



# 2023 Company Update

Desert Control AS



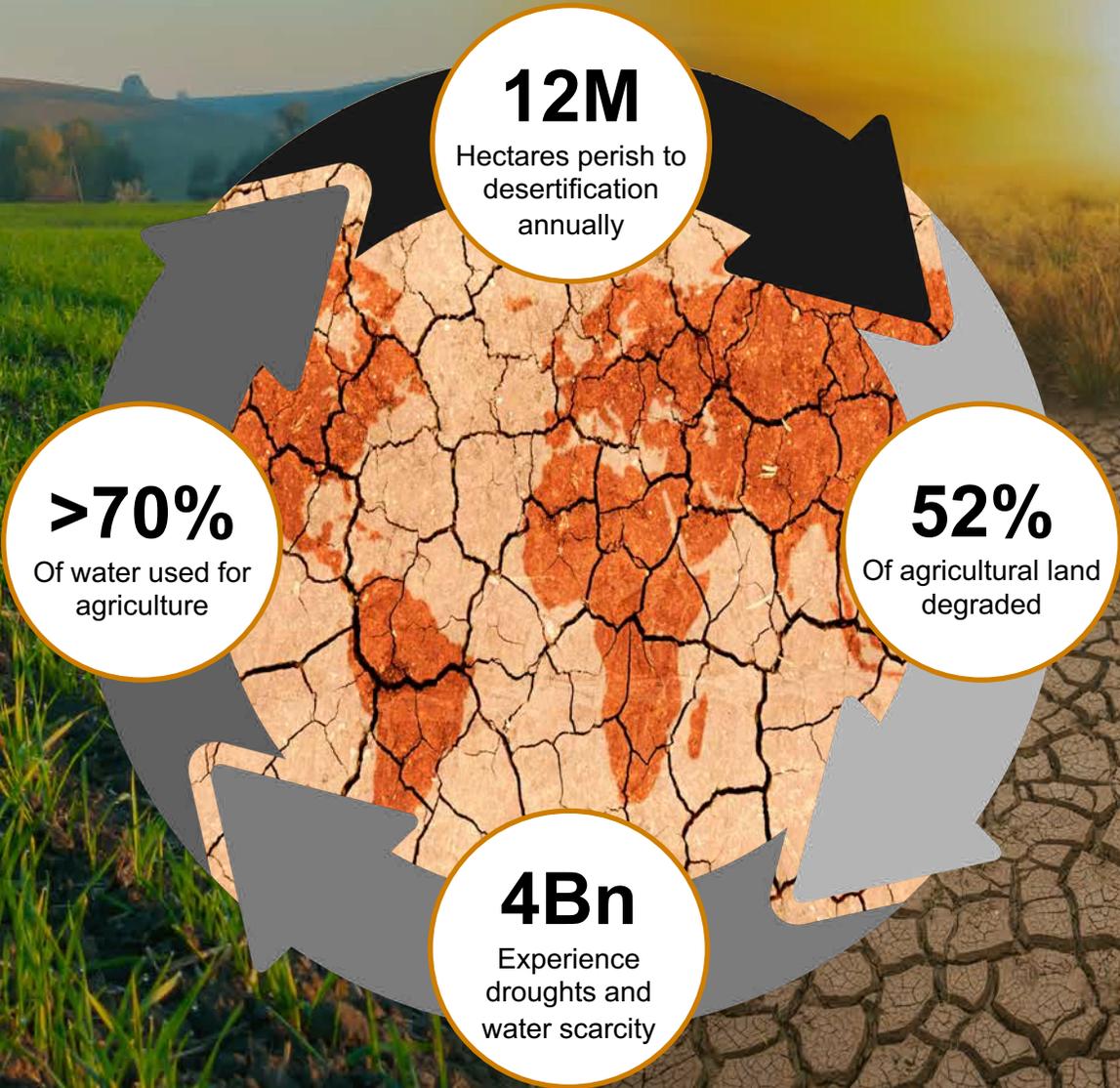
**DESERT**  
CONTROL



**DESERT**  
CONTROL

**MAKING EARTH GREEN AGAIN**

# LOSS OF FERTILE LAND AND WATER – A VICIOUS CYCLE



# LOSS OF FERTILE LAND AND WATER – A VICIOUS CYCLE



**\$125B**

USD spent globally to address drought related events (2007-2017)



**\$19,5B**

U.S. Inflation Reduction Act (agricultural conservation)

**12M**

Hectares perish to desertification annually

**>70%**

Of water used for agriculture

**52%**

Of agricultural land degraded

**4Bn**

Experience droughts and water scarcity



**\$490B**

Annual cost of soil and land degradation world-wide (Source: UNCCD)



