

**FOR IMMEDIATE RELEASE**

**Cyberlux Corporation Reports Fiscal Year 2025 Annual Results;  
 Revenue of \$31.4 Million, Gross Margin Expansion to 45%,  
 Completion of 2,000-Unit K8 UAS Delivery to U.S. Department of War**

**RESEARCH TRIANGLE PARK, N.C. — March 31, 2026** — Cyberlux Corporation (OTC: CYBL) ("Cyberlux" or the "Company"), an advanced defense technology company delivering unmanned aircraft systems, tactical communications, and integrated defense solutions, today published its Annual Disclosure Statement for the fiscal year ended December 31, 2025.

**Fiscal Year 2025 Highlights**

**Financial Summary**

(\$ in millions, except per share)	FY 2025	FY 2024
<b>Revenue</b>	<b>\$31.4</b>	<b>\$48.4</b>
Cost of Goods Sold	(\$17.3)	(\$30.6)
<b>Gross Profit</b>	<b>\$14.2</b>	<b>\$17.8</b>
<b>Gross Margin</b>	<b>45.1%</b>	<b>36.7%</b>
Total Operating Expenses	(\$15.3)	(\$19.1)
Loss from Operations	(\$1.1)	(\$1.3)
<b>Net Loss</b>	<b>(\$5.3)</b>	<b>(\$4.3)</b>
Cash and Cash Equivalents	\$0.3	\$5.0
Accounts Receivable	\$26.4	\$4.9
Total Assets	\$45.0	\$37.0

"Fiscal year 2025 was a challenging year for Cyberlux," said **Mark D. Schmidt, President and Chief Executive Officer**. "We completed delivery of all 2,000 K8 unmanned aircraft systems under our \$78.9 million DoD contract — making Cyberlux one of the leading UAS manufacturers and the K8 one of the largest Group 1 UAS deliveries to the U.S. Government by a domestic manufacturer. We also had significant legal disruptions and a U.S. government shutdown that constrained second-half shipments and cash flow, but our gross margin expanded meaningfully to 45%, our product portfolio matured with four NDAA-compliant platforms now market-ready, and our combined backlog and pipeline stands at approximately \$53.7 million entering 2026. With the Atlantic Wave litigation reaching settlement and receivership dissolution underway, we are positioned to return to normalized operations and unlock the value embedded in our defense portfolio."

## **Operational Highlights**

### **Unmanned Aircraft Solutions (UAS)**

On June 2, 2025, Cyberlux completed delivery of all 2,000 K8 systems to the U.S. Department of Defense under the \$78.9 million contract awarded through prime contractor HII under the Ukraine Security Assistance Initiative — one of the largest Group 1 UAS deliveries by a U.S. manufacturer to date. The UAS division advanced development of its NDAA-compliant X Series platform family, which now includes four models: the 5" Weaver (Trainer), the 7" Spider, the X4.10 Huntsman (Mid-Size), and the X4.18 Tasmanian (Heavy Lift). Each platform is designed for electronic warfare resilience and GPS-independent operation, with supply chain transparency aligned with NDAA Section 848 and Section 889 requirements.

Strategic technology partnerships advanced during 2025, including a collaboration with TrellisWare Technologies for anti-jam waveform integration, continued progress with OKSI on GPS- and RF-denied navigation using the OMNISCIENCE autonomy suite, and a new strategic collaboration with Argus Industrial for munitions capability development. On July 22, 2025, the Company was issued U.S. Patent Number 12,365,458 B2 for its "Munitions Payload Delivery System with Bump Fire and Radio Command Triggers." In January 2026, Cyberlux submitted its Gauntlet Phase 1 proposal under the Department of Defense's approximately \$1 billion Drone Dominance program.

### **Datron Military Communications (DMC)**

Datron World Communications, a wholly owned subsidiary, re-established its global distribution network and expanded its international FMS presence during 2025, adding dedicated regional sales directors for the Middle East, Africa, Asia Pacific, and Latin America. DMC implemented cost-reduction initiatives across its flagship radio lines while securing new business in Latin America, Asia-Pacific, and with the U.S. Navy. During Q4 2025, DMC shipped \$719,000 in spare parts to a MENA partner nation under a U.S. Government FMS contract, with a second shipment of approximately \$720,000 completed in February 2026 — three months ahead of schedule. Datron ended fiscal year 2025 with over \$29.9 million in order backlog and pipeline. DMC is continuing to negotiate multi-year proposals for locally manufacturing radios with four U.S. allied partner nations in the Middle East and Africa.

### **Global Integration Services (GIS)**

GIS fulfilled and completed a \$22.7 million contract through Canadian partners as the U.S. prime contractor to provide aircraft instrument landing systems for F-16 aircraft support during Q3 2025. The division continues to develop Foreign Military Sales border security solutions for U.S. allied partner nations across the Middle East and Africa, with funding decisions anticipated during 2026.

### **Strategic Relationships**

In Q2 2025, Cyberlux entered into a strategic relationship with Palantir Technologies to deploy Palantir's Warp Speed Operating System across manufacturing operations. Deployment has been paused until the Company can return to normal operations and is anticipated for the second half of 2026. Separately, Cyberlux entered into a memorandum of understanding with George Mason University focused on advancing innovation across 5G systems, UAS, cybersecurity, and next-generation tactical communications.

