

Q1 Report And Financial Results

2025



A New Chapter of Leadership

Introducing Our CEO, James Thomas

James is a proven leader with over 30 years of experience at the intersection of innovation, finance, and growth. He brings not only deep strategic insight but also a strong alignment with Desert Control's mission, values, and commercial priorities.

Who is James Thomas:

- Senior roles at Goldman Sachs, Warburg Pincus, and co-founder of Thomas, McNerney & Partners.
- Board experience across 20+ science-driven companies with IPOs, M&As, and global expansion.
- Joined our Board in 2023 and is the largest shareholder via Woods End Interests LLC (9.8% stake).

His leadership marks a deliberate step forward as we scale our operations in the United States and the Middle East, strengthen our commercial platform, and build long-term value for stakeholders.



About Desert Control



Technology

A climate-smart innovation to restore and improve soil, increase water use efficiency, and strengthen economic resilience for our clients.



Solution Areas

Soil enhancement solutions to reduce water and input usage while increasing plant health for agriculture, forest management, golf courses, turf and landscaping.

Agriculture



Trees & Forest



Golf, Turf & Landscaping



Unlocking Opportunity In A \$100b+ Water & Soil Tech Market

STAGE
01

MENA & U.S.

Accelerate the licensed operator model in the Middle East and continue direct sales in the U.S. to grow adoption and prove the technology on a larger scale



STAGE
02

Australia

Continue scale-up and scale-out expansion to sandy soil regions in Australia



STAGE
03

Europe, Africa, Asia/India, RoW

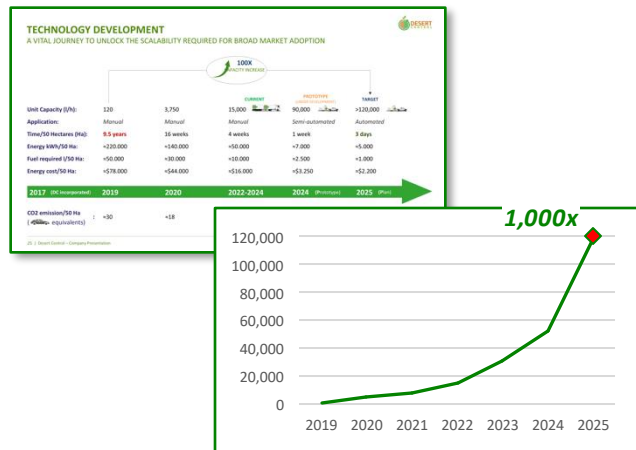
Global expansion to all regions experiencing desertification, drought, and water shortage



> 110 countries are exposed to desertification, land degradation, droughts and water scarcity

Current Status

The LNC Technology is Reaching Inflection Point for Scalable Commercialization



- LNC unit production capacity to increase from 15 CBM/h to >120 CBM/h in H1-2025.
- Unlocks opportunities that require large volumes delivered with short time windows.
- Compatibility with irrigation systems validated.

Commercial Traction in U.S. and Middle East in Landscaping/Golf Courses and Agriculture



- 2024 LNC volume & revenue >2X from 2023.
- Significant commercial traction on pay-as-you-save model in the golf course segment.
- WFP opening doors to large impact markets.
- 2025: Traction to grow revenues >10X.

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**Questions
and answers**

Q1 2025 & Ytd 2025 Highlights

UNITED STATES

Scaling Commercial Success in U.S. Turf & Ag Markets

- **Landscaping:**
 - Woodland Hills Country Club
 - Berkeley Country Club
 - Utility Incentives Approved
- **Agriculture:**
 - Oasis Dates (CA):
Largest-ever project: 9,000+ trees, 160+ acres, major speed and efficiency records.

