

Q2 Report And Financial Results

2025

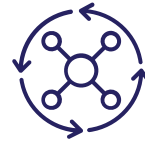


About Desert Control



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



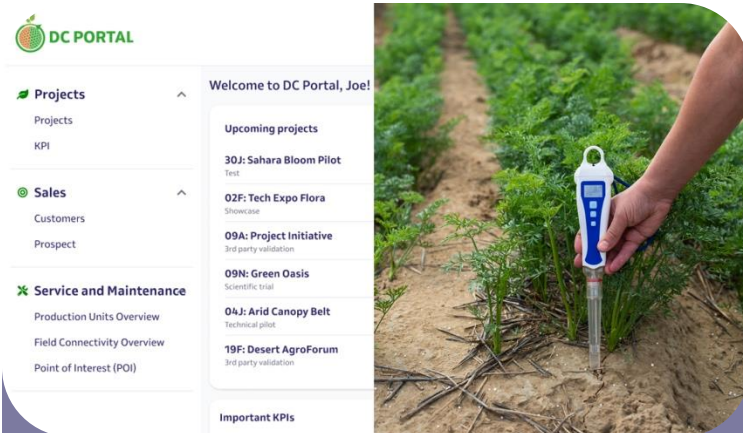
Trees & Forest



Golf, Turf & Landscaping



HOW IT'S DELIVERED



01 Assess & Analyze Design & Prescribe

- ➔ Gain understanding of client needs and location-specific soil and water conditions.
- ➔ Desert Control collects soil samples and implements sensors to assess and monitor soil health and water use.
- ➔ The optimal soil improvement solution is prescribed with a tailored LNC formulation.



02 LNC is Produced On Site With Tailored Formulation

- ➔ Desert Control brings LNC production units (as seen above) to the client location.
- ➔ The unit connects to a local water supply, and the specific formulation of natural materials (clay, minerals, etc.) is loaded into the unit.
- ➔ The unit processes the raw materials into a highly charged liquid nearly as thin as water.



03 Apply Easily Through Irrigation Systems (one-time application)

- ➔ The liquid has sub-micron particles and can safely be applied through irrigation systems.
- ➔ The liquid migrates into the ground, forming a soil structure in the root zone that retains water and nutrients like a sponge.
- ➔ One treatment can last for 5 years.

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

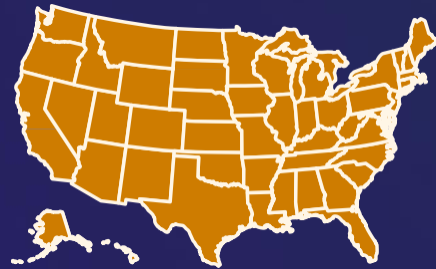
Global expansion to all regions experiencing desertification, drought, and water shortage



