证券代码：300232　　　　证券简称：洲明科技　　　　公告编号：2020-151

深圳市洲明科技股份有限公司

关于海外上市子公司 Trans-Lux Corporation

发布 2020 年半年度报告的公告

本公司及董事会全体成员保证信息披露内容真实、准确和完整，没有虚假记载、误导性陈述或者重大遗漏。

深圳市洲明科技股份有限公司的子公司 Trans-Lux Corporation 于美国时间 2020 年 8 月 18 日公布了 2020 年半年度报告。

2020 年半年度 Trans-Lux Corporation 主要的财务数据列示如下：

项目	本报告期	上年同期	本报告期比上年同期增减
营业总收入（千美元）	3,962	7,346	-46.07%
净利润（千美元）	-2,396	-888	-169.82%
经营活动产生的现金流量净额（千美元）	-1,474	-3,840	61.61%
基本每股收益（美元/股）	-0.17	-0.1	-70.00%
项目	**本报告期末**	**上年度末**	**本报告期末比上年度末增减**
总资产（千美元）	10,783	12,254	-12.00%
净资产（千美元）	-4,153	-1,744	-138.13%

Trans-Lux Corporation 2020 年半年度报告的内容详见附录，并可于美国证券交易委员会网站（https://www.sec.gov/）查询。

特此公告，敬请投资者关注。

深圳市洲明科技股份有限公司董事会

2020 年 8 月 19 日

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2020

Commission file number 1-2257

TRANS-LUX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-1394750
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
135 East 57th Street, 14th Floor, New York, New York	10022
(Address of principal executive offices)	(Zip code)

(800) 243-5544
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to file such files). Yes X No ___

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___	Accelerated filer ___	
Non-accelerated filer X	Emerging growth company ___	Smaller reporting company X

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ___

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Date	Class	Shares Outstanding
8/17/20	Common Stock - $0.001 Par Value	13,474,116

TRANS-LUX CORPORATIONAND SUBSIDIARIES

Table of Contents

Part I - Financial Information (unaudited)

Item 1.

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

In thousands, except share data	June 30 2020	December 31 2019
		(see Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 248	$ 535
Receivables, net	1,755	2,381
Inventories	2,153	2,182
Prepaids and other assets	605	807
Total current assets	4,761	5,905
Long-term assets:		
Rental equipment, net	800	927
Property, plant and equipment, net	2,322	2,284
Right of use assets	996	1,141
Goodwill	744	744
Restricted cash	650	850
Other assets	510	403
Total long-term assets	6,022	6,349
TOTAL ASSETS	$ 10,783	$ 12,254
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 1,119	$ 945
Accrued liabilities	5,941	6,046
Current portion of long-term debt	2,107	1,572
Current lease liabilities	286	284
Customer deposits	415	123
Total current liabilities	9,868	8,970
Long-term liabilities:		
Long-term debt, less current portion	1,105	650
Long-term lease liabilities	746	893
Deferred pension liability and other	3,217	3,485
Total long-term liabilities	5,068	5,028
Total liabilities	14,936	13,998
Stockholders' deficit:		
Preferred Stock Series A - $20 stated value - 416,500 shares authorized; shares issued and outstanding: 0 in 2020 and 2019	-	-
Preferred Stock Series B - $200 stated value - 51,000 shares authorized; shares issued and outstanding: 0 in 2020 and 2019	-	-
Common Stock - $0.001 par value - 30,000,000 shares authorized; shares issued: 13,474,116 in 2020 and 2019; shares outstanding: 13,446,276 in 2020 and 2019	13	13
Additional paid-in-capital	41,182	41,088
Accumulated deficit	(35,560)	(33,164)
Accumulated other comprehensive loss	(6,725)	(6,618)
Treasury stock - at cost - 27,840 common shares in 2020 and 2019	(3,063)	(3,063)
Total stockholders' deficit	(4,153)	(1,744)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 10,783	$ 12,254

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

In thousands, except per share data	3 Months Ended June 30 2020	3 Months Ended June 30 2019	6 Months Ended June 30 2020	6 Months Ended June 30 2019
Revenues:				
Digital product sales	$ 1,518	$ 3,113	$ 2,852	$ 6,204
Digital product lease and maintenance	531	634	1,110	1,142
Total revenues	2,049	3,747	3,962	7,346
Cost of revenues:				
Cost of digital product sales	2,003	2,219	3,706	4,741
Cost of digital product lease and maintenance	139	180	325	389
Total cost of revenues	2,142	2,399	4,031	5,130
Gross (loss) profit	(93)	1,348	(69)	2,216
General and administrative expenses	(1,037)	(1,313)	(2,267)	(2,420)
Restructuring costs (expense) benefit	(10)	-	29	-
Operating (loss) income	(1,140)	35	(2,307)	(204)
Interest expense, net	(155)	(80)	(263)	(335)
(Loss) gain on foreign currency remeasurement	(89)	(50)	113	(107)
Gain on extinguishment of debt	-	(245)	-	(193)
Pension benefit (expense)	37	(19)	73	(37)
Loss before income taxes	(1,347)	(359)	(2,384)	(876)
Income tax expense	(6)	(6)	(12)	(12)
Net loss	$ (1,353)	$ (365)	$ (2,396)	$ (888)
Loss per share - basic and diluted	$ (0.10)	$ (0.03)	$ (0.17)	$ (0.10)

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(unaudited)

In thousands	3 Months Ended June 30 2020	3 Months Ended June 30 2019	6 Months Ended June 30 2020	6 Months Ended June 30 2019
Net loss	$ (1,353)	$ (365)	$ (2,396)	$ (888)
Other comprehensive loss:				
Unrealized foreign currency translation gain (loss)	84	46	(107)	98
Total other comprehensive income (loss), net of tax	84	46	(107)	98
Comprehensive loss	$ (1,269)	$ (319)	$ (2,503)	$ (790)

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(unaudited)

In thousands, except share data	Preferred Stock Series A Shares	Preferred Stock Series A Amt	Preferred Stock Series B Shares	Preferred Stock Series B Amt	Common Stock Shares	Common Stock Amt	Add'l Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stock-holders' Deficit
For the 6 months ended June 30, 2020											
Balance January 1, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,088	$ (33,164)	$ (6,618)	$ (3,063)	$ (1,744)
Net loss	-	-	-	-	-	-	-	(2,396)	-	-	(2,396)
Issuance of warrants	-	-	-	-	-	-	94	-	-	-	94
Other comprehensive loss, net of tax:											
Unrealized foreign currency translation loss	-	-	-	-	-	-	-	-	(107)	-	(107)
Balance June 30, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,182	$ (35,560)	$ (6,725)	$ (3,063)	$ (4,153)
For the 3 months ended June 30, 2020											
Balance April 1, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,088	$ (34,207)	$ (6,809)	$ (3,063)	$ (2,978)
Net loss	-	-	-	-	-	-	-	(1,353)	-	-	(1,353)
Issuance of warrants	-	-	-	-	-	-	94	-	-	-	94
Other comprehensive income, net of tax:											
Unrealized foreign currency translation gain	-	-	-	-	-	-	-	-	84	-	84
Balance June 30, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,182	$ (35,560)	$ (6,725)	$ (3,063)	$ (4,153)
For the 6 months ended June 30, 2019											
Balance January 1, 2019	-	$ -	16,512	$ 3,302	3,652,813	$ 4	$ 30,069	$ (31,682)	$ (6,394)	$ (3,063)	$ (7,764)
Net loss	-	-	-	-	-	-	-	(888)	-	-	(888)
Preferred stock converted to Common Stock	-	-	(15,864)	(3,172)	1,586,400	1	3,171	-	-	-	-
Exercise of warrants, net of costs	-	-	-	-	5,670,103	6	5,292	-	-	-	5,298
Rights Offering, net of costs	-	-	-	-	2,500,000	2	2,426	-	-	-	2,428
Dividends paid on preferred stock	-	-	-	-	-	-	-	(73)	-	-	(73)
Other comprehensive income, net of tax:											
Unrealized foreign currency translation gain	-	-	-	-	-	-	-	-	98	-	98
Balance June 30, 2019	-	$ -	648	$ 130	13,409,316	$ 13	$ 40,958	$ (32,643)	$ (6,296)	$ (3,063)	$ (901)
For the 3 months ended June 30, 2019											
Balance April 1, 2019	-	$ -	648	$ 130	7,301,069	$ 7	$ 35,238	$ (32,278)	$ (6,342)	$ (3,063)	$ (6,308)
Net loss	-	-	-	-	-	-	-	(365)	-	-	(365)
Preferred stock converted to Common Stock	-	-	-	-	-	-	-	-	-	-	-
Exercise of warrants, net of costs	-	-	-	-	3,608,247	4	3,294	-	-	-	3,298
Rights Offering, net of costs	-	-	-	-	2,500,000	2	2,426	-	-	-	2,428
Other comprehensive loss, net of tax:											
Unrealized foreign currency translation loss	-	-	-	-	-	-	-	-	46	-	46
Balance June 30, 2019	-	$ -	648	$ 130	13,409,316	$ 13	$ 40,958	$ (32,643)	$ (6,296)	$ (3,063)	$ (901)