MIDDLE EAST

Momentum for LNC Adoption Remains Strong

- Additional scope building on earlier projects and new contracts secured for landscaping projects in the UAE
- Successful first trial on golf club in Dubai led to expanding to stage-2 pilot and new pilot in Abu Dhabi
- Improved turf health and water retention seen on first turf farm pilot in Q1, provided commercial stage-2 pilot for SDC planned in Q2

INNOVATION

Continued Validation and Development of Technologies for Scaling

- The Next-Gen prototype produced record volumes of LNC for the large projects completed in the US
- Finalizing build requirements and manufacturer selection
- Expansion of addressable market and research into supplementary agronomic benefits of LNC

LNC Proves Its Strength in Largest Ag Project to Date



Operational Progress:

- Oasis Dates – California (Phase 3 Project)
Largest application in company history
160+ acres, 9,000+ Medjool date trees treated
Achieved records in:
 - Sustained & peak production speed
 - Trees treated in a single day: >3,000
 - All executed with 1 LNC unit and a lean operations team



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

WHCC: From Pilot to Multi-Year Deal in Under 6 Weeks

Woodland Hills Country Club (CA)

- Pilot completed: March 2025
- Company supported successful application for local water utility incentives
- Customer signed multi-year revenue agreement and drop the word Led.
- Based on Pay-As-You-Save (PAYS) financing model
- Pilot to full-course commitment completed in under six weeks



California Incentive Approval Strengthens Commercial Case



Desert Control's solution is now eligible for water conservation incentive programs from the **Metropolitan Water District of Southern California (MWD)** and **Los Angeles Department of Water and Power (LADWP)**.

Key Highlights:

- Up to 50% of total installed cost covered through rebates.
- Incentives apply to materials, installation, and engineering.
- Based on verified water savings, with payouts extending up to 10 years.
- Partial advance payments may be available at utility discretion.

Strategic Impact:

- Validates solution performance and ROI.
- Enhances client adoption through financial support.
- Accelerates growth across large irrigated landscapes in key California markets.



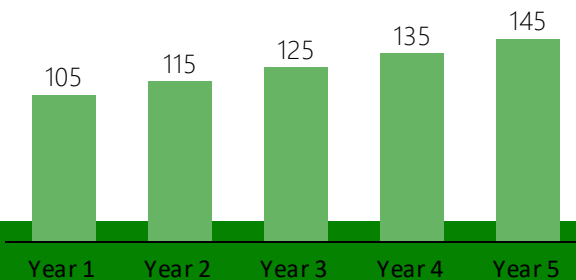
Case Study: Pay-as-you-save Business Model

- ➔ Berkeley Country Club: Full deployment of LNC for the 63-acre golf course is anticipated to be executed at the latest in H2-2025.
- ➔ Outcome based revenue model generating monthly recurring revenue (MRR).
- ➔ Potential contract value of NOK >6 million over the initial five-year contract.

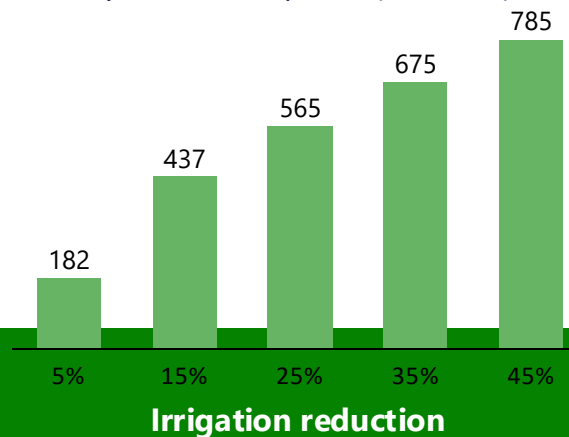
"We are excited to partner with Desert Control in pioneering a sustainable future for the golf industry"

Jeff Perry, GM of Berkeley Country Club

*Illustrative revenue recognized by DC
at 30% water savings (USD '000)*



*Total contract value over initial
5-year contract period (USD '000)*



Berkeley Country Club and Woodland Hills Country Club are important milestones for DSRT.