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

FOCUSED COMMERCIAL STRATEGY WITH MULTIPLE REVENUE STREAMS

United States



Middle-East



Focus Areas

California
Arizona

United Arab Emirates
Saudi Arabia

Commercial Strategy

Direct sales

Licensing partners

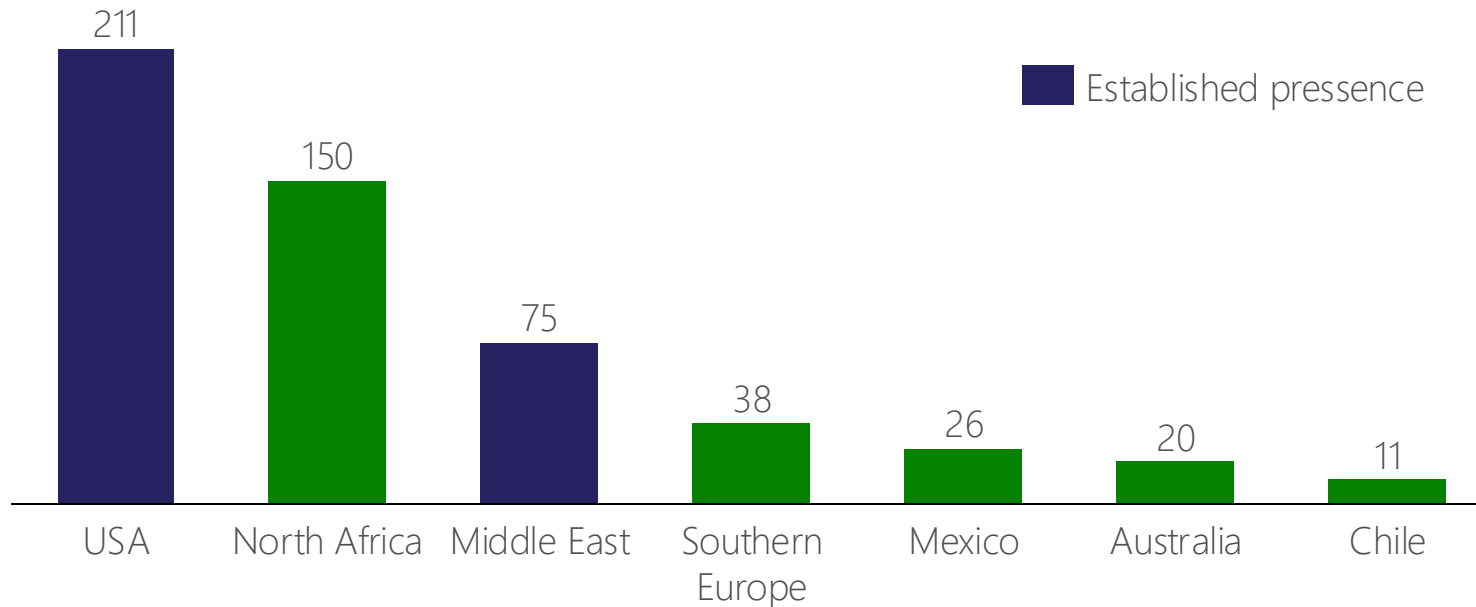
Revenue streams

Pay on Delivery
Pay-as-you save («PAYS»)

Licensing revenue
Hardware sales

ESTABLISHED PRESENCE IN HIGHLY ATTRACTIVE MARKETS

Major addressable markets – Sandy soil agriculture (USD billions)



Desert Control has an established presence in USA and Middle East, two of the largest addressable markets in the world

Source: Westwater Research's numbers for US agriculture, National Agriculture statistics service, Independent market research firm, Internal calculations

AGRICULTURAL SUBSEGMENTS



01 PERMANENT CROPS

- Tree nuts
- Orchards



02 VINEYARD



03 FIELD CROPS

- High value (vegetables, berries, etc.)
- Broad crop (alfalfa, corn, cotton, peanuts, etc.)

