

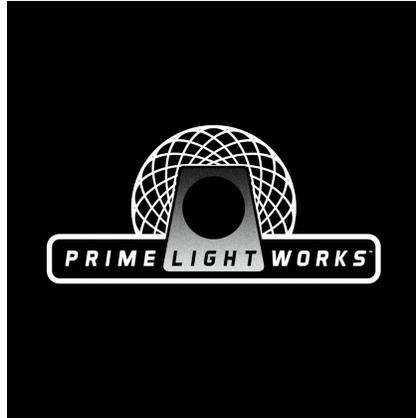
PART I of FORM C-AR/A

X Form C-AR/A:	
Name of Issuer	Prime Lightworks Inc.
Form	Corporation
Jurisdiction of Incorporation/Organization:	Delaware
Date of Organization	September 29, 2015
Physical address of issuer:	47 Katahdin Dr, Brunswick, ME 04011
Website of issuer	https://www.primelightworks.com
Note: 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.	
Current number of employees:	2 full-time employees

	As of the most recent fiscal year end	As of the prior fiscal year-end
Total Assets:	\$112,121.00	\$251,619.00
Cash & Cash Equivalents:	\$50,420.00	\$22,308.00
Accounts Receivable:	\$0.00	\$101,397
Short-term Debt:	\$76,315.00	\$265,270.00
Long-term Debt:	\$1,838,549.00	\$1,862,717.00
Revenues/Sales	\$0.00	\$0.00
Cost of Goods Sold:	\$0.00	\$0.00
Taxes Paid:	\$0.00	\$0.00
Net Income:	\$(396,329.00)	\$(508,613.00)

PART II

AMENDED ANNUAL REPORT DATED DECEMBER 30, 2022



Prime Lightworks Inc.
47 Katahdin Dr, Brunswick, ME 04011
<https://www.primelightworks.com>

This disclosure document contains forward-looking statements and information relating to, among other things, the company, its business plan and strategy, and its industry. These forward-looking statements are based on the beliefs of, assumptions made by, and information currently available to the company’s management. When used in this disclosure document and the company offering materials, the words “estimate”, “project”, “believe”, “anticipate”, “intend”, “expect”, and similar expressions are intended to identify forward-looking statements. These statements reflect management’s current views with respect to future events and are subject to risks and uncertainties that could cause the company’s action results to differ materially from those contained in the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements to reflect events or circumstances after such state or to reflect the occurrence of unanticipated events.

In the event that we become a reporting company under the Securities Exchange Act of 1934, we intend to take advantage of the provisions that relate to “Emerging Growth Companies” under the JOBS Act of 2012, including electing to delay compliance with certain new and revised accounting standards under the Sarbanes-Oxley Act of 2002.

TABLE OF CONTENTS

[THE COMPANY AND ITS BUSINESS](#).....4

[RISK FACTORS](#).....5

[DIRECTORS, EXECUTIVE OFFICERS, AND EMPLOYEES](#).....10

[OWNERSHIP AND CAPITAL STRUCTURE](#).....10

[FINANCIAL DISCUSSION](#).....11

[RELATED PARTY TRANSACTIONS](#).....14

[PREVIOUS OFFERINGS OF SECURITIES](#).....14

[RIGHTS OF THE SECURITIES OF THE COMPANY](#).....19

[DILUTION](#).....21

[REGULATORY INFORMATION](#).....22

THE COMPANY AND ITS BUSINESS

Overview

Prime Lightworks Inc. (also referred to as "we", "us", "Prime Lightworks", or the "Company") is a C Corporation incorporated on September 29, 2015, under the laws of Delaware.

Brief Description of the Company

Prime Lightworks is developing propulsion systems for space satellites and launch vehicles that are intended to be both fully reusable and produce zero CO₂ emissions. Our vision is to enable sustainable space travel by developing green hydrogen (H₂) propulsion based on solar energy storage as fuel generation for a circular clean aerospace economy. We have a patent pending with USPTO and internationally on our CubeSat version of the NASA-tested radio frequency (RF) resonant cavity thruster. While test measurements of standard electrically conductive RF cavity resonator prototypes do not yet show significant propulsive thrust, we are continuing plans to develop superconducting RF cavity resonator prototypes, which we believe could increase RF performance and thrust production to enable proof-of-concept performance and commercial viability. We are also expanding our aerospace propulsion technology portfolio to include H₂ rocket engine development, with the goal of making fully reusable satellite rocket launch vehicles based on fully renewable green hydrogen fuel with zero CO₂ emissions.

