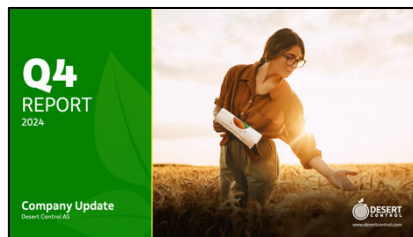


## Desert Control Q4 2024 and YTD 2025 Company Update Presentation (Transcript)

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Welcome to the Desert Control Q4 2024 Company Update webcast.

It will cover the Q4 Report and Interim Financial Results for the fiscal period that ended on December 31<sup>st</sup>, 2024.

Some updates for Q1 2025 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 Q4 Update Agenda, Desert Control's CEO will share a brief introduction.

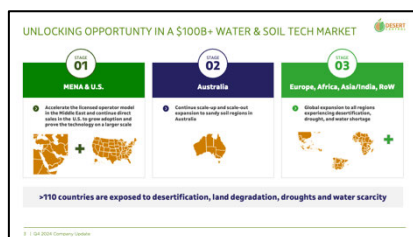
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Desert Control specializes in nature-based solutions to combat desertification, soil degradation, and water scarcity. Our innovation, Liquid Natural Clay (LNC), enables thirsty soils to retain water and nutrients and improves soil health. Our clients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

Our solutions have proven to save water by 25-50% while improving plant health and crop yields, which provide significant economic value for clients and solid ROI with payback times of 1-2 years or less.

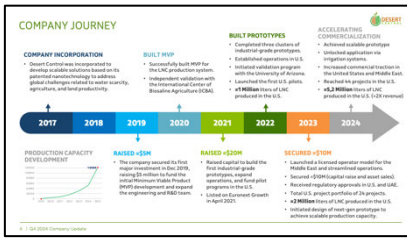
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More than 110 countries are exposed to desertification, soil degradation, water scarcity and severe droughts. The impact of these challenges on the global economy is estimated to represent 490 billion dollars of annual losses, making the soil and water technology market a huge opportunity.

With such a large market, a startup must stay focused and plan its global expansion in stages. Our initial target markets are therefore the U.S. Southwest, where we have direct operations, and the Middle East, where local partners extend our reach. We focus on sandy soil areas affected by drought, desertification and water scarcity, emphasizing areas with high water costs.

With a solid base secured in our initial markets, we will then continue our global expansions to markets like Australia, Southern Europe, Africa and the rest of the world.

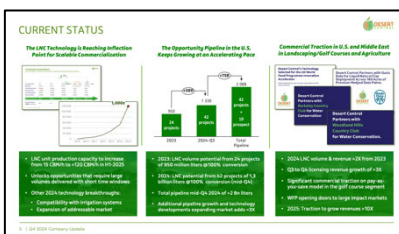


Let me share a brief overview of our history and journey. Desert Control was incorporated in late 2017.

The first significant capital raise which allowed us to hire people and expand the team was secured in December 2019. In 2020, the first MVP, first minimum viable product of the LNC production system was built and independent validation of LNC effectiveness was performed in the UAE with the International Center of Biosaline Agriculture. Based on a successful MVP and positive validation of LNC in landscaping and agriculture, we raised another 20 million dollars in 2021 to move from MVP to industrial grade prototypes for higher capacity production technology.

This further allowed us to expand operations to the United States, launching our first U.S. pilots in 2022. In 2023, we transitioned our Middle East operation to a licensed operator model, expanding our regional reach with local partners, which also unlocked capital to strengthen our activities in the U.S. Regulatory approvals for LNC in the UAE and the U.S. were also secured in 2023, and our portfolio of pilots in the U.S. grew to 24 projects with 2 million liters of LNC in the ground. Based on the field experience from projects, we then identified key technological triggers to unlock further cost effectiveness and scalability to support larger scale projects and commercialization.

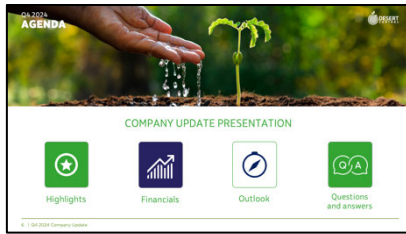
This led to major technological breakthroughs during 2024 with our next generation production system prototype, which will take production capacity from 15,000 liters per hour to over 120,000 liters per hour. Further enhanced by moving from manual application with hoses and sprayers to being able to apply LNC directly through irrigation systems. Thanks to these technological breakthroughs, we more than doubled LNC volumes and revenues in 2024.



In summary, our LNC technology is now reaching its inflection point for scalable commercialization. Technological advances are unlocking opportunities that previously were out of reach. This in turn expands our addressable market.

It improves unit economics and operational cost effectiveness. Thanks to these breakthroughs, the opportunity pipeline keeps growing at an accelerating pace. And the results of this are seen in the growing number of contracts announced over the past month, both in the Middle East and in the United States.

Based on solid achievements of 2024, we are now on track to increase LNC volumes and revenues by more than tenfold in 2025. We have an exciting year ahead, and we will dive into more details about this during today's presentation



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 Q4 2024 and year to date company update, which has four parts. First, I will present highlights and achievements so far this year. Next, our CFO Leonard will take us through the financial update.

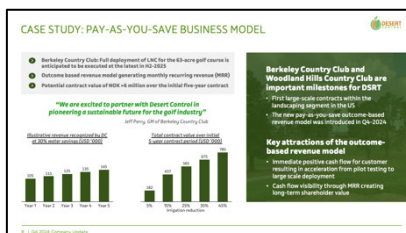
Then I'll share a brief outlook before we close with the Q&A session.



