Trans-Lux Corporation

2020

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

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______ to_______

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
executive offices) (Zip code)

(800) 243-5544

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes _____ No __X__

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 ____

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TRANS-LUX CORPORATION
2020 Form 10-K Cover Page Continued

Indicate by check mark whether the registrant has submitted electrondN-3(a)4llt eeItherace ha F

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TRANS-LUX CORPORATION
2020 Form 10-K Annual Report

Table of Contents

PART I

PART II

PART I

ITEM 1. BUSINESS

SUMMARY

Trans-Lux Corporation

types of customer-owned equipment. The Company believes that the quality and timeliness of its on-site service personnel are

NON-PAYMENT OF PRINCIPAL AND INTEREST ON OUTSTANDING NOTES AND DEBENTURES HAS RESULTED IN EVENTS OF DEFAULT AND MAY CONTINUE TO NEGATIVELY AFFECT OUR BALANCE SHEET

As of December 31, 2020, we had outstanding $352,000 of Notes. The Notes matured as of March 1, 2012 and are currently in default. The trustee, by notice to us, or the holders of 25% of the principal amount of the Notes outstanding, by notice to us and the trustee, may declare the outstanding principal plus interest due and payable immediately.

As of December 31, 2020, we had outstanding $220,000 of Debentures. The Debentures matured as of December 1, 2012 and are currently in default. The trustee, by notice to us, or the holders of 25% of the principal amount of the Debentures outstanding, by notice to us and the trustee, may declare the outstanding principal plus interest due and payable immediately.

OUR INDEBTEDNESS COULD ADVERSELY AFFECT OUR FINANCIAL HEALTH

Our indebtedness could have important consequences to you. For example, it could: increase our vulnerability to general or se us adverse economic and industry conditions; restrict us r s n

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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.

SUPPLIERS MAY BE UNABLE OR UNWILLING TO FURNISH US WITH REQUIRED COMPONENTS, WHICH MAY DELAY OR REDUCE OUR PRODUCT SHIPMENTS AND NEGATIVELY AFFECT OUR BUSINESS

We design certain of our products to match components furnished by suppliers. If such suppliers were unable or unwilling to provide us with those components, we would have to contract with other suppliers to obtain replacement sources. In particular, we purchase most of the LEDs and LED module blocks used in our digital products from three main suppliers. We do not have long-term supply contracts with these suppliers. A change in suppliers of either LED module blocks or certain other components may result in engineering design changes, as well as delays in obtaining such replacement components. We believe that there are presently other qualified vendors of these components. Our inability to obtain sufficient quantities of certain components as required, or to develop alternative sources at acceptable prices and within a reasonable time, could result in delays or reductions in product shipments that could have a materially adverse effect on our business and results of operations.

CYBER-ATTACKS AND BREACHES COULD CAUSE OPERATIO521.591ys o

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shares over then current market prices. These provisions may also limit the ability of stockholders to approve transactions that they may deem to be in their best interests.

<u>CONCENTRATION OF OWNERSHIP AMONG OUR PRINCIPAL STOCKHOLDERS MAY LIMIT OUR OTHER STOCKHOLDERS FROM INFLUENCING SIGNIFICANT COMPANY DECISIONS</u>

As of April 14, 2021, one stockholder, Unilumin North America I , owns approximately 52.0% of our Common Stock and beneficially owns approximately 53.7% of our Common Stock.

ITEM 2. PROPERTIES

The Compa executive offices are located in a leased facility at 135 East 57th Street, 14th Floor, New York, New York, at an annual rental of $7,000, which it uses as its primary executive, sales and administrative office. The Company leases a facility in Hazelwood, Missouri, at an annual rental of $375,000, which is being used for manufacturing operations. The Company leases a facility in Urbandale, Iowa, at an annual rental of $28,000, which is used for sales and administrative operations.

The aggregate property rent expense was $460,000 and $608,000 for the years ended December 31, 2020 and 2019, respectively.

ITEM 3. 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. decrease the accrued reserves may be required. There are no open matters that the Company deems material.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) The Company trades on the OTC Pink under the price information is set forth in Item 5(d) below. The Company had approximately 86 holders of record of its Common Stock as of April 14, 2021. The number of record holders does not include DTC participants or beneficial owners holding shares through nominee names. The Board of Directors did not declare any cash dividends on Common Stock during 2020 and the Company does not anticipate paying any cash dividends on its Common Stock for the foreseeable future. In addition, the Company s loan agreement with MidCap restricts the payment of dividends.