Employees

The Company currently has 2 full-time employees.

Regulation

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

Intellectual Property

The Company has applied for a utility patent (application #16271275) and International Application Number (PCT/US19/17282) with the United States Patent and Trademark Office on February 8, 2019. On September 3, 2021, the Company filed a continuation application (application #17465917) with the United States Patent and Trademark Office regarding the utility patent and International Application Number. On July 28, 2022, the Patent Application Publication for "Electromagnetic Energy Momentum Thruster Using Tapered Cavity Resonator Evanescent Modes" was published by the United States Patent and Trademark Office.

The Company has applied for the following trademarks: PRIME LIGHT WORKS (Serial # 87678800, Filing Date November 9, 2017) and PRIME LIGHTWORKS (Serial # 88458750, Filing Date June 4, 2019). The trademark application for PRIME LIGHT WORKS (Serial # 87678800, Filing Date November 9, 2017) was abandoned on December 6, 2021.

Litigation

The company is not involved in any litigation, and its management is not aware of any pending or threatened legal actions relating to its intellectual property, conduct of its business activities, or otherwise.

Property

On February 9, 2022 the Company entered into a TechPlace Use Agreement and a TechWorks Fee Contract Agreement which give the privilege to use shared and common areas within the premises of TechPlace, Brunswick Landing's Technology Accelerator at 74 Orion St, Brunswick, ME 04011, including Manufacturing Space I-112. The monthly fee for Manufacturing Space I-112 is \$400.00 and for TechWorks is \$100.00 and the Use Agreement and Fee Contract Agreement are for a twelve-month term beginning on February 1, 2022.

On April 25, 2022, the Company entered into a new Member Agreement with Greentown Labs which gives the privilege to use space within the premises of Greentown Labs at 444 Somerville Avenue, Somerville, MA, including a prototyping lab space. The monthly fee is in the amount of \$2,288.00 and the Member Agreement will expire on March 31, 2023, unless terminated prior to the date by the parties. On December 20, 2022, the Company and Greentown Labs terminated this Member Agreement.

On April 5, 2022, the Company entered into a lease with Midcoast Regional Redevelopment Authority for the premise located at 47 Katahdin Drive (formerly Navy Building 658), Brunswick, ME 04011 and the adjacent half-acre parcel of land southwest of the building. The lease provides that monthly rent shall commence at \$1,500.00 per month calculated as \$6.00 per square foot per year of leased space and thirty cents \$0.30 per square foot per year for 21,780 SF half-acre adjacent parcel. The cost per square foot of lease space shall be increased each lease year by three percent (3%). The lease provides that it shall begin on April 4, 2022 and shall terminate on March 31, 2023, with the option to extend two additional years.

Rent expense for the fiscal years 2021 and 2020 was \$35,842 and \$48,478, respectively.

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.

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 and after several previous offerings of securities, including the previous Regulation Crowdfunding offering, in the Company. Further, under the best scenarios, we do not intend to make our first sales prior to Q4 2023, at the earliest, which means we will continue to 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 research and development (R&D) of renewable aerospace propulsion technologies, including radio frequency (RF) resonant cavity propulsion and green hydrogen rocket propulsion, is a good idea, that the team will be able to successfully market and sell these products or services, that we can price them right and sell them to enough peoples 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. We have not yet manufactured our green hydrogen (H₂) rocket propulsion system and there is no guarantee we will successfully manufacture a prototype of our green hydrogen (H₂) rocket propulsion system in the near future. 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 do, or even if we do that product may not be marketable. Launch vehicles and satellites 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 systems, 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 two main types of products.

All of our proposed products are variants of two types of products, an electric propulsion system and green hydrogen (H₂) rocket propulsion system. Our future revenues are therefore dependent upon the market for these systems which includes the Company's electric propulsion system (RF resonant cavity propulsion system) and green hydrogen (H₂) rocket propulsion system (hydrogen combustion chamber prototype, rocket engine prototype, and satellite orbital launch services). The Company anticipates the hydrogen combustion chamber prototype will not be operational until Q4 2022 or later, the rocket engine prototype will not be operational until Q4 2023 or later, and the satellite orbital launch services product will not be operational until Q4 2025 or later. Our future revenues are therefore dependent upon the market for these systems.