Starting with the highlights of our Q4 2024 and year to date updates, we will focus on our progress in the United States, the solid traction by our partners in the Middle East, and the innovation and technology breakthroughs powering our progress. For the U.S., we will dive deeper into the pay-as-you-save business models that we launched in the fourth quarter in the coming slide.

This fast-tracked securing our first commitments for full-scale golf course deployment in the United States with Berkeley Country Club and Woodland Hills as announced during the fourth quarter. At the recent GCSAA golf industry show in San Diego, our technology and pay-as-you-save model garnered significant interest thanks to the reference clients we have secured up until now. Also, our agriculture business continued to evolve, and I will come back with more details, especially on the recent announcement on Oasis Date, where commercial deployment is happening as we speak.

Further, the Middle East is now becoming a high growth region with LNC volumes and licensing revenues increasing significantly in the fourth quarter. I will share more highlights on the traction with our partners before closing the update with more insights into the innovation and technology advancements that make all of this possible.



Starting with the pay-as-you-save model, I want to explain quickly how it works.

First, we start with understanding the client's historical data on water use. They share with us reporting on how much water they've been consuming per month over the previous couple of years. Based on this, we develop a baseline that says, going forward, this is how much water you would use without our solution in the ground.

This baseline also has functionality to adjust extremities in weather conditions. Any actual delta in water use below the baseline is defined as savings. The savings in units of water volume multiplied by the actual price of water per unit for each month will represent the financial savings, which we then will share between the client and Desert Control.

This model creates monthly recurring revenues for our company as illustrated by the Berkeley Country Club business case that we see in this slide.

The chart on the left shows the accumulated annual revenues for Desert Control simulated here at 30% water savings. You see there is an annual growth as well, and this is driven basically just by the increasing water pricing.

The chart on the right side shows a sensitivity analysis based on various levels of achieved water savings and the total potential contract value over a five-year term. Keep in mind here also that all of our projects so far have consistently performed above 25% water savings, and we have had several cases with up to 50% and even higher. For our clients, this is seen as a no cure, no pay model that provides them with immediate positive cash flow, showing unquestionable confidence in our technology.

This shortens the sales cycles, it accelerates adoption, and it creates long-term recurring revenue streams for desert control. The combined total contract value of Berkeley and Woodland has the potential, as shared in our press releases, of exceeding 14 million Norwegian kroner. Keep in mind that these are small golf courses in the size of just over 40 and just over 60 acres of irrigated turf.

We anticipate securing and activate a meaningful number of these contracts, and also with significantly larger golf courses during the coming quarters. Just as a reference, there are 950 golf courses in California alone, where increasing water prices are driving demand that really represents a significant potential for us. I also want to add that while this pay-as-you-save model is expected to play an important role in accelerating adoption, we will also continue to secure traditional upfront paid contracts. So going forward, we'll anticipate a balanced revenue mix, combining high value upfront sales with recurring revenue contracts, so that we ensure a nice and optimal balance that utilize our financial resources.

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**NORTH AMERICA'S LARGEST DATE GROWER MOVING AHEAD WITH COMMERCIAL DEPLOYMENT OF LIQUID NATURAL CLAY**

**Commercial Progress:**

- Direct to stage 2 pilot in July 2024 (3 acres)
- First ranch for commercial deployment in February 2025:
  - Corn Springs, CA
  - 160 acres, USD 1.5 million
- Total potential:
  - Vast number of ranches
  - 5000 acres under management

The world's first and only Regenerative Organic Certified® date farm!

Next, I want to call out the post-quarter announcement of Oasis Dates, who are now moving forward with commercial deployment of LNC. Oasis Dates went direct to a stage 2 pilot.

They skipped this smaller stage 1, and we launched the pilot back in July 2024. That showed really good and positive results during the year, leading to us in December starting the negotiation with them for commercial deployments, with the first ranch being the Corn Springs Ranch in California. This is a 160-acre area that we are now treating with a revenue for desert control at approximately 1.5 million Norwegian kroner.

Deployment started yesterday, and we will be finished in just a few days. We have here the high-capacity prototype unit in use, and it is performing extremely well. We are also applying it through the irrigation system, and I got reports during the night that we were delivering LNC to thousands of date palm trees simultaneously, and the team is very, very excited.

Oasis Date is also North America's largest date grower, so this is just the beginning of the journey with them. They have a vast number of ranches and more than 5,000 acres of farmland and date palms under their management, so we anticipate further deployments with them in the coming quarters.

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**SIGNIFICANT GROWTH IN THE U.S. OPPORTUNITY PIPELINE**

**Total potential LNC demand from existing engagements and identified projects (above 1000 LNC volume in California)**

**Key Statistics:**

- Total growth in deployed LNC volume and potential of more than 2x
- 44 ongoing engagements (pilot and commercial) and 48.3m lbs of LNC deployed (USD 1.4m) in 2024
- 2025: 200m lbs of LNC
- 2026: 400m lbs of LNC
- 20 of the 44 engagements initiated in 2024
- Projects secured for 2025 implementation: Berkeley Country Club, Woodland Hills Country Club, Oasis Date, WEP

**Current opportunity pipeline >USD 300m in potential total contract value (TCV)!**

Positive growth from Q3 2024 driven by an increase from 42 to 44 project engagements and 19 (12) 25 developed projects. Additional coverage per client base further increased primary due to expanded feasibility of LNC beyond highly sandy soils.