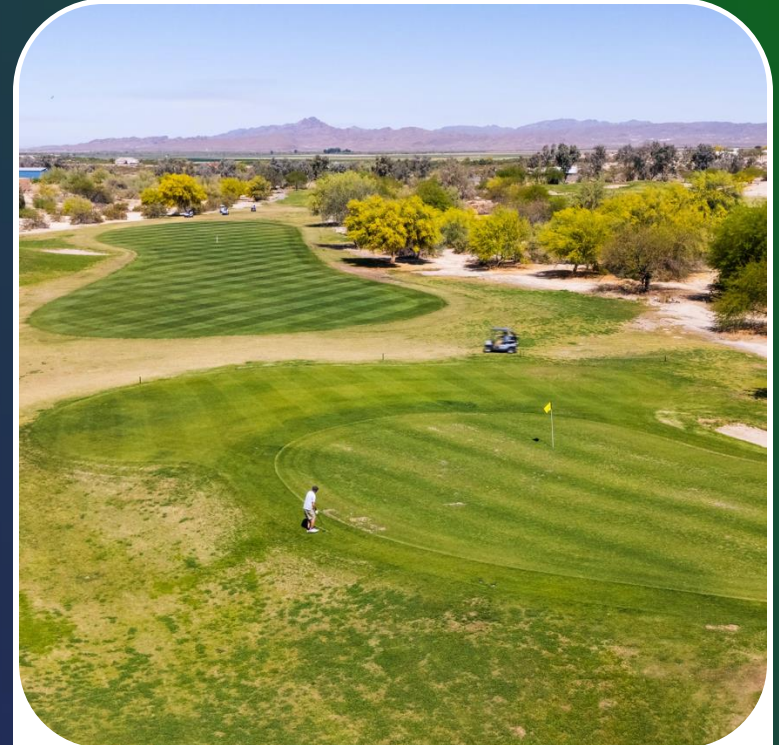
MAJOR TURF SEGMENTS



Parks



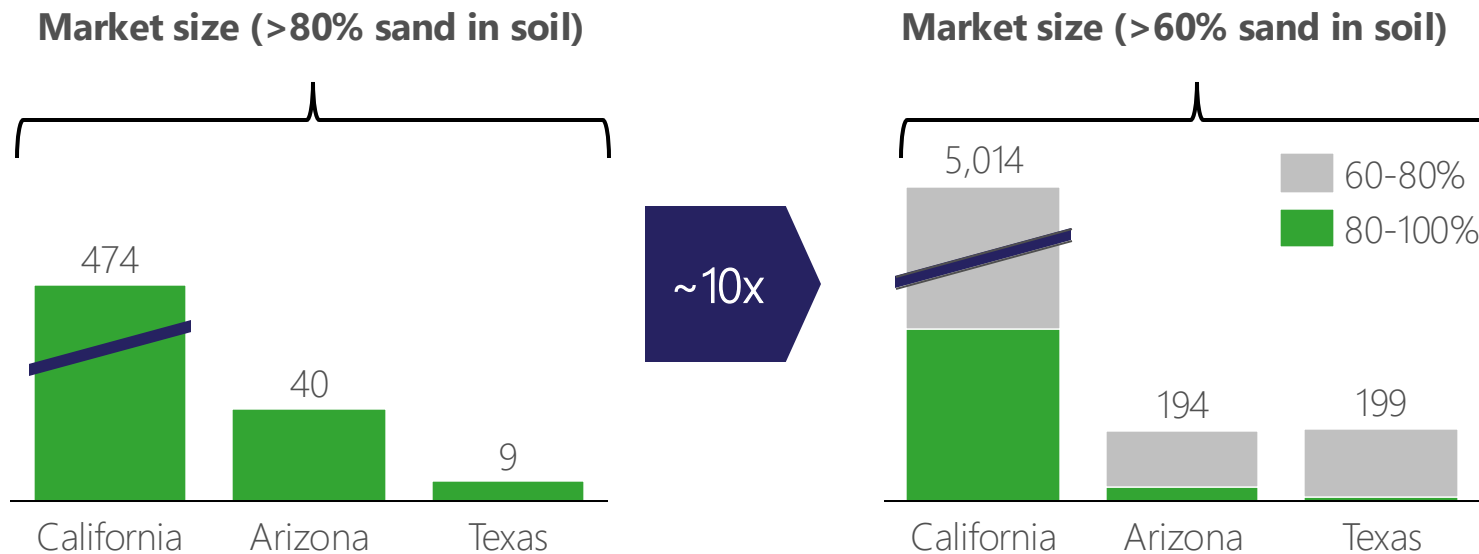
Playing Fields



Golf Courses

SIGNIFICANT MARKET POTENTIAL WITHIN SERVICABLE ADDRESSABLE MARKET IN TIER 1 TARGET STATES IN THE US

(Agriculture segment (excl. Broad Crop), \$ million)



Significant market potential of USD >500m within core Agriculture segments (>80% sand in soil)

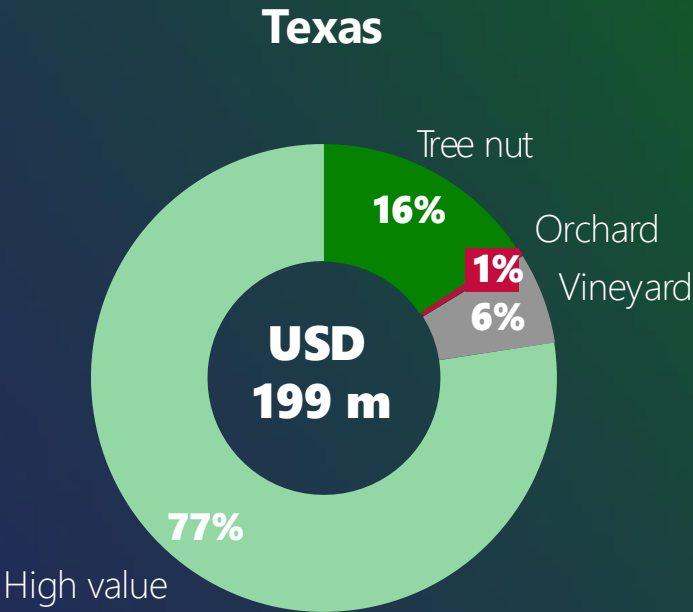
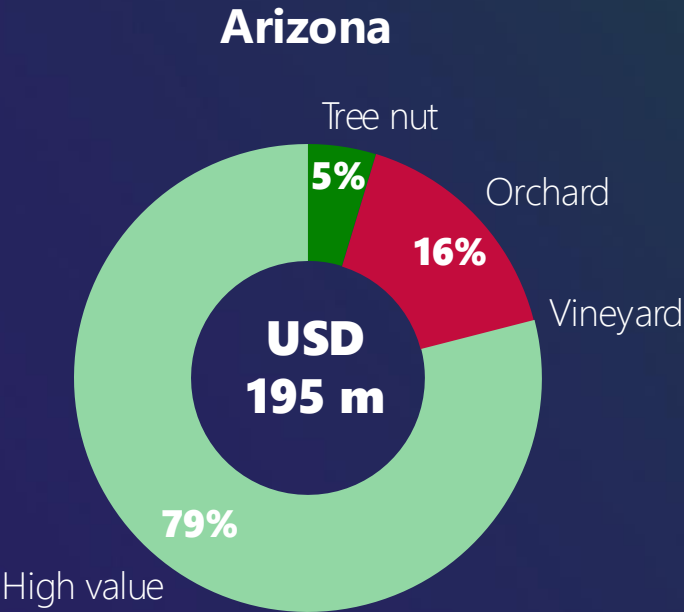
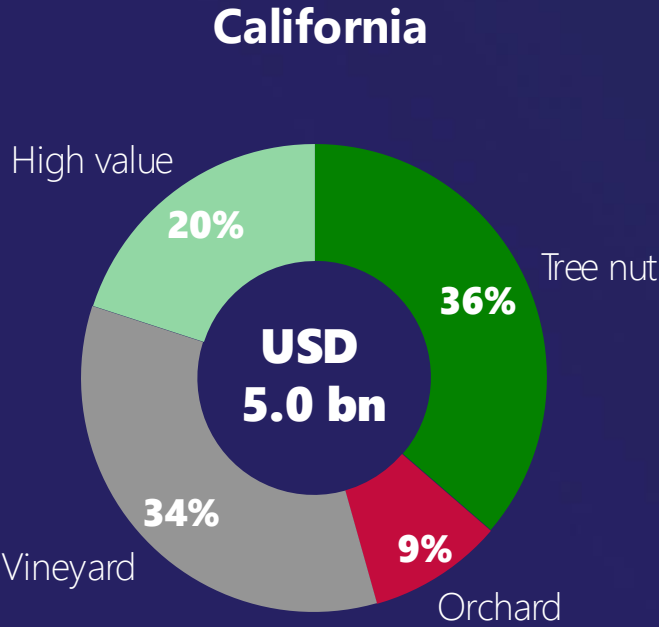
Market potential ~10x larger if also considering areas with 60-80% sand content in soil (Total market potential of USD 5.4 billion)