- First large-scale contracts within the landscaping segment in the US
- The new pay-as-you-save outcome-based revenue model was introduced in Q4-2024

Key attractions of the outcome-based revenue model.

- Immediate positive cash flow for customer resulting in acceleration from pilot testing to large scale deployment
- Cash flow visibility through MRR creating long-term shareholder value

Momentum for LNC Adoption Remains Strong in Middle East

Several new commercial projects secured by partners in Q1

- While deployments slowed during March, this year Holy month of Ramadan, we continue to see growth in interest, customer contact, pilots and later stage.
- Additional scope was awarded for deployments previously executed residential landscaping projects in the UAE
- Leveraging the long-standing relationship with Masdar City, Soyl was awarded the LNC treatment work of a new public park under construction
- Positive outcomes from stage-1 pilot at Trump International Golf Club in Dubai, led to the launch of a stage-2 pilot commencing in May
- A successful turf farm pilot conducted in Q1 by Saudi Desert Control (SDC) for Atlas Turf Arabia demonstrated significant improvements for water retention and turf health, resulting in a first commercial stage-2 in Q2
- Based on promising pilot results in Q1, SDC is further advancing tree nursery and landscaping initiatives in Saudi Arabia



United Nations World Food Program (WFP) – Innovation Accelerator's SPRINT Program



- **Site preparation**

- Performed by the WFP Iraq team with the Directorate of Forestry and Combating Desertification under the Ministry of Agriculture
- The pilot site in the Anbar province in Iraq has been prepared, including the planting of 4,000 olive and pistachio trees to be treated by LNC

- **Mobilization:**

- DC's implementing partner, Soyl, is completing the formalities for the mobilization of equipment and people
- Expect to mobilize in May

- **Objectives:**

- Turning desert land into fertile soil for climate-resilient farming in water-stressed regions
- Develop a blueprint for drought response and land restoration