**€20B**

EU Biodiversity Strategy 2030 (annual investment in nature)

# THE PROBLEM: SOIL DEGRADATION

The Chief Problem

## Sandy Soil

have large particles with low 'surface charge' – water has 'nothing to stick to'

Resulting in

## Less than 15%

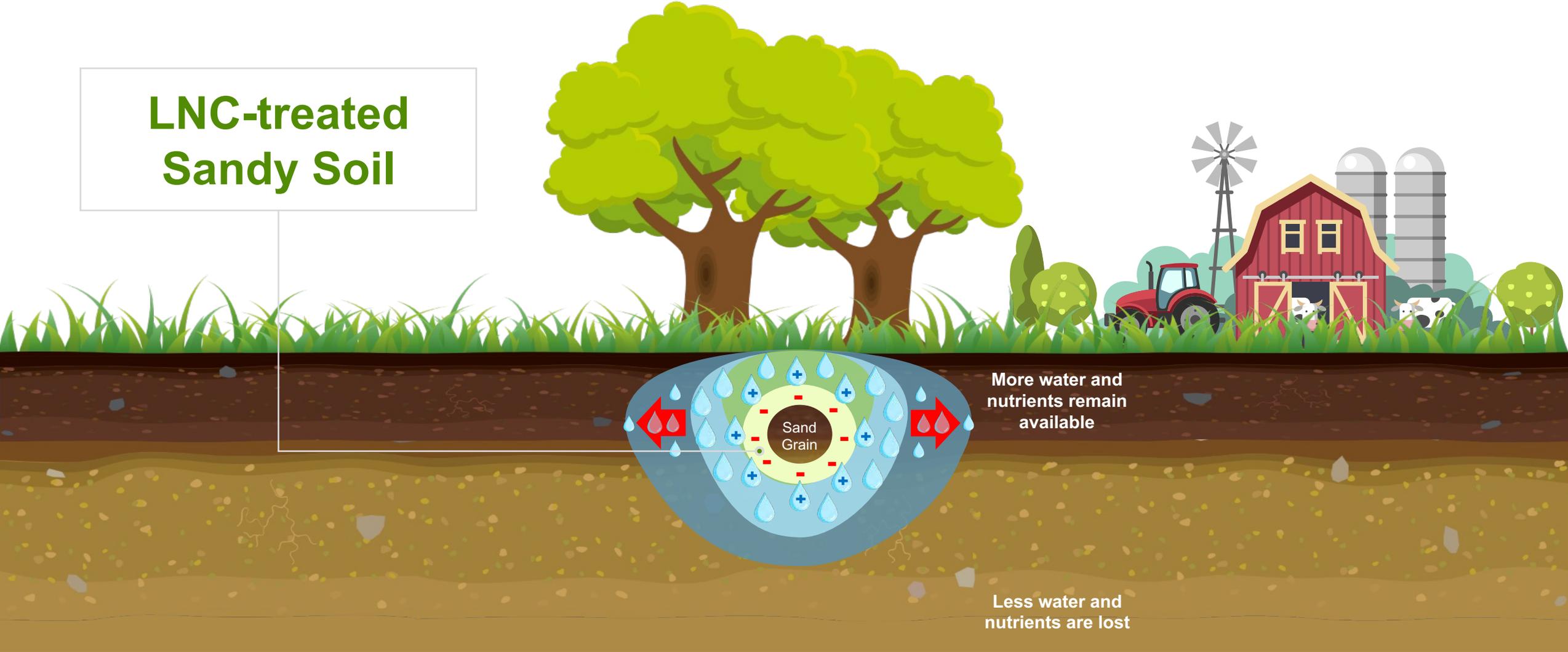
of water is retained in the topsoil for plant use



# OUR SOLUTION: LIQUID NATURAL CLAY (LNC)



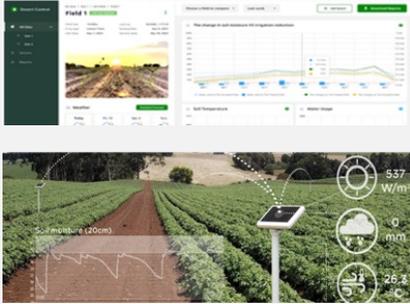
LNC-treated  
Sandy Soil



# TREATMENT OVERVIEW



Our product is combined with advanced data analytics, end-to-end services, and customized formulations to produce outstanding & scalable results. One treatment lasts for up to 5 years.



01

## Analyze & Prescribe Design Performance Monitoring

- Each location has highly specific soil needs.
- Our soil sampling and sensors monitor soil health KPIs and LNC performance, including water use, soil moisture, soil temperature, etc.