Core target markets include permanent crops (tree nuts and orchards), vineyards and high value field crop

Westwater Research's numbers for US agriculture, Internal calculations for turf, National Agriculture statistics service

PRIORITY 1 STATES: SUBSEGMENTS (excl. broad crop)

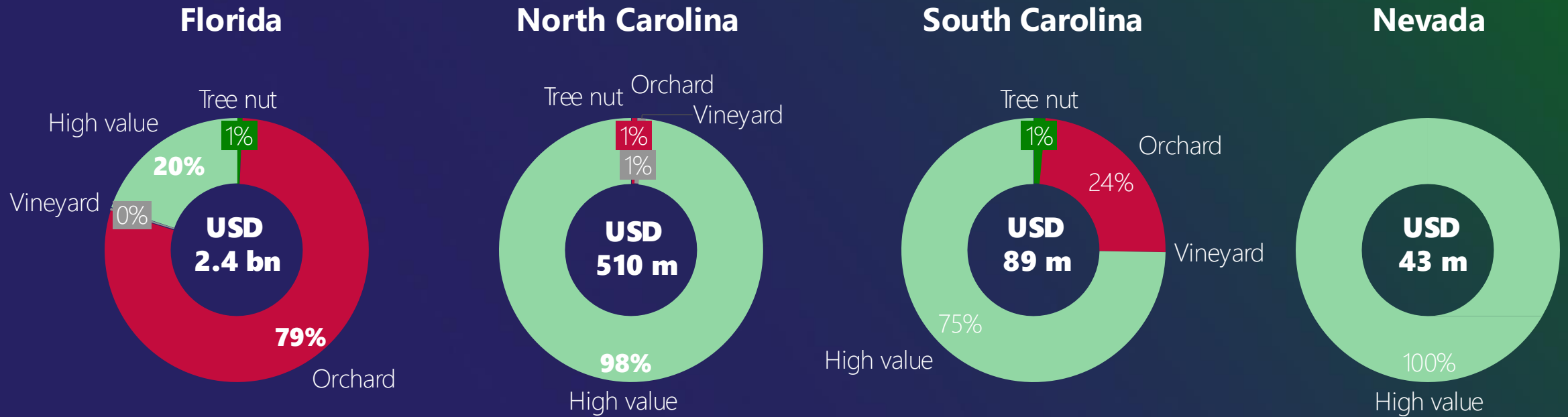
Market size (60 - 100 % sand in soil (excl. board crop), \$ billion)



Westwater Research’s numbers for US agriculture, Internal calculations for turf, National Agriculture statistics service

PRIORITY 2 STATES: SUBSEGMENTS (excl. broad crop)

Market size (60 - 100% sand in soil (excl. board crop), \$ billion)



Westwater Research's numbers for US agriculture, Internal calculations for turf, National Agriculture statistics service

Q2 2025 Agenda

COMPANY UPDATE PRESENTATION



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**Questions
and answers**

Q2 2025 & YTD 2025 Highlights

UNITED STATES

Applications

- Woodland Hills Country Club
- Oasis Date 9000 Trees
- California State University, Fullerton Playing Fields
- Tempe Market Place
- Mesa del Sol Golf Course
- Silverwood (Hesperia, CA)

MIDDLE EAST

Urban Greening & Commercial Milestone

- First commercial project for Saudi Desert Control with treatment of 3.7 Ha of turf for Atlas Turf Arabia
- Completion of two residential development projects by Soyl in Dubai and additional golf pilot
- Further pilots in Saudi for tree nursery and in new suburb Misk City
- Continued push for large-scale greening projects in the region
- First public tender based on PAYS model

INNOVATION

Technology Progress and Research Findings

- Improving microbial activity under extreme soil conditions
- Yield improvements seen for broccoli & cantaloupe at Maricopa Agricultural Center
- Yield and NUE trials in progress for date palms & citrus
- Support on operational challenges in the US
- Next-gen production system (>90,000k L/h) in 2nd half 2025

Expanding LNC Applications In the US

Permanent Crop Agriculture

- **Anthony Vineyards** – LNC applied via drip irrigation system.
- **Oasis Date** – Commercial-scale yield improvement trial
- **California Almonds** – First trial scheduled for Q3.

