

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

Parallel Flight Technologies, Inc.
450 McQuaide Drive
La Selva Beach, CA 95076
<https://paralleflight.com/>

Up to \$4,999,956.20 in Class B Common Stock at \$22.60
Minimum Target Amount: \$9,989.20

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: Parallel Flight Technologies, Inc.
Address: 450 McQuaide Drive, La Selva Beach, CA 95076
State of Incorporation: DE
Date Incorporated: September 10, 2018

Terms:

Equity

Offering Minimum: \$9,989.20 | 442 shares of Class B Common Stock
Offering Maximum: \$4,999,956.20 | 221,237 shares of Class B Common Stock
Type of Security Offered: Class B Common Stock
Purchase Price of Security Offered: \$22.60
Minimum Investment Amount (per investor): \$497.20

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

Company Perks*

Time-Based Perks

Friends and Family Early Birds

Invest within the first 48 hours and 15% Bonus Shares.

Super Early Bird Bonus

Invest within the first week and receive 10% Bonus Shares.

Early Bird Bonus

Invest within the first two weeks and receive 5% Bonus Shares.

Amount-Based Perks

Tier 1 | \$2,000+

Invest \$2,000+ and receive 2% Bonus Shares.

Tier 2 | \$5,000+

Invest \$5,000+ and receive 5% Bonus Shares.

Tier 3 | \$10,000+

Invest \$10,000 and receive 10% Bonus Shares.

Tier 4 | \$25,000+

Invest \$25,000 and receive 15% Bonus Shares.

**All perks occur when the offering is completed.*

The 10% StartEngine Owners' Bonus

Parallel Flight Technologies, 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 Class B Common Stock at \$22.60 / share, you will receive 110 Class B Common Stock, meaning you'll own 110 shares for \$2260. 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

Parallel designs heavy-lift, autonomous aircraft based on our proprietary heavy-lift technology. Our aircraft can lift more payload and fly for a longer duration than other competitive technologies! Current technology electric multirotors can fly for around 15 minutes when fully loaded - current testing indicates that we will be able to fly fully loaded for over an hour and a half.

We are currently developing unmanned aircraft solutions for the wildland firefighter to drastically improve firefighter safety and effectiveness. Parallel is working closely with federal, state, and local fire agencies to build the right tool for firefighting in the 21st century. For example, we are being funded by the USDA to develop a large-scale prescribed burn solution for the US Fire Service. We have

signed letters of commitment from DOI/OAS/UP (federal), Colorado Center of Excellence (state) and Grayback Forestry (private) to support and participate in our R&D development efforts under an NSF SBIR Phase 2, should it be awarded. All are potential customers and are eager to help develop and bring our prescribed burn and tactical resupply capabilities to market.

Beyond firefighting, Parallel is engaged with potential customers for medical delivery and industrial logistics applications.

Our heavy-lift unmanned aircraft are programmed from a ground station, and the aircraft autonomously performs the mission. The aircraft can also be remote-controlled by a pilot. There are several uses for drones that help firefighting crews control blazes and search and rescue missions. Firefighting use-cases include delivering tools, supplies, food, and water to firefighting crews, performing unmanned controlled burns to create firebreaks, performing controlled burns for land management. Because our technology greatly expands the flight-time and payload capability of multi-rotor drones, there are many use cases including agriculture, search-and-rescue, logistics, and medical delivery.

Since our last funding round, we were issued a U.S. Patent covering key features and functionality for parallel-hybrid power modules. PFT is actively expanding its IP portfolio

Competitors and Industry

Industries Served

The market for wildland firefighting is \$10B in the USA, Canada, and Australia and is growing by around 10% per year. The healthcare logistics sector is estimated to reach \$20B by 2025 and the industrial logistics market should reach \$65B by 2025. Our technology has the potential to transform all of these markets. It will enable heavy lift and long-range Beyond Visual Line of Sight (BVLOS) applications across multiple industrial logistics verticals, providing advanced solutions for infrastructure, renewable energy, construction, environmental protection, and remote logistics. In the complex healthcare logistics space, our technology will be ideal for the delivery of critical medication, vaccines, medical equipment, biospecimens, and equipment such as defibrillators.

See the following sources on industry sizes:

<https://static1.squarespace.com/static/5f5c0101b7debd33a36b2d8f/t/5f690e21a91dae6c28774ba8/1600720417033/Estimated+Market+Size+Sources.>

Competition

The Company has several major competitors in the UAV market. Some of the top competitors in our industry include Schiebel, Yamaha, and Griff. Schiebel is the industry leader and the Company's primary competition in the heavy-lift UAV industry. Yamaha also owns a significant market share and focuses on the agriculture market. Griff is developing all-electric heavy-lift multi-rotor UAV's. Despite the present competitive landscape, the Company stands out in the heavy-lift UAV industry because of our lower cost, modular power module system, failsafe modes, and extended duration.

Current Stage and Roadmap

Funding

Since our first Reg CF round in 2019-2020, we have progressed from a prototype level technology to a production representative technology level. Our funding history includes the following equity sales and federal grants:

Family and Friends Round

Initial funding to begin doing fundamental research with parallel hybrid propulsion technology.

Reg CF / NASA SBIR, 2019 / Small Reg D Round

Funding to build the first working prototype and NASA support to develop a proprietary safety system.

Reg A+ 2021 / NSF and USDA Phase 1 SBIRs

Support the building of production representative aircraft. NSF funds were used for the development of initial simulation technology and USDA funding to investigate large-scale prescribed burn tech.

Reg CF 2022 (This Round) / USDA Phase 2

Support extensive aircraft and propulsion technology testing and customer demos. Begin work towards aircraft certification. USDA funding to support the demonstration of large-scale prescribed fire.

Roadmap

During 2021 Parallel Flight performed flight testing on a production representative parallel hybrid multirotor aircraft, as well as flight testing on all-electric test platforms for flight controller and mission development. We are currently performing our 4th federal Small Business Innovation and Research (SBIR) grant. Also, we are currently performing extensive testing on our hybrid power module technology to ensure reliability and compliance with regulations. Moving forward, we plan on continuing to test our technology and drone systems as well as setting up manufacturing, and beginning production of our products. Other initiatives include setting up subsidiaries in several foreign countries from which our products and services will be sold. We also plan on expanding our executive and engineering staff.

The Team

Officers and Directors

Name: Joshua Resnick

Joshua Resnick's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Chief Executive Officer, Chief Technology Officer, President and Director
Dates of Service: September 10, 2018 - Present
Responsibilities: Highest executive authority and decision maker for the company, and president of the board. Salary is \$128,000 plus health coverage benefits. No equity compensation.

Other business experience in the past three years:

- **Employer:** Tesla Motors, Inc.
Title: Lead EE on the Tesla Semi Truck Program
Dates of Service: June 01, 2015 - January 03, 2019
Responsibilities: Led the system architecture and low-voltage engineering efforts for the Semi Truck program, as well as working on many truck mechanical systems.

Name: David Adams

David Adams's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Director of Operations
Dates of Service: September 10, 2018 - Present
Responsibilities: Overseeing hardware development and directing company operations. Compensation for this role is \$132,000 per year plus health benefits.
- **Position:** Treasurer
Dates of Service: September 10, 2018 - Present
Responsibilities: Managing company finances

Other business experience in the past three years:

- **Employer:** Verb Surgical
Title: Sr. Systems Integration Engineer
Dates of Service: November 01, 2017 - August 01, 2019
Responsibilities: Integrating surgical robotics systems

Name: Robert Hulter

Robert Hulter's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Director of Software and Controls
Dates of Service: September 10, 2018 - Present
Responsibilities: Responsible for development of software for unmanned systems. Compensation for this role is \$132,000 plus health benefits.
- **Position:** Secretary
Dates of Service: September 10, 2018 - Present
Responsibilities: Taking board meeting minutes.

Other business experience in the past three years:

- **Employer:** OLT Solar
Title: Sr. Electrical Engineer
Dates of Service: January 01, 2010 - January 01, 2020
Responsibilities: Designing solar cell robotics cells

Name: Aidan Joyce

Aidan Joyce's current primary role is with BNG Consulting Limited. Aidan Joyce currently services 40 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Chief Legal Officer
Dates of Service: November 01, 2020 - Present
Responsibilities: The CLO does not currently does not take salary compensation for the role. The CLO provides direction on major legal and regulatory issues. They develop agreements and contracts with partners and customers, develop and lead corporate legal strategy to promote and protect the company's matters, overseeing delivery of legal services and resources to accomplish corporate goals, strategies and priorities, maintaining proper corporate interactions with the relevant local, state and federal governmental bodies, legislatures and the community at large, and advise the CEO and other senior corporate officers on a variety of issues.

Other business experience in the past three years:

- **Employer:** BNG Consulting Limited
Title: Director
Dates of Service: March 01, 2016 - Present
Responsibilities: Provision of professional consulting services

Other business experience in the past three years:

- **Employer:** DLI Law
Title: Principal
Dates of Service: January 01, 2016 - November 01, 2021
Responsibilities: Provision of legal counsel.

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 Class B 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.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract 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.

The transferability of the Securities you are buying is limited

Any Class B Common Stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note 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 industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering Class B Common Stock in the amount of up to \$5,000,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

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 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.

Some of our products are still in prototype phase and might never be operational products

It is possible that there may never be an operational product or service. It is possible that the failure to release the product is the result of a change in business model upon the Company's making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders.

Developing new products and technologies entails significant risks and uncertainties

We are currently in the research, development, and testing stage and have only manufactured a prototypes for our UAS products. Delays or cost overruns in the development of our UAS and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design and regulatory hurdles, and supply chain disruptions. Any of these events could materially and adversely affect our operating performance and results of operations.

Minority Holder; Securities with No Voting Rights

The Class B Common Stock that an investor is buying has no voting rights attached to them. This means that you will have no rights in dictating on how the Company will be run. 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.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

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 (possibly) need to raise more funds in the future, and if it can't get them, 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.

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.

Our new product could fail to achieve the sales projections we expected

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition

We will compete with larger, established companies who currently have products on the market and/or various respective product development programs. 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.

We are an early stage company and have not yet generated any profits

Parallel Flight Technologies Inc. was formed on 9/10/2018. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so. Parallel Flight Technologies Inc. has incurred a net loss and has had limited revenues generated since

inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

We are an early stage company and have limited revenue and operating history

The Company has a short history, few customers, and effectively no revenue. If you are investing in this company, it's because you think that our drone product 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 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 have existing patents that we might not be able to protect properly

One of the Company's most valuable assets is its intellectual property. The Company owns a patent, a number of Internet domain names and trade secrets and other intellectual property. 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.

We have pending patent approval's that might be vulnerable

One of the Company's most valuable assets is its intellectual property. The Company's intellectual property such as patents, 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.

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 patents 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 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.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks, copyrights, or patents, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in engineering, sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment. It is also possible that the Company could fail to retain key personnel or officers which could affect our operations or ability to execute our business plan. This would likely adversely impact the value of your investment.

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 our product is dependent on the outside government regulation such as the FAA (Federal Aviation Administration), EASA (EUROPEAN AVIATION SAFETY AGENCY), CASA (Civil Aviation Safety Authority), TC (Transport Canada) 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, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. 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 key or other suppliers' operations 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.

