

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Cyberlux Corporation

800 Park Offices Drive, Suite 3209

Research Triangle, NC 27709

984-363-6894

www.cyberlux.com

info@cyberlux.com

3674

Annual Report

For the Period Ending: December 31, 2020
(the "Reporting Period")

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

4,481,275,578

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

4,481,275,578

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 Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

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

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.

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.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated in the State of Nevada on May 17, 2000

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

NA

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

NA

The address(es) of the issuer's principal executive office:

800 Park Offices Drive, Suite 3209
Research Triangle, NC 27709

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

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

Yes: ☐ No: ☒

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

None

2) Security Information

Trading symbol: CYBL.PK
Exact title and class of securities outstanding: Common
CUSIP: 23247M205
Par or stated value: \$0.001

Total shares authorized: 20,000,000,000 as of date: December 31, 2020
Total shares outstanding: 4,481,275,578 as of date: December 31, 2020
Number of shares in the Public Float²: 3,779,932,108 as of date: December 31, 2020
Total number of shareholders of record: 314 as of date: December 31, 2020

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

Trading symbol: CYBL
Exact title and class of securities outstanding: Preferred Stock – Class A
CUSIP: NA

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

Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>200</u>	as of date: <u>December 31, 2020</u>
Total shares outstanding:	<u>26.9806</u>	as of date: <u>December 31, 2020</u>
Total number of shareholders of record:	<u>7</u>	as of date: <u>December 31, 2020</u>

Trading symbol:	<u>CYBL</u>	
Exact title and class of securities outstanding:	<u>Preferred Stock – Class B</u>	
CUSIP:	<u>NA</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>100,000,000</u>	as of date: <u>December 31, 2020</u>
Total shares outstanding:	<u>100,000,000</u>	as of date: <u>December 31, 2020</u>
Total number of shareholders of record:	<u>3</u>	as of date: <u>December 31, 2020</u>

Trading symbol:	<u>CYBL</u>	
Exact title and class of securities outstanding:	<u>Preferred Stock – Class C</u>	
CUSIP:	<u>NA</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>150,000</u>	as of date: <u>December 31, 2020</u>
Total shares outstanding:	<u>150,000</u>	as of date: <u>December 31, 2020</u>
Total number of shareholders of record:	<u>2</u>	as of date: <u>December 31, 2020</u>

Transfer Agent

Name: Standard Registrar and Transfer Company, Inc.
 Phone: 801-571-8844
 Email: amy@standardregistrar.com
 Address: 440 E 400 S Suite 200, Salt Lake City, UT 84111

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

3) Issuance History

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

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

A. Changes to the Number of Outstanding Shares

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

Shares Outstanding as of Second Most Recent Fiscal Year End:	*Right-click the rows below and select "Insert" to add rows as needed.
<u>Opening Balance</u>	
Date <u>12/31/2018</u> Common: <u>4,481,275,578</u>	
Preferred: A: <u>26.9806</u>	
B: <u>100,000,000</u> C: <u>150,000</u>	

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

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>12/31/20</u> Common: <u>4,481,275.578</u> Preferred: A: <u>26.9806</u> B: <u>100,000,000</u> C: <u>150,000</u>									

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

NOTE: Also please see **NOTE E - STOCKHOLDER'S EQUITY** for the history of the Series A, B and C Preferred shares.

Series A and Series B Preferred Stock: In November 2003, Cyberlux Corporation and the founding CEO Don Evans entered into an investment banking relationship with H.C. Wainwright, who subsequently raised capital for the Company. For the financing during 2004, H.C. Wainwright established a Series A and Series B Preferred share structure. As of December 31, 2020, there are 26.9806 shares of Series A Preferred stock outstanding with 7 shareholders. The Series A Preferred conversion rights would exchange 1 share of Series A Preferred for 250 shares of the Company's common stock. With full conversion of all the outstanding Series A Preferred stock of 26.9806 shares, the Company would issue a total of 6,745 shares of common stock.

In addition to the Series A Preferred shares, H.C. Wainwright also established the Series B Preferred Management Voting Rights share structure of 100 common stock votes per Series B Preferred share to ensure that the prior toxic financing utilized by the founding CEO Don Evans in 2003 did not result in a hostile takeover of the Company. Because of the common stock share restructuring in 2010, the current Series B Preferred Management Voting Rights structure is defined as 200 common stock share votes per share of Series B Preferred.