Golf Courses

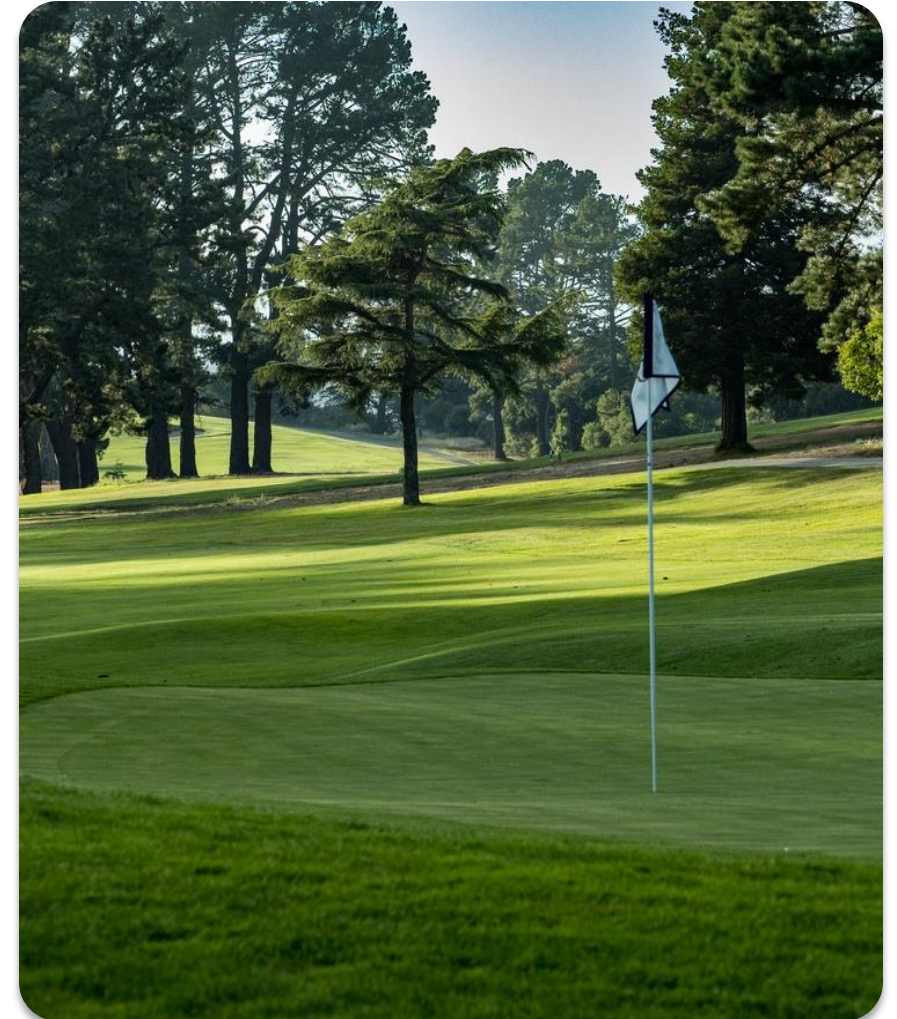
- **Woodland Hills Country Club** – First Full Course application
- **Mesa del Sol Golf Course** – Successful Phase 2 deployment.

Ornamental Landscapes

- **Tempe Marketplace** – LNC via customer irrigation system.
- **California State University, Fullerton** – LNC application in landscape irrigation.

New Community Development

- **Silverwood (Hesperia, CA)** – Q3 trial; future home to 50,000 residents, > \$4M/year irrigation water demand.



Oasis Date – Commercial-Scale Yield Trial



About the Project:

- Evaluate yield and Nutrient Use Efficiency improvements for commercial date palm orchard in Yuma
- Further demonstration of LNC's value beyond water savings
- Comparison of two different LNC treatment schedules
- Validation and publication in collaboration with University of Arizona

Saudi Desert Control – First Commercial Project



First Commercial Project – Atlas Turf Arabia

- Saudi Desert Control (SDC) completed its first revenue-generating application at Atlas Turf Arabia's turf farm outside Riyadh.

Key Highlights

- 3.7-hectare application at the region's first internationally licensed golf and sports turf farm.
- The application was the result of the strong water retention and turf health indicators observed during stage-1 pilot.

Strategic Impact

- Marks Saudi Desert Control's commercial entry into the market.
- Together with successful tree nursery pilots and strategic landscaping pilots like Misk City, strongly positions SDC and LNC for the large-scale sustainability and greening initiatives supporting the Kingdom's Vision 2030.

