

Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)

Prime Lightworks Inc.
2909 Oregon Ct Ste C12
Torrance, CA 90503
<http://www.primelightworks.com>

Up to \$1,069,999.02 in Common Stock at \$2.06
Minimum Target Amount: \$9,999.24

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

Company:

Company: Prime Lightworks Inc.

Address: 2909 Oregon Ct Ste C12, Torrance, CA 90503

State of Incorporation: DE

Date Incorporated: September 29, 2015

Terms:

Equity

Offering Minimum: \$9,999.24 | 4,854 shares of Common Stock

Offering Maximum: \$1,069,999.02 | 519,417 shares of Common Stock

Type of Security Offered: Common Stock

Purchase Price of Security Offered: \$2.06

Minimum Investment Amount (per investor): \$199.82

**Maximum Number of Shares Offered subject to adjustment for bonus shares. See Bonus info below.*

Perks* and Investment Bonuses

Early Bird

First 48 hours - Friends and Family Early Birds | 10% bonus shares

Next 5 days - Early Bird Bonus | 5% bonus shares

Volume

\$500+ (Tier 1 perk) | Stickers w/ Company Logo

\$1,000 (Tier 2 perk) | T-Shirt w/ Company Logo

\$2,500+ (Tier 3 perk) | USB Drive w/ Company Logo

\$5,000+ (5% bonus shares) | Name Etched on Prototype

\$20,000+ (10% bonus shares) | Visit to HQ in Torrance, CA

**All perks occur after the offering is completed*

The 10% Bonus for StartEngine Shareholders

Prime Lightworks Inc. will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Common Stock at

\$2.06 per share, you will receive 110 Common Stock shares, meaning you'll own 110 shares for \$206. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are cancelled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

The Company and its Business

Company Overview

Prime Lightworks intends to make electric propulsion systems for space satellites that are solar powered, fully renewable, and consume zero fuel. Based on physical analysis and software simulations, we have reason to believe our CubeSat electric propulsion systems will increase spacecraft lifetime and reliability, while eliminating spacecraft fuel entirely and drastically reducing launch vehicle size and fuel emissions. We have a patent pending on our CubeSat version of the NASA-tested radio frequency (RF) resonant cavity thruster, also called EmDrive. As currently designed, our propulsion system is modular and scalable to support all satellite mission architectures. Our mission is to enable interplanetary space travel while eliminating emissions from aerospace propulsion and drastically reducing cost and waste.

Competitors and Industry

Our target market is hardware manufacturing of satellite propulsion systems, a Total Addressable Market (TAM) of \$1B per year. This is part of a much larger market for hardware manufacturing of satellites, a market of \$15B per year, within the overall \$260B per year global satellite industry. Our potential customers are satellite manufacturers who purchase electric propulsion systems for mission integration, a beachhead market of \$170M per year, projected to grow to \$630M per year by 2024.

Conventional satellite propulsion is divided between chemical (e.g. Northrop Grumman) and electric (e.g. Busek). In both cases, mass propellant, either fuel and oxidizer or ions, are required for a thrust reaction and to achieve delta-velocity (Delta-V) for orbital maneuvering. Our technology will require no fuel, instead providing thrust from fully renewable solar power. We believe we can save satellite manufacturing customers 20-50% in fuel mass, corresponding to an average of \$2-5M savings per satellite launch (e.g. 200-500kg mass reduction for average 1,000kg satellite at \$10K per kg launch cost).

Current Stage and Roadmap

We plan to complete our prototype proof-of-concept thrust measurements in vacuum

within 12-18 months. Thrust measurements with our initial RF power electronics enclosure in 2018 and 2019 showed positive results. However, reversing the directions of our components, and adding magnetic shielding to our RF power electronics enclosure, indicated measured thrust was false positive due to torque interaction of Earth's magnetic field with magnetic field from the high-power direct current (DC) cables in our RF power electronics enclosure. We presented these initial test results at SmallSat Conference on August 7, 2019.

Now that we have added magnetic shielding to our RF power electronics enclosure, and eliminated the false positive thrust due to magnetic torque interactions, our next steps are to increase the thrust sensitivity of our torsion pendulum thrust measurement system, and increase the thrust production using our new RF frequency lock loop to match the return loss (S11) resonant frequency of our RF cavity thruster. This will require 12-18 months of prototype proof-of-concept thrust measurements in vacuum and will cost up to \$1.07M for operations and capital expenditures.

Once we have validated prototype thrust measurements in laboratory environment, we plan to build and launch a spaceflight demonstration mission over 12-24 months from 2021-2022. The cost to launch our prototype electric propulsion technology into space for thrust measurements in Earth orbit could be \$1M or more, while the cost of Company operations to support our spaceflight program could be \$5M or more, which means the chances are very high we will need to raise additional funding. Pending spaceflight heritage and qualification of our product mission demonstration on orbit and in space, we expect to begin generating initial sales revenue starting 2022, with market intrusion of electric propulsion manufacturing.

The Team

Officers and Directors

Name: Kyle Bernard Flanagan

Kyle Bernard Flanagan's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Sole Director
Dates of Service: October 05, 2015 - Present
Responsibilities: Authorize board consents, elect officers, authorize equity incentive plan, authorize fundraising
- **Position:** CEO, President, CFO/Treasurer, Secretary
Dates of Service: October 05, 2015 - Present
Responsibilities: Authorize engagements, file tax forms, manage employees, manage budget, intellectual property protection, prototype development, generate growth/users/revenue. Executive Salary: \$120,000 per year. Equity: 4,000,000 shares.

Name: Peter Clinton Dohm

Peter Clinton Dohm's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** VP Engineering
Dates of Service: May 17, 2019 - Present
Responsibilities: Research & Development (R&D) of radio frequency (RF) resonant cavity thruster propulsion system. Officer Salary: \$67,500 per year. Equity: 24,000 shares; 16,000 options.
- **Position:** RF Design Engineer
Dates of Service: July 01, 2016 - Present
Responsibilities: Research & Development (R&D) of radio frequency (RF) resonant cavity thruster propulsion system.

Risk Factors

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

Uncertain Risk

An investment in the Company (also referred to as “we”, “us”, “our”, or “Company”) involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Company common stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

We are an early stage Company and have no revenues and a limited operating history.

The Company has a short history, no current customers, and no revenue. Prime Lightworks Inc. has incurred a net loss and has had no revenues generated since

inception. Further, under the best scenarios, we do not intend to make our first sales prior to 2022, which means we will have no revenues or profits until then, and likely no profits, if at all, for several years after that. If you are investing in this Company, it's because you think that radio frequency (RF) resonant cavity propulsion is a good idea, that the team will be able to successfully market and sell the product or service, that we can price them right and sell them to enough people so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

We currently do not have any operational products and developing new products and technologies entails significant risks and uncertainties.

We are currently in the research and development stage and have only manufactured a prototype for our radio frequency (RF) resonant cavity propulsion system – our only product. Delays or cost overruns in the development of our propulsion systems and failure of the products to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design and regulatory hurdles. For instance, we had to rework our system design after the thrust measurements with our initial RF power electronics enclosure in 2018 and 2019 showed false positive results. Further, as we are still in the research and development phase, we may never produce a product that does what we anticipate it to do, or even if we do that product may not be marketable. Satellites are prone to utilize highly complex technology and operate in the harsh environment of space and, accordingly, are subject to significant operational risks while in orbit. Any failure of our system, or even the satellite of our clients could harm us both monetarily and make us suffer reputational harm. Any of these events could materially and adversely affect our operating performance and results of operations.

We are reliant on one main type of product.

All of our proposed products are variants on one type of product, an electric propulsion system. Our future revenues are therefore dependent upon the market for that system.

This is a new and unproven technology.

Our electric propulsion technology is a completely new product that we have recently introduced into a field currently using conventional satellite propulsion (divided between chemical and electric). Regardless of any current perceptions of the market, it is entirely possible that our electric propulsion technology will not gain significant acceptance with any group of customers.

We face significant market competition.

We will compete with larger, more established companies who currently have products on the market and/or various respective product development programs. Conventional satellite propulsion is divided between chemical (e.g. Northrop Grumman) and electric (e.g. Busek). They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our

technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify in the future.

Insufficient Funds

The Company might not sell enough securities in this offering to meet its operating needs and fulfill its plans, in which case it will cease operating and you will get nothing. Even if we sell all the Common Stock we are offering now, the Company will need to raise additional funds in the future, in order to complete some of our benchmarks described above including, completing the proof of concept measurements, space flight demonstration and manufacture our initial orders. If the Company can't get those funds, we will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the Company being worth less, because later investors might get better terms.