These are new and unproven technologies.

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). Our green hydrogen (H₂) rocket propulsion technology is a completely new system that we have recently introduced into a field currently using conventional rocket propellant (divided between kerosene, methane, and solid rocket). Regardless of any current perceptions of the market, it is entirely possible that our electric propulsion technology and our green hydrogen (H₂) rocket propulsion technology will not gain significant acceptance with any group of customers.

We face significant market competition.

The Company will compete with larger, more established companies who currently have products on the market and/or various respective product development programs. Satellite orbital launch services are divided between expendable launch vehicles (e.g. Northrop Grumman) and partially reusable launch vehicles (e.g. SpaceX). Our competitors may have much better financial means, 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. The Company believes that as the satellite orbital launch services market, including expendable launch vehicles and partially reusable launch vehicles, continues to grow our competition will intensify in the future.

Insufficient Funds

The Company will need to continue raising more funds to meet its operating needs and fulfill its plans. If the Company does not obtain sufficient additional funding, it will cease operating and investors will lose the entirety of their investment. The Company will need to continue raising additional funds in the future, in order to complete some of our benchmarks described above including, completing the proof-of-concept measurements, spaceflight demonstration and manufacturing our initial orders. If the Company can't get those funds, we will fail. Even if we do make additional successful offerings in the future, the terms of these offerings 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.

Applying for and receiving a utility patent and International Application Number can take years and be very expensive. The Company applied for a utility patent and International Application Number with the United States Patent and Trademark Office on February 8, 2019. Our patent examiner has raised concerns about the operability of our electric propulsion technology. On September 3, 2021, the Company filed a continuation application, in order to provide the Company with more time to prepare our test data and respond to the patent examiner. On July 28, 2022, the Patent Application Publication for "Electromagnetic Energy Momentum Thruster Using Tapered Cavity Resonator Evanescent Modes" was published by the United States Patent and Trademark Office. There is no guarantee that test data we provide will be satisfactory to the patent examiner. There is no guarantee that the Company's application for a utility patent and International Application Number will ever be approved. If the utility patent and International Application Number are not approved the Company will have to find other legal protections for its intellectual property portfolio. Even if a utility patent and International Application Number are issued, it does not guarantee that they are valid or enforceable.

We might not be able to protect our intellectual property.

One of the Company's most valuable assets is its intellectual property. The Company has applied for a utility patent, International Application Number, and one trademark. 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 pending utility patent 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 pending utility patent, 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, 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 third-party technology providers to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology providers or on Prime Lightworks Inc. could harm our reputation and materially negatively impact our financial condition and business.

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.

Risks Related to the Securities

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 4,001,304 shares of Common Stock which represents 66.82% of the issued Common Stock, granted stock options, and outstanding warrants. Mr. Flanagan currently holds 66.82% 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 purchased in the previous Regulation Crowdfunding Offering had voting rights attached to them. However, as a minority shareholder of the Company you will continue to have a limited ability to influence management's decisions on how to run the business. You are continuing to trust in the management's 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.

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.

The auditor has issued included a “going concern” note in the audited financials.

We may not have enough funds to sustain the business until it becomes profitable. Even if we raise funds through a crowdfunding round, we may not accurately anticipate how quickly we may use the funds and if it is sufficient to bring the business to profitability.

The Company will depend upon strategic relationships to develop, exploit, and manufacture its products. If these relationships are not successful, the Company may not be able to capitalize on the market potential of these products.

The near and long-term viability of the Company’s products will depend, in part, on its ability to successfully establish new strategic collaborations with creditors, insurance companies, manufacturers and government agencies. Establishing strategic collaborations is difficult and time-consuming. Potential collaborators may reject collaborations based upon their assessment of the Company’s financial, regulatory, or intellectual property position. If the Company fails to establish a sufficient number of collaborations on acceptable terms, it may not be able to commercialize its products or generate sufficient revenue to fund further research and development efforts.

Risks Related to the Securities

No guarantee of return on investment.