(b) Not applicable.

(c) The Company did not purchase any of its equity se [illegible]

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 a approach. Together these two factors estimate the fair value of the reporting unit. The Company used a discounted cash flow model to determine the fair value under the income approach which contemplates an overall weighted average revenue growth rate. The Company used a market multiple approach based on revenue to determine the fair value under the market approach which includes a selection of and market price of a group of comparable companies and the performance of the guidelines of the comparable companies and of million; however, there is no assurance that we will be able to make any or all of such remaining payments. See Note 15 to the Consolidated Financial Statements Pension Plan for further details.

Contingencies and Litigation: 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 t es, revisions to increase or decrease the accrued reserves may be required. There are no open matters that the Company deems mats that the Company dy deems mats of Digital product lease and maintenance and a decrease in general and administrative expenses. The cost of Digital product lease and maintenance decreased $147,000 or 19.0%, primarily due to a decrease in depreciation expense. The cost of Digital product lease and maintenance revenues represented 30.4% of related revenues in 2020 compared to 33.3% 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 increased $252,000 to $50,000 for the year ended December 31, 2020, primarily due to an increase in bad debt expenses.

Corporate general and administrative expenses decreased $1.6 million or 65.0% to $836,000 for the year ended December 31, 2020 compared to $2.4 million for the year ended December 31, 2019, primarily due to a reduction in relocation, employee, rent, legal and directo penses, partially offset by an increase in warrant expense.

Net interest expense decreased $79,000 or 15.7% to $425,000 for the year ended December 31, 2020 compared to $504,000 for the year ended December 31, 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 new borrowing under the Paycheck Protection Program (PPP) loan.

The gain on extinguishment of debt for the year ended December 31, 2020 represented the reversal of accrued interest on the Hazelwood loan, which was terminated in July 2020. The loss on extinguishment of debt for the year ended December 31, 2019 represented the write-off of the remaining debt discount costs and the termination fees related to the CNH and SM Investors loans, partially offset by the gain on the extinguishment of $35,000 of Notes.

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differ materially and adversely from those discussed in, or implied by, these forward-looking statements. We caution you not to place undue reliance on our forward-looking statements. Each forward-looking statement speaks only as of the date on which it is made, and, except to the extent required by federal securities laws, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 7A. 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 Compan s fixed rate long-term debt is disclosed in Note 12 to the Consolidated Financial Statements Long-Term Debt. Every 1-

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Trans-Lux Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trans-Lux Corporation of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, deficit and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the . In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the goodwill impairment analysis

Description of the Matter

When evaluating goodwill for impairment, the Company performs either an initial qualitative or quantitative valuation for each of their reporting units. For the quantitative evaluation, the Company compares fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using a combination of income-based and market-based approaches and incorporates assumptions it believes market participants would utilize. Under the income-based approach, the Company determines fair value using a discounted cash flow approach that requires significant judgment with respect to revenue and expense growth rates based upon annual budgets and longer-range strategic plans and the selection of an appropriate discount rate. Under the market-based approach, the Company determines fair value by comparing its reporting units to similar businesses or guideline companies whose securities are actively traded in public markets. The Company had goodwill of $744,000 related to the digital product sales segment and the fair value did not exceed the carrying value and therefore, impairment of $744,000 was recorded in 2020.

Given the significant estimates and assumptions management makes to estimate the fair value of the digital product sales reporting unit and the sensitivity of associated operations, performing audit procedures to evaluate the reasonableness of management critical audit matter because it involved a high degree of subjectivity and auditor judgement. The evaluation included assessing key assumptions used in estimating the fair value of the reporting unit, such as forecasted growth rates, estimated costs, and the discount rate.

How we Addressed the Matter in Our Audit

Our audit procedures with respect to forecasted growth rates, estimated costs, and the discount rate include the following, amongst others:

- We e cast revenue and expense growth rates by comparing actual

- Due to the uncertainties in the industry related to the impacts of COVID-19, we evaluated the reasonableness of forecasts of revenue and expense growth grates by comparing historical results of digital product sales

- With the assistance of our fair value specialists, we evaluated93(s)3(o)-5(n)-Qq0.00000912 193(s)3(o)-5(n)-Qq0.000i00000912

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

In thousands, except per share data	12 Months Ended December 31 2020	2019
Revenues:		
Digital product sales	$ 7,378	$14,710
Digital product lease and maintenance	2,067	