## Financial Commentary

Revenue for fiscal year 2025 was \$31.4 million compared to \$48.4 million in fiscal year 2024. The year-over-year change reflects the completion of the K8 contract, the partial revenue reversal recorded in late 2024 related to the government termination for convenience, and the resumption and completion of remaining shipments during the first half of 2025. Gross margin improved to 45.1% from 36.7%, reflecting a more favorable product mix and improved manufacturing efficiencies.

Total operating expenses decreased to \$15.3 million from \$19.1 million, driven by reductions in general and administrative expenses. Net loss for the year was \$5.3 million compared to \$4.3 million in 2024, primarily due to higher interest expense of \$4.0 million associated with the Company's credit facility and related borrowings. Cash used in operating activities was \$4.9 million.

Accounts receivable increased to \$26.4 million as of December 31, 2025 from \$4.9 million at year-end 2024, reflecting invoiced but uncollected amounts under the K8 contract. Collection of these receivables has been delayed by the HII interpleader action currently in the settlement phase in U.S. District Court for the Eastern District of Virginia.

As of December 31, 2025, the Company's combined order backlog was approximately \$16 million with an additional pipeline of approximately \$37.7 million across the three business units.

## Legal Matters Update

The Company made significant progress resolving outstanding legal matters during 2025 and early 2026:

**Atlantic Wave Settlement:** On February 26, 2026, Cyberlux and Atlantic Wave Holdings, LLC and Secure Community, LLC entered into a full settlement agreement resolving all matters at the Texas trial court. The parties filed a Joint Motion for Release of Funds, Satisfaction of Judgment, and to Dissolve Receivership, with a hearing set for May 11, 2026. On March 18, 2026, Cyberlux filed a motion for an Emergency Evidentiary Hearing to expedite termination of the receiver.

**Fairfax Garnishment Resolved:** On November 14, 2025, the Fairfax County Circuit Court issued a final order awarding the judgment creditor \$1,140,040.66 and directing the balance of the garnished fund be paid to Cyberlux, finally adjudicating and satisfying the debt claimed by Atlantic Wave.

**HII Interpleader:** The interpleader action in the U.S. District Court for the Eastern District of Virginia has entered the settlement phase with assigned U.S. Magistrate Judge Mark R. Colombell, with the first settlement hearing held on March 26, 2026. The Company's credit facility with Legalist SPV III of approximately \$13 million and a long-standing tax dispute of approximately \$1.1 million are expected to be resolved through this action.

**RB Capital Settlement:** Cyberlux and RB Capital Partners, LLC have reached a settlement agreement in principle, pursuant to which RB Capital will withdraw or otherwise terminate its pending litigation.

## Subsequent Events

Subsequent to December 31, 2025, the Company entered into two merchant cash advance agreements with a total repayment obligation of approximately \$1.35 million, borrowed an additional \$400,000 on its RB Capital line of credit, and agreed to issue shares in settlement of certain promissory notes, including 260,416,667 shares to settle a convertible note with RB Capital Partners and 260,000,000 shares to settle notes originally issued to Bilal Maadarani and subsequently transferred to Eris Cali.

## **Outlook**

With the resolution of the Atlantic Wave litigation, the pending dissolution of the receivership, and the HII interpleader entering the settlement phase, Cyberlux is focused on returning to normalized operations and unlocking the value of its defense technology portfolio. The Company's fiscal year 2026 priorities include collecting outstanding receivables from the K8 contract, converting the \$29.9 million Datron backlog and pipeline into shipments, advancing NDAA-compliant UAS platform sales globally, re-engaging with Palantir Technologies on Warp Speed OS deployment, and pursuing additional contract awards including future Drone Dominance Gauntlet phases. The Company aspires to resume SEC registration and uplist to a higher-level market as resources permit.

## **About Cyberlux Corporation**

Founded in 2000, Cyberlux Corporation is a defense technology solutions company comprised of three business units: Unmanned Aircraft Solutions (UAS), Datron Military Communications (DMC), and Global Integration Services (GIS). Headquartered in Research Triangle Park, NC, with manufacturing and office operations in Vista, CA, Cyberlux delivers products and services to U.S. government agencies including USSOCOM, USNAVY, USCENTCOM, USEUCOM, USAFRICOM, and USINDOPACOM, as well as allied foreign nations through U.S. foreign military sales. For more information, visit [www.cyberlux.com](http://www.cyberlux.com).

## **Safe Harbor Statement**

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding the Company's expectations for revenue growth, pipeline conversion, contract awards, receivership dissolution, cash flow improvements, interpleader resolution, product development, SEC registration, and uplisting plans. These statements are based on current expectations, estimates, and projections about the Company's business and the industry in which it operates, and are not guarantees of future performance. Actual results may differ materially from those expressed or implied in such statements due to a variety of factors, including: risks associated with pipeline conversion and contract award delays; litigation uncertainties and the timing of receivership dissolution; cash flow timing assumptions and working capital requirements; government spending levels and procurement priorities; the Company's ability to collect outstanding receivables; the Company's ability to secure additional financing on acceptable terms; competitive factors; and other risks described in the Company's OTC Markets disclosures. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

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