There is no assurance that any holder of our securities will realize a return on his or her investment or that he or she will not lose its entire investment.

Future fundraising may affect the rights of investors.

In order to expand, the Company is likely to raise funds again in the future, either by offerings of securities or through borrowing from banks or other sources. The terms of future capital raising, such as loan agreements, may include covenants that give creditors greater rights over the financial resources of the Company.

Risks Related to COVID-19

The Company’s results of operations may be negatively impacted by the coronavirus outbreak.

The continued spread of COVID-19 has led to severe disruption and volatility in the global capital markets, which could increase the Company’s cost of capital and adversely affect its ability to access the capital markets in the future. It is possible that the continued spread of COVID-19 could cause a further economic slowdown or recession or cause other unpredictable events, each of which could adversely affect the Company’s business, results of operations, or financial condition. The extent to which COVID-19 affects the Company’s financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 outbreak and the actions to contain the outbreak or treat its impact, among others. Moreover, the COVID-19 outbreak has had and may continue to have indeterminable adverse effects on general commercial activity and the world economy, and the Company’s business and results of operations could be adversely affected to the extent that COVID-19 or any other pandemic harms the global economy generally.

Actual or threatened epidemics, pandemics, outbreaks, or other public health crises may adversely affect the Company’s business.

The Company’s business could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The risk, or public perception of the risk, of a pandemic or media coverage of infectious diseases could adversely affect the value of the Common Stock and the financial condition of the Company’s investors or

prospective investors, resulting in reduced demand for the Common Stock generally. Further, such risks could result in persons avoiding appearing at in-person health care appointments. “Shelter-in-place” or other such orders by governmental entities could also disrupt the Company’s operations, if those employees of the Company who cannot perform their duties from home are unable to report to work.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

This table shows the principal people on the Company’s team:

Name	Position	Term of Office	Approx. hours per week (if not full time)
Executive Officers:			
Kyle Bernard Flanagan	CEO, President, CFO/Treasurer, Secretary and Director	October 5, 2015 to Present	Fulltime
Peter Clinton Dohm	RF Design Engineer	July 1, 2016 to Present	Fulltime
Directors:			
Kyle Bernard Flanagan	Director	October 5, 2015 to Present	Fulltime

OWNERSHIP AND CAPITAL STRUCTURE; RIGHTS OF THE SECURITIES

Ownership

The following table shows who owns more than 20% of Company’s voting securities as of November 15, 2022:

Name of Beneficial owner	Amount and class of securities held	Percent of voting power prior to the Offering
Kyle Bernard Flanagan	4,001,304 Common Stock	66.82%

The following table describes our capital structure as of November 15, 2022:

Class of Equity	Authorized Limit*	Issued and Outstanding	Committed, Not-issued**	Available*
Common Stock	10,000,000	5,409,813	474,000* †	4,126,828
2016 Stock Option Plan	500,000	120,000	380,000	0**
Non-Plan Stock Options		83,916		
Common Warrants		18,299		
Convertible Notes	Principal Amount	Interest Rate	Maturity Date	
SAFE Agreement	\$1,825,000	0% per annum		
Convertible Note	\$13,549.07	0% per annum	May 30, 2026	

*Includes 474,000 available under 2016 Stock Option Plan.

† Does not include the 5,000 shares issuable under the Warrant to Purchase Shares of Common Stock between the Company and FAHMIA, Inc.

**24,000 stock options were exercised in November 2017.

FINANCIAL DISCUSSION

Financial statements

Our financial statements can be found in Exhibit A to the Form C of which this Offering Memorandum forms a part. The financial statements were audited by Artesian CPA, LLC. The following discussion should be read in conjunction with our reviewed financial statements and the related notes included in this Amendment.

Overview

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

Since incorporating in 2015, Prime Lightworks has raised \$1.878M seed funding from founders, angel investors, and venture capital, in addition to \$1.059M so far disbursed from our StartEngine Regulation Crowdfunding campaign as of September 28, 2021. We have prior authorization through Board Consent to raise an additional \$1.725M seed funding through Simple Agreement for Future Equity (SAFE). Based on the success of this StartEngine Regulation Crowdfunding campaign (up to \$1.07M), funds raised from the crowdfunding campaign will now make up 100% of the total funds our Company will have after fundraising.