Hiring New Executives and Equity Incentive Plan

Our future success depends on the efforts of key personnel and our senior leadership team. As we grow, we anticipate the need to hire additional members of the senior leadership team. To attract top talent, we will need to offer key hires shares or share options or other forms of equity compensation which may be granted at a price per share that is more advantageous than the price per share for the Class B Shares issued in this offering. In addition to hiring new talent, we need to ensure that we retain our current talent as the company grows. To enable that talent retention, we will need to increase our current equity incentive plan. Both of these actions will have a dilutive effect on the overall shares held by the investors in this offering.

Future Contracting Arrangements

As we grow, we anticipate entering into a range of contractual arrangements which may necessitate a variety of forms of compensation. Such compensation will be directly linked to the potential economic success of the contractual relationship and may include a variety of compensation models including cash and/or equity.

Other Concurrent Funding Rounds

In order to meet what we reasonably believe is necessary for the ongoing growth and financial viability of the company, we anticipate the need to raise in the region of an additional \$5m - \$15m concurrent with but separate to this Reg CF funding round. The company will engage with private and institutional investors in an effort to raise these funds. The terms of such funding are yet to be negotiated, however, the price per share offered in any separate funding round(s) may be more advantageous than the price per share for [Class B Shares] issued in this offering. Such funding rounds will have a dilutive effect on the overall shares held by the investors in this offering.

The amount raised in this offering may include investments from officers and directors of the company or their immediate family members.

Once the total amount of funds raised in this offering exceeds the minimum funding goal, officers and directors (and immediate family members) of the company may make investments in this offering. Any such investments will be included in the raised amount reflected on the campaign page.

Going Concern Risk Factor

The Company has incurred losses from operations and has net cash used in operating activities of \$1,019,286 and \$221,005 for the years ended December 31, 2020 and 2019, respectively. These matters raise substantial doubt about the Company's ability to continue as a going concern. During 2022 the Company intends to fund operations through the receipt of federal grant awards in addition to the issuance of debt and/or equity financing, including additional funds received under Regulation CF efforts. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned operations, which could harm its business, financial condition, and operating results.

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
Joshua Resnick	2,000,000	Class A Common Stock	26.9
David Adams	1,500,000	Class A Common Stock	20.17
Robert Hulter	1,500,000	Class A Common Stock	20.17

The Company's Securities

The Company has authorized Simple Agreement for Future Equity (SAFE), Class A Common Stock, and Class B Common Stock. As part of the Regulation Crowdfunding raise, the Company will be offering up to 221,237 of Class B Common Stock.

Simple Agreement for Future Equity (SAFE)

The security will convert into safe preferred stock (equity financing event), common stock (liquidity event) and the terms of the Simple Agreement for Future Equity (SAFE) are outlined below:

Amount outstanding: \$10,000.00

Interest Rate: 0.0%

Discount Rate: 15.0%

Valuation Cap: None

Conversion Trigger: Equity Financing, Liquidity Event

Material Rights

Note: Parallel Flight received \$250,000 in SAFE's and subsequently, all but \$10,000 opted to convert to shares.

If there is an Equity Financing before the expiration or termination of this instrument, the Company will automatically issue to the Investor a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Discount Rate.

If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will, receive from the Company a number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price.

If there is a Dissolution Event before this instrument expires or terminates, the Company will pay an amount equal to the Purchase Amount, due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event.

Class A Common Stock

The amount of security authorized is 8,000,000 with a total of 6,708,424 outstanding.

Voting Rights

One vote per share of class A common stock.

Material Rights

Stock Options

The Company has an Option pool in place for the grant of 700,000 options for Class A Common Stock, which were included in the total of 3,700,000 issued Class A Common Stock. To this date, the Company has granted 296,174 options.

Additional Class A Rights

Dividend and Distribution Rights. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions. The Board of Directors may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock if such disparate dividend or distribution is approved in advance by the affirmative vote

Upon the dissolution, liquidation or winding up of the corporation, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably all assets of the corporation available for distribution to its stockholders unless disparate or different treatment of the shares of each such class with respect to distributions is approved in advance by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

Class B Common Stock

The amount of security authorized is 3,000,000 with a total of 1,427,852 outstanding.

Voting Rights

There are no voting rights associated with Class B Common Stock.

Material Rights

Except as otherwise provided in this Restated Certificate of Incorporation or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the corporation), share ratably and be identical in all respects and as to all matters except that

holders of Class B Common Stock are not entitled to a vote.☒

Class B Common Stock may not be converted at the option of the holder.

All shares of Class B Common Stock shall be automatically, without further action by any holder thereof, converted into an identical number of shares of Class A Common Stock at such date and time, as approved by the Company's Board of Directors.

What it means to be a minority holder

As a minority holder of Class B 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:

- **Type of security sold:** SAFE
Final amount sold: \$250,000.00
Use of proceeds: Initial funding for R&D
Date: October 10, 2018
Offering exemption relied upon: 506(b)
- **Name:** Class A Common Stock
Type of security sold: Equity
Final amount sold: \$1,069,794.00
Number of Securities Sold: 796,472
Use of proceeds: Prototype development and growing the staff
Date: January 14, 2020
Offering exemption relied upon: Regulation CF
- **Name:** Class B Common Stock
Type of security sold: Equity
Final amount sold: \$321,652.00
Number of Securities Sold: 125,251
Use of proceeds: Continued development and flight testing
Date: July 24, 2020
Offering exemption relied upon: 506(c)
- **Name:** Class B Common Stock
Type of security sold: Equity
Final amount sold: \$6,083,609.00
Number of Securities Sold: 1,302,601
Use of proceeds: Continued product development and testing, as well as business development
Date: July 01, 2021
Offering exemption relied upon: Regulation A+

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:

Year ended December 31, 2020, compared to year ended December 31, 2019, and from inception on September 10th, 2018, as well as comparison to Year Ended December 31, 2021.

Revenue

Please note that any performance numbers for 2021 are unaudited as of the time of this filing.

Grant revenue from inception on 9/10/2018 through 2019 was \$71,909. For 2020 Grant revenue was \$256,105 and for 2021 it was \$208,348.52. Other than grants, there was no other revenue as PFT was still focused solely on the R&D of its Parallel Hybrid propulsion technology and UAS platform. The case for the increase was receiving a Phase 1 SBIR from NSF in 2020.

Gross margins

N/A as PFT is still pre-commercial.

Expenses

Please note that any performance numbers for 2021 are unaudited as of the time of this filing.

The Company's expenses consist of, among other things, compensation and benefits, marketing and sales expenses, fees for professional services and patents, research and development expenses. Expenses in 2019 increased \$339,425 from 2018 as a result of hiring and expanded R&D activities. Expenses in 2020 further increased \$1,101,041 as a result of more hiring and further expanded R&D, aircraft testing, as well as grant-related expenses. In 2021 expenses increased an additional 1,201,857 as a result of more hiring and further expanded R&D, and aircraft testing.

Historical results and cash flows:

Over the past 2 years R&D areas were the most cash flow intensive. The cash for these activities was generated by selling equity and from federal SBIR grants. When Parallel Flight transitions from product development to manufacturing and product deployment, investors should expect to see revenue from sales. Due to the need to continue and expand testing, pay for aircraft certification costs, set up manufacturing, scale operations globally more cash will need to be raised by selling equity in the near term.

Liquidity and Capital Resources

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

As of 1/9/2022, the Company has capital resources available of \$2,152,659 in the form of cash on hand. Our current burn rate is approximately 275,000 per month.

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 from the campaign are needed for ongoing operations and scaling. Due to high demand (signed letters of intent for 181 units over the next three years), Parallel Flight Technologies is raising capital to accelerate the development and testing of its UAS product and hybrid technology. Our strategy focuses on rapidly achieving high product reliability through intensive testing and significantly maturing and documenting our manufacturing processes. We plan on using the funds from this campaign to support our flight testing and hybrid system testing. We plan on raising additional funds in the future to support building out manufacturing.

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?)

If the campaign raises the full \$4,999,956.20 the capital will add to our current \$2,152,659 cash on hand. We also anticipate receiving additional federal grant money up to \$2,250,000, as well as raising up to \$5,000,000 in additional capital from institutional investors over the next 12 months.

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 amount we would be able to operate for 7 months at our current burn rate.

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

If we reach our maximum funding goal, we will be able to operate for approximately 21 months.

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

We are contemplating raising capital concurrently with this campaign from private investors as well as after the campaign.

Indebtedness

- **Creditor:** Safe Holders
Amount Owed: \$10,000.00
Interest Rate: 0.0%

If there is an Equity Financing before the expiration or termination of this instrument, the Company will automatically issue to the Investor a number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Discount Rate of 15%. If there is a Liquidity Event before the expiration or termination of this instrument, the Investor will receive from the Company a number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price. If there is a Dissolution Event before this instrument expires or terminates, the Company will pay an amount equal to the Purchase Amount, due and payable to the Investor immediately prior to, or concurrent with, the consummation of the Dissolution Event.

Related Party Transactions

- **Name of Entity:** David Adams
Relationship to Company: Officer
Nature / amount of interest in the transaction: David and one of his relatives purchased a SAFE and then opted to convert the SAFE to shares.
Material Terms: During the period from inception to December 31, 2020, one of the Company's founders, and his relatives, purchased SAFEs in the total amount of \$88,000, all of which were extinguished during 2020.

Valuation

Pre-Money Valuation: \$175,318,370.00

Valuation Details:

The valuation was determined by comparable company analysis. We looked at enterprise value of similar companies, both in the OEM and services space. The closest comparables were based on valuation of two companies at similar stages of development, and commercial traction at the time of their last raise - Volansi and Elroy Air. Elroy was valued between \$160M and \$240M (https://app.dealroom.co/companies/elroy_air). Volansi was valued between 200M and \$300M (https://app.dealroom.co/companies/volansi_1). Both companies are pursuing an OEM + DaaS (Drone as a Service) business model. Volansi is focused on smaller logistics drones for military and industrial applications, and Elroy is focused on heavier payload, long-range, industrial applications. At the time of these raises, each company was pre-commercial, had demonstrated aspects of their technology, and had not yet achieved aircraft certification. Based on these comparables, we are valuing ourselves in the range \$175M - \$250M, and plan to launch this offering at the lower end of this range at \$175,318,370.

The company also took into account the progress that has occurred over the past three years during its previous financing rounds. First, at the start of the Company's Regulation A+ offering in 2020, the company had 5 full-time employees. Since that time, the company has tripled in size and now employs 15 full-time employees. During this same time period, the company has made substantial advances in our aircraft electronics, software, and propulsion technology. In April 2021, the company demonstrated the flight of a production representative prototype which exhibit excellent stability and was a significant technical milestone for PFT. This aircraft was an order of magnitude more sophisticated than our previous prototype employing a flight controller certified in the EU for optionally piloted aircraft, fuel-injected engines, carbon propellers, and many other advances.