We have applied for a utility patent and there is no guarantee the patent will be approved.

The Company's intellectual property such as patent pending, trademarks, copyrights, Internet domain names, and trade secrets may not be registered with the proper authorities. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company due to its unregistered intellectual property.

We have applied for a patent that we might not be able to protect properly.

One of the Company's most valuable assets is its intellectual property. The Company has applied for a utility patent and three trademarks. The Company owns numerous Internet domain names and trade secrets. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

Our trademarks, copyrights, and other intellectual property could be unenforceable or ineffective.

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patent pending unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our patent pending, trademarks, and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut

off a significant potential revenue stream for the Company.

We depend on key personnel and face challenges recruiting needed personnel.

Our future success depends on the efforts of a small number of key personnel, including our founder and Chief Executive Officer, Kyle Bernard Flanagan, our co-founder and Vice President of Engineering, Peter Clinton Dohm, and our engineering and production teams. In addition, due to our limited financial resources and the specialized expertise required, we may not be able to recruit the individuals needed for our business needs. There can be no assurance that we will be successful in attracting and retaining the personnel we require to operate and be innovative.

Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at any time.

Our ability to sell product is dependent on the outside government regulation such as the FAA (Federal Aviation Administration), FCC (Federal Communications Commission) and other relevant government laws and regulations. The laws and regulations concerning the selling of product may be subject to change and if they do then the selling of product may no longer be in the best interest of the Company. At such point the Company may no longer want to sell product and therefore your investment in the Company may be affected.

We rely on third parties to provide services essential to the success of our business.

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, accounting, legal work, public relations, and advertising. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these services could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

The Company is vulnerable to hackers and cyber-attacks.

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on Prime Lightworks Inc. or in its computer systems could reduce the attractiveness of the platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third-party technology provider to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology provider or on Prime Lightworks Inc. could harm our reputation and materially negatively impact our financial condition and business.

Majority of outstanding Common Stock and granted stock options held by our CEO

To date, the Company's CEO and Sole Director, Kyle Bernard Flanagan, owns 4,000,000 shares of Common Stock which represents 80.84% of the issued Common Stock, granted stock options, and outstanding warrants. Mr. Flanagan currently holds

80.84% of the Company's voting stock and at the conclusion of this offering will continue to hold a majority of the Company's Common Stock and granted stock options. Investors in this offering will not have the ability to control a vote by the shareholders or the board of directors.

Minority Holder; Securities with Voting Rights

The Common Stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and therefore will have a limited ability to influence management's decisions on how to run the business. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our Company, you will only be paid out if there is any cash remaining after all of the creditors of our Company have been paid out.

Any valuation at this stage is difficult to assess.

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited.

Any common stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time.

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the aerospace hardware development industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections or forward looking statements include, but are not limited to, the timing for our launch, receiving government grants, getting new customers, and revenues. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond

management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

Ownership and Capital Structure; Rights of the Securities

Ownership

The following table sets forth information regarding beneficial ownership of the company's holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Kyle Bernard Flanagan	4,000,000	Common Stock	80.84

The Company's Securities

The Company has authorized Common Stock, Convertible Security, Simple Agreement for Future Equity (SAFE), Simple Agreement for Future Equity (SAFE), Simple Agreement for Future Equity (SAFE), Simple Agreement for Future Equity (SAFE), and Simple Agreement for Future Equity (SAFE). As part of the Regulation Crowdfunding raise, the Company will be offering up to 519,417 of Common Stock.

Common Stock

The amount of security authorized is 10,000,000 with a total of 4,947,984 outstanding.

Voting Rights

Each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

Material Rights

The total amount of 4,947,984 share of common stock outstanding includes granted but unexercised stock options for 86,000 shares of common stock and unexercised warrants for 5,000 shares of common stock.

Convertible Security

The security will convert into Preferred stock and the terms of the Convertible Security are outlined below:

Amount outstanding: \$13,549.07

Maturity Date: May 30, 2026

Interest Rate: 0.0%

Discount Rate: %

Valuation Cap: None

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$5,000,000

Material Rights

There are no material rights associated with Convertible Security.

Simple Agreement for Future Equity (SAFE)

The security will convert into Preferred stock and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$100,000.00

Interest Rate: 0.0%

Discount Rate: %

Valuation Cap: \$10,000,000.00

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$250,000

Material Rights

There are no material rights associated with Simple Agreement for Future Equity (SAFE).

Simple Agreement for Future Equity (SAFE)

The security will convert into Preferred stock and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$75,000.00

Interest Rate: 0.0%

Discount Rate: 75.0%

Valuation Cap: \$10,000,000.00

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$250,000

Material Rights

There are no material rights associated with Simple Agreement for Future Equity (SAFE).

Simple Agreement for Future Equity (SAFE)

The security will convert into Preferred stock and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$375,000.00

Interest Rate: 0.0%

Discount Rate: 75.0%

Valuation Cap: \$10,000,000.00

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$1,000,000

Material Rights

There are no material rights associated with Simple Agreement for Future Equity

(SAFE).

Simple Agreement for Future Equity (SAFE)

The security will convert into Preferred stock and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$300,000.00

Interest Rate: 0.0%

Discount Rate: %

Valuation Cap: None

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$1,000,000

Material Rights

There are no material rights associated with Simple Agreement for Future Equity (SAFE).

Simple Agreement for Future Equity (SAFE)

The security will convert into Preferred stock and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$975,000.00

Interest Rate: 0.0%

Discount Rate: %

Valuation Cap: \$10,000,000.00

Conversion Trigger: Qualified Equity Financing (preferred stock sale) \$1,000,000

Material Rights

There are no material rights associated with Simple Agreement for Future Equity (SAFE).

What it means to be a minority holder

As a minority holder of common stock of the company, you will have limited rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a

smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

Transferability of securities

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Recent Offerings of Securities

We have made the following issuances of securities within the last three years:

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$10,000.00
Number of Securities Sold: 4,000,000
Use of proceeds: Startup Costs
Date: October 06, 2015
Offering exemption relied upon: Section 4(a)(2)
- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$15,000.00
Number of Securities Sold: 705,883
Use of proceeds: Startup Costs
Date: January 01, 2016
Offering exemption relied upon: Section 4(a)(2)

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$6,450.93
Number of Securities Sold: 303,573
Use of proceeds: Startup Costs
Date: May 30, 2016
Offering exemption relied upon: 506(b)

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$4,800.00
Number of Securities Sold: 16,000
Use of proceeds: Research & Development
Date: November 14, 2017
Offering exemption relied upon: Rule 701

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$3,200.00
Number of Securities Sold: 8,000
Use of proceeds: Research & Development
Date: November 14, 2017
Offering exemption relied upon: Rule 701

- **Type of security sold:** Convertible Note
Final amount sold: \$13,549.07
Use of proceeds: Startup Costs
Date: May 30, 2016
Offering exemption relied upon: 506(b)

- **Type of security sold:** SAFE
Final amount sold: \$100,000.00
Use of proceeds: Research & Development
Date: June 15, 2016
Offering exemption relied upon: 506(b)

- **Type of security sold:** SAFE
Final amount sold: \$75,000.00
Use of proceeds: Research & Development
Date: July 12, 2016
Offering exemption relied upon: 506(b)

- **Type of security sold:** SAFE
Final amount sold: \$75,000.00
Use of proceeds: Research & Development
Date: July 28, 2016

Offering exemption relied upon: 506(b)

- **Type of security sold: SAFE**
Final amount sold: \$300,000.00
Use of proceeds: Research & Development
Date: July 29, 2016
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$200,000.00
Use of proceeds: Research & Development
Date: August 31, 2016
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$50,000.00
Use of proceeds: Research & Development
Date: August 31, 2016
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$50,000.00
Use of proceeds: Research & Development
Date: September 30, 2016
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$100,000.00
Use of proceeds: Research & Development
Date: November 14, 2016
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$250,000.00
Use of proceeds: Research & Development
Date: May 08, 2017
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$300,000.00
Use of proceeds: Research & Development
Date: June 21, 2018
Offering exemption relied upon: 506(b)
- **Type of security sold: SAFE**
Final amount sold: \$100,000.00

Use of proceeds: Research & Development

Date: February 01, 2019

Offering exemption relied upon: 506(b)

- Type of security sold: SAFE
Final amount sold: \$125,000.00
Use of proceeds: Research & Development
Date: May 10, 2019
Offering exemption relied upon: 506(b)
- Type of security sold: SAFE
Final amount sold: \$50,000.00
Use of proceeds: Research & Development
Date: July 17, 2019
Offering exemption relied upon: 506(b)
- Type of security sold: SAFE
Final amount sold: \$50,000.00
Use of proceeds: Research & Development
Date: August 28, 2019
Offering exemption relied upon: 506(b)

Financial Condition and Results of Operations

Financial Condition

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Memorandum.