Results of Operations

The Company's net revenues for the year ended December 31, 2021 and 2020 were \$0. Since January 1, 2022 the Company has generated revenue in the amount of \$0.

The Company's operating expenses consist of marketing, general and administrative expenses, depreciation expenses, salaries and wages, professional fees, and rent expenses. Operating expenses in 2021 amounted to \$443,206, a 12.41% decrease from \$505,972 in 2020. The Company's general and administrative expenses decreased from \$36,745 in 2020 to \$26,743 in 2021. While the general and administrative expenses decreased from 2020 to 2021, the Company's marketing expenses increased from \$13,006 in 2020 to \$56,057 in 2021. As a result, the Company's net loss from operations was \$396,329 in 2021, a 22.08% decrease from losses of \$508,613 in 2020. The Company's accumulated deficit in 2021 amounted to \$2,763,552, a 14.34% increase from the accumulated deficit of \$2,367,223 in 2020. The increase in marketing expenses from 2020 to 2021 supported the Company to fully subscribe our first Regulation Crowdfunding campaign on StartEngine. The decrease in net loss from operations from 2020 to 2021 resulted from a lean budget in 2021 which supported the Company's relocation from California to Maine and expansion of the Company's activities to include hydrogen rocket engine development.

Liquidity and Capital Resources

The proceeds from the previous Regulation Crowdfunding Offering were essential to the company's operations and the Company plans for its founder and CEO to continue providing financial support to the Company through the completion of the next anticipated Regulation Crowdfunding Offering on StartEngine. As of November 30, 2022, the Company had cash in the amount of \$1,189. Cash went from \$22,308 in 2020 to \$50,420 in 2021 as the Company continued spending on payroll and acquisition of capital assets including prototype electronics and thrust measurement equipment. At this time, the Company does not have any additional resources, other than the credit cards and loans discussed below, to fund its outstanding liabilities. The Company anticipates launching a second Regulation Crowdfunding campaign on StartEngine for \$3.93M.

The Company had approximately \$1,189 cash on hand as of November 30, 2022. In 2021, the Company spent approximately \$444,167 in twelve months with an average burn rate of \$37,014. In 2022, the Company has spent approximately \$110,727 in 11 months with an average burn rate of \$10,066. Currently, we estimate our burn rate (net cash out) to be on average between \$10,066. The Company intends to raise additional funds through a future Regulation Crowdfunding campaign on StartEngine and by offering additional SAFE Notes.

On December 20, 2019, the Company launched our Regulation Crowdfunding campaign on StartEngine. As of December 31, 2020, the Company had received disbursements in the amount of \$437,180 from StartEngine Regulation Crowdfunding. As of April 28, 2021, the Company had received disbursements in the amount of \$1,003,229 from StartEngine Regulation Crowdfunding. As of September 27, 2021, the Company has received total disbursements in the amount of \$1,059,087.20 from StartEngine Regulation Crowdfunding. This investment capital has allowed the Company to remain liquid and maintain normal business operations.

On May 12, 2020, the Company received a Paycheck Protection Program (PPP) loan in the amount of \$47,838 from Wells Fargo through the Small Business Administration (SBA). The loan has an interest rate of 1.00% and an outstanding balance of \$47,838 as of April 28, 2021. The Company intends to raise additional equity capital in the future, pending R&D and customer milestones. As of April 28, 2021, the Company had cash in the amount of \$222,748. As of September 27, 2021, the Company had cash in the amount of \$130,957. As of June 17, 2021, the Company has applied for full forgiveness for the Wells Fargo PPP Loan. As of June 28, 2021, the U.S. Small Business Administration (SBA) has approved the Company application for (PPP) loan forgiveness. As of November 30, 2022, the outstanding balance of the Wells Fargo PPP Loan was \$0.

