

## Risk Factors Comparison 2025-03-31 to 2024-04-01 Form: 10-K

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We are subject to various risks that may materially harm our business, prospects, financial condition and results of operations. An investment in our common stock is speculative and involves a high degree of risk. In evaluating an investment in shares of our common stock, you should carefully consider the risks described below, together with the other information included in this report. The risks described below are not the only risks we face. If any of the events described in the following risk factors actually occurs, or if additional risks and uncertainties later materialize that are not presently known to us or that we currently deem immaterial, then our business, prospects, results of operations and financial condition could be materially adversely affected. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our shares. The risks discussed below include forward- looking statements, and our actual results may differ substantially from those discussed in these forward- looking statements. Risks Related to Our ~~Business We~~ **Business We** are a company with a limited operating history and our future profitability is uncertain. We anticipate future losses and negative cash flows and we may never be profitable. We are a company with a limited operating history and limited revenues to date. We have incurred losses since our inception and expect to experience operating losses and negative cash flows for the foreseeable future. As of December 31, ~~2023~~ **2024**, we had a total accumulated deficit of approximately \$ ~~93.99~~ **7.0** million. We anticipate our losses will continue to increase from current levels because we expect to incur additional costs and expenses related to commercialization activities, product development, consulting costs, marketing and other promotional activities. In addition, we expect to continue incurring costs related to human capital development and strategic partnership development. We may never generate significant revenue and we may never be profitable. If we do not receive additional financing when and as needed in the future, we may not be able to continue our development and commercialization efforts and our business may fail. Our business is capital- intensive and requires capital investments in order for it to develop. Our cash on hand will likely not be sufficient to meet all of our **long- term** future needs because our target customers are, in general, slow to adopt new technologies, and we anticipate that we will require substantial additional funds in excess of our current financial resources for research, development and commercialization of our technology, to obtain and maintain patents and other intellectual property rights in our technology, and for working capital and other purposes, the timing and amount of which are difficult to ascertain. Until our technology generates revenues sufficient to support our operations, we plan to obtain the necessary working capital for operations through the sale of our securities, but we may not be able to obtain financing in amounts sufficient to fund our business plans. If we cannot obtain additional funding when and as needed, our business might fail. Market acceptance of our technology and business is difficult to predict. If our technology does not achieve market acceptance, our business could fail. If we are unable to effectively demonstrate our technology in a timely fashion, gain recognition in our market segments, and develop a critical level of successful sales and product installations, we may not be able to successfully ~~achieve~~ **generate** sales revenue and our results of operations and financial condition would then suffer. Our ability to ~~achieve~~ **obtain** future revenue will depend significantly upon achieving a critical mass of market awareness and sales to potential customers of our products. While we plan to achieve this awareness over time, there can be no assurance that awareness of our Company and technology will develop in a manner or pace that is necessary for us to achieve acceptance and profitability in the near term. Further, we cannot predict the rate of adoption or acceptance of our technology by potential customers. While we have demonstrated our technology, this does not guarantee the industrial combustion market will accept it, nor can we control the rate at which such acceptance may be achieved. In certain market segments of ours, there is a well- established channel with a limited number of companies engaged in reselling to our target customers. Failure to achieve productive relations with a sufficient number of these prospective partners may impede adoption of our technology. Additionally, some potential customers in our target industries are historically risk- averse and have been slow to adopt new technologies. If our technology is not widely adopted in the industrial combustion market, we may not earn enough by selling or licensing our technology to support our operations, recover our research and development costs or become profitable and our business could fail. Our efforts may never demonstrate the feasibility of our product. Our research and development efforts remain subject to all of the risks associated with the development of new products based on emerging and innovative technologies, including without limitation unanticipated technical or other problems, our ability to scale our technology to large industrial applications, conditions in the field during installation and the possible insufficiency of funds for completing development of these products. Technical problems, including those specific to customer site implementation, may result in delays and cause us to incur additional expenses that would increase our losses. If we cannot complete, or if we experience significant delays in completing, research and development of our technology for use in potential commercial applications, particularly after incurring significant expenditures, our business may fail. Changes to environmental regulations could make our technology less desirable. The negative environmental impacts of industrial activity have given rise to significant environmental regulation in industrialized countries. These regulations are important incentives in the adoption of technologies like ours. To the extent that ~~13environmental~~ **environmental** regulations in the U. S. and in other industrialized countries are modified in the future, or even relaxed, our technology may not produce the results required, or may even be unnecessary, to comply with the modified regulations. If federal, state or local regulatory agencies relax the clean air regulations our technologies are designed to address **, or do not effectively enforce them**, or our customers cannot obtain air emission permits with our products, **or permits to proceed with projects in general**, our business and results of operations could be materially adversely affected. **Further, in January 2025, President Trump signed executive orders that, among other things, directed federal executive departments and agencies to initiate a regulatory**

