

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

CYIOS Corporation

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SIC 7389

Quarterly Report
For the Period Ending: 06/31/2020
(the "Reporting Period")

As of September 10, 2020, the number of shares outstanding of our Common Stock was:

78,005,193

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

53,465,193

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

36,311,640

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Formerly=China Printing, Inc. until 11-05

Formerly=WorldTeq Group International, Inc. until 4-05

Formerly=A1 Internet.com, Inc. until 12-01

Formerly=Halo Holdings of Nevada, Inc. until 5-99

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CYIOS was incorporated under the laws of the state of Nevada on October 13, 1997 as Halo Holdings of Nevada, Inc.
The Company is "active" with the state of Nevada

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

Yes: ☐ No: ☒

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

N/A

2) Security Information

Trading symbol:	<u>CYIO</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	<u>23256Y108</u>
Par or stated value:	<u>\$.001</u>

Total shares authorized:	<u>100,000,000</u>	as of date: <u>06/30/2020</u>
Total shares outstanding:	<u>71,005,193</u>	as of date: <u>06/30/2020</u>
Number of shares in the Public Float ² :	<u>46,684,330</u>	as of date: <u>06/30/2020</u>
Total number of shareholders of record:	<u>106</u>	as of date: <u>06/30/2020</u>

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

None.

Transfer Agent

Name: Equiniti (formerly Corporate Stock Transfer)
Phone: 303-282-4800
Email: knaughton@corporatestock.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: None.

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

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

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

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
<u>Opening Balance</u> Date <u>01/01/2018</u> Common: 36,311,640 Preferred: <u>10,000,000</u>									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR - Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/7/20	<u>New</u>	3,631,164	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
1/14/20	<u>New</u>	3,571,428	<u>Common</u>	<u>.07</u>	<u>No</u>	CICERO TRANSACTION GROUP INC	<u>Goods and Services Agreement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
1/15/20	<u>New</u>	1,100,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
3/19/20	<u>New</u>	4,400,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>

3/25/20	<u>New</u>	4,450,961	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
4/20/2020	New	5,340,000	<u>Common</u>	.001	Yes	J-RICKS LLC <u>Christopher Balmford</u>	Debt Conversion	Unrestricted	4(a)(1)
5/8/2020	New	5,800,000	<u>Common</u>	.001	Yes	J-RICKS LLC <u>Christopher Balmford</u>	Debt Conversion	Unrestricted	4(a)(1)
6/26/2020	New	6,400,000	<u>Common</u>	.001	Yes	J-RICKS LLC <u>Christopher Balmford</u>	Debt Conversion	Unrestricted	4(a)(1)

Shares Outstanding on Date of This Report:

Ending Balance Ending Balance:
Date 06/30/2020 Common: 71,005,193
Preferred: 10,000,000

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

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

B. Debt Securities, Including Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/10/2016</u>	<u>220,214</u>	<u>225,000</u>	<u>64</u>	<u>01/17/2017</u>	<u>\$.001 per share</u>	<u>J-Ricks LLC</u> <u>Christopher Balmford</u>	<u>Loan</u>
<u>1/2/2020</u>	<u>74,021</u>	<u>71,839</u>	<u>2,182</u>	<u>Demand</u>	<u>25% discount to market price at time of conversion</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>

<u>1/2/2020</u>	<u>6,332</u>	<u>6,264</u>	<u>78</u>	<u>Demand</u>	<u>N/A</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>
<u>5/18/20</u>	<u>20,000</u>	<u>20,000</u>	<u>235</u>	<u>5/18/21</u>	<u>55% multiplied by the Market Price (representing a discount rate of 45%) with a "Floor Price" of .001c which means no conversions can be priced below Floor Price. "Market Price" means the average of the lowest three (3) Closing Prices (as defined below) for the Common Stock during the ten (10) Trading Day period ending one Trading Day prior to the date the Conversion Notice is sent by the Holder</u>	<u>BB Winks LLC</u> <u>Craig Fischer</u>	<u>Loan</u>
<u>6/15/20</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>6/15/21</u>	<u>Fifty Percent (50%) of the lowest Trading Price (defined below) during the twenty (20) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.</u>	<u>GPL Ventures LLC</u> <u>Alex Dillion</u>	<u>Loan</u>

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

4) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: John Patterson
Title: Accountant
Relationship to Issuer: Service Provider

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

- C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Statement of Changes in Shareholders' Equity
G. Financial notes; and

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

H. Audit letter, if audited

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

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

The unaudited financial statements of the Company for the quarter ended June 30, 2020 are attached hereto.