The company has the additional sources of capital available:

- The Company has a credit card from Wells Fargo with an interest rate of 15.99% on purchases and an outstanding balance of \$19,379 as of April 30, 2022. As of November 30, 2022, the outstanding balance was \$26,600.
- The Company has a credit card from American Express with an interest rate of 25.99% on purchases and an outstanding balance of \$144 as of April 30, 2022. As of November 30, 2022, the outstanding balance was \$146.
- The Company has a credit card from American Express with an interest rate of 0% on purchases and an outstanding balance of \$0 as of April 30, 2022. As of November 30, 2022, the outstanding balance was \$750.
- The Company has a credit card from Capital One with an interest rate of 19.99% on purchases and an outstanding balance of \$2,000 as of April 30, 2022. As of November 30, 2022, the outstanding balance was \$8,409.
- The Company has a PayPal loan with an interest rate of 19.99% on purchases and an outstanding balance of \$0 as of April 30, 2022. As of November 30, 2022, the outstanding balance was \$0.

Indebtedness

The Company was initially capitalized by advance in the amount of \$17,000 from the founder and CEO, Kyle Flanagan, with no interest rate and no maturity date. The outstanding balance was \$0 as of December 31, 2021. As of April 30, 2022, the outstanding balance was \$25,000. As of November 30, 2022, the outstanding balance was \$50,000. We note that these advances are between related parties. Therefore, there is no guarantee that the rates or terms are commensurate with arm's-length arrangements. These advances are recorded as a related party payable.

The Company has the additional indebtedness discussed below.

- Creditor: SAFE Notes
Amount Owed: \$1,825,000.00
Interest Rate: 0.0%
Maturity Date: N/A
The Company has received \$1,825,000 from convertible SAFE notes as of November 30, 2022.
- Creditor: Convertible Notes
Amount Owed: \$13,549.07
Interest Rate: 0.0%
Maturity Date: May 30, 2026
The Company has a convertible note that bears no interest and an outstanding balance of \$13,549 as of November 30, 2022.
- Creditor: Shareholder Loan
Amount Owed: \$50,000.00
Interest Rate: 0.0%
The Company previously had a Loan from Shareholders (\$17,000 from the Company's founder and CEO Kyle Flanagan, paid in full) with no interest rate and no maturity date and an outstanding balance of \$0 as of December 31, 2021. As of April 30, 2022, the outstanding balance was \$25,000. As of November 30, 2022, the outstanding balance was \$50,000.
- Creditor: Wells Fargo PPP Loan
Amount Owed: \$0.00
Interest Rate: 1.0%
Maturity Date: November 5, 2022
During 2020, the Company entered into a Paycheck Protection Program (PPP) loan agreement (\$47,838 loan forgiveness in full) with Wells Fargo bank. As of June 17, 2021, the Company had applied for full forgiveness for the Wells Fargo PPP Loan. As of June 28, 2021, the U.S. Small Business Administration (SBA) had approved the Company application for (PPP) loan forgiveness. As of November 30, 2022, the outstanding balance of the Wells Fargo PPP Loan was \$0.

Trends and COVID-19

The Company is in the process of developing our hydrogen combustion chamber prototype. Over the next 36 months, we plan to complete rocket engine testing, launch vehicle testing, sub-orbital flight and re-entry testing, as we prepare for our first pilot customer satellite launch. The total addressable market for satellite orbital launch services was valued at \$5.7B in 2021.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Company. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

RELATED PARTY TRANSACTIONS

During 2019, the Company received a loan of \$17,000 from its shareholders. No agreement was put in place and there is no interest and maturity date. On March 31, 2021, the Company repaid the loan of \$17,000 to its shareholders. As of April 30, 2022, the outstanding balance was \$25,000. As of November 30, 2022, the outstanding balance was \$50,000.

The Company's CEO and Sole Director, Kyle Bernard Flanagan, purchased a total of 1,304 shares of the Company's Common Stock at a purchase price of \$2.06 per share in the StartEngine Regulation Crowdfunding campaign.

PREVIOUS OFFERINGS OF SECURITIES

Between January 1, 2020 and December 31, 2020, we sold 235,156 shares of Common Stock in exchange for \$2.06 per share under Regulation Crowdfunding.

Between January 1, 2021 and December 31, 2021, we sold 317,673 shares of Common Stock in exchange for \$2.06 per share under Regulation Crowdfunding as of November 15, 2022.