02

## Tailored Formulation On-Site LNC Production

- By combining our analytics with proprietary algorithms, we customize each formulation to match the local soil.
- LNC is then produced onsite with mobile factories.

03

## Easy Non-Intrusive Application

- LNC can be sprayed directly onto the ground surface or applied via established irrigation methods.
- LNC percolates down by the force of gravity to form a soil structure in the plant root zone that retains water and nutrients like a sponge.



# RESULTS



## Savings



**Water**



**Energy**



**Fertilizers**

## Increased Returns



**Yield**



**Quality**



**Profit**

### Before



Silicon Oasis, Dubai, UAE

### After



**47% water savings**



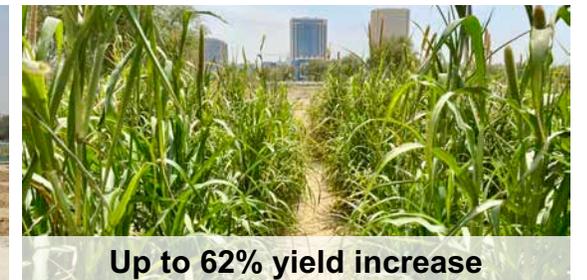
The University of Arizona, Yuma, U.S.



**21-53% yield increase**



ICBA, Dubai, UAE



**Up to 62% yield increase**

# PROVEN, PATENTED, AND VALIDATED

- ▶ 12+ years of R&D, 5+ years of field validation and pilots
- ▶ Independent validation by ICBA & University of Arizona
- ▶ Patents achieved in 48 countries

LNC Achieved Documented Results in 20+ Field Implementations & Data-Driven Pilots in UAE & USA:



## Partnerships (Achieved as of July 2023):

LIMONEIRA®  
SINCE 1893



H-EART

## Global recognition:



Global Innovator program supported by:

BILL & MELINDA  
GATES foundation

Top Innovator & UpLink Winner:



Winner of the Lighthouse MASSIV 2020 program:



**35-50%**

Water Savings



**8-62%**

Increased Yield  
(crop-dependent)



**2-4X**

ROI per investment  
cycle (with applications  
lasting ~5 years)

# MARKET



**\$490B**

Annual cost of soil and land degradation world-wide  
(Source: UNCCD)



**\$125B**

USD spent globally to address drought related events  
(2007-2017)

**\$2.5B**

Global soil conditioner market (2025)

**\$6B**

Global soil amendment market (2027)

**\$8.7B**

Current Regenerative Agriculture market size

**+14% CAGR**

Projected for regenerative agriculture market (\$16.8B by 2027)



**Additional Growth Driven by Carbon Credits:**  
LNC enhances sandy soil's capability to sequester & store CO2

➤ Initial target markets: U.S. Southwest & UAE/Middle East – sandy soil areas affected by drought, desertification, and water scarcity.

➤ The water and fertile land crisis is global, and LNC has potential to scale across sandy soil areas worldwide in multiple sectors:

**AGRICULTURE**



**LANDOWNERS**



**GOVERNMENTS AND NGOS**



# BUSINESS MODEL

Turnkey Soil Ecosystem Regeneration for Sandy Soil

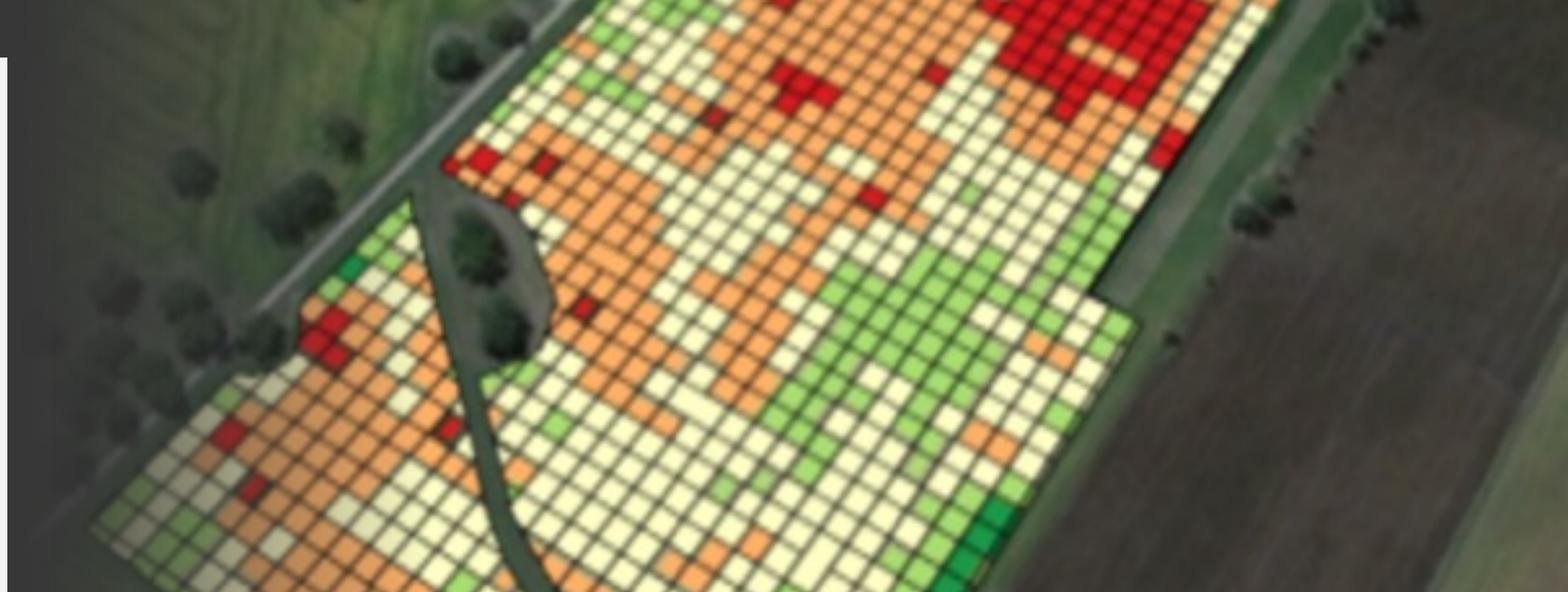
## Scalability:

### ➤ Fast Lead Times

- 2-3 months build time for additional LNC Production Capacity (incl. fabrication of units, onboarding of operators, etc.)

### ➤ Building On-Demand

- Limited capital obligations prior to receiving an order
- Mitigating risk, providing capital flexibility and facilitating scaling



## Multiple Revenue Streams



### Turnkey Projects

\$/acre or \$/tree – project pricing dependent on area & contract size



### Service Model

Ongoing maintenance, top-ups & services



### Licensing Model (Middle East)

Licensed operator agreements with royalty based on volumes - \$/liter



### Digital Subscriptions

Monthly (MRR), dashboard with monitoring & data analytics



### Consulting

Offering end-to-end soil health advisory, training & support



### Business Intelligence

Data Collection, Analytics, AI/ML, integration & automation

# Agenda / Q3 2023

Q3 2023 REPORT AND FINANCIAL RESULTS / COMPANY PRESENTATION



**Q3 & YTD  
Highlights**



**Financials**



**Outlook**



**Questions  
and answers**

# Company Update



## CORPORATE

- Secured > NOK 100M YTD
  - Capital raise: NOK 67,5M
  - Repair issue: NOK 8M

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- H1 strategic review results
  - Equity: NOK 10M
  - Assets: NOK 30M

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- Financial Runway Extended Through H1-2025



## MIDDLE EAST

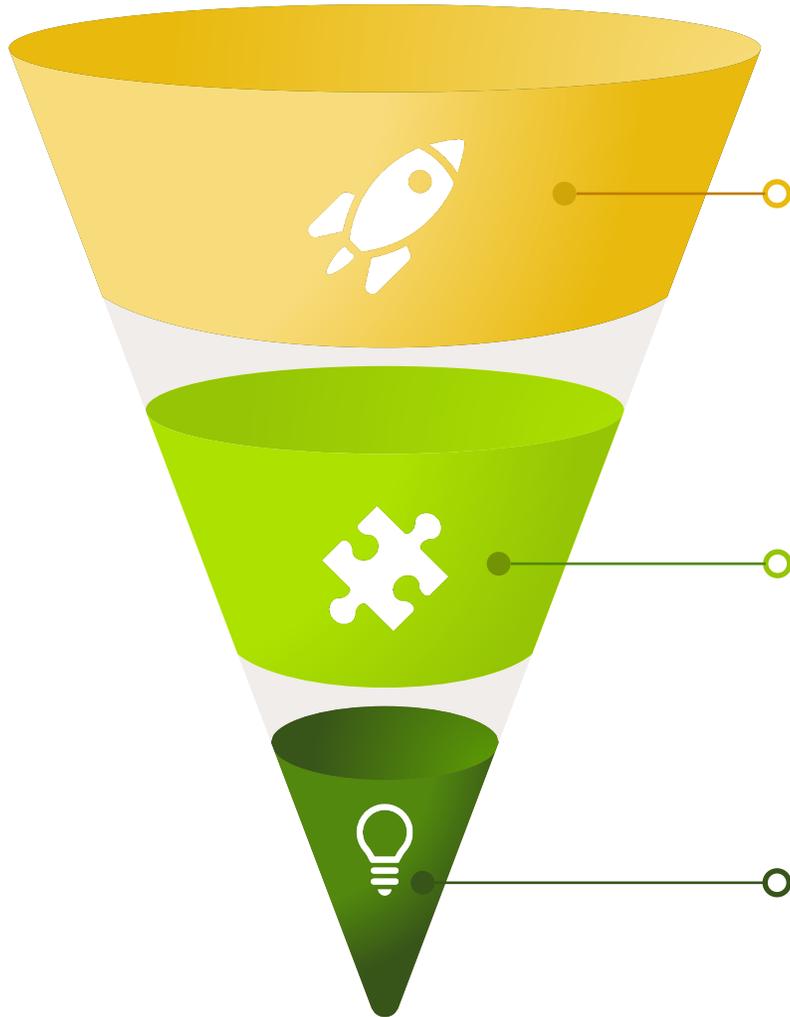
- Finalizing transition to licensed operator model (on-target)
- First LNC production cluster (4 units) arrived in Saudi Arabia
- All strategic review related payments collected (Q3-Q4)
- Increasing commercial traction



