# ANNUAL REPORT
# FOR THE YEAR ENDED
# DECEMBER 31, 2021

# CYBERLUX CORPORATION

800 Park Offices Drive, Suite 3209
Durham, NC 27709
Phone: 984-363-6894
Fax: 919-867-2911

| FEDERAL TAX I.D. | CUSIP No |
|---|---|
| 91-2048978 | 23247M205 |

SIC NUMBER
3674 – Semi-conductors and related devices

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 5,751,417,345

As of September 30, 2021, the number of shares outstanding of our Common Stock was: 5,504,594,661

As of December 31, 2019, the number of shares outstanding of our Common Stock was: 4,481,275,578

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 Control[1] 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.

# Part A: General Company Information

**Item 1. The exact name of the issuer and its predecessor (if any).**

Cyberlux Corporation

**Item 2. The address of the issuer's principal executive offices.**

Cyberlux Corporation
800 Park Offices Drive, Suite 3209
Durham, NC 27709
Phone: 984-363-6894
Fax: 919-867-2911
Website: http: www.cyberlux.com

**Item 3. The Jurisdiction(s) and date of the issuer's incorporation or organization.**

Incorporated in the State of Nevada on May 17, 2000

# Part B: Share Structure

**Item 4. The exact title and class of securities outstanding.**

| | |
|---|---|
| Class of Securities Outstanding: | Common Stock and Preferred A, B and C |
| Security Symbol: | CYBL.PK |
| CUSIP Number | 23247M205 |

**Item 5. Par or stated value and description of the security.**

A. *Par or stated value.*

The Par Value of Common Stock is $0.001 per share.
The Par Value of Series A, B and C Preferred Stock is $0.001 per share.

B. *Common or Preferred Stock*

1. Common Stock

We are authorized to issue up to 8,750,000,000 shares of common stock, par value $.001. As of December 31, 2020 there were 4,481,275,578 shares. As of December 31, 2021, there were 5,751,417,345 shares of common stock outstanding. Holders of the common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefore. Upon the liquidation, dissolution, or winding up of our company, the holders of common stock are entitled to share ratably in all of our assets which are legally available for distribution after payment of all debts and other liabilities and liquidation preference of any outstanding common stock. Holders of common stock have no preemptive, subscription, redemption, or conversion rights. The outstanding shares of common stock are validly issued, fully paid and non-assessable.

2. Preferred Stock

Our Articles of Incorporation authorize the issuance of 100,000,000 shares of preferred stock, $0.001 par value per share, the designation and rights of which are to be determined by our Board of Directors. Our Board of Directors has authority, without action by the shareholders, to issue all or any portion of the authorized but unissued preferred stock in one or more series and to determine the voting rights, preferences as to dividends and liquidation, conversion rights, and other rights of such series. We consider it desirable to have preferred stock available to provide increased flexibility in structuring possible future acquisitions and financing and in meeting corporate needs which may arise. If opportunities arise that would make desirable the issuance of preferred stock through either public offering or private placements, the provisions for preferred stock in our Articles of Incorporation would avoid the possible delay and expense of a shareholder's meeting, except as may be required by law or regulatory authorities. Issuance of the preferred stock could result, however, in a series of securities outstanding that will have certain preferences with respect to dividends and liquidation over the common stock which would result in dilution of the income per share and net book value of the common stock.

Issuance of additional common stock pursuant to any conversion right which may be attached to the terms of any series of preferred stock may also result in dilution of the net income per share and the net book value of the common stock. The specific terms of any series of preferred stock will depend primarily on market conditions, terms of a proposed acquisition or financing, and other factors existing at the time of issuance. Our Board of Directors may issue additional preferred stock in future financing but has no current plans to do so at this time. The issuance of Preferred Stock could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

Series A Convertible Preferred Stock

As of both December 31, 2021 and December 31, 2020, we have 26.9806 shares of our Series A Convertible Preferred Stock issued and outstanding. Each share is convertible into 250 shares of common stock. The Series A Convertible Preferred have the following designations and rights:

| | |
|---|---|
| Maturity: | Perpetual Preferred |
| Dividend: | 12% per annum. The dividend shall be payable semi-annually in cash or common stock at our option. |
| Fixed Conversion Price: | The Series A Convertible Preferred shall be convertible into common stock at $0.10 per share. |
| Stated Value: | $5,000 per share |

Mandatory Conversion: Beginning 180 days from the effective date of a registration statement, if the closing bid price for our common stock exceeds $1.50 for a period of 10 consecutive trading days, we have the right to force the holders to convert the Series A Convertible Preferred into common stock at the applicable conversion price.

Limitations on Conversion: Each holder of the Series A Convertible Preferred shares shall not convert the shares into common stock such that the number of shares of common stock issued after the conversion would exceed, when aggregated with all other shares of common stock owned by such holder at such time, in excess of 4.99% of our then issued and outstanding shares of common stock.

No Voting Rights: The holders of the Series A convertible shares have no voting rights until their shares are converted to common shares.

Series B Convertible Preferred Stock

The Board of Directors, pursuant to our Articles of Incorporation and By-Laws, authorized Series B Convertible Preferred Stock which was issued to officers and directors in order to convert accrued management fees and other liabilities into shares of the Series B Preferred Stock. The Series B Convertible Preferred Stock has the following designations and rights:

As of both December 31, 2021 and December 31, 2020, we have 100,000,000 shares of our Series B Convertible Preferred Stock issued and outstanding.

| | |
|---|---|
| Term: | Perpetual Preferred |
| Dividend: | 12% per annum |
| Conversion: | Each share of the Series B Convertible Preferred Stock may be converted to 200 shares of our common stock at the option of the bearer. |
| Voting Rights: | Except with respect to transactions upon which the Series B Preferred stock shall be entitled to vote separately, the Series B Preferred Stock shall have superior voting rights equal to one times the number of shares of Common Stock such holder of Series B Preferred Stock would receive upon conversion of such holder's shares of Series B Preferred Stock. The conversion price is $0.10 per share. |

Series C Convertible Preferred Stock

On November 13, 2006, the Company filed a Certificate of Designation creating a Series C Convertible Preferred Stock classification for 100,000 shares. This was subsequently amended on January 11, 2007 to 700,000 shares. There are currently 150,000 Series C Convertible Preferred shares outstanding.

As of both December 31, 2021 and December 31, 2020, we had 150,000 shares of our Series C Convertible Preferred Stock issued and outstanding.

| | |
|---|---|
| Term: | Perpetual Preferred |
| Dividend: | 5% per annum |
| Conversion: | The shares of the Series C Preferred are convertible at the option of the holder into common shares one year from issuance. |
| No Voting Rights. | The holders of the Series A convertible shares have no voting rights until their shares are converted to common shares. |

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any provisions in the Issuer's charter or by-laws that would delay, defer or prevent a change in control of the Issuer.

None.

## Item 6. The number of shares or total amount of the securities outstanding for each class of securities authorized.

Common Stock

| For the period ending December 31, 2021: | |
|---|---|
| Shares Authorized: | 8,750,000,000 |
| Shares Outstanding: | 5,751,417,345 |
| Public Float: | 4,097,569,970 |
| Number of Shareholders of Record: | 334 |

Preferred Stock

| | |
|---|---|
| ***Preferred A*** - For the period ending December 31, 2021: | |
| Shares Authorized: | 200 |
| Shares Outstanding: | 26.9806 |
| Public Float: | 0 |
| Number of Shareholders of Record: | 8 |
| | |
| ***Preferred B*** - For the period ending December 31, 2021: | |
| Shares Authorized: | 100,000,000 |
| Shares Outstanding: | 100,000,000 |
| Public Float: | 0 |
| Number of Shareholders of Record: | 4 |
| | |
| ***Preferred C*** - For the period ending December 31, 2021: | |
| Shares Authorized: | 150,000 |
| Shares Outstanding: | 150,000 |
| Public Float: | 0 |
| Number of Shareholders of Record: | 2 |

# Part C: Business Information

## Item 7. The name and address of the transfer agent.

| | |
|---|---|
| Name: | Standard Registrar and Transfer Company, Inc. |
| Address: | 440 E 400 S Suite 200, Salt Lake City, UT 84111 |
| Phone: | Main: (801) 571-8844 / Fax: (801) 571-2551 |

Standard Registrar & Transfer Company, Inc. is registered under the Exchange Act and is regulated by the Securities and Exchange Commission.

## Item 8. The nature of the issuer's business.

A. Business Development.

Cyberlux Corporation (the "Company") was incorporated under the laws of the State of Nevada on May 17, 2000. Until December 31, 2004, the Company was a development stage enterprise as defined under Accounting Standards Codification subtopic 915-10 Development Stage Entities. The Company was publicly traded on the OTCBB exchange from August 2004 to May 2011 and is now traded under CYBL.PK on the OTC Markets. While the Company is generating revenues from its sale of products and services through the performance of its business units, the Company has incurred expenses, and sustained losses. Consequently, its operations are subject to all risks inherent in the establishment of an ongoing business enterprise. As of December 31, 2021, the Company has accumulated losses of $28,676,552. Going forward, we intend to fully leverage this net loss carry-forward possible and use this tax advantage to maximize our cash flow from operations as a competitive advantage.

Cyberlux had a remarkable Q4 2021 and a truly phenomenal full year 2021, the best year ever for Cyberlux Corporation. We had growth from acquisitions in the large markets we are serving, and we even exceeded our revised December outlook by $1.4 million, up 22% compared to our revenue guidance. We are fundamentally transforming the Cyberlux company in all four of our business units, with key new personnel like Mr. Aaron Goodman as a new Board member, Mr. Paul Nurkkala as our Unmanned Aircraft Solutions Chief Test Pilot, and amazing new platform companies like the Kreatx team, among the many other accomplishments across the organization. The Cyberlux team operated at full speed during all of 2021, and the Q4 effort in particular, with their ongoing dedication to the success of Cyberlux. Cyberlux is truly harnessing the future!

Significant Events

Founded as an Advanced Lighting company in 2000, Cyberlux Corporation became a supplier to the Department of Defense (DoD) after being asked by the United States Air Force to leverage our unique Cyberlux LED lighting technologies to solve tough problems for elite Special Forces Teams; problems multiple aerospace and defense contractors had tried but failed to solve.

In 2021, Cyberlux Management set out to re-engineer the Corporation using a proven approach to achieve both rapid revenue expansion and industry diversification simultaneously. Leveraging a market capitalization of well over $100M, this strategy for fueling acquisition, investment and internal growth has already shown dramatic results. The Company has:

- Introduced products and solutions across multiple industries, going well beyond the hardened multispectral illuminators Cyberlux had become known for.

- Expanded the business and organized the company into verticals focused on targeted markets.

- Launched four business units including:

Digital Platform Solutions (DPS): Government and Industry Business Digital Transformation Solutions, Digital Services Management, UAS Guidance System Software, UAS Service Support Software, and Telecommunications, Data Center and Data Analytics Application Solutions, with ongoing technology and Strategic IP development.