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

5) Issuer's Business, Products and Services

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

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

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company focuses on developing and marketing specialty branded products in the Health and Wellness markets. The Company is currently headquartered in Florida. At this time, the Company is revenue producing and is selling product under its own private label and other branded products in the Health and Wellness market segment. On May 7, 2020, the Company acquired Choice Wellness Inc, a health and wellness company that has developed a specialty brand of CBD products and sanitizers.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Choice Wellness Inc., a Wyoming corporation, wholly owned subsidiary (as of May 7, 2020)

C. Describe the issuers' principal products or services, and their markets

CYIOS Corporation is focused on developing and marketing specialty branded products in the Health and Wellness markets, including the "DR's CHOICE" and "24" brand of products. The team has in-depth knowledge of the health and wellness markets, financial services industry, medical and health services, and blockchain.

6) Issuer's Facilities

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

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

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

None

7) Officers, Directors, and Control Persons

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>David W. Greene</u>	<u>Director (1)</u>	<u>Melbourne, Australia</u>	<u>2,348,103</u> <u>(1)</u>	<u>Common</u>	<u>3.3%</u>	
<u>Timothy Carnahan</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>5,000,000</u>	<u>Common</u>	<u>7%</u>	
<u>David Lewis</u>	<u>CEO/Director</u>	<u>Boca Raton, FL</u>	<u>14,260</u>	<u>Series D Preferred</u> <u>(3)</u>	<u>43.9%</u>	On May 8, 2020 Mr. Lewis assigned 4,990 Series D Preferred shares to DBL Group LLC, a non-affiliate.
<u>John O'Shea</u>	<u>Director/Chairman of the Board</u>	<u>Melbourne, Australia</u>	<u>10,000</u>	<u>Series B Preferred</u>	<u>100%</u>	
			<u>15,000</u>	<u>Series C Preferred</u> <u>(2)</u>	<u>100%</u>	
			<u>2,500</u>	<u>Series D Preferred</u> <u>(3)</u>	<u>7.7%</u>	

- (1) Concurrent with the acquisition of Choice Wellness on May 7, 2020, David Green Exchanged his Series B Preferred shares for 2,348,103 shares of Company common stock and resigned as CEO. He remains a director of the Company.
- (2) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time
- (3) Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time

8) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

In the Matter of Traci J. Anderson, CPA, Timothy W. Carnahan, and CYIOS Corporation (File No. 3-16386). On February 3, 2020 the Company filed its Petition for Review of the Initial Decision in this matter. The Petition is pending, and the Company intends to vigorously pursue the Petition and any additional appeals, if necessary

On February 13, 2015, the Securities and Exchange Commission entered an "Order Instituting Administrative And Cease- And-Desist Proceedings" The SEC alleged that the Company, its then CEO Timothy Carnahan and its accountant Traci J. Anderson violated certain provisions of the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934 and certain rules promulgated thereunder including the failure to properly assess the Company's internal controls. Ms. Anderson was dismissed from the action on December 21, 2015.

On June 21, 2018, "[i]n light of the Supreme Court's decision in Lucia v. SEC," 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding.

On January 10, 2020, the Administrative Law Judge entered an initial decision seeking a cease and desist against the Company and Carnahan and seeking to impose monetary penalties against the Company in excess of \$500,000. On February 3, 2020, the Company filed its Petition for Review of the Initial Decision.

9) Third Party Providers

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

Securities Counsel

Name: Jonathan Leinwand, Esq.
Firm: Jonathan D. Leinwand, P.A.
Address 1: 18851 NE 29th Ave. Suite 1011
Address 2: Aventura, FL 33180
Phone: (954) 903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: J.D. Patterson
Firm: Patterson CPAs, LLC
Address 1: 722 West Shepard Lane, Suite 101
Address 2: Farmington, UT 84025
Phone: 801-451-8886
Email: john@gapcpas.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

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

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, David Lewis certify that:

1. I have reviewed this quarterly disclosure of CYIOS Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

September 7, 2020 [Date]

/s/ David Lewis [CEO's Signature]

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

Principal Financial Officer:

I, John O'Shea certify that:

1. I have reviewed this quarterly disclosure of CYIOS Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

September 7, 2020 [Date]

/s/ John O'Shea [CFO's Signature]

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

CYIOS Corporation

**Consolidated Financial Statements
Unaudited**

**For the Three & Six Months Ended
June 30, 2020**

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CYIOS CORPORATION
CONSOLIDATED BALANCE SHEET
As of June 30, 2020