freeze for certain rules that have not taken effect, pending review by the newly appointed agency head, and called upon the EPA to submit a report on the continuing applicability of its endangerment finding for greenhouse gas emissions under the Clean Air Act and issue guidance on the “social cost of carbon” to consider whether such metric should be eliminated. Moreover, in January 2025, President Trump signed an executive order calling to terminate all environmental justice offices and positions in the federal government, as well as any environmental justice initiatives, programs or other activities. It is unclear the impact the Trump administration or these new executive orders will have on the laws, rules and regulations applicable to us or on our business, financial condition and results of operations, and we cannot predict future developments related hereto. We are subject to sustainability efforts risks that could adversely affect our reputation and our business and results of operations. Views about sustainability- and environmental- related issues are diverse, dynamic, and rapidly changing. For instance, there exists anti- environmental, social and governance (“ESG”) sentiment among certain stakeholders and government institutions, which has gained momentum across the U. S. While many companies and investors continue to focus on ESG matters, there has been an increase in anti- ESG initiatives and sentiment which may serve as a concern in the future, particularly in light of recent executive orders by President Trump. The future impact of any actions by the current administration on existing ESG policies and regulations cannot be predicted at this time, particularly given that such new orders are likely to face legal challenges. However, in the interim, such anti- ESG- related policies, legislation, initiatives, litigation, legal opinions, and scrutiny could result in less demand for our products and offerings, which can affect our business and results of operations. Further, we could be exposed to reputational, financial, and legal risk as a result of anti- ESG policies and regulations that may be enacted under the current administration, and our ability to retain and attract customers and employees may be negatively impacted as a result thereof. Our revenue has been highly concentrated among a small number of customers, and our results of operations could be harmed if we lose a key revenue source and fail to replace it. Our annual revenue has been highly concentrated, with a few customers accounting for a significant percentage of our total revenue. For the years ended December 31, 2024 and 2023, our two largest customers represented approximately 86 % and 87 % of total revenue, respectively. We expect that a relatively small number of customers will continue to account for a substantial portion of our revenue for the foreseeable future. As a result of this revenue concentration, our results of operations could be adversely affected by the decision of a single key customer to cease using our technology or products or by a decline in the number of customers that are seeking to adopt our technology. 15Our revenue concentration may also pose credit risks which could negatively affect our cash flow and financial condition. We might also face credit risks associated with the concentration of our revenue among a small number of customers. Our failure to collect receivables from any customer that represents a large percentage of receivables on a timely basis, or at all, could adversely affect our cash flow or results of operations. We may fail to adequately protect our proprietary technology, which would allow our competitors to take advantage of our research and development efforts. Our long- term success largely depends on our ability to market our technology. We rely on a combination of patents, trade secrets and other intellectual property laws, confidentiality and security procedures and contractual provisions to establish and protect our proprietary rights in our technology, products and processes. If we fail to obtain or maintain these protections, we may not be able to prevent third parties from using our proprietary technologies. Our pending or future patent applications may not result in issued patents. In addition, any patents issued to us, or that may be issued to us in the future, may not contain claims sufficiently broad enough to protect us against third parties with similar technologies or products or from third parties infringing such patents or misappropriating our trade secrets or provide us with any competitive advantage. In addition, effective patent and other intellectual property protection may be unenforceable or limited in foreign countries. If a third party initiates litigation regarding the validity of our patents and is successful, a court could revoke our patents or limit the scope of coverage for those patents. We also rely upon trade secrets, proprietary know- how and continuing technological innovation to remain competitive. We protect this information with reasonable security measures, including the use of confidentiality and invention assignment agreements with our employees and consultants and confidentiality agreements with strategic customers and partners. It is possible that these agreements may not be sufficient or that these individuals or companies may breach these agreements and that any remedies for a breach will be insufficient to allow us to recover our costs and damages. Furthermore, our trade secrets, know- how and other technology may otherwise become known or be independently discovered by our competitors. We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights. A third party may sue us for infringing its intellectual property rights. Likewise, we may need to resort to litigation to enforce our patent rights or to determine the scope and validity of third- party intellectual property rights. The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial, and the litigation would divert our efforts from our business activities. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. If we do not prevail in this type of litigation, we may be required to pay monetary damages and / or expenses; stop commercial activities relating to our products; obtain one or more licenses in order to secure the rights to continue the manufacturing or marketing of our products; or attempt to compete in the market with substantially similar products. Uncertainties resulting from the initiation and continuation of any litigation could limit our ability to continue some of our operations. A cybersecurity incident or other technology disruptions could negatively impact our business and our relationships with customers. We use computers in substantially all aspects of our business operations. We also use mobile devices and other online activities to connect with our employees, consultants, suppliers and customers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft, the compromise of trade secrets and inadvertent release of information. Our business involves the storage and transmission of sensitive and / or confidential information and intellectual property, including customers’ and suppliers’ information, private information about employees and financial and strategic information about us. If we fail to assess and identify cybersecurity

risks associated with our operations, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and / or confidential information or intellectual property, or interference with our information technology systems, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage all of which could have a material adverse effect on our business, financial condition or results of operations. ~~We~~ **16We** cannot guarantee that any collaborative business research and development partnership we enter into will be successful. Collaborative arrangements involve risks that participating parties may disagree on business decisions and strategies. These disagreements could result in delays, additional costs, risks of litigation, and failure of the development of our technology within the ~~14combustion--~~ **combustion** market segment. Success of any collaborative arrangements we enter into will depend, in part, on whether those with whom we collaborate fulfill their contractual obligations satisfactorily. If a party with whom we collaborate fails to perform its contractual obligations satisfactorily, we may be unable to make the additional investments or provide the added services that would be required to compensate for that failure. If we are unable to adequately address any such performance issues, our reputation may be materially adversely affected and we may be exposed to legal liability. Our inability to successfully maintain collaborative relationships, once we enter into them, or to enter into new collaborative arrangements, could have a material adverse effect on our results of operations. If we are unable to keep up with rapid technological changes, our products may become obsolete. The market for alternative environmental products is characterized by significant and rapid technological change and innovation. Although we intend to employ our technological capabilities to create innovative products and solutions that are practical and competitive in today's marketplace, future research and discoveries by others may make our products and solutions less attractive or even obsolete compared to other alternatives that may emerge. There are inherent dangers involved in the combustion process that utilize our technologies and products and the occurrence of any associated accident may negatively impact our business. There is inherent danger in dealing with the combustion process. There is additional danger in modifying this process in ways that are new and have only been implemented on a limited basis at a commercial scale. There is only limited data or experience available from the operation of our equipment in both testing and commercial applications to validate suitability for general commercial use. Although we have not yet encountered any areas of risk in the development or testing of our products beyond those already inherent in the combustion process or those particular to an industrial site, we may be exposed to liabilities should an industrial accident occur during development, testing, or operation in our laboratory or during field implementation of our technology. Any such liabilities could have an adverse effect on our results of operations and financial condition and adversely affect our projected development and production estimates. We depend on approval from various local, state and federal agencies to implement and operate our technology. There is no assurance that these agencies will approve our technology. Our technology includes enhancement of the combustion process to reduce certain emissions at a lower cost of operation than current air pollution control devices. Field implementation of our technology will therefore require permits from various local, state and federal agencies that regulate mechanical and electrical infrastructure and fire and air pollution control. Our technology may be subject to heightened scrutiny since it will be new to these governing bodies. As such, there may be delays or rejections in applications of portions of or all of our technology in the individual jurisdictions involved. We are uncertain of our profit margins and whether such profit margins, if achieved, will be able to sustain our business. We have not fully developed all of our products and those products that have been developed have experienced limited sales. As a result, we cannot reliably predict our profit margins. Our operating costs could increase significantly compared to those we currently anticipate due to unanticipated results from the commercialization process, application of our technology to unique or difficult processes, regulatory requirements and particular field implementations. Further, we envision our pricing to be highly dependent on the benefits that our customers believe they will achieve using our products. Accordingly, we cannot predict whether or when we will achieve profitability, and if achieved, the amount of such profit margins. Many of our potential competitors have greater resources, and it may be difficult to compete against them. The combustion industry is characterized by intense competition. Many of our potential competitors have better name