Results of Operations

Circumstances which led to the performance of financial statements:

The Company is pre-revenue and has been incurring expenses to support our prototype research and development test campaign and satellite electric propulsion system go to market sales strategy. Since inception the Company has participated in the following incubator programs (Y Combinator; Greentown Labs; Cleantech Open; and Starburst Accelerator) and obtained funding through these programs and through our founder and officers.

Historical results and cash flows:

The Company operating expenses went from \$456,076 in 2017 to \$592,868 in 2018 resulting in an increase in net loss from \$455,949 in 2017 to \$574,315 in 2018. The increase in operating expenses from 2017 to 2018 was mainly due to an increase in payroll with the Company adding staff to develop its main product. Though the Company is pre-revenue and has been investing funds in developing its main product, it has positive working capital in the amount of \$75,784 and \$355,949 in 2018 and 2017, respectively, from previous SAFE investments. For the first 9 months of 2019, the company's expenses were \$42,628 per month.

We plan to complete our prototype proof-of-concept thrust measurements in vacuum within 12-18 months. Once we have validated prototype thrust measurements in laboratory environment, we plan to build and launch a spaceflight demonstration mission over 12-24 months from 2021-2022. Pending spaceflight heritage and qualification of our product demonstration on orbit and in space, we expect to begin generating initial sales revenue starting 2022, with market intrusion of electric propulsion manufacturing.

Liquidity and Capital Resources

What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)

Cash went from \$360,101 in 2017 to \$87,018 in 2018 as the Company spent more on payroll, and acquisition of capital assets including vacuum chamber, laser interferometer, prototype electronics and thrust measurement equipment. As of September 24, 2019, the Company had a cash in bank in the amount of \$10,307.

The Company has a credit card from Wells Fargo with an interest rate of 14.24% on purchases and an outstanding balance of \$16,850 as of September 24, 2019.

The Company has two credit cards from American Express with an interest rate of 20.24% on purchases and an outstanding balance of \$323 as of September 24, 2019.

The Company has a credit card from Capital One with an interest rate of 19.24% on purchases and an outstanding balance of \$9,186 as of September 24, 2019.

The Company has a PayPal loan with an interest rate of 19.96% on purchases and an outstanding balance of \$230 as of September 24, 2019.

The Company received \$1,825,000 from convertible SAFEs notes as of September 24, 2019.

The Company also has a convertible note that bears no interest and an outstanding balance of \$13,549 as of September 24, 2019.

How do the funds of this campaign factor into your financial resources? (Are these

funds critical to your company operations? Or do you have other funds or capital resources available?)

The funds of this StartEngine Regulation Crowdfunding campaign are critical to our Company operations. We need to raise additional working capital to support our prototype research and development test campaign and satellite electric propulsion system go-to-market sales strategy. While we have raised previous capital, and we have other potential sources of fundraising, we are excited to develop a network of crowdfunding investors to support our test campaign and help launch and test our CubeSat electric propulsion prototype on orbit and in space.

Are the funds from this campaign necessary to the viability of the company? (Of the total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)

Since incorporating in 2015, Prime Lightworks has raised \$1.878M seed funding from founders, angel investors, and venture capital. We have prior authorization through Board Consent to raise an additional \$1.725M seed funding through Simple Agreement for Future Equity (SAFE). Depending on the relative success of this StartEngine Regulation Crowdfunding campaign (up to \$1.07M) and our continued bridge seed funding on SAFE from accredited investors (up to \$1.725M), funds raised from the crowdfunding campaign will make up between 38-100% of the total funds our Company will have after fundraising.

How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?

If we raise our minimum of \$9,999.24 through StartEngine Regulation Crowdfunding, we will be able to pay back the StartEngine Service Fee, but we will not be able to operate the Company for any additional period of time. Based on our spending rate of \$50,000 per month (2018), we would need to raise at least \$60,000 in order to add at least one month of runway to operate the Company.

How long will you be able to operate the company if you raise your maximum funding goal?

If we raise our maximum funding goal of \$1,069,999.02 through StartEngine Regulation Crowdfunding, we will be able to operate the Company for at least an additional 12-18 months based on our average spending rate of \$50,000 per month (2018) with option to grow team and double operating expenses.

Expected Percentage Breakdown of Operating Expenses:

Payroll Expenses – 50%

Assets Depreciation – 15%

Rent & Lease – 10%

Dues & Subscription – 10%

Legal & Professional Services – 5%

IT Services – 2.5%

Small Equipment Expensed – 2.5%

Utilities, Contractors, Insurance, Taxes, Travel, Shipping, Payroll Processing Fees,
Advertising & Marketing, Office Expenses, Automobile, Meals & Entertainment – 5%

**Are there any additional future sources of capital available to your company?
(Required capital contributions, lines of credit, contemplated future capital raises,
etc...)**

Prime Lightworks has a diverse fundraising strategy for both accredited and non-accredited investors. While raising our Reg CF through StartEngine, we are continuing to raise up to \$1.725M on SAFE from accredited investors. We are also in the process of applying for non-dilutive grants through Air Force, DARPA, NASA and similar SBIR grant programs. In the future, we plan to raise additional equity capital and convert our SAFE through Qualified Equity Financing (Series Seed/A).

Potential future sources of investment capital:

Simple Agreement for Future Equity (SAFE)

Qualified Investment Financing (Series Seed/A)

SBIR Grants (Air Force/DoD/NASA/NSF)

Indebtedness

- **Creditor:** Wells Fargo
Amount Owed: \$16,850.00
Interest Rate: 14.24%
Maturity Date: December 31, 2019
The company has a credit card from Wells Fargo with an interest rate of 14.24% on purchases and an outstanding balance of \$16,850 as of September 24, 2019.
- **Creditor:** American Express
Amount Owed: \$323.00
Interest Rate: 20.24%
Maturity Date: December 31, 2019
The company has two credit cards from American Express with an interest rate

of 20.24% on purchases and an outstanding balance of \$323 as of September 24, 2019.

- **Creditor:** Capital One
Amount Owed: \$9,186.00
Interest Rate: 19.24%
Maturity Date: December 31, 2019
The company has a credit card from Capital One with an interest rate of 19.24% on purchases and an outstanding balance of \$9,186 as of September 24, 2019.
- **Creditor:** PayPal
Amount Owed: \$230.00
Interest Rate: 19.96%
Maturity Date: December 31, 2019
The company has a PayPal loan with an interest rate of 19.96% on purchases and an outstanding balance of \$230 as of September 24, 2019.
- **Creditor:** SAFE Notes
Amount Owed: \$1,825,000.00
Interest Rate: 0.0%
Maturity Date: January 01, 1970
The company received \$1,825,000 from convertible SAFEs notes as of September 24, 2019.
- **Creditor:** Convertible Notes
Amount Owed: \$13,549.00
Interest Rate: 0.0%
Maturity Date: May 30, 2026
The company also has a convertible note that bears no interest and an outstanding balance of \$13,549 as of September 24, 2019.
- **Creditor:** Wilson Sonsini Goodrich & Rosati
Amount Owed: \$26,200.50
Interest Rate: 0.0%
Maturity Date: December 31, 2019
- **Creditor:** Greentown Labs
Amount Owed: \$21,203.32
Interest Rate: 0.0%
Maturity Date: December 31, 2019
- **Creditor:** Nutter McClennen & Fish
Amount Owed: \$10,044.50
Interest Rate: 0.0%
Maturity Date: December 31, 2019

- **Creditor:** Atrium
Amount Owed: \$9,000.00
Interest Rate: 0.0%
Maturity Date: December 31, 2019
- **Creditor:** Prosper Solutions
Amount Owed: \$6,470.95
Interest Rate: 0.0%
Maturity Date: December 31, 2019
- **Creditor:** Airgas
Amount Owed: \$2,371.00
Interest Rate: 0.0%
Maturity Date: December 31, 2019

Related Party Transactions

- **Name of Entity:** Atrium
Names of 20% owners: Justin Kan
Relationship to Company: It is owned by a shareholder of the Company.
Nature / amount of interest in the transaction: The Company executed an engagement letter to a monthly subscription in the amount \$2,000 with Atrium for legal advisory services.
Material Terms: Atrium is owned by Justin Kan, who has an equity stake in Y Combinator Investments, LLC. Y Combinator Investments, LLC is a Company stockholder that owns 303,573 shares and the holder of the convertible note issued by the Company as discussed in note 3 on page 9 of the reviewed financial statements.