Series C Preferred Stock: In June of 2006, Cyberlux Corporation and the founding CEO Don Evans entered into a intellectual property and technology acquisition agreement with UTEK Corporation, who facilitated the technology transfer with leading universities such as UC Santa Barbara and Rensselaer Polytechnic Institute. As part of this agreement, Cyberlux structured the Series C Preferred stock with 150,000 shares authorized. The Company has identified both the UC Santa Barbara and Rensselaer Polytechnic Institute, the two entities who hold the shares of Series C, convert the Series C to the common stock, and the associated control person for each. As of December 31, 2020, there are 150,000 shares of Series C Preferred stock outstanding and the outstanding shares of Series C Preferred remain as part of the Company's overall preferred share structure. Each Share of Series C Preferred converts into Common shares as \$25.20 per Series C divided by the 10 day moving average closing price, then divided by 200 for 2010 200 to 1 reverse split.

B. Debt Securities, Including Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)

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

N/A

4) Financial Statements

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

- ☒ U.S. GAAP
☐ IFRS

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

Name: David D Downing
Title: Chief Financial Officer
Relationship to Issuer: Principal Financial and Accounting Officer

We are providing the following financial statements as an integral part of this report.

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;
F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
G. Financial notes.

5) Issuer's Business, Products and Services

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

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 2020, 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 strategy for fueling acquisition, investment, and internal growth.

The Company generates 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, 2020, the Company has accumulated losses of \$32,315,198. 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

B. Please list any subsidiaries, parents, or affiliated companies.

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

NA

C. Describe the issuers' principal products or services.

The Company has a range of Advanced Lighting Solutions (ALS), including Cyberlux Advanced Infrared and White LED Lighting System Platform. The products are used as Solutions across U.S. agencies, and has ongoing Strategic IP development with legacy and future Strategic Partner technologies. Cyberlux intends to introduce products and solutions across multiple industries in 2021, going well beyond the hardened multispectral illuminators Cyberlux had become known for.

6) Issuer's Facilities

We maintain our principal office at 800 Park Offices Drive, Suite 3209, Research Triangle Park, NC 27709. We have our South American headquarters in Bogota, Colombia is located at Carrara 7 #74B 56 Edificio Corficaldas Office 703.

7) Company Insiders (Officers, Directors, and Control Persons)

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Lon E. Bell</u>	<u>None</u>	<u>Altadena, CA</u>	<u>10.0000</u>	<u>Series A</u>	<u>37%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>Christina Crossman</u>	<u>None</u>	Westmoreland, NY	<u>4.0000</u>	<u>Series A</u>	<u>15%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>David W. Eckert</u>	<u>None</u>	Rocky Mount, NC	<u>1.0000</u>	<u>Series A</u>	<u>4%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>Neal M. Goldstein</u>	<u>None</u>	Los Angeles, CA	<u>5.0000</u>	<u>Series A</u>	<u>19%</u>	2004 H.C. Wainwright Capital Raise

						Each Share of Series A = 250 Shares of Common
<u>John G. Hule</u>	<u>None</u>	<u>West Berlin, NJ</u>	<u>2.5806</u>	<u>Series A</u>	<u>10%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>Charles O'Brien</u>	<u>None</u>	<u>Boston, MA</u>	<u>1.4000</u>	<u>Series A</u>	<u>5%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>Ward L. Snyder</u>	<u>None</u>	<u>Tucson, AZ</u>	<u>3.0000</u>	<u>Series A</u>	<u>11%</u>	2004 H.C. Wainwright Capital Raise Each Share of Series A = 250 Shares of Common
<u>Mark D Schmidt</u>	<u>Officer</u>	<u>Durham, NC</u>	<u>44,000,000</u>	<u>Series B</u>	<u>44%</u>	Poison-Pill Voting Control Protection
<u>John W Ringo</u>	<u>Officer</u>	<u>Atlanta, GA</u>	<u>25,000,000</u>	<u>Series B</u>	<u>25%</u>	Poison-Pill Voting Control Protection
<u>David D Downing</u>	<u>Officer</u>	<u>Marietta, OH</u>	<u>31,000,000</u>	<u>Series B</u>	<u>31%</u>	Poison-Pill Voting Control Protection
University of California - Santa Barbara	<u>Kevin Stewart</u> <u>Director of</u> <u>UCSB Office</u> <u>of Technology</u> <u>& Industry</u> <u>Alliances</u>	<u>Santa Barbara, CA</u>	<u>75,000</u>	<u>Series C</u>	<u>50%</u>	2006 Technology Transfer Agreement Each Share of Series C = \$25.20 divided by the 10 day moving average closing price, then divided by 200 for 2010 200 to 1 reverse split
Rensselaer Polytechnic Institute	<u>Tasha</u> <u>Sanford</u> <u>Office of</u> <u>Intellectual</u> <u>Property</u> <u>Optimization</u>	<u>Troy, NY</u>	<u>75,000</u>	<u>Series C</u>	<u>50%</u>	2006 Technology Transfer Agreement Each Share of Series C = \$25.20 divided by the 10 day moving average closing price, then