Unmanned Aircraft Solutions (UAS): Military-Grade Hardware and Software Guidance System Platform, with Enhanced Infrared Night Vision, Thermal Sensor technology, Eye-in-the-Sky Monitoring, LiDAR Mapping and Perception, and ongoing Strategic Intellectual Property (IP) development with Strategic Partner technology.

Infrastructure Technology Solutions (ITS): Infrastructure Hardware capabilities, including Renewable Energy products and projects, Telecommunications Technology, Infrastructure Project Implementation, and ongoing related technology IP development.

And the existing Advanced Lighting Solutions (ALS): Cyberlux Advanced Infrared and White LED Lighting System Platform used as Solutions across U.S. agencies, and ongoing Strategic IP development with legacy and future Strategic Partner technologies.

Along with the outstanding 2021 revenue results, the year in total was remarkable and defined by breakthrough accomplishments:

- We reported revenue for December of $1.7 million which exceeded both the June projection of $0.5 million by 341% and the new revised December guidance of $0.6 million by $1.1 million and 304%. In addition, our year-to-date revenue through December of $7.7 million also exceeded our revised full year 2021 revenue guidance of $6.6 million by $1.1 million as well.

- For 2021, our financial reporting has the following highlights:
    1. 244% increase in Q4 vs. Q3 Revenue, $5.49M vs. $2.25M.
    2. 220% increase in Q4 Revenue vs. June Q4 estimates, $5.49M vs. $2.50M.
    3. Full Year Revenue for 2021 was $8.05M, an increase of $8.05M Year over Year.
    4. Net Income from Operations for 2021 was $1.90M, an increase of $1.90M Year over Year.

- We beat our June revenue guidance for the full year 2021 by $2.5 million, over 200% above the $5.2 million projection. In addition, we posted positive net income from Operations for the full year 2021 of $1.9 million.

- We announced that Mr. Aaron Goodman has joined the Board of Directors as a new director who will help guide the corporate acquisition strategy and execution. Mr. Goodman brings significant experience in mergers and acquisitions (M&A) to Cyberlux, and he has held senior leadership positions at some of the world's largest financial firms. Mr. Goodman also brings an extensive knowledge of technology and Big Data to the Cyberlux Board of Directors and will help drive the Company's objective to uplist to the NASDAQ exchange.

- We announced that Mr. Paul "NURK" Nurkkala, Worldwide Champion of the Drone Racing League's (DRL) 2018 season, and 2021 DRL Race Season Commentator, has joined the Company as its FlightEye Chief Test Pilot, an industry first within the unmanned aircraft industry, and Technical Advisory Board Member. Mr. Nurkkala, known professionally as "NURK", brings to Cyberlux the very highest levels of flight skills of any pilot in the international UAS industry today. NURK's UAS piloting skills, extended from his World Champion Drone Racing League achievement to Drone Cinematography, are highly respected within the Film Industry and across the entire UAS industry. Mr. Nurkkala's remote piloting skills have become legendary, and NURK's deep skills and vast experience in all areas of UAS technology and his strategic intellectual property contributions will now be a force multiplier for the Cyberlux FlightEye UAS business unit.

- We announced that we acquired Kreatx SHPK (https://www.kreatx.com), a developer of innovative software solutions. Kreatx has extensive knowledge and experience in building SaaS solutions and end-user applications, which will support Cyberlux in building end-to-end SaaS offerings, required by global governments and commercial customers. With this transaction, Kreatx will add to the foundation of the Cyberlux Digital Platform Solutions (Cyberlux DPS) business unit and advance the Cyberlux strategy for its new digital transformation initiative, a core business growth strategy in 2022, to deliver on the Company's global SaaS strategy, with expansion set for North America, Europe and South America.

- We had our first full company Management Interlock meeting to finalize 2021 business and plan our 2022 Roadmap. We expect to hold these meetings quarterly and will continue to expand the team going forward with each acquisition and partnership.

- We achieved our 2021 Strategic Intellectual Property (IP) objectives with our development work and our acquisitions. With significant discussions with our Partners, we will continue to harness and monetize our developments into shareholder value and further information may be disclosed once our collective IP is fully protected. We will provide more details as our new offerings are introduced.

- We reported revenue for November of $1,509,267 which exceeded both the June projection of $1,000,000 by 51% and the new revised November outlook of $1,100,000 by 37%. In addition, our year-to-date revenue through November is $6,045,174, which also exceeded our revised Q4 revenue ramp by 37% as well.

- We increased our revenue guidance for the full year 2021 from $5.2 million to $6.6 million, an increase of 26.9% from the Company's prior guidance. In addition, we expected to post positive net income from Operations for the full year 2021.

- We finalized the acquisition of 30 hectares of solar generation property in the Sabanalarga region of Colombia. We are evaluating plans to optimize profit generation including two energy reseller partnerships and three cryptocurrency mining alternatives. We expect to bring the facility online in 2022 and produce a minimum of 20MW of electricity, with additional property rights available from our HAVAS acquisition for further expansion. We are still determining the best partnership agreements for the optimal profit model, with both a short-term risk and long-term growth consideration. We will be releasing further details as soon as the plans are finalized.

- We published our Q3 2021 financial report with the following highlights:
    1. 613% increase in Q3 vs. Q2 Revenue, $2.251M vs. $367K.
    2. 50.1% increase in Q3 Revenue vs. June Q3 estimates, $2.251M vs. $1.5M.

3. Net Income of $155K for Q3 which was 252% Year over Year.
4. YTD Net Income of $543K which was 289% Year over Year.

- For the ALS and FlightEye business units, we had a very successful field exercise on November 17-18, with significant DoD opportunities, both public and private. We have new customers and non-US defense customers to help drive our 2022 growth.

- For the ITS business unit, we had two days of execution planning in our Miami office as part of the infrastructure spending bill, and we are in very competitive pursuit of $47M in rural broadband infrastructure across six states, most likely in the role of subcontractor utilizing our core expertise from the FBD Group acquisition. We are also driving proposals with ten municipal government opportunities. Our ITS group is also expanding further in Europe as well.

- We met with potential investment banking partners in NYC and have the foundation for our plans going forward including several uplisting strategy proposals. We are continuing establish and evaluate the best banking partner who will deliver the best outcome for our shareholders.

- We demonstrated that our acquisition growth strategy was scaling and exceeded our revised November outlook by 37%, including the third consecutive month of exceeding our revenue expectations, this month with $1.51M. We fundamentally advanced the Cyberlux company in all four of our business units, including the new pivotal asset acquisition of the 30 hectares of the solar power generation, among the many other accomplishments across the organization.

- We achieved our highest revenue month ever with $1,917,875 in October, exceeding our October projections of $1,000,000. In addition, our year-to-date revenue through October is $4,096,581, also exceeding our projected year-to-date revenue of $3,000,000.

- We announced $4,500,000 in funding from California-based RB Capital Partners, Inc. to accelerate the Company's growth plans across our FlightEye UAS Solutions, Advanced Lighting Solutions, Infrastructure Technology Solutions and Infrastructure Software Solutions business units. RB Capital and Cyberlux structured the funding as a premium-to-market fixed-price convertible note that can only convert to common stock at $0.25 per share, a significant premium to the stock's current price of ~$0.046 per share. This debt is obligatorily convertible on or before the 24-month maturity date in October 2023. Further, RB Capital is prepared to provide up to an additional $10,500,000 in further funding on the same terms as the share price continues to reflect Cyberlux Corporation's growth.

- We announced that United States Government expert and Department of Justice / Department of State veteran Ms. Cheri Nolan and Strikepoints Consulting, LLC has joined the Company as a Strategic Advisor on our government business development across the four business units, including FlightEye UAS Solutions, Advanced Lighting Solutions, Infrastructure Technology Solutions and our Digital Platform Solutions. With over 40 years of executive experience, Ms. Nolan has had a very distinguished career, serving in the Office of the White House Chief of Staff, and several appointments at the Department of Justice under five Attorneys General, including as Senior Advisor to the Attorney General and as Deputy Assistant Attorney General. At the State Department she served as Director of the Office of Public Liaison and Intergovernmental Affairs. Most recently, Ms. Nolan served under Attorney General William Barr. In this role, Ms. Nolan served as liaison to the law enforcement community as well as program oversight, contracts management, clearance of major publications, and final review of documents attendant to major national justice policy initiatives.

- We announced the acquisition of FBD Group SHPK, a global telecommunications, infrastructure, software and service provider, and an innovator in next-generation telecommunications technologies such as 5G, a key communication technology for unmanned aircraft guidance systems. The FBD Group was founded in 2009 and is headquartered in Tirana, Albania, a NATO member country, and is one of the key providers of telecommunications infrastructure and equipment in the region, as well as one of the main suppliers of fiber optic broadband network infrastructure. With this acquisition, we created a new business unit, Cyberlux Infrastructure Technology Solutions (Cyberlux ITS), as the Cyberlux business platform that will drive the execution and implementation of core Cyberlux infrastructure technology across global renewable energy and infrastructure projects. The FBD team has extensive knowledge and experience in building telecommunications infrastructure and software applications, and they bring expansive software development capabilities including advanced software developers who have experience in building enterprise-level software solutions to assist us in building the end-to-end UAS data management and analytics support infrastructure required by the FlightGDN UAS platform. The FBD is already creating the growth engine for the Cyberlux ITS infrastructure business across Europe and North and South America.

- We announced that the Cyberlux Corporation Board of Directors met and approved a plan for our CEO, Mark Schmidt, and our CFO, David Downing, to contribute their 420 million shares of common stock back to the Company's Treasury. These shares are deducted from the Company's Outstanding Share count and will help offset the Company's aggressive acquisition and joint venture Business Roadmap. At a current market value over $16 million, the 420 million share contribution is an important re-investment in the Cyberlux company and a demonstration of our belief in the Company's mission. We will be issued new Management Incentive Award shares to replace this $16 million in share value, at the incentive price levels of $0.10 and $0.25 as share price milestones.

- We announced the acquisition of HAVAS Group S.A.S., a Colombian registered company (not the media company), to build out the Cyberlux renewable infrastructure capability platform in South America. This includes key financing, property, and personnel assets to accelerate the growth of the Cyberlux renewable infrastructure business across South America, leveraging the capability of the FBD Group with expansion plans next in Europe in 2022. With this acquisition, the Company has added significant capability to the Cyberlux Infrastructure Technology Solutions (Cyberlux ITS) business unit to accelerate the execution and implementation of the Company's core renewable infrastructure technology, including solar, wind and hydroelectric infrastructure projects.

- We issued our Investor Relations Presentation for investors, shareholders and the Cyberlux community of supporters to provide guidance and understanding of where we are headed and how we are accelerating our growth over the next 5 years. We have continued to refresh and update this information which can be found on our website: https://cyberlux.com/irdeck/

- We opened an office in Miami for our North and South America Infrastructure Operations and Sales office, located at 370 NE 75th St 126, Miami, FL 33138.

- We launched multiple new social media channels including Facebook, Instagram and YouTube, and we are frequently communicating with our shareholders now, including monthly Q&A videos on our YouTube channel.