We have made the following issuances of securities since the Company's inception to September 29, 2015:

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)

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$83,487.68
Number of Securities Sold: 43,430
Use of proceeds: Research & Development
Date: January 21, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$53,020.28
Number of Securities Sold: 26,599
Use of proceeds: Research & Development
Date: February 27, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$24,402.76
Number of Securities Sold: 12,303
Use of proceeds: Research & Development
Date: April 3, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$14,459.14
Number of Securities Sold: 7,172
Use of proceeds: Research & Development
Date: April 23, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$39,039.06
Number of Securities Sold: 19,268
Use of proceeds: Research & Development
Date: May 18, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$60,102.56
Number of Securities Sold: 30,509
Use of proceeds: Research & Development
Date: August 6, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$32,774.60
Number of Securities Sold: 16,783
Use of proceeds: Research & Development
Date: September 9, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$23,187.36
Number of Securities Sold: 11,841
Use of proceeds: Research & Development
Date: September 22, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$39,510.80
Number of Securities Sold: 20,189
Use of proceeds: Research & Development
Date: October 21, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$32,191.62
Number of Securities Sold: 16,195
Use of proceeds: Research & Development
Date: November 12, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$60,973.94
Number of Securities Sold: 30,867
Use of proceeds: Research & Development
Date: December 21, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$9,585.18
Number of Securities Sold: 4,653
Use of proceeds: Research & Development
Date: December 31, 2020
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$147,514.54
Number of Securities Sold: 76,303
Use of proceeds: Research & Development
Date: January 14, 2021
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$161,166.16
Number of Securities Sold: 82,545
Use of proceeds: Research & Development
Date: February 9, 2021
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$272,624.52
Number of Securities Sold: 140,732
Use of proceeds: Research & Development
Date: March 11, 2021
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$14,632.18
Number of Securities Sold: 7,452
Use of proceeds: Research & Development
Date: April 8, 2021
Offering exemption relied upon: Regulation Crowdfunding

Name: Common Stock
Type of security sold: Equity
Final amount sold: \$12,335.28
Number of Securities Sold: 5,988
Use of proceeds: Research & Development
Date: December 31, 2021
Offering exemption relied upon: Regulation Crowdfunding

RIGHTS OF THE SECURITIES OF THE COMPANY

The following descriptions summarize important terms of our capital stock. This summary reflects Prime Lightworks Certificate of Incorporation and does not purport to be complete and is qualified in its entirety by the Certificate of Incorporation and its Bylaws. For a complete description the Company's capital stock, you should refer to our Certificate of Incorporation and our Bylaws and applicable provisions of the Delaware General Corporation Law.

General

The Company's authorized securities consist of up to 10,000,000 shares of Common Stock, par value \$0.00001 per share, Convertible Securities, and Simple Agreement for Future Equity (SAFE). As of November 30, 2022, there were 5,409,813 shares of Common Stock outstanding. The total amount of 5,988,028 shares of Common Stock outstanding includes granted but unexercised stock options for 83,916 shares of Common Stock unexercised warrants for 18,299 shares of Common Stock, 380,000 shares reserved for issuance under the 2016 Equity Incentive Plan, and 96,000 shares that have been issued under the 2016 Equity Incentive Plan. For this offering, the Company was authorized to issue up to 519,417 shares of Common Stock at \$2.06 per share. The following is a summary of the rights of our capital stock as provided in our certificate of incorporation and bylaws.

Common Stock

The amount of security authorized is 10,000,000 shares of Common Stock, par value \$0.00001 per share. As of November 30, 2022, 5,409,813 shares of Common Stock were 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 5,988,028 shares of Common Stock outstanding includes granted but unexercised stock options for 83,916 shares of Common Stock unexercised warrants for 18,299 shares of Common Stock, 380,000 shares reserved for issuance under the 2016 Equity Incentive Plan, and 96,000 shares that have been issued under the 2016 Equity Incentive Plan.

Convertible Securities

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: None; 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: None; 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: None; 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: None; 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 ability, if at all, to influence our policies or any other corporate actions of the Company, including the election of directors, changes to our Company's governance documents, additional issuances of securities, Company repurchases of securities, a sale of the Company or its significant assets, or Company transactions with related parties.

Transferability of securities

For a year, the securities can only be resold:

- In an IPO or other public offering registered with the SEC;
- 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.

Transfer Agent

The Company has selected StartEngine Secure, LLC, an SEC-registered securities transfer agent, to act as its transfer agent. They will be responsible for keeping track of who owns the Company's securities.