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

In thousands	6 Months Ended June 30 2020	6 Months Ended June 30 2019
Cash flows from operating activities		
Net loss	$ (2,396)	$ (888)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	278	320
Amortization of right of use assets	145	182
Amortization of deferred financing fees and debt discount	42	71
Loss on disposal of assets	5	-
Loss on extinguishment of debt	-	193
(Gain) loss on foreign currency remeasurement	(113)	107
Issuance of warrants	94	-
Bad debt expense	46	162
Changes in operating assets and liabilities:		
Accounts receivable, net	581	(445)
Inventories	29	(332)
Prepaids and other assets	(141)	(370)
Accounts payable	174	(2,975)
Accrued liabilities	(96)	(481)
Operating lease liabilities	(145)	(179)
Customer deposits	292	378
Deferred pension liability and other	(269)	417
Net cash used in operating activities	(1,474)	(3,840)
Cash flows from investing activities		
Equipment manufactured for rental	(16)	-
Purchases of property, plant and equipment	(178)	(25)
Net cash used in investing activities	(194)	(25)
Cash flows from financing activities		
Proceeds from long-term debt	1,184	-
Proceeds from warrant exercise, net of costs	-	5,298
Proceeds from rights offering, net of costs	-	2,428
Payments of long-term debt	-	(3,037)
Payments of dividends on preferred stock	-	(73)
Payments for fees on extinguishment of debt	-	(62)
Net cash provided by financing activities	1,184	4,554
Effect of exchange rate changes	(3)	1
Net (decrease) increase in cash, cash equivalents and restricted cash	(487)	690
Cash, cash equivalents and restricted cash at beginning of year	1,385	1,623
Cash, cash equivalents and restricted cash at end of period	$ 898	$ 2,313
Supplemental disclosure of cash flow information:		
Interest paid	$ 151	$ 267
Income taxes paid	15	22
Supplemental non-cash financing activities:		
Preferred Stock Series B converted to Common Stock	$ -	$ 3,172
Reconciliation of cash, cash equivalents and restricted cash to amounts reported in the Condensed Consolidated Balance Sheets at end of period:		
Current assets		
Cash and cash equivalents	$ 248	$ 1,413
Long-term assets		
Restricted cash	650	900
Cash, cash equivalents and restricted cash at end of period	$ 898	$ 2,313

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRANS-LUX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020
(unaudited)

Note 1 – **Basis of Presentation**

As used in this report, "Trans-Lux," the "Company," "we," "us," and "our" refer to Trans-Lux Corporation and its subsidiaries.

Financial information included herein is unaudited, however, such information reflects all adjustments (of a normal and recurring nature), which are, in the opinion of management, necessary for the fair presentation of the Condensed Consolidated Financial Statements for the interim periods. The results for the interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission (the "SEC") and therefore do not include all information and footnote disclosures required under accounting principles generally accepted in the United States of America ("GAAP"). The Condensed Consolidated Financial Statements included herein should be read in conjunction with the Consolidated Financial Statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The Condensed Consolidated Balance Sheet at December 31, 2019 is derived from the December 31, 2019 audited financial statements.

The following new accounting pronouncements were adopted in 2020:

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Intangibles – Goodwill and Other (Topic 350)*. ASU 2017-04 simplifies the test for goodwill impairment. As required by this standard, the Company adopted ASU 2018-07 on January 1, 2020. The adoption of this standard did not have a material effect on the Company's consolidated financial position and results of operations.

Other than the foregoing changes, there have been no material changes in our significant accounting policies during the six months ended June 30, 2020 from the significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on March 20, 2020.

The following new accounting pronouncements, and related impacts on adoption, are being evaluated by the Company:

In August 2018, the FASB issued ASU 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20)*. ASU 2018-14 modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Public business entities should apply the amendments in ASU 2018-14 for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years (i.e., January 1, 2021). Early application is permitted. The Company does not expect the adoption of this standard to have a material effect on the Company's consolidated financial position and results of operations.

Note 2 – **Going Concern**

A fundamental principle of the preparation of financial statements in accordance with GAAP is the assumption that an entity will continue in existence as a going concern, which contemplates continuity of operations and the realization of assets and settlement of liabilities occurring in the ordinary course of business. This principle is applicable to all entities except for entities in liquidation or entities for which liquidation appears imminent. In accordance with this requirement, the Company has prepared its accompanying Condensed Consolidated Financial Statements assuming the Company will continue as a going concern.

Due to the onset of the coronavirus in the six months ended June 30, 2020, the Company experienced delays in shipments from suppliers in Asia, followed by a brief shutdown of our manufacturing facility in Missouri, as well as a reduction in sales orders from customers. As a result, the Company incurred a net loss of $2.4 million in the six months ended June 30, 2020 and had a working capital deficiency of $5.1 million as of June 30, 2020.

The Company is dependent on future operating performance in order to generate sufficient cash flows in order to continue to run its businesses. Future operating performance is dependent on general economic conditions, as well as financial, competitive and other factors beyond our control, including the impact of the current economic environment, the spread of major epidemics (including coronavirus) and other related uncertainties such as government imposed travel restrictions, interruptions to supply chains and extended shut down of businesses. In order to more effectively manage its cash resources, the Company had, from time to time, increased the timetable of its payment of some of its payables, which delayed certain product deliveries from our vendors, which in turn delayed certain deliveries to our customers.

There is substantial doubt as to whether we will have adequate liquidity, including access to the debt and equity capital markets, to operate our business over the next 12 months from the date of issuance of this Form 10-Q. A stockholder of the Company has committed to providing additional capital up to $2.0 million, to the extent necessary to fund operations. The Company continually evaluates the need and availability of long-term capital in order to meet its cash requirements and fund potential new opportunities.

Note 3 – **Revenue Recognition**

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of this standard, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of this standard, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Sales tax, value added tax and other taxes collected on behalf of third parties are excluded from revenue.

Contracts with customers may contain multiple performance obligations. For such arrangements, the transaction price is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. Applying the practical expedient in paragraph 606-10-32-18, the Company does not assess whether a significant financing component exists if the period between when the Company performs its obligations under the contract and when the customer pays is one year or less. None of the Company's contracts contained a significant financing component as of June 30, 2020.

We recognize revenue in accordance with two different accounting standards: 1) Topic 606 and 2) Topic 842. Under Topic 606, revenue from contracts with customers is measured based on the consideration specified in the contract with the customer, and excludes any sales incentives and amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under Topic 606. Our contracts with customers generally do not include multiple performance obligations. We recognize revenue when we satisfy a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for such products or services.

Disaggregated Revenues

The following table represents a disaggregation of revenue from contracts with customers for the three and six months ended June 30, 2020 and 2019, along with the reportable segment for each category:

In thousands	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Digital product sales:				
Catalog and small customized products	$ 1,518	$ 3,113	$ 2,852	$ 6,204
Large customized products	-	-	-	-
Subtotal	1,518	3,113	2,852	6,204
Digital product lease and maintenance:				
Operating leases	236	338	515	630
Maintenance agreements	295	296	595	512
Subtotal	531	634	1,110	1,142
Total	$ 2,049	$ 3,747	$ 3,962	$ 7,346

Performance Obligations

The Company has two primary revenue streams which are Digital product sales and Digital product lease and maintenance.

