of an initial business combination or the Company’s liquidation. The loans would be issued as required and a promissory note, up to an aggregate of Seven Hundred and Fifty Thousand Dollars \$750,000, would evidence each loan. The loans will be non-interest bearing, unsecured and payable upon the consummation of the Company’s initial business combination or at the holder’s discretion. The remaining balance of the commitment may be convertible into warrants of the Company at a price of \$1.00 per warrant. If the Company does not complete a business combination, any such loans will be forgiven. As of June 30, 2019, the Company had no promissory notes outstanding related to this commitment.



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**6. RELATED PARTY TRANSACTIONS (continued)**

On April 22, 2019, the Company announced that the Sponsor, had agreed to contribute to the Trust Account, as a loan, \$0.033 for each share of Common Stock issued in the initial public offering that was not redeemed in connection with the stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation to extend the date by which they have to consummate a Business Combination for an additional three months, from May 1, 2019 to August 1, 2019. On May 31, 2019, the Company announced that the Sponsor had determined to adjust the contributions that it would make to the Trust Account and that the Company would offer its public stockholders the right to redeem their Public Shares in connection with such adjustment. Holders of 18,361,687 shares of the Common Stock elected to redeem their shares for their pro rata portion of the funds available in the Trust Account, less any income taxes owed on such funds but not yet paid. The per-share redemption amount for such redeemed Public Shares was approximately \$10.39. After giving effect to the redemptions, 13,822,538 shares of the Common Stock (including 6,060,038 Public Shares) remained issued and outstanding. Additionally, as previously reported on May 31, 2019, the Sponsor agreed to contribute to the Trust Account as a loan \$0.033 for each Public Share that was not redeemed for each of June and July 2019, up to a maximum of \$200,000 per month. Accordingly, the Sponsor made contributions to the Trust Account of approximately \$399,962 in the aggregate for June and July 2019.

On February 1, 2019, the Company signed a promissory note agreeing to repay up to \$2,797,117 of advances to be made by the Sponsor to cover contribution payments of \$932,372 on February 28, 2019, \$932,373 on March 12, 2019 and \$932,372 on April 12, 2019 due to the Trust Account. On May 9, 2019, the Company updated its promissory note to include \$805,917 of additional advances made by the Sponsor to cover contribution payments due to the Trust Account. As of June 30, 2019 and March 31, 2019, \$3,603,034 and \$1,864,745 was advanced under that note, respectively.

Promissory notes payable - related party loans were \$3,910,840 and \$1,864,745, at June 30, 2019 and March 31, 2019, respectively.

Convertible promissory notes payable – related party loans were \$1,500,000 and \$1,357,628, at June 30, 2019 and March 31, 2019, respectively.

The Sponsor advanced the Company \$99,859 on July 11, 2019 and \$399,963 on July 23, 2019 for working capital purposes. These loans shall be payable without interest upon consummation of a Business Combination.

**Related Party Fees**

The Company has incurred related party administrative fees of \$20,000 per month beginning August 2017 and through April 2019. These costs have been included in the operating costs in the company's statements of operations. The administrative fees incurred and paid by the Company were \$20,000 and \$60,000 for the three months ending June 30, 2019 and 2018, respectively.

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**7. COMMITMENTS**

**Registration Rights**

The holders of the Founder Shares, Private Placement Warrants (and their underlying securities) and any warrants that may be issued upon conversion of the Working Capital Loans (and their underlying securities) will be entitled to registration rights pursuant to a registration rights agreement to be signed prior to or on the effective date of the Initial Public Offering. The holders of a majority of these securities will be entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders will have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. However, the registration rights agreement will provide that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lock up period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

**Business Combination Marketing Agreement**

The Company has engaged EBC as an advisor in connection with a Business Combination to assist the Company in holding meetings with its stockholders to discuss a potential Business Combination and the target business’ attributes, introduce the Company to potential investors that are interested in purchasing securities, assist the Company in obtaining stockholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with a Business Combination. The Company will pay EBC a cash fee for such services upon the consummation of an initial Business Combination in an amount equal to 3.5% of the gross proceeds of the offering (exclusive of any applicable finders’ fees which might become payable); provided that the Company has the right to allocate up to 30% of the fee to any of the underwriters in the offering or other FINRA member firms the Company retains to assist it in connection with its initial Business Combination.

**8. STOCKHOLDERS’ EQUITY**

**Preferred Stock** — The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.001. At June 30, 2019 and March 31, 2019, there were no shares of preferred stock issued or outstanding.

