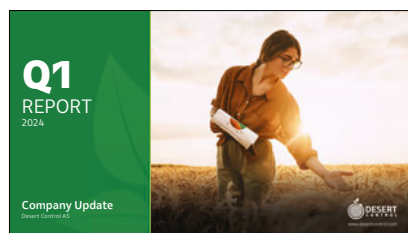


Desert Control Q1 2024 Company Update Presentation (Transcript)

-1-



Welcome to the Desert Control Q1 2024 Company Update webcast.

It will cover the Q1 Report and Interim Financial Results for the fiscal period that ended on March 31st, 2024.

Some updates for Q2 Year-to-Date will also be included.

A Q&A session will follow the presentation, and we invite you to use the Q&A function to submit questions.

Before the official Q1 Update Agenda, Desert Control's CEO will share a brief introduction.

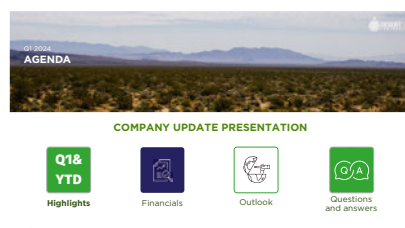
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Desert Control specializes in nature-based solutions to combat desertification, soil degradation, and water scarcity. Our leading innovation, Liquid Natural Clay (LNC), enables sand and light, thirsty soils to retain water and nutrients and improves soil health. Our clients span agriculture, landscaping, and forestry sectors.

With over twelve years of R&D, complemented by five years of independent validations and field pilots, we have established a presence with commercial deployments in the United States— and the Middle East, where licensed operator partners extend our reach. Our solutions have proven to save water by 35-50% while simultaneously improving plant health and crop yields.

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Thank you for joining us! I am Ole Kristian Sivertsen, CEO of Desert Control, and I will take us through today's agenda. But first, let me go off-script for a moment.

Five years ago, I joined this adventure full of belief in our mission—despite the risks that come with any startup. We started with a groundbreaking idea and the immense potential to transform arid lands into fertile soil and significantly conserve water and natural resources.

Back then, our production capacity was at a laboratory scale. It would have taken 7 weeks to produce enough LNC to cover a single football field. While the LNC itself held water, this highlighted the monumental challenge we faced of scalability.

Our commitment has driven us through multiple phases of development—from refining our technology and enhancing our application systems to tuning our operations and securing the necessary funding. Every step of the way, our team has been guided by a resolve to transform believing into knowing, work hard, figure it out, and get it done.

Today, we're not just believers; we know. Our LNC technology has been proven in the field, and it continues to hold water. Production capacity per unit has increased by 500 times over the last five years. So far this year, we have sold and delivered more LNC than ever before, and early adopters are becoming ambassadors and raving fans who spread the word to others. We're still a startup. It will still take some time to reach broad-scale adoption, but we have a product that holds water. Our R&D, technology development, and operations have come a long way in making it scalable and feasible for clients to adopt at a larger scale.

Five years ago, I joined believing in a dream. Today, I know it works and believe in our team's ability to turn it into reality, building a business that does well by doing good.

Now, onto the agenda for the Q1 and Year-to-Date Company Update:

- First, I will present **Highlights** and achievements so far this year
- Next, our CFO, Leonard, will take us through the **Financial Update**
- Then, I will share a brief **Outlook** before we close with the **Q&A session**

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Desert Control is off to a strong start in 2024. We delivered our first larger-scale commercial deployment for Limoneira Company in Yuma, Arizona, executed a significant first-phase contract in the Middle East through our partner in the UAE, and made solid progress developing and adapting our technology to expand markets, increase environmental benefits, and reduce the total costs of LNC production and application.

A significant highlight of the quarter in the United States was Limoneira: The deployment started at the end of Q1 and was completed in the first week of April, with revenue recognition split between Q1 and Q2. We treated citrus orchards over 60 acres at the Yuma ranch, which is three times the size of land compared to what we treated in the same period of 2023, using half the number of production units and one-third of the labor, demonstrating significant improvements in cost efficiency and scalability.

We also deployed LNC for around 700 date palms, continued progressing with our pilot programs, and completed the first deployment for a full fairway of a golf course.