Digital Product Sales

The Company recognizes net revenue on digital product sales to its distribution partners and to end users related to digital display solutions and fixed digit scoreboards. For the Company's catalog products, revenue is generally recognized when the customer obtains control of the Company's product, which occurs at a point in time, and may be upon shipment or upon delivery based on the contractual shipping terms of a contract. For the Company's customized products, revenue is either recognized at a point in time or over time depending on the size of the contract. For those customized product contracts that are smaller in size, revenue is generally recognized when the customer obtains control of the Company's product, which occurs at a point in time, and may be upon shipment or upon delivery based on the contractual shipping terms of a contract. For those customized product contracts that are larger in size, revenue is recognized over time based on incurred costs as compared to projected costs using the input method, as this best reflects the Company's progress in transferring control of the customized product to the customer. The Company may also contract with a customer to perform installation services of digital display products. Similar to the larger customized products, the Company recognizes the revenue associated with installation services using the input method, whereby the basis is the total contract costs incurred to date compared to the total expected costs to be incurred.

Revenue on sales to distribution partners are recorded net of prompt-pay discounts, if offered, and other deductions. To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount method to which the Company expects to be entitled. In the case of prompt-pay discounts, there are only two possible outcomes: either the customer pays on-time or does not. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available. The Company believes that the estimates it has established are reasonable based upon current facts and circumstances. Applying different judgments to the same facts and circumstances could result in the estimated amounts to vary. The Company offers an assurance-type warranty that the digital display products will conform to the published specifications. Returns may only be made subject to this warranty and not for convenience.

Digital Product Lease and Maintenance

Digital product lease revenues represent revenues from leasing equipment that we own. We do not generally provide an option for the lessee to purchase the rented equipment at the end of the lease and do not generate material revenue from sales of equipment under such options. Our lease revenues do not include material amounts of variable payments. Digital product maintenance revenues represent revenues from maintenance agreements for equipment that we do not own. Lease and maintenance contracts generally run for periods of one month to 10 years. A contract entered into by the Company with a customer may contain both lease and maintenance services (either or both services may be agreed upon based on the individual customer contract). Maintenance services may consist of providing labor, parts and software maintenance as may be required to maintain the customer's equipment in proper operating condition at the customer's service location. The Company concluded the lease and maintenance services represent a series of distinct services and the most representative method for measuring progress towards satisfying the performance obligation of these services is the input method. Additionally, maintenance services require the Company to "stand ready" to provide support to the customer when and if needed. As there is no discernable pattern of efforts other than evenly over the lease and maintenance terms, the Company will recognize revenue straight-line over the lease and maintenance terms of service.

The Company has an enforceable right to payment for performance completed to date, as evidenced by the requirement that the customer pay upfront for each month of services. Lease and maintenance service amounts billed ahead of revenue recognition are recorded in deferred revenue and are included in accrued liabilities in the Condensed Consolidated Financial Statements.

Revenues from equipment lease and maintenance contracts are recognized during the term of the respective agreements. At June 30, 2020, the future minimum lease payments due to the Company under operating leases that expire at varying dates through 2030 for its rental equipment and maintenance contracts, assuming no renewals of existing leases or any new leases, aggregating $1,987,000 are as follows: $301,000 – remainder of 2020, $496,000 – 2021, $320,000 – 2022, $249,000 – 2023, $177,000 – 2024 and $444,000 thereafter.

Contract Balances with Customers

Contract assets primarily relate to rights to consideration for goods or services transferred to the customer when the right is conditional on something other than the passage of time. The contract assets are transferred to the receivables when the rights become unconditional. As of June 30, 2020 and December 31, 2019, the Company had no contract assets. The contract liabilities primarily relate to the advance consideration received from customers for contracts prior to the transfer of control to the customer and therefore revenue is recognized on completion of delivery. Contract liabilities are classified as deferred revenue by the Company and are included in customer deposits and accrued liabilities in the Condensed Consolidated Balance Sheets.

The following table presents the balances in the Company's receivables and contract liabilities with customers:

In thousands	June 30, 2020	December 31, 2019
Gross receivables	$ 2,564	$ 3,124
Allowance for bad debts	809	743
Net receivables	1,755	2,381
Contract liabilities	921	230

During the three and six months ended June 30, 2020 and 2019, the Company recognized the following revenues as a result of changes in the contract asset and the contract liability balances in the respective periods:

In thousands	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Revenue recognized in the period from:				
Amounts included in the contract liability at the beginning of the period	$ 28	$ 149	$ 82	$ 350
Performance obligations satisfied in previous periods (for example, due to changes in transaction price)	-	-	-	-

Transaction Price Allocated to Future Performance Obligations – alternative more qualitative presentation

Remaining performance obligations represents the transaction price of contracts for which work has not been performed (or has been partially performed). The guidance provides certain practical expedients that limit this requirement and, therefore, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed. As of June 30, 2020, the aggregate amount of the transaction price allocated to remaining performance obligations for digital product sales was $2.6 million and digital product lease and maintenance was $2.0 million.

The Company expects to recognize revenue on approximately 71%, 14% and 15% of the remaining performance obligations over the next 12 months, 13 to 36 months and 37 or more months, respectively.

Costs to Obtain or Fulfill a Customer Contract

The Company capitalizes incremental costs of obtaining customer contracts. Capitalized commissions are amortized based on the transfer of the products or services to which the assets relate. Applying the practical expedient in paragraph 340-40-25-4, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in General and administrative expenses.

The Company accounts for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. When shipping and handling costs are incurred after a customer obtains control of the products, the Company also has elected to account for these as costs to fulfill the promise and not as a separate performance obligation. Shipping and handling costs associated with the distribution of finished products to customers are recorded in costs of goods sold and are recognized when the related finished product is shipped to the customer.

Note 4 – Inventories

Inventories consist of the following:

In thousands	June 30, 2020	December 31, 2019
Raw materials	$ 1,474	$ 1,393
Work-in-progress	402	512
Finished goods	277	277
	$ 2,153	$ 2,182

Note 5 – Rental Equipment, net

Rental equipment consists of the following:

In thousands	June 30, 2020	December 31, 2019
Rental equipment	$ 4,307	$ 4,291
Less accumulated depreciation	3,507	3,364
Net rental equipment	$ 800	$ 927

Depreciation expense for rental equipment for the six months ended June 30, 2020 and 2019 was $143,000 and $212,000, respectively. Depreciation expense for rental equipment for the three months ended June 30, 2020 and 2019 was $71,000 and $106,000, respectively.

Note 6 – Property, Plant and Equipment, net

Property, plant and equipment consists of the following:

In thousands	June 30, 2020	December 31, 2019
Machinery, fixtures and equipment	$ 3,045	$ 2,884
Leaseholds and improvements	23	23
	3,068	2,907
Less accumulated depreciation	746	623
Net property, plant and equipment	$ 2,322	$ 2,284

Machinery, fixtures and equipment having a net book value of $2.3 million at June 30, 2020 and December 31, 2019 were pledged as collateral under various financing agreements.

Depreciation expense for property, plant and equipment for the six months ended June 30, 2020 and 2019 was $135,000 and $108,000, respectively. Depreciation expense for property, plant and equipment for the three months ended June 30, 2020 and 2019 was $59,000 and $54,000, respectively.