						divided by 200 for 2010 200 to 1 reverse split
N/A	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>Options</u>	<u>N/A</u>	No Options plans are in effect or outstanding
N/A	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>Warrants</u>	<u>N/A</u>	No Warrant plans are in effect or outstanding

NOTE: (1) Cyberlux Management has now completed the effort to identify the Series A Preferred shareholders from the 2004 H.C. Wainwright capital raise, as referenced in the (7) above. These seven shareholders participated in a financing that took place in 2004 and never exercised their Series A Preferred conversion to Common Stock. As of December 31, 2020, there are 26.9806 shares of Series A Preferred stock outstanding, with each Series A share representing 250 shares of Common stock. Since December 31, 2003, only 1 of the Series A Preferred shareholders (Mike Kelly on 06/04/2004, previously identified as the eighth Series A shareholder) has exercised the conversion rights and exchanged 1 share of Series A Preferred for 50,000 shares of the Company's common stock. Subsequently in 2010, the Company restructured the Company's common stock with a 200 to 1 reverse split. Going forward, the Series A Preferred conversion rights would exchange 1 share of Series A Preferred shares for 250 shares of the Company's common stock. With full conversion of all the outstanding Series A Preferred stock of 26.9806 shares, the Company would issue a total of 6,745 shares of common stock.

(2) Cyberlux Management is unaware of any 5% or more Common Stock shareholders. The report does not include any 5% or more Common Stock shareholders because Management is unaware of any such shareholders and believes there are no shareholders who own 250,000,000 or more Common Stock shares.

8) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties

thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

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

Securities Counsel

Name: John W. Ringo
Firm: John W. Ringo Attorney at Law
Address 1: 241 Lamplighter Lane
Address 2: Marietta, GA 30067
Email: ringo03@aol.com

Accountant or Auditor

Name: David D. Downing
Firm: Cyberlux Corporation
Address 1: 800 Park Offices Drive, Suite 3209
Address 2: Research Triangle Park, NC 27709
Phone: +1 984-363-6894
Email: delta3@suddenlink.net

Other Service Providers

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

N/A

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

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 periods presented in this disclosure statement.

December 6, 2022

/s/ Mark D Schmidt

Principal Financial 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 periods presented in this disclosure statement.

December 6, 2020

/s/ David D Downing

Condensed Consolidated Balance Sheet
Fiscal Year Ended December 31, 2020 and December 31, 2019
(Unaudited)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Assets		
Current assets:		
Cash & cash equivalents	\$ -	\$ 31
Investment - restricted use	-	63
Accounts Receivable, Allowance for Doubtful Accounts is \$ 0	-	-
Inventory	78,838	78,838
Other current assets	-	-
Total current assets	78,838	78,932
Property, plant and equipment, net of accumulated depreciation of \$ 92,631 and \$ 92,631 respectively	-	-
Other Assets:		
Patents, net of accumulated amortization of \$ 3,974,974 and \$3,974,974 respectively	-	-
Total Assets	<u><u>\$ 78,838</u></u>	<u><u>\$ 78,932</u></u>
Liabilities and Deficiency in Stockholders' Equity		
Current liabilities:		
Accounts payable	1,081,962	989,209
Accrued interest	1,431,345	1,153,300
Accrued liabilities	2,208,404	2,742,322
Warrants payable	-	-
Total current liabilities	4,721,711	4,884,831
Long-term liabilities:		
Notes payable, related parties	3,215,143	2,822,161
Notes payable, non-related parties	2,203,354	5,279,538
Total long-term liabilities	5,418,498	8,101,700
Deficiency Stockholders' equity:		
Preferred stock, \$0.001 par value, 100,000,000 shares authorized		
Class A Preferred, 26.9806 and 26.9806 shares issued and outstanding as of December 31, 2020 and December 31, 2019 respectively	134,900	134,900