**Common Stock** — The Company is authorized to issue 100,000,000 shares of Common Stock with a par value of \$0.001 per share. Holders of the Company’s Common Stock are entitled to one vote for each share. As of June 30, 2019 and March 31, 2019, there were 9,251,564 and 9,032,109, respectively, shares of Common Stock issued and outstanding (excluding 4,570,974 and 26,984,101 shares subject to possible redemption).

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**8. STOCKHOLDERS' EQUITY (continued)**

**Rights** — Each holder of a right will receive one-tenth (1/10) of one share of Common Stock upon consummation of a Business Combination, even if the holder of such right redeemed all shares held by it in connection with a Business Combination. No fractional shares will be issued upon exchange of the rights. No additional consideration will be required to be paid by a holder of rights in order to receive its additional shares upon consummation of a Business Combination as the consideration related thereto has been included in the Unit purchase price paid for by investors in the Initial Public Offering. If the Company enters into a definitive agreement for a Business Combination in which the Company will not be the surviving entity, the definitive agreement will provide for the holders of rights to receive the same per share consideration the holders of the Common Stock will receive in the transaction on an as-converted into Common Stock basis and each holder of a right will be required to affirmatively convert its rights in order to receive 1/10 share underlying each right (without paying additional consideration). The shares issuable upon exchange of the rights will be freely tradable (except to the extent held by affiliates of the Company).

If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of rights will not receive any of such funds with respect to their rights, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such rights, and the rights will expire worthless. Further, there are no contractual penalties for failure to deliver securities to the holders of the rights upon consummation of a Business Combination. Additionally, in no event will the Company be required to net cash settle the rights.

**Warrants** — Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or; provided in each case that the Company has an effective registration statement under the Securities Act covering the shares of Common Stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available. The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of a Business Combination, the Company will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the shares of Common stock issuable upon exercise of the Public Warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the warrant agreement. Notwithstanding the foregoing, if a registration statement covering the shares of Common stock issuable upon exercise of the Public Warrants is not effective within 90 business days immediately following the consummation of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their warrants on a cashless basis. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Private Placement Warrants are identical to the Public Warrants underlying the Units being sold in the Offering, except that the Private Placement Warrants and the Common Stock issuable upon the exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

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**8. STOCKHOLDERS' EQUITY (continued)**

The Company may redeem the Public Warrants (except with respect to the Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- at any time during the exercise period;
- upon a minimum of 30 days' prior written notice of redemption;
- if, and only if, the last sale price of the Company's Common Stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

The exercise price and number of shares of Common Stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Common Stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

**Unit Purchase Options** — The Company sold to EBC and its co-underwriters, for \$100, an option to purchase up to 1,350,000 units exercisable at \$10.00 per Unit (or an aggregate exercise price of \$13,500,000) commencing on the consummation of a Business Combination. The unit purchase option may be exercised for cash or on a cashless basis, at the holder's option, and expires on July 27, 2022. The Units issuable upon exercise of this option are identical to those offered in the Offering. The Company has accounted for the unit purchase option, inclusive of the receipt of \$100 cash payment, as an expense of the Offering resulting in a charge directly to stockholders' equity.

The Company estimated that the fair value of this unit purchase option was approximately \$4,547,505 (or \$3.37 per Unit) using a Black-Scholes option-pricing model. The fair value of the unit purchase option granted to the underwriters was estimated as of the date of grant using the following assumptions: (1) expected volatility of 35%, (2) risk-free interest rate of 1.80% and (3) expected life of five years. The option and the 1,350,000 Units have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA's NASDAQ Conduct Rules. Additionally, the option may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180-day period) following the date of Offering except to any underwriter and selected dealer participating in the Offering and their bona fide officers or partners. The option grants to holders demand and "piggy back" rights for periods of five and seven years, respectively, from the effective date of the registration statement with respect to the registration under the Securities Act of the securities directly and indirectly issuable upon exercise of the option. The Company will bear all fees and expenses attendant to registering the securities, other than underwriting commissions, which will be paid for by the holders themselves. The exercise price and number of units issuable upon exercise of the option may be adjusted in certain circumstances including in the event of a stock dividend, or the Company's recapitalization, reorganization, merger or consolidation. However, the option will not be adjusted for issuances of Common Stock at a price below its exercise price.

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**9. FAIR VALUE MEASUREMENTS**

The Company follows guidance in ASC 820 for its financial assets and liabilities that are re-measured at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at June 30, 2019 and March 31, 2019, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	June 30, 2019	March 31, 2019
Assets:			
Cash and marketable securities held in Trust Account	1	\$ 63,116,155	\$ 290,454,757

**10. SUBSEQUENT EVENTS**

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the condensed financial statements were issued.