Note 7 – Long-Term Debt

Long-term debt consists of the following:

In thousands	June 30, 2020	December 31, 2019
8¼% Limited convertible senior subordinated notes due 2012	$ 352	$ 352
9½% Subordinated debentures due 2012	220	220
Revolving credit line	373	-
Term loans - related party	1,000	1,000
Term loan	811	-
Forgivable loan	650	650
Total debt	3,406	2,222
Less deferred financing costs	194	-
Net debt	3,212	2,222
Less portion due within one year	2,107	1,572
Net long-term debt	$ 1,105	$ 650

On September 16, 2019, the Company entered into the Loan Agreement with MidCap. On June 3, 2020, the Company and MidCap entered into a modification agreement to the Loan Agreement. The Loan Agreement has a term of three years, unless earlier terminated by the parties in accordance with the termination provisions of the Loan Agreement. The Loan Agreement allows the Company to borrow up to an aggregate of $4.0 million at an interest rate of the 3-month LIBOR interest rate plus 4.75% (6.18% at June 30, 2020) on a revolving credit loan based on accounts receivable, inventory and equipment for general working capital purposes. As of June 30, 2020, the balance outstanding under the Loan Agreement was $373,000. The Loan Agreement also requires the payment of certain fees, including a facility fee, an unused credit line fee and a collateral monitoring charge. The Loan Agreement contains financial and other covenant requirements, including financial covenants that require the Borrowers to attain certain EBITDA amounts for certain periods, the first of which is for the three months ended September 30, 2020. The Loan Agreement is secured by substantially all of the Borrowers' assets.

On April 23, 2020, the Company entered into a loan note (the "Loan Note") with Enterprise Bank and Trust ("Lender") as lender under the CARES Act of the Small Business Administration of the United States of America ("SBA"), dated as of April 20, 2020. Under the Loan Note, the Company borrowed $810,800 from Lender under the Payment Protection Program ("PPP") included in the SBA's CARES Act, all of which is outstanding as of June 30, 2020. As of June 30, 2020, the Company had accrued $2,000 of interest related to the Loan Note, which is included in Accrued liabilities in the Consolidated Balance Sheets. The Loan Note proceeds are forgivable after eight weeks as long as the Company uses the loan proceeds for eligible purposes including payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leave; rent; utilities; and maintains its payroll levels. The amount of the loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1.00%, with a deferral of payments for the first six months. While the Company believes that its use of the loan proceeds will meet the conditions of forgiveness of the loan, we cannot assure you that we will not take actions that could cause the Company to be ineligible for forgiveness of the loan, in whole or in part.

The Company has a $500,000 loan from Carlisle Investments Inc. ("Carlisle") at a fixed interest rate of 12.00%, which matured on April 27, 2019 with a bullet payment of all principal due at such time. Interest is payable monthly. Carlisle has agreed to not demand payment on the loan through at least December 31, 2020. As of June 30, 2020, the entire amount was outstanding and is included in current portion of long-term debt in the Consolidated Balance Sheets. As of June 30, 2020 and December 31, 2019, the Company had accrued $150,000 and $120,000, respectively, of interest related to this loan, which are included in accrued liabilities in the Condensed Consolidated Balance Sheets. Marco Elser, a former director of the Company, exercises voting and dispositive power as investment manager of Carlisle.

The Company has an additional $500,000 loan from Carlisle at a fixed interest rate of 12.00%, which matured on December 10, 2017 with a bullet payment of all principal due at such time (the "Second Carlisle Agreement"). Interest is payable monthly. Carlisle has agreed to not demand payment on the loan through at least December 31, 2020. As of June 30, 2020, the entire amount was outstanding and is included in current portion of long-term debt Consolidated Balance Sheets. As of June 30, 2020 and December 31, 2019, the Company had accrued $150,000 and $120,000, respectively, of interest related to this loan, which are included in accrued liabilities in the Condensed Consolidated Balance Sheets. Under the Second Carlisle Agreement, the Company granted a security interest to Carlisle in accounts receivable, materials and intangibles relating to a certain purchase order for equipment issued in April 2017.

As of June 30, 2020 and December 31, 2019, the Company had outstanding $352,000 of Notes. The Notes matured as of March 1, 2012 and are currently in default. As of June 30, 2020 and December 31, 2019, the Company had accrued $315,000 and $300,000, respectively, of interest related to the Notes, which is included in Accrued liabilities in the Consolidated Balance Sheets. The trustee, by notice to the Company, or the holders of 25% of the principal amount of the Notes outstanding, by notice to the Company and the trustee, may declare the outstanding principal plus interest due and payable immediately. On February 15, 2019, holders of $35,000 of the Notes accepted the Company's offer to exchange each $1,000 of principal, forgiving any related interest, for $200 in cash, for an aggregate payment by the Company of $7,000. As a result of the transaction, the Company recorded a gain on the extinguishment of debt, net of expenses, of $52,000 in the six months ended June 30, 2019.

As of June 30, 2020 and December 31, 2019, the Company had outstanding $220,000 of Debentures. The Debentures matured as of December 1, 2012 and are currently in default. As of June 30, 2020 and December 31, 2019, the Company had accrued $221,000 and $211,000, respectively, of interest related to the Debentures, which is included in Accrued liabilities in the Consolidated Balance Sheets. The trustee, by notice to the Company, or the holders of 25% of the principal amount of the Debentures outstanding, by notice to the Company and the trustee, may declare the outstanding principal plus interest due and payable immediately.

The Company has a $650,000 forgivable loan from the City of Hazelwood, Missouri. The loan will be forgiven on a pro-rata basis if predetermined employment levels are attained and would expire on April 1, 2025. If the Company attains the employment levels required by the forgivable loan, there is no interest due, otherwise interest accrues at a rate of prime plus 2.00% (5.25% at June 30, 2020). As of June 30, 2020 and December 31, 2019, the Company had accrued $137,000 and $118,000, respectively, of interest related to this loan, which is included in accrued liabilities in the Consolidated Balance Sheets. On July 2, 2020, the Company and the City of Hazelwood agreed to a termination of the loan and a forgiveness of all accrued interest. The principal balance of $650,000 was repaid on that date and the forgivable loan was satisfied in full.

Note 8 – Pension Plan

As of December 31, 2003, the benefit service under the pension plan had been frozen and, accordingly, there is no service cost. As of April 30, 2009, the compensation increments had been frozen and, accordingly, no additional benefits are being accrued under the pension plan.

The following table presents the components of net periodic pension cost for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30		Six months ended June 30	
In thousands	2020	2019	2020	2019
Interest cost	$ 96	$ 126	$ 193	$ 251
Expected return on plan assets	(204)	(173)	(407)	(345)
Amortization of net actuarial loss	71	66	141	131
Net periodic pension (benefit) expense	$ (37)	$ 19	$ (73)	$ 37

As of June 30, 2020 and December 31, 2019, the Company had recorded a current pension liability of $751,000 and $641,000, respectively, which is included in accrued liabilities in the Condensed Consolidated Balance Sheets, and a long-term pension liability of $3.2 million and $3.5 million, respectively, which is included in deferred pension liability and other in the Condensed Consolidated Balance Sheets. The minimum required contribution in 2020 is expected to be $641,000, of which the Company has already contributed $85,000 as of June 30, 2020. As allowed by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), the Company has elected to defer the payment of the $556,000 of remaining minimum required contributions due in 2020 until January 1, 2021.

Note 9 – Leases

The Company leases administrative and manufacturing facilities through operating lease agreements. The Company has no finance leases as of June 30, 2020. Our leases include both lease (e.g., fixed payments including rent) and non-lease components (e.g., common area or other maintenance costs). The facility leases include one or more options to renew. The exercise of lease renewal options is typically at our sole discretion, therefore, the renewals to extend the lease terms are not included in our right of use (“ROU”) assets or lease liabilities as they are not reasonably certain of exercise. We regularly evaluate the renewal options and, when they are reasonably certain of exercise, we include the renewal period in our lease term.

Operating leases result in the recognition of ROU assets and lease liabilities on the Condensed Consolidated Balance Sheets. ROU assets represent our right to use the leased asset for the lease term and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our estimated incremental borrowing rate at the commencement date to determine the present value of lease payments. Most real estate leases include one or more options to renew, with renewal terms that can extend the lease term from 1 to 5 years or more. Lease expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets. The primary leases we enter into with initial terms of 12 months or less are for equipment.

