



ANNUAL REPORT

FISCAL YEAR END

12/31/2009



January 28, 2010

Dear Shareholders,

With the closure of 2009 I am pleased to announce that Connectyx has increased year over year revenue by 23% to \$470,689.05 and decreased its operating loss by 17% to \$(393,902.74). We have improved our financial performance significantly and continue on our path of revenue growth and improving margins. On a comparison basis, revenues were \$470,689.05 for the year ended December 31, 2009 vs. \$382,067.72, for the same period in 2008, an increase of \$88,621.33. The Company has sustained a loss of \$(393,902.74) for the year ended December 31, 2009 as compared with a loss of (\$478,204.08) for the same period in 2008, an improvement of \$84,301.34. Management has retained Marcum & Associates to initiate the financial audits for 2009, which will begin over the next 45 days, and could change the financial results as reported above. This will result in an upgrade of our financial reporting status from "Non Audited" to "Audited for fiscal year 2009 and beyond.

MedFlash® continues to gain momentum and we are encouraged by the improving growth rate we have observed over the year. All indications are that revenues will continue to grow and we are off to a strong 2010. Further, the Company was granted registration by the United States Patent and Trademark Office for the mark MedFlash during December 2009. Our list of accomplishments for 2009 is not limited to our improved financials and increasing sales of MedFlash. We were able to attract some significant talent to our management team.

Dr. Bob Arnot joined our management team in late 2009 as our Chief Knowledge Officer. Dr. Arnot is one of the most recognized figures in medical journalism. His broadcast career has included: Chief medical correspondent for NBC News, (including *Dateline*, the *Today Show* and the *NBC Nightly News*), and chief foreign correspondent and special foreign correspondent for MSNBC News. Dr. Arnot was health correspondent for CBS News (including *CBS Evening News*, *CBS This Morning* and *CBS Morning News*). He has also been featured in national television specials on international health and humanitarian topics for Discovery Health, Discovery Military, PAX, the ABC Family Channel, BET, and FOX. His present date series of educational videos are among the most watched on YouTube. His broadcast accomplishments have earned him an Emmy Award and two Emmy nominations.

Connectyx is actively working to achieve the necessary financing to commence a national advertising campaign featuring Dr. Arnot.

On a distribution, marketing and sales relationship basis; Connectyx has partnered with Drugstore.com, All One Mobile, PharmaLink, Inc., LifeLock, and many others. We have started 2010 strongly by announcing partnerships with the NBA's Orlando Magic, Shriners International, Walgreens, and Daytona 500 winner Derrike Copes NASCAR team. We plan to announce other significant partnerships in the near future and believe that our prospects for significant growth are brighter than ever.

In business timing is important and we believe that the time for PHR's is now. Healthcare and electronic medical recordkeeping have been in the news constantly and a common theme is the problem of medical records being spread over many locations causing medical errors and greatly increased costs. This news coverage will only grow as healthcare continues to be debated. The experts agree on the need and the funding is in place to make electronic medical records one of the fastest growing products for the next five years. We believe we are effectively positioning ourselves to be at the center of this growing PHR market through the launch of MedSync, a powerful new program that is being written to allow for the MedFlash device and portal to synchronize with Electronic Hospital Records (EHR) systems, EMR's and products

like Google Health and Microsoft Health Vault. It is management's belief that MedSync will dramatically broaden our opportunities in the PHR business.

On behalf of all of us at Connectyx, I thank you for your continued support of our Company. Together we can profitably change the world of medical recordkeeping.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Schuman', with a long horizontal flourish extending to the right.

Ronn Schuman
President & CEO

About Connectyx Technologies Holdings Group Inc.

Connectyx Technologies provides products in the health care market, which include its Personal Health Record, MedFlash. The MedFlash product is an easy-to-use Personal Health and Lifestyle Record & Portal that is USB flash drive-enabled. MedFlash contains an emergency flash drive with a web portal and 24/7 emergency call center access that can contain the owner's complete medical and key information. Stored MedFlash information can be accessed on any computer securely with complete privacy for the members. For more information, please visit www.connectyx.com and www.medflash.com.

Safe Harbor Act: This communication includes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involves risks and uncertainties including, but not limited to, the impact of competitive products, the ability to meet customer demand, the ability to manage growth, acquisitions of technology, equipment, or human resources, the effect of economic business conditions, and the ability to attract and retain skilled personnel. The Company is not obligated to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this communication.

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Connectyx Technologies Corp
Unaudited Profit and Loss
January through December 2009

Sales	\$ 470,689
Cost of Goods Sold	<u>39,743</u>
Gross Profit	<u>430,946</u>
Expenses	
Advertising	38,903
Amortization	4,212
Depreciation	18,000
Bad Debt Expense	31,102
Bank Service Charges	2,597
Cash Discounts	27,570
Contract Labor	290,014
Insurance	32,241
Interest Expense	29,746
Office Expense	64,129
Professional Fees	159,862
Occupancy	76,545
Travel and meals	<u>49,928</u>
Total Expenses	<u>824,849</u>
Net Income (Loss)	<u>\$ (393,903)</u>

Connectyx Technologies Corp
Unaudited Balance Sheet
As of December 31, 2009

Assets

Cash	\$	22,728
Accounts Receivable, net		292,425
Inventory		19,169
Other Current Assets		232,998
Fixed Assets, net		56,344
Intangible Assets, net		<u>67,799</u>