After this milestone, we have logged dozens of flight hours developing our autonomous flight capability and have demonstrated long-distance, fully autonomous missions. Additionally, we have iterated on our core technology and have further improved our Hybrid Propulsion Module technology, logging 75 hours of run time on this system to date. Finally, we have developed a proprietary payload delivery system capable of deploying 100 lbs of payload without human intervention. In addition to the numerous technical milestones, we have been issued a patent on our core technology in the intervening time between 9/20 and 4/21, and filed a provisional patent on other new technology. In 8/21, after our Reg A+, we were issued a USDA Phase 2 SBIR grant - such awards are only given to the most technically feasible and commercializable technologies. This grant also further demonstrates confidence on the part of a key customer and that our technology will be valuable to them. On the business side, we have attracted several key advisers. Bringing in top talent to these key positions will help us secure our place in the market, build confidence with investors, and ensure product success. Finally, we have built several key partnerships including LIFT Aircraft, Colorado Center of Excellence, and Grayback Forestry and have drastically increased our proof of market acceptance with 30 signed non-binding LOIs.

The pre-money valuation has been calculated on a fully diluted basis. In making this calculation, we have assumed: (i) all outstanding options, warrants, and other securities with a right to acquire shares are exercised; and (ii) any shares reserved for issuance under a stock plan are issued.

The Company set its valuation internally, without a formal-third party independent evaluation.

The pre-money valuation does not take into account any convertible securities currently outstanding. The Company currently has \$10,000.00 in SAFEs outstanding because all the other SAFE holders opted to convert to shares. Please refer to the Company Securities section of the Offering Memorandum for further details regarding current outstanding convertible securities which may affect your ownership in the future.

Use of Proceeds

If we raise the Target Offering Amount of \$9,989.20 we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
3.5%
- *StartEngine Premium Deferred Fee*
96.5%
StartEngine Premium Deferred Fee

If we raise the over allotment amount of \$4,999,956.20, we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
3.5%
- *Marketing*
3.0%
This will be used for attending conferences, putting on flight demonstrations, and paying PR agencies.
- *Company Employment*
42.0%
PFT currently employs a team of engineers, a communications manager, a bookkeeper, and several interns. We plan on expanding this team to meet our engineering, testing, and manufacturing goals.
- *Research & Development*
51.5%
Our current R&D efforts involve extensive testing of our autonomous drone systems, and propulsion systems. We plan on continuing to expand this testing effort to reach commercialization and certification requirements.

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 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at <https://paralleflight.com/> (<https://www.paralleflight.com/investor-information>).

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/parallel-flight-technologies-inc-cf-2

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 Parallel Flight Technologies, Inc.

[See attached]

PARALLEL FLIGHT TECHNOLOGIES, INC.

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

PARALLEL FLIGHT TECHNOLOGIES, INC

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Parallel Flight Technologies, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Parallel Flight Technologies, Inc. (the "Company") which comprise the balance sheets as of December 31, 2020 and 2019, the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parallel Flight Technologies, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, certain conditions including the Company incurring losses from operations and having negative cash flows in operating activities raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ dbbmckennon

Newport Beach, CA
April 29, 2021

PARALLEL FLIGHT TECHNOLOGIES, INC.
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	December 31, 2020	December 31, 2019
Assets		
Current Assets:		
Cash	\$ 817,928	\$ 769,181
Prepaid expenses	6,789	-
Total current assets	<u>824,717</u>	<u>769,181</u>
Property and equipment, net	48,589	5,026
Total assets	<u>\$ 873,306</u>	<u>\$ 774,207</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 34,506	\$ 17,304
Accrued liabilities	37,363	16,860
Deferred revenue	86,349	21,000
Total current liabilities	<u>158,218</u>	<u>55,164</u>
Long-Term Liabilities		
Simple agreements for future equity (SAFEs) - Note 6	11,764	248,000
Total liabilities	<u>\$ 169,982</u>	<u>\$ 303,164</u>
Stockholders' Equity		
Class A common stock, \$0.00001 par value-8,000,000 authorized; 6,008,424 and 3,722,040 outstanding at December 31, 2020 and 2019, respectively	60	37
Class B common stock, \$0.00001 par value-3,000,000 authorized; 313,569 and 2,000,000 outstanding at December 31, 2020 and 2019, respectively	3	20
Stock subscription receivable	(49,921)	(57,408)
Additional paid-in capital	2,253,958	798,953
Accumulated deficit	(1,500,776)	(270,559)
Total stockholders' equity	<u>703,324</u>	<u>471,043</u>
Total liabilities and stockholders' equity	<u>\$ 873,306</u>	<u>\$ 774,207</u>

See accompanying notes to the financial statements.

PARALLEL FLIGHT TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Grant revenue	\$ 256,105	\$ 71,909
Operating expenses:		
General and administrative	656,711	60,876
Sales and marketing	41,749	33,050
Research and development	750,246	253,739
Total operating expenses	<u>1,448,706</u>	<u>347,665</u>
Operating loss	(1,192,601)	(275,756)
Other (income) expenses:		
Other income	(8,500)	(1,237)
Loss on extinguishment of SAFEs	44,352	-
Loss on remeasurement of SAFEs	1,764	-
Total other (income) expense	<u>37,616</u>	<u>(1,237)</u>
Net loss before income taxes	<u>(1,230,217)</u>	<u>(274,519)</u>
Provision for income taxes	-	-
Net loss	<u>\$ (1,230,217)</u>	<u>\$ (274,519)</u>
Weighted average loss per share of		
Class A and B common stock - basic and diluted	<u>\$ (0.21)</u>	<u>\$ (0.05)</u>
Weighted average shares outstanding of		
Class A and B common stock - basic and diluted	<u>5,999,992</u>	<u>5,049,680</u>

See accompanying notes to the financial statements.

PARALLEL FLIGHT TECHNOLOGIES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

	Class A - Common Stock		Class B - Common Stock		Stock Subscription Receivable	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2018	3,000,000	\$ 30	2,000,000	\$ 20	\$ (50)	\$ -	\$ 3,960	\$ 3,960
Issuance of common stock for cash - Reg CF	711,776	7	-	-	(57,358)	956,551	-	899,200
Common stock issued for offering costs - Reg CF	10,264	-	-	-	-	(157,598)	-	-
Offering costs	-	-	-	-	-	-	-	(157,598)
Net loss	-	-	-	-	-	-	(274,519)	(274,519)
Balance at December 31, 2019	3,722,040	\$ 37	2,000,000	\$ 20	\$ (57,408)	\$ 798,953	\$ (270,559)	\$ 471,043
Conversion of Founders' stock	2,000,000	20	(2,000,000)	(20)	-	-	-	-
Receipt of stock subscription receivable	-	-	-	-	57,408	-	-	57,408
Conversion of SAFEs to common stock	201,688	2	-	-	-	284,350	-	284,352
Issuance of common stock for cash - Reg CF	84,696	1	-	-	-	110,416	-	110,417
Issuance of common stock for cash - Reg A	-	-	184,625	2	(49,921)	862,197	-	812,278
Issuance of common stock for cash - Reg D	-	-	125,251	1	-	321,651	-	321,652
Issuance of common stock for offering costs	-	-	3,693	-	-	-	-	-
Offering costs	-	-	-	-	-	(223,139)	-	(223,139)
Stock-based compensation	-	-	-	-	-	99,530	-	99,530
Net loss	-	-	-	-	-	-	(1,230,217)	(1,230,217)
Balance at December 31, 2020	6,008,424	\$ 60	313,569	\$ 3	\$ (49,921)	\$ 2,253,958	\$ (1,500,776)	\$ 703,324

See accompanying notes to the financial statements.

PARALLEL FLIGHT TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,230,217)	\$ (274,519)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,431	685
Loss on extinguishment of SAFEs	44,352	-
Loss on revaluation of SAFEs	1,764	-
Forgiveness of payment protection program loan	(33,411)	-
Stock based compensation	99,530	-
Changes in operating assets and liabilities:		
Prepaid expense	(6,789)	-
Accounts payable	17,202	17,304
Accrued liabilities	20,503	14,525
Deferred revenue	65,349	21,000
Net cash used in operating activities	<u>(1,019,286)</u>	<u>(221,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(45,994)	(5,711)
Net cash used in investing activities	<u>(45,994)</u>	<u>(5,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of SAFE agreements	2,000	72,000
Proceeds from payment protection program loan	33,411	-
Common stock issued for cash, net of offering costs	1,078,616	741,602
Net cash provided by financing activities	<u>1,114,027</u>	<u>813,602</u>
Increase in cash and cash equivalents	48,747	586,886
Cash and cash equivalents, beginning of year	769,181	182,295
Cash and cash equivalents, end of year	<u>\$ 817,928</u>	<u>\$ 769,181</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Fair Value of SAFEs converted to Class A - Common Stock	<u>\$ 284,352</u>	<u>\$ -</u>

During 2020, one of the founders incurred \$2,000 of expense which was reimbursed through an increase to his SAFE agreement. All SAFE agreements converted to equity in accordance with the provisions of the agreements.

See accompanying notes to the financial statements.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF OPERATIONS

Parallel Flight Technologies, Inc., was formed on September 10, 2018 (“Inception”) in the State of Delaware. The financial statements of Parallel Flight Technologies, 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 La Selva Beach, California.

The Company designs heavy-lift, autonomous aircraft based on our proprietary heavy-lift technology. Our aircrafts are anticipated to lift more payload and fly for a longer duration than other competitive technologies. The Company is currently developing unmanned aircraft solutions for wildland firefighters to drastically improve firefighter safety and effectiveness. The Company is working closely with federal, state, and local fire agencies to build the right tool for firefighting in the 21st century. Beyond firefighting, the Company’s technology will create new possibilities for commercial drones, unmanned logistics, and Urban Air Mobility.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to 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.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2020 and 2019. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values.

The SAFEs are considered a level 3 liability as there are no observable direct or indirect inputs. Based on management's estimates as of December 31, 2019, the fair value of these instruments is considered to be the carrying value. Management's estimates are based on the short duration of the outstanding SAFEs, the fact that market circumstances had not changed materially since the instruments were originated, and that the SAFEs were sold at the same terms to both related parties and unrelated parties throughout 2018 and 2019. Accordingly, there was no change in valuation during 2019.

As of December 31, 2020, management estimated the fair value of the remaining SAFE based on guidance prescribed by ASC 825-10. Management's estimate of fair value is based on an observable price change as of the date of its Regulation CF campaign. As of December 31, 2020, all but \$11,764 of the SAFEs converted to equity (See Note 5).

Risks and Uncertainties

The Company has a limited operating history and has not generated significant revenue from intended operations. The Company's business and operations are sensitive to general business and economic conditions in the U.S. and worldwide along with local, state, and federal governmental policy decisions. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: changes in technology, competition from larger more well-funded competitors, and changes to industries the Company is targeting. These adverse conditions could affect the Company's financial condition and the results of its operations.

Cash and Cash Equivalents

The Company considers all short-term, highly liquid, unrestricted investments with original maturities of three months or less, to be cash equivalents.

Property and Equipment

Fixed assets are stated at cost. The Company's fixed assets are depreciated using the straight-line method over the estimated useful life to three to seven years. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets in accordance with Accounting Standards Codification ("ASC") 360-10-35, Impairment or Disposal of Long-Lived Assets. Under that directive, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Such group is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. When such factors and circumstances exist, the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives are compared against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Simple Agreements for Future Equity (“SAFEs”)

The Company has issued several Simple Agreements for Future Equity (“SAFEs”) in exchange for cash financing. As of December 31, 2020, all but \$11,764 of these funds converted to equity. As of December 31, 2019, these funds had been classified as long-term liabilities (See Note 5 and 7).