2024-2025 Technology Breakthrough



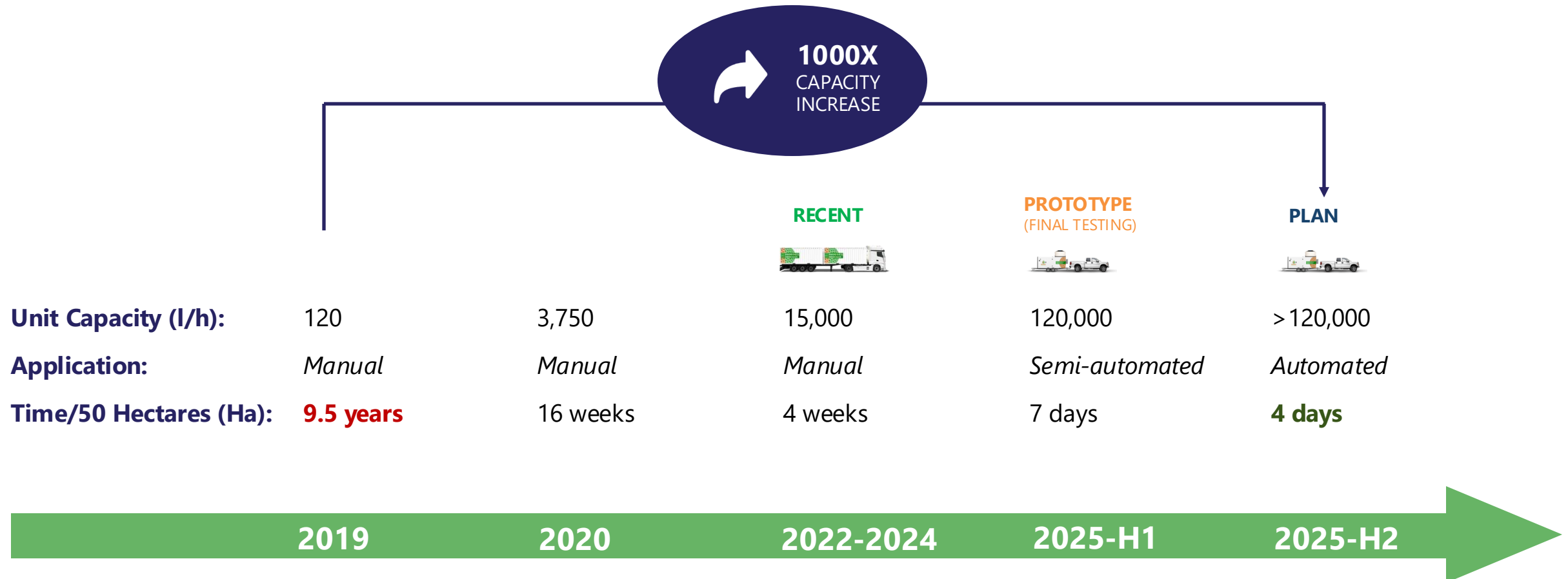
OASIS TRUCK



ROAD RUNNER



Technology Development On-track To Unlock New Opportunities



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FINANCIAL REVIEW

NOK, million	Quarters		Full Year
	Q1 2025	Q1 2024	2024
LNC Revenue	1,52	1,26	1,88
Licensing Royalties	0,07	-	0,29
Other Income	-	-	0,01
Total revenue and other income	1,59	1,26	2,18
EBITDA	-15,05	-14,73	-58,18
Profit / (Loss) for the Period	-22,02	-7,92	-54,85
Total cash balance (Bank deposits and funds)	43,31	105,13	63,57
Equity at 31 March 2025	58,65	115,42	74,77
Equity Ratio	89,4%	96,4%	91,8%

NOK 43M

Total cash
and financial
assets

89,4%

Equity ratio

Consolidated Statement Of Comprehensive Income

(Amounts in NOK thousand)	Note	Quarters		Full year
		Q1 2025	Q1 2024	2024
		(unaudited)	(unaudited)	(audited)
Revenue from sales	2	1 591	1 263	2 172
Other income		-	-	-
Total revenue and other income		1 591	1 263	2 172
Cost of goods sold (COGS)		612	154	270
Gross profit		979	1 109	1 901
Salary and employee benefit expenses		7 604	9 830	32 603
Other operating expenses		8 426	5 690	26 946
Depreciation and amortisation		1 206	1 285	5 129
Operating profit or loss		-16 257	-15 696	-62 776
Finance income		395	8 159	8 213
Finance costs		6 143	5	138
Profit or loss before tax from continuing operations		-22 005	-7 543	-54 702
Income tax expense		14	50	52
Profit or loss for the year from continuing operations		-22 019	-7 593	-54 754
Discontinued operations				
Profit or loss after tax for the year from discontinued operations		-	-323	-91
Profit or the loss for the year		-22 019	-7 916	-54 845

(Amounts in NOK thousand)	Note	Quarters		Full year
		Q1 2025	Q1 2024	2024
		(unaudited)	(unaudited)	(audited)
Allocation of profit or loss:				
Profit/loss attributable to the parent		-22 019	-7 916	-54 845
Other comprehensive income:				
Items that subsequently may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		4 710	-189	-5 581
Total items that may be reclassified to profit or loss		4 710	-189	-5 581
Total other comprehensive income for the year		4 710	-189	-5 581
Total comprehensive income for the year		-17 309	-8 105	-60 425
Allocation of total comprehensive income				
Total comprehensive income attributable to owners of the parent		-17 309	-8 105	-60 425

Consolidated Statement Of Financial Position

	Note	Quarters		At 31 December
		2025	2024	2024
(Amounts in NOK thousand)		(unaudited)	(unaudited)	(audited)
ASSETS				
Non-current assets				
Property, plant and equipment		12 206	7 968	11 292
Right-of-use assets		-	352	-
Total non-current assets		12 206	8 320	11 292
Current assets				
Inventory		614	286	152
Trade receivables		1 837	1 307	376
Other receivables		7 620	4 647	6 031
Other current financial assets		0	2	3
Cash and cash equivalents	4	43 313	105 125	63 572
Total current assets		53 384	111 367	70 133
TOTAL ASSETS		65 590	119 687	81 426