recognition and substantially greater financial, technical, manufacturing, marketing, personnel and / or research capabilities than we do. Although at this time we do not believe that any of our potential competitors have technology similar to ours, we are aware certain potential competitors are attempting to develop similar products. Many firms in the combustion industry have made and continue to make substantial investments in improving their technologies and manufacturing processes. In addition, they may be able to price their ~~products~~ **17products** below the marginal cost of production in an attempt to establish, retain or increase market share. Because of these circumstances, it may be difficult for us to compete successfully in the combustion market. ~~15The--~~ **The** loss of the services of our key management and personnel or the failure to attract additional key personnel could adversely affect our ability to operate our business. A loss of one or more of our current officers or key employees could severely and negatively impact our operations. We have no present intention to obtain key-man life insurance on any of our executive officers or management. Additionally, competition for highly skilled technical, managerial and other personnel is intense. As our business develops, we might not be able to attract, hire, train, retain and motivate the highly skilled executives and employees we need to be successful. If we fail to attract and retain the necessary technical and managerial personnel, our business will suffer and might fail. There are many risks we are exposed to ~~by doing~~ **relating to our presence and prior** business ~~activities~~ **activities** in China. We are exposed to risks ~~of doing~~ **relating to our presence and prior** business ~~activities~~ **activities** in China. As a result, the economic, political, legal and social conditions in China could have a material adverse effect on our business. In addition, the legal system in China has inherent uncertainties that may limit the legal protections available in the event of any claims or disputes that we may have with third parties, including our ability to protect the intellectual property we **may** use in China. As China's legal system is still evolving, the interpretation of many laws, regulations and rules is not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit the remedies available in the event

of any claims or disputes with third parties. Some of the other risks related **we may be exposed** to doing business in China include **, but is not limited to**: • the Chinese government exerts substantial influence over the manner in which we **must can** conduct our business activities; • restrictions on currency exchange may limit our **the** ability to receive and use our cash effectively; • the Chinese government may favor local businesses and make it more difficult for foreign businesses to operate in China on an equal footing, or in general; • there are uncertainties related to the enforcement of contracts with certain parties; and • more restrictive rules on foreign investment could adversely affect our ability to **expand-resume** our operations in China. **As a result of** **To the extent we resume** our **anticipated growing** operations in China, these risks could have a material adverse effect on our business, results of operations and financial condition. Finally, the U. S. Foreign Corrupt Practices Act and similar foreign anti- corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence foreign government officials for the purpose of obtaining or retaining business or obtaining an unfair advantage. While we make every attempt to comply with these laws, our operations outside the United States may increase the risk of violating such laws. Violations of these laws may result in severe criminal or civil sanctions, could disrupt our business and result in a material adverse effect on our reputation, business and results of operations or financial condition. We cannot provide assurance that rising inflation will not adversely affect our operations. The impact of inflation on our operating results has been moderate in recent years, despite the recent increase in inflation generally across the economy. While inflation has not had a material impact upon operating results, there is no assurance that our business will not be affected by inflation in the future. Due to the nature of our business and products, we may be liable for damages based on product liability and other tort and warranty claims. We face an inherent risk of exposure to claims in the event that the failure, use or misuse of our products results, or is alleged to result, in death, bodily injury, property damage, or economic loss.

**Although we currently maintain product liability coverage, which we believe to be adequate for the continued operation of our business, such insurance may become difficult or impossible to obtain in the future on terms acceptable to us. Moreover, our insurance coverage includes customary exclusions and conditions, may not cover certain specialized applications and generally does not cover warranty. A successful product liability claim or series of claims against us, including one or more consumer claims purporting to constitute class actions or claims resulting from extraordinary loss events, in excess of or outside our insurance coverage, or a significant warranty claim or series of claims against us, could materially decrease our liquidity, impair our financial condition and adversely affect our results of operations. Furthermore, regardless of the outcome, product liability claims can be expensive to defend, divert the attention of management and other personnel for significant periods of time and cause reputational damage.