- In Q3, we launched the Company's Operation Alpha growth plan, which has three top priorities: (1) drive growth through aggressive business development, acquisitions and joint ventures; (2) address core target markets with DoD products, new specialty technology capabilities, solar and renewables, and with emerging infrastructure projects; and (3) gain immediate business velocity by achieving OTC Pink Current Information status, continuing to build out the Company's organization, focusing on the new business and the new product pipeline, accelerating the South American projects and driving on our strategic IP development.

- On September 14, 2021, we gained full compliance with all the OTC Markets Pink requirements through our Disclosure statements and Financial filings and achieved the Pink Current Information status. We met both the OTC Markets and the SEC deadlines to operate and trade on OTC Markets. We also eliminated the shell company indicator based on our Q2 business results.

- We also introduced our FlightGDN platform, a global UAS capabilities framework to harness the future of UAS capabilities. FlightGDN is a proprietary technology platform to support compact, next-generation military-grade UAS products and UAS solution packages. Encompassing both proprietary Cyberlux and third-party technologies, including LED lighting, infrared night vision capability, thermal sensor technology, "eye-in-the-sky" monitoring capabilities, LiDAR mapping and advanced VR/AR perception technologies, the

FlightGDN platform will provide a seamless, scalable UAS solution for both military and commercial UAS command and control operations. This set the platform for our Unmanned Aircraft Solutions business unit.

- We announced our Channel Delivery Partnership with Strike Group, LLC to drive the adoption, contracting and revenue of the FlightEye Drone Solutions products and the Cyberlux Infrastructure products including LED street lighting and solar power solutions. Founded in 1998, Strike Group, LLC, is a world leader in sustainment logistics, infrastructure delivery, and material sourcing for U.S. Agencies, the Department of Defense, and the commercial contracting marketplace, with expertise in distribution, logistics and infrastructure delivery.

- In August, we concluded our first acquisition transaction and added stealth works CTMC Drone Solutions, LLC to Cyberlux Corporation as the foundation of our new Cyberlux drone business unit, FlightEye Drone Solutions. This new Cyberlux organization will focus on the unmanned aircraft systems (UAS) market including drone-related technology and intellectual property development, manufacturing, drone services, and government and commercial sales. We announced Mr. Larson Isely as Cyberlux Executive Vice President and General Manager of our FlightEye Drone Solution business unit. Mr. Isely is a Guidance Systems Expert and Consulting Scientist retained by major Aerospace & Defense firms. He has held IBM Executive Leadership positions spanning decades including VP of Engineering and Operations. Most recently, Mr. Isely was an Executive Management Consultant responsible for Fortune 50 Big Data Architecture and Deployment.

- In August, we implemented our new 8.75 billion Authorized Share level with the Nevada Secretary of State, which is a 56% reduction from the prior 20 billion Authorized Share level. We now have enough strategic equity, approximately 3.4 billion shares of common stock, to achieve our Operation Alpha growth plans while protecting shareholders from any unnecessary dilution.

- We also implemented our “No Reverse Split Policy” with the Nevada Secretary of State, which prevents CYBL from executing a reverse stock split for 5 years. One of our core principles is to create shareholder value and the No Reverse Split Policy eliminates this potential manipulation of share value while honoring the investment our shareholders have made in CYBL.

- We were recognized by Yahoo Finance as one of the 10 Best Micro-cap Stocks to Invest in.

During 2020, we took full advantage of the adversity presented by the unprecedented global shutdown and focused on the future of Cyberlux, where we were now and how we would grow. We re-envisioned what Cyberlux Corporation could be, what our company DNA could grow into, what competitive advantages we had inherent in our company after over a decade of Department of Defense (DoD) technology development and partnerships with the largest organizations in the world, including the U.S. Military, Boeing, and Cree. We also had significant sales and distribution experience with Walmart, Home Depot, Lowes and many others. Further, we also had a foundation in renewable energy and infrastructure projects, from the design and engineering required to build a solar power generation farm or a solar LED street light project, to the solar and lighting products required to execute.

Going forward, we envisioned Cyberlux as a company "Harnessing the Future" and not just "Harnessing the Future of Light", as we previously described the business. Now we will drive operational growth with our Operation Alpha plan, with current and future technologies, through fundamental organic growth and through an accelerated acquisitions and joint ventures strategy to align with companies pursuing technology and product extensions to ours, all with significant future growth. In the course of developing advanced technology products, we have come to identify core technology and product companies, and now these companies can become Cyberlux growth catalysts. Now we are harnessing the future, building Cyberlux into a leading technology company.

1. The form of organization of the issuer:

Nevada C Corporation

2. The year that the issuer (or any predecessor) was organized:

2000

3. The issuer’s fiscal year end date:

12/31

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding:

The Issuer has never been in bankruptcy or receivership.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets:

None.

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments:

From time to time, the Company has had contractual obligations which the Issuer has not completely fulfilled and payment plans have resulted. None of these plans have been a source of default and currently the Company is without any breech.

7. Any change of control:

None.

8. Any increase of 10% or more of the same class of outstanding equity securities:

Since June 30, 2021, Issuer has fundamentally transformed the Cyberlux company through acquisitions and has increased its shares of common stock as a result by 549,185,184 shares as a result. This increase occurred primarily through financing in shares of common stock and establishing management incentive shares for the future growth of the Company.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

The Issuer completed a reverse split on a basis of 200 to 1 of the outstanding shares of Common Stock on July 28, 2010.

10. Any de-listing of the issuer's securities by any securities exchange or deletion from the OTC:

None.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved:

We have no legal matters against the Company. From time to time we have been involved in various claims and legal actions arising in the ordinary course of business. In our opinion, the future legal matters will not have a material effect on our financial position, results of operations or cash flows.

12. Deregistration

On May 10, 2011, we filed a Form 15 with the SEC to terminate the registration of our common stock and suspend our reporting obligations under the Exchange Act, which has become effective. We intend to continue to provide information to our stockholders and to take such actions within our control to enable our common stock to be quoted on the OTC Markets so that our stockholders will have a place to trade their shares. There is no guarantee, however, that a broker will continue to make a market in our common stock, that we will be able to take the actions required to enable our shares to be quoted on the OTC Markets, or that trading of our common stock will continue on the OTC Markets or otherwise.

B. Business of Issuer.

1. The Issuer's primary and secondary SIC Codes:

The Primary SIC Code for the Issuer is: 3674 Semi-conductors and related devices.

2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations:

The Issuer is currently conducting operations.

3. If the issuer is considered a "shell company" pursuant to Securities Act Rule 405

The Issuer has never been considered a shell company pursuant to Securities Act Rule 405.

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement:

During 2021, the Company has acquired CMTC Drone Solutions LLC, FBD Group Shpk, HAVAS Group S.A.S., and Kreantix Shpk. These are operating subsidiaries performing their specific business operations and each operation is included in the financial statements attached. Over time, the Company intends to consolidate each firm into Cyberlux Corporation proper.

5. The effect of existing or probable governmental regulations on the business:

None.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers:

We have directly invested $177,726 on research and development projects over the last fiscal year to develop new products or refine current products for customer requirements. We anticipate continuing to incur direct and indirect research and development expenditures in connection with the development of our four business units, Digital Platform Solutions, Unmanned Aircraft Solutions, Infrastructure Technology Solutions and Advance Lighting Solutions and the related capability over next twelve months. Further, the Company had six new patent filings in process for 2021 and anticipates at least ten new patent filings in 2022 for technology developments across the four business units. Additionally, we have ongoing patentable technology development in the three related fields of use. These projected expenditures are dependent upon our generating revenues and allocating our existing capital resources to research and development.

7. Costs and effects of compliance with environmental laws (federal, state and local):

None.

8. The number of total employees and number of full-time employees:

The Company has twenty-one (21) full-time and seventy (70) contract employees spanning five countries as of December 31, 2021.

## Item 9. The nature of products or services offered.

A. Principal products or services and their markets:

During 2021, Cyberlux Corporation began an aggressive corporate re-engineering effort, implementing a proven approach to achieve both rapid revenue expansion and industry diversification simultaneously, fueled by acquisition, investment and internal organic growth. The Company offers products, solutions and services in the following four business units and associated markets:

Digital Platform Solutions (DPS): Government and Industry Business Digital Transformation Solutions, Digital Services Management, UAS Guidance System Software, UAS Service Support Software, and Telecommunications, Data Center and Data Analytics Application Solutions, with ongoing technology and Strategic IP development.

Unmanned Aircraft Solutions (UAS): Military-Grade Hardware and Software Guidance System Platform, with Enhanced Infrared Night Vision, Thermal Sensor technology, Eye-in-the-Sky Monitoring, LiDAR Mapping and Perception, and ongoing Strategic Intellectual Property (IP) development with Strategic Partner technology.

Infrastructure Technology Solutions (ITS): Infrastructure Hardware capabilities, including Renewable Energy products and projects, Telecommunications Technology, Infrastructure Project Implementation, and ongoing related technology IP development.

Along with the existing Advanced Lighting Solutions (ALS): Cyberlux Advanced Infrared and White LED Lighting System Platform used as Solutions across U.S. agencies, and ongoing Strategic IP development with legacy and future Strategic Partner technologies.

Previously, we had been principally devoted to designing, developing and marketing advanced lighting systems that utilize white, infrared (IR) and other light-emitting diodes (LEDs) as illumination elements. We are now pursuing four distinct business areas, each using proprietary technology to gain and sustain market competitive advantages.

B. Distribution methods of the products or services:

We sell our products and service directly to customers and also through distributors. For Digital Platform Solutions, we sell directly to government and commercial customers. For Unmanned Aircraft Solutions and Advanced Lighting Solutions, we sell directly to government customer and we also manufacturing and shippingTactical Lighting Systems through distribution partners, fulfilling ongoing contract requirements for various U.S. Government agencies including the U.S. Air Force, Air/Army National Guard, U.S. Special Operations Command (USSOCOM), U.S. Army and the Defense Logistics Agency as previously disclosed.

We also intend to disclose additional products, services, and customers over the next 12 months as part of our strategy to drive incremental organic growth.

C. Status of any publicly announced new products or service:

We are continuously introducing derivative products across our four business units, and periodically we will announce new products as warranted and as allowed by our various customers.

D. Competitive business conditions, the Issuer's competitive position in the industry, and methods of competition:

We are a recognized leader within the Department of Defense marketplace for BrightEye LED lighting products, and we expect to be known for our innovation in all of our four business units, including our Digital Platform Solutions and the Unmanned Aircraft space as well. We have developed breakthrough technology that we expect to bring to market over time to gain a leadership position in the associated market and develop a sustainable competitive advantage among our various industry competitors. Going forward, we expect to be leaders in the markets we are entering through the introduction of new products and services, and the acquisitions we are targeting. We have ongoing technology development and patent activity to provide a long-term competitive advantage in the fields of energy management, solar power generation and advanced sensor technology.

