

Alternative Reporting Standard: Pink® Basic Disclosure Guidelines

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws, require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these Pink Basic Disclosure Guidelines (“Guidelines”).¹ These Guidelines set forth the disclosure obligations that make up the “Alternative Reporting Standard” for Pink companies. These Guidelines have been designed to encompass the “Catch All” information required in Rule 15c2-11,² however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. We use information provided by companies under these Guidelines to designate the appropriate tier in the Pink Market: Current Information or Limited Information.³

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice. The information provided by companies under these Guidelines is subject to our [Privacy Policy](#).

Pink Current Information Tier

Companies that make the information described below publicly available on a timely basis (90 days after fiscal year end for Annual Reports; 45 days after each fiscal quarter end for Quarterly Reports) may qualify for the Current Information Tier.

Qualification Process:

1. Subscribe to the OTC Disclosure & News Service by submitting an [OTCIQ Order Form](#) (available on www.otciq.com).
2. Upload the following documents through OTCIQ:
 - **Quarterly Reports** for Current Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Most Recently Completed Fiscal Year– must include Disclosure Statement and Financial Reports listed below
 - **Annual Report** for Prior Completed Fiscal Year – must include Financial Reports listed below
 - **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. (see the fillable form starting on Page 4).
 - **Financial Statements:** Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited. Required financial statements include:
 - Balance Sheet
 - Statement of Income
 - Statement of Cash Flows

¹ This is not legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements.

² Publication of information pursuant to these Guidelines does not guarantee or ensure that the Company will be designated as having “current information” or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

³ OTC Markets Group may require companies with securities designated as Caveat Emptor to make additional disclosures in order to qualify for the Pink Current Information tier.

- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
 - Notes to Financial Statements
 - Audit Letter, if audited
- 3. If financial statements are not audited by a PCAOB registered firm, provide the following:
 - **Attorney Letter Agreement:** Submit a signed Attorney Letter Agreement according to the [instructions](http://www.otcm Markets.com/instructions) on www.otcm Markets.com.
 - **Attorney Letter:** After following the appropriate procedures with a qualified attorney, upload an "Attorney Letter With Respect to Current Information" in accordance with the [Attorney Letter Guidelines](#) through OTCIQ. Attorney Letters must reference all required reports as set forth in Section 2 above.
- 4. **Verified Profile:** Verify the Company Profile through OTCIQ. Profile information includes, but is not limited to, a complete list of officers, directors and service providers, outstanding shares, a business description and contact information.
- 5. Allow OTC Markets Group to process the posted documents (typically three to five business days) and provide any comments.
- 6. Companies will only be evaluated for Current Information once all required documentation has been submitted. A new Attorney Letter is required upon amendment of any referenced report.
- 7. To qualify for Current Information on an ongoing basis, companies must:
 - Upload reports through OTCIQ on the following schedule:
 - Quarterly Report within **45 days** of the quarter end
 - Annual Report within **90 days** of the fiscal year end
 - Attorney Letter within **120 days** of the fiscal year end.
 - Maintain a Verified Profile. At least once every six months, review and verify the Company's profile information through OTCIQ.

Pink Limited Information Tier

Companies that make the information described below publicly available through OTCIQ may qualify for the Limited Information Tier.

- 8. **Annual Financial Statements:** Companies must upload the below financial statements for a completed Fiscal Year within the past 16 months. Financial reports must be prepared according to U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.
 - Balance Sheet
 - Statement of Income
 - Statement of Cash Flows
 - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
 - Notes to Financial Statements
 - Audit Letter, if audited
- 9. **Verified Profile:** The Company must verify the Company Profile through OTCIQ, including, but not limited to, a complete list of officers, directors and service providers; outstanding shares; a business description and contact information.

10. To Qualify for Limited Information on an ongoing basis, companies must:

- Upload reports through OTCIQ on the following schedule:
 - **Annual Report** (including the required financial statements outlined in Item 8) within 120 days of the fiscal year end
- Maintain a Verified Profile. At least once every six months, review and verify their the Company's profile information through OTCIQ.