Valuation

Pre-Money Valuation: \$10,192,847.04

Valuation Details:

Valuation of a pre-revenue startup is a complicated task with multiple possible methods of analysis that require complex consideration of many factors. The Company set its valuation internally, without a formal-third party independent valuation. Methods for valuation include comparable company analysis (peer group analysis) and precedent transaction analysis (private market multiples). Prime Lightworks approximate \$10M pre-money valuation is based primarily on projected revenue within 2-4 years of at least \$0.5M per year and price-to-earnings ratio (P/E) of 20 for technology companies. Our \$10M pre-money valuation is consistent with our existing SAFE \$10M valuation cap.

Use of Proceeds

If we raise the Target Offering Amount of \$9,999.24 we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
3.5%
- *StartEngine Service Fees*
96.5%
Fees for additional StartEngine services.

If we raise the over allotment amount of \$1,069,999.02, we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
3.5%
- *Marketing*
5.0%
If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$53.5k (5%) on marketing for our StartEngine Regulation Crowdfunding campaign.
- *Research & Development*
15.0%
If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$160.5k (15%) on research and development (R&D) of our solar powered, zero fuel, fully electric propulsion system.
- *Company Employment*
45.0%
If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$481.5k (45%) on company employment of Prime Lightworks. This will support our company for an additional 12-18 months while we finish our prototype proof of concept thrust measurements in vacuum chamber testing and prepare for our space demonstration mission.
- *Operations*
18.0%
If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$192.6k (18%) on operations including rent including dues and subscriptions.
- *Inventory*
5.0%
If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$53.5k (5%) on creating an inventory of two additional RF electric

propulsion system prototypes for flight qualification and space demonstration mission.

- *Working Capital*
8.5%

If we raise our maximum funding goal of \$1,069,999.02 we will use approximately \$91k (8.5%) on working capital for engineering testing and launch cost of our prototype electric propulsion system.

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

Regulatory Information

Disqualification

No disqualifying event has been recorded in respect to the company or its officers or directors.

Compliance Failure

The company has not previously failed to comply with the requirements of Regulation Crowdfunding.

Ongoing Reporting

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 29 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at <http://www.primelightworks.com> (<http://www.primelightworks.com/annualreport>).

The Company must continue to comply with the ongoing reporting requirements until:

- (1) it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed \$10,000,000;
- (3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;
- (4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) it liquidates or dissolves its business in accordance with state law.

Updates

Updates on the status of this Offering may be found at:
www.startengine.com/primelightworks

Investing Process

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.

EXHIBIT B TO FORM C

**FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR Prime
Lightworks Inc.**

[See attached]

PRIME LIGHTWORKS INC.

Financial Statements (Unaudited) and Independent Accountant's Review Report
December 31, 2018 and December 31, 2017

Prime Lightworks Inc.
Index to Financial Statements
(unaudited)

	<u>Pages</u>
Balance Sheets as of December 31, 2018 and December 31, 2017	3
Statements of Operations for the Periods ended December 31, 2018 and December 31, 2017	4
Statements of Stockholders' Equity for the Periods ended December 31, 2018 and December 31, 2017	5
Statements of Cash Flows for the Periods ended December 31, 2018 and December 31, 2017	6-7
Notes to the Financial Statements	8-12

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

SetApart Financial Services
10586 W Pico Blvd, Suite 224
Los Angeles, CA 90065
P: (213) 814 – 2809
W: www.setapartfs.com

To the Board of Directors of
Prime Lightworks Inc.
Torrance, California

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of Prime Lightworks Inc. (the "Company,"), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statement of operations, statement of shareholders' equity (deficit), and cash flows for the years ending December 31, 2018 and December 31, 2017, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in Note 1, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Marko Glisic, CPA
Los Angeles, California
09/18/2019

Marko Glisic, CPA

PRIME LIGHTWORKS INC.
BALANCE SHEETS
FOR THE PERIODS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017
(unaudited)

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and Cash Equivalents	87,018	360,101
Total Current Assets	87,018	360,101
Fixed Assets		
Property and Equipment, net	274,784	260,935
Other Assets	3,347	3,347
Total Non Current Assets	278,131	264,282
TOTAL ASSETS	\$ 365,149	\$ 624,382
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable and Credit Cards	27,713	12,403
PayPal Loan	554	-
Total Current Liabilities	28,267	12,403
Non-Current Liabilities		
Convertible Notes-SAFEs	1,500,000	1,200,000
Convertible Notes	13,549	13,549
Total Non-Current Liabilities	1,513,549	1,213,549
Total Liabilities	1,541,816	1,225,952
Equity		
Common Stock, par value \$0.00001		
10,000,000 shares authorized, 4,856,984		
issued and outstanding	49	49
Additional Paid In Capital	57,392	41,703
Retained Earnings	(590,380)	(120,537)
Treasury Stock	(52,941)	(52,941)
Net Income	(590,786)	(469,843)
Total Equity	(1,176,667)	(601,570)
TOTAL LIABILITIES & EQUITY	\$ 365,149	\$ 624,382

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

PRIME LIGHTWORKS INC.
STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017
(unaudited)

	December 31, 2018	December 31, 2017
Revenue	\$ -	\$ -
Cost of Goods Sold	<u>-</u>	<u>-</u>
Gross Margin	-	-
Expenses		
Advertising and Marketing	1,658	1,743
General and Administrative Expenses	607,681	468,227
Total Expense	<u>609,339</u>	<u>469,970</u>
Operating Income/(Loss)	(609,339)	(469,970)
Non Operating Income/(Expenses)		
Interest Expense	-	-
Interest income	83	127
Other Income	<u>18,470</u>	<u>-</u>
Total Other Income (Expense)	18,553	127
Income Tax	-	-
Net income/(Loss)	<u><u>\$ (590,786)</u></u>	<u><u>\$ (469,843)</u></u>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

PRIME LIGHTWORKS INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE PERIODS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017
(unaudited)

	Common stock		Additional Paid-in Capital	Accumulated Earnings	Total Stockholders' Equity
	Shares	Amount			
December 31, 2016	4,856,984	\$ 49	\$ 36,060	\$ (120,537)	\$ (84,429)
Contribution	-	-	-	-	-
Distribution	-	-	-	-	-
Treasury Stock	-	-	(52,941)	-	(52,941)
Sharebased Compensation	-	-	5,643	-	5,643
Net loss	-	-	-	(469,843)	(469,843)
December 31, 2017	4,856,984	49	(11,239)	(590,380)	(601,570)
Contribution	-	-	8,000	-	8,000
Distribution	-	-	-	-	-
Treasury Stock	-	-	-	-	-
Sharebased Compensation	-	-	7,690	-	7,690
Net income (loss)	-	-	-	(590,786)	(590,786)
Balance at December 31, 2018	4,856,984	\$ 49	\$ 4,451	\$(1,181,166)	\$ (1,176,666)

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

PRIME LIGHTWORKS INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017
(unaudited)

	December 31, 2018	December 31, 2017
Cash flows from operating activities		
Net income	\$ (590,786)	\$ (469,843)
Shared Based Compensation Expense	7,690	5,643
Depreciation	84,540	52,030
Total Adjustments to reconcile Net Cash Provided		
By Operations:		
Accounts Payable and Credit Cards	15,309	9,316
PayPal Loan	554	-
Other Assets	-	-
Net Cash Provided By Operating Activities:	(482,693)	(402,855)
Cash flows from Investing Activities		
Purchase of property and equipment	(99,389)	(203,902)
Sales of property and equipment	1,000	18,363
Net Cash used in investing activities	(98,389)	(185,539)
Cash flows from Financing activities		
Common stock	-	49
Proceeds (repayments)-Convertible Notes	300,000	250,000
Treasury stock	-	(52,941)
Contribution/(Distribution)	8,000	
Net cash received from financing activities	308,000	197,108
Net (decrease) increase in cash and cash equivalents	(273,082)	(391,287)

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

Cash and cash equivalents at beginning of period	360,101	751,387
Cash and cash equivalents at end of period	<u>\$ 87,019</u>	<u>\$ 360,100</u>

See Independent Accountant's Review Report and accompanying notes, which are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS

Prime Lightworks Inc. was formed on September 29, 2015 ("Inception") in the State of Delaware. The financial statements of Prime Lightworks Inc. (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters are located in Torrance, California.