Except as described below, the Company did not identify subsequent events that would have required adjustment or disclosure in the condensed financial statements other than the following.

**PENSARE ACQUISITION CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(Unaudited)**

**10. SUBSEQUENT EVENTS (continued)**

On July 25, 2019, the Company issued a press release announcing the execution of the Agreement among the Company, Computex, Merger Sub and Holdings, pursuant to which the Company agreed to acquire Computex in a transaction (the "Transaction") that will result in Computex becoming a wholly owned subsidiary of the Company. The merger consideration, aggregating \$65,000,000 (subject to certain adjustments set forth in the Agreement), will consist of 50% cash and 50% Company common stock. Computex is an industry-leading IT service provider of choice focused on helping customers transform their businesses through technology. Computex offers a comprehensive portfolio of managed IT services to a wide range of clients including Unified Communications-as-a-Service ("UCaaS"), directory and messaging services, enterprise networking, cybersecurity, collaboration, data center, integration, storage, backup, virtualization, and converged infrastructure. Additionally, on July 25, 2019, the Company announced that it had entered into a non-binding letter of intent to acquire a second company, a leading developer of UCaaS technology and that it has joined AT&T Partner Exchange<sup>®</sup>, a platform pursuant to which the Company will be able to bundle and resell certain AT&T branded products and solutions with its own services following the consummation of the Transaction.

On July 31, 2019, at the Special Meeting of the Company's Stockholders (the "Special Meeting"), the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation (the "Charter Amendment") to extend the date by which the Company has to consummate a business combination (the "Extension") for an additional four months, from August 1, 2019 to December 1, 2019. The affirmative vote of at least a majority of the outstanding shares of Common Stock was required to approve the Charter Amendment. The Charter Amendment was approved with 11,297,309 votes cast in favor of the proposal, 886,001 votes cast against the proposal and 0 abstentions. The purpose of the Extension is to allow the Company more time to complete a Business Combination. In connection with the Special Meeting and the resulting Charter Amendment, 5,754,273 of the shares of the Company's Common Stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.48 per share.

On August 8, 2019, the Company signed a \$700,000 promissory note with an affiliate of the Sponsor. This promissory note shall be payable without interest and due upon the consummation of a Business Combination.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this report to "we," "us" or the "Company" refer to Pensare Acquisition Corp. References to our "management" or our "management team" refer to our officers and directors, and references to the "Sponsor" refer to Pensare Sponsor Group, LLC. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risk and uncertainties.

### Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are not historical facts, and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "intend," "estimate," "seek" and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performances, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performances or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of our Annual Report on Form 10-K filed on June 14, 2019 with the U.S. Securities and Exchange Commission (the "SEC"). The Company's securities filings can be accessed on the EDGAR section of the SEC's website at [www.sec.gov](http://www.sec.gov). Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

### Overview

We are a blank check company incorporated on April 7, 2016 in Delaware for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more target businesses that we have not yet identified (a "Business Combination").

The registration statements for the Company's initial public offering of securities (the "Initial Public Offering") were declared effective on July 27, 2017. On August 1, 2017, the Company consummated the Initial Public Offering of 27,000,000 units ("Units" and with respect to the common stock included in the Units, the "Public Shares") at \$10.00 per Unit, generating gross proceeds of \$270,000,000.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of private placement warrants ("Private Placement Warrants") at a price of \$1.00 per Private Placement Warrant in a private placement (the "Private Placement") to the Sponsor, MasTec, Inc. ("MasTec") and EarlyBirdCapital, Inc. ("EBC"), generating gross proceeds of \$9,500,000.

Following the closing of the Initial Public Offering on August 1, 2017, an amount of \$270,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the Private Placement Warrants was placed in a trust account (the "Trust Account") and will be invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below, except that interest earned on the Trust Account can be released to pay the Company's income tax obligations.

On August 4, 2017, the underwriters exercised their over-allotment option in full resulting in an additional 4,050,000 Units being issued for \$40,500,000, less the underwriters' discount of \$1,012,500, netting \$39,487,500 which was deposited into the Trust Account. In connection with the underwriters' exercise of their over-allotment option in full, the Company also consummated the sale of an additional 1,012,500 Private Placement Warrants at \$1.00 per Private Placement Warrant, generating total gross proceeds of \$1,012,500, less the advance payment on August 1, 2017 of \$600,000 towards this transaction (see Note 5), resulting in another \$412,500 being deposited into the Trust Account bringing the balance in the Trust Account on August 4, 2017 to \$310,500,000.