Turning to pipeline development in the U.S., here I want to underscore that we are a technology company. Technological advancements are a huge driver for growth of the pipeline and also expanding the addressable market for our solutions.

Compared to the pipeline we showed in Q3 2024, the total pipeline for both existing and new client opportunities has grown significantly. This is primarily due to expanded feasibility of LNC beyond highly sandy soils. We have visualized this by also adding an adjustment to the ongoing engagement and also the ones that we started before the end of the year 2023.

The 24 projects in the bar to the left here, where we started engagements in 2023 or earlier, now has a total potential at 100% conversion for 100% of the addressable acreage for all of these clients of around 1.75 billion liters of LNC, which is up from 950 million compared to what we presented in Q3.

Then the added 20 projects in 2024, where we have deployed 5.2 million liters of LNC, then that brings a total addressable acreage on these clients that represents a potential of additional 1.25 billion liters of LNC, which brings the total pipeline of the 44 ongoing projects and deployments to a total potential also at 100% conversion for 100% of the addressable acreage per these clients up to 3 billion liters of LNC. This number is up from 1.3 billion compared to Q3.

Additionally, our sales pipeline of well-developed prospects that we anticipate turning into contracts in 2025 has grown from 19 to 25, bringing the total pipeline volume potential up to more than 6 billion liters of LNC. Using an assumption of 5 cents per liter, that means that the total LNC volume potential for these clients and engagements, of course, for a long-term deployment period from 2025 to 2028 could exceed 300 million dollars.

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I also want to touch on some recent events that we've attended.

Some of you may have followed and seen that we were at CES this year, and there we were invited and actually showcased by Siemens, who wanted to demonstrate their technology being used for meaningful, impactful use cases. I must say I was really, really impressed by the massive interest in LNC, the way that Siemens hosted us and drove traffic to have discussions with several clients that turned out to be meaningful leads as well. Some of these leads include sizable real estate development projects, a massive sustainable city development with more than 2 million trees to be planted in the desert.

And we also had the number of farmers and avocado growers in California coming by with interest that we are now following up with, just to mention a few of the leads that came from this event. Then just a week back, we attended GCSAA, the International Golf Industry Event. This is the largest industry event in the world.

It's an international one attracting 11,000 participants from the golf course industry, a high participation of superintendents, management companies, etc. And our solution for water conservation really garnered, as I say, significant interest. And we do anticipate several contracts to materialize as a result of the conversations we had during this event.

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Turning to the Middle East, and here I want to start by calling out a huge thanks to our partners. We're now seeing that the investments that are put in this region over many years are starting to pay off with accelerating commercial adoption. LNC and licensing revenues increased by threefold from the third to the fourth quarter last year.

In the UAE, significant traction. We had multiple landscaping projects being deployed commercially. Contracts and agreements with some of the largest real estate developers have been secured.

And a number of projects in this segment is also continuing going forward. Also in Saudi Arabia, the traction is developing with projects having been executed both in the public sector for landscaping. A number of trees have been treated in some prominent projects in Riyadh.

We're also seeing some exciting private sector projects and initiatives. Here I wanted to touch specifically on a very inspiring project by one of the region's largest food sector companies, who are aiming to convert the desert into fertile land to grow feedstock for their business locally in Saudi Arabia and reducing the dependence on import. So very exciting.

We were also at COP16 that put significant focus on the importance of combating desertification, food and water security. And during this event, our partner Saudi Desert Control also signed an important agreement with Estidama, which is the Saudi National Center for Sustainable Agriculture under the Ministry of Environment, Water and Agriculture, MIVA. And this collaboration will focus on enhancing water efficiency, soil health and crop productivity in line with Saudi Arabia's national sustainability goals and the Vision 2030.

The agreement is expected to drive further pilot to commercial transitions and position LNC as a scalable solution for water conservation in the kingdom's agricultural sector. We have good traction, and an exciting outlook based on indications from our partners. We do anticipate that LNC volumes for the region will grow six times compared to the full year deployments that we had in 2024, already by the end of the first half of 2025.

There are also a number of larger scale projects in the pipeline with our partners that indicate potential requirements for the next generation high capacity production units for the second half of 2025. So exciting developments and again, huge thanks to our partners for all the work that you're putting in and driving this forward in the region.

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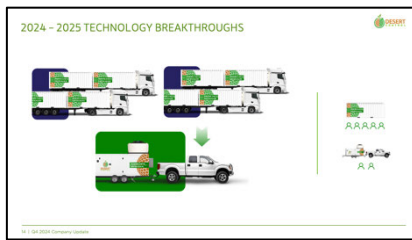
Next, I want to spend a little time on the World Food Programme and the Innovation Accelerator Sprint Programme that was announced in the fourth quarter.

This is a funded six-month demonstration project in Iraq. The picture that we're seeing in the screen here was actually received a couple of days ago from a site visit that our partner Soyl did down in Iraq. We see this is a completely barren area where the objective is to turn this into fertile land for climate resilient farming in areas that are severely water stressed and impacted by droughts.

The objective now is to start the implementation in April, May this year. And our Middle East partner Soyl, part of the Mawarid holding investment will be our on the ground force implementing this in collaboration with WFP's Iraq country office. This has, of course, a massive humanitarian potential.

If we can develop a blueprint for drought response and land restoration that we can deploy together with organizations like the UN and the WFP, we can really also help to secure a stable future for food and water security and mitigate the risks of mass migrations and really contribute to the greater vision of desert control. The long-term potential of what we're starting here is what's called an LTA agreement, where our technology would be very easy to deploy for WFP entities around the world. And WFP does operate in more than 120 countries around the world that have a significant potential for this type of technology.