E. Sources and availability of raw materials and the names of principal suppliers:

We consider our principle suppliers to be proprietary information. We build our products principally in the United States with domestic suppliers and we have high-volume manufacturing capability throughout South America, Europe and the United States as well. With a presence now in Colombia, we are reviewing sources throughout South America as well.

F. Dependence on one or a few major customers:

We sell to numerous customers across our four business units and have a diverse customer base, but we do recognize the Department of Defense customers and various U.S. Government agencies as major customers.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration:

The following summarizes the patent and trademark holding of Cyberlux Corporation.

Cyberlux Corporation is the registered owner of the CYBERLUX® mark for lighting products, namely, diodal illuminators. Trademark applications are pending for the RELIABRIGHT™, RELYON™, FOCUSON™, EVERON™, BRIGHTEYE™, WATCHDOG™, LUMENOPTIC™ and KEON™ marks. The above marks are registered under International Goods and Services Class 9 (Electrical and Scientific Apparatus), Class 11 (Environmental Control Apparatus), or both. We have additional registrations underway for our new business units and new markets we are serving.

Cyberlux Corporation is the owner of five U.S. Patents:

1. U.S. Patent No. 6,752,515, issued June 22, 2004, and is entitled Apparatus and Method for Providing Emergency Lighting.

2. U.S. Patent No. 6,986,589, issued January 17, 2006, and is entitled Apparatus and Method for Providing an Emergency Lighting Augmentation System.

3. U.S. Patent No. 7,045,975, issued May 16, 2006 and is entitled Apparatus and Methods for Providing Emergency Safety Lighting.

4. U.S. Patent No. 7,355,349, issued April 8, 2008, which is entitled Apparatus and Methods for Providing Emergency Safety Lighting for transforming an existing electrical wall outlet into an emergency lighting system.

5. U.S. Patent No. 7,452,099, issued November 18, 2008, which is entitled Portable Lighting Device and embodies portable LED lighting devices comprised of a body, a handle, a user interface and a pivotal support of a lighting element assembly.

In addition, the Company has two pending patents for Portable Lighting Devices and Multi-Mode Illumination presently filed as United States patent applications, with anticipation of these patent being granted during 2022. Further, the Company anticipates at least six new patent filings for technology developments in three related fields of use, and patentable technology development has begun in the ten other anticipated filings for these fields of use.

H. The need for any government approval of principal products or services. Discuss the status of any requested government approvals.

We have no pending approvals required to sell our products to our customers. Our products have all necessary approvals.

### Item 10. The nature and extent of the issuer's facilities.

We maintain our principal office at 800 Park Offices Drive, Suite 3209, Durham, North Carolina 27709. Our telephone number at that office is (984) 683-6894 and our facsimile number is (919) 687-2911. The monthly rent is $2,900, subject to an annual cost of living increase. We believe that our current office space and facilities are sufficient to meet our present needs and do not anticipate any difficulty securing alternative or additional space, as needed, on terms acceptable to us. We maintain websites at www.cyberlux.com. The information contained on the website is not deemed to be a part of this annual report.

## Part D Management Structure and Financial Information

### Item 11. The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

Set forth below are the directors and executive officers of the Company, their ages and positions held with the Company. The address for each director and executive officer is our principle executive offices, located at 800 Park Offices Drive, Suite 3209, Durham, NC 27709.

| Name | Age | Position |
|---|---|---|
| Mark D. Schmidt | 57 | President, Chief Executive Officer and Chairman of the Board Director |
| John W. Ringo | 77 | Director, Secretary and Corporate Counsel |
| David D. Downing | 72 | Chief Financial Officer, Treasurer and Director |
| Aaron Goodman | 60 | Director, Acquisition Strategy |

Directors are elected to serve until the next annual meeting of stockholders and until their successors are elected and qualified. Currently there are four seats on our board of directors. The Company is actively pursuing additional Directors with deep experience and strategic reach. This is an ongoing process, and we intend to add up to three additional Directors.

Currently, our Directors are not compensated for their services, and officers are elected by the Board of Directors and serve until their successors are appointed by the Board of Directors. Biographical resumes of each officer and director are set forth below.

MARK D. SCHMIDT. Mr. Schmidt became our Chief Executive Officer on July 1, 2008. Mr. Schmidt was been our President, Chief Operating Officer and Director since May 2003. From December 1999 until December 2002, Mr. Schmidt was a founder and executive of Home Director, Inc., the IBM Home Networking Division spin-off company and a public company. Mr. Schmidt is a former IBM executive with over 25 years of marketing, business management and venture startup experience. Mr. Schmidt graduated Summa Cum Laude with a Bachelor of Science Degree in Engineering from North Carolina State University and earned an MBA Degree from the Fuqua School of Business at Duke University.

JOHN W. RINGO. Mr. Ringo became our Chairman of the Board on July 1, 2008. Mr. Ringo has been our Secretary, Corporate Counsel and a Director since May 2000. Since 1990, Mr. Ringo has been in private practice in Marietta, GA specializing in corporate and securities law. He is a former Staff Attorney with the U. S. Securities and Exchange Commission, a member of the Bar of the Supreme Court of the United States, the Kentucky Bar Association and the Georgia Bar Association. Mr. Ringo graduated from the University of Kentucky in Lexington, KY with a BA Degree in Journalism. Subsequently, he received a Juris Doctor Degree from the University Of Kentucky College Of Law.

DAVID D. DOWNING. Mr. Downing has been our Chief Financial Officer and Treasurer since May 2000. He became a director in December 2008.Mr. Downing joined Marietta Industrial Enterprises, Inc., Marietta, Ohio in November 1991 as its Chief Financial Officer. He was elected to the Board of Directors of that Company in January 1994. He has been a Director of American Business Parks, Inc., Belpre, Ohio since January 1998 and served as a director of Agri-Cycle Products, Inc. from May 1998 until April 2001. Mr. Downing graduated from Grove City College, Grove City, PA with a BA Degree in Accounting.

AARON GOODMAN. Mr. Goodman has had a distinguished career in the Investment Banking, Hedge Fund and Private Equity industries, focusing on business growth through technology, M&A and corporate strategy. He has held various C-level Executive positions as Chief Technology Officer, Chief Operating Officer, and Chief Administrative Officer for several of the largest international investment banks and institutional securities firms. As Senior Managing Director of Institutional Securities for Morgan Stanley, Mr. Goodman collaborated in the M&A due diligence process for acquisition and divestiture recommendations, including the integration of global technology for the acquisition of Saxon Mortgage, incorporating $700 million in assets and 1,600 employees. Additionally, as head of technology for FirstKey, a startup funded by Cerberus Capital, Mr. Goodman was responsible for the technology and integration plans for company's acquisitions.

Executive Compensation

Management has been focused on building the Company into a successful organization in the long term. We continue to be fully committed to completing the tasks ahead, and ensuring any past issues are systematically and judicially resolved. This effort is critical in creating the value we expect the Company to have. As a result of the cash flow needs of the business, Officers have been accruing salaries and bonuses during this time. The table below shows the Officer compensation for 2021 and 2020:

Salary, Bonus, Stock and Option Plan Awards:

| **Name and principal position** | **Year** | **Salary ($)** | **Bonus ($)** | **Stock awards ($)** | **Option awards ($)** | **Nonequity incentive plan compensation ($)** | **Nonqualified deferred compensation earnings ($)** | **All other compensation ($)** | **Total ($)** |
|---|---|---|---|---|---|---|---|---|---|
| Mark D Schmidt - CEO | 2022 | $125,000 | $0 | $0 | $0 | $0 | $0 | $0 | $125,000 |
| | 2021 | $125,000 | $0 | $0 | $0 | $0 | $0 | $0 | $125,000 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| John Ringo - Secretary & Corp Counsel | 2022<br>2021 | $50,000<br>$50,000 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $50,000<br>$50,000 |
| David Downing – CFO | 2022<br>2021 | $102,000<br>$66,000 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $0<br>$0 | $102,000<br>$66,000 |
| **Total** | **2022**<br>**2021** | **$277,000**<br>**$241,000** | **$0**<br>**$0** | **$0**<br>**$0** | **$0**<br>**$0** | $0<br>$0 | $0<br>$0 | $0<br>$0 | **$277,000**<br>**$241,000** |

B. Legal/Disciplinary History.

During the past five years, none of our executive officers or directors has 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 SEC, 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;

   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.

C. Disclosure of Family Relationships. Describe any family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of any class of the issuer's equity securities:

None.

D. Disclosure of Related Party Transactions. Any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of $120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest:

**Please refer to the table shown in Item 12 Note F - Related Party Transactions.**

E. Disclosure of Conflicts of Interest

None.

## Item 12. Financial information for the issuer's most recent fiscal period

The fiscal year-end 2021 financial statement, including the Consolidated Balance Sheet, Statement of Operations, Statement of Cash Flow, Changes in Shareholder Equity, and Financial Statement Footnotes, are appended to this Annual Report.

The Financial Statements as of December 31, 2021 are included below:

**Condensed Consolidated Balance Sheet**
**Fiscal Years Ended December 31, 2021 and December 31, 2020**
**(Unaudited)**

| | December 31, 2020 | December 31, 2020 |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash & cash equivalents | $ 3,530,317 | $ - |
| Investment - restricted use | - | - |
| Accounts Receivable, Allowance for Doubtful Accounts is $ 0 | 2,677,300 | - |
| Inventory | 271,200 | 78,838 |
| Other current assets | 1,569,561 | - |
| Total current assets | 8,048,377 | 78,838 |
| Property, plant and equipment, net of accumulated depreciation of $ 92,631 and $ 92,631 respectively | 828,666 | - |
| Other Assets: | | |
| Patents, net of accumulated amortization of $ 3,974,974 and $3,974,974 respectively | - | - |
| Notes Receivable | - | |
| Investment in Subsidiaries | 450,000 | - |
| Total Assets | $ 9,327,043 | $ 78,838 |
| **Liabilities and Deficiency in Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | 2,698,767 | 1,081,962 |
| Accrued interest | 1,376,471 | 1,431,345 |
| Accrued liabilities | 1,706,946 | 2,208,404 |

| | | |
|---|---|---|
| Total current liabilities | 5,782,184 | 4,721,711 |
| Long-term liabilities: | | |
| Notes payable, related parties | 2,581,720 | 3,215,144 |
| Notes payable, non-related parties | 6,199,953 | 2,203,354 |
| Deferred Revenues | 62,183 | |
| Total long-term liabilities | 8,843,855 | 5,418,498 |
| Deficiency Stockholders' equity: | | |
| Class A Preferred, 26.9806 and 26.9806 shares issued and outstanding as of December 31, 2021 and December 31, 2020 respectively | 134,900 | 134,900 |
| Class B Preferred, 97,000,000 and 100,000,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020 respectively | 97,000 | 100,000 |
| Class C Preferred, 150,000 and 150,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020 respectively | 150 | 150 |
| Common stock, $0.001 par value, 20,000,000,000 shares authorized, 5,751,417,345 and 4,481,275,578 shares issued and outstanding as of December 31, 2021 and December 31,2020 respectively | 5,751,417 | 4,481,276 |
| Treasury Stock | 420,000 | - |
| Additional paid-in capital | 16,974,089 | 17,537,501 |
| Accumulated deficit | (28,676,552) | (32,315,198) |
| Deficiency in stockholders' equity | (5,433,896) | (10,196,271) |
| Total liabilities and (deficiency) in stockholders' equity | $ 9,327,043 | $ 78,838 |