	Six Months Ended June 30, 2020	Twelve Months Ended December 31, 2019
	Unaudited	Unaudited
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 18,524	\$ -
Inventories	22,674	-
Prepaid expenses	1,250	2,075
TOTAL CURRENT ASSETS	42,448	2,075
 TOTAL ASSETS	 \$ 42,448	 \$ 2,075
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 22,785	\$ -
Short-term liabilities	18,054	-
Stockholder payable	65,491	-
TOTAL CURRENT LIABILITIES	106,330	-
 CONVERTIBLE BOND	 260,214	 245,919
RELATED ENTITY NOTES PAYABLE	7,343	71,839
RELATED ENTITY CONVERTIBLE NOTE	74,021	-
 STOCKHOLDERS' EQUITY		
Common stock, \$.001 par value, 100,000,000 shares authorized, 71,005,193 shares issued and outstanding	71,005	39,943
Preferred stock - See Note 6	58	10,000
Capital in excess of par value - common stock	24,764,540	24,501,762
Capital in excess of par value - preferred stock - Note 6	4,646	-
Stock subscription payable	35,221	-
Retained deficit	(25,280,930)	(24,867,388)
TOTAL STOCKHOLDERS EQUITY	(405,460)	(315,683)
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ 42,448	 \$ 2,075

These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.

See the accompanying notes.

CYIOS CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
For The Three & Six Months Ended June 30, 2020 and 2019

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	Unaudited	Unaudited	Unaudited	Unaudited
INCOME				
Revenues earned	\$ 4,834	\$ -	\$ 4,834	\$ -
Cost of revenues earned	15,886	-	20,720	-
GROSS LOSS	(11,052)	-	(15,886)	-
EXPENSES				
General and administrative	108,524	-	402,017	10,972
OPERATING LOSS	(119,576)	-	(417,903)	(10,972)
OTHER INCOME (EXPENSE)				
Interest expense	(2,857)	(1,627)	(5,639)	(3,243)
Other income	10,000	-	10,000	-
	7,143	(1,627)	4,361	(3,243)
	-	-	-	-
Loss before income taxes	(112,433)	(1,627)	(413,542)	-
Income tax expense	-	-	-	-
Loss before minority interests	(112,433)	(1,627)	(413,542)	(14,215)
NET LOSS FROM CONTINUING OPERATIONS	(112,433)	(1,627)	(413,542)	(14,215)
NET INCOME (LOSS)	\$ (112,433)	\$ (1,627)	\$ (413,542)	\$ (14,215)

These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.

See the accompanying notes.

CYIOS CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For The Three & Six Months Ended March 31, 2020

	<u>Common Stock</u>		<u>Preferred Stock Series A-D</u>		<u>Capital in Excess of Par Value Common</u>	<u>Capital in Excess of Par Value Preferred</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Balance January 1, 2019	36,311,640	\$ 36,312	10,000,000	\$ 10,000	\$ 24,496,376	\$ -	\$ (24,782,109)	\$ (239,421)
Sale of common stock	3,631,164	3,631			5,386		-	9,017
Net income	-	-	-	-	-	-	(85,278)	(85,278)
Balance December 31, 2019	39,942,804	\$ 39,943	10,000,000	\$ 10,000	\$ 24,501,762	\$ -	\$ (24,867,388)	\$ (315,683)
Sale of common stock	9,950,961	9,951	-	-	253,929		-	263,880
Stock issued for debt conversion	3,571,428	3,571	-	-	842		-	4,413
Net income	-	-	-	-	-	-	(301,109)	(301,109)
Balance March 31, 2020	53,465,193	\$ 53,465	10,000,000	\$ 10,000	\$ 24,756,533	\$ -	\$ (25,168,497)	\$ (348,499)
Sale of common stock	-	-	-	-	7,500	-	-	7,500
Stock issued for debt conversion	17,540,000	17,540	-	-	507	-	-	18,047
Sale of preferred stock	-	-	67,500	68	-	6,994	-	(60,438)
Preferred converted to common	2,348,103	2,348	(10,000)	(10)	32,873	(2,348)	-	42,863
Net income	-	-	-	-	-	-	(122,433)	(122,433)
Balance June 30, 2020	<u>73,353,296</u>	<u>\$ 73,353</u>	<u>10,057,500</u>	<u>\$ 10,058</u>	<u>\$ 24,797,413</u>	<u>\$ 4,646</u>	<u>\$ (25,290,930)</u>	<u>\$ (405,460)</u>

These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.