	Note	Quarters		At 31 December
		2025	2024	2024
(Amounts in NOK thousand)		(unaudited)	(unaudited)	(audited)
EQUITY AND LIABILITIES				
Equity				
Share capital	3	161	161	161
Share premium		81 458	322 573	135 118
Currency translation differences		-954	-269	-5 664
Retained earnings	5	-22 019	-207 051	-54 845
Total equity		58 646	115 414	74 769
Current liabilities				
Current lease liabilities		-	374	-
Trade and other payables		4 712	2 166	3 448
Public duties payable		319	680	1 383
Other current liabilities		1 914	1 053	1 826
Total current liabilities		6 944	4 273	6 657
Total liabilities		6 944	4 273	6 657
TOTAL EQUITY AND LIABILITIES		65 590	119 687	81 426

Sandnes, 09.05.2025


Lars R. Eismark
Executive Chairman

Marit Røed Ødegaard
Board Member

Maryne Lemvik
Board Member

Roar Husby
Board Member

James Thomas
Chief Executive Officer

Consolidated Statement of Cash Flows

(Amounts in NOK thousand)	Note	Quarters		Full year
		Q1 2025	Q1 2024	2024
		(unaudited)	(unaudited)	(audited)
Profit or loss before tax from continuing operations		-22 005	-7 536	-54 702
Profit or loss before tax for discontinued operations		-	-323	-91
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation		1 206	1 285	5 129
Net financial income/expense		-388	-8 159	-2 566
Foreign exchange gains or losses		5 034	-	-6 807
Share-based payment expense		1 186	1 393	6 132
Derecognition of Goodwill		-	-	-
Adjustments for other non-cash items				2 730
Working capital adjustments:				
Changes in accounts receivable and other receivables		- 3 510	-833	-1 151
Changes in trade payables, duties and social security payables		199	-61	2 045
Changes in other current liabilities and contract liabilities		-88	235	628
Net cash flows from operating activities		-18 029	-13 997	-48 653

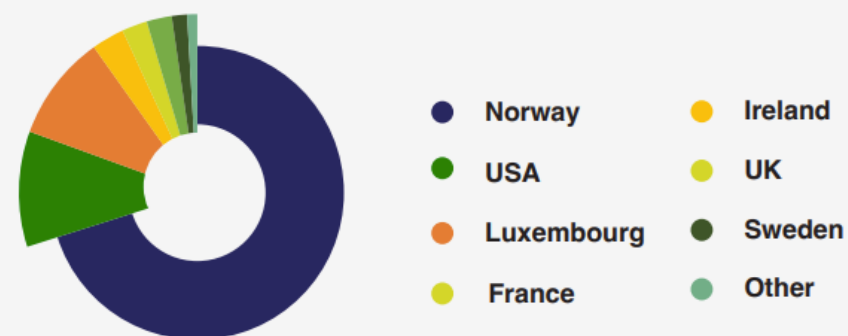
(Amounts in NOK thousand)	Note	Quarters		Full year
		Q1 2025	Q1 2024	2024
		(unaudited)	(unaudited)	(audited)
Cash flows provided by (used in) investing activities (NOK)				
Capital expenditures and investments		-2 516	-1 073	-9 097
Sale (Purchase) of financial instruments		-	19 613	19 580
Proceeds from sale of property, plant and equipment		-	-	-75
Interest received		388	-	2 130
Net cash flow provided by (used in) investing activities		-2 129	18 541	12 538
Cash flow provided by (used in) financing activities (NOK)				
Proceeds from issuance of equity		-	-	-
Transaction costs on issue of shares		-	-	-
Lease payments		-	-127	-488
Interest paid		-	-	-5
Net cash flows provided by (used in) financing activities		-	-127	-493
Net increase/(decrease) in cash and cash equivalents		-20 158	4 416	-36 609
Cash and cash equivalents at beginning of the year/period		63 574	100 008	100 008
Net foreign exchange difference		-104	701	176
Cash and cash equivalents, end of period		43 313	105 125	63 574