** We cannot provide assurance that global supply- chain constraints **and the threat of, or implementation of tariffs on imported or exported goods and materials** will not adversely affect our commercialization efforts **and business operations**. The impact of the global supply- chain constraints has been moderate for our company, reflecting generally modest increases in lead- time commitments from our suppliers and strategic partners. While these constraints have not had a material impact to- date, we can provide no assurance that our business will not be affected by in the future. **16 We-Our products utilize components manufactured from materials that are frequently imported, and any increase in the cost of materials may increase costs and may impact our profit margin on goods sold. Tariffs applied to exported goods may inhibit our ability to develop our business overseas. In addition, the countries from which our products and materials are manufactured or imported may, from time to time, impose additional quotas, duties, tariffs, or other restrictions on their imports or adversely modify existing restrictions. Adverse changes in these import costs and restrictions, or our strategic partners' and suppliers' failure to comply with customs regulations or similar laws, could harm our business. However, it is not always possible to replace a supplier on short notice without disruption in our operations, and replacement of a supplier is often at higher prices. Further, the materials that our subcontractors may import from time to time are generally at prices that support our current operating margins. These imports may be subject to custom requirements, tariffs, and quotas set by governments through mutual agreements or unilateral actions. The U. S. tariffs on steel and other imported goods may increase the costs of our foreign sourced materials, and any escalation in the tariffs may increase the impact, including without limitation recent tariffs against goods imported from China, Mexico, and Canada recently enacted by the current administration, as modified from time to time, and any retaliatory tariffs issued in response thereto. In case our operating costs increase materially as a result of any implemented tariffs, in order to sustain current operating margins, we may increase the costs of our products to customers and end users, or find alternative, similarly priced sources that are not subject to tariffs, which may delay our operations. If we are unable to effectively implement countermeasures to any proposed, or implemented, tariffs, our operating margins will be impacted. Our subcontractors ability to import products in a timely and cost- effective manner may also be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as port and shipping capacity, high demand for ocean freight, labor disputes, hostilities or terrorism against ocean vessels or changes in shipping routes to avoid the same, severe weather, or increased homeland security requirements in the U. S. and other countries. These issues could delay importation of materials, increase our transit costs, or require us to locate alternative ports or warehousing providers to avoid disruption to customers. These alternatives may not be available on short notice or could result in higher transit costs, which could have an adverse impact on our business and financial condition. We** are dependent on third- party suppliers.

Although we are not dependent on any one supplier, we are dependent on the ability of our third- party suppliers to supply our raw materials, such as raw steel and fabricated steel. The third- party suppliers upon which we depend may default on their obligations to us due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud, loss of key personnel, or other reasons. We cannot assure that our third- party suppliers will dedicate sufficient resources to meet our scheduled delivery requirements or that our suppliers will have sufficient resources to satisfy our requirements during any period of sustained demand. Failure of suppliers to supply, or delays in supplying, our raw materials or certain components, or

allocations in the supply of certain high demand raw components, for any reason, including, without limitation, disruptions in our suppliers' business activities due to cybersecurity incidents, terrorist activity, public health crises (such as coronavirus), fires or other natural disasters could materially adversely affect our operations and ability to meet our own delivery schedules on a timely and competitive basis. Additionally, our third- party suppliers may provide us with raw materials or component parts that fail to meet our expectations or the expectations of our customers, which could subject us to product liability claims, other claims and litigation. **Failure-19** Failure of third parties to manufacture quality products or provide reliable services in a timely manner could cause delays in developing, constructing, and operating our projects, which could damage our reputation, adversely affect our partner relationships or adversely affect our growth. Our success depends on our ability to develop, construct, and operate projects in a timely manner, which depends in part on the ability of third parties to provide us with timely and reliable products and services. In developing, constructing, and operating our projects, we rely on products meeting our design specifications and components manufactured and supplied by third parties, and on services performed by subcontractors. We also rely on subcontractors to perform substantially all of manufacturing work related to our projects, and we may need to engage subcontractors with whom we have no experience. We currently have a collaboration agreement in place with Zeeco ; **Inc. ("Zeeco")**. If Zeeco ~~or~~ any of our subcontractors **are**, ~~is~~ unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed. In addition, if we are unable to avail ourselves of warranties and other contractual protections with providers of products and services, we may incur liability to our customers or additional costs related to the affected products and services, which could adversely affect our business, financial condition and results of operations. Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services could adversely affect the quality and performance of our projects and require considerable expense to find replacement products and to maintain and repair our projects. This could cause us to experience interruption in our production and distribution of our products, difficulty retaining current relationships and attracting new relationships, or harm our brand, reputation or growth. Additionally, because the Company' s contracts generally include progress payments from customers upon the completion of certain defined milestones, the revenue recognition of such project will depend on our subcontractor' s services in order for us to be able to achieve such milestones timely. Any subcontractor delays in fulfilling our contracts may result in delay of revenue recognition by the Company, which in turn can affect our financial condition and results of operations. Macroeconomic pressures in the markets in which we operate may adversely affect our financial results. Geopolitical issues around the world can impact macroeconomic conditions and could