Prime Lightworks Inc. was started to investigate measurements of impulsive thrust from a closed radio frequency cavity in vacuum. This technology, called radio frequency (RF) resonant cavity thruster, has the potential to eliminate satellite propellant mass in favor of renewable electric propulsion.

Prime Lightworks makes breakthrough electric propulsion systems for space satellites that are solar powered, fully renewable, and consume ZERO fuel. Prime Lightworks electric propulsion prototype comprises two major components, the RF power electronics enclosure (6U CubeSat footprint) and the RF resonant cavity thruster (1U CubeSat footprint).

Our CubeSat electric propulsion system is designed to be modular and scalable to meet the needs of any spacecraft. Our RF electronics and RF resonant cavities can replace satellite propellant mass and conventional satellite propulsion systems. This paradigm shift in propulsion will increase satellite payload mass and orbital velocities, while lowering fuel emissions and launch costs to orbit.

Our vacuum thrust measurement apparatus improves on the version used by NASA Eagleworks as published in Journal of Propulsion of Power. Our torsion pendulum employs thrust calibration and damping systems similar to NASA. However, our RF power electronics are magnetically shielded and mounted on our torsion pendulum inside our vacuum chamber, to limit the effect of magnetic torque on power cables.

Null tests are performed using a RF load attenuator in place of our RF resonant cavity. Our vacuum thrust measurement campaign is now underway, including error analysis due to magnetic torque and thermal expansion, as well as other potential sources of error. We plan to publish our results once our vacuum test campaign is complete. We are raising our next round of funding to launch our space demonstration mission.

Going Concern and Management's Plans

The Company is pre-revenue and lacks significant working capital. We will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of expenses during the reporting periods. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

- Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 - Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2018 and 2017. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Account Receivables

Accounts receivable are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectability based on past credit history with clients and other factors. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance, and current economic conditions. As of December 31, 2018 and 2017, the Company has no account receivables.

Inventory

The company carries no inventory.

Property and Equipment

Property and equipment will be stated at cost when purchased. Depreciation will be computed primarily using the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. Leasehold improvements are amortized over the shorter of the useful life of the related assets or the lease term. Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or

See accompanying Independent Accountant's Review Report

otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period. As of December 31, 2018, and 2017 the company has property and equipment in the amounts of \$426,395 and \$328,005, with accumulated depreciation the amounts of \$151,611 and \$67,071.

Category	Useful Lives
Computers	5 years
Furnitures and Fixtures	7 years
Software	3 years

Revenue Recognition

The Company will recognize revenues primarily from the sale of its breakthrough electric propulsion systems when (a) persuasive evidence that an agreement exists; (b) the service has been performed; (c) the prices are fixed and determinable and not subject to refund or adjustment; and (d) collection of the amounts due is reasonably assured.

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities. The Company has established a full valuation allowance against deferred assets.

ASC 740 also provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and California state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The Company currently is not under examination by any tax authority.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

NOTE 3 – DEBT

Convertible Notes-SAFEs

From 2016 to 2018, the company received money from investors in the form of SAFEs notes that will later be converted into Preferred Stock. No conversion date has been set. As of December 31, 2018, and December 31, 2017, the outstanding principal amount of SAFE was \$1,500,000 and \$1,200,000 respectively. None of SAFEs were converted to Preferred Stock as of December 31, 2018 and December 31, 2017.

Convertible Note

In 2016, the Company entered into a convertible note agreement with Y Combinator Investments, LLC for total principal of \$13,549. The instrument matures in 10 years and bears no interest. The outstanding balance of the note as of December 31, 2018 and 2017, is \$13,549.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Office Lease Agreement

On January 17, 2017, the company signed a lease agreement for an office space with TMT South Bay Business Park, Inc. The lease begins on February 13, 2017 and ends on January 31, 2019. The monthly rents are as followed:

\$2,508 per month for the period commencing February 13, 2017 and ending January 1, 2018 and

\$2,583.24 per month for the period commencing February 1, 2018 and ending January 1, 2019.

Greentown Labs Member Agreement

On July 29, 2017, the company signed a renewed member agreement for a lab space with Greentown Labs, Inc for a monthly rent of \$1,370. The member agreement term begins on August 1, 2016 and ends on January 30, 2017. The lease is renewable every 6 months and was renewed from March 1, 2017 through September 30, 2017 for monthly rent of \$1,370, and from November 1, through January 31, 2018 for a monthly rent of \$1,785. From February 1, 2018 through January 31, 2019, the member agreement rolled over from month to month for a monthly rent of \$1,785.

Rent expense was in the amount of \$60,024 and \$62,608 as of December 31, 2018 and December 31, 2017 respectively.

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers.

NOTE 5 – STOCKHOLDERS' EQUITY

Common Stock

We have authorized the issuance of 10,000,000 shares of our common stock with \$0.00001 par value. As of December 31, 2018, and 2017, 4,856,984 shares of common stock were issued and outstanding in both years for a consideration of \$49.

Stock Based Compensation

During 2016, the Company authorized the 2016 Equity Incentive Plan (which may be referred to as the "Plan"). The Company reserved 500,000 shares of its Common Stock pursuant to the Plan, which provides for the grant of shares of stock options, stock appreciation rights, and stock awards (performance shares) to employees, non-employee directors, and non-employee consultants. The option exercise price generally may not be less than the underlying stock's fair market value at the date of the. The amounts granted each calendar year to an employee or nonemployee is limited depending on the type of award. As of December 31, 2018, 363,000 shares are still available to be issued under the Plan.

Stock Options

In 2016, the Company granted 80,000 stock options under the Plan to various employees with a total grant date fair value of approximately \$11,747. The granted options had an exercise price of \$0.30, expire in ten years and vest over 20% on the first anniversary and thereafter every six months until fully vested. The

See accompanying Independent Accountant's Review Report

stock options were valued using the Black-Scholes pricing model with a range of inputs indicated below:

Expected life (years)	3.00
Risk-free interest rate	0.71%
Expected vitality	75.00%
Annual dividend yield	0.00%

In 2017, the Company granted 57,000 stock options under the Plan to various employees with a total grant date fair value of approximately \$11,321. The granted options had an exercise price of \$0.40, expire in ten years and vest over 10 year period. The stock options were valued using the Black-Scholes pricing model with a range of inputs indicated below:

Expected life (years)	3.00
Risk-free interest rate	1.63%
Expected vitality	75.00%
Annual dividend yield	0.00%

The risk-free interest rate assumption for options granted is based upon observed interest rates on the United States government securities appropriate for the expected term of the Company's employee stock options.

The expected term of employee stock options is calculated using the simplified method which takes into consideration the contractual life and vesting terms of the options.

The Company determined the expected volatility assumption for options granted using the historical volatility of comparable public company's common stock. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants, until such time that the Company's common stock has enough market history to use historical volatility. The dividend yield assumption for options granted is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

Management estimated the fair value of common stock based on recent sales to third parties and income approach. Forfeitures are recognized as incurred.

A summary of the Company's stock options activity and related information is as follows:

	Number of Shares	Weighted Average Exercise	Weighted Average Contract Term
Outstanding at December 31, 2016	80,000	\$ 0.30	9.6
Granted	57,000	\$ 0.40	
Exercised	-		
Expired/Cancelled	-		
Outstanding at December 31, 2017	137,000	\$ 0.34	1.93
Exercisable Options at December 31, 2017	122,392		
Outstanding at December 31, 2017	137,000	\$ 0.34	1.93
Granted	-	\$ -	
Exercised	-	\$ -	-
Expired/Cancelled	-	\$ -	-
Outstanding at December 31, 2018	137,000	\$ 0.34	0.93
Exercisable Options at December 31, 2018	28,308	\$ 0.34	0.93

See accompanying Independent Accountant's Review Report

Stock option expense for the years ended December 31, 2018 and December 31, 2017 was \$7,690 and \$5,643, respectively. The unrecognized stock option expense is \$7,778 and \$15,468 as of December 31, 2018 and December 31, 2017, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS

The company executed an engagement letter to a monthly subscription in the amount \$2,000 with Atrium for legal advisory services. Atrium is owned by Justin Kan, who has an equity stake in Y Combinator Investments, LLC. Y Combinator Investments, LLC is a company stockholder that owns 303,573 shares and the holder of the convertible note issued by the company as discussed in note 3.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2018 through September 18, 2019, the issuance date of these financial statements.