As of December 31, 2020 and 2019, the Company had accounted for its SAFEs as derivative liabilities under the FASB’s ASC section 815-40 and ASC section 815-10. No changes in the fair value of the SAFEs occurred during the period from issuance through the December 31, 2019. As of December 31, 2020, the Company recognized a loss on remeasurement of the remaining SAFE agreement of \$1,764 and a loss on extinguishment of \$44,352.

Revenue Recognition

In accordance with Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers is when the customer takes physical possession of the product. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods, using the five-step method required by ASC 606. The Company adopted this standard at the beginning of fiscal year 2019, with no material impact to its financial position or results of operations, using the modified retrospective method.

Revenue from grants is recognized in the period during which the conditions under the grant have been met and the Company has made payment for the related expense. Grant revenue was \$256,105 and \$71,909 for the years ended December 31, 2020 and 2019, respectively. In relation to grant revenue, as of December 31, 2020 and 2019, we deferred \$86,349 and \$21,000 related to receipt of funds in advance of completing performance obligations under the agreement, respectively. Management believes the loss of such revenues will not have a material effect on the Company’s operations.

Research and Development

The Company incurs research and development costs during the process of researching and developing its technologies and future product offerings. Research and development costs consist primarily of developing heavy lift technology across the aerospace, military and public service industries. These costs are expensed as incurred until the resulting product has been completed, tested, and made ready for commercial use. Research and development costs expensed were \$750,246 and \$253,739 for the years ended December 31, 2020 and 2019, respectively.

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.

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’s net deferred tax asset at December 31, 2020 and 2019 was approximately \$474,000 and \$82,000, respectively, which primarily consists of net operating loss carry forwards. As of December 31, 2020 and 2019, the Company provided a 100% valuation allowance against the net deferred tax assets,

PARALLEL FLIGHT TECHNOLOGIES, INC.
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which management could not determine, would more likely than not be realized. During the years ended December 31, 2020 and 2019, the Company recorded an increase to valuation allowance for approximately \$392,000 and \$82,000, respectively.

At December 31, 2020 and 2019, the Company had federal and state net operating loss carry forwards of approximately \$1,587,000 and \$275,000, respectively. The CARES Act amended rules related to the Company's federal net operating losses allowing for the NOLs to be carried forward indefinitely. The California net operating losses expire on various dates through 2040.

At December 31, 2020 and 2019, the applicable federal and state rates used in calculating the deferred tax provision was 21% and 8.84%, respectively. The difference between the effective tax rate and the stated tax rate is primarily due to a full valuation allowance on the net deferred tax assets.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and CA 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 has filed its tax returns through 2020 and is not currently under examination by any tax authority.

Stock Based Compensation

The Company accounts for stock awards issued under ASC 718, Compensation – Stock Compensation. Under ASC 718, share-based compensation cost is measured at the grant date, based on the estimated fair value of the award. Stock-based compensation is recognized as expense over the employee's requisite vesting period and over the nonemployee's period of providing goods or services. The fair value of each stock option or warrant award is estimated on the date of grant using the Black-Scholes option valuation model.

Loss per Common Share

We compute net income per share of Class A and Class B common stock using the two-class method. Basic net loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. For periods in which we incur a net loss, the effects of potentially dilutive securities would be antidilutive and would be excluded from diluted calculations. Dilutive securities consist of options under the Company's Equity Incentive Plan (Note 10) and its convertible SAFEs (Note 7).

For the years ended December 31, 2020 and 2019, the loss per share was \$0.21 and \$0.05, respectively, based on weighted average shares outstanding of Class A common stock of 5,106,054 and 3,049,680 and Class B common stock of 8593,938 and 2,000,000, respectively.

Concentration of Credit Risk

The Company's financial instruments include cash and cash equivalents.

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily surrounding cash and cash equivalents. The Company limits its exposure to credit risk surrounding cash and cash equivalents by holding excess balances at established financial institutions.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
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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.

Effect of COVID-19 Legislation

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The CARES Act includes provisions relating to refundable payroll tax credits, deferment of the employer portion of certain payroll taxes, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also established a Paycheck Protection Program whereby certain small businesses are eligible for a loan to fund payroll expenses, rent, and related costs.

The Company considered the provisions under the CARES Act and elected to utilize the PPP provisions in addition to the Economic Injury Disaster Loan (EIDL) advance assistance.

New Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), specifying the accounting for leases, which supersedes the leases requirements in Topic 840, Leases. The objective of Topic 842 is to establish the principles that lessees and lessors shall apply to report useful information to users of consolidated financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. Lessors' accounting is largely unchanged from the previous accounting standard. In addition, Topic 842 expands the disclosure requirements of lease arrangements. Lessees and lessors will use a modified retrospective transition approach, which includes several practical expedients. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 for emerging growth companies, with early adoption permitted. The Company has reviewed the provisions of the new standard, but it is not expected to have a significant impact on the Company at the current time.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been several ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has incurred losses from operations and has net cash used in operating activities of \$1,019,286 and \$221,005 for the years ended December 31, 2020 and 2019, respectively. 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 operations through the receipt of federal grant awards in addition to the issuance of debt and/or equity financing, including additional funds received under Regulation A efforts. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If it is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned operations, which could harm its business, financial condition, and operating results. The accompanying financial statements do not include any adjustments that might result from these uncertainties.

PARALLEL FLIGHT TECHNOLOGIES, INC.
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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following:

	December 31, 2020	December 31, 2019
Automotive equipment	\$ 4,038	\$ 4,038
Machinery and equipment	47,667	1,673
Total property and equipment	51,705	5,711
Accumulated depreciation	(3,116)	(685)
	\$ 48,589	\$ 5,026

Depreciation expense for the years ended December 31, 2020 and 2019 was \$2,431 and \$685, respectively.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Company’s SAFEs are measured at fair value on a recurring basis and are classified as level 3 based on the observability of valuation inputs.

The following table presents changes during the years ended December 31, 2020 and 2019 in Level 3 liabilities measured at fair value on a recurring basis, and the realized losses related to the level 3 liabilities in the Statements of Operations for the years ended December 31, 2020 and 2019:

SAFE Agreements

	December 31, 2020	December 31, 2019
Balance at beginning of period	\$ 248,000	\$ 176,000
Recognized remeasurement loss	1,764	-
Recognized extinguishment loss	44,352	-
Issuances	2,000	72,000
Extinguishments	(284,352)	-
Balance at end of period	\$ 11,764	\$ 248,000

NOTE 6 – RELATED PARTY TRANSACTIONS

During the period from inception to December 31, 2020, one of the Company’s founders, and his relatives, purchased SAFEs in the total amount of \$88,000, all of which were extinguished during 2020 (See Note 7).

NOTE 7 -DEBT AND LIABILITIES

Simple Agreements for Future Equity (SAFEs)

As of December 31, 2019, the Company had raised a total of \$248,000 from the issuance of convertible SAFEs to fund operations. During 2020, one of the founders incurred \$2,000 of expense which was reimbursed through an increase to his SAFE agreement.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
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Under the SAFEs, the funds contributed by the investors convert to shares of preferred stock in a qualified priced preferred stock financing round, at 85% of the preferred round price. During 2020, the Company settled all but \$11,764 of the SAFE agreements as a result of its Regulation CF campaign, which was not a qualified priced preferred stock financing round as required under the agreements. Therefore, management accounted for the settlement of such agreements as a debt extinguishment through the issuance of 201,688 Class A Common Stock, valuing the SAFEs immediately prior to extinguishment. This resulted in a loss on extinguishment of \$44,352, representing the difference in the fair value and carrying value of the SAFEs as of the extinguishment date.

As of December 31, 2019, there had not been any priced round of preferred stock financing that would trigger a conversion of the SAFE funds to preferred stock. The SAFEs are marked-to-market each reporting period as described in Note 2. As of December 31, 2019, management had determined that the carrying value was considered the fair value as SAFEs were sold with consistent terms throughout 2018 and 2019 to third parties and there were no indications that the value had changed.

Loan

In April 2020, the Company entered into a loan with an aggregate principal amount of \$33,411 pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP Loan was evidenced by a promissory note ("Note"). Subject to the terms of the Note, the PPP Loan bore interest at a fixed rate of one percent (1%) per annum, with the first six months of interest deferred, an initial term of two years, and unsecured and guaranteed by the Small Business Administration. The Company applied to the Lender for forgiveness of the PPP Loan, with the amount which may be forgiven equal to the sum of payroll costs, covered rent, and covered utility payments incurred by the Company during the applicable period beginning after the Notes inception, calculated in accordance with the terms of the CARES Act. The Company's Note was forgiven in full. The forgiveness of such was netted against the related labor costs the forgiveness related to.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company is not currently involved with, and does not know of any, pending or threatened litigation against the Company or any of its officers.

NOTE 9 – STOCKHOLDERS' EQUITY

Common Stock

The Company has authorized the issuance of 11,000,000 shares of common stock consisting of 8,000,000 Class A Common Stock and 3,000,000 of Class B Common Stock with a par value of \$0.00001. Class B Common Stock does not have voting rights while Class A carries one-to-one voting rights. At the discretion of the Board of Directors, the Company issues non-qualified incentive stock options to key employees (see Note 10).

On May 30, 2020, the Company filed a restated certificate of incorporation which effectively made Class B Common Stock non-voting shares. Simultaneously with this filing, one of the Founders converted his 2,000,000 shares of Class B Common Stock to Class A Common Stock.

PARALLEL FLIGHT TECHNOLOGIES, INC.
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During the years ended December 31, 2020 and 2019, the Company sold 84,696 and 711,776 Class A common stock shares through a Regulation Crowdfunding offering for gross proceeds of 110,417 and \$956,558, respectively. Of these funds, \$- and \$57,358 represents a subscription receivable as of December 31, 2020 and 2019, respectively.

During the year ended December 31, 2020, the Company sold 184,625 Class B common stock shares through a Regulation A offering for gross proceeds of \$862,199. Of these funds, \$49,921 represents a subscription receivable as of December 31, 2020.

During the year ended December 31, 2020, the Company sold 125,251 Class B common stock shares through a Regulation D offering for gross proceeds of \$321,651.

During 2020, the Company incurred offering fees of \$223,139 in connection with the various offerings described above. In addition, the Company issued 3,693 shares to one of the funding intermediaries which both increases and decreases additional paid-in capital for no net effect.

NOTE 10 – STOCK-BASED COMPENSATION

The Company adopted its 2020 Equity Incentive Plan (the “2020 Plan”) during 2020. The 2020 Plan enables the Board of Directors to utilize various forms of equity awards as defined by the 2020 Plan, including stock options and restricted stock purchase awards, as and when they deem appropriate. A total of 700,000 shares of Class A Common Stock have been authorized for issuance under the 2020 Plan.

As of December 31, 2020, the Company granted 277,437 shares under the Plan. Stock option activity under the 2020 Plan during the year ended December 31, 2020 is as follows:

	Number of Shares	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term
Outstanding at December 31, 2019	-	\$ -	
Granted	277,437	\$ 1.40	10.0 years
Cancelled	-	-	
Exercised	-	-	
Outstanding at December 31, 2020	277,437	\$ 1.40	9.5 years
Exercisable at December 31, 2020	186,114	\$ 1.40	9.5 years
Vested or expected to vest at December 31, 2020	186,114	\$ 1.40	9.5 years

The intrinsic value of vested options at December 31, 2020 is \$608,894. The weighted average grant date fair value per stock option granted during 2020 was \$0.53. The unrecognized compensation expense associated with outstanding stock options at December 31, 2020 is \$48,837, and is expected to be recognized over a weighted average period of 1.2 years.