See the accompanying notes.

CYIOS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Six Months Ended June 30, 2020

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (413,542)	\$ (14,215)
(Increase) decrease in assets:		
Inventories	(22,674)	-
Prepaid expenses	825	-
Increase (decrease) in liabilities:		
Accounts payable	22,785	-
Net cash used by operating activities	(347,115)	(14,215)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES		
Cash from related entity loans	7,344	-
Net cash flows from investing activities	7,344	-
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES		
Cash received from related party convertible loans	2,181	-
Cash paid for stockholder loans	-	10,972
Change in short-term liabilities	18,054	-
Cash paid to convertible bonds	(25,705)	3,243
Cash received from convertible bonds	40,000	-
Cash received from the issuance of common stock	293,840	-
Cash received from the issuance of preferred stock	(5,296)	-
Common stock subscription payable	35,221	-
Net cash flows from financing activities	358,295	14,215
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,524	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 18,524	\$ -

These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.

See the accompanying notes.

CYIOS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Six Months Ended June 30, 2020

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	Unaudited	Unaudited
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 3,135	\$ -
Common stock issued directly to vendors	\$ 329,061	\$ -
Preferred stock pending conversion to common stock	\$ 35,112	\$ -
Preferred stock issued for:		
Choice Wellness, Inc. stock acquisition	4,666	-
Board of Directors	38	-
Total	\$ 4,704	\$ -

These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.

See the accompanying notes.

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

Business Organization

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company was reorganized to engage in the business of providing financing and loan origination services utilizing different forms of collateral. The Company is currently headquartered in Deer Field, Illinois. At this time, the Company continues to develop financials services, but has not yet commenced principle operations.

The Company activities are subject to significant risks and uncertainties, including failing to secure the necessary funding to operationalize it plans to provide loan and financing activities.

The Company wholly owns Choice Wellness, Inc. which is incorporated in the State of Wyoming. The Company is currently headquartered in Florida and has developed a long lasting hand sanitizer that is currently marketed and sold on-line.

Principles of Consolidation

The consolidated financial statements include the Company's wholly owned subsidiary, Choice Wellness, Inc. All significant intercompany transactions are eliminated. There was no income or expense recorded between the companies as of June 30, 2020. Inter-company receivables/payables of \$25,329 have been eliminated.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

Fair Value of Financial Instruments

Financial instruments, including cash, receivables and other current assets, are carried at amounts that approximate fair value. Accounts payable, lines of credit, loans, notes payable and other liabilities are carried at amounts that approximate fair value.

Equipment

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line method in amounts sufficient to write off the cost of depreciable assets over their estimated useful lives.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

Intangible assets subject to amortization include patents and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of March 31, 2020, the Company needs to file federal and state tax returns for the years ended 2013 through 2019. Upon filing, those returns would subject to review by federal and state tax authorities for three years.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred advertising expenses of \$4,864 and \$5,271 during the three and six months ended March 31 and June 30, 2020, respectively.

Sales and Use Taxes

The Company is domiciled in the State of Nevada with its headquarters in Deerfield, Florida and is required to collect sales tax on all in-state transactions. During the months ended June 30, 2020 the Company collected and remitted no sales and use tax.

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Review Date

In preparing these revised financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through August 31, 2020 the date the revised financial statements were issued.

NOTE 2 - STOCKHOLDER PAYABLE

On May 7, 2020, the Board of Directors approved professional fees of \$6,500 per month to two related entities individually controlled by Board members for services beginning February 1, 2020 and ending May 7, 2020. Effective May 8, 2020, the Board approved an increase to \$8,500 per month. As of June 30, 2020, those fees totaled \$65,491

NOTE 3 - CONVERTIBLE LOAN

During January of 2016, the Company entered into a \$225,000 Convertible Loan Agreement with Azure Associates in exchange for non-assessable shares of the Company's Common Stock based upon a conversion price of \$.0003 per share with interest accruing at 0%. To comply with U.S. Generally Accepted Accounting Principles, (US GAAP), Company has applied an interest rate of 2.65% based upon the long-term federal funds rate when the convertible bond was issued. As of August 31, 2019, the Company agreed to restructure the convertible debt from a conversion price of \$.0003 per share to \$.001 per share. During the quarter ended June 30, 2020, the Company converted \$16,543, including interest, of this debt leaving a balance due of \$220,214 (see note 4 for additional information).