Issuance of SAFEs Notes

On February 1, 2019, the company issued a SAFE note in the amount of \$100,000 to a certain lender.

On May 10, 2019, the company issued a SAFE note in the amount of \$125,000 to a certain lender.

On July 17, 2019, the company issued a SAFE note in the amount of \$50,000 to a certain lender.

On August 28, 2019, the company issued a SAFE note in the amount of \$50,000 to a certain lender.

Renewal of Leases Agreements

On February 14, 2019, the company renewed the Greentown Labs member agreement for a lab space that begins on February 1, 2019 and ends on January 31, 2020. The monthly new monthly rent is in the amount of \$5,756.

On March 22, 2019, the company renewed its office rental agreement with TMT South Bay Business Park, Inc. The term of the lease was extended from April 1, 2019 to March 31, 2020. The monthly new monthly rent is in the amount of \$2,860.

Capital Acquisitions

On February 4, 2019, the company spent \$11,000 to file a worldwide patent application with US and WIP under PCT for our electric propulsion system in that is pending approval.

On February 13, 2019, the company purchased a muffle furnace for an amount of \$10,781.

On July 11, 2019 the company purchased an optical table for an amount of \$9,360.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

EXHIBIT C TO FORM C

PROFILE SCREENSHOTS

[See attached]

This offering is not live or open to the public at this moment.



Prime Lightworks

Renewable Electric Propulsion



[Website](#) [Torrance, CA](#)

ELECTRONICS

ENGINEERING

Prime Lightworks is making a fully electric spacecraft propulsion system that does not need conventional mass propellant (fuel). We believe our system will provide a revolutionary step forward in space exploration and planetary science, eliminating the need for fuel propulsion systems using renewable solar energy.

\$0.00 raised 

0
Investors

91
Days Left

%
Equity Offered

\$10.2M
Valuation

Equity
Offering Type

\$199.82
Min. Investment

INVEST NOW



This Offering is eligible
for the [StartEngine](#)
[Owner's 10% Bonus](#)


*This Reg CF offering is made available
through StartEngine Capital, LLC.*

[Overview](#) [Team](#) [Terms](#) [Updates](#) [Comments](#)

 Follow

Reasons to Invest

- \$1.8M seed funding raised from Y Combinator and angel investors
- Founder & CEO Kyle Flanagan named to Forbes 30 Under 30 Class of 2020 in Science
- Patent pending with US and PCT for our proprietary electromagnetic thruster technology



"Our goal is to enable renewable interplanetary space travel — while eliminating emissions, cost and waste."

Photo from NASA. Our product is currently still in prototype stage.

OUR STORY

Investigating zero-fuel microwave space propulsion

"When I read that NASA was testing a microwave space propulsion system that would require no fuel, I founded **Prime Lightworks** to investigate and commercialize this breakthrough technology. We now have **patent pending and a functional prototype** in vacuum testing, and we are raising our next round of funding to continue our proof-of-concept prototype vacuum tests and launch our space demonstration mission."

Kyle Flanagan

CEO and Founder



Y Combinator

S16 Alum

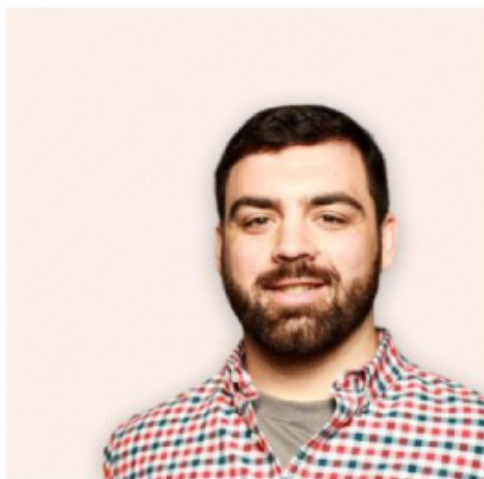


Forbes 30 Under 30

Class of 2020 | Science

Former SpaceX Engineer

Working on Falcon 9 rocket and Dragon spacecraft



THE PROBLEM

Current propulsion systems lead to massive amounts of emissions, cost and waste!

Satellite technologies have numerous global applications: telecommunications, GPS, intelligence, and Earth imaging for weather and climate analysis. However, many current satellite propulsion systems use toxic fuel that costs up to **\$50K per kg** to launch into orbit and creates waste in the form of space debris. We believe our product will solve the problem of space propulsion for satellites and spacecraft, using a solar-powered radio amplifier and microwave cavity to replace fuel-based propulsion systems.



Photo from NASA. Our product is currently still in prototype stage.

THE SOLUTION

This technology could eliminate spacecraft fuel entirely

Prime Lightworks is developing renewable CubeSat electric propulsion systems which, if proven feasible, could increase spacecraft lifespan and reliability, eliminate spacecraft fuel emissions, and drastically reduce launch vehicle size and fuel emissions. Our RF-based propulsion system is patent-pending, and if we succeed in our prototype test campaign with thrust measurements in a vacuum, this could scale to support all satellite mission architectures.

Prime Lightworks solution could offer:

- **20-50% mass savings** (compared to fuel propulsion)
- **Fully renewable solar energy** (instead of fuel)
- **Eliminating the need for toxic fuel and waste**



THE MARKET

Satellite propulsion systems are a \$1B per year industry

Our potential customers are satellite manufacturers who purchase high delta-velocity (delta-v) propulsion systems for mission integration

- Hardware manufacturing of satellites is over \$15B per year market
- Global satellite industry is over \$260B per year market
- Satellite manufacturers are expected to purchase \$630M of propulsion systems per year by 2024
-

[source](#)



\$170M Total Addressable Market (TAM)



Electric Propulsion Manufacturing

- \$170M in 2019
- 24% CAGR

Satellite Manufacturing

- \$15.5B in 2019

Satellite Services

- \$128.7B in 2019



Source: IHS, 2018

OUR TRACTION

We've raised \$1.8M+ in seed funding from Y Combinator and our Angel Investors

- We've filed our US and PCT patent applications for electromagnetic thrusters on February 8, 2019
- We're operating 2,200 square foot facility in Torrance, CA + Greentown Labs prototyping space
- We've begun proof-of-concept vacuum testing our prototype CubeSat electric propulsion system



Mentored and Validated By The Best





Y Combinator



Greentown Labs



Cleantech Open
West



Starburst
Accelerator

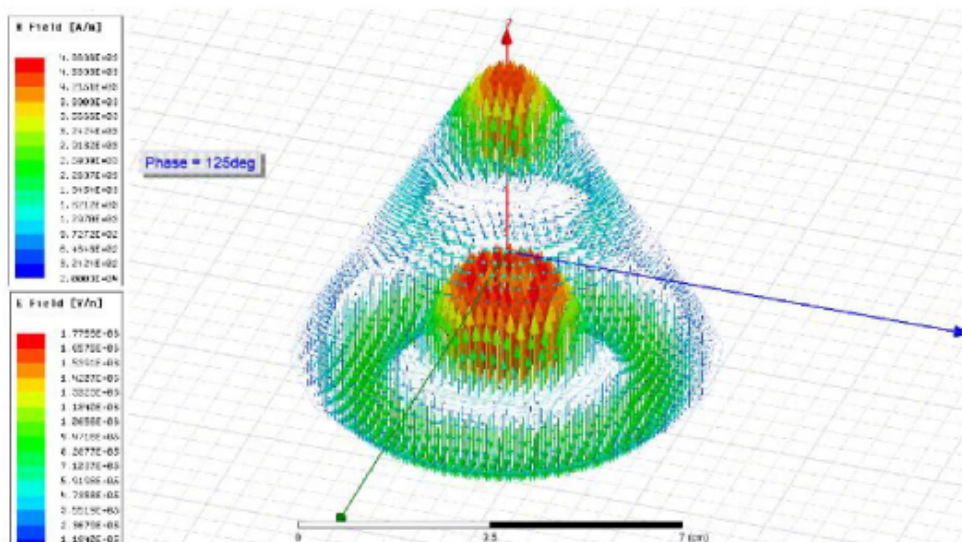
WHAT WE DO

We could revolutionize the aerospace industry

We're trying something new. Our electric propulsion systems would work by concentrating electromagnetic field strength and radiation pressure on the large end surface of our radio frequency (RF) cavity resonator. We need your support to continue our vacuum testing and produce thrust measurements proving feasibility of our fully renewable, zero fuel, spacecraft electric propulsion.