PARALLEL FLIGHT TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS
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Stock-based compensation expense recognized under ASC 718 for the year ended December 31, 2020 was \$99,530 and is included in general and administrative expense in the accompanying statements of operations. The estimation of fair value of all options granted by the Company is computed based on the Black-Scholes option pricing model with the following weighted-average assumption:

	2020
Average risk-free rate	0.33%
Expected volatility	40%
Expected life	6years
Dividend yield	-

The Company recognizes stock option forfeitures as they occur. 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 stock options. The expected term of stock options is calculated using the simplified method which takes into consideration the contractual life and vesting terms of the options. Simplified method was used by the Company due to insufficient historical data. The Company determined the expected volatility assumption for options granted using the historical volatility of comparable public company's common stock. The dividend yield assumption for options granted is based on the Company's history and expectation of dividend payouts.

NOTE 11 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2020 through April 29, 2021 the date these financial statements were available to be issued. There have been no other events or transactions during this time which would have a material effect on these financial statements, other than those described below.

Subsequent to December 31, 2020, the Company sold 469,642 shares of Class B Common Stock through its Regulation A offering. The Company recognized gross proceeds of approximately \$2,193,228 in connection with this offering. Net proceeds from the offering will be reduced by offering costs incurred.

EXHIBIT C TO FORM C
PROFILE SCREENSHOTS

[See attached]

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



Parallel Flight Technologies

Saving lives, property, and the environment



[Website](#) [La Selva Beach, CA](#)

TECHNOLOGY

We've created proprietary Parallel Hybrid Electric Multirotor (PHEM) drone technology that allows drones to carry heavy payloads exponentially longer than current technology. This makes it ideal for use in fighting wildfires, search and rescue, medical, and logistics missions. Our unmanned, autonomous aircraft open new possibilities for the safety of first responders and many other commercial applications.

\$0.00 raised
\$7,475,055 previously crowdfunded

0 Investors	\$175M Valuation
\$22.60 Price per Share	\$497.20 Min. Investment
Common Shares Offered	Equity Offering Type
\$5M Offering Max	Reg CF Offering

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](#)

Following

Reasons to Invest

- **Large Market Potential:** Operating between 3 large industries. \$65B Industrial Logistics + \$20B Healthcare + \$10B Wildfire Suppression markets.
- **Strong Team:** CEO is a former Tesla Semi-Truck electrical engineering leader. Founding team has deep robotics experience from Verb Surgical, drone swarm work with the Navy, and machine vision expertise.
- **Advisors/Investors:** Cadre of expert advisors from the aviation and wildfire sectors who see drones as the future of flight and service.
- **Innovative Technology:** NASA, NSF and USDA funded, exponentially longer flight times with a heavy payload vs. existing technology for unmanned aircraft.

Bonuses

You qualify for the following bonus. This will be applied on top of any other rewards:

Loyalty Bonus

As you have previously invested in Parallel Flight or attempted to invest in our last round, you are eligible for additional bonus shares.



+5%

"Heavy Lift + Longer Flight Times"



**Aircraft is in prototype phase, Firefly is not currently available on the market.*

Success since our last raise

Since our last offering, Parallel Flight has reached multiple milestones:

- Our ongoing test program is flying our drones fully autonomously with up to 100lbs of payload.
- We have increased customer traction with over 30 LOI's signed valued at 60 million in estimated revenue based on all orders being completed and fully executed.*
- We are launching Parallel Flight Europe BV, a Drone as a Service (DAAS) company in Europe

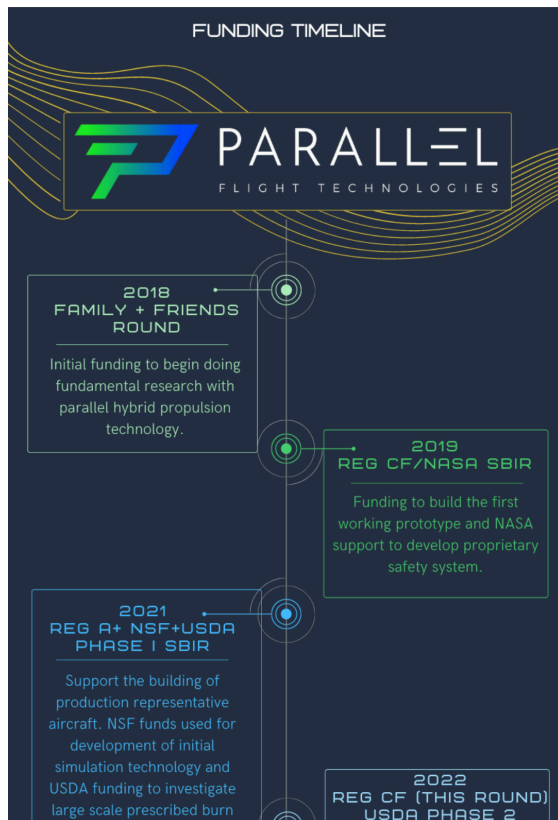
Company in Europe:

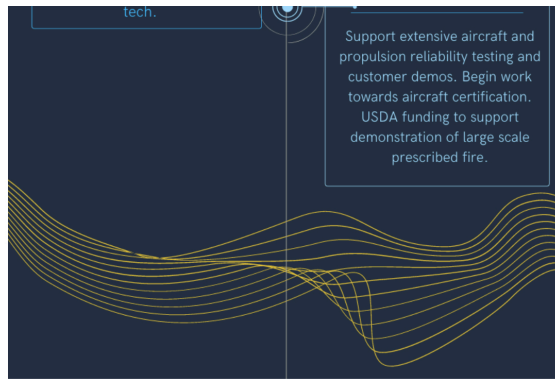
- Successfully identified simulation and control methods for our Parallel Hybrid Electric Multirotor (PHEM) UAS Under an NSF Phase 1 grant and laid the foundation for our advanced simulation training project.
- Submitted an NSF Phase 2 proposal to build first of its kind robust advanced simulation development and customer training capabilities for UAS pilots in partnership with Drone Amplified, Grayback Forestry, Colorado Center of Excellence, and the Department of Interior's Office of Aviation Services.
- Under an active USDA Phase 2: Ongoing integration with Drone Amplified's scaled-up IGNIS device in order to deliver an unmanned aerial controlled burn solution with 10x the acreage burn capabilities.
- Entered agreement with Lift Aircraft for the hybridization of their manned HEXA platform.
- Invited by the Air Force Agility Prime program to submit a Direct to Phase 2 proposal to hybridize eVTOLs.
- Selected as the drone of choice for Project Vesta: a rapid wildfire detection and response pilot project led by the Naval Postgraduate School, focused on integration of numerous innovative fire technology partners.

Addition of new team members + advisors:

- **Chris Krajewski, Adviser** - 30+ years of aviation and energy leadership and former Senior Executive with CHC Helicopters - Leading Parallel Flight's new European subsidiary
- **Russell Hill, Chief IP Counsel** - Former CHC Helicopters Chief Compliance executive, VP Legal & Chief IP Counsel for Lenovo, Deputy General Counsel for Logitech
- **Dorian West, Adviser** - Former Tesla Director of Engineering
- **Al Schoepp, Adviser** - Product and technology development engineer in industrial robotics

**Please note that LOIs are not an official offer, are non-binding, and that all details would need to be negotiated and executed through a formal Purchase (or other) Agreement.*





THE PROBLEM

Today's drones can only carry a heavy load for 15 minutes

Electric drones can only fly for fifteen minutes when carrying a heavy payload. Existing gas-powered drones have the ability to fly longer, but are not designed for heavy payloads. Ongoing and dangerous problems, like the wildfire crisis, could seriously benefit from the use of drones, but need long flight-time and heavy-lift. The Forest Service, military, and private companies are actively looking for heavy lift solutions for wildfire, search and rescue, healthcare and industrial logistics, but the existing solutions are too limited in terms of flight duration and payload.

THE SOLUTION

Our new Parallel Hybrid drone can fly for hours with a heavy payload

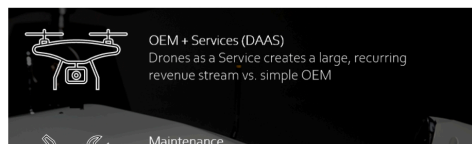
Our new Parallel Hybrid technology is an exponential improvement over existing solutions in terms of flight-time with a heavy payload. Our Parallel Hybrid system increases efficiency and eliminates the large battery used in other hybrids. This means higher efficiency and more payload capability. Parallel hybridization is used in the automotive world, but has never been applied to drones, *until now*.

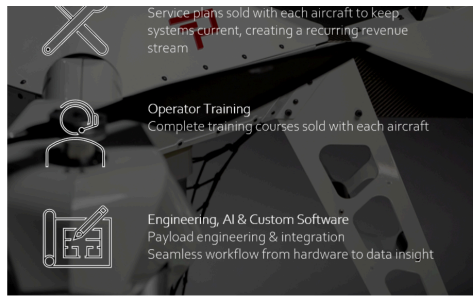


WHAT WE DO

Our autonomous drones deliver heavy payloads with precision and speed

Our heavy-lift unmanned aircraft are programmed from a ground station, and then autonomously perform the mission. The aircraft can also be remote-controlled by a pilot. Because our technology greatly expands the flight-time and payload capability of drones, there are many use-cases including firefighting, agriculture, search-and-rescue, medical delivery, and logistics. Performing these missions autonomously will increase safety and reduce cost.





Hybrid Propulsion for Next Gen Aircraft

Parallel Flight's core Parallel Hybrid technology can be customized for next generation aircraft. We are partnering with LIFT Aircraft to develop a hybridization solution for Lift's HEXA platform, which is currently all-electric.



HEXA's 2019 test flight as featured in Reuters

HEXA currently flies for less than 15 minutes but will be able to fly for hours once hybridized with our technology. Expanded applications for the LIFT Hexa after hybridization will include manned search and rescue, enhancing first responder capabilities by allowing for substantially quicker response times to remote locations; as well as considerable increases in useful flight durations and ranges for different military platforms.

THE MARKET

\$10B, \$20B, and \$65B Markets

The market for wildland firefighting is \$10B in the USA, Canada, and Australia and is growing by around 10% per year (source). The healthcare logistics sector is estimated to reach \$20B by 2025 and the industrial logistics market should reach \$65B by 2025 (source). Our technology has the potential to transform all of these markets. It will enable heavy lift and long-range Beyond Visual Line of Sight (BVLOS) applications across multiple industrial logistics verticals, providing advanced solutions for infrastructure, renewable energy, construction, environmental protection, and remote logistics. In the complex healthcare logistics space, our technology will be ideal for the delivery of critical medication, vaccines, medical equipment, biospecimens, and equipment such as defibrillators. By partnering with companies across various industries, Parallel Flight can provide full-stack solutions to multiple worldwide markets.