The mid-term report from the 5-year validation program with the University of Arizona is being finalized, and publication is anticipated at the end of June. We are also expanding our University collaboration in Arizona and including new programs in California.

Commercial traction is also growing in the Middle East, and I am very proud of the progress being made by our partners in the UAE and Saudi Arabia: The first partner-driven commercial project with 3 million liters of LNC for a new, sustainable residential development in the UAE is being delivered, and several other strategic pilots and projects are in the pipeline. Positive awareness is also growing thanks to solid references and early adopters like Masdar City, who are becoming strong ambassadors for LNC as part of their leading sustainability strategy.

We are also excited about the opportunities in Saudi Arabia, with huge sustainability initiatives and investments within the government and private sectors. So far, three strategic pilots and one MoU have been secured by our partners, all of them with projects that have the potential to grow to significant sizes, and the partners keep growing the pipeline with delivery capabilities now in place. Knowledge transfer between Norway, the United States, and our Middle East partners is also a key focus to ensure efficiency gains and advances reach the markets effectively.

In Technology and Innovation, we are also making significant progress, as showcased by the advancements in production and application capacity demonstrated with Limoneira and recent deployments.

Our R&D agenda is further advancing with promising early results in research on organic additives that have synergistic effects with LNC. In combination, these additives can strengthen the value proposition for soil health and yield improvement even further. Other priorities include validating and enhancing LNC's impact on reducing fertilizer leaching (related to both regulatory drivers and improved nutrient use efficiency to reduce farming costs and improve yields). These and other R&D priorities focus on extending the value of LNC beyond water saving, expanding market reach, and continue driving improvements in cost efficiency and scalability.

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Combined with improvements in operations and LNC production processes, the advances we're making by integrating LNC applications with the client's existing irrigation systems make deployment faster, smarter, and cheaper for both us and our clients.

For Limoneira's first pilot deployment two years ago, we were limited to a manual application with injection spears to get the LNC into the ground deep enough to cover the trees' root zones. This was highly labor-intensive, and it took three long days of hard work to treat ½ acre with 50 trees. Similar application approaches were the standard in the Middle East, using injection spears for trees and hoses for manual spray application to fields and lawn areas.

In Q1 last year, we deployed LNC over 20 acres for Limoneira's ranch in Yuma, Arizona. This time, we used a hose reel, as seen in the top left picture, along with a Kubota tractor that pulled the hose through the alleys of trees. Hoses on both sides of the tractor rig filled basins around each tree with LNC as the tractor moved through the field, enabling us to complete the 20-acre job in 8 days.

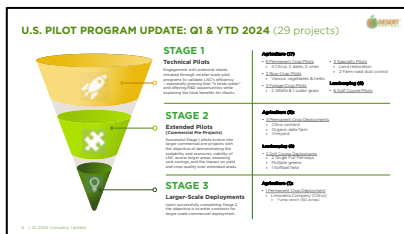
In Q1 this year, we deployed LNC over 60 acres in 8 production and application days - using half the number of production units and eliminating the need for tractors, people, and equipment in the field by applying the LNC through the client's existing irrigation system.

Applying LNC like this is enabled by refining the LNC further to ensure compatibility with the various irrigation systems, advancing formulations to ensure sufficient infiltration in the soil profile, and mastering the technicalities of connecting to and injecting LNC into irrigation systems. (This is a great example of the collaboration between technology development, R&D, and operations.)

Our digital services for data collection and analytics also play a key role in ensuring that the performance of the LNC "in the ground" remains at its peak with the changes in application methodology. So far, the results are very encouraging, indicating soil moisture performance consistent with the previous manual application approaches.

I want to give a big shout-out and thanks to our entire team for driving this amazing progress!

Tripling land treatment capacity while requiring fewer resources is an important step toward more scalable commercialization.



The advances we have made over the last year would not have been possible without a solid number of pilots and deployments in the field.

We continue our pilot programs with deployments across a wide range of agricultural and landscaping applications. Each pilot provides significant operational and technology learnings and strengthens our local reputation as a high-quality provider of important environmental and economic solutions.

Most of the ongoing agricultural pilots will extend over multiple seasons to validate LNC's multifaceted benefits beyond water savings, including reducing fertilizer leaching, lowering soil salinization, improving soil health, and increasing yield.

