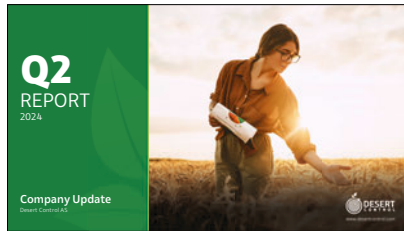


Desert Control Q2 2024 Company Update Presentation (Transcript)

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Welcome to the Desert Control Q2 2024 Company Update webcast.

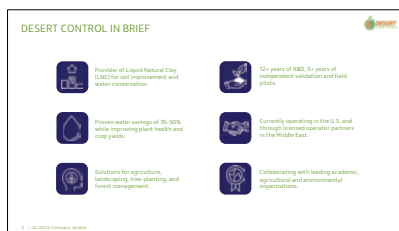
It will cover the Q2 Report and Interim Financial Results for the fiscal period that ended on June 30th, 2024.

Some updates for Q3 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 Q2 Update Agenda, Desert Control's CEO will share a brief introduction.

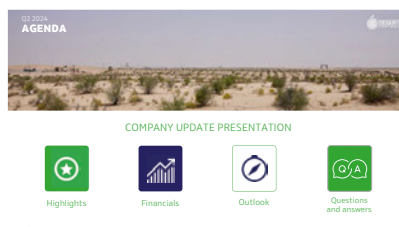
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Desert Control specializes in nature-based solutions to combat desertification, soil degradation, and water scarcity. Our leading innovation, Liquid Natural Clay (LNC), enables sand and light, thirsty soils to retain water and nutrients and improves 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 for the Q2 and Year-to-Date Company Update, which has four points:

- 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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We have many exciting updates to share under the Q2 and Year-to-Date Highlights.

I will organize the update by first diving into technological breakthroughs and achievements before moving on to progress updates for the United States and the Middle East.

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I will also share a brief update on ongoing and new validation initiatives, as well as the recently announced MoU with Syngenta.

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Starting with the technological achievements:

In our Q1 update, I highlighted the progress we were making in integrating LNC application with client irrigation systems—a significant advancement over the previous manual approaches.

Since then, we've completed 15 LNC deployment projects in the U.S., most of them utilizing this integrated irrigation system approach. This has broadened our application capabilities across various systems and allowed us to streamline and optimize the process further, delivering substantial gains in time, labor, and cost efficiency.

With the ability to apply significantly larger volumes in a shorter time frame, it became clear that our current production systems also needed to evolve to keep up with the pace of enhanced application efficiency.

This realization led to the development of a prototype for the next-generation LNC production systems platform. Currently in iterative development and field testing, this prototype has already demonstrated a sixfold increase in operational production capacity compared to the operation of current units in Q2 last year.



In addition to increasing capacity, we also wanted to improve mobility. The existing 20-foot containers can be challenging to maneuver on narrow roads and confined spaces within farms, orchards, and golf courses.

A 6-tonne container unit also requires larger trucks and drivers with commercial licenses, which increases operational complexity and cost.

The new prototype overcomes these challenges by being more compact, and half the weight allowing for towage by a standard pick-up truck, combining increased production capacity and enhanced mobility.

The sixfold increase in production capacity significantly extends our project capabilities. While a full golf course-size job previously would require a cluster of four units over several weeks, the objective of the new design is to be able to do such jobs in a matter of days with a single unit.

We’ve also implemented new processing technology that reduces energy consumption per unit of LNC produced, lowering operational costs and improving the environmental footprint.

Another advancement is the improvement in labor efficiency. The current production units require a minimum of two operators per unit, with manual input loading of clay and minerals (25-kilo bags are manually lifted and loaded one by one by the operators).

The new prototype is designed for single-operator use, with automated input loading systems capable of handling 1-tonne big bags (here the input loading is done by hoses connected directly to the big bag, sucking the clay and minerals directly into the unit with measured dosing).

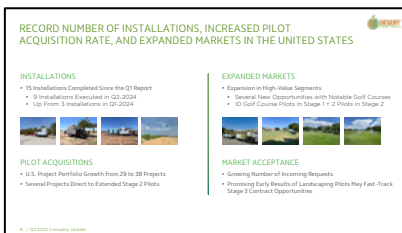
This reduces labor requirements and heavy lifting, improving working conditions and the overall efficiency of the production process.