have a material adverse impact on our financial results. For example, the ultimate impact of the conflict in Ukraine, Israel and Strait of Hormuz on fuel prices, inflation, the global supply chain and other macroeconomic conditions is unknown and could materially adversely affect global economic growth, disrupting discretionary spending habits and generally decreasing demand for our products and services. While we do not purchase any of significant raw materials directly from these regions, they have significant global reach on commodity prices. Disruptions in the markets for those inputs could negatively impact the world and domestic economy. Also, these conflicts have exacerbated geopolitical tensions globally. While the demand of our services in the U. S. have not yet been affected by these conflicts, we cannot predict the impact that the conflicts may have on future financial results. For example, domestic customers for some of our product lines may choose to reduce discretionary spending on goods and services such as ours until this volatility subsides. We are exposed to fluctuations in the market values of our investments and in interest rates, either of which could impair the market value of our investments and harm our financial results. As of December 31, ~~2023~~ **2024**, we had ~~zero~~ investments in short- term **(i. e. held- to- maturity debt security investments, 17** ~~consisted primarily of~~ **less than three months)** U. S. treasuries ; ~~however, in~~ **and money market accounts backed by U. S. treasuries. In** the future , we may ~~further~~ invest in long- or short- term U. S. treasuries or other marketable securities with maturities of up to one year. Currently, we do not use financial derivatives to hedge our interest rate exposure. These investments, as well as any cash deposit in bank accounts, are subject to general credit, liquidity, market, inflation **and** ~~and interest~~ **interest** rate risks, which may be exacerbated by unusual events, such as **higher** ~~the recent hike in~~ interest rates, potential recession and ~~the recent~~ **debates on the** debt- ceiling ~~debate~~, which ~~may affected~~ **affect** various sectors of the financial markets and ~~led lead~~ to global economic slowdown and **high** ~~high~~ inflation **inflation** . If the global credit and capital market continues to experience volatility or deteriorates, and to the extent we make ~~future~~ **future** investments ~~investments~~ , our investment portfolio may be impacted, and we could determine that some or all of our investments experienced ~~an another~~ **other** - than- temporary decline in fair value, requiring impairment, which could adversely impact our financial position and operating results. **Risks-20** **Risks** Related to Owning Our Securities The public market for our securities is volatile. This may affect not only the ability of our investors to sell their securities, but the price at which they can sell their securities. We completed the initial public offering of our common stock in April 2012. Since that time, our common stock (NASDAQ: CLIR) has traded as low as \$ 0. 35 per share and as high as \$ 11. 75 per share based upon daily closing prices, and day- to- day trading has been volatile at times. This volatility may continue or increase in the future. The market price for the securities may be significantly affected by factors such as progress in the development of our technology, agreements with research facilities or co- development partners, commercialization of our technology, variations in quarterly and yearly operating results, general trends in the alternative energy industry **or clean technology industry** , and changes in state or federal regulations affecting us and our industry. Furthermore, in recent years the stock market has experienced extreme price and volume fluctuations that are unrelated or disproportionate to the operating performance of the affected companies, such as the market reactions to internet marketed ' short squeezes' . Such broad market fluctuations may adversely affect the market price of our securities. ~~We have~~ **There may be future sales of our common stock, or a perception that the these right sales could occur, which events could cause the price of our common stock to issue decline. Sales of a substantial number of** shares of **preferred-our common** stock **in the public market or the perception** . If we were to issue preferred stock, it is likely to have rights, preferences and privileges that may **such sales might occur could materially** adversely affect **the market price of the**

shares of our common stock. For instance, other securities we issued in our recent equity offerings (see “ Note 8 – Equity ” for additional information), as well as the Warrant Shares, have been registered for resale and are authorized to issue 2 freely tradable without restriction or further registration under the Securities Act. 0 million As a result, a substantial number of shares of “ blank check ” preferred stock,..... the voting rights and powers of the common stock and may be sold in the public market, subject to certain beneficial ownership restrictions. We cannot predict the effect, if any, that market sales of the those portion of our assets allocated for distribution to common stockholders in a liquidation event, and could also result in dilution in the book value per share shares of our common stock or the availability of those shares. The preferred stock could also be utilized, under certain circumstances, as a method for sale raising additional capital or discouraging, delaying or preventing a change in control of the Company, to the detriment of our shareholders. We cannot assure you that we will have on the market price not, under certain circumstances, issue shares of our preferred common stock. We may be required to raise additional capital by issuing new securities, which may have terms or rights superior to those of our shares of common stock, which could adversely affect the market price of our shares of common stock and our business. We will require additional financing to fund research, development and commercialization of our technology, to obtain and maintain patents and other intellectual property rights in our technology, and for working capital and other purposes. We may not be able to obtain financing on favorable terms, if at all. If we raise additional funds by issuing equity securities, the percentage ownership of our then- current shareholders stockholders will be reduced. Further, we may have to offer new investors in our equity securities rights that are superior to the holders of common stock, which could adversely affect the market price and the voting power of shares of our common stock. If we raise additional funds by issuing debt securities, the holders of these debt securities would similarly have some rights senior to those of the holders of shares of common stock, and the terms of these debt securities could impose restrictions on operations and create a significant interest expense for us which could have a materially adverse effect on our business and results of operations. There can We will have broad discretion as to the proceeds that we receive from the cash exercise by any holder of our Warrants, and we may not use the proceeds effectively. We may receive up to approximately \$ 22. 