During the first quarter, we also intensified efforts to explore landscaping opportunities in regions with high water costs, focusing particularly on golf courses in Southern California and Nevada. Kevin Neal has been hired as a dedicated business developer for this initiative, bringing a wealth of experience from the turf and golf management industry to our U.S. team, spearheaded by Marty Weems. We have since secured commitments for several technical pilots at golf courses in these high water-cost regions, with initial deployments targeted for the second quarter and initial results anticipated already during the 2nd half of the year.

It is also very encouraging that clients are starting to come to us with a growing interest in exploring what LNC can do for them. The reason for this can, to a high degree, be credited to early adopters such as Limoneira in the U.S. and Masdar City in the Middle East. After our recent deployment at Marthas Garden, an organic high-quality date farm in Arizona, more dialogues with date growers are also in development – demonstrating the value of these early adopters.



Based on early adopter successes and experience from our pilot programs, our current main focus in agriculture is on permanent crops like citrus, dates, and vines, as well as high-value specialty crops.

While water costs for growers and farmers in many places remain low, water remains a limiting factor for field cultivation. Improving water and nutrient use efficiency to "grow more with less" is highly valuable and attractive for clients when proven consistently over multiple seasons on their farms and ranches.

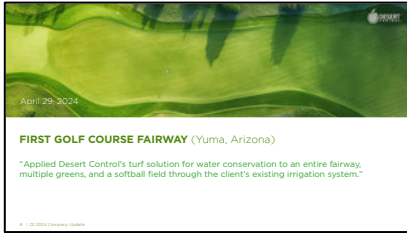
In addition to water conservation, reducing energy requirements for pumping and distributing water to the fields, as well as enhancing resilience to droughts, are key drivers. Our focus in the study with the University of Arizona in Yuma has also enhanced the focus on increasing the value of agricultural land and enabling the transition to grow higher-value crops.

We have also identified certain districts of Southern California where water prices for farmers have increased significantly, and we will be expanding our focus to explore opportunities in these areas.

There are several pathways to broader commercialization of LNC for agriculture.

- We can lower cost or increase value, which is why our R&D initiatives focus on soil health development that will increase yields and crop quality and focus on the crops of the highest economic value
- We can focus on locations where agricultural water prices are high
- We can work to become part of governmental incentives and subsidy programs where water prices remain low

Our strategy is to combine efforts across these pathways, and we are making good progress.



Another part of our strategy is to balance the huge but longer-term agriculture market opportunity with shorter-term niche opportunities in areas where water is expensive, such as the landscaping sector, where golf courses represent some of the largest water users.

We are also making good progress here, and it was an exciting day on April 29th when I joined the team for our very first LNC deployment to an entire fairway.

Having the capability to treat these complex, high-demand golf courses is something we dreamed about already five years ago, but when producing enough LNC to cover a single football field would take seven weeks, a golf course that is close to 70 football fields was an immense stretch. Further, these courses are undulating landscapes with slopes and hills that differ significantly from football fields and parks.

The irrigation system of a golf course is also very different from most agricultural systems—a single mainline meanders through the entire golf course, branching out to individual sprinklers across the fields. Everything is underground, and the only place to inject the LNC effectively is in the main intake that supplies the entire golf course.

We have done a couple of pilots on small greens before, and here we rigged our own sprinkler system on top of the turf for the application – which would not be scalable and possible for an entire golf course.

With this in mind, you can understand my excitement about the first-ever deployment to a complete fairway – and it went beyond expectations.

Application through the irrigation system went well. The LNC did not runoff the sloped and undulated terrain; it infiltrated nicely into the sandy layer beneath the turf, and the field was firm and playable the next morning.

We treated an entire fairway, multiple greens, and a softball field in a work-day, and we could likely have completed this entire 9-hole course in a day.

Sensors are in the ground, and we will be monitoring performance closely over the coming months.

It's still too early to conclude based on one pilot, but the client is excited, and we are lined up for the next full fairway deployment at another course at the beginning of June!



As a niche segment, there are still significant opportunities in the golf market.