The amount of time required to execute jobs is also an important aspect. With the new prototype, a pilot deployment that previously may have required 3-4 days (the first day for mobilization, days 2 and 3 for production and application, and the final day for demobilization) can now be turned around in a single workday.

Enhancing mobility, production capacity, energy and labor efficiency significantly reduces the overall cost per unit of LNC produced. This will enable us to maintain margins as we scale up for larger deployments, further allowing for more competitive pricing to drive faster and broader adoption and market penetration.

In sum, this prototype concept will significantly improve agility, scalability, and unit economics. The next-generation unit aims to deliver more capacity than four current units combined at less than half the cost.

We anticipate finalizing the prototype design and preparing for commercial manufacturing of units during the first half of 2025. We also plan to develop upgrade kits for existing units to extend their capabilities and value.



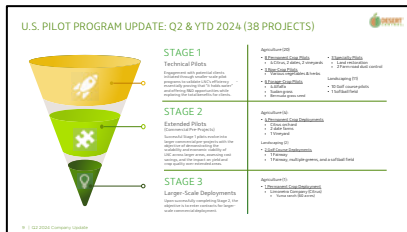
In the second quarter, Desert Control completed a record number of installations, driven mainly by the new prototype and successful integration with irrigation systems. This has allowed us to complete 15 installations since the Q1 report, with 9 of those executed in Q2 alone—up from 3 installations in the first quarter.

Our expanded capabilities also contributed to a significant increase in pilot acquisitions, with the U.S. project portfolio growing from 29 to 38 projects.

We continue to see solid performance in permanent crops like citrus, dates, and vineyards – and we have made significant headway in high-value markets with golf courses and sports fields. With the promising early results we are seeing from the golf segment, we anticipate fast-tracking some of these pilots to larger contracts by the end of the year.

Importantly, we've also seen market acceptance deepen, with several projects bypassing initial small-scale testing and moving directly to extended stage 2 pilots. We are also experiencing more incoming interest driven by word of mouth and positive references from other pilot installations and deployments. This is an important indicator of growing awareness and confidence in our solutions.

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Here, we can see our U.S. project portfolio categorized by segment and crop type, showing the progression of these projects through the various stages of our pilot funnel.

Our stage 1 technical pilots focus on validating the LNC technology across various agricultural and landscaping applications. As these pilots demonstrate success, they advance to stage 2, where we assess scalability and economic viability in expanded deployments and more commercial contexts. Finally, stage 3 represents the transition to larger-scale commercial contracts.

Each of these pilots provides significant operational and technology learnings and builds Desert Control's reputation as a high-quality provider of valuable environmental and economic solutions. Most of the ongoing agricultural pilots 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.

Pilots in the landscaping segment have a more narrow scope, focusing primarily on water conservation while maintaining healthy grass and plants. As a result, these projects show promise of progressing faster to stage 3, with some advancing through just a 2-stage process.

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I already mentioned our solid progress in permanent crops like citrus, dates, and vines.

Here, we can see the performance from one of the recent date farm implementations, which bypassed stage 1 and went directly to stage 2, where we deployed LNC for some 600 trees of the 8,000 date palms at this farm.

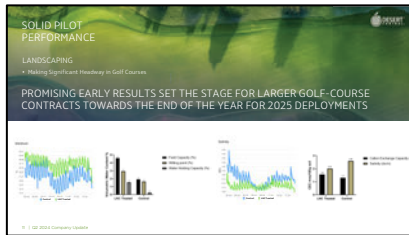
A key component of these pilots is data collection. We use soil sensors and flow meter data to monitor the differences between LNC-treated and untreated control areas.

As illustrated in the graph on this slide, the green line represents the LNC-treated area, which consistently maintains higher and more stable soil moisture levels compared to the control area. This indicates that the LNC-treated soil retains more water, which is the vital factor for conserving water while improving crop health and yield.

The value of this type of data collection over a broad range of pilots is twofold: first, it validates the impact of our solution across various crops and application scenarios, and secondly, it helps build the economic business case with documented ROI to support

investment in LNC for clients. By demonstrating tangible benefits, we are proving the efficacy of LNC and helping our clients realize significant savings and improved agricultural outcomes.