Class B Preferred, 100,000,000 and 100,000,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019 respectively	100,000	100,000
Class C Preferred, 150,000 and 150,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019 respectively	150	150
Common stock, \$0.001 par value, 20,000,000,000 shares authorized, 4,481,275,578 and 4,481,275,578 shares issued and outstanding as of December 31, 2020 and December 31, 2019 respectively	4,481,276	4,481,276
Additional paid-in capital	17,537,502	17,537,502
Accumulated deficit	<u>(32,315,198)</u>	<u>(35,161,426)</u>
Deficiency in stockholders' equity	<u>(10,196,271)</u>	<u>(13,042,498)</u>
Total liabilities and (deficiency) in stockholders' equity	<u>\$ 78,838</u>	<u>\$ 78,932</u>

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

Condensed Statements of Consolidated Operations
Fiscal Year Ended December 31, 2020 and December 31, 2019
(Unaudited)

	Year To Date	
	Dec. 31, 2020	Dec. 31, 2019
Revenue	-	-
Cost of goods sold	16,724	-
Gross margin (loss)	16,724	-
Operating Expenses:		
Marketing and advertising	-	-
Depreciation and amortization	-	-
Research and development	-	-
General and administrative expenses	(106,908)	325,034
Total operating expenses	(106,908)	325,034
Income from operations	123,632	(325,034)
Other income/(expense)		
Gain on debt conversion	-	-
Gain/(Loss) on sale of fixed assets	-	-
Interest income	-	-
Interest expense	(384,722)	(370,774)
Other Income	3,107,318	5,250,000
Net income/(loss) before provision for income taxes and preferred dividend	2,846,228	4,554,192
Income taxes (benefit)	-	-
Net income/(loss) available to common stockholders	\$ 2,846,228	\$ 4,554,192
Weighted average number of common shares outstanding, basic	4,481,275,578	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
Fiscal Year Ended December 31, 2020 and December 31, 2019

	Year To Date December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) available to common stockholders	\$ 2,846,228	\$ 4,554,192
Adjustments to reconcile net income (loss)		
Depreciation	-	-
Common stock issued in settlement of debt	-	-
(Increase) decrease in:		
Accounts receivable	-	-
Inventories	0	-
Prepaid expenses and other assets	0	-
Accounts payable	92,753	111,318
Accrued liabilities	(255,810)	553,356
Net cash (used in) operating activities	2,683,171	5,218,866
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	-	-
Net proceeds (payments) from borrowing on a long term basis	(3,076,184)	(5,218,866)
Net proceeds (payments) from notes payable, related parties	392,982	-
Net proceeds (payments) from warrants payable	-	-
Net cash provided by financing activities	(2,683,202)	(5,218,866)
Net increase in cash and cash equivalents	(31)	(0)
Cash and cash equivalents at beginning of period	31	31
Cash and cash equivalents at end of period	0	31
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, 2020

	Class B Preferred	Stock	Class C Preferred	Stock	Common	Stock	Additional	Accumulated	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-In Capital</u>	<u>Deficit</u>	<u>Total</u>
Balance December 31, 2019	100,000,000	100,000	150,000	150	4,481,275,578	4,481,276	17,537,502	(35,161,426)	(13,042,498)
Net Income/ (Loss)								(84,064)	(84,064)
Balance March 31, 2020	100,000,000	100,000	150,000	150	4,481,275,578	4,481,276	17,537,502	(35,245,490)	(13,126,562)
Net Income/ (Loss)								(101,145)	(101,145)
Balance June 30, 2020	100,000,000	100,000	150,000	150	4,481,275,578	4,481,276	17,537,502	(35,346,635)	(13,227,707)
Net Income/ (Loss)								(102,118)	(102,118)
Balance September 30, 2020	100,000,000	100,000	150,000	150	4,481,275,578	4,481,276	17,537,502	(35,448,753)	(13,329,825)
Net Income/ (Loss)								3,133,555	3,133,555
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)

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, 2020, the Company has accumulated losses of \$32,315,198. 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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019 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, 2020 and December 31, 2019 are as follows:

		2020	2019
Component parts	\$	7,663	\$ 7,663
Finished goods		71,175	71,175
		0	0
Less: allowance for obsolete inventory		0	0
	\$	78,838	\$ 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, 2020 and 2019, 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, 2020 and 2019, 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 \$-0- and \$-0- on research and product development for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020, the Company has available for federal income tax purposes a net operating loss carry forward of approximately \$32,315,198, 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	\$	\$32,315,198
Valuation allowance		(\$32,315,198)
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, 2020 and 2019, respectively.