NOTE 4 - CONVERTIBLE BONDS

During the three months ended June 30, 2020, the Company issued 2 convertible bonds for \$20,000 each that are due in June 2021 with a stated interest rate of 10%. As of June 30, 2020, the balance on those bonds were \$40,000.

NOTE 5 - RELATED ENTITY NOTE PAYABLE AND CONVERATBLE NOTE PAYABLE

The Company entered into a loan agreement with OFBP Proprietary Limited (OFBP Pty Ltd) in the fourth quarter of 2018, for up to \$250,000 to pay for operational expenses. As of December 31, 2019, the balance under this loan was \$71,839. Interest accrues at 15% per annum on the outstanding balance. On January 2nd 2020, in exchange of this loan, the Company issued a one-year Convertible Promissory Note to OFBP Pty, Ltd in the amount of \$71,839 for payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company, during 2019. General terms of the Note are 6% annual interest and conversion terms of 25% discount into common shares. As of June 30, 2020, the balance of the Convertible Note Payable was \$74,021, including interest.

Beginning January 2, 2020, any new funds provided by OFBP will be a loan payable at 8% annual interest. During the period ending June 30, 2020, \$1,079 in payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company. The Company plans to close out the agreement with OFBP

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 5 - RELATED ENTITY NOTE PAYABLE AND CONVERTIBLE NOTE PAYABLE
(Continued)
during the 2nd quarter of 2020. As of June 30, 2020, the balance of the note payable was \$7,343, including interest.

NOTE 6 - COMMON STOCK ACTIVITY
The Company is authorized to issue 100,000,000 shares of common stock at \$.001 per share. The number of issued and outstanding shares were 71,005,193 as of June 30, 2020.

On January 10, 2020 the Company signed an agreement with Cicero Transact, an exclusive online network of members from around the world who are dedicated to forging strategic business alliances. The material terms of the agreement are that the Company will receive 2,500,000 records for 6 months in exchange for 3,571,428 shares of common stock at \$0.07 per share.

During the quarter ended June 30, 2020, the company has issued 9,950,961 shares in connection with the Convertible Loan Agreement originally with Azure Associates, currently assigned to JRICKS LLC, for the conversion of \$9,125 on the note payable and accrued interest (see note 2 for additional details).

NOTE 6 - PREFERRED STOCK
As of June 30, 2020, the company is authorized to issue 4 series of preferred stock as follows:

<u>Preferred Stock</u>	<u>Par Value</u>	<u>Shares Authorized</u>	<u>Issued & Outstanding</u>	<u>Preferred Stock</u>	<u>Additional Paid-in Capital</u>	<u>Total by Series</u>
Series A	\$0.001	10,000,000	-	\$ -	\$ -	\$ -
Series B	\$0.001	10,000	10,000	10	-	10
Series C	\$0.001	15,000	15,000	15	-	15
Series D	\$0.001	32,000	32,500	33	4,646	4,679
Preferred Stock Totals		<u>10,057,000</u>	<u>\$ 57,500</u>	<u>\$ 58</u>	<u>\$ 4,646</u>	<u>\$ 4,704</u>

Series A

As of June 30 2020, the Company is authorized the issue of up to 10,000,000 shares of \$.001 par value Series A preferred stock. The preferred stock carries a voting right of 20 votes per share and each share is convertible to 20 shares of common stock. As of June 30, 2020, the Company had previously issued 10,000,000 shares of preferred stock which were returned as part of the settlement with a former CEO.

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 6 - PREFERRED STOCK - CONTINUED

Series B

As of June 30, 2020, the Company is authorized the issue of up to 10,000 shares of \$.001 par value Series B preferred stock. As of June 30, 2020, the Company had previously issued 10,000 shares of preferred stock to David Green for his service as CEO. Those shares were later converted to 2,348,103 common shares at \$.015 per share. Subsequently, the 10,000 shares of Series B we issued to Mr. John O'Shea at par value for services to the Company.

Series C

As of June 30, 2020, the Company is authorized the issue of up to 15,000 shares of \$.001 par value Series C preferred stock. During the three months ended June 30, 2020, the Company issue 15,000 shares of Series C we issued to Mr. John O'Shea at par value for services to the Company. Each share of Series C Preferred Stock is convertible into a number of common shares equal to .001% of the number of common shares issued and outstanding on the date of conversion.

Series D

As of June 30, 2020, the Company is authorized the issue of up to 32,500 shares of \$.001 par value Series D preferred stock. . As of June 30, 2020, the Company had issued 20,000 shares of preferred stock to acquire Choice Wellness, Inc. Additionally, 2,500 and 10,000 shares of Series D were issued at par value to Mr. John O'Shea and Mr. David Lewis, respectively, for services provided. Each share of Series D Preferred Stock is convertible into a number of common shares equal to .001% of the number of common shares issued and outstanding on the date of conversion.