Supplemental information regarding leases:

In thousands, unless otherwise noted		June 30, 2020
Balance Sheet:		
ROU assets	$	996
Current lease liabilities – operating		286
Non-current lease liabilities – operating		746
Total lease liabilities		1,032
Weighted average remaining lease term (years)		3.2
Weighted average discount rate		9.0%
Future minimum lease payments:		
Remainder of 2020		183
2021		370
2022		348
2023		295
Thereafter		-
Total		1,196
Less: Imputed interest		164
Total lease liabilities		1,032
Less: Current lease liabilities		286
Long-term lease liabilities	$	746

Supplemental cash flow information regarding leases:

In thousands		For the three months ended June 30, 2020		For the six months ended June 30, 2020
Operating cash flow information:				
Cash paid for amounts included in the measurement of lease liabilities	$	91	$	194
Non-cash activity:				
ROU assets obtained in exchange for lease liabilities		-		-

Total operating lease expense and short-term lease expense was $195,000 and $36,000, respectively, for the six months ended June 30, 2020. Total operating lease expense and short-term lease expense was $94,000 and $18,000, respectively, for the three months ended June 30, 2020. Total operating lease expense and short-term lease expense was $249,000 and $64,000, respectively, for the six months ended June 30, 2019. Total operating lease expense and short-term lease expense was $124,000 and $32,000, respectively, for the three months ended June 30, 2019.

Note 10 – Stockholders' Deficit and Loss Per Share

The following table presents the calculation of loss per share for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30		Six months ended June 30	
In thousands, except per share data	2020	2019	2020	2019
Numerator:				
Net loss, as reported	$ (1,353)	$ (365)	$ (2,396)	$ (888)
Change in dividends accumulated on preferred shares	-	(3)	-	(38)
Net loss attributable to common shares	$ (1,353)	$ (368)	$ (2,396)	$ (926)
Denominator:				
Weighted average shares outstanding	13,696	13,226	13,696	9,123
Basic and diluted loss per share	$ (0.10)	$ (0.03)	$ (0.17)	$ (0.10)

Basic loss per common share is computed by dividing net loss attributable to common shares by the weighted average number of common shares outstanding for the period. Diluted loss per common share is computed by dividing net loss attributable to common shares, by the weighted average number of common shares outstanding, adjusted for shares that would be assumed outstanding after warrants and stock options vested under the treasury stock method.

At June 30, 2020, the Company had no accumulated unpaid dividends related to the Series B Convertible Preferred Stock ("SBCPS"). At June 30, 2019, the Company had accumulated unpaid dividends of $5,000 related to the SBCPS.

As of June 30, 2020, the Company had no shares of SBCPS outstanding. As of June 30, 2019, the Company had 648 shares of SBCPS outstanding, which were convertible into 64,800 shares of Common Stock, none of which were used in the calculation of diluted loss per share because their conversion price was greater than the average share price for the period and their inclusion would have been anti-dilutive. For each holder of the 15,864 shares of SBCPS that converted their shares into Common Stock in March 2019, the Company declared a dividend of $4.60 per share of SBCPS on March 29, 2019, aggregating $73,000, which was distributed to these former holders of the SBCPS on April 2, 2019.

As of June 30, 2020 and 2019, the Company had warrants to purchase 250,000 shares of Common Stock outstanding which were included in the calculation of diluted loss per share because their exercise price was less than the average stock price for the period so their inclusion was dilutive. As of June 30, 2020 and 2019, the Company had other warrants to purchase 500,000 shares and 10,000 shares, respectively, of Common Stock outstanding, which were excluded from the calculation of diluted loss per share because their exercise price was greater than the average stock price for the period and their inclusion would have been anti-dilutive. The remaining warrants to purchase 500,000 shares could be dilutive in the future if the average share price increases and is greater than the exercise price of these warrants.

On June 4, 2020, the Company entered into a Contract Manufacturing Agreement (the "CMA") with Craftsmen Industries Inc. ("Craftsmen"). The CMA commenced June 15, 2020 and the initial term terminates December 31, 2020. The CMA allows for renewal terms of 180 days each. Under the CMA, Craftsmen shall manufacture and supply goods and provide all necessary labor, materials, management expertise, and oversight necessary to manufacture the goods at the Company's manufacturing facility located in Hazelwood, Missouri. The Company shall provide Craftsmen assistance to the manufacturing process, the technical details as well as the amount of goods to be produced. The CMA provides that all payments owed by the Company to Craftsmen under the CMA are secured by a second lien on company assets and have been guaranteed by Unilumin USA LLC ("Unilumin USA"). Unilumin USA is wholly owned by Unilumin North America, who owns 52% of the Company's outstanding Common Stock. In connection with the Unilumin Guarantee in the CMA, the Company issued warrants (the "Warrants") to purchase 500,000 shares of the Company's Common Stock to Unilumin USA at an exercise price of $1.00 per share. The Warrants are exercisable until June 4, 2024. The Company calculated the fair value of the Warrants as $94,000 utilizing the Black-Scholes method, using a volatility of 151% and a risk free rate of 0.28%. The Company recorded an expense of $94,000 in general and administrative expenses in June 2020.

Note 11 – Contingencies

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business and/or which are covered by insurance. The Company has accrued reserves individually and in the aggregate for such legal proceedings. Should actual litigation results differ from the Company's estimates, revisions to increase or decrease the accrued reserves may be required. There are no open matters that the Company deems material.

Note 12 – Restructuring

The Company records restructuring liabilities that represent charges in connection with consolidations of certain operations as well as headcount reduction programs. In the third quarter of 2019, the Company approved restructuring plans to consolidate the manufacturing facilities. The Company recorded restructuring costs of $306,000 for the year ended December 31, 2019, which mainly consisted of costs to relocate equipment and inventory and other costs to consolidate the manufacturing facilities. This restructuring relates to the digital product sales segment. Through December 31, 2019, the Company paid $51,000 of costs to relocate equipment and inventory. Therefore, the remaining $253,000 was included in accrued liabilities in the Condensed Consolidated Balance Sheet at December 31, 2019. In the three and six months ended June 30, 2020, the Company paid $10,000 and $224,000, respectively, to complete the consolidation of the manufacturing facilities. As a result, the Company adjusted the accrual and recognized restructuring costs of $10,000 in the three ended June 30, 2020 and ($29,000) in the six months ended June 30, 2020, respectively. There were no restructuring costs in the three or six months ended June 30, 2019.

Note 13 – **Related Party Transactions**

The Company has the following related party transactions:

On March 4, 2019, the Unilumin exercised $2.0 million of the Unilumin Warrant, and on April 5, 2019, Unilumin exercised the remaining $3.5 million of the Unilumin Warrant, raising an aggregate of $5.5 million for the Company. Unilumin owns 52.0% of the Company's outstanding Common Stock. Nicholas J. Fazio, Yang Liu and Yantao Yu, each directors of the Company, are each directors and/or officers of Unilumin. The Company purchased $189,000 and $21,000 of product from Unilumin in the six months ended June 30, 2020 and 2019, respectively. The Company purchased $156,000 and $0 of product from Unilumin in the three months ended June 30, 2020 and 2019, respectively. The amounts payable by the Company to Unilumin were $106,000 and $0 as of June 30, 2020 and December 31, 2019, respectively. In connection with the Unilumin Guarantee in the CMA, the Company issued Warrants to purchase 500,000 shares of the Company's Common Stock to Unilumin USA at an exercise price of $1.00 per share. See Note 10 – Stockholders' Deficit and Loss Per Share for further details.

In connection with the Company's agreement with Unilumin in 2018, the Company paid $175,000 to Durkin Law, LLC in early 2019. In connection with Durkin Law, LLC's representation of the Company in regards to the Loan Agreement and certain other general corporate matters later in 2019, the Company paid $26,000 to Durkin Law, LLC. Thomas E. Durkin, principal of Durkin Law, LLC, was appointed the Company's Executive Vice President, General Counsel & Corporate Secretary on July 30, 2019.

On April 5, 2019, the Rights Offering terminated. At the closing of the Rights Offering on April 9, 2019, the Company received gross proceeds of $2.5 million in exchange for 2,500,000 shares of Common Stock. Participants in the Rights Offering included (a) Gabelli Funds, LLC, a greater than 5% stockholder, (b) Salvatore Zizza and George Schiele, both directors of the Company, and (c) Todd Dupee, an executive officer of the Company, and (d) Alberto Shaio, a former director and former executive officer of the Company.

Note 14 – **Business Segment Data**

Operating segments are based on the Company's business components about which separate financial information is available and are evaluated regularly by the Company's chief operating decision makers in deciding how to allocate resources and in assessing performance of the business.