Then touching on the technology breakthroughs that we have worked the grounds for in 2024, and that we'll see further implementation of now in 2025. Our production technology is improving significantly. I mentioned that already as we speak, we're using our prototype at Oasis dates with impressive results.

And it is really a massive leap of capacity to go from 15,000 liters per hour to over 120,000 liters per hour that we have proven and now field tested through the last half of 2024 and into this year. So that means that one single unit will have more than eight times the capacity of the current 20-foot container sized units in half the footprint of one such unit and at a quarter of the cost really. We're also seeing significant improvements here in the way that we operate and run these units.

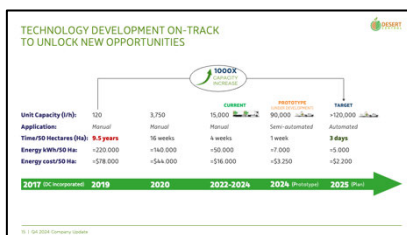
One example is that we're moving now from manual input loading of the clays and the content. In the past, we've been dependent on 20/25 kilo bags manually loaded in by the operators into the units one by one to now automated loading with one ton big bags, operating with two bags at a time in the back and really fast switching between them so that we can maintain sustained production at this 120,000 liters per hour level. Also, the team has put significant efforts into automation and improving the technology platform so that we're reducing the number of operators required to drive these units.

Further, there are great work put in in terms of telematics and automated reporting, fleet management. We're doing great things here, much of it also thanks to the technology that we're accessing and doing in collaborations with Siemens. We remain on track for commercial readiness for this platform, as we've previously announced that we'll have commercial readiness during the first half of 2025.

In addition, on technology breakthroughs, I also want to repeat the importance of having now a good control over the particle sizes and the way that we are processing and delivering this that has enabled us to move from manual application to application through irrigation systems. As I mentioned, we're now deploying simultaneously to thousands of trees at Oasis dates, which in the past would have been a massive undertaking to do manually. We've also enhanced our capability to work with a greater variety of the local water qualities to ensure that we really don't need to bring in portable water or water trucks for the production of the LNC, that we can work with the locally available irrigation water that is there, and increasing, as I mentioned, the feasibility from just highly sandy soils to a greater variety of soil types.

Just as a reference, if you wonder if the market for highly sandy soils is not big enough, to give you a reference there, if we were only feasible for soils that had more than 95% sand content of the 4.7 billion hectares of agricultural land globally, we would only be relevant for a very few percent of that market. But as we can now grow into the categories of not only sandy soil, but also a good part of sandy loam and loamy sand, that means that we're expanding that from a couple of percent to maybe 20 to 25% of the global markets. So, it's a huge upscale of addressable market for us.

I also want to thank our R&D team. They keep on track on driving our priorities that help achieve this in terms of formulations and developments that allow us to increase the addressable market. And they also keep driving a very, very inspiring agenda focused on soil health innovation, where programs like the collaboration initiatives we're doing with Syngenta, etc., other possible synergetic values that are very promising when it comes to biologicals, etc., are making good progress.



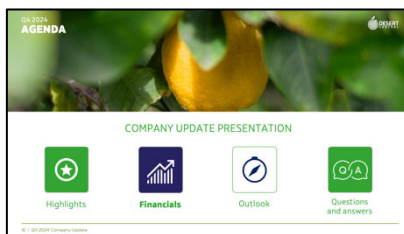
Just before we end on the technology update, I want to really revisit this slide. I've shown it before. I want to emphasize the cost efficiency improvement this technology development drives.

As evidenced by the energy use efficiency that you see in the bottom line here, this is really a tremendous development. We've gone from an energy consumption that would cost an energy \$78,000 to treat a 50 hectare areas to below 2,200 to produce LNC for such an area. That's really a massive, massive leap.

And it's also just the fact of being able to produce such high volumes in such a short time, enabling projects that require very quick turnarounds, such as, for example, the golf course market, where we typically have three to four days of the maintenance windows that they have where the course is closed, as the limitation for doing such jobs. So, it's an amazing development. As we see here, a thousand times capacity increase since 2019.

And doing that while maintaining nano scale precision on the output is really a very high innovation level.

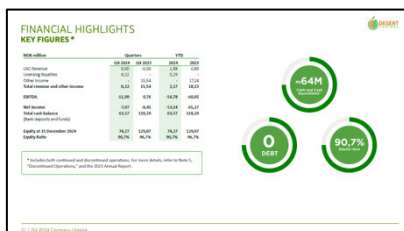
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Huge thanks to our team for the progress and achievements that have been made.

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

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Thank you very much, 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.

In 2024, we more than doubled our LNC revenues compared to 2023, driven by technology advancement, increased project volumes, and enhanced operational efficiencies. In addition, we are pleased to report that licensing royalties from our partners in the Middle East continue to grow. Full year EBITDA improved from minus 60 million NOX to minus 57 million NOX in 2024.

However, this progress is more significant than it appears. As our Q4 2023 EBITDA received a temporary boost of 15.5 million from discontinued operations, related to the transitioning to licensing model. Excluding this one NOF, our EBITDA improvement is closer to 19 million this year.

The company closed the fourth quarter with a positive cash balance of 64 million and has no interest bearing debt. These figures include both ongoing and discontinued operations of Desert Control.