NOTE 7 - STOCK-BASED NONEMPLOYEE COMPENSATION

On October 14, 2019, the Company entered into an agreement with a consultant to ensure compliance with legal obligations concerning OTC markets and related filings. The yearlong \$30,000 agreement, after an initial \$2,500 cash payment, will pay the \$27,500 balance in the Company's common shares calculated at \$0.05 per share. In the event the Company's shares is less than 5 cents per share, the price will be adjusted to a price per share equity to a 25% discount to the lowest closing price for the stock during the preceding 30 days.

NOTE 8 - INCOME TAXES

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	<u>2019</u>
	<u>Unaudited</u>
Total deferred tax asset	\$ 5,221,369
Valuation allowance	<u>5,221,369</u>
Net deferred tax asset	<u>\$ -</u>

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 8 - INCOME TAXES - CONTINUED

The Company's income tax expense can differ from the statutory federal rate due primarily to state income taxes and surtax exemptions. Current, the federal tax rate is 21% with a like valuation allowance. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of August 31, 2020, there remains insufficient positive evidence to conclude that it is more likely than not that any deferred taxes are realizable; therefore, the valuation allowance brings the net deferred tax asset to \$0 for the most recent year ended December 31, 2019. At such time as there is positive evidence, the valuation will be adjusted accordingly.

The deferred tax asset is based upon an estimated Net Operating Loss (NOL) carryforward of \$24,837,000. An NOL incurred before January 1, 2018 expires after 20 years while an NOL incurred after that date is indefinite. As of December 31, 2019, the Company is unable to determine the exact NOL due to the need to determine and to file past-due federal and state tax income tax returns. The Company's current management team is working to acquire past returns in order to determine the starting point for those needed filings. See Note 1 for additional details.

NOTE 8 - UNITED STATES TAX LAW CHANGE

On December 22, 2017, President Trump signed into law the statute originally named the "Tax Cuts and Jobs Act" (the "2017 Tax Act") which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, and puts into effect a number of changes impacting operations outside of the United States including, but not limited to, the imposition of a one-time tax on accumulated post-1986 deferred foreign income that has not previously been subject to tax, and modifications to the treatment of certain intercompany transactions

NOTE 9 - GOING CONCERN

As reflected in the accompanying unaudited financial statements, the Company is in the development stage has a working capital deficiency and a retained deficit of (\$25,264,198). The Company's ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the business plans provide the opportunity for the Company to continue as a going concern.

CYIOS CORPORATION
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
June 30, 2020
Unaudited

NOTE 10 - LITIGATION SETTLED

On March 16, 2020, the Company settled certain claims alleged by its former CEO Timothy Carnahan. As part of settlement, Mr. Carnahan provided written notification to the State of Nevada, the company's Transfer Agent and all relevant governing agencies including the US Securities and Exchange Commission that recent statements and actions undertaken by Mr. Carnahan have been withdrawn. Additionally, Mr. Carnahan agreed to cancel 15,226,294 shares of restricted common stock which had been issued to him when he was CEO as well as 10,000,000 shares of Series A Preferred Stock.

NOTE 11 - BOARD OF DIRECTORS

On May 7, 2020, David Green resigned as CEO and was replaced by David Lewis. Mr. Green remains on the Board of Directors along with Mr. Lewis who was also appointed as a member of the board. Finally, John O'Shea was appointed as the Chairman of the Board.

Also on May 7, 2020, the Board of Directors approved professional fees of \$6,500 per month to two related entities individually controlled by Board members for services beginning February 1, 2020 and ending May 7, 2020. Effective May 8, 2020, the Board approved an increase to \$8,500 per month. As of June 30, 2020, those fees totaled \$65,491.

NOTE 12 - PURCHASE OF CHOICE WELLNESS, INC.

On May 7, 2020 CYIOS Corp completed the acquisition of privately held Choice Wellness, Inc. (CW). Terms of the transaction were CYIOS acquired 100% of CW in exchange for 20,000 shares of a newly issued class of Series D preferred stock that converts into 20% of CYIOS.

NOTE 12 - SUBSEQUENT EVENTS

As of August 31, 2020, the Company issued an additional 7,000,000 shares as part of the \$225,000 Convertible Note Payable with Azure. See note 2 for additional details.