

ClearSign Technologies Corporation Provides Third Quarter 2022 Update

TULSA, Okla., Dec. 1, 2022 /PRNewswire/ -- ClearSign Technologies Corporation (Nasdaq: CLIR) ("ClearSign" or the "Company"), an emerging leader in industrial combustion and sensing technologies that improve energy, operational efficiency and safety while dramatically reducing emissions, today provides an update on operations for the third quarter ended September 30, 2022.

"We have made good progress moving our commercial and development projects forward," said Jim Deller, Ph.D., Chief Executive Officer of ClearSign. "Our particular focus has been on the execution of the twenty burner project for a California refinery, where we are currently readying the burners for the upcoming performance demonstration. Recently, we received the concluding purchase order for the California project and we are planning the manufacture of the burners, control systems and spare parts in accordance with our customers accelerated timeline. We have also made progress on the 100% Ultra Low NOx hydrogen burner; we are expecting to move the burner into testing in the near future. Finally, we are pursuing the initial orders of our boiler burner business and firmly believe we will start to see some orders soon."

Recent strategic and operational highlights during and subsequent to the third quarter of 2022 include:

Received Follow on Purchase Order for California Refinery Multi Heater Project and Moved into Testing: The Company is proceeding with the next phase in the previously announced twenty burner project for a California refinery. The four burners required for full scale testing and demonstration have now been fabricated and the first has been installed in the test furnace with the optimization of the burners well underway. The preparation is ongoing, and the formal witness demonstration is expected to be completed in the coming weeks. Additionally, the Company has received the concluding purchase order for the manufacture and supply of the remaining sixteen burners, control systems and spare parts. We anticipate that the burners will be installed in the customer's refinery in 2023.

Progressed the Hydrogen Fueled Ultra Low NOx Process Burner Development Project to Testing: The Company has completed initial "proof of concept runs" with the technology demonstrating the ability to run successfully with fuel comprised of 100% hydrogen. The remaining testing is to demonstrate sub 5ppm NOx over the typical operating range of a refinery burner. The test burner and the other components required for the first planned phase of this testing are manufactured and ready to go as soon as the test furnace, ancillary equipment and personnel resources are available.

Announced an Enclosed Oxidizer Sale to Canada Based Hydrogen Technology Production Company: The Company sold a ClearSign Core™ enclosed oxidizer for installation in a pilot scale hydrogen production plant. The Canadian customer is developing a breakthrough technology for the production of clean hydrogen.

Announced the Appointment of Energy Industry Veteran Gary DiElsi to the Board of Directors : Mr. DiElsi is a seasoned energy executive with a broad background of over 40 years of experience in private equity, major global enterprises, smaller industrial companies, and startup ventures, including both turnaround and growth situations. He is filling Bruce A. Pate's position.

Cash, cash equivalents and short-term investments were approximately \$9,780,000 on September 30, 2022.

There were 38,019,951 shares of the Company's common stock issued and outstanding as of November 1, 2022.

The Company will be hosting a call at 5:00 PM ET today. Investors interested in participating on the live call can dial 1-866-372-4653 within the U.S. or 1-412-902-4217 from abroad. Investors can also access the call online through a listen-only webcast at <https://app.webinar.net/jXao0yNDzOb> or on the investor relations section of the Company's website at <http://ir.clearsign.com/overview>.

The webcast will be archived on the Company's investor relations website for at least 90 days and a telephonic playback of the conference call will be available by calling 1-877-344-7529 within the U.S. or 1-412-317-0088 from abroad. Conference ID #9709910. The telephonic playback will be available for 7 days after the conference call.

About ClearSign Technologies Corporation

ClearSign Technologies Corporation designs and develops products and technologies for the purpose of improving key performance characteristics of industrial and commercial systems, including operational performance, energy efficiency, emission reduction, safety and overall cost-effectiveness. Our patented technologies, embedded in established OEM products as ClearSign Core™ and ClearSign Eye™ and other

sensing configurations, enhance the performance of combustion systems and fuel safety systems in a broad range of markets, including the energy (upstream oil production and down-stream refining), commercial/industrial boiler, chemical, petrochemical, transport and power industries. For more information, please visit www.clearsign.com.