SOYL – Urban Landscaping Projects

Residential Communities

- Completed final part of the Dubai Hills new development project that was initiated last year
- Performed a smaller project at the Greenview residential development in Dubai South
- Both communities are managed by Emaar Properties, the leading real estate developer in Dubai

Other Landscaping Developments

- Following the successful stage-1 pilot initiated late 2024 at Trump International Golf Club, a stage 2 pilot was completed in Q2
- Initiated VIP residence landscaping pilot in the Abu Dhabi islands, highlighting the leadership shown in the emirate on sustainability initiatives
- Earlier awarded new public park project within Masdar City is expected to be ready for LNC treatment mid Q3
- Supporting Soyl's position as a preferred partner for urban greening in sustainability-focused developments



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**Questions
and answers**

FINANCIAL REVIEW

| NOK, million | Quarters | | First Half | |
|--|---------------|---------------|---------------|---------------|
| | Q2 2025 | Q2 2024 | 2025 | 2024 |
| LNC Revenue | 0,11 | 0,51 | 1,63 | 1,77 |
| Licensing Royalties | 0,02 | - | 0,09 | - |
| Other Income | - | - | - | - |
| Total revenue and other income | 0,13 | 0,51 | 1,72 | 1,77 |
| EBITDA | -15,88 | -16,05 | -30,93 | -30,45 |
| Profit / (Loss) for the Period | -19,28 | -22,31 | -41,30 | -30,22 |
| Total cash balance (Bank deposits and funds) | 24,84 | 90,89 | 24,84 | 90,89 |
| Equity at 30 June | 43,71 | 99,94 | 43,71 | 99,94 |
| Equity Ratio | 89,4% | 94,5% | 89,4% | 94,5% |

NOK 25M

Total cash
and financial
assets

89,4%

Equity ratio

Consolidated Statement Of Comprehensive Income

| (Amounts in NOK thousand) | Note | Quarters | | First half | |
|---|------|----------------|----------------|----------------|----------------|
| | | Q2 2025 | Q2 2024 | 2025 | 2024 |
| Revenue from sales | 2 | 128 | 507 | 1 720 | 1 770 |
| Other income | | - | - | - | - |
| Total revenue and other income | | 128 | 507 | 1 720 | 1 770 |
| Cost of goods sold (COGS) | | 74 | 89 | 685 | 242 |
| Gross profit | | 55 | 418 | 1 034 | 1 527 |
| Salary and employee benefit expenses | | 7 359 | 7 399 | 14 963 | 17 230 |
| Other operating expenses | | 8 579 | 9 054 | 17 005 | 14 744 |
| Depreciation and amortisation | | 835 | 1 139 | 2 041 | 2 424 |
| Operating profit or loss | | -16 718 | -17 174 | -32 975 | -32 870 |
| Finance income | | 244 | 1 968 | 639 | 10 126 |
| Finance costs | | 2 800 | 7 076 | 8 943 | 7 081 |
| Profit or loss before tax from continuing operations | | -19 274 | -22 282 | -41 279 | -29 825 |
| Income tax expense | | 9 | 9 | 23 | 59 |
| Profit or loss for the year from continuing operations | | -19 283 | -22 291 | -41 302 | -29 884 |
| Discontinued operations | | | | | |
| Profit or loss after tax for the year from discontinued operation | | - | -16 | - | -339 |
| Profit or the loss for the year | | -19 283 | -22 307 | -41 302 | -30 223 |

| (Amounts in NOK thousand) | Quarters | | First half | |
|---|----------------|----------------|----------------|----------------|
| | Q2 2025 | Q2 2024 | 2025 | 2024 |
| Allocation of profit or loss: | | | | |
| Profit/loss attributable to the parent | -19 283 | -22 307 | -41 302 | -30 223 |
| Other comprehensive income: | | | | |
| <i>Items that subsequently may be reclassified to profit or loss:</i> | | | | |
| Exchange differences on translation of foreign operations | 3 248 | -82 | 7 958 | -271 |
| Total items that may be reclassified to profit or loss | 3 248 | -82 | 7 958 | -271 |
| Total other comprehensive income for the year | 3 248 | -82 | 7 958 | -30 494 |
| Total comprehensive income for the year | -16 035 | -22 389 | -33 344 | -30 494 |
| Allocation of total comprehensive income | | | | 0 |
| Total comprehensive income attributable to owners of the parent | -16 035 | -22 389 | -33 344 | -30 494 |