The Company evaluates segment performance and allocates resources based upon operating income (loss). The Company's operations are managed in two reportable business segments: Digital product sales and Digital product lease and maintenance. Both design and produce large-scale, multi-color, real-time digital displays. Both operating segments are conducted on a global basis, primarily through operations in the United States. The Company also has operations in Canada. The Digital product sales segment sells equipment and the Digital product lease and maintenance segment leases and maintains equipment. Corporate general and administrative items relate to costs that are not directly identifiable with a segment. There are no intersegment sales.

Foreign revenues represent less than 10% of the Company's revenues in 2020 and 2019. The Company's foreign operation does not manufacture its own equipment; the domestic operation provides the equipment that the foreign operation leases or sells. The foreign operation operates similarly to the domestic operation and has similar profit margins. Foreign assets are immaterial.

Information about the Company's operations in its two business segments for the three and six months ended June 30, 2020 and 2019 is as follows:

	Three months ended June 30		Six months ended June 30	
In thousands	2020	2019	2020	2019
Revenues:				
Digital product sales	$ 1,518	$ 3,113	$ 2,852	$ 6,204
Digital product lease and maintenance	531	634	1,110	1,142
Total revenues	$ 2,049	$ 3,747	$ 3,962	$ 7,346
Operating (loss) income:				
Digital product sales	$ (912)	$ 248	$ (1,894)	$ 364
Digital product lease and maintenance	366	415	728	673
Corporate general and administrative expenses	(594)	(628)	(1,141)	(1,241)
Total operating (loss) income	(1,140)	35	(2,307)	(204)
Interest expense, net	(155)	(80)	(263)	(335)
(Loss) gain on foreign currency remeasurement	(89)	(50)	113	(107)
Loss on debt extinguishment	-	(245)	-	(193)
Pension benefit (expense)	37	(19)	73	(37)
Loss before income taxes	(1,347)	(359)	(2,384)	(876)
Income tax expense	(6)	(6)	(12)	(12)
Net loss	$ (1,353)	$ (365)	$ (2,396)	$ (888)
	June 30, 2020	December 31, 2019		
Assets				
Digital product sales	$ 7,422	$ 8,204		
Digital product lease and maintenance	3,113	3,515		
Total identifiable assets	10,535	11,719		
General corporate	248	535		
Total assets	$ 10,783	$ 12,254		

Note 15 – Subsequent Events

The Company has evaluated events and transactions subsequent to June 30, 2020 and through the date these Condensed Consolidated Financial Statements were included in this Form 10-Q and filed with the SEC.

On July 2, 2020, the Company and the City of Hazelwood agreed to a termination of the loan and a forgiveness of all accrued interest. See Note 7 – Long-Term Debt for further details.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Trans-Lux is a leading supplier of LED technology for display applications. The essential elements of these systems are the real-time, programmable digital products that we design, manufacture, distribute and service. Designed to meet the digital signage solutions for any size venue's indoor and outdoor needs, these displays are used primarily in applications for the financial, banking, gaming, corporate, advertising, transportation, entertainment and sports markets. The Company operates in two reportable segments: Digital product sales and Digital product lease and maintenance.

The Digital product sales segment includes worldwide revenues and related expenses from the sales of both indoor and outdoor digital product signage. This segment includes the financial, government/private, gaming, scoreboards and outdoor advertising markets. The Digital product lease and maintenance segment includes worldwide revenues and related expenses from the lease and maintenance of both indoor and outdoor digital product signage. This segment includes the lease and maintenance of digital product signage across all markets.

Results of Operations

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

The following table presents our Statements of Operations data, expressed as a percentage of revenue for the six months ended June 30, 2020 and 2019:

In thousands, except percentages	Six months ended June 30 2020			2019		
Revenues:						
Digital product sales	$	2,852	72.0 %	$	6,204	84.5 %
Digital product lease and maintenance		1,110	28.0 %		1,142	15.5 %
Total revenues		3,962	100.0 %		7,346	100.0 %
Cost of revenues:						
Cost of digital product sales		3,706	93.5 %		4,741	64.5 %
Cost of digital product lease and maintenance		325	8.2 %		389	5.3 %
Total cost of revenues		4,031	101.7 %		5,130	69.8 %
Gross (loss) profit		(69)	(1.7)%		2,216	30.2 %
General and administrative and restructuring expenses		(2,238)	(56.5)%		(2,420)	(33.0)%
Operating loss		(2,307)	(58.2)%		(204)	(2.8)%
Interest expense, net		(262)	(6.6)%		(335)	(4.5)%
Gain (loss) on foreign currency remeasurement		113	2.8 %		(107)	(1.5)%
Loss on extinguishment of debt		-	- %		(193)	(2.6)%
Pension benefit (expense)		72	1.8 %		(37)	(0.5)%
Loss before income taxes		(2,384)	(60.2)%		(876)	(11.9)%
Income tax expense		(12)	(0.3)%		(12)	(0.02)%
Net loss	$	(2,396)	(60.5)%	$	(888)	(18.0)%

Total revenues for the six months ended June 30, 2020 decreased $3.4 million or 46.1% to $4.0 million from $7.3 million for the six months ended June 30, 2019, primarily due to decreases in Digital product sales.

Digital product sales revenues decreased $3.4 million or 54.0% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to a decrease in shipments as we completed the consolidation of our manufacturing facilities, followed by delays in shipments from suppliers due to the onset of the coronavirus in Asia, followed by a brief shutdown of our manufacturing facility at the onset of the coronavirus in the United States.

Digital product lease and maintenance revenues decreased $32,000 or 2.8% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to the continued expected revenue decline in the older outdoor display equipment rental bases acquired in the early 1990s, partially offset by an increase in display equipment maintenance agreements. The financial services market continues to be negatively impacted by the current investment climate resulting in consolidation within that industry and the wider use of flat-panel screens for smaller applications.

Total operating loss for the six months ended June 30, 2020 increased $2.1 million to $2.3 million from $204,000 for the six months ended June 30, 2019, principally due to the decrease in revenues and an increase in the cost of revenues as a percentage of revenues.

Digital product sales operating income (loss) decreased $2.3 million to a loss of $1.9 million for the six months ended June 30, 2020 compared to income of $364,000 for the six months ended June 30, 2019, primarily due to the decrease in revenues. The cost of Digital product sales decreased $1.0 million or 21.8%, primarily due to the reduction in revenues and the completion of the consolidation of our manufacturing facilities. The cost of Digital product sales represented 129.9% of related revenues in 2020 compared to 76.4% in 2019. This increase as a percentage of revenues is primarily due to the lack of reduction of fixed manufacturing costs despite the reduction in revenues, as well as the completion of the consolidation of our manufacturing facilities. General and administrative expenses for Digital product sales decreased $59,000 or 5.4%, primarily due to a decrease in bad debt expenses, partially offset by an increase in marketing expenses.

Digital product lease and maintenance operating income increased $55,000 or 8.2% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily as a result of a decrease in the cost of Digital product lease and maintenance and a decrease in general and administrative expenses. The cost of Digital product lease and maintenance decreased $64,000 or 16.5%, primarily due to a decrease in depreciation expense. The cost of Digital product lease and maintenance revenues represented 29.3% of related revenues in 2020 compared to 34.1% in 2019. The cost of Digital product lease and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. General and administrative expenses for Digital product lease and maintenance decreased $23,000 or 28.8%, primarily due to a reduction in employees' expenses.

Corporate general and administrative expenses decreased $100,000 or 8.1% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to a reduction in employee, rent, legal and directors' expenses, partially offset by an increase in warrant expense.

Net interest expense decreased $73,000 or 21.8% for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily due to decreases in interest rates and the average outstanding long-term debt, primarily due to the decrease in the balance owed under revolving credit loans and term loans, partially offset by the increase in the balance owed under the PPP loan.

The loss on extinguishment of debt for the six months ended June 30, 2019 represented the write-off of the remaining debt discount costs and the termination fees related to former loans from CNH and SM Investors.