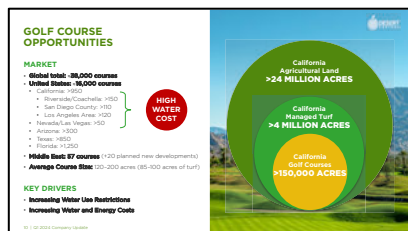
Among the 16,000 golf courses in the United States, our initial focus is on the areas with the highest water costs and proximity to our operational base in Yuma, Arizona.

Due to high water costs, the business case for clients in this segment is more straightforward than in the more complex yield-driven agriculture sector. There are also increasing water use restrictions for landscaping users, and water prices are expected to continue rising by double digits every year for the foreseeable future.

An average golf course in the regions we focus on reports annual water costs ranging from \$500,000 to well above \$1 million without including electricity and pumping costs, etc. This means that an LNC investment for the entire course based on achieving 25-50% water savings can target an ROI of between 1 and 2 years.

Gaining sufficient pilot and validation traction to prove this and make superintendents and key stakeholders confident that it poses no risk to their pristine turf is the pathway to unlocking larger opportunities in this market – and initial results set a promising tone, and we expect making significant headway in this market by the end of the year.

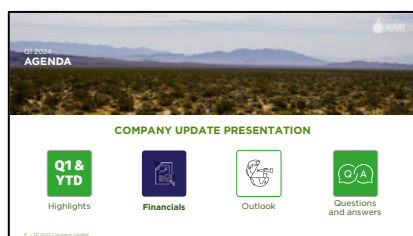
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While the total acreage available in golf applications is smaller than in overall agriculture, as here illustrated by California figures to put it in perspective, it remains a significant market with high water costs and demanding customers.

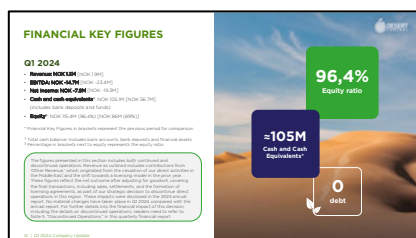
Success in the high-touch, high-tech golf industry will also enhance our experience and reputation, which will be valuable in other less demanding landscaping and significantly larger agricultural markets.

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We will now turn to the Financial update, and I pass it over to our CFO, Leonard Chaparian.

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Thank you Ole Kristian, and good morning to you all.

The figures are shared in detail in the financial report published earlier this morning.

These financial key figures will be covered in more detail in the following slides.

Our revenue figures show a 53% increase in LNC sales, the highest ever for Desert Control. Last year's comparison figures included over 1 million in other income.

The company closed the first quarter of 2024 with a positive cash balance of 105 Million kroner and has no interest-bearing debt.

These figures include both ongoing and discontinued operations of Desert Control. However, the discontinued operations make up a very small part of the total.

The image shows a financial table titled "Consolidated Statement of Comprehensive Income" for the period from January 1 to March 31, 2024. The table is presented in a multi-column format, comparing the current period (Q1 2024) with the same period of the previous year (Q1 2023). The columns are labeled "Q1 2024", "Q1 2023", and "Q1 2024 / Q1 2023". The rows list various income and expense items, including revenue, cost of sales, operating expenses, and financial results. The total revenue for Q1 2024 is significantly higher than for Q1 2023, reflecting the company's focus on the Limoneira project.

Desert Control has sold and delivered more LNC this quarter than ever before.

In Q1, our sales revenue is exclusively derived from the Limoneira project.

While our revenue from LNC sales is 53% higher compared to Q1 of last year, it is important to note that the delivery volume has increased even more, indicating that we have been able to sell the product at a lower price. This has been possible due to significantly lowering our production and application costs, allowing us to reduce the price of LNC for our customers while still preserving our margins.

Our delivery to Limoneira was completed in the first week of April 2024, this means that there are still some revenues from this project that will be recognized in Q2.

Following the strategic change in the Middle East, we have reduced our operational costs by 38%, mainly due to discontinued operations.

Even in our ongoing operations, there has been a significant reduction in costs, keeping us on track with our previous runway projections.