Transaction costs amounted to \$8,646,303, consisting of \$7,762,500 of underwriting fees, and \$883,803 of other costs. In addition, as of June 30, 2019, \$217,099 of cash was held outside of the Trust Account, available for working capital purposes.

Our efforts to identify a prospective target business will not be limited to a particular industry or geographic region, although we intend to focus on businesses in the wireless telecommunications industry in the United States. We intend to utilize cash derived from the proceeds of our Initial Public Offering and the Private Placement, our securities, debt or a combination of cash, securities and debt, in effecting a Business Combination. The issuance of additional shares of common stock or warrants in a Business Combination:

- may significantly dilute the equity interest of existing stockholders;
- could cause a change of control if a substantial number of shares of our common stock are issued, which may affect, among other things, our ability to use our net operating loss carryforwards, if any, and could result in the resignation or removal of our present officers and directors;
- may subordinate the rights of holders of shares of common stock if we issue shares of preferred stock with rights senior to those afforded to our shares of common stock;
- may have the effect of delaying or preventing a change of control by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our securities.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our cash flows after an initial Business Combination are insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of such covenants;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand ; and /or
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding.

We expect to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete a Business Combination will be successful.

We have until December 1, 2019 to consummate an initial Business Combination. If we are unable to consummate an initial Business Combination within such time period, we will, as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account established in connection with the Initial Public Offering, including any interest earned on the funds held in the Trust Account net of interest that may be used by us to pay our franchise and income taxes payable, divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law and as further described herein, and then seek to dissolve and liquidate. We expect the pro rata redemption price to be approximately \$10.00 per share of common stock, without taking into account any interest earned on such funds. However, we cannot assure you that we will in fact be able to distribute such amounts as a result of claims of creditors which may take priority over the claims of our public stockholders.



As previously disclosed in our current report on Form 8-K filed with the SEC on February 1, 2019, we entered into a Business Combination Agreement (the “TPx Agreement”) on January 31, 2019 with U.S. TelePacific Holdings Corp., d/b/a TPx Communications (“TPx”) and Tango Merger Sub Corp., a wholly-owned subsidiary of the Company relating to the proposed business combination between Pensare and TPx. On May 20, 2019, we mutually agreed with TPx to terminate the TPx Agreement pursuant to a Termination of Business Combination Agreement dated as of May 20, 2019, effective as of such date. As a result of the termination of the TPx Agreement, effective as of May 20, 2019, the TPx Agreement is of no further force or effect, and no party to the TPx Agreement shall have any liability under the TPx Agreement except as otherwise expressly set forth in the TPx Agreement. We intend to continue to pursue a business combination.

On April 22, 2019, we announced that our Sponsor had agreed to contribute to us as a loan \$0.033 for each share of our common stock issued in our initial public offering that was not redeemed in connection with the stockholder vote to approve an amendment to our amended and restated certificate of incorporation to extend the date by which we have to consummate a Business Combination for an additional three months, from May 1, 2019 to August 1, 2019. On April 29, 2019, at the Special Meeting of the Company’s Stockholders, our stockholders approved an amendment to our amended and restated certificate of incorporation to extend the date by which the Company has to consummate a Business Combination for an additional three months, from May 1, 2019 to August 1, 2019. The amendment was approved with 26,163,835 votes cast in favor of the amendment, 2,020,001 votes cast against the amendment and 422,075 abstentions. In connection with the special meeting and the resulting amendment to our amended and restated certificate of incorporation, 3,831,985 shares of our common stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.33 per share.

On May 31, 2019, we announced that our Sponsor had determined to adjust the contributions that it would make to the Trust Account and that the Company would offer its public stockholders the right to redeem their Public Shares in connection with such adjustment. Holders of 18,361,687 shares of the Company’s common stock elected to redeem their shares for their pro rata portion of the funds available in the Trust Account, less any income taxes owed on such funds but not yet paid. The per-share redemption amount for such redeemed Public Shares was approximately \$10.39. After giving effect to the redemptions 13,822,538 shares of the Company’s common stock (including 6,060,038 Public Shares) remained issued and outstanding. Additionally, as previously reported on May 31, 2019, the Sponsor agreed to contribute to the Trust Account as a loan \$0.033 for each Public Share that was not redeemed for each of June and July 2019, up to a maximum of \$200,000 per month. Accordingly, the Sponsor made contributions to the Trust Account of approximately \$399,962 in the aggregate for June and July 2019.