The accompanying notes are an integral part of these financial statements

**Condensed Statements of Consolidated Operations**
**Years Ended December 31, 2021 and 2020**
**(Unaudited)**

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| Revenue | $ 8,107,592 | $ - |
| Cost of goods sold | 2,775,206 | 16,724 |
| Gross margin (loss) | 5,332,386 | 16,724 |
| Operating Expenses: | | |
| Marketing and advertising | 129,328 | - |
| Depreciation and amortization | - | - |
| Research and development | 177,726 | - |
| General and administrative expenses | 2,512,173 | (106,908) |
| Total operating expenses | 2,819,227 | (106,908) |
| Income from operations | 2,513,159 | 123,632 |
| Other income/(expense) | | |
| Gain/(Loss) on sale of fixed assets | - | - |
| Interest income | - | - |
| Interest expense | (391,816) | (384,722) |
| Other Income | 740 | 3,107,318 |
| Net income/(loss) before provision for income taxes and preferred dividend | 2,122,083 | 2,846,228 |
| Income taxes (benefit) | 218,317 | |
| Net income/(loss) available to common stockholders | $ 1,903,766 | $ 2,846,228 |
| Weighted average number of common shares outstanding, basic | 4,900,422,361 | 4,481,275,578 |
| Loss per share - basic and fully diluted | 0.00 | 0.00 |

The accompanying notes are an integral part of these financial statements

## Condensed Consolidated Statement of Cash Flow

## For The Years Ending December 31, 2021 and 2020

| | Year To Date December 31 2021 | 2020 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) available to common stockholders | $ 1,903,766 | $ 2,846,228 |
| Adjustments to reconcile net income (loss) | | |
| Depreciation | - | - |
| Common stock issued in settlement of debt | - | - |
| (Increase) decrease in: | | |
| Accounts receivable | (2,677,300) | - |
| Inventories | (192,362) | - |
| Prepaid expenses and other assets | (1,569,561) | - |
| Accounts payable | 1,616,805 | 92,753 |
| Accrued liabilities | (556,332) | (255,810) |
| Net cash (used in) operating activities | (1,474,984) | 2,683,171 |
| CASH FLOWS FROM INVESTING ACTIVITIES | (450,000) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from the sale of common stock in exchange for services | 185,000 | - |
| Net proceeds (payments) from borrowing on a long term basis | 3,996,599 | (3,076,184) |
| Net proceeds (payments) from notes payable, related parties | (462,170) | 392,982 |
| Gain on Acquisitions | 1,735,872 | |
| Net proceeds (payments) from preferred B conversion | | - |
| Net cash provided by financing activities | 5,455,300 | (2,683,202) |
| Net increase in cash and cash equivalents | 3,530,317 | (31) |
| Cash and cash equivalents at beginning of period | - | 31 |
| Cash and cash equivalents at end of period | 3,530,317 | - |
| Supplemental disclosures | | |
| Interest Paid | $ - | $ - |
| Income taxes paid | $ - | $ - |
| NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |

# Statement of Changes In Stockholders Equity
# For The Period Ended December 31, 2021

| | Class B Preferred Shares | Stock Amount | Class C Preferred Shares | Stock Amount | Common Shares | Stock Amount | Treasury Stock | Stock Amount | Additional Paid-In Capital | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance December 31, 2020** | 100,000,000 | 100,000 | 150,000 | 150 | 4,481,275,578 | 4,481,276 | | | 17,537,502 | (32,315,198) | (10,196,270) |
| Net Income/ (Loss) | | | | | | | | | | 193,439 | 193,439 |
| **Balance March 31, 2021** | 100,000,000 | 100,000 | 150,000 | 150 | 4,481,275,578 | 4,481,276 | | | 17,537,502 | (32,121,759) | (10,002,831) |
| Stock issued in payment for services | | | | | 200,000,000 | 200,000 | | | (189,000) | | 11,000 |
| Stock issued on conversion of Series B Preferred | | | | | 400,000,000 | 400,000 | | | (378,000) | | 22,000 |
| Net Income/ (Loss) | | | | | | | | | | 194,524 | 194,524 |
| **Balance June 30, 2021** | 100,000,000 | 100,000 | 150,000 | 150 | 5,081,275,578 | 5,081,276 | | | 16,970,502 | (31,927,235) | (9,775,307) |
| Stock Issued in Payment of Debt | | | | | 30,000,000 | 30,000 | | | | | 30,000 |
| Stock Issued for Services | | | | | 128,359,083 | 128,359 | | | | | 128,359 |
| Stock Issued for Acquisition | | | | | 10,000,000 | 10,000 | | | 190,000 | | 200,000 |
| Stock Issued for Working Capital | | | | | 254,960,000 | 254,960 | | | 185,500 | | 440,460 |
| Net Income/ (Loss) | | | | | | | | | | (423,383) | (423,383) |
| **Balance September 30, 2021** | 100,000,000 | 100,000 | 150,000 | 150 | 5,504,594,661 | 5,504,595 | | | 17,346,002 | (32,350,618) | (9,399,871) |
| Stock Issued in Payment of Debt | | | | | 26,937,500 | 26,937 | | | | | 26,937 |
| Stock Issued for Services | | | | | 590,000,000 | 590,000 | | | (405,000) | | 185,000 |
| Stock Issued for Working Capital | | | | | 49,885,184.00 | 49,885 | | | 32,095 | | 81,980 |
| Stock Returned to Treasury | | | | | (420,000,000.00) | (420,000.00) | 420,000,000 | 420,000 | | | - |
| Gain on Acquisition | | | | | | | | | | 1,735,872 | 1,735,872 |
| Net Income/ (Loss) | | | | | | | | | | 1,939,186 | 1,939,186 |
| **Balance December 31, 2021** | 100,000,000 | 100,000 | 150,000 | 150 | 5,751,417,345 | 5,751,417 | 420,000,000 | 420,000 | 16,973,097 | (28,675,560) | (5,430,896) |

## NOTE A-SUMMARY OF ACCOUNTING POLICIES

General

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows:

Business and Basis of Presentation

Cyberlux Corporation (the "Company") is incorporated on May 17, 2000 under the laws of the State of Nevada. The Company develops, manufactures and markets long-term portable lighting products for commercial and industrial users. While the Company has generated revenues from its sale of products, the Company has incurred expenses, and sustained losses. Consequently, its operations are subject to all risks inherent in the establishment of a new business enterprise. As of December 31, 2021, the Company has accumulated losses of $28,676,552. Going forward, we intend to fully leverage this net loss carry-forward and use this tax advantage to maximize our level of cash flow from operations as a competitive advantage.

Revenue Recognition

Revenues are recognized in the period that products are provided. For revenue from product sales, the Company recognizes revenue in accordance with FASB Accounting Standards Codification 605, "REVENUE RECOGNITION SEC STAFF ACCOUNTING BULLETIN TOPIC 13" . ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required. At December 31, 2019 and 2018, the Company did not have any deferred revenue.

ASC 605 incorporates Accounting Standards Codification 605-25, REVENUE REGOGNITION MULTIPLE-ELEMENT ARRANGEMENTS. ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing EITF 00-21 on the Company's financial position and results of operations was not significant.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Foreign Currency Translation

The Company translates the foreign currency financial statements in accordance with the requirements of Accounting Standards Codification 830, "Foreign Currency Matters." Assets and liabilities are translated at current exchange rates, and related revenue and expenses are translated at average exchange rates in effect during the period. Resulting translation adjustments are recorded as a separate component in stockholders' equity. Foreign currency translation gains and losses are included in the statement of operations.

Accounts Receivables

Accounts Receivable are shown at December 31, 2021 and December 31, 2020 net of Allowance for Doubtful Accounts in the amounts of $-0- and $-0-. Our policy is to provide an allowance when an Account becomes greater than 90 days past due. An account is charged off when it is determined by management to be uncollectible.

Inventories

Inventories are stated at the lower of cost or market determined by the average cost method. The Company provides inventory allowances based on estimates of obsolete inventories. Inventories consist of products available for sale to distributors and customers as well as raw material.

Components of inventories as of December 31, 2021 and 2020 are as follows:

| | | | 2021 | | 2020 |
|---|---|---|---|---|---|
| Component parts | | $ | 27,038 | $ | 7,663 |
| Finished goods | | | 244,162 | | 71,175 |
| | | | 0 | | 0 |
| Less: allowance for obsolete inventory | | | 0 | | 0 |
| | | $ | 271,200 | $ | 78,838 |

Property and Equipment

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives as follows:

| | |
|---|---|
| Furniture and fixtures | 7 years |
| Office equipment | 3 to 5 years |
| Leasehold improvements | 5 years |
| Manufacturing equipment | 3 years |

Depreciation expense totaled $ -0- and $-0- for the years ended December 31, 2021 and 2020, respectively.

Advertising costs

The Company expenses all costs of marketing and advertising as incurred. Marketing and advertising costs totaled $ -0- and $-0- for the years ended December 31, 2021 and 2020, respectively.

Research and Development

The Company accounts for research and development costs in accordance with the Financial Accounting Standards Board's Accounting Standards Codification 730 "Research and Development". Under ASC 730, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company expenditures were $177,726 and $-0- on research and product development for the year ended December 31, 2021 and 2020, respectively.

Reclassification

Certain reclassifications have been made in prior year's financial statements to conform to classifications used in the current year.

Fair Values

On January 1, 2008, the Company adopted Accounting Standards Codification 820, "Fair Value Measurements and Disclosures". ASC 820 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure. The effective date for ASC 820 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) was the first quarter of 2009. The adoption of ASC 820 did not have a material impact on the Company's financial position or operations.

Concentrations of Credit Risk

Financial instruments and related items which potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents and trade receivables. The Company places its cash and temporary cash investments with credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Company periodically reviews its trade receivables in determining its allowance for doubtful accounts. At December 31, 2021 and 2020, allowance for doubtful receivable was $-0- and $-0-, respectively.

Stock-Based Compensation

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification 718 "Compensation - Stock Compensation". ASC 718 supersedes APB opinion No. 25, "Accounting for Stock Issued to Employees", and amends ASC 95, "Statement of Cash Flows". ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro-forma disclosure is no longer an alternative. This statement does not change the accounting guidance for share based payment transactions with parties other than employees provided in ASC 718. This statement does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans." On April 14, 2005, the SEC amended the effective date of the provisions of this statement. The effect of this amendment by the SEC is that the Company had to comply with ASC 718 and use the Fair Value based method of accounting no later than the first quarter of 2006. The Company implemented ASC 718 on January 1, 2006 using the modified prospective method. The fair value of each option grant issued after January 1, 2006 was determined as of grant date, utilizing the Black-Scholes option pricing model. The amortization of each option grant will be over the remainder of the vesting period of each option grant.

