

Tuxis Corporation Announces Second Quarter 2020 Financial Results

September 2, 2020 – Tuxis Corporation (Ticker: [TUXS](#)) (the “Company”) today reported its financial results for the second quarter ended June 30, 2020.

The Company recorded net income of \$81,662 or \$0.07 per diluted share for the three months ended June 30, 2020 compared to a net loss of \$54,502 or \$0.05 per share for the three months ended June 30, 2019. The Company recorded a net loss of \$236,429 or \$0.19 per diluted share for the six months ended June 30, 2020 compared to a net loss of \$142,001 or \$0.12 per share for the six months ended June 30, 2019.

The Company’s book value per share at June 30, 2020 was \$6.56 (shareholders’ equity of \$8,180,402 divided by 1,246,988 shares issued and outstanding).

The Company’s unaudited balance sheet, statements of comprehensive income (loss), and statements of cash flows as of and for the six months ended June 30, 2020 are appended to the copy of this press release on www.tuxis.com.

About Tuxis Corporation

Tuxis Corporation is a holding company that engages through subsidiaries primarily in real estate development and management. To learn more about Tuxis Corporation, including Rule 15c2-11 information, please visit www.tuxis.com.

Cautionary Note Regarding Forward Looking Statements

Certain information presented in this press release may contain “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward looking statements include statements concerning the Company’s plans, including its plans as to the use of the proceeds from the sale, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as “believes,” “expects,” “estimates,” “may,” “will,” “should,” “anticipates” or “intends,” or the negative of such terms or other comparable terminology, or by discussions of strategy. All forward-looking statements by the Company involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the Company’s actual results to be materially different from those expressed or implied by such statements, including the negative impacts from the continued spread of COVID-19 on the economy, the broader financial markets, the Company's financial condition, and results of operations and cash flows. The Company may also make additional forward looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by the Company or on its behalf, are also expressly qualified by these cautionary statements. All forward-looking statements, including without limitation, the Company’s examination of historical operating trends and estimates of future earnings, are based upon the Company’s current expectations and various assumptions. The Company’s expectations, beliefs and projections are expressed in good faith, but there can be no assurance that the Company’s expectations, beliefs and projections will result or be achieved. All forward looking statements apply only as of the date made. The Company undertakes no obligation to publicly update or revise forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

The Company views book value per share, a non-GAAP financial measure, as an important indicator of

financial performance. Presented in conjunction with other financial information, the combined presentation can enhance an investor's understanding of the Company's underlying financial condition and results from operations. The definition of book value as presented in this press release is shareholders' equity divided by currently issued and outstanding shares.

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TUXIS CORPORATION
CONSOLIDATED BALANCE SHEET
June 30, 2020
(Unaudited)

Assets

Current assets	
Cash and cash equivalents	\$ 1,034,779
Investment in securities	4,455,649
Interest receivable	9,482
Due from affiliates	11,380
Refundable income taxes	6,305
Prepaid expenses	6,519
Total current assets	<u>5,524,114</u>
Property and equipment, net	2,780,464
Other assets	1,380
	<u>2,781,844</u>
Total assets	<u><u>\$ 8,305,958</u></u>

Liabilities and shareholders' equity

Current liabilities	
Accounts payable and accrued expenses	\$ 3,072
Death benefit obligation	122,484
Total liabilities	<u>125,556</u>

Shareholders' equity

Common stock, \$0.01 par value, 1,000,000,000 shares authorized; 1,246,988 issued and outstanding	12,470
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	—
Additional paid in capital	10,483,064
Notes receivable for common stock issued	(98,164)
Accumulated comprehensive income	264,831
Accumulated deficit	<u>(2,481,799)</u>
Total shareholders' equity	<u>8,180,402</u>
Total liabilities and shareholders' equity	<u><u>\$ 8,305,958</u></u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ —	\$ —	\$ —	\$ —
Expenses				
Compensation and benefits	50,883	50,417	106,419	103,145
General and administrative	22,279	25,013	50,405	41,418
Professional services	4,500	4,500	18,486	12,925
Share-based compensation	—	—	—	—
Depreciation	—	—	—	30
	<u>77,662</u>	<u>79,930</u>	<u>175,310</u>	<u>157,518</u>
Other income				
Realized loss on sale of investment securities	—	(6,499)	—	(6,499)
Unrealized gain (loss) on investment securities	99,756	(23,000)	(133,276)	(38,946)
Dividends, interest, and other	62,640	62,597	72,500	68,632
	<u>162,396</u>	<u>33,098</u>	<u>(60,776)</u>	<u>23,187</u>
Income (loss) before income taxes	84,734	(46,832)	(236,086)	(134,331)
Income tax expense	3,072	7,670	343	7,670
Net income (loss)	<u>\$ 81,662</u>	<u>\$ (54,502)</u>	<u>\$ (236,429)</u>	<u>\$ (142,001)</u>
Net income (loss) per share				
Basic net income (loss)	\$ 0.07	\$ (0.05)	\$ (0.19)	\$ (0.12)
Diluted net income (loss)	\$ 0.07	\$ (0.05)	\$ (0.19)	\$ (0.12)
Weighted average shares outstanding				
Basic	1,246,988	1,209,988	1,233,774	1,209,988
Diluted	1,246,988	1,209,988	1,233,774	1,209,988
Other comprehensive income (loss)				
Unrealized gain (loss) on investment securities	\$ (1,527)	\$ 82,826	\$ 198,464	\$ 141,688
Comprehensive gain (loss)	<u>\$ 80,135</u>	<u>\$ 28,324</u>	<u>\$ (37,965)</u>	<u>\$ (313)</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended June 30, 2020 and 2019
(Unaudited)

	2020	2019
Cash flows from operating activities		
Net loss	\$ (236,429)	\$ (142,001)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Unrealized loss on investment securities	133,226	38,946
Realized loss on sale of investment securities	—	6,499
Amortization of premium U.S. Treasury securities	50	1,045
Depreciation	—	30
Decrease in interest receivable	259	14,069
Decrease (increase) in due from affiliates	15,503	(17,338)
(Increase) decrease in refundable income taxes	(1,183)	36
Decrease (increase) in prepaid expenses	66	(10,672)
Decrease in due to affiliates	—	(1,176)
Increase in accounts payable and accrued expenses	333	9,170
Decrease in death benefit obligation	(6,300)	(4,591)
Net cash used in operating activities	(94,475)	(105,983)
Cash flows from investing activities		
Real estate development	(21,566)	(19,061)
Proceeds from sale of investment securities	—	298,674
Net cash (used in) provided by investing activities	(21,566)	279,613
Cash flows from financing activities		
Common stock issued upon exercise of stock options	370	—
Net cash provided by financing activities	370	—
Net (decrease) increase in cash and cash equivalents	(115,671)	173,630
Cash and cash equivalents, beginning of period	1,150,450	170,338
Cash and cash equivalents, end of period	\$ 1,034,779	\$ 343,968
Supplemental disclosure:		
Non-cash financing activity consisted of:		
Promissory note accepted with exercise of stock options	\$ 60,680	\$ —