On July 25, 2019, we issued a press release announcing the execution of a Business Combination Agreement (the “Agreement”) among the Company, Stratos Management Systems, Inc., a Delaware corporation (“Computex”), Tango Merger Sub Corp., a Delaware corporation and Stratos Management Systems Holdings, LLC, a Delaware limited liability company, pursuant to which the Company agreed to acquire Computex in a transaction (the “Transaction”) that will result in Computex becoming a wholly owned subsidiary of the Company. The merger consideration, aggregating \$65,000,000 (subject to certain adjustments set forth in the Agreement), will consist of 50% cash and 50% Company common stock. Computex is an industry-leading IT service provider of choice focused on helping customers transform their businesses through technology. Computex offers a comprehensive portfolio of managed IT services to a wide range of clients including Unified Communications-as-a-Service (“UCaaS”), directory and messaging services, enterprise networking, cybersecurity, collaboration, data center, integration, storage, backup, virtualization, and converged infrastructure. Additionally, on July 25, 2019, we announced that we have entered into a non-binding letter of intent to acquire a second company, a leading developer of UCaaS technology and that we have joined AT&T Partner Exchange<sup>®</sup>, a platform pursuant to which we will be able to bundle and resell certain AT&T branded products and solutions with our own services following the consummation of the Transaction.

On July 31, 2019, at the Special Meeting of the Company’s Stockholders (the “Special Meeting”), the Company’s stockholders approved an amendment to the Company’s Amended and Restated Certificate of Incorporation (the “Charter Amendment”) to extend the date by which the Company has to consummate a business combination (the “Extension”) for an additional four months, from August 1, 2019 to December 1, 2019. The affirmative vote of at least a majority of the outstanding shares of Common Stock was required to approve the Charter Amendment. The Charter Amendment was approved with 11,297,309 votes cast in favor of the proposal, 886,001 votes cast against the proposal and 0 abstentions. The purpose of the Extension is to allow the Company more time to complete a Business Combination. In connection with the Special Meeting and the resulting Charter Amendment, 5,754,273 of the shares of the Company’s Common Stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.48 per share.

## Results of Operations

We have neither engaged in any operations nor generated any revenues to date. All activity from inception to June 30, 2019 were organizational activities and those necessary to consummate the Initial Public Offering, described below, and identifying a target company for a Business Combination. We do not expect to generate any operating revenues until after the completion of our Business Combination. We generate non-operating income in the form of interest income on cash and marketable securities. There have been no significant changes in our financial position and no material adverse change has occurred since the date of our audited financial statements included in our registration statement for the Initial Public Offering. We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as due diligence expenses.

For the three months ended June 30, 2019, we had a net income of \$465,615, which consists of interest income on marketable securities held in the Trust Account of \$1,218,810, offset by operating costs and taxes of \$753,195. Included in operating costs for the three months ended June 30, 2019 were approximately \$440,000 of professional fees, \$93,000 of travel costs, \$56,000 of income tax expense, \$62,500 of franchise tax expense and \$102,000 of office and administrative fees.

For the three months ended June 30, 2018, we had net income of \$178,939, which consists of interest income on marketable securities held in the Trust Account of \$1,061,704, offset by operating costs and taxes of \$882,765. Included in operating costs for the three months ended June 30, 2018 were approximately \$440,000 of legal fees, \$107,000 of travel costs and \$60,000 of administrative fees.

### **Liquidity and Capital Resources**

As of June 30, 2019, we had cash of \$217,099 and cash and marketable securities held in the Trust Account available to pay taxes of \$125,225. Until the consummation of the Initial Public Offering, the Company's only source of liquidity was an initial purchase of common stock by the Sponsor and certain of our officers and directors and loans from the Sponsor pursuant to the terms of a promissory note.

On August 1, 2017, we consummated the Initial Public Offering of 27,000,000 Units, at a price of \$10.00 per Unit, generating gross proceeds of \$270,000,000. Simultaneously with the closing of the Initial Public Offering, we consummated the sale of 9,500,000 Private Placement Warrants at a price of \$1.00 per Private Placement Warrant, generating total proceeds of \$9,500,000. On August 4, 2017, the underwriters exercised their over-allotment option in full resulting in an additional 4,050,000 Units being issued for \$40,500,000, less the underwriter's discount of \$1,012,500, netting \$39,487,500. In connection with the underwriters' exercise of their over-allotment option in full, the Company consummated the sale of an additional 1,012,500 Private Placement Warrants at \$1.00 per Private Placement Warrant, generating total gross proceeds of \$1,012,500.

In order to fund working capital deficiencies or finance transaction costs in connection with an intended business combination, the Sponsor, our officers and our directors or their affiliates, may, but are not obligated to, loan us funds, from time to time or at any time, in whatever amount they deem reasonable in their sole discretion. Each loan is evidenced by a promissory note. The notes would be paid upon consummation of a business combination, without interest, or, at the lender's discretion, up to \$1,500,000 of such loans may be converted into warrants at a price of \$1.00 per warrant. Such warrants would be identical to the Private Placement Warrants.