In prior years, the Company applied the intrinsic-value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," to account for the issuance of stock options to employees and accordingly compensation expense related to employees' stock options were recognized in the prior year financial statements to the extent options granted under stock incentive plans had an exercise price less than the market value of the underlying common stock on the date of grant.

Segment reporting

The Company follows Accounting Standards Codification 280 "Segment Reporting". The Company operates as a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Income taxes

The Company follows Accounting Standards Codification 740 "Income Taxes" for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse

As of December 31, 2021, the Company has available for federal income tax purposes a net operating loss carry forward of approximately $28,676,552, expiring and different stages through the year 2040, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the earnings history of the Company; it is more likely than not that the benefits will not be realized. Due to significant changes in the Company's ownership, the future use of its existing net operating losses may be limited.

Income taxes (continued)

| | | | |
|---|---|---|---|
| Non-current: | | | |
| Net operating loss carry forward | | $ | 28,676,552 |
| Valuation allowance | | | (28,676,552) |
| Net deferred tax asset | | $ | — |

Patents

The Company acquired in December 2006, for $2,294,000, and January 2007, for $1,387,000, patents in conjunction with the acquisitions of SPE Technologies, Inc. and Hybrid Lighting Technologies, Inc., respectively. The patents have an estimated useful life of 7 years. Accordingly, the Company recorded an amortization charge to current period earnings of $-0- and $-0- for the years ended December 31, 2021 and 2020, respectively.

| Description | | Cost | | Accumulated amortization and impairments | | | Net carrying value at December 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| Development costs | $ | 293,750 | $ | 293,750 | | $ | -0- | |
| Patents | | 2,294,224 | | 2,294,224 | | | -0- | |
| Patents | | 1,387,000 | | 1,387,000 | | | -0- | |
| Total | $ | 3,974,974 | $ | 3,974,974 | | $ | -0- | |

Comprehensive Income (Loss)

The Company adopted Accounting Standards Codification 220 "Comprehensive Income". ASC 220 establishes standards for the reporting and displaying of comprehensive income and its components. Comprehensive income is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owners sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. ASC 220 requires other comprehensive income (loss) to include foreign currency translation adjustments and unrealized gains and losses on available for sale securities.

Liquidity

As shown in the accompanying consolidated financial statements, the Company realized net income from operations of $2,122,083 for the year ended December 31, 2021. The Company's current assets exceeded its current liabilities by $2,266,193 as of December 31, 2021.

Recent Accounting Pronouncements

Effective July 1, 2009, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 105-10, *Generally Accepted Accounting Principles – Overall* ("ASC 105-10"). ASC 105-10 establishes the *FASB Accounting Standards Codification* (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the bases for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

Effective January 1, 2008, the Company adopted FASB ASC 820-10, *Fair Value Measurements and Disclosures – Overall* ("ASC 820-10") with respect to its financial assets and liabilities. In February 2008, the FASB issued updated guidance related to fair value measurements, which is included in the Codification in ASC 820-10-55, *Fair Value Measurements and Disclosures – Overall – Implementation Guidance and Illustrations*. The updated guidance provided a one year deferral of the effective date of ASC 820-10 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, the Company adopted the provisions of ASC 820-10 for non-financial assets and non-financial liabilities effective January 1, 2009, and such adoption did not have a material impact on the Company's consolidated results of operations or financial condition.

Effective April 1, 2009, the Company adopted FASB ASC 820-10-65, *Fair Value Measurements and Disclosures – Overall – Transition and Open Effective Date Information* ("ASC 820-10-65"). ASC 820-10-65 provides additional guidance for estimating fair value in accordance with ASC 820-10 when the volume and level of activity for an asset or liability have significantly decreased. ASC 820-10-65 also includes guidance on identifying circumstances that indicate a transaction is not orderly. The adoption of ASC 820-10-65 did not have an impact on the Company's consolidated results of operations or financial condition.

Effective April 1, 2009, the Company adopted FASB ASC 825-10-65, *Financial Instruments – Overall – Transition and Open Effective Date Information* ("ASC 825-10-65"). ASC 825-10-65 amends ASC 825-10 to require disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements and also amends ASC 270-10 to require those disclosures in all interim financial statements. The adoption of ASC 825-10-65 did not have a material impact on the Company's consolidated results of operations or financial condition.

In May 2009, the FASB issued SFAS No. 165, “Subsequent Events”, which is included in ASC Topic 855, Subsequent Events. ASC Topic 855 established principles and requirements for evaluating and reporting subsequent events and distinguishes which subsequent events should be recognized in the financial statements versus which subsequent events should be disclosed in the financial statements. ASC Topic 855 also required disclosure of the date through which subsequent events are evaluated by management. ASC Topic 855 was effective for interim periods ending after June 15, 2009 and applies prospectively. Because ASC Topic 855 impacted the disclosure requirements, and not the accounting treatment for subsequent events, the adoption of ASC Topic 855 did not impact our results of operations or financial condition. See Note J for disclosures regarding our subsequent events.

Effective July 1, 2009, the Company adopted FASB ASU No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820)* (“ASU 2009-05”). ASU 2009-05 provided amendments to ASC 820-10, *Fair Value Measurements and Disclosures – Overall,* for the fair value measurement of liabilities. ASU 2009-05 provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using certain techniques. ASU 2009-05 also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. ASU 2009-05 also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. Adoption of ASU 2009-05 did not have a material impact on the Company’s consolidated results of operations or financial condition.

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements,* (amendments to FASB ASC Topic 605, *Revenue Recognition*) (“ASU 2009-13”) and ASU 2009-14, *Certain Arrangements That Include Software Elements*, (amendments to FASB ASC Topic 985, *Software*) (“ASU 2009-14”). ASU 2009-13 requires entities to allocate revenue in an arrangement using estimated selling prices of the delivered goods and services based on a selling price hierarchy. The amendments eliminate the residual method of revenue allocation and require revenue to be allocated using the relative selling price method. ASU 2009-14 removes tangible products from the scope of software revenue guidance and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. ASU 2009-13 and ASU 2009-14 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company does not expect adoption of ASU 2009-13 or ASU 2009-14 to have a material impact on the Company’s consolidated results of operations or financial condition.

## NOTE B - PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment at December 31, 2021 and 2020 are as follows:

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Furniture and fixtures | $ | 46,377 | $ | 24,819 |
| Office and computer equipment | | 82,416 | | 45,823 |
| Leasehold improvements | | 21,989 | | 21,989 |
| Manufacturing equipment | | 43,100 | | 0 |
| Land and Buildings | | 727,416 | | 0 |
| Less: accumulated depreciation | | (92,631) | | (92,631) |
| | $ | 828,667 | $ | -0- |

During the years ended December 31, 2021 and 2020, depreciation expense charged to operations was $-0- and $-0-, respectively.

## NOTE C- ACCOUNTS PAYABLE AND LIABILITIES

Accounts payable and accrued liabilities at December 31, 2021 and 2020 are as follows:

| | | 2021 | | 2020 |
|---|---|---|---|---|
| Accounts payable | $ | 2,698,767 | $ | 1,081,962 |
| Accrued interest | | 1,376,471 | | 1,431,345 |
| Accrued payroll and payroll taxes | | 1,706,946 | | 2,208,404 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Other accrued liabilities | | | 0 | | | 0 | |
| Total | | $ | 5,782,184 | | $ | 4,721,711 | |

## NOTE E - STOCKHOLDER'S EQUITY

**Series A - Convertible Preferred stock**

The Company has also authorized 100,000,000 shares of Preferred Stock, with a par value of $.001 per share.

On December 31, 2003, the Company filed a Certificate of Designation creating a Series A Convertible Preferred Stock classification for 200 shares.

The Series A Preferred stated conversion price of $.10 per shares is subject to certain anti-dilution provisions in the event the Company issues shares of its common stock or common stock equivalents below the stated conversion price. Changes to the conversion price are charged to operations and included in unrealized gain (loss) relating to adjustment of derivative and warrant liability to fair value of underlying securities.

In the year ended December 31, 2008, 1 of the Series A Preferred shareholders exercised the conversion right and exchanged 2 shares of Series A Preferred for 100,000 shares of the Company's common stock

The holders of the Series A Preferred shall have the right to vote, separately as a single class, at a meeting of the holders of the Series A Preferred or by such holders' written consent or at any annual or special meeting of the stockholders of the Corporation on any of the following matters: (i) the creation, authorization, or issuance of any class or series of shares ranking on a parity with or senior to the Series A Preferred with respect to dividends or upon the liquidation, dissolution, or winding up of the Corporation, and (ii) any agreement or other corporate action which would adversely affect the powers, rights, or preferences of the holders of the Series A Preferred.

The holders of record of the Series A Preferred shall be entitled to receive cumulative dividends at the rate of twelve percent per annum (12%) on the face value ($5,000 per share) when, if and as declared by the Board of Directors, if ever. All dividends, when paid, shall be payable in cash, or at the option of the Company, in shares of the Company's common stock. Dividends on shares of the Series A Preferred that have not been redeemed shall be payable quarterly in arrears, when, if and as declared by the Board of Directors, if ever, on a semi-annual basis. No dividend or distribution other than a dividend or distribution paid in Common Stock or in any other junior stock shall be declared or paid or set aside for payment on the Common Stock or on any other junior stock unless full cumulative dividends on all outstanding shares of the Series A Preferred shall have been declared and paid. These dividends are not recorded until declared by the Company. As of the year ended December 31, 2021, $0 in dividends was accumulated.

Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after payment of any senior liquidation preferences of any series of Preferred Stock and before any distribution or payment is made with respect to any Common Stock, holders of each share of the Series A Preferred shall be entitled to be paid an amount equal in the greater of (a) the face value denominated thereon subject to adjustment for stock splits, stock dividends, reorganizations, reclassification or other similar events (the "Adjusted Face Value") plus, in the case of each share, an amount equal to all dividends accrued or declared but unpaid thereon, computed to the date payment thereof is made available, or (b) such amount per share of the Series A Preferred immediately prior to such liquidation, dissolution or winding up, or (c) the liquidation preference of $5,000.00 per share, and the holders of the Series A Preferred shall not be entitled to any further payment, such amount payable with respect to the Series A Preferred being sometimes referred to as the "Liquidation Payments."