Description of Q4 2024	Q4 2024		Q4 2023	
	Million	USD million	Million	USD million
<b>Assets</b>				
Current assets	74.3	6.4	64.0	5.5
Non-current assets	0.0	0.0	0.0	0.0
<b>Liabilities</b>				
Current liabilities	0.0	0.0	0.0	0.0
Non-current liabilities	0.0	0.0	0.0	0.0
<b>Equity</b>				
Shareholders' equity	74.3	6.4	64.0	5.5
Reserves	0.0	0.0	0.0	0.0
Retained earnings	74.3	6.4	64.0	5.5

Revenue from sales in 2024 also included licensing royalties.

For further details, please refer to note number two. Year to date, our sales revenue has reached nearly 2.2 million compared to 850,000 for the same period last year. More than doubling year over year.

This growth has been driven by larger scale deployment and increased number of pilot projects. Furthermore, we are projecting a tenfold increase in sales in 2025. In Q4, the company capitalized some of our development efforts undertaken in 2024 for the LNC production units.

This primarily impacted salary and employee benefit expenses.

Description of Q4 2024	Q4 2024		Q4 2023	
	Million	USD million	Million	USD million
<b>Assets</b>				
Current assets	74.3	6.4	64.0	5.5
Non-current assets	0.0	0.0	0.0	0.0
<b>Liabilities</b>				
Current liabilities	0.0	0.0	0.0	0.0
Non-current liabilities	0.0	0.0	0.0	0.0
<b>Equity</b>				
Shareholders' equity	74.3	6.4	64.0	5.5
Reserves	0.0	0.0	0.0	0.0
Retained earnings	74.3	6.4	64.0	5.5

The company financial position is strong and during the year we converted our funds' investments into more liquid assets to ensure that market fluctuations do not impact our position. By taking this measured step, we underscore our commitment to preserving financial stability and reducing risks.

Cash and funds in total amounts to 64 million kronor as of the end of Q4 2024 and we have no interest bearing debt. Our financial resources are robust and sufficient to support both our ongoing operations and planned activities. As previously anticipated, we remain on track for financial runway to extend to Q4 2025 even when excluding revenue.

The overall reported equity of 74.3 million kronor equals 90.7 percent of our total assets.

Description of Q4 2024	Q4 2024		Q4 2023	
	Million	USD million	Million	USD million
<b>Operating activities</b>				
Change in cash and cash equivalents	1.5	0.1	0.0	0.0
Change in cash and cash equivalents from discontinued operations	0.0	0.0	0.0	0.0
<b>Investing activities</b>				
Change in cash and cash equivalents	0.0	0.0	0.0	0.0
<b>Financing activities</b>				
Change in cash and cash equivalents	0.0	0.0	0.0	0.0
Change in cash and cash equivalents from discontinued operations	0.0	0.0	0.0	0.0
<b>Net change in cash and cash equivalents</b>	1.5	0.1	0.0	0.0

The cash flow from operating activities divided between continued and discontinued operations reflect the operational profit and loss adjusted for depreciation and amortization, highlighting the company's cash focus approach. In Q4, we received approximately 1.5 million kronor in skattefunn, government grant funding.

Otherwise, there were no notable deviation in cash flow with overall movement aligning with expectations and previous quarters. No additional significant sources of capital have been introduced during the fourth quarter.

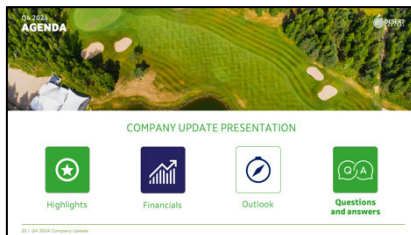


We're focused on areas like the date project that we have now with Oasis Date, where we will see continuing adoption. We're also in negotiations and discussions with the additional date growers that have had successful pilots on expanded deployments for the year and also leveraging the industry partnerships that we have and the strong reference projects to continue driving adoption in this sector. Then we have the great traction in the Middle East with our partners.

We anticipate the licensing revenues to keep growing and we also foresee opportunities for activating hardware sales for more units and more production capacity towards the later part of the year. We remain on track to be readiness with the commercial grade systems of the new prototype in the first half that will also unlock significant operational efficiencies and further cost reductions in our operations, which will help us to grow more revenues, to unlock more of these sales opportunities and also generate additional hardware sales. So, with this pipeline that we have, the secured contracts that are already entered and the strategic partnerships, we are now moving forward with a diversified revenue model, both upfront sales, pay-as-you-save model and hardware and licensing revenue.

Based on that, we are firmly on track to continue growing and we foresee more than tenfold increase in LNC volumes and revenues for 2025.

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

Today, we also have the honor of having our Chairman, Lars Eismark, join us, and before we start the questions, I want to give Lars the opportunity to introduce himself.

Thank you Ole Kristian and good day to everybody who has joined our webcast here. My name is Lars Eismark. I joined the Board of Directors of Desert Control over the summer last year in 2024 and during Q4 last year, I was offered the position as chairman of our Board of Directors, which I of course accepted with excitement.