## UNITED STATES

- Continued on-target execution of sales strategy focused on the customer conversion model
- 5 new technical pilots signed in Q3, and in total, 15 for the first three quarters of the year.
- 6 pilot implementations planned for the coming months

# United States Update: Q3-2023



## STAGE 1

### Technical Pilots

Engagement with potential clients initiates through smaller-scale pilot programs to validate LNC's efficiency – essentially proving that "it holds water".

## STAGE 2

### Extended Pilots

(Commercial Pre-Projects)

Successful Stage 1 pilots evolve into larger commercial pre-projects with the objective of demonstrating the scalability and economic viability of LNC across larger areas, assessing cost savings, and the impact on yield and crop quality.

## STAGE 3

### Larger-Scale Deployments

Upon successfully completing Stage 2, the objective is to enter contracts for larger-scale commercial deployment.

### Agriculture (11)

- 3 Permanent Crop Pilots
  - Citrus, dates, vines
- 3 Row-Crop Pilots
  - Vegetables & herbs  
2 pending implementation
- 3 Forage-Crop Pilots
  - Alfalfa & sudan grass  
1 pending implementation
- 2 Specialty Pilots
  - Land restoration
  - Farm road dust control  
2 pending implementation
- 4 Golf Course Pilots  
1 pending implementation

### Agriculture (1):

- 1 Permanent crop pre-project
  - Limoneira Company (Citrus)
    - Yuma ranch (2,000 trees)

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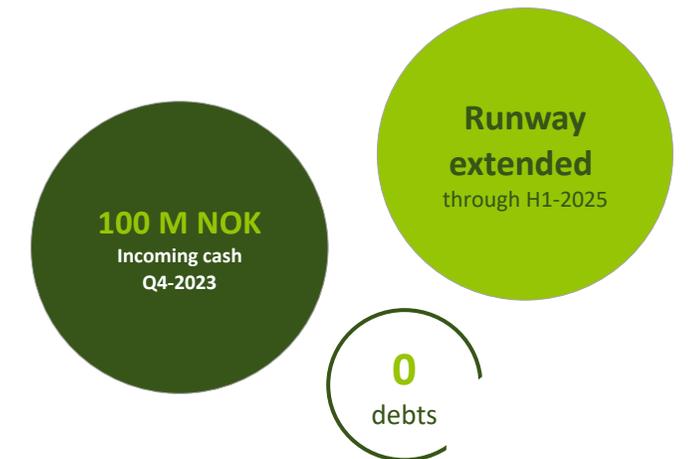
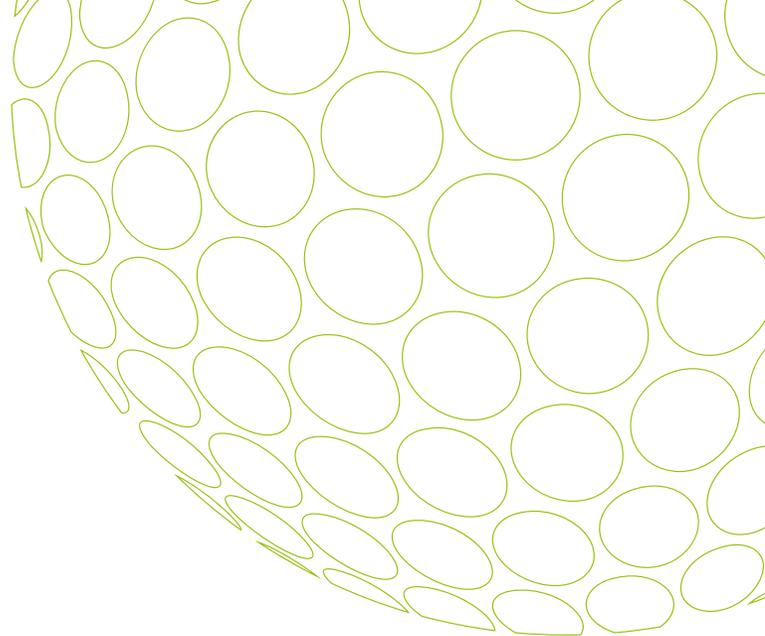
# Financial key figures