Current Reporting of Material Corporate Events

Companies are expected to release quickly to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release within 4 business days following their occurrence and posting such news release through an Integrated Newswire or OTCIQ.⁴

Material corporate events include:

- Entry into or termination of a material definitive agreement
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities
- Material impairments
- Sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Amendments to articles of incorporation or bylaws; change in fiscal year
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure regarding stock promotion campaigns deemed material by the issuer
- Changes to the company's shell status
- Other events the issuer considers to be of importance

⁴ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcm Markets.com/corporate-services/products/disclosure-and-news-service>

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Tuxis Corporation

3814 Route 44

Millbrook, NY 12545

212-785-0900

www.tuxis.com

info@tuxis.com

Annual Report
For the Period Ending: 12/31/2021
(the "Reporting Period")

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

1,241,441.08000

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

1,242,638.79200

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

1,241,441.08000

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control⁵ of the company has occurred over this reporting period:

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Tuxis Corporation
3814 Route 44
Millbrook, NY 12545

Bull & Bear Municipal Income Fund - Until August 31, 1998

Bull & Bear Municipal Securities, Inc. – Until November 30, 1992

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Maryland. Active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

The address(es) of the issuer's principal executive office:

3814 Route 44
Millbrook, NY 12545

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol: TUXS
Exact title and class of securities outstanding: Common Stock
CUSIP: 901144105
Par or stated value: 0.01 per share

Total shares authorized: 1,000,100,000 as of date: 12/31/2021
Total shares outstanding: 1,241,441.08000 as of date: 12/31/2021
Number of shares in the Public Float⁶: 730,535.6780 as of date: 12/31/2021
Total number of shareholders of record: 193 as of date: 12/31/2021

All additional class(es) of publicly traded securities (if any): N/A

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: Securities Transfer Corporation
Phone: 1-469-633-0101
Email: jstackhouse@stctransfer.com
Address: 2901 N. Dallas Parkway Suite 380, Plano, Texas 75093

Is the Transfer Agent registered under the Exchange Act?⁷ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

⁶ "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

⁷ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2019</u> Common: <u>1,209,987.77600</u> Preferred: <u>N/A</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/05/2020</u>	<u>Issuance</u>	<u>37,000</u>	<u>Comm on Stock</u>	<u>\$3.50</u>	<u>Yes</u>	<u>Mark Winmill</u>	<u>Exercise of Options</u>	<u>Restrict ed</u>	<u>Exemptio n</u>
<u>04/01/2020</u>	<u>Retire</u>	<u>59.1830</u>	<u>Comm on Stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Philip Moll</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>02/19/2021</u>	<u>Retire</u>	<u>3,872.401</u>	<u>Comm on Stock</u>	<u>N/A</u>	<u>N/A</u>	<u>David Wise</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>07/09/2021</u>	<u>Retire</u>	<u>417.400</u>	<u>Comm on Stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Patricia Gordon</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>12/30/2021</u>	<u>Retire</u>	<u>1,197.712</u>	<u>Comm on Stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Richard Bowerman</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>12/31/2021</u> Common: <u>1,241,441.08000</u> Preferred: <u>N/A</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁸:

Name: Thomas O'Malley
Title: CFO
Relationship to Issuer: Officer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;
F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)

⁸ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Tuxis Corporation is a holding company that engages through subsidiaries primarily in real estate development and management.

- B. Please list any subsidiaries, parents, or affiliated companies.

Subsidiaries: Tuxis Real Estate Brokerage LLC, Tuxis Lima LLC, and Winmark Properties I LLC

- C. Describe the issuers' principal products or services.

Real estate development and management.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer's principal place of business is located at 3814 Route 44, Millbrook, NY 12545. The issuer maintains, among other things, office equipment and certain records at this location.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Mark C. Winmill	President, Chief Executive Officer, and Chairman of the BD	Millerton, NY, USA	266,686.099	Common	21.5%	
Thomas O'Malley	Chief Financial Officer, Chief Accounting Officer, Treasurer	Garden City, NY, USA	0	N/A	N/A	
Donald Klimoski II	General Counsel, Secretary, and Chief Compliance Officer	Holmdel, NJ, USA	0	N/A	N/A	
Russell Kamerman	Assistant GC, Assistant	Brooklyn, NY USA	0	N/A	N/A	

	Secretary, and Assistant CCO					
Timothy Taft	Independent Director	New York, NY, USA	0	N/A	N/A	
Susan Parker	Independent Director	Madison, CT, USA	0	N/A	N/A	
Coe Eldredge	Vice President, Real Estate	Bluemont, VA, USA	4,522	Common	0.4%	
Robert Mathers	Vice President, Operations	Millerton, NY, USA	5,000	Common	0.4%	
Midas Securities Group, Inc. (Representative; Thomas B. Winmill)	Owner	Millbrook, NY	234,665	Common	18.9%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: N/A
Firm:
Address 1:
Address 2:
Phone:
Email:

Accountant or Auditor

Name:
Firm: Tait, Weller & Baker, LLP
Address 1: 50 South 16th Street
Address 2: Philadelphia, PA 19102
Phone: 215-979-8800
Email:

Investor Relations

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: N/A
Firm: _____
Nature of Services: _____
Address 1: _____

Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Mark Winmill certify that:

1. I have reviewed this annual disclosure statement of Tuxis Corporation;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 17, 2022 [Date]

/s/ Mark Winmill [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Thomas O'Malley certify that:

1. I have reviewed this annual disclosure statement of Tuxis Corporation;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 17, 2022 [Date]

/s/ Thomas O'Malley [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

TUXIS CORPORATION

2021 Annual Report

TUXIS CORPORATION

Contents

Independent Auditor’s Report	2
Consolidated Audited Financial Statements	
Consolidated Balance Sheet.....	4
Consolidated Statement of Income	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
Corporate Information	16

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors and Stockholders of
Tuxis Corporation
Millbrook, New York**

Opinion

We have audited the accompanying consolidated financial statements of Tuxis Corporation (the "Company") (a Maryland corporation) and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tuxis Corporation and subsidiaries as of December 31, 2021 and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tuxis Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tuxis Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

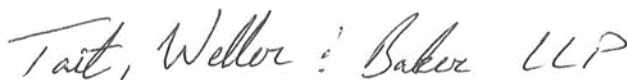
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tuxis Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tuxis Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Tait, Weller & Baker LLP".

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
June 14, 2022

TUXIS CORPORATION
CONSOLIDATED BALANCE SHEET
December 31, 2021

Assets

Current assets

Cash and cash equivalents	\$ 789,239
Investment in securities	1,707,025
Due from affiliates	1,598
Interest receivable	701
Refundable income taxes	6,814
Prepaid expenses	22,959
Assets held for sale	2,194,590
Total current assets	4,722,926
Property and equipment, net	3,014,808
Other assets	1,230
	3,016,038
Total assets	\$ 7,738,964

Liabilities and shareholders' equity

Current liabilities

Accounts payable and accrued expenses	\$ 2,995
Total liabilities	2,995

Commitments and Contingencies

Shareholders' equity

Common stock, \$0.01 par value; shares authorized, issued and outstanding at December 31, 2021: 1,000,100,000 and 1,241,441	12,414
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	—
Additional paid in capital	10,464,651
Notes receivable for common stock issued	(64,030)
Accumulated deficit	(2,677,066)
Total shareholders' equity	7,735,969
Total liabilities and shareholders' equity	\$ 7,738,964

See notes to consolidated financial statements.

TUXIS CORPORATION
CONSOLIDATED STATEMENT OF INCOME
For the Year Ended December 31, 2021

Revenues	\$ —
Expenses	
Compensation and benefits	281,578
General and administrative	92,428
Professional services	32,648
	<u>406,654</u>
Other income	
Unrealized gain on investment securities	509,595
Realized gain on investment securities	105,667
Dividends, interest, and other	136,808
	<u>752,070</u>
Income before income taxes	345,416
Income tax expense	3,550
Net income	<u><u>\$ 341,866</u></u>
 Net income per share	
Basic net income	\$ 0.28
Diluted net income	\$ 0.28
Weighted average shares outstanding	
Basic	1,243,097
Diluted	1,243,097

See notes to consolidated financial statements.

TUXIS CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year Ended December 31, 2021

	Common Stock		Additional	Notes	Accumulated		
	Shares	Par Value	Paid in Capital	Receivable for Common Stock Issued	Other Comprehensive Gain	Accumulated Deficit	Total Equity
Balance at December 31, 2020 (Unaudited), as restated	1,246,929	\$ 12,470	\$ 10,482,812	\$ (98,164)	\$ 231,872	\$ (3,018,932)	\$ 7,610,058
Net income	—	—	—	—	—	341,866	341,866
Unrealized loss on investment securities	—	—	—	—	(231,872)	—	(231,872)
Forgiveness of indebtedness	—	—	—	34,134	—	—	34,134
Common stock repurchases	(5,488)	(56)	(18,161)	—	—	—	(18,217)
Balance at December 31, 2021	1,241,441	\$ 12,414	\$ 10,464,651	\$ (64,030)	\$ —	\$ (2,677,066)	\$ 7,735,969

See notes to consolidated financial statements.