The image shows a financial table titled "Consolidated Statement of Financial Position" as of March 31, 2024. The table compares the current period (Q1 2024) with the same period of the previous year (Q1 2023). The columns are labeled "Q1 2024", "Q1 2023", and "Q1 2024 / Q1 2023". The rows list various assets and liabilities, including cash and equivalents, receivables, and equity. The table shows a significant increase in cash and equivalents, which is consistent with the company's strategy of reducing financial assets and debt.

During Q1, the company sold off most of its financial assets and reduced its exposure to market fluctuations.

Cash and funds in total amount to 105 million Kroner as of the end of Q1 2024, and we have no interest-bearing debt.

We are sufficiently funded to support our existing and planned operations. Currently, our financial runway, excluding revenue, takes us into Q4 2025.

The overall reported equity of 115,4 million kroner equals 96,4% of total assets.

The image shows a financial table titled "Consolidated Statement of Cash Flows" for the period from January 1 to March 31, 2024. The table compares the current period (Q1 2024) with the same period of the previous year (Q1 2023). The columns are labeled "Q1 2024", "Q1 2023", and "Q1 2024 / Q1 2023". The rows list various cash flow items, including operating activities, investing activities, and financing activities. The table shows a significant increase in cash flow from operating activities, which is consistent with the company's strategy of reducing operational costs and increasing revenue.

The cash flow from operating activities, divided between continued and discontinued operations, represents the operational profit and loss, adjusted for depreciation and amortization, underscoring the company's current cash-oriented status.

The standout change in cash flow this quarter is the sale of our financial assets.

No other significant sources of capital have been added through the first quarter.

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Discontinued Operations (Middle East)

Middle East Operations Update
During 2023, Desert Control Middle East LLC completed the sale of its LDC production entity, transferring LDC production licenses and assets to a newly formed investment fund, Middle East Desert Agricultural Investments, LLC. The sale was completed and the Middle East operations are discontinued.

By the end of 2023, all assets previously held for sale were disposed of. As of 12/31/2023, there have been no material changes or events that would require a restatement of the financial statements for prior periods. The results from these operations for prior periods are recorded on a straight-line basis to ensure comparability and transparency. The results from these operations for prior periods are recorded on a straight-line basis to ensure comparability and transparency. The results from these operations for prior periods are recorded on a straight-line basis to ensure comparability and transparency.

Net assets to be discontinued operations as of March 31, 2024	March 31, 2024	March 31, 2023	Net assets to be discontinued operations as of March 31, 2024
Accounts receivable	1,000	1,000	1,000
Prepaid expenses	1,000	1,000	1,000
Property, plant and equipment	1,000	1,000	1,000
Intangible assets	1,000	1,000	1,000
Goodwill	1,000	1,000	1,000
Other assets	1,000	1,000	1,000
Accounts payable	1,000	1,000	1,000
Accrued liabilities	1,000	1,000	1,000
Other liabilities	1,000	1,000	1,000
Net assets to be discontinued operations	1,000	1,000	1,000

As you can see from the discontinued operations, the costs are approaching zero, and we expect to finalize the liquidation of the subsidiary within a few months.

For further information regarding the Q1 Financials, please see the full Q1 report.

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DSRT Shareholders

The company's shareholders:

Shareholder Name	Share Class	Number of Shares	Percentage of Shares
Desert Control LLC	Common	1,000,000	100%
Other Shareholders	Common	1,000,000	100%
Total	Common	2,000,000	100%

Ownership of shares:

- Desert Control LLC
- Other Shareholders

To get additional information about the Desert Control share and the Top 20 shareholders, please visit our webpage desertcontrol.com/investors [Investor — Desert Control](#)

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AGENDA

COMPANY UPDATE PRESENTATION

- Q1 & YTD Highlights
- Financials
- Outlook
- Questions and answers

We will now turn to Outlook before we close with the Q&A.

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OUTLOOK

UNITED STATES
After the successful launch of several pilots in 2023, we expect continued positive developments from ongoing and new agricultural pilots. While revenue anticipated from these pilots and other smaller-scale deployments is expected to be modest, the key value of these projects lies in the learning and development opportunities they provide, as well as the validation and reputation they build for Desert Control as a trusted, science-led, and field-proven provider of environmental and economic solutions. The results of the longer-term pipeline emerging from these projects will be seen in 2025 as they move to second-phase expansions and large-scale agricultural deployments in 2026 and beyond.