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

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 year ended December 31, 2020											
Balance January 1, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,088	$ (33,164)	$ (6,618)	$ (3,063)	$ (1,744)
Net loss	-	-	-	-	-	-	-	(4,843)	-	-	(4,843)
Issuance of warrants	-	-	-	-	-	-	242	-	-	-	242
Other comprehensive loss, net of tax:											
Unrealized foreign currency translation loss	-	-	-	-	-	-	-	-	51	-	51
Change in unrecognized pension costs	-	-	-	-	-	-	-	-	(755)	-	(755)
Balance December 31, 2020	-	$ -	-	$ -	13,474,116	$ 13	$ 41,330	$ (38,007)	$ (7,322)	$ (3,063)	$ (7,049)
For the year ended December 31, 2019											
Balance January 1, 2019	-	$ -	16,51[illegible]	$3,302	3,652,813	$ 4	$ [illegible]0,069	$ (31,[illegible])	(6,394)		

51

TRANS-LUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands	12 Months Ended December 31 2020	12 Months Ended December 31 2019
Cash flows from operating activities		
Net loss	$(4,843)	$(1,402)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	540	668
Amortization of right of use assets	283	373
Write off of goodwill	744	-
Amortization of deferred financing fees and debt discount	98	96
Loss on disposal of assets	5	32
(Gain) loss on extinguishment of debt	(137)	193
Loss on foreign currency remeasurement	57	130
Issuance of warrants	242	-
Bad debt expense	123	(93)
Changes in operating assets and liabilities:		
Accounts receivable, net	878	(18)
Inventories	640	19
Prepaids and other assets	598	(73)
Accounts payable	695	(2,783)
Accrued liabilities	(1,357)	(254)
Operating lease liabilities	(284)	(369)
Customer deposits	401	(309)
Deferred pension liability and other	(564)	(547)
Net cash used in operating activities	(1,881)	(4,337)
Cash flows from investing activities		
Equipment manufactured for rental	(16)	(44)
Purchases of property, plant and equipment	(174)	(377)
Net cash used in investing activities	(190)	(421)
Cash flows from financing activities		
Proceeds from long-term debt	1,423	-
Proceeds from warrant exercise, net of costs	-	5,298
Proceeds from rights offering, net of costs	-	2,428
Payments of long-term debt	(650)	(3,037)
Payments of dividends on preferred stock	-	(80)
Payments for deferred financing fees	(40)	(25)
Payments for fees on extinguishment of debt	-	(62)
Net cash provided by financing activities	733	4,522
Effect of exchange rate changes	(4)	(2)
Net decrease in cash, cash equivalents and restricted cash	(1,342)	(238)
Cash, cash equivalents and restricted cash at beginning of year	1,385	1,623
Cash, cash equivalents and restricted cash at end of period	$ 43	$ 1,385
Supplemental disclosure of cash flow information:		
Interest paid	$ 263	$ 239
Income taxes paid	15	22
Supplemental non-cash financing activities:		
Preferred Stock Series B converted to Common Stock	$ -	$ 3,302
Reconciliation of cash, cash equivalents and restricted cash to amounts reported in the Consolidated Balance Sheets at end of period:		
Current assets		
Cash and cash equivalents	$ 43	$ 535
Long-term assets		
Restricted cash	-	850
Cash, cash equivalents and restricted cash at end of period	$ 43	$ 1,385

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

Notes To Consolidated Financial Statements

fair value. Changes in the assumptions used could materially impact the fair value estimates. Assumptions critical to our fair value estimates are: (i) discount rate used to derive the present value factors used in determining the fair value of the reporting unit, (ii) projected average revenue growth rates used in the reporting unit models and (iii) projected long-term growth rates used in the derivation of terminal year values. These and other assumptions are impacted by economic conditions and expectations of management. The Company used the income and the market approach when testing for goodwill impairment. The Company weighed these approaches by using a 90% factor for the income approach and a 10% factor for the market approach. Together these two factors estimate the fair value of the reporting unit. The Company used a discounted cash flow model to determine the fair value under the income approach which contemplates a conservative overall weighted average revenue growth rate. The Company used a market multiple approach based on revenue to determine the fair value under the market approach which includes a selection of and market price of a group of comparable companies and the performance of the guidelines of the comparable companies and of the reporting unit. The goodwill impairment test compares the fair value of the reporting unit with its carrying amount. To the extent the calculated fair value of the goodwill is less than the recorded goodwill, an impairment charge is recorded for the difference. Fair value is determined using cash flow and other valuation models (generally Level 3 inputs in the fair value hierarchy described in Note 4 Fair Value). In 2020, due to the results of the market approach and income approach, the Company determined that the fair value was below the carrying amount of goodwill and therefore the Company recorded impairment of the goodwill of 2.17 Tm0 g0 G[(4)] TJETQq0.00000912 0 612 792 reW* nBT/6.9F2451 9.1 0 0
$744,000. There was no impairment of goodwill in 2019.