Total Assets 691,463

Liabilities & Equity

Liabilities

Accounts Payable		98,411
Accrued Interest		5,046
Notes Payable short term		168,751
Notes Payable long term		<u>327,879</u>

Total Liabilities 600,087

Equity

Additional Paid in Capital		1,943,795
Capital Stock		180,726
Preferred Series A		34,110
Treasury Stock		(9,900)
Retained Earnings		<u>(2,057,355)</u>

Total Equity 91,376

Total Liabilities & Equity \$ 691,463

Connectyx Technologies Corp
Unaudited Statement of Cash Flows
January through December 2009

Operating Activities	
Net Income (Loss)	\$ (393,903)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and Amortization	22,212
Accounts Receivable	(314,889)
Bad Debt Reserve	30,000
Accounts Payable	(25,546)
Accrued Interest	1,500
Inventory	(6,741)
Sales Tax Payable	<u>(23)</u>
Net cash used by operating activities	<u>(687,390)</u>
Investing Activities	
Equipment Purchases	<u>(28,637)</u>
Net cash used by investing activities	(28,637)
Financing Activities	
Payments of Long Term Debt	(44,352)
Proceeds from Debt	347,000
Proceeds from issuance of stock	<u>413,762</u>
Net cash provided by financing activities	<u>716,410</u>
Net cash increase for period	383
Cash at beginning of period	<u>22,345</u>
Cash at end of period	<u>\$ 22,728</u>

Connectyx Technologies Corp
 Unaudited
 Statement of Shareholder's Equity

	Common Stock	Preferred Stock Series A	Common Stock		Preferred Stock Series A	Retained Earnings	Treasury Stock	Total
	Units	Units	Amount	APIC				
Beg Jan 1 2009	46,063,279	-	\$ 46,063	\$ 1,702,537		\$ (1,667,184)	\$ (9,900)	\$ 76,723
Net Loss						(393,903)		(393,903)
Common Stock Issued	134,663,352		134,663	241,258				375,921
Common Stock retired	34,109,750		(34,110)					(34,110)
Preferred Stock Issued		34,109,750			34,110			34,110
Balance Dec 31 2009	180,726,631	34,109,750	\$ 180,726	\$ 1,943,795	\$ 34,110	\$ (2,061,087)	\$ (9,900)	\$ 87,644

CONNECTYX TECHNOLOGIES HOLDINGS GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

CONNECTYX TECHNOLOGIES HOLDINGS GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF BUSINESS: The Company provides products in the health care market which includes business intelligent software, which provides revenue cycle and remittance processing, data warehousing and knowledge management in a user friendly environment.

BASIS OF ACCOUNTING: These financial statements have been prepared under the accrual method of accounting.

REVENUE RECOGNITION: The Company recognizes revenues under the accrual method of accounting. When materials are delivered and accepted by customers, invoices are generated and revenues are recognized.

INCOME TAXES: There has been no provision for income tax expense since the Company is currently operating at a loss and has no income tax liability.

PROPERTY AND EQUIPMENT: Property and equipment are stated at cost. Depreciation is computed using the straight -line method over five years. Intangible assets are amortized over 5 to 15 years. Depreciation and amortization expense for the quarter ended December 31, 2009 totaled \$5,553, and is included in operating expenses.

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to income as incurred. Upon sale or retirement of items of property and equipment, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain and loss, if any, is reflected in earnings of the period of disposition

LONG-LIVED ASSETS: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. There were no such impairments recorded during the quarter.

ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying amount of the Company's notes payable approximate s their fair value.

ADVERTISING COSTS: The Company incurred advertising costs of \$20,858 during the fourth quarter of 2009. The Company's policy is to expense advertising costs as incurred. Advertising costs are included in operating expenses.

CONNECTYX TECHNOLOGIES HOLDINGS GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE B – CASH:

Cash consists entirely of demand deposits with banking institutions. At December 31, 2009, the Company did not have any funds in excess of the \$250,000 federally insured limit.

NOTE C – ACCOUNTS RECEIVABLE:

Net accounts receivable consisted of the following at December 31, 2009:

Commercial customers \$ 292,424

Accounts receivable are recorded when invoices are issued. The Company evaluates the collectability of its receivables based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, it records a specific reserve to reduce the amounts recorded to what it believes will be collected. For all other customers, it recognizes reserves for bad debt based on historical experience of bad debts as a percent of revenues, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions. The allowance for uncollectible receivables at December 31, 2009 was \$30,000.

NOTE D – LONG TERM NOTES PAYABLE:

The long term notes payable at December 31, 2009 consisted of the following:

An unsecured note payable to an individual with an annual interest rate of 12%.	\$ 81,620
An unsecured note payable to an individual with an annual interest rate of 12%.	12,500
An unsecured note payable to an individual with an annual interest rate of 10%	150,000
An unsecured note payable to an individual with an annual interest rate of 8%	47,000
An unsecured note payable to an individual with an annual interest rate of 8%	7,499
An unsecured note payable to an individual with an annual interest rate of 8%	28,401

TOTAL LONG TERM NOTES PAYABLE \$327,879

CONNECTYX TECHNOLOGIES HOLDINGS GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE E – LEASES:

The company leases certain office equipment and software. These leases are classified as operating leases. The future minimum lease payments under the leases are as follows as of December 31, 2009:

2010	\$ 22,711
2011	16,506
2012	8,917
2013	1,104
Total minimum lease payments	\$ 49,238

NOTE F - INVENTORY:

Inventory is reported at cost. The inventory consists of goods held for sale to customers