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In the landscaping segment, we've also made significant headway, particularly with golf courses, where early results from pilots are highly promising.

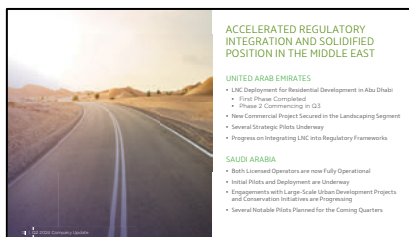
This slide shows data from one of our recent golf course pilots, demonstrating the impact of LNC on key soil metrics such as moisture retention, salinity reduction.

On the left, we can see that the LNC-treated areas consistently maintain higher soil moisture measured by volumetric water content compared to the control, ensuring that water savings can be realized while maintaining healthy grass over time. In the graphs on the right side, you'll notice a significant reduction in soil salinity in the LNC-treated areas. Several of the pilot clients were concerned about LNC potentially increasing salinity, and confirming that we actually achieve the opposite is a significant milestone - as lowering salinization is a crucial factor for maintaining soil and plant health vital for the golf courses as well as for agricultural applications. The data in the bar charts comes from soil samples with laboratory analysis that we can see correlate well with the soil sensor data, which further strengthens the validation of our findings.

The data we collect in these pilots validates the effectiveness of LNC in the landscaping segment and strengthens our case for broader adoption across this high-value market.

Let me also underscore that our portfolio of pilots with golf courses has grown to 10 stage 1 projects and projects 2 in stage 2. Promising early results are paving the way for larger golf-course contracts, which we, as mentioned, anticipate securing by the end of the year, with deployments set for 2025.

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In the Middle East, we have made substantial progress through our partners in the United Arab Emirates and Saudi Arabia.

In the UAE, our partner completed the first phase of LNC deployment for a significant residential development project in Abu Dhabi, as forecasted in the Q1 report. The second phase is set to commence in the third quarter, and further commercial projects in the landscaping segment have also recently been secured.

Several strategic pilots are underway to validate LNC for broader market adoption.

Important progress is also being made on integrating LNC into regulatory frameworks, positioning LNC as a preferred solution for soil and water conservation requirements.

Turning to Saudi Arabia: - both of our licensed operators are now fully operational and have initiated pilots and deployments in the Kingdom. Our partners are actively engaging with large-scale urban development projects and conservation initiatives, governmental and private sector opportunities which are progressing.

Several notable pilots are planned for the coming quarters.

As we look ahead, we anticipate significant growth in momentum, supported by our partnerships and the solid foundation of scientific and government backing we've built over the years. This progress positions a transition from pilot-type deployments to more strategic contracts for broader adoption towards the end of the year.

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In the second quarter, we extended our independent validation efforts and entered new partnerships.

Starting with our independent validation, we continue making progress in our five-year research program with the University of Arizona. The inaugural interim publication from this program is currently under peer review, and we anticipate publication during the second half of the year. We further extended our activities with the University of Arizona with a project in Maricopa that shows promising results to extend the feasibility of LNC to a wider variety of soil compositions.

We've also initiated a new partnership with the University of California, Riverside, and their industry-leading Turf Research Center. This collaboration is focused on positioning LNC as a trusted and attractive solution within the golf and turf segment. Two validation projects are already underway—one at their Turf Research Center and another at a prominent golf course. Additionally, a third, longer-term study is in the final stages of planning.

On the partnership front, we recently announced a Memorandum of Understanding with Syngenta, a global leader in agricultural technology. Together, we are exploring the added value that LNC can bring to deployments of Syngenta's advanced biostimulants. Laboratory work is already in progress at our Desert Control Norway lab, and we're planning initial field trials in the Middle East for the second half of the year. This collaboration is expected to pave the way for innovative solutions in sustainable agriculture, particularly in regions where soil and water conservation is critical.

These partnerships and validation efforts reinforce the credibility and efficacy of LNC and position Desert Control as a leader in sustainable agricultural and land management solutions.

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Our Research and Development efforts are centered around two primary objectives: increasing the value of LNC and expanding its market potential.