Prior to joining Desert Control, I spent 30 years in executive positions across various industries and my latest then was a senior partner with AT Kearney, where I was leading our largest global industry practice, which by the way included several of the large agriculture players. Today I spend the majority of my time in board positions across a variety of companies, including large family-owned companies and private equity-owned companies. And then for more than 10 years, I've been part of the Board of Directors at the World Wildlife Fund

**Q: When do you expect to be cash positive and can you elaborate on how the pay-as-you-save model works and what financial implications it has in the short and long term?**

**A:** All right, you're really starting fresh, head on here with the most relevant questions.

When it comes to the question of cash flow positive, it's quite easy to see that we do have an operational cost base with a burn rate of around \$6 million annually. And we've indicated previously that we operate with a gross margin in the range of at least 50%. And as I say, with the increase in production capacity from our technology development areas, we also see further improvements and strengthening of margins. So, in simple math's, that means that once we reach somewhere in the range \$10 to \$12 million in revenues, we will be in the cash flow positive operations mode. And we've said that we do anticipate more than tenfold increase of volumes and revenues in 2025. I anticipate that growth rate to continue also in 2026, which means that we'll be very likely to hit that milestone in 2026.

But keep in mind also that we are a technology company that has a huge global market potential. There are 110 countries in the world that has substantial need and represent substantial opportunity. So rather than focusing on cash flow positive overall as a company, I think we should keep in mind that we definitely want to keep investing in growing this business and bringing it to additional markets as well.

Then to the pay as you save model, I think I did elaborate quite in detail in the presentation today on how it works, basically establishing the baseline of historic water use. And then from that, we define every saving that we create as a saving. And we take the monthly financial value of that saving and split between us and the client. We've created a very incentivizing model here as well, where the lion's share of the initial 10% of water savings goes to desert control because we are taking the investment here and need to recover that first. And then we have an increasing percentage of the share going to the client on higher and higher water savings, which stimulates the clients to turn down the thermostat as much as possible on the water. And we also have contractual obligations for them to continue decreasing the irrigation volumes to the level where it gets to the balance of just not jeopardizing the turf health. We also have a good level of transparency here. We have sensors that we put in the ground to look at the moisture levels to see that they're not over-irrigating. We have readings from flow meter data, et cetera, to see the actual water consumption and copies of the invoices from the water providers that gives us a very good overview that we are getting proper data and sharing these savings according to the model and the agreement.

Please feel free if you have further detailed questions on this to shoot them into the Q&A here or email them into us and we'll be happy to dive further into this.

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**Q: Can you comment on whether Desert Control has any plans for capital raising in the near future?**

**A:** We do have a financial runway at the moment, as Leo commented, that takes us to the fourth quarter of this year, excluding revenues. We are focused on driving revenues and sales activities. And when it comes to how to fund the continued expansion of our business and getting us to the cash flow positive point in 2026 and beyond, we're continuously always looking at various sources and ways of funding those activities, which any company always does.

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**Q: Four years ago, there was visible and significant enthusiasm among investors regarding the Middle East. Several LNC units were deployed, and the partnership with Mawarid was described as a match made in heaven. Why has commercial success been absent, and what has changed since then?**

**A:** I think if we put the group CEO of Mawarid onto the call, he would still say that this is a match made in heaven. They have a huge focus on sustainable management of natural resources. And since then, we've also added a very enthusiastic group in Saudi with our Saudi Desert Control extended family members as well. So, I think the enthusiasm is still there and still strong.

I did also show the development of Desert Control since 2017 to 2019 and onwards. And we have to also respect that some of these initiatives do take time to get going. Remember that it was only in 2023 that we actually got through the regulatory approvals and built the foundation. Since then, especially during 2024, Mawarid has made significant investments in building a dedicated team.

They've rebranded to Soyl and put significant sales resources onto the field. And I must say that I am truly impressed by the sales momentum that is now playing out in the UAE as well as in Saudi Arabia. I see the traction that both of our partners, both the marketing, the awareness that people like Dr. Orn in Saudi Desert Control as well is driving on our LinkedIn and social media and all the activities happening on the ground is really building the momentum.

And of course, as in any new technologies, we do see a need for a number of piloting initiatives. That's what our partners also are seeing. And remember that these pilots start fairly small, then they expand to a larger stage and it's huge opportunities that are at the back end of this. So, I think the commercial success is not absent. I think the years of investments that we've put into the region and that our partners are putting in is now evidently starting to pay off. And we've seen it with a tripling of activity and licensing revenue from the third to the fourth quarter. And we do anticipate in the coming six months, sixfold that level of activity and LNC deployments compared to all of 2024 in the Middle East. We're very happy with the development.

Chairman adds comment: Maybe just to add a little bit from my side, we had yesterday the pleasure of having our two Middle East partners presenting a status during our board meeting.

And I have to say that I was very impressed with the rigor and structured approach that our partners are displaying in their local markets. Very, very well-structured go-to-market approach, priorities set, investments into the go-to-market teams. So, I was very happy to see the enthusiasm, the momentum and needless to say, the success that our partners are having in the Middle East.

And I think everybody's aware their success is our success and vice versa. So, we're very, very happy with the people we have in our partnerships.

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**Q:** The next question is also regarding our partners in the Middle East. Saudi Desert Control is a company with a much shorter history than Soyl. Despite this, they seem to be more present and active in many processes and initiatives. Why does Soyl appear to be moving more slowly while Saudi Desert Control progresses quickly, and how can Soyl gain momentum?

**A:** Well, I think both partners are moving strongly. We're seeing a significant, you know, increased level of activities, as Lars was mentioning, that we clearly saw in our board meeting as well yesterday across the region with both partners. So Soyl is part of a larger corporate system. They've invested significantly now into the rebranding to drive their own brand concept around Soyl that is purely built on bringing LNC to market. And we see growing traction for that in the UAE and also into Saudi Arabia. And we're very, very grateful for the strong tailwinds that is created around Saudi Desert Control as well, that really elevates everyone in the market locally.

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**Q:** How many LNC production units are currently operating worldwide? Will they be upgraded with the new technology this year? Additionally, will new units be added to the total fleet in 2025?