MIDDLE EAST
Following operational growth in 2023, we expect continued positive developments from ongoing and new agricultural pilots. While revenue anticipated from these pilots and other smaller-scale deployments is expected to be modest, the key value of these projects lies in the learning and development opportunities they provide, as well as the validation and reputation they build for Desert Control as a trusted, science-led, and field-proven provider of environmental and economic solutions. The results of the longer-term pipeline emerging from these projects will be seen in 2025 as they move to second-phase expansions and large-scale agricultural deployments in 2026 and beyond.

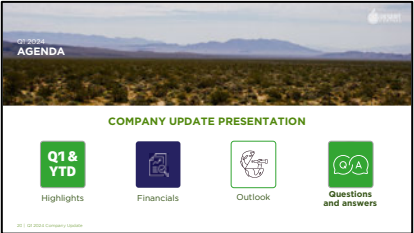
INNOVATION
LDC Production and Logistics
Desert Control is currently in the process of developing a new LDC production and logistics facility in the Middle East. This facility will be a key component of our expansion into the region and will enable us to provide our services to a wider range of clients. We expect to complete the facility in 2025 and begin operations in 2026.

Driven by the year's strong start, we aim for considerable progress in 2024. In the U.S., we expect continued positive developments from ongoing and new agricultural pilots. While revenue anticipated from these pilots and other smaller-scale deployments is expected to be modest, the key value of these projects lies in the learning and development opportunities they provide, as well as the validation and reputation they build for Desert Control as a trusted, science-led, and field-proven provider of environmental and economic solutions. The results of the longer-term pipeline emerging from these projects will be seen in 2025 as they move to second-phase expansions and large-scale agricultural deployments in 2026 and beyond. Further, as mentioned, we expect substantial headway in the golf and landscaping market during the year. Initial pilot results in the second half of 2024 will set the stage for more notable contracts at the end of the year, with a growing number of larger deployments in 2025.

In the Middle East, momentum is anticipated to grow from a steady run rate of smaller projects toward larger strategic contracts in both the UAE and Saudi Arabia. After years of building scientific and government support for LNC, we and our partners see the beginning of a transition from validation and research-type applications to broader adoption and rollout. Desert Control's research and development efforts will be key enablers of this progress, growing the addressable market and enhancing the underlying value of LNC beyond water savings. The continued focus on scalability, cost efficiency, and holistic soil health solutions aims to unlock broader adoption and deliver long-term value for the company's customers and stakeholders.

I want to close this update with a huge thanks to our team, our customers, early adopters, partners and shareholders for being part of this journey from adventure to venture, onwards to today, where we consider ourselves as "venture plus" with a proven product making tremendous progress towards being scalable and feasible for broader-scale adoption!

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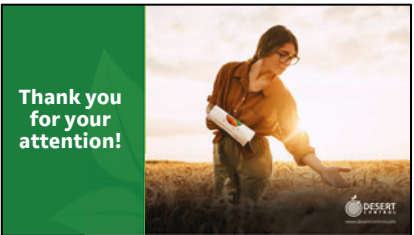
We will now start the Q&A session. We invite you to use the Q&A function for questions.

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Thank you for joining the Desert Control Q1 2024 and Year-to-Date Company Update Presentation. Before we close the session, please take note of the disclaimer relating to forward-looking statements.

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We look forward to seeing you on August 20th, 2024, for our Q2 and First Half update.

Q&A session *(Summarized written answers to questions raised for the Q&A)*

Q: So, we have a 1st question. How is the process for operators in the Middle East to find and produce the right LNC mix for the soil, and what mechanisms are implemented to ensure that the LNC know-how remains within Desert Control?

A: Thank you. It's a good question. So, as I mentioned in the update, the knowledge transfer process is a key focus. We have clear procedures in place in terms of also how to run the formulations and the interactions between our partners and our R&D team here in Norway. We currently kind of manual in some of these approaches, but for the longer term, we're also creating systems and portals that will handle this in a more automated fashion where all kinds of security aspects are being built in to ensure that the know-how keeps developing as a core asset that we keep sharing with our partners to keep building their process while at the same time protecting our intellectual property.

