

Tuxis Corporation Announces Third Quarter 2018 Financial Results

November 6, 2018 – Tuxis Corporation (Ticker: [TUXS](#)) today reported its financial results for the third quarter ended September 30, 2018.

Tuxis recorded a net loss of \$22,211 or \$0.02 per share for the three months ended September 30, 2018 compared to a net loss of \$120,406 or \$0.10 per share for the three months ended September 30, 2017. Tuxis recorded a net loss of \$274,339 or \$0.23 per share for the nine months ended September 30, 2018 compared to a net loss of \$457,710 or \$0.38 per share for the nine months ended September 30, 2017.

The Company's book value per share at September 30, 2018 was \$6.02 (shareholders' equity of \$7,289,444 divided by 1,209,988 shares issued and outstanding).

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the nine months ended September 30, 2018 are appended to the copy of this press release posted on www.tuxis.com.

About Tuxis

Tuxis Corporation is a holding company engaged through its 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. 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
September 30, 2018
(Unaudited)

Assets

Current assets	
Cash and cash equivalents	\$ 172,501
Investment in securities	4,453,905
Dividends and interest receivable	43,516
Due from affiliates	20,756
Refundable income taxes	10,220
Prepaid expenses	11,548
Total current assets	<u>4,712,446</u>
Property and equipment, net	2,710,496
Other assets	1,380
	<u>2,711,876</u>
Total assets	<u>\$ 7,424,322</u>

Liabilities and shareholders' equity

Current liabilities	\$ —
Death benefit obligation	134,878
Total liabilities	<u>134,878</u>

Shareholders' equity

Common stock, \$0.01 par value; shares authorized, 1,000,000,000 issued and 1,209,988 outstanding	12,100
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	—
Additional paid in capital	10,422,182
Notes receivable for common stock issued	(37,484)
Accumulated comprehensive loss	(168,965)
Accumulated deficit	(2,938,389)
Total shareholders' equity	<u>7,289,444</u>
Total liabilities and shareholders' equity	<u>\$ 7,424,322</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues	\$ —	\$ —	\$ —	\$ —
Expenses				
Compensation and benefits	49,825	101,940	141,871	243,546
General and administrative	15,602	16,928	58,765	66,306
Professional services	11,175	10,743	31,654	167,133
Share-based compensation	4,803	—	14,409	—
Depreciation	55	233	164	700
	<u>81,460</u>	<u>129,844</u>	<u>246,863</u>	<u>477,685</u>
Other income				
Dividends, interest, and other	49,034	17,557	122,014	33,814
Unrealized gain (loss) on investment securities	10,215	—	(137,037)	—
	<u>59,249</u>	<u>17,557</u>	<u>(15,023)</u>	<u>33,814</u>
Loss before income taxes	(22,211)	(112,287)	(261,886)	(443,871)
Income tax expense	—	8,119	12,453	13,839
Net loss	<u>\$ (22,211)</u>	<u>\$ (120,406)</u>	<u>\$ (274,339)</u>	<u>\$ (457,710)</u>
Basic and diluted per share net loss	\$ (0.02)	\$ (0.10)	\$ (0.23)	\$ (0.38)
Basic and diluted average share outstanding	1,210,615	1,213,487	1,211,080	1,213,487
Other comprehensive income (loss)				
Unrealized gain (loss) on investment securities	\$ (36,891)	\$ 4,848	\$ (102,839)	\$ (21,690)
Comprehensive loss	<u>\$ (59,102)</u>	<u>\$ (115,558)</u>	<u>\$ (377,178)</u>	<u>\$ (479,400)</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2018 and 2017
(Unaudited)

	2018	2017
Cash flows from operating activities		
Net loss	\$ (274,339)	\$ (457,710)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Unrealized loss on investment securities	137,037	—
Share-based compensation	14,409	—
Amortization of premium U.S. Treasury securities	401	—
Depreciation	164	700
Increase in dividends and interest receivable	(30,164)	
Increase in due from affiliates	(5,178)	(19,804)
(Increase) decrease in refundable income taxes	(1,230)	17,616
Increase in prepaid expenses	(7,706)	(6,695)
Decrease in other assets	—	164
Decrease in due to affiliates	—	(19,077)
Decrease in accounts receivable and accrued expenses	—	(64,010)
(Decrease) increase in death benefit obligation	(44,108)	37,062
Net cash used in operating activities	(210,714)	(511,754)
Cash flows from investing activities		
Purchase of investment securities	(77,974)	(2,130,429)
Real estate development	(29,276)	(27,624)
Net cash used in investing activities	(107,250)	(2,158,053)
Cash flows from financing activities		
Common stock repurchases	(15,221)	—
Net settlement of cashless stock option exercises	—	(193,299)
Dividend paid	—	(121,349)
Prepayment of promissory note	—	50
Net cash used in financing activities	(15,221)	(314,598)
Net decrease in cash and cash equivalents	(333,185)	(2,984,405)
Cash and cash equivalents, beginning of period	505,686	5,035,531
Cash and cash equivalents, end of period	\$ 172,501	\$ 2,051,126