DSRT Shareholders

The Group's shareholders:

Shareholders in Desert Control AS at 31.03.2025	Total shares	Ownership/ Voting rights
Woods end interests LLC	5 343 472	9.94%
Citibank, N.A.	3 611 329	6.72%
Nordnet livsforsikring AS	2 801 268	5.21%
J.P. Morgan SE	1 808 533	3.36%
Lithinon AS	1 720 002	3.20%
J.P. Morgan SE	1 714 379	3.19%
Ole Morten Olesen	1 586 083	2.95%
Lin AS	1 502 275	2.80%
Olesen Consult HVAC AS	1 475 000	2.74%
Glomar AS	1 368 456	2.55%
BNP Paribas	1 300 000	2.42%
Jakob Hatteland Holding AS	1 222 222	2.27%
Ninas Holding AS	1 200 173	2.23%
OKS Consulting AS	1 170 000	2.18%
Citibank, N.A.	1 100 000	2.05%
Meglerkonto Innland DNB Bank ASA	1 012 284	1.88%
Clearstream Banking S.A.	959 698	1.79%
The Northern Trust Comp, London Br	958 275	1.78%
Sortun Invest AS	949 937	1.77%
Atle Idland	800 049	1.49%
Others	20 144 542	37.48%
Total	53 747 977	100 %

Country of origin	No of shares	%	# shareholders
Norway	34 304 571	63.82%	3 047
United States	5 656 859	10.52%	5
Luxembourg	5 288 029	9.84%	8
Ireland	4 840 144	9.01%	12
France	1 627 896	3.03%	5
United Kingdom	1 119 101	2.08%	8
Sweden	533 756	0.99%	14
Others	377 621	0.69%	33
Grand Total	53 747 977	100%	3 132



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Outlook Strategic Priorities For 2025

U.S. Golf & Landscaping

Expanding LNC's footprint in golf and turf management, building on the early success of the pay-as-you-save model to drive recurring revenue and expand adoption.

U.S. Agriculture

Scaling deployments in high-value permanent crops, leveraging industry partnerships and strong reference projects to drive adoption.

Middle East

Growing licensing revenues and deployment volumes in the Middle East following the transition of pilot projects into larger-scale commercial implementations.

Technology

Executing the commercial launch of the next-generation production system, unlocking significant operational efficiencies, cost reductions, and the ability to meet increasing demand while opening new revenue opportunities from sales of production units and hardware to partners.

"With a strong pipeline, secured contracts, strategic partnerships, and a diversified revenue model—including recurring revenues, upfront projects, hardware and licensing revenues, Desert Control is on track to grow its contracted revenues more than tenfold in 2025."

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Cautionary Note

FORWARD-LOOKING STATEMENTS

Disclaimer related to forward-looking statements

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

Forward-looking statements are statements that are not historical facts and may be identified by words such as “aims”, “anticipates”, “believes”, “estimates”, “expects”, “foresees”, “intends”, “plans”, “predicts”, “projects”, “targets”, and similar expressions. Such forward-looking statements are based on current expectations, estimates, and projections, reflect current views concerning future events, and are subject to risks, uncertainties, and assumptions, and may be subject to change without notice. Forward-looking statements are not guaranteeing any future performance,

and risks, uncertainties, and other important factors could cause the actual business, performance, results, or the industry and markets in which Desert Control operates in, to differ materially from the statements expressed or implied in this release by such forward-looking statements.

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

Q4 2024

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





Thank you!

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