The effective tax rate for the six months ended June 30, 2020 and 2019 was 0.5% and 1.4%, respectively. Both the 2020 and 2019 tax rates are being affected by the valuation allowance on the Company's deferred tax assets as a result of reporting pre-tax losses.

Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2019

The following table presents our Statements of Operations data, expressed as a percentage of revenue for the three months ended June 30, 2020 and 2019:

	Three months ended June 30					
In thousands, except percentages		2020			2019	
Revenues:						
Digital product sales	$	1,518	74.1 %	$	3,113	83.1 %
Digital product lease and maintenance		531	25.9 %		634	16.9 %
Total revenues		2,049	100.0 %		3,747	100.0 %
Cost of revenues:						
Cost of digital product sales		2,003	97.7 %		2,219	59.2 %
Cost of digital product lease and maintenance		139	6.8 %		180	4.8 %
Total cost of revenues		2,142	104.5 %		2,399	64.0 %
Gross (loss) profit		(93)	(4.5)%		1,348	36.0 %
General and administrative and restructuring expenses		(1,047)	(51.1)%		(1,313)	(35.1)%
Operating (loss) income		(1,140)	(55.6)%		35	0.9 %
Interest expense, net		(155)	(7.6)%		(80)	(2.1)%
Loss on foreign currency remeasurement		(89)	(4.3)%		(50)	(1.3)%
Loss on extinguishment of debt		-	- %		(245)	(6.6)%
Pension benefit (expense)		37	1.8 %		(19)	(0.5)%
Loss before income taxes		(1,347)	(65.7)%		(359)	(9.6)%
Income tax expense		(6)	(0.3)%		(6)	(0.1)%
Net loss	$	(1,353)	(66.0)%	$	(365)	(9.7)%

Total revenues for the three months ended June 30, 2020 decreased $1.7 million or 45.3% to $2.0 million from $3.7 million for the three months ended June 30, 2019, primarily due to a decrease in Digital product sales.

Digital product sales revenues decreased $1.6 million or 51.2% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to a decrease in the sports market, principally due to coronavirus concerns.

Digital product lease and maintenance revenues decreased $103,000 or 16.2% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to the continued expected revenue decline in the older outdoor display equipment rental bases acquired in the early 1990s, partially offset by an increase in display equipment maintenance agreements. The financial services market continues to be negatively impacted by the current investment climate resulting in consolidation within that industry and the wider use of flat-panel screens for smaller applications.

Total operating income (loss) for the three months ended June 30, 2020 decreased $1.2 million to a loss of $1.1 million from income of $35,000 for the three months ended June 30, 2019, principally due to the decrease in revenues and an increase in the cost of revenues as a percentage of revenues.

Digital product sales operating income (loss) decreased $1.2 million to a loss of $912,000 for the three months ended June 30, 2020 compared to income of $248,000 for the three months ended June 30, 2019, primarily due to the decrease in revenues and an increase in the cost of revenue as a percentage of revenues. The cost of Digital product sales decreased $216,000 or 9.7%, primarily due to the decrease in revenues, offset by the completion of the consolidation of our manufacturing facilities. The cost of Digital product sales represented 131.9% of related revenues in 2020 compared to 71.3% in 2019. This increase as a percentage of revenues is primarily due to the lack of reduction of fixed manufacturing costs despite the reduction in revenues, as well as the completion of the consolidation of our manufacturing facilities. General and administrative expenses for Digital product sales decreased $219,000 or 33.9%, primarily due to decreases in bad debt expenses and employees' expenses, partially offset by an increase in marketing expenses.

Digital product lease and maintenance operating income decreased $49,000 or 11.8% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily as a result of a decrease in the cost of Digital product lease and maintenance and a decrease in general and administrative expenses, partially offset by the decrease in revenues. The cost of Digital product lease and maintenance decreased $41,000 or 22.8%, primarily due to a decrease in depreciation expense. The cost of Digital product lease and maintenance revenues represented 26.2% of related revenues in 2020 compared to 28.4% in 2019. The cost of Digital product lease and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. General and administrative expenses for Digital product lease and maintenance decreased $13,000 or 33.3%, primarily due to a reduction in employees' expenses.

Corporate general and administrative expenses decreased $34,000 or 5.4% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due to a reduction in employee, rent, legal and directors' expenses, partially offset by an increase in warrant expense.

Net interest expense increased $75,000 or 93.8% for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily due an increase in the average outstanding long-term debt, primarily due to an increase in the balance owed under revolving credit loans and term loans including the PPP loan, partially offset by decreases in interest rates.

The loss on extinguishment of debt for the three months ended June 30, 2019 represented the write-off of the remaining debt discount costs and the termination fees related to former loans from CNH and SM Investors.

The effective tax rate for the three months ended June 30, 2020 and 2019 was 0.4% and 1.7%, respectively. Both the 2020 and 2019 tax rates are being affected by the valuation allowance on the Company's deferred tax assets as a result of reporting pre-tax losses.

Liquidity and Capital Resources

Current Liquidity

The Company has incurred significant recurring losses and continues to have a significant working capital deficiency. The Company incurred a net loss of $2.4 million in the six months ended June 30, 2020 and had a working capital deficiency of $5.1 million as of June 30, 2020. As of December 31, 2019, the Company had a working capital deficiency of $3.1 million. The increase in the working capital deficiency is primarily due to increases in the current portion of long-term debt, customer deposits and accounts payable, as well as decreases in accounts receivable and prepaids and other assets, partially offset by a decrease in accrued liabilities.

On July 2, 2020, the Company and the City of Hazelwood agreed to a termination of the loan and a forgiveness of all accrued interest. The principal balance of $650,000 was repaid from Restricted Cash on that date and the forgivable loan was satisfied in full. The Restricted Cash is included in non-current assets and the loan is included in long-term liabilities, so there is no impact on the working capital deficiency related to the principal repayment. The interest forgiveness of $137,000 in July will result in a reduction in interest expense and a reduction in the working capital deficiency at that time.

The Company is dependent on future operating performance in order to generate sufficient cash flows in order to continue to run its businesses. Future operating performance is dependent on general economic conditions, as well as financial, competitive and other factors beyond our control, including the impact of the current economic environment, the spread of major epidemics (including coronavirus) and other related uncertainties such as government imposed travel restrictions, interruptions to supply chains and extended shut down of businesses. In order to more effectively manage its cash resources, the Company had, from time to time, increased the timetable of its payment of some of its payables, which delayed certain product deliveries from our vendors, which in turn delayed certain deliveries to our customers.

There is substantial doubt as to whether we will have adequate liquidity, including access to the debt and equity capital markets, to operate our business over the next 12 months from the date of issuance of this Form 10-Q. A stockholder of the Company has committed to providing additional capital up to $2.0 million, to the extent necessary to fund operations. The Company continually evaluates the need and availability of long-term capital in order to meet its cash requirements and fund potential new opportunities.

The Company used cash of $1.5 million and $3.8 million from operating activities for the six months ended June 30, 2020 and 2019, respectively. The Company has implemented several initiatives to improve operational results and cash flows over future periods, including reducing head count, reorganizing its sales department and outsourcing certain administrative functions. The Company continues to explore ways to reduce operational and overhead costs. The Company periodically takes steps to reduce the cost to maintain the digital products on lease and maintenance agreements.

Cash, cash equivalents and restricted cash decreased $487,000 in the six months ended June 30, 2020 to $898,000 at June 30, 2020 from $1.4 million at December 31, 2019. The increase is primarily attributable to cash used in operating activities of $1.5 million and investments in equipment for rental, property and equipment of $194,000, partially offset by borrowings on the revolving loan of $1.2 million. The current economic environment has increased the Company's trade receivables collection cycle, and its allowances for uncollectible accounts receivable, but collections continue to be favorable.

Under various agreements, the Company is obligated to make future cash payments in fixed amounts. These include payments under the Company's current and long-term debt agreements, pension plan minimum required contributions, employment agreement payments and rent payments required under operating lease agreements. The Company has both variable and fixed interest rate debt. Interest payments are projected based on actual interest payments incurred in 2020 until the underlying debts mature.