TUXIS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

Cash flows from operating activities

Net income	\$ 341,866
Adjustments to reconcile net income to net cash provided by (used in) operating activities	
Proceeds from sale of investment securities	3,165,518
Unrealized gain on investment securities	(509,595)
Realized gain on sale of investment securities	(105,667)
Forgiveness of indebtedness	34,134
Changes in operating assets and liabilities:	
Dividends and interest receivable	9,617
Due from affiliates	(1,598)
Refundable income taxes	(811)
Prepaid expenses	(17,897)
Other assets	106
Due to affiliates	(1,470)
Accounts payable and accrued expenses	1,807
Net cash provided by operating activities	<u>2,916,010</u>

Cash flows from investing activities

Property acquisition	<u>(3,014,809)</u>
Net cash used in investing activities	<u>(3,014,809)</u>

Cash flows from financing activities

Common stock repurchases	<u>(18,217)</u>
Net cash used in financing activities	<u>(18,217)</u>
Net decrease in cash and cash equivalents	(117,016)
Cash and cash equivalents, beginning of period	906,255
Cash and cash equivalents, end of period	<u>\$ 789,239</u>

Supplemental disclosure:

Income taxes paid	\$ 4,487
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See notes to consolidated financial statements.

TUXIS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY

Tuxis Corporation (“Tuxis” or the “Company”) is a holding company that engages through subsidiaries primarily in real estate development and management. The Company was incorporated in Maryland in 1983.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited consolidated financial statements include the financial position, results of operations, and cash flows of the Company and its wholly owned subsidiaries Tuxis Lima LLC and Winmark Properties I LLC. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments purchased with an original maturity of three months or less and may include, among other things, money market fund shares. The carrying amount reported on the balance sheets for cash and cash equivalents approximates fair value.

Earnings Per Share

Basic earnings per share is calculated by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing net income or loss by the weighted average number of common shares used in the basic earnings per share calculation plus the dilutive effect of stock options. The dilutive effect of stock options is determined using the treasury stock method, whereby exercise is assumed at the beginning of the reporting period, the proceeds from such exercise are assumed to be used to purchase common stock at the average market price during the period, and the incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share calculation.

Stock options will have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the option (“in the money options”). Stock options outstanding with an exercise price higher than the average stock price for the periods presented (“out of the money options”) are excluded from the calculation of diluted net income per share since the effect would have been anti-dilutive under the treasury stock method. As of December 31, 2021, certain shares of common stock from outstanding stock option awards totaling 40,000 were excluded from the computation of diluted net income per common share under the treasury stock method since the effect would be anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share for the year ended December 31, 2021:

Net income	\$ 341,866
Weighted average shares outstanding:	
Average number of common shares outstanding - basic	1,243,097
Shares related to dilutive stock options	—
Average number of common shares outstanding - diluted	<u>1,243,097</u>
Net income per share	
Basic	\$ 0.28
Diluted	\$ 0.28

Income Taxes

The Company records the current and deferred tax consequences of all transactions that have been recognized in the financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income

in future years. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2018 – 2020) or expected to be taken in the Company's 2021 tax returns.

Investments in Securities

Investments in equity and debt securities that have readily determinable fair values are accounted for as either trading or available-for-sale. Trading securities are typically bought and held principally for the purpose of selling them in the near term. Purchases and sales of trading securities are classified as operating activities on the Consolidated Statements of Cash Flows based on the nature and purpose for which the securities were acquired. Available-for-sale securities are all other investments in equity and debt securities not accounted for as trading. Trading and available-for-sale securities are measured at fair value. Gains or losses from changes in the fair value of trading securities and available-for-sale equity securities are included in income, and gains or losses from changes in the fair value of available-for-sale debt securities are recorded in accumulated other comprehensive income, net of tax, until the investment is sold or otherwise disposed of, or until the investment is determined to be other-than-temporarily impaired, at which time the cumulative gain or loss previously reported in equity is included in income. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed.

Fair value is determined using a valuation hierarchy generally by reference to an active trading market, using quoted closing or bid prices. Judgment is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

The Company periodically evaluates the carrying value of investment in securities for impairment. The Company considers, among other factors, the duration and extent of any decline in fair value, the intent and ability of the Company to hold the security for a period of time sufficient for a recovery in value, and recent events specific to the issuer or industry. If the decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value through the income statement.

Real Estate Assets

Property and equipment is stated at cost less accumulated depreciation and amortization. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized using the straight line method over the shorter of the lease term or estimated useful life of the asset. The estimated useful lives of the major classifications of property and equipment are as follows: office equipment, 3-7 years; leasehold improvements, shorter of lease term or useful life, generally 1-2 years.