Because the Series A Shares include a redemption feature that is outside of the control of the Company and the stated conversion price is subject to reset, the Company has classified the Series A Shares outside of stockholders' equity. The fair value at date of issuance was recorded outside of stockholders' equity in the accompanying balance sheet. Dividends on the Series A Shares are reflected as a reduction of net income (loss) attributable to common stockholders. In connection with the issuance of the Series A Preferred and related warrants, the holders were granted certain registration rights in which the Company agreed to timely file a registration statement to register the common shares and the shares underlying the warrants, obtain effectiveness of the registration statement by the SEC within ninety-five (95) days of December 31, 2003, and maintain the effectiveness of this registration statement for a preset time thereafter. In the event the Company fails to timely perform under the registration rights agreement, the Company agrees to pay the holders of the Series A Preferred liquidated damages in an amount equal to 1.5% of the aggregate amount invested by the holders for each 30-day period or pro rata for any portion thereof following the date by which the registration statement should have been effective. The initial registration statement was filed and declared effective by the SEC within the allowed time; however the Company has not maintained the effectiveness of the registration statement to date. Accordingly, the Company issued 203,867 shares of common stock as liquidated damages on December 10, 2004. The Company has not been required to pay any further liquidated damages in connection with the filing or on-going effectiveness of the registration statement.

**Series B - Convertible Preferred stock**

On February 19, 2004, the Company filed a Certificate of Designation creating a Series B Convertible Preferred Stock classification for 800,000 shares and 2,850,000 in 2007.

In January, 2009, April 2009, and December 2009 the Company issued 1,000,000, 3,850,000 and 16,500,000 shares, respectively of its Series B Preferred as a decision by the Board of Directors in order to retain superior voting rights. In connection with the transaction, the Company recorded a beneficial conversion discount of $800,000 - preferred dividend relating to the issuance of the convertible preferred stock in 2004. In April, 2010 and October, 2010 the Company issued 25,000,000 and 50,000,000 shares respectively of its Series B Preferred as a decision by the Board of Directors in order to retain superior voting rights. None of the Series B Preferred shareholders have exercised their conversion right and there are 100,000,000 shares of Series B Preferred shares issued and outstanding at December 31, 2021.

The holders of the Series B Preferred shall have the right to vote, separately as a single class, at a meeting of the holders of the Series B Preferred or by such holders' written consent or at any annual or special meeting of the stockholders of the Corporation on any of the following matters: (i) the creation, authorization, or issuance of any class or series of shares ranking on a parity with or senior to the Series B Preferred with respect to dividends or upon the liquidation, dissolution, or winding up of the Corporation, and (ii) any agreement or other corporate action which would adversely affect the powers, rights, or preferences of the holders of the Series B Preferred.

The holders of record of the Series B Preferred shall be entitled to receive cumulative dividends at the rate of twelve percent per annum (12%) on the face value ($1.00 per share) when, if and as declared by the Board of Directors, if ever. All dividends, when paid, shall be payable in cash, or at the option of the Company, in shares of the company's common stock. Dividends on shares of the Series B Preferred that have not been redeemed shall be payable quarterly in arrears, when, if and as declared by the Board of Directors, if ever, on a semi-annual basis. No dividend or distribution other than a dividend or distribution paid in Common Stock or in any other junior stock shall be declared or paid or set aside for payment on the Common Stock or on any other junior stock unless full cumulative dividends on all outstanding shares of the Series B Preferred shall have been declared and paid. These dividends are not recorded until declared by the Company. As of December 31, 2021, $1,416,000 in dividends were accumulated.

Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after payment of any senior liquidation preferences of any series of Preferred Stock and before any distribution or payment is made with respect to any Common Stock, holders of each share of the Series B Preferred shall be entitled to be paid an amount equal in the greater of (a) the face value denominated thereon subject to adjustment for stock splits, stock dividends, reorganizations, reclassification or other similar events (the "Adjusted Face Value") plus, in the case of each share, an amount equal to all dividends accrued or declared but unpaid thereon, computed to the date payment thereof is made available, or (b) such amount per share of the Series B Preferred immediately prior to such liquidation, dissolution or winding up, or (c) the liquidation preference of $1.00 per share, and the holders of the Series B Preferred shall not be entitled to any further payment, such amount payable with respect to the Series B Preferred being sometimes referred to as the "Liquidation Payments."

**Series C - Convertible Preferred stock**

On November 13, 2006, the Company filed a Certificate of Designation creating a Series C Convertible Preferred Stock classification for 100,000 shares. This was subsequently amended on January 11, 2007 to 700,000 shares.

In December 2006, the Company issued 100,000 shares of its Series C Preferred stock in conjunction with the acquisition of SPE Technologies, Inc. The shares of the Series C Preferred are non-voting and convertible, at the option of the holder, into common shares one year from issuance. The number of common shares to be issued per Series C share is adjusted based on the average closing bid price of the previous ten days prior to the date of conversion based on divided into $25.20 The shares issued were valued at $25.20 per share, which represented the fair value of the common stock the shares are convertible into. None of the Series C Preferred shareholders have exercised their conversion right and there are 100,000 shares of Series C Preferred shares issued and outstanding at September 30, 2008.

The holders of record of the Series C Preferred shall be entitled to receive cumulative dividends at the rate of five percent per annum (5%), compounded quarterly, on the face value ($25.00 per share) when, if and as declared by the Board of Directors, if ever. All dividends, when paid, shall be payable in cash, or at the option of the Company, in shares of the Company's common stock. Dividends on shares of the Series C Preferred that have not been redeemed shall be payable quarterly in arrears, when, if and as declared by the Board of Directors, if ever, at the time of conversion. These dividends are not recorded until declared by the Company. As of December 31, 2021 $-0- in dividends were accumulated.

**Common stock**

The Company has authorized 8,750,000,000 shares of common stock, with a par value of $.001 per share. At July 28, 2010 the Board of Directors approved a motion to authorize a reverse split of the outstanding stock of 200:1. As of December 31, 2021 and 2020, the Company has 5,751,417,345 and 4,481,275,578 shares issued and outstanding, respectively.

## NOTE F - RELATED PARTY TRANSACTIONS

From time to time, the Company's principal officers have advanced funds to the Company for working capital purposes in the form of unsecured promissory notes, accruing interest at 10% to 12% per annum.

Loans from Officers

| Officer | Principal Due | Interest Rate | Accrued Interest at 12/31/21 |
|---|---|---|---|
| David Downing | $ 776,876 | 12% | $ 305,026 |
| Mark Schmidt | $ 412,006 | 10% | $ 291,674 |
| John Ringo | $ 405,361 | 10% | $ 237,882 |
| | $1,594,243 | | $ 834,582 |

All Others

| | Principal Due | Interest Rate | Accrued Interest at 12/31/20 |
|---|---|---|---|
| All Others | $ 987,477 | 10% | $ 451,877 |
| | $ 987,477 | | $ 451,877 |

## NOTE G - COMMITMENTS AND CONTINGENCIES

**Consulting Agreements**

The Company has consulting agreements with outside contractors, certain of whom are also Company stockholders. The Agreements are generally for a term of 12 months from inception and renewable automatically from year to year unless either the Company or Consultant terminates such engagement by written notice.

**Operating Lease Commitments**

We maintain our principal office at 800 Park Offices Drive, Suite 3209, Durham, North Carolina 27709. Our telephone number at that office is (984) 683-6894 and our facsimile number is (919) 687-2911. The monthly rent is $2,900 subject to an annual cost of living increase. Our South American headquarters in Bogota, Colombia located at Carrara 7 #74B 56 Edificio Corficaldas Office 702/703, with a monthly rent of $2,850. We believe that our current office space and facilities are sufficient to meet our present needs and do not anticipate any difficulty securing alternative or additional space, as needed, on terms acceptable to us. We maintain websites at www.cyberlux.com. The information contained on the website is not deemed to be a part of this annual report.

**Litigation**

The Company is subject to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its consolidated financial position, results of operations or liquidity. There was no outstanding litigation as of December 31, 2021.

## NOTE H - FAIR VALUES

Accounting Standards Codification 820 "Fair Value Measurements and Disclosures" defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement.

Items recorded or measured at fair value on a recurring basis in the accompanying financial statements consisted of the following items as of December 31, 2021:

| | **Total** | Quoted Prices in Active Markets for Identical Instruments Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|---|---|---|---|---|
| **Liabilities:** | | | | |
| Derivative liability | 0 | | | 0 |
| Warrant payable | (0) | | | (0) |
| Warrant liability | (0) | | | 0 |
| Total | $ (0) | | | $ (0) |

With the exception of assets and liabilities included within the scope of Accounting Standards Codification 820 "Fair Value Measurements and Disclosures", the Company adopted the provisions of ASC 820 prospectively effective as of the beginning of Fiscal 2008. For financial assets and liabilities included within the scope of ASC 820, the Company will be required to adopt the provisions of ASC 820 prospectively as of the beginning of Fiscal 2009. The adoption of ASC 820 did not have a material impact on our financial position or results of operations and the Company do not believe that the adoption of ASC 820 will have a material impact on our financial position or results of operations.

## NOTE I - GOING CONCERN MATTERS

The accompanying statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, as of December 31, 2021, the Company incurred accumulated losses of $28,676,552. The Company’s current assets exceeded its current liabilities by $2,266,193 as of December 31, 2021. While this factors among others may indicate that the Company will be unable to continue as a going concern, Management is confident that business performance in 2022 will ensure the Company is an ongoing growth business for the foreseeable future.

The Company is actively pursuing additional business growth across four distinct business units through acquisitions, organic growth and new customers and product that will increase the associated cash flow from operations. However, no assurance can be given that Management's actions will result in profitable operations or the of its liquidity problems.

## NOTE J - SUBSEQUENT EVENTS

Management has determined that no significant subsequent events occurred since the balance sheet date.

## NOTE K - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## NOTE L - CONTROLS AND PROCEDURES

**Evaluation of Disclosure Controls and Procedures**

The Company’s management, under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Disclosure controls and procedures mean our controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit is recorded, processed, summarized and reported within the time periods required. Disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Our quarterly evaluation of disclosure controls and procedures includes an evaluation of some components of our internal control over financial reporting, and internal control over financial reporting is also separately evaluated on an annual basis for purposes of providing the management report that is set forth below. At the same time our disclosure controls and procedures can identify weaknesses in our financial reporting and control systems that require remediated action.

The evaluation conducted included the design, as well as the implementation, of the disclosure controls and procedures, and how the output produced was used in the preparation of this Annual Report. In the course of performing this evaluation, particular attention was paid to identifying past, present and potential occurrences of data errors, problems of control, and the potential for fraud.

Our Chief Executive Officer and Chief Financial Officer have concluded, based on the evaluation of the effectiveness of the disclosure controls and procedures by our management, that as of December 31, 2021 our disclosure controls and procedures were effective.

*Management's Report on Internal Control over Financial Reporting*

Our management is responsible for the establishment and maintenance of an adequate system of internal controls over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive officer and principal financial officers, and affected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

1.) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets.

2.) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the board of directors.

3.) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Our evaluation addressed every activity performed within the Company including, but not limited to, the collection, recording, storing, control and reporting of financial data.

Because of their inherent limitations, any system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may be come inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2021, based on the framework defined in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

*Limitations on Effectiveness of Controls and Procedures*

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of the controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the reality that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may be come inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

## NOTE M - OTHER INFORMATION

None.

## Item 13. Similar financial information for such part of the preceding fiscal year as the issuer or its predecessor has been in existence.