Impairment or disposal of long-lived assets:

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Foreign currency: The functional currency of the Canadian dollar. The assets and liabilities of such operation are translated into U.S. dollars at the year-end rate of exchange, and the operating and cash flow statements are converted at the average annual rate of exchange. The resulting translation adjustment is recorded in Accumulated other comprehensive loss in the Consolidated Balance Sheets and as a separate item in the Consolidated Statements of Comprehensive Loss. In relation to intercompany balances, these have been classified as short-term in nature and therefore the changes in the foreign currency remeasurement adjustment for intercompany balances are recorded as (Loss) gain on foreign currency remeasurement in the Consolidated Statements of Operations.

Share-based compensation: The Company measures share-based payments to employees, directors and non-employees at the grant date fair value of the instrument. The fair value is estimated on the date of grant using the Black-Scholes valuation model, which requires various assumptions including estimating stock price volatility, expected life of the instrument, estimated forfeiture rate and risk free interest rate. For details on the accounting effect of share-based compensation, see Note 16 Share-Based Compensation.

The following new accounting pronouncements were adopted in 2020:

In January 2017, the Financial Accounting Standards A ccounting Standards Update 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 Com dated financial position and results of operations.

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 th nsolidated financial position and results of operations.

2. Liquidity and 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 Consolidated Financial Statements assuming the Company will continue as a going concern.

Due to the onset of the COVID-19 pandemic in 2020, the Company experienced a reduction in sales orders from customers. As a result, the Company incurred a net loss of $4.8 million in 2020 and had a working capital deficiency of $6.3 million as of December 31, 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 financial position and operating results. The Company continually evaluates the need and availability of long-term capital in order to meet its cash requirements and

The following table presents the balances in the
eivables and contract liabilities with customers as of December 31, 2020 and 2019:

In thousands	**2020**	2019
Gross receivables	**$2,042**	$3,124
Allowance for bad debts	**660**	743
Net receivables	**1,382**	2,381
Contract liabilities	**618**	230

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During the years ended December 31, 2020 and 2019, the Company recognized bad debt expense (recovery) of $123,000 and ($97,000), respectively.

During the years ended December 31, 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 period:

In thousands	**2020**	2019
Revenue recognized in the period		
	-	-

Transaction Price Allocated to Future Performance Obligati s alternative more qualitative presentation

Remaining performance obligations represent the transaction price of contracts for which work has not been performed (or W* ntion receivables and accounts payable approximate fair value due to the short maturities of these items. The fair value of the 8¼% Limited convertible senior subordinated notes due 2012 (usidllateth449( )-60 G9d

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The effective income tax rate diff

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 had been guaranteed by Unilumin US in U through December 31, 2020. Unilumin USA is wholly owned by Unilumin North America, who owns 52.0% of the g Common Stock and beneficially owns 53.7 g Common Stock. In connection with the Unilumin Guarantee in the CMA, the Company issued warrants (the ts) to purchase 500,000 shares of the Com 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.

On December 31, 2020, certain current and former directors agreed to forgo $1.1 million of directors fees owed to them in exchange for warrants to purchase 1.1 million shares of the Company s Common Stock at an exercise price of $1.00 per share (the Director Warrants). The Warrants are exercisable until December 31, 2024. The Company calculated the fair value of the Warrants as $148,000 utilizing the Black-Scholes method, using a volatility of 158% and a risk free rate of 0.27%. The Company recorded a gain of $937,000 on the exchange in general and administrative expenses in December 2020.

On June 11, 2018, in connection with a Subordinated Secured Promissory Note I Note , the Company issued SM Inve a three-year warrant to purchase 82,500 shares of Common Stock at an exercise price of $0.01 per share. This warrant has not yet been exercised.

On June 11, 2018, in connection with a Subordinated Secured Promissory Note (th Invest the Company issued SMII a three-year warrant to purchase 167,500 shares of Common Stock at an exercise price of $0.01 per share. This warrant has not yet been exercised.