To increase value, we're focused on enhancing LNC's impact beyond water conservation, positioning it as a platform for holistic soil health solutions. This includes addressing critical challenges like mitigating soil salinity—where we're already seeing very positive results, as discussed earlier in the presentation. Another key area is reducing fertilizer leaching, where we see significant potential. We are planning further studies, including independent validation programs, to document these benefits in ways that also can support integration with regulatory frameworks.

To expand the addressable markets, we have ongoing exciting R&D programs with promising early results aimed at extending the feasibility of LNC from highly sandy soils to a wider variety of soil types and compositions. Additionally, we're exploring

formulations to increase the salinity tolerance of water sources, which will open new markets in regions where water quality is a limiting factor.

I look forward to sharing more on our progress with these initiatives in the next company update.

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As we wrap up the Q2 and Year-to-Date update, let's summarize some of the key highlights.

First, we achieved significant technological breakthroughs, improving unit economics, streamlining operations, and enhancing our readiness for scaling up. This progress directly contributed to our increased traction in the United States, where we achieved a record number of installations, accelerated pilot acquisitions, and expanded into high-value markets with great progress for golf course deployments.

In the Middle East, we've solidified our position through strategic progress in regulatory framework integration, a growing number of pilots and deployments, and operational readiness in Saudi Arabia for both of our partners.

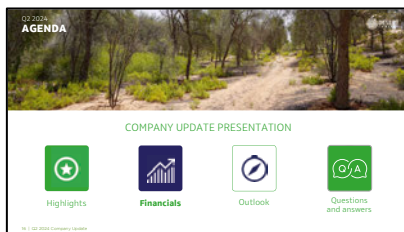
We've also strengthened independent validation efforts, with ongoing research collaborations at the University of Arizona and the new initiatives with the University of California, Riverside.

In terms of partnerships, we announced a new MoU with Syngenta and have other partnerships currently in development, setting the stage for further collaboration and innovation.

Finally, our R&D initiatives continue to focus on increasing the value of LNC and expanding market feasibility.

The achievements of the past quarter position Desert Control for continued growth as we move forward, and I want to extend my heartfelt gratitude to our team and our partners for your dedication and the great achievements made so far this year!

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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 LNC revenue has doubled in the first half of this year compared to last year, driven by the steady rollout of new projects.

The figures also show that the company has strengthened EBITDA by 12.5 million NOK in the first half of the year, while at the same time increasing the number of projects and improving productivity

Net income, which also includes financial income and expenses, has experienced a net negative change of approximately 5 million NOK in H1 2024 compared to H1 last year, mainly due to fluctuations in exchange rates in the comparable periods.

The company closed the second quarter 2024 with a positive cash balance of 91 Million kroner and has no interest-bearing debt.

These figures include both ongoing and discontinued operations of Desert Control.

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	H1 2024		H1 2023	
	Million NOK	Million USD	Million NOK	Million USD
Revenue	1,800	13.5	850	6.5
Cost of sales	(1,000)	(7.5)	(800)	(6.0)
Operating profit	800	6.0	50	0.4
Other income	100	0.8	100	0.8
Other expenses	(100)	(0.8)	(100)	(0.8)
Profit before tax	800	6.0	50	0.4
Income tax	(100)	(0.8)	(100)	(0.8)
Profit after tax	700	5.2	(50)	(0.4)
Other comprehensive income	100	0.8	100	0.8
Net income	800	6.0	50	0.4

LNC revenue in Q2 2024 exceeded 500K NOK, a significant increase compared to 20K NOK in Q2 2023.

For the first half of 2024, LNC revenue reached nearly 1.8M NOK, up from 850K NOK in the first half of 2023, more than doubling year-over-year.

This is driven by larger-scale deployments and an increased volume of pilots and project installations.

Operational costs have slightly increased in Q2 this year compared to last year. This is mostly due to added expenses related to the closure of our Middle East office, especially in audit and finance areas.

Additionally, there has been an increase in operational costs in the US due to more projects and higher activity levels.

However, year-to-date, the overall cost level is slightly lower.