We will begin by fighting wildfires



Our initial market is wildland firefighting support. Wildfires are an urgent public safety crisis that has been exacerbated by environmental problems. Every year, thousands become victims of wildfires and there is a constant search for new technology that will help combat these fires. Our UAS will provide enhanced proactive prescribed burn capabilities for fire prevention, as well as crucial staging and tactical resupply of hoses, tools, fuel, food, water, ect. for firefighting personnel on the front lines battling wildfires. Our aircraft will also be able directly drop water and retardants on or around spot fires when manned aircraft are grounded due to heavy smoke or during the night. Our UAS can perform the "dark and dangerous" missions that include low and slow flying operations, night operations, and low visibility operations through smoke or fog that put pilots and personnel of manned aircraft at highest risk. Our goal is to provide the wildfire community with additional aerial support capabilities so that fire bosses can keep their aircrews safe.

Move Supplies	Controlled Burns	Night Operations
Carry tools, fuel, water, & food to firefighters	Remove fuels ahead of the fire to stop the spread	Fly at night & in heavy smoke when aircrafts are grounded



**Aircraft is in prototype phase, Firefly is not currently available on the market*



OUR TRACTION

Global market penetration



**Aircraft is in prototype phase, Firefly is not currently available on the market.*

Parallel Flight is on its way to penetrating a global market. Our pipeline has multiple customers worldwide, with signed LOI's valued at \$60 million in estimated revenue based on all orders being completed and fully executed.* Applications for our first customers include wildfire applications and industrial logistics missions.

**Please note that LOIs are not an official offer, are non-binding, and that all details would need to be negotiated and executed through a formal Purchase (or other) Agreement.*



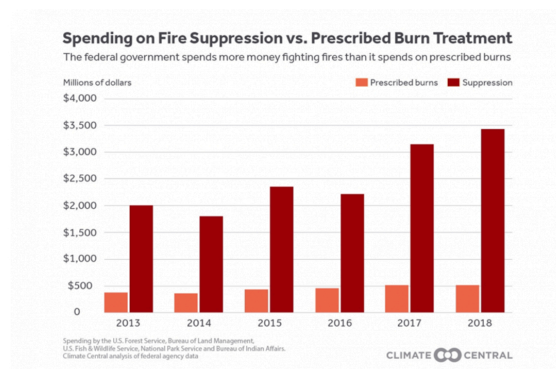
Wildfire Applications

Industrial Logistics

**Aircraft is in prototype phase, Firefly is not currently available on the market*

In addition to private customers, we have received grants from NASA, NSF, and the USDA. Our 4th and most recent Federal Grant is a Phase II USDA grant for Parallel Flight to continue developing a large scale unmanned system for prescribed fire for land management and active wildfire fighting. Working with our payload partner we have made significant progress by designing a solution with 10x the acreage burn capabilities of existing prescribed burn solutions. This is a key land management tool for removing combustible fuels and preventing wildfires. It is also used for fighting wildfires by creating fire breaks.

Annual federal spending on prescribed burning has averaged around \$500 million through 2020 ([source](#)), with potential to increase based on legislative initiatives and regulatory easing nationally, specifically in California ([source](#)). Several helicopter pilots have tragically died over the years in these missions, so the agencies are beginning to use drones, but they need aircraft with larger payloads and longer flight times.



Parallel Flight is pursuing both the Prescribed Burn and Fire Suppression Market

International Operations



Parallel Flight plans on being an international drone service provider. We are currently forming a subsidiary, Parallel Flight Technologies Europe BV, in the Netherlands to serve customers in the European market. This organization is currently bidding on contracts with major wind power companies for servicing wind turbines. We will use our aircraft to deliver tools and supplies to the top of turbines during maintenance. Parallel Flight Europe is led by Chris Krajewski, a seasoned helicopter executive, with global operational experience.

Chris' career spans over 35 years in the aviation and energy markets, including 24 years at CHC Helicopters, one of the largest helicopter operators worldwide. During his time at CHC, Chris held senior leadership positions in the operations and commercial departments, directing business units in Brazil, Europe, Africa, the Middle East, Australia and Asia-Pacific. He led global business development initiatives with a focus on pursuit of diversification into new markets and spearheading initiatives to enter new verticals. Chris can open doors of opportunity on nearly every continent with contacts at the highest levels in aviation, oil and gas, offshore wind, and defense.

Partnerships

In tandem with key government partners, Parallel Flight is actively engaging with strategic industry partners to address various needs spanning across multiple verticals. Here are some highlights:

Drone Amplified: Creator of IGNIS, the first drone-based aerial ignition system and the only drone-based plastic sphere dispenser (PSD) device approved for interagency (federal) use by the National Wildfire Coordinating Group (NWCG). The latest version of IGNIS (2.0) can burn about 250 acres while carried by a DoD Category 2 drone. IGNIS has been deployed on major fires in Oregon, Alaska, New Mexico and elsewhere with impressive results, dropping over a half million balls during the 2020 fire season. Drone Amplified has partnered with PFT under an active USDA Phase 2 grant to integrate a scaled-up version of IGNIS with Firefly to create a controlled burn solution capable of burning thousands of acres in a single flight.



Grayback Forestry: Located in Oregon and Montana, Grayback is a founding member of the National Wildfire Suppression Association and was the first private firefighting contractor to successfully deploy a drone-based aerial ignition system on a fire, IGNIS. Grayback has agreed to partner with Parallel Flight Technologies to develop and evaluate advanced simulation training capabilities for soon-to-be Firefly pilots.

Island Conservation Group: Headquartered in Santa Cruz, CA, the IC is an international non-profit that is on the front lines of preventing extinctions and working to expand the boundaries of island conservation efforts worldwide. Parallel Flight is enthusiastic to work with IC to pioneer drone-based applications that enable safer and more effective methods to protect endangered island species from the threats of invasive species.

Colorado Center of Excellence for Advanced Technology Aerial Firefighting

Colorado Center of Excellence: Known as the go-to research and development team for projects across the public safety service spectrum, The Center of Excellence for Advanced Technology Aerial Firefighting (CoE) drives technological advancements to improve firefighting practices and influence innovation across the public safety community. CoE has agreed to partner with Parallel Flight Technologies to develop and evaluate advanced simulation training capabilities for soon-to-be Firefly pilots and support the safe introduction of the transformative technology to the fire fighting community.

SkyTEM Surveys: Headquartered in Denmark, SkyTEM is a leading airborne geophysical survey company focusing on the detection of subtle variations in conductivity/resistivity, making it possible to deliver accurate high resolution images of alternations in the Earth. Parallel Flight technology can be of assistance in sensors for aquifer and resource mapping.

Allied Disaster Defense: Allied Disaster Defense (ADD) offers long term fire retardant and home hardening solutions through applying Phos Chek and other innovative products designed to reduce or eliminate the cause of most property damage in wildfires. ADD's team of Wildfire Experts use their experience fighting and preventing fire to conduct risk assessments to ensure property is held at the highest standard from CALFire and the NFPA. ADD and PFT have begun exploring the use of UAS and innovative aerial fire technologies to enhance the delivery of home hardening and risk reducing solutions to ADD customers.

Parallel Flight's Unmanned Aircraft Systems are undergoing extensive testing



Parallel Flight drone executing a speed test trial at PFT headquarters

Our Unmanned Aircraft are undergoing extensive testing to ensure reliability and compliance with FAA certification requirements.

- Dedicated flight crew flying autonomous missions twice a week
- New test cell under construction to run 8X power modules continuously
- Bringing in seasoned aviation professionals to ensure Safety & Quality as well as regulatory compliance





Test Engineer Chris Lee shows the BX Module Test Cell, currently under construction

From Concept to Production



Proof of Concept

Test basic Parallel Hybrid Concept

Prototype

Test a fully integrated system in real-world conditions



Beta

Production representative aircraft undergoing extensive flight testing

Production

Full production with cost optimization



THE BUSINESS MODEL

We plan to sell our products using a recurring revenue model

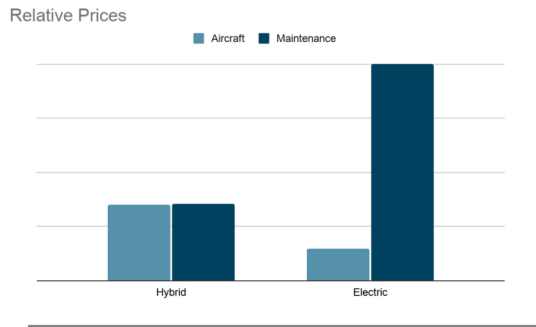
Parallel Flight plans to make money by selling drone services, full-stack unmanned aircraft solutions, maintenance plans, operator training, customized propulsion systems, custom AI powered software solutions, and engineering services. Our initial customers are federal, state, and municipal agencies tasked with wildland firefighting, private contractors that provide wildfire services, healthcare and industrial logistics, and customers from other industries. Parallel Flight will provide drone service operations for customers who are buying Drone as a Service (DaaS) contracts. Aircraft purchased outright will have a service plan associated with the aircraft. Both the aircraft sales (with service contract) and contract models are planned sources of recurring revenue for Parallel Flight.



Heavy payloads with long flight times

Our systems are designed around heavy lift applications which go beyond carrying sensors. One of our greatest advantages is flight time while carrying a heavy payload. Most other multi-rotor drones can only fly for 15 minutes with a maximum payload; we can fly for hours.

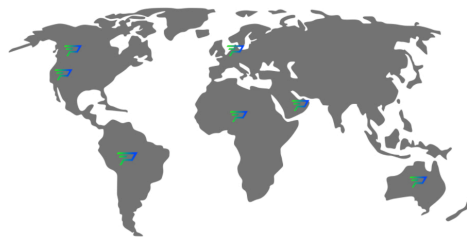
The lifetime cost of our hybrid system platform will also be less expensive than all-electric drones due to the large number of batteries they have to replace. Because of the high battery discharge current required for heavy-lift drones, batteries are limited to roughly 200 cycles or around 50 total hours of use. After this they need to be thrown out. Also, users of all-electric platforms buy multiple battery sets, expensive charging systems, and generators, but our customers will not incur these costs.



Relative cost of operating hybrid drones vs. all-electric

The future of heavy lift

In three years, our goal is to be the leading global Drone as a Service provider, as well as the premier supplier of heavy-lift unmanned systems for heavy-lift wildfire and public safety applications, medical delivery, and industrial logistics. In the future we plan on scaling our technology for larger payloads up to 500lbs and using renewable fuels wherever possible for our hybrid systems. Finally, we plan to have subsidiaries globally that provide drone operation services, as well as drone service centers.



Powertrain - Robotics - Machine Vision



CEO and co-founder Joshua Resnick led system architecture and electrical engineering for the Tesla Semi Truck program. Before moving to California, he led research for the State of Alaska developing hybrid commercial fishing boat technology. He has been a radio control helicopter and airplane enthusiast since childhood.

Our founding team has core competencies in the key areas of hybrid powertrains, drone operations, control theory, machine vision, and robotics. We bring experience from Tesla, Verb Surgical, and the Navy. We have brought in advisors related to our markets, business development, FAA compliance, and strategy.



Our Values - A message from the CEO, Joshua Resnick

Dear Investor,

At PFT, my co-founders and I are striving to build a company that will reflect our values for years to come. We are doing this by applying our technology to use-cases that save lives, property, and the environment.

Lives

Whether it is making firefighting safer and more effective, delivering supplies after a natural disaster, performing search and rescue, or bringing medical supplies to a remote village, our technology will be used to save lives in dangerous situations.

