

Tuxis Corporation Announces 2019 Financial Results

June 18, 2020 – New York, NY – Tuxis Corporation (Ticker: [TUXS](#)) (the “Company”) today reported its financial results for the year ended December 31, 2019.

The Company recorded net income of \$811,845 or \$0.66 per diluted share for the year ended December 31, 2019 compared to a net loss of \$393,165 or \$0.32 per diluted share for the year ended December 31, 2018.

The Company’s book value per share at December 31, 2019 was \$6.79 (shareholders’ equity of \$8,217,997 divided by 1,209,988 shares issued and outstanding).

The Company’s unaudited consolidated balance sheets, statements of comprehensive income (loss), and statements of cash flows as of and for the year ended December 31, 2019 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, and the Company's financial condition, 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 SHEETS
December 31, 2019 and 2018
(Unaudited)

Assets	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 1,150,450	\$ 170,338
Investment in securities	4,390,461	4,468,432
Dividends and interest receivable	9,741	23,937
Due from affiliates	26,883	—
Refundable income taxes	5,122	12,520
Prepaid expenses	6,585	5,916
Total current assets	<u>5,589,242</u>	<u>4,681,143</u>
Property and equipment, net	2,758,898	2,718,850
Other assets	1,380	1,380
	<u>2,760,278</u>	<u>2,720,230</u>
Total assets	<u><u>\$ 8,349,520</u></u>	<u><u>\$ 7,401,373</u></u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,739	\$ —
Due to affiliates	—	1,176
	<u>2,739</u>	<u>1,176</u>
Death benefit obligation	128,784	139,675
Total liabilities	<u>131,523</u>	<u>140,851</u>
Shareholders' equity		
Common stock, \$0.01 par value; shares authorized, issued and outstanding at December 31, 2019 and 2018 were: 1,000,100,000 and 1,209,988 and 1,000,000,000 and 1,209,988, respectively	12,100	12,100
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	—	—
Additional paid in capital	10,422,384	10,425,384
Notes receivable for common stock issued	(37,484)	(37,484)
Accumulated comprehensive income	66,367	(82,263)
Accumulated deficit	<u>(2,245,370)</u>	<u>(3,057,215)</u>
Total shareholders' equity	<u>8,217,997</u>	<u>7,260,522</u>
Total liabilities and shareholders' equity	<u><u>\$ 8,349,520</u></u>	<u><u>\$ 7,401,373</u></u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Years Ended December 31, 2019 and 2018
(Unaudited)

	<u>2019</u>	<u>2018</u>
Revenues	\$ —	\$ —
Expenses		
Compensation and benefits	212,804	199,196
General and administrative	79,873	73,374
Professional services	28,980	40,614
Depreciation	30	218
Share-based compensation	—	17,611
	<u>321,687</u>	<u>331,013</u>
Other income		
Gain contingency realized	900,000	—
Realized loss on sale of investment securities	(5,070)	—
Unrealized gain (loss) on investment securities	106,448	(197,911)
Dividends, interest, and other	142,794	148,212
	<u>1,144,172</u>	<u>(49,699)</u>
Income (loss) before income taxes	822,485	(380,712)
Income tax expense	10,640	12,453
Net income (loss)	<u>\$ 811,845</u>	<u>\$ (393,165)</u>
Net income (loss) per share		
Basic net income (loss)	\$ 0.67	\$ (0.32)
Diluted net income (loss)	\$ 0.66	\$ (0.32)
Weighted average shares outstanding		
Basic	1,209,988	1,210,529
Diluted	1,229,137	1,210,529
Other comprehensive income (loss)		
Unrealized gain (loss) on investment securities	<u>\$ 148,630</u>	<u>\$ (16,167)</u>
Comprehensive gain (loss)	<u>\$ 960,475</u>	<u>\$ (409,332)</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018
(Unaudited)

	2019	2018
Cash flows from operating activities		
Net income (loss)	\$ 811,845	\$ (393,165)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Unrealized (gain) loss on investment securities	(106,448)	197,911
Purchase of investment securities, trading	(119,999)	—
Realized loss on sale of investment securities	5,070	—
Share-based compensation	—	17,611
Amortization of premium of investment securities	2,117	11,703
Depreciation	30	218
Decrease (increase) in dividends and interest receivable	14,196	(10,585)
(Increase) decrease in due from affiliates	(26,883)	15,578
Decrease (increase) in refundable income taxes	7,398	(3,530)
Increase in prepaid expenses	(669)	(2,074)
(Decrease) increase in due to affiliates	(1,176)	1,176
Increase in accounts payable and accrued expenses	2,739	—
Decrease in death benefit obligation	(10,891)	(39,311)
Net cash provided by (used in) operating activities	577,329	(204,468)
Cash flows from investing activities		
Real estate development	(40,078)	(37,685)
Proceeds from sale of investment securities, available-for-sale	445,861	—
Purchase of investment securities, available-for-sale	—	(77,974)
Net cash provided by (used in) investing activities	405,783	(115,659)
Cash flows from financing activities		
Net settlement of cashless stock option exercises	(3,000)	—
Common stock repurchases	—	(15,221)
Net cash used in financing activities	(3,000)	(15,221)
Net increase (decrease) in cash and cash equivalents	980,112	(335,348)
Cash and cash equivalents, beginning of period	170,338	505,686
Cash and cash equivalents, end of period	\$ 1,150,450	\$ 170,338
Supplemental disclosure:		
Income taxes paid	\$ 7,902	\$ 12,453