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).

The type of dilution that hurts early-stage investors most occurs when the Company sells more shares in a "down round", meaning at a lower valuation than in earlier offerings. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2020 Jane invests \$20,000 for shares that represent 2% of a Company valued at \$1 million.
- In December the Company is doing very well and sells \$5 million in shares to venture capitalists on a valuation (before the new investment) of \$10 million. Jane now owns only 1.3% of the Company but her stake is worth \$200,000.

- In June 2021 the Company has run into serious problems and in order to stay afloat it raises \$1 million at a valuation of only \$2 million (the “down round”). Jane now owns only 0.89% of the Company and her stake is worth only \$26,660.

This type of dilution might also happen upon conversion of convertible notes into shares. Typically, the terms of convertible notes issued by early-stage companies provide that in the event of another round of financing, the holders of the convertible notes get to convert their notes into equity at a “discount” to the price paid by the new investors, i.e., they get more shares than the new investors would for the same price. Additionally, convertible notes may have a “price cap” on the conversion price, which effectively acts as a share price ceiling. Either way, the holders of the convertible notes get more shares for their money than new investors. In the event that the financing is a “down round” the holders of the convertible notes will dilute existing equity holders, and even more than the new investors do, because they get more shares for their money. Investors should pay careful attention to the aggregate total amount of convertible notes that the Company has issued (and may issue in the future, and the terms of those notes).

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it’s important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

Valuation

As discussed in “Dilution” above, the valuation of the Company will determine the amount by which the investor’s stake is diluted in the future. An early-stage Company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their “sweat equity” into the Company. When the Company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is immediately diluted because each share of the same type is worth the same amount, and you paid more for your shares than earlier investors did for theirs.

There are several ways to value a Company, and none of them is perfect and all of them involve a certain amount of guesswork. The same method can produce a different valuation if used by a different person.

Liquidation Value — The amount for which the assets of the Company can be sold, minus the liabilities owed, e.g., the assets of a bakery include the cake mixers, ingredients, baking tins, etc. The liabilities of a bakery include the cost of rent or mortgage on the bakery. However, this value does not reflect the potential value of a business, e.g., the value of the secret recipe. The value for most startups lies in their potential, as many early-stage companies do not have many assets (they probably need to raise funds through a securities offering in order to purchase some equipment).

Book Value — This is based on analysis of the Company’s financial statements, usually looking at the Company’s balance sheet as prepared by its accountants. However, the balance sheet only looks at costs (i.e., what was paid for the asset), and does not consider whether the asset has increased in value over time. In addition, some intangible assets, such as patents, trademarks or trade names, are very valuable but are not usually represented at their market value on the balance sheet.

Earnings Approach — This is based on what the investor will pay (the present value) for what the investor expects to obtain in the future (the future return), taking into account inflation, the lost opportunity to participate in other investments, the risk of not receiving the return. However, predictions of the future are uncertain, and valuation of future returns is a best guess.

Different methods of valuation produce a different answer as to what your investment is worth. Typically, liquidation value and book value will produce a lower valuation than the earnings approach. However, the earnings approach is also most likely to be risky as it is based on many assumptions about the future, while the liquidation value and book value are much more conservative.

Future investors (including people seeking to acquire the Company) may value the Company differently. They may use a different valuation method, or different assumptions about the Company's business and its market. Different valuations may mean that the value assigned to your investment changes. It frequently happens that when a large institutional investor such as a venture capitalist makes an investment in a Company, it values the Company at a lower price than the initial investors did. If this happens, the value of the investment will go down.

REGULATORY INFORMATION

Disqualification

Neither the company, nor any of its officers or managing members are disqualified from relying on Regulation Crowdfunding.

Annual reports

The Company has filed three annual reports and two annual report amendments to date. Any annual reports will be posted on the Company's page <https://primelightworks.com/updates/> and with the SEC, <https://www.sec.gov/edgar/browse/?CIK=1681290>

Compliance failure

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

[SIGNATURE PAGE FOLLOWS]

SIGNATURES

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100-503). The issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned, on December 30, 2022.

PRIME LIGHTWORKS INC.

By

Name: Kyle Bernard Flanagan

Title: Chief Executive Officer

Exhibit A

FINANCIAL STATEMENTS