The Company capitalizes certain costs related to the development and redevelopment of real estate including initial project acquisition costs, pre-construction costs and construction costs for each specific property. Additionally, the Company capitalizes operating costs, real estate taxes, insurance, and compensation and related costs of personnel directly involved with the specific project related to real estate under development. Capitalization of these costs begin when the activities and related expenditures commence and ceases when the property is held available for occupancy upon substantial completion of construction activity at which time the project is placed in service and depreciation commences.

Acquisition costs are accounted for in accordance with Accounting Standard Update ("ASU") No. 2017-01 Business Combinations (Topic 805): Clarifying the Definition of a Business, which was adopted on January 1, 2018, and are generally capitalized for acquisitions that qualify as asset acquisitions. When properties are acquired, the purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values. Allocations to land, building and improvements, and equipment are recorded based upon their respective fair values as estimated by management.

Repairs and maintenance costs are charged to expense as incurred. Major replacements and betterments that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. Depreciation is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which are generally between 5 and 39 years.

Revenue Recognition

Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Amortization of premium and accretion of discount on government bonds and notes are included in interest income.

Stock-based Compensation

The Company accounts for stock-based compensation expense using the fair value method. Under the fair value method, stock-based compensation expense reflects the fair value of stock-based awards measured at grant date, is recognized over the relevant service period, and is adjusted each period for anticipated forfeitures. The fair value of each option award grant is separately estimated for each grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model incorporates assumptions as to price volatility, dividend yield, an appropriate risk-free interest rate, and the expected life of the option. The application of this valuation model involves assumptions involving judgment and estimates based on unobservable data material to the determination of compensation expense. Stock-based compensation expense is generally amortized on a straight line basis between the grant date for the award and each vesting date.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Actual results could materially differ from management's estimates.

Subsequent Events

Management has evaluated the effect of subsequent events through June 14, 2022, which is the date the consolidated financial statements were available to be issued. There were no events that require adjustment of the consolidated financial statements for the year ended December 31, 2021.

3. REAL ESTATE ASSETS AND ASSETS HELD FOR SALE

The carrying value of the Company's real estate assets and assets held for sale as of December 31, 2021 consisted of the following:

Assets held for sale	
Land and land improvements	<u>\$ 2,194,590</u>
Real estate under development	
Land	\$ 301,481
Building	<u>2,713,327</u>
	\$ 3,014,808
Less: accumulated depreciation	<u>—</u>
Total real estate assets	<u>\$ 3,014,808</u>

There was no depreciation expense for the year ended December 31, 2021.

4. REAL ESTATE ACQUISITION

On December 29, 2021, the Company acquired a vacant former Home Depot in Lima, Ohio consisting of a 95,000 gross square foot building and approximately 35 acres of land. The acquisition of the property was accounted for as an asset acquisition. The cost of the property, including closing costs, was assigned to land and buildings based on their relative fair values. The purchase price of the property acquired in 2021 has been assigned as follows:

Number of Properties	Date of Acquisition	Purchase Price	Consideration Paid		Acquisition Date Fair Value		Closing Costs Expensed
			Cash Paid	Net Other Liabilities Assumed (Assets Acquired)	Land	Building and Equipment	
1	12/29/2021	\$ 3,014,808	\$ 3,012,240	\$ (2,568)	\$ 301,481	\$ 2,713,327	\$ —

5. INVESTMENTS IN SECURITIES

Investments in securities as of December 31, 2021 consisted of the following:

	Cost Basis	Gross Unrealized		Value
		Gains	Losses	
Investment securities				
Equity securities	\$ 1,279,752	\$ 427,273	\$ —	\$ 1,707,025
Total investment in securities	\$ 1,279,752	\$ 427,273	\$ —	\$ 1,707,025

6. FAIR VALUE MEASUREMENTS

The use of estimated fair value to measure the financial instruments held by the Company and its subsidiaries is fundamental to its consolidated financial statements and is a critical accounting estimate because a substantial portion of its assets and liabilities are recorded at estimated fair value. The application of fair value measurements may be on a recurring or nonrecurring basis depending on the accounting principles applicable to the specific asset or liability or whether management has elected to carry the item at its estimated fair value.

The hierarchy of valuation techniques is based on whether the inputs to those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices in active markets for identical instruments or liabilities.

Level 2 — Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing an asset or liability and are developed based on market data obtained from sources independent of the Company. These may include quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, and market-corroborated inputs.