Following the Initial Public Offering and the exercise of the over-allotment option, a total of \$310,500,000 was placed in the Trust Account and we had \$2,327,118 of cash held outside the Trust Account, after payment of all costs related to the Initial Public Offering and the exercise of the over-allotment option, and available for working capital purposes. We incurred \$8,646,303 in Initial Public Offering related costs, including \$7,762,500 of underwriting fees and \$883,803 of other costs and expenses.

As of June 30, 2019, we had cash and marketable securities held in the Trust Account of \$63,116,155 (including \$8,103,985 of interest income) consisting of cash and U.S. treasury bills with a maturity of 180 days or less. A portion of the interest income of \$125,225 has been recorded as a current asset and may be available to us to withdraw and pay taxes.

For the three months ending June 30, 2019, cash used in operating activities amounted to \$368,344 resulting from net income of \$465,615, interest earned on cash and marketable securities held in the Trust Account of \$1,218,810, depreciation of \$915, deferred taxes of \$56,000 and changed in assets and liabilities of \$327,936.

For the three months ending June 30, 2018, cash used in operating activities amounted to \$583,751 resulting from a net income of \$178,939, interest earned on cash and marketable securities held in Trust Account of \$1,061,704, depreciation of \$915 and changes in our assets and liabilities of \$298,099.

In connection with the Special Meeting held on July 31, 2019 and the resulting Charter Amendment, 5,754,273 of the shares of the Company's Common Stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.48 per share.

We intend to use substantially all of the remaining proceeds of the Initial Public Offering, including funds held in the Trust Account, to acquire a target business and to pay our expenses related thereto. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operation of the target business or businesses, make other acquisitions and pursue our growth strategies.

We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses, and structure, negotiate and complete a Business Combination.

In order to finance transaction costs in connection with an intended Business Combination, the Sponsor, or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete a Business Combination, we would repay such loaned amounts out of the proceeds of the Trust Account released to us. In the event that a Business Combination does not close, we may use a portion of the working capital held outside the Trust Account to repay such loaned amounts but in no event will proceeds from our Trust Account be used to repay such amounts.

We believe we have raised sufficient additional funds, when taken together with funds that may be made available to us by our Sponsor, officers, directors and their affiliates through loans, to meet the expenditures required for operating our business. However, if our estimate of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amounts necessary to do so, we may have insufficient funds available to operate our business prior to our Business Combination. Moreover, we may need to obtain additional financing either to complete our Business Combination or because we become obligated to redeem a significant number of our common stock upon completion of our Business Combination, in which case we may issue additional securities or incur debt in connection with such Business Combination. Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of our Business Combination. If we are unable to complete our Business Combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. In addition, following our Business Combination, if cash on hand is insufficient, we may need to obtain additional financing in order to meet our obligations.

For the period from April 1, 2019 through June 30, 2019, the Sponsor advanced the Company \$450,178 for working capital purposes. As of March 31, 2019, the Sponsor advanced the Company \$1,357,628 for working capital purposes. These working capital loans are evidenced by a promissory note, which is payable without interest upon consummation of a Business Combination or, at the holder's discretion, up to \$1,500,000 of the notes may be converted into warrants of the Company at a conversion price of \$1.00 per warrant. Each warrant will contain terms identical to those of the warrants issued in the private placement, entitling the holder thereof to purchase one share of common stock, par value \$0.001, at an exercise price of \$11.50 per share as more fully described in the prospectus for the IPO dated July 27, 2017.

In addition, two of the Company's service providers had agreed to defer the payment of fees owed to them until the consummation of a Business Combination, which amounted to approximately \$5,152,054 as of June 30, 2019. Such fees are included in accounts payable and accrued expenses in the accompanying balance sheet at June 30, 2019.

On May 9, 2019, the Company signed a promissory note agreeing to repay \$805,916 for an advance made by the Sponsor as an additional contribution payment to the Trust Account. Based on the foregoing, the Company believes it will have sufficient cash to meet its needs for the five months (through December 1, 2019) following the date from when the financial statements are issued.

In addition, the Company holds a Commitment Letter from its Chief Executive Officer and managing member of the Sponsor, whereby the managing member of the Sponsor commits to funding any working capital shortfalls through the earlier of an initial Business Combination or the Company's liquidation. The loans would be issued as required and each loan would be evidenced by a promissory note, up to an aggregate of \$750,000. The loans will be non-interest bearing, unsecured and payable upon the consummation of the Company's initial Business Combination or at the holder's discretion, convertible into warrants of the Company at a price of \$1.00 per warrant. If the Company does not complete a Business Combination, any such loans will be forgiven.