In connection with a Securities Purchase Agreement SPA with Unilumin, the Company issued the Unilumin Warrant to purchase 5,670,103 shares of the Com Common Stock at an exercise price of $0.97 per share. In 2019, Unilumin fully exercised the Unilumin Warrant, aggregating $5.5 million. The Company received cash of $5.3 million after fees related to the exercise of this warrant.

On April 23, 2015, the Company entered into a credit agreement with BFI Capital Fund II, LLC BFI for a $1.5 million credit line, which was repaid in full prior to 2016. In connection with the agreement, the Company issued BFI a five-year warrant to purchase 90,000

mi shares of Common Stock at an exercise n

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Note, the Company borrowed $810,800 from Lender under the Paycheck included i RES Act, all of which is outstanding as of December 31, 2020. As of December 31, 2020, the Company had accrued $6,000 of interest related to the Loan Note, which is included in Accrued liabilities in the Consolidated Balance Sheets. The Loan Note proceeds are forgivable 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. Certain employees were not retained by the Company, so the potential amount of loan forgiveness will be reduced. 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 In
12.00%, which matured on April 27, 2019 with a bullet payment of all principal due at such time. Interest is payable monthly. As of

Company sold its Des Moines, Iowa facility in a sale/leaseback transaction. The lease was for a two-year lease period at an annual rental of $158,000. In 2017, the Company extended the lease through February 1, 2019 at the same rate. In 2018, the Company extended the lease for another year through February 1, 2020 at the same rate. Rent expense was $460,000 and $608,000 for the years ended December 31, 2020 and 2019, respectively.

The Company leases administrative and manufacturing facilities through operating lease agreements. The Company has no finance leases as of December 31, 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 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 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 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	2020
Balance Sheet:	
ROU assets	**$858**
Current lease liabilities	**302**
Non-current lease liabilities	**591**
Total lease liabilities	**893**
Weighted average remaining lease term (years)	**2.7**
Weighted average discount rate	**8.9%**
Future minimum lease payments:	
2021	**$ 370**
2022	**348**
2023	**295**
2024	**-**
2025	**-**
Thereafter	**-**
Total	**1,013**
Less: Imputed interest	**120**
Total lease liabilities	**893**
Less: Current lease liabilities	**302**
Long-term lease liabilities	**$ 591**

Supplemental cash flow information regarding leases:

In thousands	2020
Operating cash flow information:	
Cash paid for amounts included in the measurement of lease liabilities	**$377**
Non-cash activity:	
ROU assets obtained in exchange for lease liabilities	-

Total operating lease expense and short-term lease expense was $383,000 and $77,000, respectively, for the year ended December 31, 2020. Total operating lease expense and short-term lease expense was $497,000 and $111,000, respectively, for the year ended December 31, 2019.

14. Stockho Deficit

During 2020 and 2019, the Board of Directors did not declare any quarterly cash dividends on t
Common Stock.

The Company was authorized to issue 2,500,000 shares of preferred stock as of December 31, 2020, of which (i) 416,500 shares were designated as Series A Convertible Preferred Stock, none of which were outstanding, (ii) 51,000 shares were designated as SBCPS, none of which were outstanding, and (iii) 2,032,500 shares were not yet designated. The undesignated preferred stock would

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The funded status of the plan as of December 31, 2020 and 2

The Company currently has one stock option plan. As of December 31, 2020, 800 shares of Common Stock were available for grant under the Non-Employee Director Stock Option Plan.

Changes in the stock option plan are as follows:

	Number of Shares			Weighted Average Exercise
	Authorized	Granted	Available	Price
Balance January 1, 2019	800	-	800	N/A
Authorized	-	-	-	
Expired	-	-	-	
Granted	-	-	-	
Balance December 31, 2019	800	-	800	
Authorized	**-**	**-**	**-**	
Expired	**-**	**-**	**-**	
Granted	**-**	**-**	**-**	
Balance December 31, 2020	**800**	**-**	**800**	

Under the Non-Employee Director Stock Option Plan, option prices must be at least 100% of the market value of the Common Stock at the time of grant. No option

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proceedings. Should actual litigation results differ from imates, revisions to increase or decrease the accrued reserves may be required. There are no open matters that the Company deems material.