5 million in aggregate gross proceeds from cash exercises of our outstanding Warrants based on the per share exercise price of such Warrants, and to the extent that we receive such proceeds, we intend to use the net proceeds from cash exercises of the Warrants for working capital, research and development, marketing and sales, and general corporate purposes. We have considerable discretion in the application of such proceeds. You must rely on our judgment regarding the application of the net proceeds from cash exercises of the Warrants, which may be no assurance used for corporate purposes that do not improve our profitability or increase the price of our shares of common stock. Such proceeds may also be placed in investments that do not produce income or that lose value. The failure to use such funds by us effectively could have a material adverse effect on our business, financial condition, operating results and cash flow. You may experience future dilution as a result of issuance of the Warrant Shares, future equity offerings by us and other issuances of our common stock or other securities. In addition, the issuance of the Warrant Shares, to the extent the Warrants are exercisable, and future equity offerings and other issuances of our common stock or other securities may adversely affect our common stock price. 21 You may experience future dilution as a result of the issuance of the Warrant Shares and other issuances of our common stock or other securities. In order to raise additional capital, if needed, we will may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock at prices that may not be the same as the price per share as prior issuances of common stock. We may not be able to comply with sell shares or the other securities in any continued listing standards of Nasdaq. On November 24, 2023, we received a notice (the other “ Notice ”) from offering at a price per share that is equal to or greater than the price per share Listing Qualifications Department of Nasdaq stating 18 that the previously announced resignation of Gary DiElsi from the paid by investors, and investors purchasing shares our or board of directors resulted in noncompliance with the other securities board of directors independence requirements set forth in Nasdaq Listing Rule 5605 (b) (1) and the future could requirement in Nasdaq Listing Rule 5605 (c) (2) (A) to have an audit committee of rights superior to existing stockholders. The price per share at which least three independent directors. More specifically, when the Notice was issued, the board of directors did not have a majority of directors who would be considered “ independent directors, ” as that term is defined in Nasdaq Listing Rule 5605 (a) (2) and the audit committee of the board of directors consisted of only two independent directors. Consistent with Nasdaq Listing Rules 5605 (b) (1) (A) and Rule 5605 (c) (4), Nasdaq has provided us a cure period in order to regain compliance until the earlier of (i) our next annual shareholders’ meeting or November 11, 2024, or (ii) if the next annual shareholders’ meeting is held before May 7, 2024, then we sell additional shares of must evidence compliance no later than May 7, 2024. There can be no assurances that we will be able to regain compliance with Nasdaq’ s listing standards or if we do later regain compliance with Nasdaq’ s listing standards, will be able to continue to comply with the applicable listing standards. If we are unable to maintain compliance with these Nasdaq requirements, our common stock will be delisted from Nasdaq. If Nasdaq delists our common stock, we could face significant material adverse consequences, including: • a limited availability of market quotations for or our securities convertible into ; • a determination that our common stock is a “ penny stock ” which will require brokers trading in future transactions may be higher our or lower than the prices per share for previous issuances of common stock to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for or our securities convertible into common stock paid by certain investors. In ; • a limited amount of news and analyst coverage for our company; and • a decreased ability to issue additional addition securities , the exercise price of the Warrants may be equal to or greater than the price per share previously paid by certain investors. You will incur dilution upon exercise of any outstanding stock options, warrants or upon the issuance of shares of common stock under or our equity incentive programs obtain additional financing in the future. We have not paid dividends in the past and have no immediate plans to pay dividends. We plan to reinvest all of our earnings, to the extent we have earnings, in order to continue to develop our products,

to market our products, to cover operating costs and to otherwise become and remain competitive. We do not plan to pay any cash dividends with respect to our securities in the foreseeable future. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend. We have a significant number of options and restricted stock units outstanding and we may issue additional awards in the future to employees, officers, directors, independent contractors and agents. Sales of the underlying shares of common stock could adversely affect the market price of our common stock. As of December 31, 2023-2024, we had outstanding options for the purchase of 2, 759-943 thousand shares of common stock and 671-864 thousand shares of outstanding restricted stock units (“RSUs”). Under the ClearSign Technologies Corporation 2021 Equity Incentive Plan (the “2021 Plan”) and the ClearSign Technologies Corporation 2013 Consultant Stock Plan (the “2013 Consultant Plan,” and collectively, the “Plans”), we have the ability to grant awards of shares, RSU’s or options to purchase shares of our common stock to employees, officers, directors, independent contractors and agents. Furthermore, the Plan provides for increases in the number of shares available for awards based on the terms outlined in such Plan. Certain holders may sell these shares in the public markets from time to time, without limitations on the timing, amount or method of sale. If our stock price rises, the holders may exercise their options and RSUs and sell a large number of shares. This could cause the market price of our common stock to decline. “blank check” preferred stock, with such rights, preferences and privileges as may be determined from time- to- time by our board of directors (the “Board”). The Our Board board of directors is empowered, without stockholder-shareholder approval, to issue preferred stock in one or more series, and to fix for any series the dividend rights, dissolution or liquidation preferences, redemption prices, conversion rights, voting rights, and other rights, preferences and privileges for the preferred stock. No shares of preferred stock are presently issued and outstanding and we have no immediate plans to issue shares of preferred stock. The issuance of shares of preferred stock, depending on the rights, preferences and privileges attributable to the preferred stock, could adversely reduce the voting rights and powers of the Our certificate of incorporation (as amended, the “certificate of incorporation”) provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain disputes certain disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our certificate of incorporation provides that, with certain limited exceptions, the Court of Chancery of the State of Delaware is the exclusive forum for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of fiduciary duty owed by any director, officer or stockholder; 22 • any action asserting a claim against us arising under the Delaware General Corporation Law (“DGCL”), or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; • any action arising pursuant to any provision of our bylaws or certificate of incorporation; and 19-- and • any action asserting a claim against us or any current or former director, officer or stockholder that is governed by the internal- affairs doctrine. This provision does not apply to suits brought to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the U. S. federal courts have exclusive jurisdiction. In addition, unless we consent in writing to the the selection--- selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be--- shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the the underwriters--- underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a a statement--- statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. However, these choice of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. Further, these choice of forum provisions may increase the costs for a stockholder to bring such a claim and may discourage them from doing so. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may may nevertheless--- nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance--- assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find the choice of forum forum provision--- provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur--- incur additional costs associated with resolving such action in other jurisdictions. For example, the Court of Chancery of the State of Delaware--- Delaware recently determined that the exclusive forum provisions of federal district courts of the United States of America for for resolving--- resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. The rights of our stockholders to take action against our directors and officers are limited. Our certificate of incorporation provides for indemnification of our directors and officers to the fullest extent authorized or permitted--- permitted under Delaware law, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL the DGCL as the same exists or hereafter may be amended. Our bylaws obligates us to indemnify each of our directors or officers who is or is threatened to be made a party to or or witness--- witness in a proceeding by reason of his or her service in those or certain other capacities, to the maximum extent permitted by by Delaware--- Delaware law, from and against any claim or liability to which such person may become subject or which such person may incur by by reason--- reason of his or her status as a present or former director or officer of us or serving in such other capacities. In addition, we may be obligated--- obligated to reimburse the expenses reasonably incurred by our present and former directors and officers in connection with such such proceedings--- proceedings. As a result, we and our stockholders may have more limited rights to recover money damages from our directors and officers--- officers than might otherwise exist absent these provisions in our bylaws or that might exist with other companies, which could limit your recourse in the event of actions that are not in our best interests. We have incurred and will incur significant costs as a result of being a public company that reports to the Securities and Exchange Commission and our management is required to devote substantial time to meet compliance obligations. As a

public company reporting to the Securities and Exchange Commission (the "SEC"), we incur significant legal, accounting, investor relations, printing, board compensation, and other expenses that we did not incur as a private company. These costs totaled \$ 1.36 million in 2023-2024. We are subject to the reporting requirements of the Securities-Exchange Act of 1934 and the Sarbanes- Oxley Act of 2002 (with the exception of the requirement of auditor attestation of internal control over financial reporting from which we are currently excluded as a non- accelerated filer company), as well as rules subsequently implemented by the Commission-SEC that impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. In addition, there are significant corporate governance and executive compensation- related provisions in the Dodd- Frank Wall Street Reform and Protection Act that as we grow could increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and may also place undue strain on our personnel, systems and resources. Our management and other personnel continually devote a substantial amount of time to these compliance 23 initiatives. Furthermore, these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. 20