## THIRD QUARTER 2023

[third quarter 2022 in brackets]

- Revenue NOK 0.2M [NOK 0.1M]
- EBITDA NOK –17.9M [NOK –21.6M]
- Profit or loss for the year NOK –19.3M [NOK –14.7M]

- Total cash balance 30.09.23 (incl. current financial assets) NOK 35.0M [NOK 100.4M]
- Equity 30.09.23 NOK 52,5M (equity ratio 60.0%) [NOK 133.3 (94.2%)]



# Consolidated statement of comprehensive income

(Amounts in NOK thousand, unaudited)	Notes	Quarters		First nine months		Full Year
		Q3 2023	Q3 2022	2023	2022	2022
Revenue from sales	2	0	-	845	331	1 328
Other income		13	-	538	-	-
<b>Total income</b>		<b>14</b>	<b>-</b>	<b>1 383</b>	<b>331</b>	<b>1 328</b>
Cost of goods sold (COGS)		0	10	63	279	1 049
<b>Gross margin</b>		<b>13</b>	<b>- 10</b>	<b>1 320</b>	<b>52</b>	<b>279</b>
Salary and employee benefit expenses		11 239	8 314	31 368	29 475	41 670
Other operating expenses		4 251	5 455	17 722	14 720	21 588
Depreciation and amortisation		965	558	2 962	1 191	1 807
Impairment		-	-	-	-	-
<b>Operating profit or loss</b>		<b>-16 442</b>	<b>-14 337</b>	<b>-50 732</b>	<b>-45 334</b>	<b>-64 786</b>
Finance income		935	8 635	10 760	14 415	15 873
Finance costs		1 241	26	1 267	592	9 940
<b>Profit or loss before tax from continuing operations</b>		<b>-16 747</b>	<b>-5 728</b>	<b>-41 239</b>	<b>-31 511</b>	<b>-58 853</b>
Income tax expense		- 23	-	- 11	-	3
<b>Profit or loss for the year from continuing operations</b>		<b>-16 725</b>	<b>-5 728</b>	<b>-41 227</b>	<b>-31 511</b>	<b>-58 856</b>
<b>Discontinued operations</b>						
Profit or loss after tax for the year from discontinued operations	5	- 2 606	- 8 998	- 15 635	- 23 712	- 31 603
<b>Profit or loss for the year</b>		<b>-19 331</b>	<b>-14 726</b>	<b>-56 863</b>	<b>-55 223</b>	<b>-90 459</b>
<b>Allocation of profit or loss:</b>						
Profit/loss attributable to the parent		-19 331	-14 726	-56 863	-55 223	- 90 459

# Consolidated statement of financial position

(Amounts in NOK thousand, unaudited)	Notes	30.09.2023	30.09.2022	31.12.2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	5	-	8 032	7 221
Property, plant and equipment	5	6 316	24 345	21 002
Right-of-use assets	5	526	1 240	1 635
<b>Total non-current assets</b>		<b>6 842</b>	<b>33 616</b>	<b>29 857</b>
<b>Current assets</b>				
Inventory		227	99	584
Accounts receivable		27 386	127	1 572
Other receivables		2 702	7 228	9 052
Other current financial assets		19 279	40 943	41 416
Cash and cash equivalents	4	15 732	59 453	36 791
<b>Total current assets</b>		<b>65 325</b>	<b>107 850</b>	<b>89 415</b>
Assets classified as held for sale	5	15 409	-	-
<b>TOTAL ASSETS</b>		<b>87 577</b>	<b>141 466</b>	<b>119 272</b>

# Consolidated statement of financial position (continue)

## EQUITY AND LIABILITIES

### Equity

Share capital	3	127	123	123
Share premium		240 846	230 849	230 849
Currency translation differences		-1 305	-6 052	-1 336
Retained earnings		-187 154	-91 658	-122 636
<b>Total equity</b>		<b>52 515</b>	<b>133 263</b>	<b>107 001</b>