Consolidated Statement Of Financial Position

| | Note | At 30 June | | At 31 December |
|---------------------------------|------|---------------|----------------|----------------|
| | | 2025 | 2024 | 2024 |
| (Amounts in NOK thousand) | | (unaudited) | (unaudited) | (audited) |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 12 872 | 8 201 | 11 292 |
| Right-of-use assets | | - | 201 | - |
| Total non-current assets | | 12 872 | 8 403 | 11 292 |
| Current assets | | | | |
| Inventory | | 263 | 277 | 152 |
| Trade receivables | | 408 | 18 | 376 |
| Other receivables | 3 | 11 234 | 6 131 | 6 031 |
| Other current financial assets | | - | 2 | 3 |
| Cash and cash equivalents | 4 | 24 840 | 90 887 | 63 572 |
| Total current assets | | 36 745 | 97 316 | 70 133 |
| TOTAL ASSETS | | 49 617 | 105 718 | 81 426 |


| | Note | At 30 June | | At 31 December |
|-------------------------------------|------|---------------|----------------|----------------|
| | | 2025 | 2024 | 2024 |
| (Amounts in NOK thousand) | | (unaudited) | (unaudited) | (audited) |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 5 | 161 | 161 | 161 |
| Share premium | 6 | 82 562 | 323 776 | 135 118 |
| Currency translation differences | | 2 294 | -124 | -5 664 |
| Retained earnings | 6 | -41 302 | -223 877 | -54 845 |
| Total equity | | 43 715 | 99 937 | 74 769 |
| Current liabilities | | | | |
| Current lease liabilities | | - | 210 | - |
| Trade and other payables | | 3 906 | 4 113 | 3 448 |
| Public duties payable | | 512 | 915 | 1 383 |
| Other current liabilities | | 1 484 | 543 | 1 826 |
| Total current liabilities | | 5 902 | 5 781 | 6 657 |
| Total liabilities | | 5 902 | 5 781 | 6 657 |
| TOTAL EQUITY AND LIABILITIES | | 49 617 | 105 718 | 81 426 |

Sandnes, 14.08.2025


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) | Quarters | | First half | |
|--|----------------|----------------|----------------|----------------|
| | Q2 2025 | Q2 2024 | 2025 | 2024 |
| Profit or loss before tax from continuing operations | -19 274 | -22 282 | -41 279 | -29 818 |
| Profit or loss before tax for discontinued operations | - | -16 | - | -339 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | | | |
| Depreciation and amortisation | -372 | 1 139 | 835 | 2 424 |
| Net financial income/expense | 33 | 5 111 | -354 | -3 048 |
| Foreign exchange gains or losses | 272 | - | 5 306 | - |
| Share-based payment expense | 1 455 | 1 393 | 2 641 | 2 787 |
| Derecognition of Goodwill | - | - | - | - |
| Adjustments for other non-cash items | | | 1 270 | - |
| <i>Working capital adjustments:</i> | | | | |
| Changes in accounts receivable and other receivables | -1 834 | -186 | -5 343 | -1 019 |
| Changes in trade payables, duties and social security payables | 612 | 2 181 | 413 | 2 121 |
| Changes in other current liabilities and contract liabilities | 429 | -673 | 342 | -438 |
| Net cash flows from operating activities | -18 141 | -13 333 | -36 170 | -27 330 |

| (Amounts in NOK thousand) | Quarters | | First half | |
|--|----------------|----------------|----------------|----------------|
| | Q2 2025 | Q2 2024 | 2025 | 2024 |
| Cash flows provided by (used in) investing activities (NOK) | | | | |
| Capital expenditures and investments | -497 | -1 251 | -3 014 | -2 323 |
| Sale (Purchase) of financial instruments | - | -0 | - | 19 613 |
| Proceeds from sale of property, plant and equipment | - | - | - | - |
| Interest received | 227 | - | 615 | - |
| Net cash flow provided by (used in) investing activities | -270 | -1 251 | -2 399 | 17 290 |
| Cash flow provided by (used in) financing activities (NOK) | | | | |
| Proceeds from issuance of equity | - | - | - | - |
| Transaction costs on issue of shares | - | - | - | - |
| Lease payments | - | -129 | - | -256 |
| Interest paid | -19 | - | -19 | - |
| Net cash flows provided by (used in) financing activities | -19 | -129 | -19 | -256 |
| Net increase/(decrease) in cash and cash equivalents | -18 431 | -14 713 | -38 589 | -10 296 |
| Cash and cash equivalents at beginning of the year/period | 43 313 | 105 125 | 63 575 | 100 008 |
| Net foreign exchange difference | -42 | 475 | -145 | 1 176 |
| Cash and cash equivalents, end of period | 24 841 | 90 887 | 24 841 | 90 887 |