Prototype CubeSat Electric Propulsion System:

- RF Power Enclosure (6U, 50W, X-Band, 8-11GHz)
- RF Cavity Resonator (1U, 8.5GHz, -28dB S11, 7e4 Q-Factor)



THE BUSINESS MODEL

Our ideal customers are satellite manufacturers purchasing high delta-v propulsion systems

We will offer direct contract sales of patent-pending RF resonant cavity propulsion

We will enter direct contracts with or without patent pending RF resonant cavity propulsion systems and power electronics hardware. We need your investment to continue our proof-of-concept prototype vacuum tests. Our goal is to prove that space propulsion can be done using RF electronics hardware that is more renewable and cost-effective than chemical rockets or existing electric propulsion. Use of RF architecture for propulsion applications has enormous potential to support growth opportunities in RF telecommunications markets based on small satellite orbital constellations.

Competitive Advantages



Propulsion Manufacturer	Type	Cost	Mass	Thrust	Reliability	Lifetime
Prime Lightworks	Electric	●	●	●	●	●
Planetary Society	Solar	●	●	○	●	●
Accion Systems	Hybrid	●	●	●	●	●
Busek Company	Hybrid	●	●	●	●	●
Northrop Grumman	Fuel	●	○	●	●	●
SpaceX	Fuel	●	●	●	●	●
Virgin Galactic	Fuel	○	○	●	○	○

Legend:

- Best
- Better
- Good
- Fair
- Poor

Solar powered, fully renewable, solid state, electric propulsion technology

HOW WE ARE DIFFERENT

We could be the most renewable propulsion technology

While other space propulsion technologies consume fuel, ours uses renewable solar power. With zero fuel, we aim to provide a lighter and more reliable propulsion system that is less expensive to manufacture and launch, with renewable delta-velocity (delta-v) for unlimited orbital maneuvering.





THE VISION

Let's eliminate fuel emissions from space propulsion

Prime Lightworks aims to reduce aerospace industry fuel emissions by eliminating satellite fuel mass and reducing launch vehicle fuel consumption. We believe in a sustainable future where air and space transportation are fully renewable with zero carbon footprint.



Photo from NASA. Our product is currently still in prototype stage.

OUR TEAM

Two former SpaceX engineers make this moonshot, not such a longshot

Our Founder & CEO, Kyle Flanagan, has eons of experience from Harvard, CERN, Caltech/IDP and SpaceX having been entrenched in this world for years. He

career at JPL and SpaceX, having been entrenched in this world for years. He started engineering at SpaceX when RF designer, Peter Dohm, was moving beyond SpaceX to Millennium Space Systems. Along with other team members, their shared knowledge and experience is vast and their vision is uncompromising. This undertaking is the natural next step for them.

#forbes #30under30 #science

#renewable #solar #newspace

#primelightworks



WHY INVEST

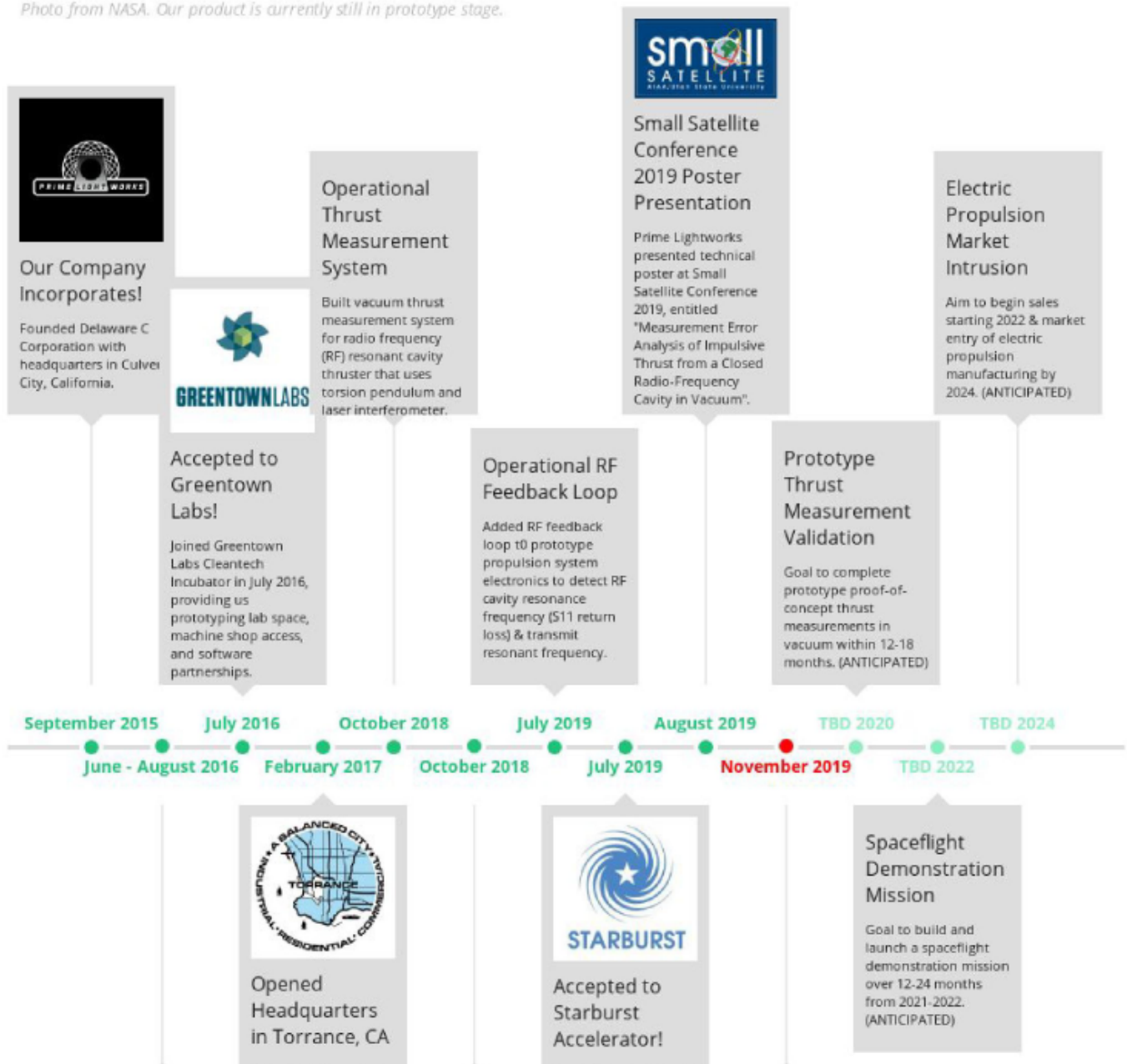
Join us as we launch into the future of space


It's our mission to eliminate wasteful and toxic fuel from the space industry, with renewable propulsion that enables interplanetary space exploration. We're launching into a growing electric propulsion market with a product that could open up the cosmos while protecting our environment. Join us!

This data is publicly available pursuant to 15 C.F.R. §734.7(a)(4) and is therefore not subject to the U.S. Export Administration Regulations.



Photo from NASA. Our product is currently still in prototype stage.





Y Combinator Summer 2016 Batch


Prime Lightworks completed YC S16 and has raised over \$1.8M seed funding to date.



Cleantech Open West 2018 Track Winner


Prime Lightworks was awarded Transportation Track Winner and received Honorable Mention for Emerging technology at Cleantech Open West.





Launched on StartEngine!

Now YOU can own a part of our company!



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Meet Our Team



Kyle Flanagan

Founder & CEO

Years of Experience: 6 (Previous: SpaceX)

Education: B.A. in Physics, Harvard University (2013)

Forbes 30 Under 30 Class of 2020 in Science

Kyle Flanagan worked as Electromagnetic Interference (EMI) & Survivability Engineer at SpaceX from 2013 to 2015. During that time, his responsibilities included power systems compatibility, grounding bonding shielding, and lightning/welding/ESD control programs



Peter Dohm

VP Engineering

Years of Experience: 10 (Previous: SpaceX, Millennium Space Systems)

Education: M.S. (2010) B.S. (2009) in Electrical Engineering, Michigan Technological University

Peter Dohm worked as Avionics RF Systems/Integration Engineer at SpaceX from 2009 to 2012. During that time, he was a responsible engineer for RF systems hardware of Falcon launch vehicle and Dragon spacecraft including Dragon COTS

for Falcon launch vehicle and Dragon spacecraft. His prior research includes an internship with Harvard University for CERN ATRAP Antihydrogen Research and a fellowship with CalTech for NASA JPL Frequency & Timing Advanced Instrument Development Group. Full-time responsibilities include program management, science and engineering design, and business operations.