**A:** We have a number of what we call the Oasis version, the 20-foot container units, which is our current platform with 15,000 liters per hour capacity units, in the Middle East. Soyl has seven such units, and Saudi Desert Control has four such units. And we had a few of them in the US, where we have transitioned to drive our projects primarily with the next generation prototype that really lifted our activity level and LNC production volumes in the US during last year. So going forward, I think we mentioned in our last quarterly update that once we are done with the development of the next generation model, so that we can start putting them into production, we'll also make available upgrade kits for the current platform or the old platform to increase the volume of these units and secure that that capital is protected and provides good value going forward.

And on top of that, of course, there are significant other benefits, not only higher production volumes, but much more efficient mobilization, smaller footprint, etc. There is much less strain on labor with the new technology that we bring. And we do foresee projects that will have the need for such high capacity. There are developments also in sports fields and golf courses, etc. in the Middle East that will drive a need for the next generation production systems. And we do anticipate in the second half to also increase units there. And we will be adding more production capacity in the US to support the scale up of deployment of pay as you save models and other projects.

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**Q: Next question, when you will conclude the trial project with Syngenta?**

**A:** This is not a concluding of a trial project; this is a development of a collaboration. Here we are constantly evolving and looking at different areas where we can add value to their portfolio and where their products and inputs can add value to the soil health initiatives that we are driving on our side. So that is evolving. We're now also in discussions with their US team. We are planning to do things with their research farm up in Colorado during this upcoming season. We're also seeing Syngenta as a very, very active and leading player in sports fields, golf and the turf industry and exploring also opportunities with them on that arena.

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**Q:** The next question: Is it likely that you will secure more licensed partners in the Middle East and North Africa (MENA) region?

**A:** Well, we continuously receive incoming requests and interest from across the region. Our primary focus is to ensure the success of our existing partners and to avoid spreading our resources too thin, too quickly. However, there is certainly potential for expansion in the region, which could be explored in collaboration with our current partners. Additionally, there may be opportunities for establishing new partnerships across the region.

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**Q:** Could potential tariffs in the U.S. impact the cost of producing LNC or the cost of production systems?

**A:** Well, since we are producing systems in the U.S., this provides some protection and advantages under the current conditions, particularly regarding certain components. Our focus is on selecting components with multiple suppliers from various regions to mitigate risks. However, unexpected tariffs could still impact specific components. That said, we have very few areas where we are highly dependent on a single or rare vendor, so we feel fairly confident in our ability to manage these challenges.

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**Q:** The next question: How many of the new units do you expect your Middle Eastern partners to acquire?

**A:** Well, the pipeline of opportunities being developed throughout the year will ultimately determine that. Our partners are currently focused on fully utilizing the capacity of their existing platforms. However, we anticipate that certain projects with higher capacity needs will require additional units. As of now, we see potential for at least a couple of new units in the second half of the year, and if some of the larger opportunities materialize, that number could be even higher.

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**Q:** It would be interesting to hear Lars, as the newest board member, expand on what was previously described in the presentation as Desert Control's full potential.

**A:** I see this in several stages. First of all, the potential across markets is enormous. The most important task for us now is to prioritize our efforts and focus on areas where our technology is already proven, where we have existing, satisfied clients, and where there is significant potential within those segments. Naturally, we need to expand within the areas where we are already seeing success. Additionally, we must continue to support our successful partners across the Middle East, as they are doing a great job. This includes providing further support for both our technologies and units.

When I joined the board, I mentioned that we can define the size of the market opportunity ourselves and essentially, we can decide how many zeros to add to the value of that potential. However, realizing this potential requires structure and discipline. That means focusing on the areas where we are already performing well, where we have happy clients, and where we can expand within those segments and geographies where we are already present. This will remain our primary focus in the short to medium term.

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**Q:** Two full-scale golf course LNC implementations are planned for April. Do you aim to secure additional golf contracts for implementation during this spring window?

**A:** We do aim to land additional contracts in the coming months. We have well-developed opportunities currently in discussion, including several advanced conversations from the GCSAA show in San Diego last week. The objective is definitely to have some of these projects implemented during the early part of the year's maintenance window.

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**Q: Where are you in the process with the PGA, and how do you envision the timeline for its development? When do you expect a contract to be finalized?**

Additionally, how do you see the overall golf initiative progressing? What are the main obstacles preventing you from securing contracts?

**A:** It seems like a no-brainer for golf courses, given the significant benefits they stand to gain from a more water-efficient model. Regarding PGA West, we've seen very positive developments. For those following the news, we recently had a great interview with Nick Hoisington and our Head of Golf and Turf Landscape, Kevin Neal, in a golf industry magazine. PGA West expressed their excitement about our technology, emphasizing how important it was for them to confirm that it does not impact playability. They highlighted in the interview that playability remains unchanged while achieving significant water savings. At PGA West, we have demonstrated approximately 25% water savings while maintaining higher moisture levels, leading to healthier turf that recovers faster from play. This is a strong validation of our solution.

We initially engaged with PGA West through a traditional purchase model, rather than a "pay-as-you-save" model, since they have the financial capacity to invest directly in this technology. They have followed the process from a small pilot stage to an expanded implementation. We expect further expansion to larger areas this spring, with performance evaluation continuing through the hot summer months. Based on the results, we anticipate negotiating broader deployments across their courses toward the end of the year.