DSRT Shareholders

The Group's shareholders:

| Shareholders in Desert Control AS at 30.06.2025 | Total shares | Ownership/ Voting rights |
|---|-------------------|-----------------------------|
| Woods End Interests LLC | 5 343 472 | 9,9% |
| Citibank N.A. | 3 584 681 | 6,7% |
| Nordnet Livsforsikring AS | 3 350 695 | 6,2% |
| J.P. Morgan SE | 1 714 379 | 3,2% |
| J.P. Morgan SE | 1 661 926 | 3,1% |
| Olesen | 1 586 083 | 3,0% |
| Lin AS | 1 502 275 | 2,8% |
| Olesen Consult HVAC AS | 1 475 000 | 2,7% |
| Glomar AS | 1 368 456 | 2,5% |
| Lithinon AS | 1 352 976 | 2,5% |
| BNP Paribas | 1 300 000 | 2,4% |
| Jakob Hatteland Holding AS | 1 222 222 | 2,3% |
| OKS Consulting AS | 1 180 000 | 2,2% |
| Citibank N.A. | 1 100 000 | 2,0% |
| Ninas Holding AS | 1 003 394 | 1,9% |
| The Northern Trust Comp. London Br. | 958 275 | 1,8% |
| Clearstream Banking S.A. | 944 852 | 1,8% |
| Sortun Invest AS | 931 596 | 1,7% |
| Idland | 800 000 | 1,5% |
| Handskjeik AS | 606 875 | 1,1% |
| Others | 20 760 820 | 38,6% |
| Total | 53 747 977 | 100 % |

| Country of origin | No of shares | % | No of shareholders |
|--------------------|-------------------|-------------|--------------------|
| Norway | 34 344 860 | 63,9% | 3 163 |
| United States | 5 654 456 | 10,5% | 5 |
| Luxembourg | 5 236 324 | 9,7% | 8 |
| Ireland | 4 823 457 | 9,0% | 11 |
| France | 1 524 387 | 2,8% | 7 |
| United Kingdom | 1 230 599 | 2,3% | 9 |
| Sweden | 626 001 | 1,2% | 13 |
| Others | 307 893 | 0,6% | 31 |
| Grand Total | 53 747 977 | 100% | 3 247 |



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Questions
and answers

Inflection Point broadens commercial expansion

Inflection point

Recent technological breakthroughs drive the transition from pilots to accelerating commercialization

High-growth potential

10x revenue expansion targeted from '25 to '27 with scalable profitability

Strong market drivers

Water costs, resource scarcity and regulatory shifts accelerate demand

Balanced capital strategy

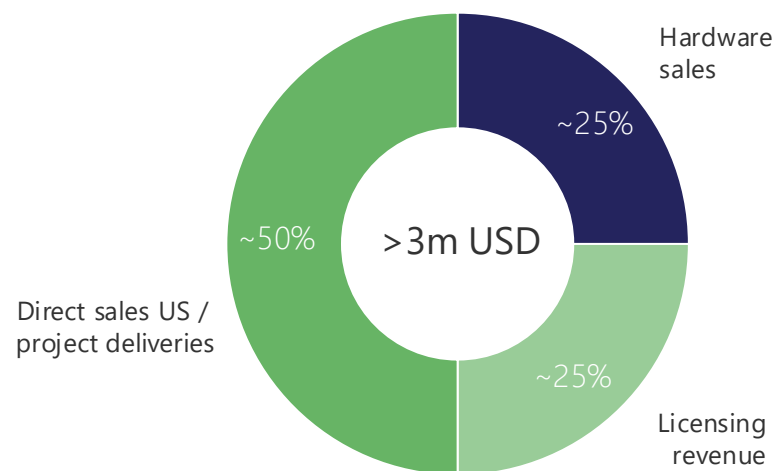
High-capacity production units allow for efficient capital allocation

Scalable expansion

Additional Locations and Licensors in United States, Middle East, and Europe

Milestones expected over The next 18 months

Estimated revenue 2026



Revenue defined as revenue recognized for the fiscal year + further revenue expected to be generated through PAYS contracts over the remaining contracting period

Key milestones for 2025/2026

- *Better execution in all areas, particularly in California*
- *Construction and delivery of new production units*
- *8 golf course pilots*
- *7 agriculture pilots California*
- *2 full golf course applications*
- *Initiation of large-scale contract in the Middle East*
- *Continuation of research confirming additional use cases and yield increase within agriculture segment*

OUTLOOK STRATEGIC PRIORITIES FOR 2025/2026

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.

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**Questions
and answers**

Cautionary Note

This report contains forward-looking statements related to Desert Control's business, financial condition, operational results, and industry developments. These statements are based on management's current expectations, estimates, and projections about future events and trends, including but not limited to market adoption, regulatory developments, financial performance, and strategic growth initiatives.

Forward-looking statements are inherently subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied. These include, among others, risks related to market conditions, competition, regulatory changes, technology validation, supply chain constraints, macroeconomic factors, foreign exchange fluctuations, and the ability to secure and scale commercial contracts.

Terminology such as "expects," "intends," "plans," "believes," "anticipates," "projects," "targets," or similar expressions indicate forward-looking statements. While Desert Control considers these assumptions reasonable, there is no assurance that they will be realized. Investors are cautioned not to place undue reliance on forward-looking statements, as actual outcomes may differ due to external factors beyond the Company's control.

Except as required by law, Desert Control assumes no obligation to publicly update or revise forward-looking statements in light of new information or future events. This statement is made in accordance with applicable securities laws, including Section 5-12 of the Norwegian Securities Trading Act.





Thank you!

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