Dragon spacecraft, including Dragon's UHF communication unit (CUCU). His recent work includes as Senior RF Engineer at Millennium Space Systems from 2013 to 2016. Full-time responsibilities include design and implementation of RF power electronics, cavity resonator, vacuum chamber, and torsion pendulum.



Offering Summary

Company : Prime Lightworks Inc.

Corporate Address : 2909 Oregon Ct Ste C12, Torrance, CA 90503

Offering Minimum : \$9,999.24

Offering Maximum : \$1,069,999.02

Minimum Investment Amount : \$199.82
(per investor)

Terms

Offering Type : Equity

Security Name : Common Stock

Minimum Number of Shares Offered : 4,854

Maximum Number of Shares Offered : 519,417

Price per Share : \$2.06

Pre-Money Valuation : \$10,192,847.04

**Maximum Number of Shares Offered subject to adjustment for bonus shares. See Bonus info below.*

Perks* and Investment Bonuses

Early Bird

First 48 hours - Friends and Family Early Birds | 10% bonus shares

Next 5 days - Early Bird Bonus | 5% bonus shares

Volume

\$500+ (Tier 1 perk) | Stickers w/ Company Logo

\$1,000 (Tier 2 perk) | T-Shirt w/ Company Logo
\$2,500+ (Tier 3 perk) | USB Drive w/ Company Logo
\$5,000+ (5% bonus shares) | Name Etched on Prototype
\$20,000+ (10% bonus shares) | Visit to HQ in Torrance, CA

**All perks occur after the offering is completed*

The 10% Bonus for StartEngine Shareholders

Prime Lightworks Inc. will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Common Stock at \$2.06 per share, you will receive 110 Common Stock shares, meaning you'll own 110 shares for \$206. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are cancelled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

Irregular Use of Proceeds

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000: Salary payments made to one's self, a friend or relative. Any expense labeled "Travel and Entertainment". Inter company debt or back payments. Any expense labeled "Administrative Expenses" not strictly for administrative purposes. Vendor payments.

[Offering Details](#)

[Form C Filings](#)

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Risks

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature. These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

Updates

Follow Prime Lightworks to get notified of future updates!

Comments (0 total)

Add a public comment...

0/2500



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EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

Prime Lightworks Inc.

StartEngine Video Script

Regulation Crowdfunding

November 10, 2019

Kyle: When I was a kid, I dreamed about flying through space and exploring new worlds. (0:08)

But I wondered, what's holding us back? (0:10)

Over time I came to learn that fuel is one of the things that limits our ability to go to deep space. (0:16)

That's why I founded Prime Lightworks — to investigate solar-powered, fully renewable, space propulsion. (0:22)

Kyle: My name's Kyle Flanagan. (0:24)

I'm the Founder & CEO of Prime Lightworks. (0:27)

Kyle: In space, the future of propulsion is sunlight. (0:31)

Kyle: These days, if you want to move around in space, you need massive engines and fuel tanks. (0:36)

An average satellite is half propellant, which means half of its mass is fuel, and you have to launch that into space. (0:43)

Microwave propulsion can make satellites greener and more cost-effective, and has the potential to increase spacecraft lifetime, reliability, and maneuverability. (0:52)

Kyle: Planetary Society just launched the LightSail, and we now have data proving that electromagnetic propulsion is not only possible, but feasible and real. (01:02)

Pete: Now that the solar sail has been proven, we are looking to create a more efficient, fully electric propulsion system. (1:08)

Pete: Fuel for satellites is essentially a lifetime issue. (1:10)

As much fuel as you can carry is as long as the life duration that you can have for your satellite. (1:14)

Radio frequency cavities can actually solve this problem by eliminating that need for fuel. (1:19)

Pete: A solar sail works by taking the photons emitted from the sun and bouncing it off a sail, much like the wind on a ship. (1:25)

Instead of the photon hitting once, we actually recapture it, so it bounces, and then bounces again, and bounces again. (1:32)

And this provides a higher efficiency from each photon, providing more thrust than the typical solar sail. (01:37)

Kyle: Over the past three years, we've built a prototype, and a testbed. (1:41)

Kyle: We test this prototype propulsion system on a torsion pendulum. (1:46)

It's very sensitive and can detect thrust less than the weight of a feather. (1:49)

And then we put that in our vacuum chamber on an optics table and measure it using a laser, with a system called an interferometer. (1:56)

Pete: We can show from the mathematical equations from a physical sense that this actually is able to produce thrust. (2:04)

The physics is there, and we've been able to show that the engineering is there, and once we have the test data, we should be able to show that this is a real technology. (2:12)

Kyle: Our team is uniquely suited to prove that electromagnetic propulsion is possible. (2:22)

I'm an electromagnetics engineer from SpaceX, from 2013 to 2015. (2:26)

Before SpaceX, I did my undergrad at Harvard, where I studied physics. (2:30)

And I did internships at CERN, on antimatter for ATRAP, under Professor Gerald Gabrielse. (2:36)

I did the next summer for Jet Propulsion Lab in Pasadena, California, where I was with Bob Tjoelker doing Deep Space Atomic Clock project. (2:43)

So that actually just launched onboard a Falcon Heavy. (2:46)

Kyle: Pete Dohm is our RF Engineer and Vice President. (2:49)

I love Pete, you know, he's been with us since summer of 2016 at Y Combinator. (2:53)

He built the radio that talks between SpaceX Dragon Capsule and the International Space Station. (3:00)

He was there in the early days, and he's built our entire RF prototype. (3:04)

Kyle: Todd Bregy, our Production Manager, is an auto car racer, 20 years in structural steel. (3:09)

So, you know, as a team of technologists, we bring together electromagnetics and radio engineering to make a high performance but low noise prototype test. (3:18)

Kyle: In 2016, we got accepted to Y Combinator, our first startup accelerator, and we've raised

\$1.8M in seed funding to date. (3:27)

We also got accepted to Greentown Labs, where we're a member company, cleantech incubator. (3:32)

In 2018, we got accepted to Cleantech Open, and won an honorable mention for emerging technology. (3:37)

And in 2019, we pitched at the Paris Air Show, and have been accepted to Starburst Accelerator. (3:43)

Kyle: There are so many great reasons to invest in new space technology. (3:48)

Historically we have NASA to thank, the Apollo mission, the space shuttle, for solar panels, GPS, materials like Teflon. (3:55)

When we invest in space, we have big impacts back here on Earth. (3:58)

Kyle: The total addressable market for electric propulsion manufacturing was \$170M in 2019. (4:04)

And at 24% annual growth, that's projected to be \$640M by 2024. (4:11)

And in the long run, investments in renewable propulsion for aerospace could have a broader impact. (4:15)

You know, these are tough times – we've really made an impact on the planet in a negative way. (4:20)

I mean, I loved being at SpaceX, I love space, but burning fuel to get there was hard for me. (4:25)

Kyle: And there's a lot of space trash, debris that we've thrown away from decades of missions, and right now we don't have a way to take care of that. (4:33)

Well, unlimited propulsion from solar power, we could de-orbit space trash, to make space safe for satellites and spacecraft. (4:40)

Kyle: With the money we raise from StartEngine, over the next 6 to 12 months, we're going to be taking our proof of concept prototype through vacuum chamber testing for thrust measurements. (4:49)

Kyle: So that's where you come in. (4:50)

We're looking to build a community who's going to follow our test and give us feedback, to purchase equity in our company, to invest in our prototype, in our team, in our technology. (4:59)

Kyle: That's why we're going with StartEngine, because a technology like this can become possible when we work together. (5:05)

Kyle: Whether you're a scientist, or an environmentalist, or you think space is cool, I invite you to invest in us at Prime Lightworks, and the future of renewable space propulsion. (5:14)

This data is publicly available pursuant to 15 C.F.R. §734.7(a)(4) and is therefore not subject to the U.S. Export Administration Regulations.

STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 6-8% (six to eight percent) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the issuer on StartEngine Capital's website.

Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

Hitting The Target Goal Early & Oversubscriptions

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuer hits its goal early, and the minimum offering period of 21 days has been met, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach \$1.07M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its

target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

Minimum and Maximum Investment Amounts

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.
- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than \$107,000, then during any 12-month period, they can invest up to the greater of either \$2,200 or 5% of the lesser of their annual income or net worth. If both their annual income and net worth are equal to or more than \$107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is less, but their investments cannot exceed \$107,000.