Property

All of the founders of Parallel Flight have been directly affected by California's wildfires. We all had to evacuate in 2020 during the CZU complex fire while firefighters struggled to save our homes and community. Over the past twenty years, wildfires have been getting steadily worse, but 2017 was a tipping point with the devastating fires in Santa Rosa and Ventura, CA. Then the 2018 fire season came. The Camp Fire destroyed the entire town of Paradise, CA - it killed 86 people and destroyed 18,804 structures. There was also the Mendocino Complex fire which burned almost half a million acres. In 2020, the August Lightning Complex fires burned more than 3 million acres in Northern California - the worst wildfires in the state's history. This is not to mention the massive wildfires in Greece, Alaska, Australia and the Amazon. As of the time of this writing, nearly 1000 homes in Colorado have been destroyed by the latest wildfire. Parallel Flight Technologies is committed to developing new solutions to help mitigate this worldwide problem.

Environment

Ok, I admit it. I am green at heart! That's why I spent 5 years developing energy efficient power systems for fishing boats in Alaska, and why I joined Tesla in 2015 to lead the electrical engineering efforts for the Tesla semi truck. One of my core values is building technologies that reduce carbon emissions. So, why am I building a hybrid aircraft? Doesn't hybrid still mean petrol powered? In the case of firefighting, gasoline is the best option because it is already part of the firefighting supply chain. However, I am committed to carbon neutral fuels for all applications that are not life-critical.

I hope you will join us on this exciting journey to save lives, property, and the environment!

Sincerely,

Joshua Resnick, CEO - Parallel Flight Technologies



Join us on our mission to save lives, property, and the environment.

In the Press



SiliconValley.com



SHOW MORE

Meet Our Team



Joshua Resnick

CEO and President

Joshua brings a passion for groundbreaking technology and years of hybrid and electric powertrain expertise to Parallel. Prior to Parallel, he led system architecture and electrical engineering for the Tesla Semi Truck program. Before moving to California, he led state-funded research for the State of Alaska developing hybrid electric commercial fishing boats. When he is not designing the future, Joshua enjoys flying RC helicopters and hiking with his family.



David Adams

Director of Operations and Treasurer of the Board

David began his career aboard nuclear submarines and is an engineer qualified officer. Following this, he supported Naval research into drone swarms. After leaving the Navy, David focused his career on robotic systems integration and design. He has worked in both the semiconductor fabrication field and in surgical robotics. When he is not designing heavy lift drones, David enjoys snowboarding and camping with family and friends.



Bobby Hulter

Software and Treasurer

Bobby has a broad background spanning physics as well as several engineering disciplines. His main focus has been on machine vision and software. He has applied these skills to industrial robotics systems for solar cell manufacturing. Bobby's primary job is engineering solar manufacturing robotics, he currently devotes 20 hrs per week at Parallel. He will be full time when we have raised sufficient funds. When he is not writing code for heavy lift drones, he enjoys camping with his family.



Mark Bathrick

Adviser

Mark is a retired senior executive who developed and directed the U.S. Department of the Interior's award-winning "Drones for Good" program. He recently retired as the Director of the Office of Aviation Services for the Dept. of the Interior. He is a recipient of the 2017 Commercial Drone Alliance Industry Heroes Award and was listed in 2018 by Commercial UAV News as a Top 7 Drone



Chris Krajewski

Adviser

Krajewski's career spans over 35 years in the aviation and energy markets, including 24 years at CHC Helicopters, one of the largest helicopter operators worldwide. Chris has held senior leadership positions in the operations and commercial departments for CHC Helicopters and Heliconia Group, directing business units in Brazil, Europe, Africa, the Middle East, Australia and Asia-Pacific. Additionally, he



Ret. Chief Scott Watson

Adviser

Scott devoted close to 40 years in the fire service, starting with the US Forest Service and retiring from CAL FIRE as a Battalion Chief. As an aerial firefighter, he has over twenty years in tactical helicopter operations.



Dorian West

Technical Adviser

Dorian brings 25 years of engineering experience developing complex electromechanical systems. He was an early employee at Tesla and held leadership roles for 15 years, spanning battery engineering, powertrain system development, and vehicle prototyping. He has a passion for sustainability, and he recently launched his own startup focused on decarbonizing the industrial sector.

Visionaries. Mark is also a Top Gun graduate and former test pilot for the Navy with 30+ years of UAS testing, acquisition, management, and operations experience.



Al Schoepp
Technical Adviser

Al Schoepp has over 35 years of experience in product and technology development, previously holding lead engineering roles in the semiconductor industry. He recently retired from his Senior Technical Director role at LAM Research after spending 29 years at the company focusing on new product development and semiconductor equipment development.

has led global business development initiatives with a focus on pursuit of diversification into new markets. Most recently, he founded Vertical Solutions, an aerospace consulting and advisory firm.



Aidan Joyce
Chief Legal Officer (Part-Time)

*Aidan Joyce brings extensive experience in providing legal counsel to global organizations. Aidan has worked with aviation and technology companies in various global locations who are active in the rotary, fixed-wing, and engine spaces. Previously serving as Vice President, Legal at CHC Helicopters, he has supported government organizations with aviation OEM requirements, worked in the finance group of a large international law firm, and acted for a range of domestic and international clients. *Currently a part-time role.*



Russel Hill
Chief IP Counsel

Russ brings 25+ years experience as an international law firm partner and in-house legal and compliance executive. He's been the chief IP counsel at Lenovo, CHC Helicopter and Logitech. At the latter two, Russ also served as deputy general counsel and chief compliance officer.
**This is currently a part time role at PFT*



Kasey Krape
Parallel Flight Fellow

Kasey brings experience from Tesla as a Senior Manager of Global Inside Sales, Global Customer Experience, and senior staff manager for Strategy and Business Development for the Tesla Semi Truck program. She currently is a Sr. PM for Retail Operations and Global Product Launch at Apple.



Mike DelPrete
Parallel Flight Fellow

Mike is an experienced entrepreneur having founded and successfully sold Agora Studios. Following this he led strategy and then became Head of Ventures for Trade Me. Today he is an advisor to tech companies worldwide.



Shannon Knudsen
Director of Strategic Projects

Shan has over 14 years of experience helping small businesses, non-profits, and universities procure and manage funding from myriad sources, including a proven track record winning SBIR/STTR funding, including 4 SBIR's for Parallel Flight.



Scott Allen
Staff Mechanical Engineer

Scott has more than 30 years of industrial design experience, with an extensive background designing cars, car parts, motorcycles and other vehicles for Yamaha, Polaris, Jaguar, Mercedes and VW. He has also worked on space shuttle designs with NASA.



Paul Kele
Sr. Mechanical Engineer

Paul has nearly 20 years of mechanical and product engineering experience with a wide background in thermoplastics and injection molding. He is a graduate of San Jose State University and has a broad understanding of fabrication and design for manufacturing.



Chris Lee
Sr. Test Engineer

Chris has a strong background in mechanical design, system testing, quality control and manufacturing engineering. He is a graduate of Cal Poly University and recently held senior engineering roles in the renewable energy and semiconductor industries.



Gregory Bringedahl
UAV Prototype Lead Technician

Greg is an aviation maintenance professional with over 10 years of experience, which he gained in the field from the US Air Force and as a civilian DOD contractor. He has an extensive background in manned aircraft maintenance and over 2,500 hours of drone flight experience.



Sarah Abdi
Marketing and Communications Manager

Sarah has a passion for revolutionary technology. Experience across multiple marketing disciplines in the Aerospace sector and a keen awareness for market needs, she leverages her background in strategic communications to showcase products and technology in the right light.



James Penny
Manufacturing Operations Lead
Jim is an expert in supply chain and production management, with over 25 years of hands-on experience planning and deploying production for a range of products. He recently worked in the unmanned space developing scaled operations for underwater ROV drones.



Seth McGann
Test Engineer

Seth enjoys working on electronics prototyping, embedded systems, data acquisition and analysis. He is also a very experienced coder with deep firmware experience. (Needs revisioning)



Luis Barragan
Electrical Engineer

Luis is a recent graduate of the University of California, Santa Cruz, with a Bachelors in Electrical Engineering. At UCSC, Luis was part of the university's first FSAE program and CubeSat program.



Maxwell Kauker
Mechanical Engineer

Max is a graduate of Embry-Riddle Aeronautical University, holding a degree in Mechanical Engineering with a concentration in propulsion. He was a member of the university's rocketry club and previously interned at PFT. (NEEDS UPDATING)



Noah Perez
Aerospace Engineer

Bio: Noah is a recent graduate of San Jose State university with a bachelors degree in aerospace engineering. During his studies, he focused on projects concerning control systems, rocketry, and formula SAE.



Sara Lunsford
Business Project Manager

Sara has an extensive background in business operations and bookkeeping, with over 15 years of experience in project management roles. She supports accounting, human resources and business development projects for PFT.

Offering Summary

Company : Parallel Flight Technologies, Inc.

Corporate Address : 450 McQuaide Drive, La Selva Beach,
CA 95076

Offering Minimum : \$9,989.20

Offering Maximum : \$4,999,956.20

Minimum Investment Amount : \$497.20
(per investor) :

Terms

Offering Type : Equity

Security Name : Class B Common Stock

Minimum Number of Shares Offered : 442

Maximum Number of Shares Offered : 221,237

Price per Share : \$22.60

Pre-Money Valuation : \$175,318,370.00

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

Company Perks*

Time-Based Perks

Friends and Family Early Birds

Invest within the first 48 hours and receive 15% Bonus Shares.

Super Early Bird Bonus

Invest within the first week and receive 10% Bonus Shares.

Early Bird Bonus

Invest within the first two weeks and receive 5% Bonus Shares.

Amount-Based Perks

Tier 1 | \$2,000+

Invest \$2,000+ and receive 2% Bonus Shares.

Tier 2 | \$5,000+

Invest \$5,000+ and receive 5% Bonus Shares.

Tier 3 | \$10,000+

Invest \$10,000 and receive 10% Bonus Shares.

Tier 4 | \$25,000+

Invest \$25,000 and receive 15% Bonus Shares.

**All perks occur when the offering is completed.*

The 10% StartEngine Owners' Bonus

Parallel Flight Technologies, 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 Class B Common Stock at \$22.60 / share, you will receive 110 Class B Common Stock, meaning you'll own 110 shares for \$2260. 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: Vendor payments.

[Offering Details](#)

[Form C Filings](#)

[SHOW MORE](#)

Risks

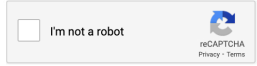
A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. 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 Parallel Flight Technologies to get notified of future updates!

Comments (0 total)

Add a public comment... 0/2500



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StartEngine Careers
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Important Message

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.

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Investment opportunities posted and accessible through the site are of three types:

- 1) Regulation A offerings (JOBS Act Title IV, known as Regulation A+), which are offered to non-accredited and accredited investors alike.
2) Regulation D offerings (Rule 506(c)), which are offered only to accredited investors.
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California Investor Only - Do Not Sell My Personal Information

EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

Joshua Resnick:

In 2017, there were a number of really bad forest fires. There was a fire close to our home in the Mountains of Santa Cruz. We were evacuating our family. Smoke is everywhere. Ashes falling. I'm packing up my children to leave. After that fire, I reached out to experts in the field and I learned the future of firefighting is unmanned systems.