Cautionary note on forward-looking statements

All statements in this press release that are not based on historical fact are "forward-looking statements." You can find many (but not all) of these statements by looking for words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "would," "should," "could," "may," "will" or other similar expressions. While management has based any forward-looking statements included in this press release on its current expectations on the Company's strategy, plans, intentions, performance, or future occurrences or results, the information on which such expectations were based may change. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to materially differ from such statements. Such risks, uncertainties and other factors include, but are not limited to, our ability to successfully install our burners in the California refinery and complete the anticipated project within the updated timeline, our performance of the Phase I work and likelihood that we submit, and are approved, for Phase II grant funding, general business and economic conditions, the performance of management and our employees, our ability to obtain financing, competition, whether our technology will be accepted and adopted and other factors identified in our Annual Report on Form 10-K filed with the Securities and Exchange Commission and available at www.sec.gov and other factors that are detailed in our periodic and current reports available for review at www.sec.gov. Furthermore, we operate in a competitive environment where new and unanticipated risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and, except as may be required by law, undertake no obligation to, update or revise forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aware.

PART I-FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ClearSign Technologies Corporation and Subsidiary Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share data)

	September 30, 2022	December 31, 2021
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 5,880	\$ 7,607
Short-term held-to-maturity investments	3,900	—
Accounts receivable, net	38	33
Contract assets	284	39
Prepaid expenses and other assets	506	345
Total current assets	10,608	8,024
Fixed assets, net	427	530
Patents and other intangible assets, net	818	799
Other assets	10	10
Total Assets	\$ 11,863	\$ 9,363

LIABILITIES AND EQUITY

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 287	\$ 224
Current portion of lease liabilities	180	205
Accrued compensation and related taxes	300	218
Contract liabilities	61	84
Total current liabilities	828	731
Long Term Liabilities:		

Long-term liabilities	1,089	1,050
Total liabilities	1,089	1,050
Commitments and contingencies (note 7)		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value, zero shares issued and outstanding	—	—
Common stock, \$0.0001 par value, 38,019,951 and 31,581,666 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	4	3
Additional paid-in capital	98,008	91,035
Accumulated other comprehensive income (loss)	(11)	9
Accumulated deficit	(87,205)	(82,765)
Total ClearSign Technologies Corporation stockholders' equity	10,796	8,282
Noncontrolling Interest	—	—
Total equity	10,796	8,282
Total Liabilities and Equity	\$ 11,863	\$ 9,363

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ClearSign Technologies Corporation and Subsidiary
Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands, except share and per share data)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 324	\$ 190	\$ 324	\$ 553
Cost of goods sold	201	278	201	1,008
Gross profit (loss)	123	(88)	123	(455)
Operating expenses:				
Research and development	97	1,138	393	2,436
General and administrative	1,461	1,131	4,342	4,029
Total operating expenses	1,558	2,269	4,735	6,465
Loss from operations	(1,435)	(2,357)	(4,612)	(6,920)
Other income				
Interest, net	35	—	35	—
Government assistance	88	—	100	—
Gain on forgiveness of debt	—	—	—	251
Gain from sale of assets	—	—	37	—
Other income, net	—	4	—	4
Total other income	123	4	172	255
Net loss	(1,312)	(2,353)	(4,440)	(6,665)
Net loss attributed to non-controlling interest	—	—	—	(1)
Net loss attributed to common stockholders	\$ (1,312)	\$ (2,353)	\$ (4,440)	\$ (6,664)
Net loss per share - basic and fully diluted	\$ (0.03)	\$ (0.07)	\$ (0.13)	\$ (0.21)
Weighted average number of shares				

outstanding - basic and fully diluted	37,871,291	31,491,174	34,435,117	31,114,769
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SOURCE ClearSign Technologies Corporation

For further information: For further information: Investor Relations: Matthew Selinger, Firm IR Group for ClearSign, +1 415-572-8152, mselinger@firmirgroup.com

<https://ir.clearsign.com/2022-12-01-ClearSign-Technologies-Corporation-Provides-Third-Quarter-2022-Update>