20. 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. As of December 31, 2020, Unilumin owns 52.0% of the Company s Common Stock and beneficially owns 53.7% of the 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 $553,000 and $83,000 of product from Unilumin in the year ended December 31, 2020 and 2019, respectively. The amount payable by the Company to Unilumin was $231,000 as of December 31, 2020. The Company

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Information about the Compa operations in its two business segments for the years ended December 31, 2020 and 2019 and as of December 31, 2020 and 2019 were as follows:

In thousands

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. As of the end of the period covered by this Annual Report, we 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 (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)). As a result of this evaluation, 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 reporte

2009. Mr. Zizza received his Bachelor of Arts in Political Science and his Master of Business Administration in Finance from St. John's University, which also has awarded him an Honorary Doctorate in Commercial Sciences.
extensive experience and service to numerous other boards of directors allow him to provide valuable contributions to the Board. In addition, Mr. Zizza also serves as Chairman of the Audit Committee and is the audit committee financial expert as required under the rules of the United States Securities and Exchange Commission.

Meetings of the Board of Directors and Certain Committees:

The Board of Directors held one meeting during 2020. All directors attended 75% or more of such meetings and of the committee meetings for which they were

Committees of the Board of Directors

The Board of Directors has appointed a Compensation Committee, an Audit Committee, an Executive Committee and a Nominating Committee. Each committee operates under a charter approve on the basis of, among other things, experience, expertise, skills, knowledge, integrity, understanding s business and willingness to devote time and effort to Board responsibilities. The Nominating Committee did not hold any meetings in 2020. Members of the Nominatin

Mr. Durkin became Executive Vice President, General Counsel & Corporate Secretary of the Corporation on July 30, 2019. Mr. Durkin, as principal of Durkin Law, LLC, has been engaged in the private practice of law acting as counsel to numerous private and public domestic and foreign based companies for the last fifteen years

ITEM 11. EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table provides certain summary information for the last two fiscal years of the Corporation concerning compensation paid or accrued by the Corporation and its subsidiaries to or on behalf of the Co ief Executive Officer and t wo most highly compensated executive officers other than the Chief Executive Officer:

Summary Compensation Table

Annual Compensation

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value of Nonqualified Deferred Compensation Earnings ($)	All Other Compen-sation ($) (1)	Total ($)
Alberto Shaio .	2020	101,101	-	-	-	-	-	6,000	107,101
Former President and Chief Executive Officer	2019	299,999	-	-	-	-	-	18,000	3f1 04W*

(1) Se Other Compensation for further details.

All Other Compensation

During 2020 and 2019 om sisted of director fees and other items. The following is a table of amounts per named individual:

Name	Year	Director and/or Trustee Fees ($)	Other (1) ($)	Total All Other Compensation ($)
Alberto Shaio	2020	-	6,000	6,000
	2019	-	18,000	18,000
John Hammock	2020	-	-	-
	2019	-	-	-
Todd Dupee	2020	-	6,000	6,000
	2019	-	6,000	6,000

(1) Other consists of vehicle allowance.

Stock Option Plans and Stock Options

Defined Benefit Pension Plan

In 2020, the Company made $85,000 of the minimum requirement of $641,000 of contributions to th s defined benefit pension plan for all eligible employees and the eligible individuals listed in the Summary Compensation Table. As allowed by the CARES Act, the Company elected to defer the payment of the $556,000 of remaining minimum required contributions due in 2020 until 2021.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of March 30, 2021 (or such other date specified) with respect to (A) the beneficial ownership of Common Stock or shares issuable within 60 days of such date by (i) each person known by the Corporation to own more than 5% of the Common Stock and who is deemed to be such beneficial owner of Common Stock under Rule 13d-3(a)(ii); (ii) each person who is a director of the Corporation; (iii) each named executive in the Summary Comp

3(a) Amended and Restated Certificate of Incorporation of the registrant (incorporated by reference to Exhibit 3.1 of Form 8-K dated July 2, 2012).

(b) Amendment to Amended and Restated Certificate of Incorporation of the registrant (incorporated by reference to Exhibit 3.1 of Form 8-K fi

32.1 Certification of Nicholas J. Fazio, 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.

101 The following interactive data files pursuant to Rule 405 of Regulation S-T from Trans-Lux Corpora n Form 10-K for the annual period ended December 31, 2020 are formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2020 and 2019, (ii) Consolidated Statements of Operations for the Years Ended December 31, 2020 and 2019, (iii) Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2020 and 2019, (iv) Consolidated Statements of Changes in Stockh Deficit for the Years Ended December 31, 2020 and 2019, (v) Consolidated Statements of Cash Flows for the

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