The following table summarizes the Company's fixed cash obligations as of June 30, 2020 for the remainder of 2020 and over the next four fiscal years:

In thousands	Remainder of 2020	2021	2022	2023	2024
Long-term debt, including interest	$ 3,041	$ 547	$ 183	$ -	$ -
Pension plan payments	-	973	490	324	212
Employment agreement obligations	38	-	-	-	-
Estimated warranty liability	90	142	107	63	37
Contract manufacturing agreement	63	-	-	-	-
Operating lease payments	224	370	348	309	-
Total	$ 3,456	$ 2,032	$ 1,128	$ 696	$ 249

As of June 30, 2020, the Company still had outstanding $352,000 of Notes which matured as of March 1, 2012. The Company also still had outstanding $220,000 of Debentures which matured on December 1, 2012. The Company continues to consider future exchanges of the Notes and Debentures, but has no agreements, commitments or understandings with respect to any further such exchanges.

The Company may still seek additional financing in order to provide enough cash to cover our remaining current fixed cash obligations as well as providing working capital. However, there can be no assurance as to the amounts, if any, the Company will receive in any such financing or the terms thereof. The Company has no agreements, commitments or understandings with respect to any such financings. To the extent the Company issues additional equity securities, it could be dilutive to existing shareholders.

For a further description of the Company's long-term debt, see Note 7 to the Condensed Consolidated Financial Statements – Long-Term Debt.

Pension Plan Contributions

The minimum required pension plan contribution for 2020 is expected to be $641,000, of which the Company has already contributed $85,000 as of June 30, 2020. As allowed by the CARES Act, the Company has elected to defer the payment of the $556,000 of remaining minimum required contributions due in 2020 until January 1, 2021. See Note 8 to the Condensed Consolidated Financial Statements – Pension Plan for further details.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The Company may, from time to time, provide estimates as to future performance. These forward-looking statements will be estimates and may or may not be realized by the Company. The Company undertakes no duty to update such forward-looking statements. Many factors could cause actual results to differ from these forward-looking statements, including loss of market share through competition, introduction of competing products by others, pressure on prices from competition or purchasers of the Company's products, interest rate and foreign exchange fluctuations, terrorist acts and war.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is subject to interest rate risk on its long-term debt. The Company manages its exposure to changes in interest rates by the use of variable and fixed interest rate debt. The fair value of the Company's fixed rate long-term debt is disclosed in Note 7 to the Condensed Consolidated Financial Statements – Long-Term Debt. Every 1-percentage-point change in interest rates would result in an annual interest expense fluctuation of approximately $10,000. In addition, the Company is exposed to foreign currency exchange rate risk mainly as a result of its investment in its Canadian subsidiary. A 10% change in the Canadian dollar relative to the U.S. dollar would result in a currency remeasurement expense fluctuation of approximately $255,000, based on dealer quotes, considering current exchange rates. The Company does not enter into derivatives for trading or speculative purposes and did not hold any derivative financial instruments at June 30, 2020.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report, we have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer) and our Chief Accounting Officer (our principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Our Chief Executive Officer and Chief Accounting Officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management (including our Chief Executive Officer and our Chief Accounting Officer) to allow timely decisions regarding required disclosures. Based on such evaluation, our Chief Executive Officer and Chief Accounting Officer have concluded that these disclosure controls are effective as of June 30, 2019.

Changes in Internal Control over Financial Reporting. There has been no change in the Company's internal control over financial reporting that occurred in the quarter ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business and/or which are covered by insurance. The Company has accrued reserves individually and in the aggregate for such legal proceedings. Should actual litigation results differ from the Company's estimates, revisions to increase or decrease the accrued reserves may be required. There are no open matters that the Company deems material.

Item 1A. Risk Factors

The Company is subject to a number of risks including general business and financial risk factors. Any or all of such factors could have a material adverse effect on the business, financial condition or results of operations of the Company. You should carefully consider the risk factors identified in our Annual Report on Form 10-K for the year ended December 31, 2019.

The Company is supplementing the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 with the following risk factor:

Our results of operations may be negatively impacted by the coronavirus outbreak.

We are closely monitoring the impact of the 2019 novel coronavirus, or COVID-19, on all aspects of our business. In March 2020, the World Health Organization characterized COVID-19 as a pandemic and the President of the United States declared the COVID-19 outbreak a national emergency. Since then, the COVID-19 pandemic has rapidly spread across the globe and has already resulted in significant volatility, uncertainty and economic disruption. The outbreak of COVID-19 has caused and may continue to cause travel bans or disruptions, and in some cases, prohibitions of non-essential activities, disruption and shutdown of businesses and greater uncertainty in global financial markets. The impact of COVID-19 is fluid and uncertain, but it has caused and may continue to cause various negative effects, including an inability to meet with actual or potential customers, our end customers deciding to delay or abandon their planned purchases or failing to make payments, and delays or disruptions in our or our partners' supply chains. As a result, we may experience extended sales cycles, our ability to close transactions with new and existing customers and partners may be negatively impacted, and the efficiency and effect of those activities, may be negatively affected, and it has been and, until the COVID-19 outbreak is contained, will continue to be more difficult for us to forecast our operating results. These uncertainties have, and may continue to, put pressure on global economic conditions and overall LED display spending and may cause our end customers to modify spending priorities or delay or abandon purchasing decisions, thereby lengthening sales cycles and potentially lowering prices for our solutions, and may make it difficult for us to forecast our sales and operating results and to make decisions about future investments, any of which could materially harm our business, operating results and financial condition.

Further, our management team is focused on addressing the impacts of COVID-19 on our business, which has required and will continue to require, a large investment of their time and resources and may distract our management team or disrupt our 2020 operating plans. The extent to which COVID-19 ultimately impacts our results of operations, cash flow and financial position will depend on future developments, which are uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken by governments and authorities to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse impacts to our business as a result of its global economic impact, including as a result of any recession that may occur.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

As disclosed in Note 7 to the Condensed Consolidated Financial Statements – Long-Term Debt, the Company had outstanding $352,000 of Notes which are no longer convertible into common shares. The Notes matured as of March 1, 2012 and are currently in default. As of June 30, 2020 and December 31, 2019, the Company had accrued $315,000 and $300,000, respectively, of interest related to the Notes, which is included in accrued liabilities in the Condensed Consolidated Balance Sheets.

As disclosed in Note 7 to the Condensed Consolidated Financial Statements – Long-Term Debt, the Company has outstanding $220,000 of Debentures. The Debentures matured as of December 1, 2012 and are currently in default. As of June30, 2020 and December 31, 2019, the Company had accrued $221,000 and $211,000, respectively, of interest related to the Debentures, which is included in accrued liabilities in the Condensed Consolidated Balance Sheets. The trustee, by notice to the Company, or the holders of 25% of the principal amount of the Debentures outstanding, by notice to the Company and the trustee, may declare the outstanding principal plus interest due and payable immediately.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

10.1 Loan Note with Enterprise Bank and Trust dated as of April 20, 2020 (incorporated by reference to Exhibit 10.1 of Form 8-K filed May 4, 2020).

10.2 Modification Agreement to the Loan Agreement with MidCap Business Credit LLC dated as of June 3, 2020 (incorporated by reference to Exhibit 10.1 of Form 8-K filed June 9, 2020).

10.3 Contract Manufacturing Agreement with Craftsmen Industries Inc. dated June 4, 2020 and commenced June 15, 2020 (incorporated by reference to Exhibit 10.1 of Form 8-K filed July 2, 2020).

10.4 Warrant issued to Unilumin USA, LLC dated June 4, 2020 (incorporated by reference to Exhibit 10.4 of Form 10-Q filed August 14, 2020, but deemed filed August 17, 2020).

31.1 Certification of Nicholas J. Fazio, Interim Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification of Todd Dupee, Senior Vice President and Chief Accounting Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification of Nicholas J. Fazio, Interim Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.2 Certification of Todd Dupee, Senior Vice President and Chief Accounting Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANS-LUX CORPORATION
(Registrant)

by /s/ Nicholas J. Fazio
Nicholas J. Fazio
Interim Chief Executive Officer

by /s/ Todd Dupee
Todd Dupee
Senior Vice President and
Chief Accounting Officer

Date: August 18, 2020