Level 3 — Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or unreliable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Company's own assumptions about the factors that market participants use in pricing an asset or liability and are based on the information available in the circumstances.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when estimating fair value. The valuation method used to estimate fair value may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while management believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available and reliable market for such investments existed, or had such investments been liquidated, and those differences could be material to the financial statements.

Investments in securities. Investments in securities consist of shares of real estate investment trust equities. The value of the real estate investment trust equities is based on a traded market price and is considered to be a level 1 measurement.

The following table presents the assets and liabilities carried at fair value measured on a recurring basis:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Investment in securities				
Equity securities	\$ 1,707,025	\$ —	\$ —	\$ 1,707,025
Total assets at fair value	<u>\$ 1,707,025</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,707,025</u>

7. STOCK-BASED COMPENSATION

The Company has a long term stock incentive plan intended to facilitate the use of equity based incentives and rewards for officers, employees, directors, and consultants of the Company and its affiliates. On September 18, 2015 (“Effective Date”), the shareholders of the Company approved the 2015 Stock Incentive Plan (the “2015 Plan”). Awards under the 2015 Plan may include incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock, and other stock-based awards. The Board of Directors determines the terms and conditions of awards under the 2015 Plan. The exercise price per share of common stock purchasable under a stock option grant may not be less than 110% of the fair market value on the date of grant. The total number of shares of common stock reserved and available for issuance under the 2015 Plan shall be (i) 15% of the number of outstanding shares of Tuxis common stock as of the Effective Date, plus (ii) 15% of the number of shares of common stock issued or delivered by the Company during the term of the 2015 Plan (other than pursuant to the 2015 Plan, or other benefit plans of the Company); provided, however, that the total number of shares of common stock with respect to which incentive stock options may be granted shall in no event exceed 15% of the total number of authorized shares of Company common stock as of the Effective Date. As of the Effective Date, the number of outstanding common shares was 1,133,477 and the total number of authorized shares of the Company common stock was 999,900,000.

The 2015 Plan replaced the Company’s former stock-based compensation plan, the 2011 Stock Incentive Plan (the “2011 Plan”). No future awards may be granted under the 2011 Plan, although any previously issued options granted under the 2011 Plan remain effective until either they expire, are forfeited, or are exercised. Under the 2011 Plan, the Board of Directors determined the terms and conditions of awards and the exercise price per share of common stock purchasable under a stock option grant could not be less than 110% of the fair market value on the date of grant. The 2011 Plan provided for the granting of a maximum 155,067 options to purchase common stock.

The Company’s stock options outstanding were vested and there was no unrecognized compensation expense as of December 31, 2021. There were no options granted by the Company for the year ended December 31, 2021. As of December 31, 2021, there was no aggregate intrinsic value of outstanding options.

A summary of the stock options activity for the year ended December 31, 2021 is as follows:

	Shares Under Option	Weighted Average Exercise Price
Balance, December 31, 2020	40,000	\$ 4.95
Activity	—	\$ —
Balance, December 31, 2021	<u>40,000</u>	<u>\$ 4.95</u>

Stock options outstanding and exercisable as of December 31, 2021 are as follows:

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Options Exercisable	Weighted Average Exercise Price of Exercisable Options
\$4.95	40,000	1.1	40,000	\$4.95

The exercise of stock options may result in a tax deduction before the actual realization of the related tax benefit because in a year in which the Company has a current year net operating loss the tax benefit and credit to additional paid in capital for the excess deduction will not be recognized until that deduction reduces taxes payable.

8. INCOME TAXES

The income tax provision consisted of the following for the years ended December 31, 2021:

Current provision:	
Federal	\$ —
State and local	3,550
Total current provision	<u>3,550</u>
Deferred provision (benefit):	
Federal	—
State and local	—
Total deferred provision	<u>—</u>
Total provision for income taxes	<u>\$ 3,550</u>

Deferred tax assets consisted of the following as of December 31, 2021:

Deferred tax assets (liabilities):	
Net operating losses	\$ 402,001
Unrealized gain on investments	(84,694)
Stock-based compensation	2,574
Total deferred tax assets, net	<u>319,881</u>
Valuation allowance	(319,881)
Net	<u>\$ —</u>

The Company had a statutory tax rate of 21% and an effective tax rate of 1% for the year ended December 31, 2021. The differences between the deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted 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 tax assets to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets, including the amount and timing of future taxable income, and has determined that, based on net losses to date, it may not utilize all of its deferred tax assets in the future. The Company established a full valuation allowance against its deferred tax assets as of December 31, 2021.