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	H1 2024		H1 2023	
	Million NOK	Million USD	Million NOK	Million USD
Assets				
Cash and cash equivalents	91	0.7	100	0.8
Trade receivables	1,000	7.5	800	6.0
Other receivables	100	0.8	100	0.8
Prepaid expenses	100	0.8	100	0.8
Other assets	100	0.8	100	0.8
Total assets	1,391	10.6	1,100	8.4
Liabilities				
Trade payables	100	0.8	100	0.8
Other payables	100	0.8	100	0.8
Other liabilities	100	0.8	100	0.8
Total liabilities	300	2.4	300	2.4
Equity	1,091	8.2	800	6.0

During H1, the company has sold off most of its financial assets and reduced its exposure to market fluctuations.

Cash and funds in total amounts to 91 million Kroner as of the end of Q2 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 99,9 million kroner equals 94,5% of total assets.

	2024	2023	2022	2021	2020
Cash flows from operating activities:					
Net income	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	100,000	100,000	100,000	100,000	100,000
Change in accounts receivable	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Change in accounts payable	50,000	50,000	50,000	50,000	50,000
Change in other assets and liabilities	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Net cash provided by operating activities	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Cash flows from investing activities:					
Acquisition of property, plant, and equipment	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Net cash used in investing activities	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Cash flows from financing activities:					
Proceeds from the sale of common stock	100,000	100,000	100,000	100,000	100,000
Net cash provided by financing activities	100,000	100,000	100,000	100,000	100,000
Net change in cash	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

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 the first half year is the sale of our financial assets.

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

	2024	2023	2022	2021	2020
Net loss from discontinued operations	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Operating loss	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Gain on disposal of assets	100,000	100,000	100,000	100,000	100,000
Net cash provided by discontinued operations	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)

As you can see from the discontinued operations, the costs are approaching zero, and we expect to finalize the liquidation of the subsidiary very soon.

For further information regarding the Q2 Financials please see the full Q2 report.

Shareholder Name	Shares	Percentage
Desert Control LLC	10,000,000	100.0%
Other Shareholders	0	0.0%

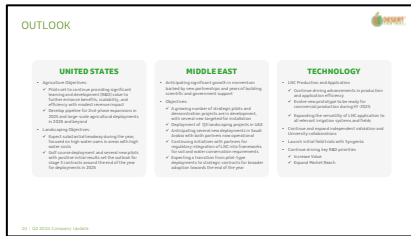
To get additional information about the Desert Control share and the Top 20 shareholders, please visit our webpage desertcontrol.com/investors [Investor — Desert Control](#)

AGENDA

COMPANY UPDATE PRESENTATION

- Highlights
- Financials
- Outlook
- Questions and answers

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

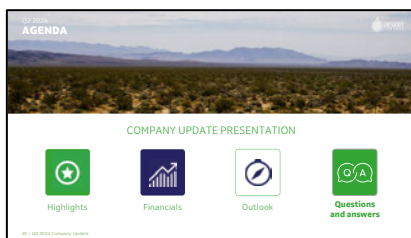


The outlook remains positive, further strengthened by the achievements of the second quarter.

A robust pipeline of pilots and deployments in the United States and the Middle East, combined with progress on integrating LNC into regulatory frameworks, positions Desert Control for continued progress, with several initiatives underway to develop a market leadership position in soil and water conservation.

We anticipate continued growth in pilots and second-stage deployments in agriculture. The positive traction with golf courses set the stage for larger contracts in this segment by the end of the year, with notable deployments anticipated for 2025.

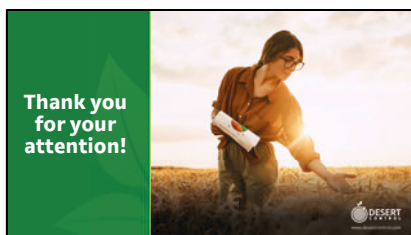
Ongoing technological advancements and successful project deployments strengthen our capabilities for larger-scale commercial deployments, enhancing the foundation for substantial long-term value creation for stakeholders.



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



Before we close the session, please take note of the disclaimer relating to forward-looking statements.



Thank you for joining the Desert Control Q1 2024 and Year-to-Date Company Update Presentation.

We look forward to seeing you on November 15th, 2024, for our Q3 Report and Company Update.