On the overall golf initiative, we are very encouraged by the progress. The pay-as-you-save model has been particularly effective in accelerating adoption. While small pilots—on tee boxes, greens, and some fairways—are valuable for technical validation, the real breakthrough comes when full-course implementations demonstrate both technical and financial viability. This is why securing reference clients who have implemented LNC across entire golf courses is key. Once other courses see these proven results at scale, it will remove many of the barriers that currently lead to extended pilot periods. We are on track with clubs like Berkeley Country Club and Woodland Hills, and we expect to add more full-course implementations that will showcase both technical and financial benefits by the summer. As we prove these cases, we anticipate securing a meaningful number of additional clients this year, with full-course activations that will drive momentum into 2026 and beyond, significantly accelerating large-scale adoption.

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**Q:** Thank you, Ole. The next question: When do you expect to achieve operational results, and what is the potential for royalty payments over the next one to two years?

**A:** Regarding royalty payments, we anticipate steady growth from smaller-scale revenues. Additionally, the efforts to position LNC as an integrated part of regulatory frameworks for water conservation requirements are expected to yield substantial results in the UAE. We believe these initiatives will likely be replicated across the region. Our partner in Saudi Arabia is also conducting significant stakeholder engagement, comparable to what we've seen in the UAE.

We foresee that stage one to stage two deployments will continue to generate revenue alongside the commercial projects we've seen in landscaping programs and developments in the UAE. What's particularly exciting about the Middle East is the nature of these massive, mega-opportunities, which are fluid in their timelines and development. Both of our partners are in discussions regarding significant government-driven and private sector opportunities. Once these opportunities move forward, they represent enormous potential.

For those following on social media, you may have seen that large landscaping contractors are enthusiastic about LNC and are collaborating with Desert Control's partners in the region to explore these opportunities. We frequently hear positive feedback from discussions with large government entities, highlighting how LNC's value proposition aligns closely with national priorities in the region. While I'm very optimistic about the potential, I want to temper expectations by emphasizing that these developments won't happen overnight. I believe we'll see more meaningful contracts toward the end of this year and into the new year, which will further develop the market. My approach is to under promise and overdeliver, but I'm optimistic about the region's potential and the growing capabilities of our partners.



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**Q:** Can you provide any insights into the pipeline of license partners and the potential royalty payments for Desert Control over the next year or two?

**A:** I've already shared our excitement about the growing pipeline, and I'll reiterate what I mentioned earlier in the presentation. Based on current indications from our partners, we anticipate a sixfold increase in LNC volumes deployed in the first half of 2025. Naturally, there should be a strong correlation between this growth in volume and an increase in licensing revenues. Additionally, both of these companies operate autonomously and independently. Once they secure significant contracts, they will issue their own press releases, and we will be eager to echo those announcements in the market when they are made public.

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**Q:** I believe one of your licensed operators is increasing their ownership in Desert Control through the purchase of shares on the stock exchange. Do you have any thoughts on whether our intentions might be?

**A:** I'm not aware of any specific licensed operator significantly increasing their ownership. However, we do have several nominee accounts, which means there could be various interests in increasing their stakes.

In general, any investor increasing their stake in the company is a very positive signal. We are always pleased to see shareholders expanding their positions, as it reflects confidence in our technology and market opportunities. Today, we have a fairly diversified and widespread shareholder base, so any such movements would indicate strong belief in the company's future.

Lars, feel free to add any thoughts.

Lars: No, I think you covered it well I fully support that statement.

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**Q:** How many golf courses can you treat in a year per LNC production system?

Additionally, how will the growth in U.S. golf course adoption impact the number of employees?

**A:** With the new next generation production system, we'll be able to treat sort of the average golf courses that we're dealing with in a couple of days. Now, here as well, it's important to understand a little bit the operations of these golf courses, right? So, these golf courses will not close down necessarily. And some of them could, but not in general for just doing maintenance activities at any given time. They typically have two maintenance windows per year. One that starts in the early part of the year around March, April, stretching a little bit into May, a little bit further where we could do really with one unit, quite a number of these. So if you say we do a golf course in the beginning of the week and one in the end of the week, and then continue doing that for those months, then there will typically be a period where it's more focused on play and keeping revenue generation for the golf courses open during the high season before we have the second maintenance window that typically kicks off around September, October-ish that gives us the opportunity for a good boost in installations there as well. Some of these golf courses, I will add, will have so high water costs that they will be willing to make exceptions and actually adapt their maintenance window to when we have availability to deliver, which also evens out that curve quite a bit.

What was the last part of the question? How will it impact the number of employees? Well, of course, as we are targeting to do more courses in parallel, we'll add more production capacity, have more units. And then I did emphasize how efficient we're becoming. Of course, we'll add some more employees, but one to two operators to really run this activity on a production and application level, since we're applying through the irrigation system, is the rule of thumb that you should calculate with.

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**Cautionary Note**

**DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS**

Our future performance, and other financial metrics, could differ from the actual results and performance shown in this report. Accordingly, we caution investors that our financial results, performance and other financial metrics may differ from those presented in this report.

Our financial results, performance and other financial metrics are subject to various risks, uncertainties, and assumptions. These risks, uncertainties, and assumptions are discussed in our 2024 Annual Report, which will be released on April 9th, 2025. Our financial results, performance and other financial metrics are also subject to various risks, uncertainties, and assumptions, which are discussed in our 2024 Annual Report, which will be released on April 9th, 2025.

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

**Thank you for your attention!**



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ENERGY SERVICES

Thank you. We'll see you again in the near future. Our 2024 annual report will be released on April 9th, followed by our Q1 2025 quarterly report and the next company update session on May 12th.