### Non-current liabilities

Non-current lease liabilities		578	-	425
<b>Total non-current liabilities</b>		<b>578</b>	<b>-</b>	<b>425</b>

### Current liabilities

Current lease liabilities		-	648	1 059
Trade and other payables		2 912	4 597	5 004
Public duties payable		804	- 209	944
Other current liabilities		30 768	3 167	4 839
<b>Total current liabilities</b>		<b>34 484</b>	<b>8 203</b>	<b>11 846</b>

### Total liabilities

<b>TOTAL EQUITY AND LIABILITIES</b>		<b>87 577</b>	<b>141 466</b>	<b>119 271</b>
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# Consolidated statement of cash flows

(Amounts in NOK thousand, unaudited)

	Notes	Quarters		First nine months		Full Year
		Q3 2023	Q3 2022	2023	2022	2022
<b>Cash flows from operating activities (NOK thousand)</b>						
<b>Profit or loss before tax for continued operations</b>		-16 747	-5 728	-41 239	-31 511	-58 853
<b>Profit or loss before tax for discontinued operations</b>		-2 606	-8 998	-15 635	-23 712	-31 603
Adjustments to reconcile profit before tax to net cash flows:						
Net financial income/expense		316	-8 603	-9 067	-13 795	-5 886
Depreciation and amortisation		1 136	1 707	5 135	4 294	6 108
Impairment		-	-	-	-	-
Share-based payment expense		-1 130	33	2 811	157	4 283
Working capital adjustments:						
Changes in accounts receivable and other receivables		-25 663	1 241	-19 465	-1 313	-5 066
Changes in trade payables, duties and social security payables		- 268	- 552	-2 232	842	2 402
Changes in other current liabilities and contract liabilities		28 071	- 546	24 870	- 872	161
<b>Net cash flows from operating activities</b>		<b>-16 891</b>	<b>-21 446</b>	<b>-54 822</b>	<b>-65 910</b>	<b>-88 455</b>

# Consolidated statement of cash flows (continue)

## Cash flows from investing activities (NOK)

Purchase of property, plant and equipment	-	-2 643	- 346	-13 798	-13 969
Sale of financial instruments	4 700	247	22 138	36 744	36 744
Proceeds from sale of property, plant and equipment	- 9	890	1 225	890	890
Interest received	11	594	181	594	867
<b>Net cash flow from investing activities</b>	<b>4 703</b>	<b>- 912</b>	<b>23 198</b>	<b>24 430</b>	<b>24 533</b>

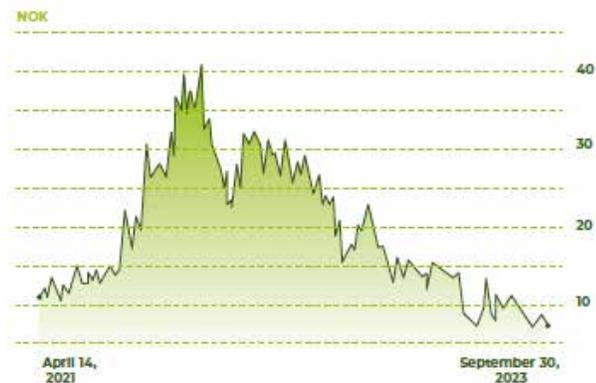
## Cash flow from financing activities (NOK)

Proceeds from issuance of equity	10 001		10 001	1	1
Transaction costs on issue of shares	-		-		
Lease payments	347	- 824	1 023	-1 551	-1 590
Interest paid	- 0	3	- 3	- 232	- 3
<b>Net cash flows from financing activities</b>	<b>10 348</b>	<b>- 821</b>	<b>11 021</b>	<b>-1 782</b>	<b>-1 592</b>

## Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year/period	18 004	82 023	36 786	101 923	101 924
Net foreign exchange difference	- 432	608	- 451	790	380
<b>Cash and cash equivalents, end of period</b>	<b>15 731</b>	<b>59 452</b>	<b>15 732</b>	<b>59 453</b>	<b>36 790</b>

# The DSRT share



ISSUE PRICE AS OF  
14 April 2021:  
NOK 11,69

SHARE PRICE AS OF  
30 September 2023:  
NOK 7,02

## Origin of shareholders

No of shares	%	Origin	# shareholders
33 579 246	79%	Norge	3 770
3 749 636	9%	Luxembourg	7
1 176 937	3%	Storbritannia	9
1 311 892	3%	Frankrike	5
693 673	2%	Others	38
696 264	2%	Sverige	16
1 119 141	3%	Irland	9
<b>42 326 789</b>	<b>100%</b>	<b>Grand Total</b>	<b>3 854</b>