As of December 31, 2021, the Company has federal net operating loss carryovers of approximately \$1,655,000 which will not expire.

The utilization of net operating loss carryovers may be subject to limitations under provision of the Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”) and similar state provisions.

ASC 740-10, Accounting for Uncertain Tax Positions, requires that the Company recognize the impact of tax positions in the financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position. The Company’s policy is to recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company has no material uncertain tax positions at December 31, 2021. Consequently, no interest or penalties have been accrued by the Company.

The Company is subject to taxation in the U.S. and various state jurisdictions. The Company is no longer subject to federal examination for years before 2018.

9. CAPITAL STOCK

As of December 31, 2021, the Company is authorized to issue 1,000,100,000 shares of \$0.01 par value common stock of which 1,241,441 is issued and outstanding. The Company also has 100,000 shares of Series A participating preferred stock, \$0.01 par value, authorized, of which none has been issued.

10. RELATED PARTIES

Certain officers of the Company also serve as officers and/or directors of Winmill & Co. Incorporated (“Winco”), Bexil Corporation (“Bexil”), Global Self Storage, Inc. (“SELF”), and their affiliates (collectively with Tuxis, the “Affiliates”). As of December 31, 2021, Winco owned approximately 19%, 30%, and 1%, respectively, of the outstanding common stock of the Company, Bexil, and SELF.

Pursuant to an arrangement between a professional employer organization (“PEO”) and the Affiliates, the PEO provides payroll, benefits, compliance, and related services for employees of the Affiliates in accordance with applicable rules and regulations of the Internal Revenue Service, and in connection therewith Midas Management Corporation (“MMC”), a subsidiary of Winco, acts as a conduit payer of compensation and benefits to Affiliate employees including those who are concurrently employed. The aggregate compensation and benefits accrued and paid by the Company to MMC for the year ended December 31, 2021 was \$251,241. Expenses for various concurrently used administrative and support functions incurred by the Affiliates are allocated at cost among them. The aggregate administrative and support function expenses accrued and paid by the Company to Winco was \$12,616 for the year ended December 31, 2021. As of December 31, 2021, the Company had a receivable to MMC and Winco for compensation, benefits, and administrative support function expenses of \$1,598.

The Company leases office space from SELF under a rental agreement. The terms of occupancy are month to month and automatically renew unless terminated by either party on ten days’ written notice. The Company incurred rental expense of \$7,002 for the year ended December 31, 2021.

The Company owns approximately 3% of the shares of SELF with a carrying value of \$1,707,025 as of December 31, 2021, and received distributions on such shares of \$77,864 for the year ended December 31, 2021.

The Company has accepted promissory notes from directors, officers, and employees in connection with their exercise of stock options to purchase the common stock of the Company. The notes have original maturities of five years and bear interest at 1.15% - 1.84% per annum payable semiannually. The notes, as well as accrued interest thereon, may be prepaid in part or in full at any time or from time to time without penalty. In the event of default in the payment of principal or interest, the full principal amount and any accrued and unpaid interest shall be immediately due and payable. The outstanding principal balance was \$64,030 as of December 31, 2021. As of December 31, 2021, \$31,230 and \$32,800 of principal on the notes matures in 2024 and 2025, respectively. The Company earned interest income on the notes of \$1,276 for the year ended December 31, 2021.

On May 19, 2020, MMC (the “Borrower”) entered into a Paycheck Protection Program Term Note (“PPP Note”) with Customers Bank on behalf of itself and the Affiliates under the Paycheck Protection Program (the “Program”) of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration (the “SBA”). The Borrower received total proceeds of \$486,602 from the PPP Note of which \$17,992 was attributable to the Company under the SBA’s loan determination formula. In accordance with the requirements of the CARES Act, the Affiliates used the proceeds from the PPP Note primarily for payroll and other eligible costs. Interest accrues on the PPP Note at the rate per annum of 1.00%. In March 2021, the Borrower applied to Customers Bank for forgiveness of the amount due on the PPP Note in an amount equal to the sum of payroll and other eligible costs incurred during the Covered Period, as defined therein, following disbursement under the PPP Note. On April 5, 2022, the Borrower was granted forgiveness of the entire PPP Note and any accrued interest.

For the year ended December 31, 2021, there has been no impact to the Company’s operations or cash flows due to the PPP Note.

