

SL: Breakout Wealth Trade Alert: Open Immediately

****Trade Idea: Cyberlux Corp (OTCPK: CYBL)****

Price at alert: \$0.003

Hey, it's Alex here with your next Breakout Wealth trade alert.

Today, we're going to look at **Cyberlux Corp (OTCPK: CYBL)**.

I will start by saying this is an extremely volatile play. It's a tiny company, listed on the pink sheets. And while I believe this company could go much, much higher, it could also go to \$0 very quickly due to its size.

So, don't risk money you're not willing to lose, and size your risk appropriately.

Cyberlux is a drone company. They don't make the types of drones that fire missiles. These drones are pretty simple, and their main function is just to enable aerial photography and recording. Here's one of their drone models:



Nothing earth-shattering, right?

Well, the thing is, even though these drones might not be revolutionary, it doesn't really matter:

Because from what I can tell, this company is about to start raking in money hand over fist.

In 2022, Cyberlux pitched the Pentagon on their drones. But they didn't receive a contract. So, in July, CEO Mark Schmidt actually traveled to Ukraine via Poland. Somehow he managed to setup a demo with General Valeriy Zaluzhny, the commander of all the Ukrainian armed forces.

By the end of the demo, the General had ordered 1,000. Then last month, when the Pentagon announced another \$2 billion worth of funding for Ukraine, guess what was on the list of supplies?

Cyberlux drones.

How many we don't know. But we do know that both Ukraine and the Pentagon are procuring these drones for use in the war.

We can do a little investigative work and try and figure out how big the order was.

Cyberlux's Q1 revenue was \$6.25 million.

Cyberlux Corporation (OTC: CYBL) Releases Amended First Quarter Financial and Operational Results Confirming the Company Delivered \$6.25M in Revenue and \$1.24M in Net Income for Quarter Ended March 31, 2022

by Cyberlux in News posted on June 15, 2022

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The Q2 revenue was \$8.31 million.

Q3 revenue is harder to find. I had to dig deep into a letter posted on their website from November 30th, 2022, where the CEO wrote:

"During the last eighteen months, we've grown the company from literally zero revenues in Q1 2021 to \$31M in cumulative revenue through Q3 2022."

Ok so that means Q3 revenue was about \$15.5 million. An incredible jump, but one that lines up with the Ukrainian purchase.

Q4 revenue is a mystery right now. However, in the same letter, the CEO also wrote:

"While maintaining the Outstanding Share count in the 5B range over the last year, we've built a revenue pipeline of over \$150M for 2023, from less than \$10M in 2021, which we'll be disclosing additional details in upcoming Cyberlux Defense communication."

Ok, so we're starting to get some idea of the potential scope of their Ukrainian and Pentagon deals. If you take their revenue through Q3, and let's say they did another \$15 million in Q4 2022, that would make

them a \$45 million company. With \$150 million in the pipeline, that means they could be about 3.5X bigger in 2023.

This might seem like a big jump, but consider this:

In 2021, they made \$357k. So in reality, 2023's jump wouldn't be nearly as big as the jump from 2021-22. And this is important for getting in and out of the stock, but Cyberlux does have a high number of shares for a penny stock — 5 billion.

But back to the drones, and what they mean for this stock. One of the questions that's important to ask is:

What does Ukraine and the U.S. government want with these drones in the first place? They don't fire missiles, they can't fly super high. And they don't even cost that much — they go for around \$1,500.

Well, let's think about it. For one, these drones could be used for aerial reconnaissance. Say the Ukrainian army is about to enter an urban neighborhood, but has no idea if Russian troops are lying in wait for them. Well, a small drone like this could easily fly through the area and gather intelligence.

Two, these small drones can still carry explosives. Imagine if you taped a pack of C4 to the back of the drone, and then flew it into a Russian tank. They're so small, it would be pretty hard to shoot down, right?

(During the CEO's demonstration in Ukraine, this was actually something that they demoed.)

Now imagine if you had whole swarms of them, flying into enemy lines or damaging artillery.

Three, the cheap cost may actually be a benefit. These drones can be used, blown up, or lost without any real financial impact to the war effort. Which means the soldiers can experiment with their uses and waste them at will.

You can imagine how difficult a swarm of explosive-laden drones could make the battlefield.

It's important to note that drones aren't the only product Cyberlux sells. They also design solar panels and fiber optic cables; have a variety of software applications designed for the public sector; and manufacture LED lighting solutions for military and law enforcement.

Each of these business area are siloed off into their own vertical. So, Cyberlux has four different business units in total.

Now, it's important to note that Cyberlux has had a few regulatory issues with its stock listing.

You can view their statement here:

[Cyberlux statement](#)

The Wall Street Journal also published a write-up of this company, and went into some of the legal issues as well. I suggest you read that:

[Wall Street Journal article](#)

If you do choose to invest in Cyberlux, make sure you fully understand the situation. Do your own due diligence, and again, always only invest what you're willing to lose.

This is a small company, even by Breakout Wealth standards. But I think it presents an incredible upside opportunity. I mean, c'mon, what's better for a small company than a government contract?

Conclusion

We're adding **Cyberlux Corp (OTCPK: CYBL)** to our Breakout Wealth Model Portfolio. This rundown will also be available on the site in a day or two.

Any thoughts on this month's trade idea? Let us know — we'd love to hear from you.

To your wealth,

Alex Reid
Founder, Breakout Wealth