On January 16, 2019, the Company announced that its Sponsor had agreed to contribute to the Company as a loan \$0.033 for each Public Share that was not redeemed in connection with the stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation to extend the date by which the Company has to consummate a Business Combination for an additional three months, from February 1, 2019 to May 1, 2019, for each calendar month (commencing on February 2, 2019 and on the second day of each subsequent month), or portion thereof, that is needed by the Company to complete a Business Combination from February 2, 2019 until May 1, 2019.

On February 1, 2019, the Company signed a promissory note agreeing to pay up to \$2,797,117 of advances to be made by the Sponsor to cover contribution payments due to the Trust Account. On April 29, 2019, the Company held a special meeting of stockholders at which time the stockholders of the Company approved an amendment to the Company's amended and restated certificate of incorporation to extend the date by which the Company has to consummate a Business Combination for an additional three months, from May 1, 2019 to August 1, 2019. On April 22, 2019, the Company announced that the Sponsor, had agreed to contribute as a loan, \$0.033 for each share of common stock issued in the initial public offering that was not redeemed in connection with the stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation to extend the date by which they have to consummate a Business Combination for an additional three months, from May 1, 2019 to August 1, 2019. The contribution was deposited in the Trust Account. On May 9, 2019, the Company signed a promissory note agreeing to repay \$805,916 to the Sponsor for its contribution. On May 31, 2019, we announced that our Sponsor had determined to adjust the contributions that it would make to the Trust Account and that the Company would offer its public stockholders the right to redeem their Public Shares in connection with such adjustment. Holders of 18,361,687 shares of the Company's common stock elected to redeem their shares for their pro rata portion of the funds available in the Trust Account, less any income taxes owed on such funds but not yet paid. The per-share redemption amount for such redeemed Public Shares was approximately \$10.39. After giving effect to the redemptions 13,822,538 shares of the Company's common stock (including 6,060,038 Public Shares) remained issued and outstanding. Additionally, as previously reported on May 31, 2019, the Sponsor agreed to contribute to the Trust Account as a loan \$0.033 for each Public Share that was not redeemed for each of June and July 2019, up to a maximum of \$200,000 per month. Accordingly, the Sponsor made contributions to the Trust Account of \$399,962 in the aggregate for June and July 2019. The Sponsor advanced the Company \$99,859 on July 11, 2019 and \$399,962 on July 23, 2019 for working capital purposes. These loans shall be payable without interest upon consummation of a Business Combination.

On July 31, 2019, at the Special Meeting, the Company's stockholders approved the Charter Amendment to extend the date by which the Company has to consummate a business combination for an additional four months, from August 1, 2019 to December 1, 2019. In connection with the Special Meeting and the resulting Charter Amendment, 5,754,273 of the shares of the Company's Common Stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.48 per share.

### **Liquidation and Going Concern**

Until we consummate a Business Combination, we will be using the funds not held in the Trust Account for identifying and evaluation prospective acquisition candidates, performing due diligence on prospective target businesses, paying for travel expenditures, selecting target businesses to acquire, and structuring, negotiating and consummating a Business Combination.

We may need to raise additional capital through loans or additional investments from our Sponsor, stockholders, officers, directors, or third parties. Our officers, directors and Sponsor may, but are not obligated to, loan us funds, from time to time, in whatever amount they deem reasonable in their sole discretion, to meet our working capital needs.

If we are unable to raise additional capital, we may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. We cannot provide any assurance that new financing will be available to us on commercially acceptable terms, if at all. Even if we can obtain sufficient financing or raise additional capital, we only have until December 1, 2019 to consummate a Business Combination. There is no assurance that we will be able to do so prior to December 1, 2019.

If we do not complete a Business Combination by December 1, 2019, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including any interest earned on the funds held in the Trust Account not previously released to us, divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. We cannot assure you that we will have funds sufficient to pay or provide for all creditors' claims.

The holders of the Founder Shares will not participate in any redemption distribution with respect to their Founder Shares. Holders of warrants will receive no proceeds in connection with the redemption or liquidation.

In the event of liquidation, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per unit in the initial public offering.

#### **Off-Balance Sheet Arrangements; Contractual Obligations**

As of June 30, 2019, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K and did not have any long-term debt, capital lease obligations, operating lease obligations or purchase obligations other than a monthly fee of \$20,000 payable to our Sponsor for office space, utilities, secretarial and administrative services, effective as of July 27, 2017, the effective date of the registration statement for our initial public offering. We have not guaranteed any debt or commitments of other entities or entered into any options on non-financial assets.

