

Tuxis Corporation Announces First Quarter 2016 Financial Results

July 7, 2016 – Tuxis Corporation ([TUXS](#)) today reported its financial results for the first quarter ended March 31, 2016.

Tuxis recorded a net loss of \$45,684 or \$0.04 per share for the three months ended March 31, 2016 compared to a net loss of \$71,969 or \$0.06 per share for the three months ended March 31, 2015. Revenue from rental income and fees was \$141,864 for the three months ended March 31, 2016 compared to \$132,637 for the three months ended March 31, 2015. The Company's primary source of revenue is rental income from its self storage facilities. Tuxis had adjusted EBITDA of \$23,195 for the three months ended March 31, 2016 compared to adjusted EBITDA of \$2,924 for the three months ended March 31, 2015.

The Company's book value per share at March 31, 2016 was \$4.94 (shareholders' equity of \$5,990,612 divided by 1,213,477 shares issued and outstanding).

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the three months ended March 31, 2016, including a reconciliation of net loss to adjusted EBITDA, are appended to the copy of this press release on www.tuxis.com.

About Tuxis Corporation

Tuxis Corporation is engaged through subsidiaries in self storage and real estate development. [Tuxis Self Storage at Heritage Park](#), Clinton, Connecticut, is a 184 unit self storage facility which offers a mix of standard and climate control units. [Tuxis Self Storage at Millbrook Commons](#), Millbrook, New York, is a mixed use facility consisting of 141 climate control self storage units including wine storage bins and complemented by rental office space. To learn more about our self storage facilities please visit www.tuxisselfstorage.com. To learn more about Tuxis Corporation, including Rule 15c2-11 information, please visit www.tuxis.com.

Safe Harbor Note

This release contains certain “forward looking statements” made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tuxis Corporation, which may cause the company's actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this release, and the company undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

The Company views book value per share and adjusted EBITDA, non-GAAP financial measures, as an important indicator of financial performance and as a complement to results in accordance with accounting principles generally accepted in the United States of America (“GAAP”). 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. The term "adjusted EBITDA" is a financial measure that the Company defines as net income (loss) before dividend and interest income, income taxes, depreciation, and share-based compensation. Adjusted EBITDA is not a substitute for measures determined in accordance with GAAP and may not be comparable to adjusted EBITDA as reported by other companies.

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TUXIS CORPORATION
CONSOLIDATED BALANCE SHEET
March 31, 2016
(Unaudited)

Assets	
Current assets	
Cash and cash equivalents	\$ 323,134
Investment in securities	102,577
Accounts receivable	149
Refundable income taxes	17,634
Prepaid expenses	42,533
Total current assets	<u>486,027</u>
Property and equipment, net	6,593,099
Other assets	3,361
	<u>6,596,460</u>
Total assets	<u><u>\$ 7,082,487</u></u>
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued expenses	<u>\$ 16,029</u>
Total current liabilities	<u>16,029</u>
Due to affiliates	999,115
Death benefit obligation	76,731
	<u>1,075,846</u>
Total liabilities	<u>1,091,875</u>
Shareholders' equity	
Common stock, \$0.01 par value, 1,000,100,000 shares authorized; Issued and outstanding: 1,213,477	12,135
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	
Additional paid in capital	10,564,306
Notes receivable for common stock issued	(38,534)
Accumulated comprehensive income	20,939
Accumulated deficit	(4,568,234)
Total shareholders' equity	<u>5,990,612</u>
Total liabilities and shareholders' equity	<u><u>\$ 7,082,487</u></u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2016 and 2015
(Unaudited)

	<u>2016</u>	<u>2015</u>
Revenues		
Rental income and other fees	\$ 141,864	\$ 132,637
Expenses		
General and administrative	54,463	72,059
Compensation and benefits	53,090	49,017
Share-based compensation	39,911	35,000
Depreciation	31,460	31,200
Professional services	11,116	8,637
	<u>190,040</u>	<u>195,913</u>
Other income		
Dividends, interest, and other	<u>2,492</u>	<u>2,922</u>
Loss before income taxes	(45,684)	(60,354)
Income tax expense	<u>-</u>	<u>11,615</u>
Net loss	<u>\$ (45,684)</u>	<u>\$ (71,969)</u>
Basic and diluted per share net loss	\$ (0.04)	\$ (0.06)
Basic and diluted weighted average shares outstanding	1,213,477	1,187,477

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2016 and 2015
(Unaudited)

	2016	2015
Cash flows from operating activities		
Net loss	\$ (45,684)	\$ (71,969)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Share-based compensation	39,911	35,000
Depreciation	31,460	31,200
(Increase) decrease in refundable income taxes	(1,179)	8,491
Increase in prepaid expenses	(8,373)	(2,660)
(Increase) decrease in other assets	(80)	667
Increase (decrease) in accounts payable and accrued expenses	1,830	(2,703)
(Decrease) increase in due to affiliates	(6,599)	4,205
Decrease in death benefit obligation	(6,749)	(6,750)
Net cash provided by (used in) operating activities	4,537	(4,519)
Cash flows from investing activities		
Real estate development	(9,877)	(9,370)
Fixed asset acquisitions	-	(577)
Net cash used in investing activities	(9,877)	(9,947)
Cash flows from financing activities		
Prepayment of promissory note	300	200
Net cash provided by financing activities	300	200
Net decrease in cash and cash equivalents	(5,040)	(14,266)
Cash and cash equivalents		
Beginning of period	328,174	311,348
End of period	\$ 323,134	\$ 297,082
Supplemental disclosure:		
Income taxes paid	\$ -	\$ 11,615

TUXIS CORPORATION
NON-GAAP FINANCIAL MEASURE AND RECONCILIATION
(Unaudited)

The Company views adjusted EBITDA, a non-GAAP financial measure, as a complement to results in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The term “adjusted EBITDA” is a financial measure that the Company defines as net income (loss) before dividends and interest income, income taxes, depreciation, and share-based compensation. Adjusted EBITDA is not a substitute for measures determined in accordance with GAAP and may not be comparable to adjusted EBITDA as reported by other companies. A reconciliation of net loss to adjusted EBITDA for the three months ended March 31, 2016 and 2015, respectively, is set forth in the following table:

	<u>2016</u>	<u>2015</u>
Net loss	\$ (45,684)	\$ (71,969)
Adjustments:		
Dividends, interest, and other income	(2,492)	(2,922)
Depreciation	31,460	31,200
Share-based compensation	39,911	35,000
Income tax expense	-	11,615
Adjusted EBITDA	<u>\$ 23,195</u>	<u>\$ 2,924</u>