Description	Cost	Accumulated amortization and impairments	Net carrying value at December 31, 2020
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 \$125,632 for the year ended December 31, 2020. The Company's current liabilities exceeded its current assets by \$4,642,873 as of December 31, 2020.

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, 2020 and December 31, 2019 are as follows:

	2020	2019
Furniture and fixtures	\$ 24,819	\$ 24,819
Office and computer equipment	24,265	24,265
Leasehold improvements	21,989	21,989
Manufacturing equipment	21,558	21,558
Land and Buildings	-0-	-0-
Less: accumulated depreciation	(92,631)	(92,631)
	\$ -0-	\$ -0-

During the years ended December 31, 2020 and 2019, depreciation expense charged to operations was \$-0- and \$-0-, respectively.

NOTE C- ACCOUNTS PAYABLE AND LIABILITIES

Accounts payable and accrued liabilities at December 31, 2020 and December 31, 2019 are as follows:

	2020	2019
Accounts payable	\$ 1,081,962	\$ 989,209
Accrued interest	1,431,345	1,153,300
Accrued payroll and payroll taxes	2,208,404	2,742,322
Other accrued liabilities	0	0
Total	\$ 4,721,711	\$ 4,884,831

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, 2020, \$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..

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, 2020, \$1,388,000 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 150,000 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 150,000 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, 2020 \$-0- in dividends were accumulated.

Common stock

The Company has authorized 20,000,000,000 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, 2020 and December 31, 2019, the Company has 4,481,275,578 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

<u>Officer</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Accrued Interest at 12/31/20</u>
David Downing	\$ 799,610	10%	\$ 253,687
Mark Schmidt	\$ 762,421	10%	\$ 274,023
John Ringo	<u>\$ 555,361</u>	10%	<u>\$ 196,951</u>
	<u>\$2,117,392</u>		<u>\$ 724,661</u>

All Others

	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Accrued Interest at 12/31/20</u>
All Others	<u>\$ 1,097,750</u>	10%	<u>\$ 374,063</u>
	<u>\$ 1,097,750</u>		<u>\$ 374,063</u>

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.

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, 2020.

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, 2020:

	Total	Quoted Prices in Active Markets for Identical Instrument s 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	<u>\$ (0)</u>	<u></u>	<u></u>	<u>\$ (0)</u>

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, 2020, the Company incurred accumulated losses of \$32,315,198. The Company's current liabilities exceeded its current assets by \$4,642,873 as of December 31, 2020. 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, 2020 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, 2020, 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 2020, 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)

N/A

5. Investor Relations Consultant

N/A

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.

Year ended December 31, 2020 compared to the Year ended December 31, 2019

REVENUES

Revenues for the year ended December 31, 2020 were \$-0- as compared to \$-0- for the same period last year. The lack of revenue was attributed to the impact of the COVID pandemic during 2020, which resulted in an almost

complete Company shutdown.

OPERATING EXPENSES

Operating expenses for the year ended December 31, 2020 were \$(106,908) as compared to \$ 325,034 for the same period ended December 31, 2019. Included in the year ended December 31, 2020 were \$-0- in expenses for research & development. This compares to \$-0- for the year ended December 31, 2019.

OTHER INCOME

There was \$3,107,318 in Other Income for the year ended December 31, 2020 and \$5,250,000 in Other Income for the same period in 2019. 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, 2020, we had a working capital deficit of \$4,642,873. This compares to a working capital deficit of \$4,805,899 as of December 31, 2019. Accrued liabilities were \$2,208,404 as of December 31, 2020 compared to accrued liabilities of \$2,742,322 as December 31, 2019. Accounts payable as of December 31, 2020 were \$1,081,962 and compares to \$989,209 as of December 31, 2019. As a result of our operating income for the year ended December 31, 2020, we generated a surplus of \$2,683,171 from operating activities. Cash flows from investing activities produced a deficit of \$-0- from investing activities. Cash flows from financing activities produced a cash flow deficit of \$2,683,202 for the year ended December 31, 2020.

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 Arrangements (“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 could have a material effect on our financial condition or results of its operations in 2021. We continue to monitor inflation during **2021** and may chose to reflect higher material costs in our pricing models as necessary.

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.