## THE GROUP'S SHAREHOLDERS:

### Shareholders in Desert Control AS at 30.09.2023

	Total shares	Ownership/ Voting rights
OLESEN CONSULT HVAC AS	5 900 000	13,9 %
J.P. Morgan SE	2 516 761	5,9 %
NORDNET LIVSFORSIKRING AS	2 123 393	5,0 %
OLESEN	1 635 800	3,9 %
LITHINON AS	1 423 706	3,4 %
NESSE & CO AS	1 360 000	3,2 %
BNP Paribas	1 312 765	3,1 %
LIN AS	1 215 275	2,9 %
CLEARSTREAM BANKING S.A.	1 135 217	2,7 %
Citibank	1 115 465	2,6 %
IDLAND	1 101 506	2,6 %
DNB BANK ASA	1 081 005	2,6 %
JAKOB HATTELAND HOLDING AS	1 000 000	2,4 %
The Northern Trust Comp	958 275	2,3 %
OKS CONSULTING AS	930 000	2,2 %
SORTUN INVEST AS	727 715	1,7 %
BEYOND CENTAURI AS	720 998	1,7 %
GLOMAR AS	627 715	1,5 %
INVESTORE FINANS AS	499 028	1,2 %
SUNDVOLDEN HOLDING AS	330 000	0,8 %
Others	14 612 165	34,5 %
<b>Total</b>	<b>42 326 789</b>	<b>100,0 %</b>

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**Q3 & YTD  
Highlights**



**Financials**



**Outlook**



**Questions  
and answers**

# Outlook



## CORPORATE

- Complete restructuring activities related to the Middle East licensing model
- Focus on supporting the ongoing commercialization activities in the United States
- Support our partners to drive commercialization in the Middle East region



## MIDDLE EAST

- Anticipating a handful of partner-driven LNC projects (pilots and proof-of-concept implementations) to commence in the coming months
- Several commercial initiatives in the UAE developing aligned with COP28
- Traction is growing in KSA, and the local Saudi partner anticipates turning fully operational in Q1-2024



## UNITED STATES

- Continue consistent execution of the sales strategy focused on the customer conversion model
- Complete the implementation of remaining and new pilots
- Focus shifting to conversion of technical pilots to commercial pre-projects and extended deployments for 2024

# Agenda / Q3 2023

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# Cautionary note

## DISCLAIMER RELATED TO FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and statements relating to the business, performance, and items that may be interpreted to impact the results of Desert Control and/or the industry and markets in which Desert Control operates.

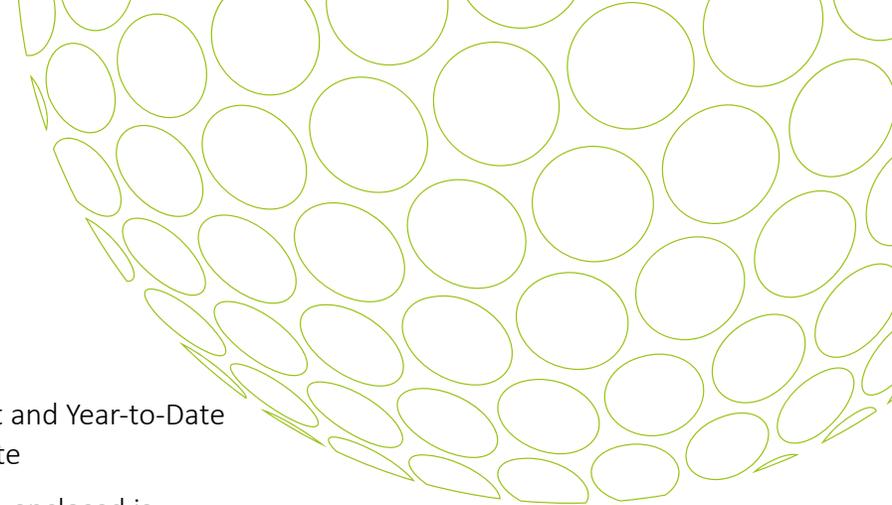
Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates, and projections, reflect current views concerning future events, and are subject to risks, uncertainties, and assumptions, and may be subject

to change without notice. Forward-looking statements are not guaranteeing any future performance, and risks, uncertainties, and other important factors could cause the actual business, performance, results, or the industry and markets in which Desert Control operates in, to differ materially from the statements expressed or implied in this presentation by such forward-looking statements.

No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecasted performance, capacities, or results will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statements.

Q3 2023 Report and Year-to-Date Company Update

The information enclosed is subject to the disclosure requirements pursuant to sections 5-12 in the Norwegian Securities Trading Act.



**Thank you  
for your attention!**