Q: Thank you, Ole. We have another question. Through recent posts on LinkedIn, we learned that the project in Master City has achieved up to 60% in water savings during a seven-month study. Are there comparable or maybe even larger ongoing studies or projects in the Middle East?

A: Absolutely. Several projects in the Middle East show significant results. Let me also point out that, as they clearly stated in the context from Master City, they had a 60% level of water savings in certain parts of the year. So, it was not the total average for the entire period, which is closer to the 50% range, consistent with what we're seeing in other pilots in the Middle East. We're also seeing these seasonal changes in what we do in the US. So, to answer, yes! We've also previously spoken about the results of the forest projects in the UAE, where we had above 50% water savings. And multiple projects that are trending in the same in the same area.

Q: Thank you. Next question. How big is the sales organization in the US now? Are all open vacancies now set?

A: Yeah, in the US, we've been growing our sales organization and, most recently, adding a sales and business developer for the golf and landscaping market. We had two people driving agricultural sales before, based out of Arizona. We're expanding our sales relationships to help us cover the opportunity areas I mentioned in Southern California markets, where the water prices for growers have grown significantly.

Q: Thank you. Do you intend to develop LNC solutions in regions other than the Middle East and the U.S.A.?

A: It's been part of our big vision since the very beginning! There are more than 110 countries around the world that we believe and see have potential and need for LNC that suffer desertification, growing water scarcity, degradation of soil, etc. In the startup phase, where we are, we've decided to remain very focused and not spread our resources too thin. But we definitely intend to grow this to a broader deployment and open up additional markets over time once we've built a solid foundation for our partner platform in the Middle East and through our direct initiatives in the United States. I can tell you that we receive incoming questions about this every month from companies interested in different markets worldwide. Everything from local ag providers to interest in synergistic opportunities with our solutions from larger ag players, etc.

Q: Thank you. You are in a positive dialogue with the UN. We have been told any progress to share.

A: Well, when it comes to the United Nations, we've maintained the relationship, as I've shared before, with the United Nations systems for many years, and we're particularly proud of having been invited into this innovation accelerator program by the World Food Program. We're very proud of that because it's very close to our heart to contribute to these areas and to stop world hunger as the main overarching objective of the World Food Program. We are currently in a scoping face with them and I look forward to sharing more concrete results once the details of the next step and the initial piloting programs are finalized.

Q: How was the experience of attending the Hannover Exhibition earlier this year?

A: Yeah, this I can give to you, Ari, to share some experiences from there:

Yes, it was really nice to be part of the Hannover Exhibition this year. We just have great partners. We were in the Region Pavilion and could see that our technology was being well received by everyone. We got a lot of positive attention. We are also very proud of being so highly prioritized as a small company by "slightly larger" organizations such as Siemens.

Q: Yes. We have another question. Have you identified any potential competitors who may have similar products or solutions?

A: Well, when it comes to competitors and similar products and solutions, they do exist. We've known about that for years, and I'm very glad that they do because the market needs for these solutions are immense. If you're the only one to have the solution for something you believe is a problem, then you may be way too early, or it may not be a problem. Having other solutions out there makes us focus on our strengths and the uniqueness of being a liquid delivery, and we now see even more value in what I talked about in the scalability, the integration with the client's irrigation systems, etc. We're sure there will be a growing number of solutions for this area in the time to come, and with 110 countries in the world, 12 million hectares of land that perishes to desertification annually, and several 100 million of hectares of land needed to be restored in the coming decade to ensure food security for our planet we need all solutions that we can get.

Q: Yes, we have another question. Could you provide an estimate of the tie lines from the agreement of a technical pilot to full-scale commercial deployment?

A: Well, I can provide a conceptual description of this because it depends on the crop, the time of the year when we deploy, etc. So, in our main focus for agriculture, we have a lot of pilots in permanent crops like citrus, dates, significant vineyard opportunities, etc. LNC will be implemented in a technical pilot to prove that it holds water in the 1st round, and you need to prove that over time to see that you can save water without negatively impacting the yield. In most cases, they want to see an increase in yield over time. The one thing we do not directly impact is making the wine grapes, dates, or citrus grow faster. Agriculture takes the time it takes, and we need to follow the crop seasons, as most of these types of crops have annual harvesting. As with the example of Limoneira, it took it took two years from stage one until they started to roll out on a larger scale commercially, which I think is a good reference, which is also the reason why I'm in my update and the outlook section, also say that I have a huge belief in seeing continued successes from the pilots that we're working on now. We will see more and more conversions to stage 2 and second-phase deployments in 2025 as well, which will build a significant pipeline of larger-scale opportunities for 2026 and beyond.