#### **Critical Accounting Policies**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. There have been no material changes to our critical accounting policies previously disclosed in our Annual Report on Form 10-K filed with the SEC on June 14, 2019. For a description of our critical accounting policies as well as a listing of our significant accounting policies, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” and “Note 3—Summary of Significant Accounting Policies” in our Annual Report on Form 10-K filed with the SEC on June 14, 2019.

#### *Recent Accounting Pronouncements*

Management does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on our condensed financial statements.

#### **Proposed Business Combination and Extension**

On July 25, 2019, we issued a press release announcing the execution of the Agreement among the Company, Computex, Tango Merger Sub Corp., a Delaware corporation and Stratos Management Systems Holdings, LLC, a Delaware limited liability company, pursuant to which the Company agreed to acquire Computex in a transaction that will result in Computex becoming a wholly owned subsidiary of the Company. The merger consideration, aggregating \$65,000,000 (subject to certain adjustments set forth in the Agreement), will consist of 50% cash and 50% Company common stock. Computex is an industry-leading IT service provider of choice focused on helping customers transform their businesses through technology. Computex offers a comprehensive portfolio of managed IT services to a wide range of clients including UCaaS, directory and messaging services, enterprise networking, cybersecurity, collaboration, data center, integration, storage, backup, virtualization, and converged infrastructure.

Additionally, on July 25, 2019, we announced that we have entered into a non-binding letter of intent to acquire a second company, a leading developer of UCaaS technology and that we have joined AT&T Partner Exchange<sup>®</sup>, a platform pursuant to which we will be able to bundle and resell certain AT&T branded products and solutions with our own services following the consummation of the Transaction.

#### *The Extension*

On July 31, 2019, at the Special Meeting, the Company’s stockholders approved the Charter Amendment to extend the date by which the Company has to consummate a business combination for an additional four months, from August 1, 2019 to December 1, 2019. The affirmative vote of at least a majority of the outstanding shares of Common Stock was required to approve the Charter Amendment. The Charter Amendment was approved with 11,297,309 votes cast in favor of the proposal, 886,001 votes cast against the proposal and 0 abstentions. The purpose of the Extension is to allow the Company more time to complete a Business Combination. In connection with the Special Meeting and the resulting Charter Amendment, 5,754,273 of the shares of the Company’s Common Stock were redeemed from funds available in the Trust Account, for a redemption amount of approximately \$10.48 per share.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The net proceeds of our Initial Public Offering, the sale of Private Placement Warrants and the sale of over-allotment Units held in the Trust Account are invested in U.S. government treasury bills with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

### **ITEM 4. CONTROLS AND PROCEDURES**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

#### *Evaluation of Disclosure Controls and Procedures*

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the fiscal quarter ended June 30, 2019. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective at a reasonable assurance level and, accordingly, provided reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

#### *Changes in Internal Control Over Financial Reporting*

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

None.

### ITEM 1A. RISK FACTORS.

Factors that could cause our actual results to differ materially from those in this Quarterly Report are any of the risks described in our Annual Report on Form 10-K filed with the SEC on June 14, 2019. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K filed with the SEC on June 14, 2019, except we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

None.

### ITEM 6. EXHIBITS.

Exhibit No.	Description
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

Furnished herewith.

**SIGNATURES**

Pursuant to the requirements 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.

Date: August 14, 2019

**PENSARE ACQUISITION CORP.**

/s/ Darrell J. Mays

Name: Darrell J. Mays  
Title: Chief Executive Officer  
(Principal Executive Officer)

/s/ John Foley

Name: John Foley  
Title: Chief Financial Officer  
(Principal Financial and Accounting Officer)



**CERTIFICATE PURSUANT TO  
RULES 13a-14(a) and 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Darrell J. Mays, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pensare Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2019

/s/ Darrell J. Mays  
Darrell J. Mays  
Chief Executive Officer  
(Principal executive officer)

**CERTIFICATE PURSUANT TO  
RULES 13a-14(a) and 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Foley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pensare Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2019

/s/ John Foley

John Foley  
Chief Financial Officer  
(Principal financial and accounting officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Pensare Acquisition Corp. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Darrell J. Mays, Chief Executive Officer of the Company, and John Foley, 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.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dated: August 14, 2019

/s/ Darrell J. Mays  
Darrell J. Mays  
Chief Executive Officer  
(Principal executive officer)

Dated: August 14, 2019

/s/ John Foley  
John Foley  
Chief Financial Officer  
(Principal financial and accounting officer)