The fiscal year-end financial statements for 2021, including the Consolidated Balance Sheet, Statement of Operations, Statement of Cash Flows, Changes in Shareholder Equity and Financial Statement Footnotes, are posted for Cyberlux Corporation on Corporation on the OTC Disclosure and News Service.

## Item 14. Beneficial Owners.

The following entities own five percent (5%) or more of the shares of the Company's Common Stock:

None.

## Item 15. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker

   The Company is actively pursuing an investment banking relationship but has not engaged an investment banker at this time.

2. Promoters

   The Company has not engaged a promoter.

3. Counsel

   John W Ringo Attorney at Law
   241 Lamplighter Lane
   Marietta, GA 30067

4. Public Relations Consultant(s)

   The Company has engaged Flying V Group, Inc as our public relations consultant.

5. Investor Relations Consultant

   The Company has engaged Flying V Group, Inc as our investor relations consultant.

6. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

   None.

## Item 16. Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation.

**Please refer to Item 9A**.

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

<u>Twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2019</u>

<u>REVENUES</u>

Revenues for the twelve months ended December 31, 2021 were $7,740,361 as compared to $-0- for the same period last year. The increase in revenue was attributed to business growth through acquisitions and organic growth compared to the impact of the COVID pandemic during 2020, which resulted in an almost complete Company shutdown. Beginning in 2021, the Company re-envisioned and re-engineered the business for growth in four distinct business units and acquired four companies during 2021.

OPERATING EXPENSES

Operating expenses for the twelve months ended December 31, 2021 were $2,819,227 as compared to $(106,908) for the same period ended December 31, 2020. Included in the twelve months ended December 31, 2021 were $177,726 in expenses for research & development. This compares to $-0- for the twelve months ended December 31, 2020.

OTHER INCOME

We have been carrying a long-term Note Payable on the Balance Sheet with a current balance of $3,107,318. This Note is redeemable only by conversion to Common Stock. The last activity on the part of the creditor was in Fiscal Year 2011. Repeated attempts on our part have not produced any contacts with the Creditor. Therefore, at the advice of Counsel, we elected to retire the remaining balance of the liability incurred in the amount of $3,107,318, and to reflect the write-down as Extraordinary Income. Previously in 2020 and 2019, we wrote-down $3,107,318 and $5,250,000 of the original Note Payable of $8,357,318. Additional write-downs will be considered in future Fiscal Years.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, we had a working capital surplus of $2,266,193. This compares to a working capital deficit of $10,061,370 as of December 31, 2020. Accrued liabilities were $1,706,946 as of December 31, 2021 compared to accrued liabilities of $2,208,404 as December 31, 2020. Accounts payable as of December 31, 2021 were $2,698,767 and compares to $1,081,962 as of December 31, 2020. As a result of our operating income for the twelve months ended December 31, 2021, we generated a deficit of $1,474,984 from operating activities. Cash flows from financing activities produced a cash flow surplus of $5,455,300 for the twelve months ended December 31, 2021. Cash flows from investing activities generated a deficit of $450,000.

While we have raised capital to meet our working capital and financing needs for our Operation Alpha growth plan, additional financing may be required to meet our current operational growth objectives. We continue to evaluate the investment capital required to projected cash flow growth from operations.

By monitoring our operations and the business development capitalization required, we believe we have sufficient capital resources to meet projected cash flow needs through the next twelve months. However, we are not generating sufficient liquidity from operations, we may raise sufficient capital resources, on terms acceptable to us, to provide for the growth of our business operations and secure our financial condition.

**Critical Accounting Policies**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. A summary of the critical accounting policies and the judgments that we make in the application of those policies is presented in Note 1 to our consolidated financial statements.

Our consolidated financial statements are based on the selection of accounting policies and the application of accounting estimates, some of which require management to make significant assumptions. Actual results could differ materially from the estimated amounts. The following accounting policy is critical to understanding and evaluating our reported financial results:

*Revenue Recognition*

We recognize revenue in accordance with Accounting Standards Codification subtopic 605-10, Revenue Recognition (“ASC 605-10”) which requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded.
ASC 605-10 incorporates Accounting Standards Codification subtopic 605-25, Multiple-Element Arraignments (“ASC 605-25”). ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing 605-25 on the Company's financial position and results of operations was not significant.

*Accounting for Stock-Based Compensation*

We account for our stock options and warrants using the fair value method promulgated by Accounting Standards Codification subtopic 480-10, Distinguishing Liabilities from Equity (“ASC 480-10”) which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Therefore, our results include non-cash compensation expense as a result of the issuance of stock options and warrants and we expect to record additional non-cash compensation expense in the future.

We account for our stock options and warrants using the fair value method promulgated by Accounting Standards Codification subtopic 718-10, Compensation (“ASC 718-10”) which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. This statement does not change the accounting guidance for share based payment transactions with parties other than employees.

*Financial Instruments Measured at Fair Value*

Accounting Standards Codification subtopic 825-10, Financial Instruments (“ASC 825-10”) defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, we considered the principal or most advantageous market in which we would transact and considered assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

Level 1- Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement.

We adopted the provisions of ASC 825-10 prospectively effective as of the beginning of Fiscal 2008 with certain additional provision adopted prospectively as of the beginning of Fiscal 2009. The adoption of ASC 825-10 did not have a material impact on our consolidated financial position or results of operations.

**Non-GAAP Financial Measures**

The financial statements appearing in this annual report do not contain any financial measures which are not in accordance with generally accepted accounting procedures.

*Inflation*

In the opinion of management, inflation has not had a material effect on our financial condition or results of its operations.

*Climate Change*

Our opinion is that neither climate change, nor governmental regulations related to climate change, have had, or are expected to have, any material effect on our operations.

*Off-Balance Sheet Arrangements*

We do not maintain off-balance sheet arrangements nor do we participate in non-exchange traded contracts requiring fair value accounting treatment.

*Acquisition or Disposition of Plant and Equipment*

We do not anticipate the sale of any significant property, plant or equipment during the next twelve months. We do not anticipate the acquisition of any significant property, plant or equipment during the next 12 months.

C. Off-Balance Sheet Arrangements

None.

# PART E: ISSUANCE HISTORY

## Item 17. List of securities offerings and shares issued for services in the past two years.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

1. The nature of each offering;
2. Any jurisdictions where the offering was registered or qualified;
3. Number of shares offered, number of shares sold;
4. the price at which the shares were offered and the amount actually paid to the issuer;
5. Trading status of the Shares.
6. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on the transferability and sale of the shares under the Securities Act.

### 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: ☐

**Please refer to Item 12 NOTE E -STOCKHOLDER'S EQUITY for the list of share transactions.**

| | | |
|---|---|---|
| 12/31/2021 | Outstanding | 5,751,417,345 |
| 12/31/2020 | Outstanding | 4,481,275,578 |
| | | 1,270,141,767 |

| Issuance to: | Date | Number of Shares | Purpose | Cost Basis |
|---|---|---|---|---|
| William L. Welter | 10/20/2021 | 70,000,000 | Legal Fees | $0.00 |
| Acquisitions | | 549,185,184 | | $0.01 |
| - Kreatx Shpk | 12/22/2021 | | Acquisition Structure | |
| - FBD Group | 10/9/2021 | | Acquisition Structure | |
| - HAVAS Group | 10/20/2021 | | Acquisition Structure | |
| - 31 Hectres Project | 11/31/2021 | | Acquisition Structure | |
| Fulcrum Advisors, LLC | 11/6/2021 | 27,637,500 | Debt Settlement | $0.03 |
| Returned Executive Mgmt Stock | 10/29/2021 | (420,000,000) | Management Incentives | $0.00 |
| ALS Management Incentive Stock | 10/7/2021 | 20,000,000 | Management Incentives | $0.00 |
| | | 246,822,684 | | |

| Issuance to: | Date | Number of Shares | Purpose | Cost Basis |
|---|---|---|---|---|
| Alvin Campbell | 9/3/2021 | 1,850,000 | OTC Markets Cost | $0.01 |
| Ronald Childs | 8/19/2021 | 3,700,000 | OTC Markets Cost | $0.01 |
| Ben Eberdt | 7/12/2021 | 20,000,000 | Debt Settlement | $0.01 |
| Tyrone Everett | 7/20/2021 | 10,000,000 | Debt Settlement | $0.01 |
| Alvaro Zuluaga | 7/31/2021 | 8,359,083 | Management Incentive | $0.00 |
| Chuck Watts | 7/20/2021 | 5,000,000 | Debt Settlement | $0.01 |
| Ken Lewis | 9/3/2021 | 1,000,000 | OTC Markets Cost | $0.01 |
| Jack Moore | 7/26/2021 | 3,700,000 | OTC Markets Cost | $0.01 |
| Charles Watts Jr. | 7/20/2021 | 5,400,000 | Acquisition Funds | $0.01 |
| Robert E. Dawson Jr. | 7/20/2021 | 2,310,000 | OTC Markets Cost | $0.01 |
| Charles Coote Jr. | 7/20/2021 | 6,200,000 | Acquisition Funds | $0.01 |
| Ronald Corlew | 7/20/2021 | 5,400,000 | Acquisition Funds | $0.01 |
| Wynn-Jones Revocable Trust | 7/20/2021 | 5,400,000 | Acquisition Funds | $0.01 |
| Executive Incentive Stock | 7/31/2021 | 320,000,000 | Management Incentive | $0.00 |
| CTMC Drone Solutions, LLC | 8/13/2021 | 10,000,000 | Acquisition Structure | $0.02 |
| FlightEye Management Incentive Stock | 9/13/2021 | 15,000,000 | Management Incentive | $0.00 |
| | | 423,319,083 | | |

| Issuance to: | Date | Number of Shares | Purpose | Cost Basis |
|---|---|---|---|---|
| Secure Community Technology Purchase | 5/27/2021 | 200,000,000 | Technology Purchase | $0.00 |
| Operation Alpha Treasury Shares | 5/11/2021 | 400,000,000 | Acquisitions Funds | $0.00 |
| | | 600,000,000 | | |
| | | 1,270,141,767 | | |

# PART F: EXHIBITS

### Item 18. Material Contracts.

None that can be disclosed at this time. As possible, the Company will make public any non-confidential contracts or business relationships that do not compromise the ongoing business.

### Item 19. Articles of Incorporation and Bylaws.

See Articles of Incorporation, By Laws and Amendments to Bylaws shown after Item 21, Issuer's Certifications included as follows:

### Item 20. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

## Item 21. Issuer's Certifications.

I, Mark D Schmidt, certify that:

1. I have reviewed this annual disclosure statement of Cyberlux 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 period presented in this disclosure statement.

Date: March 31, 2022

By: /s/ Mark D Schmidt
Mark D Schmidt
Chief Executive Officer (Principal Executive Officer)

I, David D Downing, certify that:

1. I have reviewed this annual disclosure statement of Cyberlux 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 period presented in this disclosure statement.

Date: March 31, 2022

By: /s/ David D Downing
David D Downing
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)