Q: How long does it normally take for you to sign the 1st phase of the contract and start a deployment?

A: From when we sign a commitment with the client that they would like to have a technical installation, it can happen, sometimes within days and weeks. We take a soil sample, and then, if we already have a formulation ready for that type of environment, we can use it and deploy fairly quickly. Sometimes, we need to do some additional analysis and adjust a bit, but usually, we can start pretty quickly. But just because we can start quickly, that doesn't mean that the farmer and the field are ready, and we need to adjust the deployment time to the farmer's schedule and the crop rotations and how they're actually farming the field. So, we've had pilots that we got commitment for months and months and months back that are being delivered now as an example, and others that can start very quickly.

Q: Do you mind providing some revenue estimates and royalty license income projections?

A: So, I think you've already seen the revenue we had in Q1. As Leo mentioned, we will see more revenue recognized from Limoneira in Q2. There are also revenues coming out of other pilots and smaller-scale deployments, such as recent date palm jobs and stage 2 conversions on the first golf course delivered, but as I said, these revenues are modest, and the real value of these projects is in the learning and development opportunities. Remember, these are the types of activities that have unlocked the that we are now demonstrating. We'll see more of that going forward.

We'll also focus on expanding our compatibility and quality assurance with any relevant irrigation systems and other application scenarios and fields that are out there as key values of these pilots. They will deliver some revenue, and royalty will start from the 1st deployment that we have in the Middle East commercially with the 3 million liters. We will start to see royalty revenues coming out of our license operators here in the second half starting as a smaller run rate type of business of similar projects that then will grow in size and impact as we transition later on towards more strategic deployments.

Q: How does DC HQ support, empower and help facilitate competitive edge and growth towards its partners in the Middle East?

A: Desert Control's headquarters empowers and supports its partners in the Middle East in several ways, focused on enhancing their capabilities and developing the markets. Desert Control HQ engages in knowledge transfer to equip partners with the latest advancements and best practices. A key focus involves sharing techniques and innovations that lead to significant efficiency gains, for example. For instance, as highlighted in the Q1 update, we have managed to triple land treatment capacity with less equipment and labor. Such improvements in operational efficiency not only enhance scalability but also reduce costs, making the adoption of LNC more appealing and feasible for large-scale projects, and our interest is to ensure such enhancements reach the market also through our partners. The HQ function also drives technology development focused on ensuring the hardware platforms evolve where we, as an example, are working on designs and prototypes for further enhancing production units targeting to bring new generations to market, which will ensure our partners get access to leading-edge technology also in the future. The headquarters also continues to push the boundaries of formulation and what LNC can achieve through ongoing research and development. Innovations, such as the development of organic additives to enhance soil health, will once ready for market adoption, be shared with partners, enabling them to offer cutting-edge solutions that address specific local challenges. We are also here to assist partners with strategic market development activities, marketing materials, branding, and supporting promotional activities to raise awareness and adoption of LNC solutions, to mention some areas.

Q: When do you think you will reach the breakeven?

A: On this question I will refer to what we shared in our Outlook section

Q: Who is DSRT's largest competitor?

A: In the agriculture sector, this still remains the places that have free water and unrestricted water use – but this is gradually changing. We are also strengthening our value proposition on increasing water and nutrient use efficiency, soil health, and other aspects key to increasing yields and crop quality.

Q: When will the new website be launched?

A: We have not officially announced a new website, but this is something we are working on to communicate more clearly to the focused market segments we serve. The plan is for our website to receive a facelift in early June.

Q: When you have done a deployment in the soil, can the farmer grow different crops there, or is it "locked" to the first

A: Any soil enhanced with LNC remains flexible for growing different crops. In fact, LNC treatment may enable farmers to grow an even broader range of crops in a soil that retains more water and nutrients, which is a focus for increasing the value of agricultural land and enabling the transition to grow higher value crops on lower value land.