11. EMPLOYEE BENEFIT PLAN

The Affiliates participate in a 401(k) retirement savings plan for substantially all qualified employees. A matching expense based upon a percentage of contributions to the plan by eligible employees is incurred and allocated among the Affiliates. The matching expense is accrued and funded on a current basis and may not exceed the amount permitted as a deductible expense under the Code. The Company’s allocated matching expense under the plan was \$8,249 for the year ended December 31, 2021.

12. STOCKHOLDER RIGHTS PLAN

The Board of Directors has adopted a stockholder rights plan. To implement the rights plan, the Board of Directors declared a dividend distribution of one right for each outstanding share of Tuxis common stock, par value \$.01 per share, to holders of record of the shares of common stock at the close of business on November 3, 2005. Each right entitles the registered holder to purchase from Tuxis one

one-thousandth of a share of preferred stock, par value \$.01 per share. The rights were distributed as a non-taxable dividend and were set to expire on November 3, 2015, however the stockholder rights plan was amended to extend the expiration of such rights to November 3, 2025. The rights are evidenced by the underlying Tuxis common stock, and no separate preferred stock purchase rights certificates were distributed. The rights to acquire preferred stock will become exercisable only if a person or group acquires or commences a tender offer for 10% or more of Tuxis' common stock. If a person or group acquires or commences a tender offer for 10% or more of Tuxis' common stock, each holder of a right, except the acquirer, will be entitled, subject to Tuxis' right to redeem or exchange the right, to exercise, at an exercise price of \$40.50, the right for one one-thousandth of a share of Tuxis' newly-created Series A Participating Preferred Stock, or the number of shares of Tuxis common stock equal to the holder's number of rights multiplied by the exercise price and divided by 50% of the market price of Tuxis' common stock on the date of the occurrence of such an event. Tuxis' Board of Directors may terminate the rights plan at any time or redeem the rights, for \$.01 per right, at any time before a person acquires 10% or more of Tuxis' common stock.

In conjunction with the stockholder rights plan, the Board of Directors authorized the reclassification of 100,000 unissued shares of common stock of the Company (from among 1,000,000,000 shares of common stock, \$.01 par value, of the Company which are authorized) into 100,000 shares of Series A Participating Preferred Stock, par value \$.01 per share, of the Company.

13. RISKS AND UNCERTAINTIES

COVID-19

The outbreak of the novel coronavirus pandemic ("COVID-19") around the globe continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. COVID-19 has had a continued and prolonged adverse impact on economic and market conditions. The full impact of COVID-19 on the financial markets, the global economy, and consequently on the Company's financial condition and results of operations is uncertain and cannot be predicted at the current time as it depends on several factors beyond the control of the Company including, but not limited to (i) the uncertainty around the severity and duration of the outbreak, (ii) the effectiveness of the United States public health response, (iii) the pandemic's impact on the U.S. and global economies, (iv) the timing, scope and effectiveness of governmental responses to the pandemic, (v) the timing and speed of economic recovery, and (vi) the impact on the financial markets.

Credit Risk

Credit risk - The Company and its subsidiaries maintain cash and cash equivalents in accounts with various financial institutions, and at times, account balances may exceed federally insured limits. Neither the Company nor its subsidiaries have experienced any losses in such accounts and the Company believes they are not exposed to any significant credit risk.

14. COMMITMENTS AND CONTINGENCIES

The Company enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Company under circumstances that have not occurred.

15. RESTATEMENT

The Company is restating its opening retained earnings to reflect changes to the basis of Assets held for sale on the consolidated balance sheet. The cumulative effect of restating the 2020 beginning accumulated deficit balance is as follows:

Accumulated deficit at December 31, 2020 (unaudited), as previously reported	\$ (2,410,777)
Recording effect of reclassification	(608,155)
Accumulated deficit at December 31, 2020 (unaudited), as restated	<u><u>\$ (3,018,932)</u></u>

DIRECTORS

SUSAN E. PARKER
TIMOTHY E. TAFT
MARK C. WINMILL, Chairman

OFFICERS

MARK C. WINMILL
President, Chief Executive Officer and Chairman of the Board

THOMAS O'MALLEY
Chief Financial Officer, Chief Accounting Officer, and
Treasurer

DONALD KLIMOSKI II, ESQ.
General Counsel, Secretary, and Chief Compliance Officer

RUSSELL KAMERMAN, ESQ.
Assistant General Counsel, Assistant Secretary, and Assistant
Chief Compliance Officer

COE ELDREDGE
Vice President, Real Estate

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