Joshua Resnick:

Parallel Flight Technologies is a company built with the mission to use unmanned systems to save lives, property, and the environment. The technology that we've developed enables unmanned systems to fly longer and carry more payload than any other technology currently available. Our system combines the responsiveness of the electric motors of a drone with the power and duration of a combustion engine. And the result is a drone that can fly almost 10 times longer than an electric drone. So it's really totally new for the industry, heavy pay load and long duration combined into a single system. What we've come up with is really a general solution that can be used for a lot of different industries. We're starting with fire because it's a very, very critical need.

Sevan Gerard:

Aerial firefighting has been shown to be a very effective way of making forward progress. However, air operations are difficult to conduct, dangerous to conduct.

Joshua Resnick:

Manned systems can only fly during daylight hours in clear conditions. They can't fly at night. They can't fly when there's smoking conversions. So we'll be able to fill in those gaps.

Sevan Gerard:

A lot of these fires take place in remote areas. We use gel to protect structures. There's only so much of it that we can carry with us. That would be a perfect example of how this unmanned aerial system would be able to bring large amounts of additional gel, maintain the supply of equipment, bring water to the fire, increase safety for the personnel. It changes our ability to fight the fire 24 hours a day.

Joshua Resnick:

My background is in powertrain systems. I developed the electrical architecture for the Tesla Semi truck.

Kasey Krape:

Joshua and I worked together at Tesla and I saw him do a lot of things at Tesla that were impossible and he made them possible. So I thought if there's anyone who can really introduce

something new to the industry, it's definitely him.

Joshua Resnick:

My other co-founders bring robotics experience, machine vision, and control systems to the table. The value proposition for Parallel Flight is beyond just the fire application. There's agricultural applications, ship to shore, remote logistics, bringing things to remote villages up in Alaska or other places like that. It opens up a whole new world of possibilities for unmanned systems.

Sevan Gerard:

I immediately realized that this was a game changer. The response from my field is incredibly positive. It's really an imperative that we find new solutions. And I really strongly believe that this drone is one of those solutions.

Joshua Resnick:

The mission is exciting. The technology is also exciting. At the end of the day, it's not just about making some cool technology. We know that it's going to have a big impact in people's lives.

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 7-13% (seven to thirteen 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, 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 \$5M 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 either \$2,200 or 5% of their annual income or net worth, whichever is greater. 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 greater, but their investments cannot exceed \$107,000.

EXHIBIT F TO FORM C

ADDITIONAL CORPORATE DOCUMENTS

[See attached]

PARALLEL FLIGHT TECHNOLOGIES, INC. SR 20206406102 - File Number 7050611

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

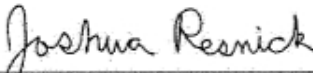
Parallel Flight Technologies, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), certifies that:

A. The name of the Corporation is Parallel Flight Technologies, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 10, 2018.

B. This Second Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and restates, integrates and further amends the provisions of the Corporation's Certificate of Incorporation.

C. The text of the Second Amended and Restated Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, Parallel Flight Technologies, Inc. has caused this Second Amended and Restated Certificate of Incorporation to be signed by Joshua Resnick, duly authorized officer of the Corporation, on July 24, 2020.



Joshua Resnick, CEO

EXHIBIT A

PARALLEL FLIGHT TECHNOLOGIES, INC.

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

ARTICLE I: NAME

The name of the corporation is Parallel Flight Technologies, Inc.

ARTICLE II: AGENT FOR SERVICE OF PROCESS

The address of the corporation's registered office in the State of Delaware is 16192 Coastal Hwy. Lewes, DE 19958, County of Sussex. The name of the registered agent of the corporation at that address is Harvard Business Services, Inc.

ARTICLE III: PURPOSE

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware ("General Corporation Law").

ARTICLE IV: SOLE INCORPORATOR

The name and mailing address of the sole incorporator is:

Joshua Resnick
1120 Sylvia Way
Ben Lomond, CA 95005

ARTICLE V: AUTHORIZED STOCK

The total number of shares of stock which the corporation shall have authority to issue is Eleven Million (11,000,000) shares of common stock, consisting of: (i) Eight Million (8,000,000) shares of voting common stock, par value \$0.00001 per share, designated as "Class A Common Stock", and (ii) Three Million (3,000,000) shares of non-voting common stock, par value \$0.00001 per share, designated as "Class B Common Stock". Except as may be provided in this Restated Certificate of Incorporation or required by law, the Class A Common Stock shall have voting rights in the election of directors and on all other matters presented to the stockholders, with each holder of Class A Common Stock being entitled to one vote for each share of Class A Common Stock held of record by such holder on such matters. The number of authorized shares of Class A Common Stock, Class B Common Stock, or any other class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of Class A Common Stock. Except as required by law, the Class B Common Stock shall have no voting rights. The Class B Common Stock shall be automatically converted into Class A Common Stock, on a one-for-one basis, upon the approval of the Board of Directors.

1. Total Authorized.

The total number of shares of all classes of capital stock that the corporation has authority to issue is Eleven Million (11,000,000) shares, consisting of: Eight Million (8,000,000) shares of Class A Common Stock, \$0.00001 par value per share ("Class A Common Stock") and Three Million (3,000,000) shares of Class B Common Stock, \$0.00001 par value per share ("Class B Common Stock" and together with the Class A Common Stock, the "Common Stock"). The number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of capital stock representing a majority of the voting power of all the then-outstanding shares of capital stock of the corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

2. Rights of Class A Common Stock and Class B Common Stock.

2.1 Equal Status. Except as otherwise provided in this Restated Certificate of Incorporation or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and upon any liquidation, dissolution or winding up of the corporation), share ratably and be identical in all respects and as to all matters.

2.2 Voting Rights. Except as otherwise expressly provided by this Restated Certificate of Incorporation or as provided by law, the holders of shares of Common Stock shall (a) at all times vote together as a single class on all matters (including the election of directors) submitted to a vote or for the consent (if action by written consent of the stockholders is permitted at such time under this Restated Certificate of Incorporation) of the stockholders of the corporation, (b) be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the corporation and (c) be entitled to vote upon such matters and in such manner as may be provided by applicable law. Except as otherwise expressly provided herein or required by applicable law, each holder of Class A Common Stock shall have the right to one (1) vote per share of Class A Common Stock held of record by such holder and each holder of Class B Common Stock shall have the right to no votes per share of Class B Common Stock.

2.3 Dividend and Distribution Rights. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends or distributions as may be declared and paid from time to time by the Board of Directors out of any assets of the corporation legally available therefor; provided, however, that in the event a dividend is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be) and holders of Class B Common Stock shall receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with holders of shares of Class A Common Stock and Class B Common Stock receiving, on a per share basis, an identical number of shares of Class A Common Stock or Class B Common Stock, as applicable. Notwithstanding the foregoing, the Board of Directors may pay or make a disparate dividend or distribution per share of Class A Common Stock or Class B Common Stock (whether in the amount of such dividend or distribution payable per share, the form in which such dividend or distribution is payable, the timing of the payment, or otherwise) if such disparate dividend or distribution is approved in

advance by the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Restated Certificate of Incorporation) of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

2.4 Subdivisions, Combinations or Reclassifications. Shares of Class A Common Stock or Class B Common Stock may not be subdivided, combined or reclassified unless the shares of the other class are concurrently therewith proportionately subdivided, combined or reclassified in a manner that maintains the same proportionate equity ownership between the holders of the outstanding Class A Common Stock and Class B Common Stock on the record date for such subdivision, combination or reclassification; provided, however, that shares of one such class may be subdivided, combined or reclassified in a different or disproportionate manner if such subdivision, combination or reclassification is approved in advance by the affirmative vote (or written consent if action by written consent of stockholders is permitted at such time under this Restated Certificate of Incorporation) of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

2.5 Liquidation, Dissolution or Winding Up. Subject to the preferential or other rights of any holders of Preferred Stock then outstanding, upon the dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably all assets of the corporation available for distribution to its stockholders.

2.6 Merger or Consolidation. In the case of any distribution or payment in respect of the shares of Class A Common Stock or Class B Common Stock upon the consolidation or merger of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a consolidation or merger, such distribution or payment shall be made ratably on a per share basis among the holders of the Class A Common Stock and Class B Common Stock as a single class.

2.8 Conversion of Class B Common Stock.

(a) Voluntary Conversion. Class B Common Stock may not be converted at the option of the holder.

(b) Automatic Conversion. All shares of Class B Common Stock shall be automatically, without further action by any holder thereof, converted into an identical number of shares of Class A Common Stock at such date and time, as approved by the Company's Board of Directors (a "Conversion Event"). Each outstanding stock certificate that, immediately prior to a Conversion Event, represented one or more shares of Class B Common Stock subject to such Conversion Event shall, upon such Conversion Event, be deemed to represent an equal number of shares of Class A Common Stock, without the need for surrender or exchange thereof.

(c) The corporation may, from time to time, establish such policies and procedures, not in violation of applicable law or the other provisions of this Restated Certificate of Incorporation, relating to the conversion of the Class B Common Stock into Class A Common Stock, as it may deem necessary or advisable in connection therewith. In connection with any action of stockholders taken at a meeting or by written consent (if action by written consent of stockholders is permitted at such time under this Restated Certificate of Incorporation), the stock

ledger of the corporation shall be presumptive evidence as to who are the stockholders entitled to vote in person or by proxy at any meeting of stockholders or in connection with any such written consent and the class or classes or series of shares held by each such stockholder and the number of shares of each class or classes or series held by such stockholder.

2.9 Reservation of Stock. The corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

ARTICLE VI: AMENDMENT OF BYLAWS

The Board of Directors of the corporation shall have the power to adopt, amend or repeal the Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation.

ARTICLE VII: MATTERS RELATING TO THE BOARD OF DIRECTORS

1. Director Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Restated Certificate of Incorporation or the Bylaws of the corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the corporation.

2. Board Vacancies. Any vacancy occurring in the Board of Directors for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall (unless (a) the Board of Directors determines by resolution that any such vacancy or newly created directorship shall be filled by the stockholders or (b) otherwise required by applicable law) be filled only by the affirmative vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been elected expires or until such director's successor shall have been duly elected and qualified.

3. Vote by Ballot. Election of directors need not be by written ballot.

ARTICLE VIII: DIRECTOR LIABILITY; INDEMNIFICATION

1. Limitation of Liability. To the fullest extent permitted by law, no director of the corporation shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

2. Indemnification. The corporation shall indemnify to the fullest extent permitted by law

any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the corporation or any predecessor to the corporation.

3. Change in Rights. Neither any amendment nor repeal of this ARTICLE VIII, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this ARTICLE VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX: CHOICE OF FORUM

Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, and except for claims arising under federal securities laws, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any director, officer, employee or agent of the corporation to the corporation or the corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the General Corporation Law or the corporation's Restated Certificate of Incorporation or Bylaws, (4) any action to interpret, apply, enforce or determine the validity of the corporation's Restated Certificate of Incorporation or Bylaws or (5) any action asserting a claim governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this ARTICLE IX.

ARTICLE X: AMENDMENT OF CERTIFICATE OF INCORPORATION

The corporation reserves the right to amend or repeal any provision contained in this Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation.

EXHIBIT G TO FORM C

TESTING THE WATERS MARKETING CONTENT

[SEE ATTACHED]



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