

Desert Control Q2 2025 and YTD 2025 Company Update Presentation (Transcript)

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Welcome to the Desert Control Q2 2025 Company Update Webcast Today's presentation will review our Q2 2025 Report and Interim Financial Results for the fiscal period ending June 30, 2025 We will also share selected updates from Q3 2025 to date. Following the presentation, there will be a Q&A session. You are encouraged to submit questions at any time using the Q&A function. To begin, Lars Eismark, Chair of the Board, will share opening remarks, after which our CEO, James Thomas, will present the Q2 update.

Okay. So, shareholders, first of all, I hope that you have had a nice summer holiday having spent time with family and friends and now have returned reenergized.

So, second quarter and the start of the summer season has been very eventful for desert control. We faced, as you know, challenges three and a half weeks after our application of four and a half million liters of material at Woodland Hills, where a smaller number of sprinklers were clothed with material. Our analysis points in the direction of human error during the application process, and this has now been mitigated, and we have learned a valuable lesson.

Thank you to Woodland Hills staff for being a good partner in problem solving and co-creating process excellence in these matters. And the same goes to PGA West for being an understanding and supportive partner in the efforts of handling a challenging infrastructure and operational challenge during the application. These two projects are lessons that remind us of the stage of maturity that desert control is in and what it takes to achieve operational excellence.

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All hands are on deck to get these lessons into our standing operating procedure setup. Second quarter was also a quarter full of interesting applications into new segments and even more interesting pilots and research projects with our partners. I'm personally excited about these steps, and I'm indeed fascinated about the prospects that the positive results will mean in terms of increasing addressable markets for desert control.

James will touch upon some of these examples during today's webcast. The board has been, beyond the normal board meetings, very active during the second quarter, and I want to thank my board colleagues for their sincere interest, engagement, and professional attitude. A special thank you goes to Roar Husby for his efforts during the past year.

Roar will not continue on the board due to other commitments, and the board will use the upcoming period to expand the board with a new board member. It would be natural for us to have a new board member whose experience and expertise mirror our strategy in landscaping and agriculture, and especially with a personal footprint in the U.S. markets that we are interested in. Lastly, the board is actively evaluating funding alternatives and strategic partnerships to secure additional resources as needed.

This may include potential equity financing, grants, and cost optimization measures to extend the financial runway and enable execution of the long-term growth plan. In conjunction with these evaluations, the board may also assess other strategic alternatives to enhance shareholders. And with this introduction, I'll hand over the word to James Thomas, our CEO.

Thank you, Lars, and good morning, good afternoon, and good evening to shareholders, depending on which time zone you're in. We appreciate your investment in desert control and your interest in attending these meetings. And my objectives in this meeting are a fewfold.

One is just to make sure that people understand where we are from a technology standpoint and a market standpoint. I want to address some of the operational issues that we faced. I want to assure you that the technology is still robust and valid and customers are engaging with us across all our segments.

I do want to try and further refine the market opportunity for the company today. I think one of the things that's happened in the history of desert control, because it is quite an amazing technology and has such broad applications, is we've maybe spent too much time on how big the global market opportunity is and not communicated effectively how big the local opportunity where we currently operate is. And I want to make sure that we have a chance to have comments from my colleagues, Marty Weems and Jan Vader, who are on the call today and will be available in the Q&A section also, along with Leo Shaparian, our CFO, who will cover the financial details.

So with that, I think we'll try and get right into the presentation to leave plenty of time for questions. But for those of you relatively new to the story, we are a soil health, soil amendment company, and we do that by adding minerals to soil, sandy soils, and we do that mineral delivery through clay. And our core segments continue to be agriculture, trees, and golf and landscaping, and the opportunities in some ways may mirror those.

Agriculture is the biggest opportunity, but also the longest term opportunity. Trees and forests are an opportunity today and in various geographies are very large, and the golf and landscaping and turf business is a place we have already shown commercial results. So that's us.

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Many of you have seen this slide before, and I don't intend really to go into deep detail here, other than to actually try and address some of these questions early about the operational challenges that we experienced and that we'll get into in greater detail later. But this product, as you know, is a scientifically based product where we have to blend the right soils, the right plant types, the right water at the customer and the right clay to get the optimal results.

And so, first and foremost, we strongly believe we are able to do that. This is part of the magic of desert control, part of the intellectual property of desert control. This is not one size fits all, and we have a good handle on what the important variables are and continue to believe we do have those things.

Secondarily, as you all know, we make this product fresh at the customer site. This is actually a picture of the prior or the current in the Middle East production unit, but we make this product fresh, and this is also part of our technology intellectual property piece. And I want to assure people that our belief is we do not have a problem in any way with our production methodologies, with the core technology, or with our ability to produce LNC in high volume.

The third thing that we do in our commercial applications is we use customer irrigation systems. And customer irrigation systems, by their very nature, for big customers are big, and they produce a lot of flow, and they do that using high pressure and big pipes. And we, to be successful in an installation, need to blend the product coming off our equipment successfully into the customer's irrigation system.

And these irrigation systems vary from 60 year old pipes in the ground behind 40 year old high pressure pumps flowing to one week old sprinkler heads to brand new drip tape being installed in a field that is being first cultivated. And we have to adapt to each one of those environments, and we do that successfully many, many times. We didn't do that successfully at PJ West or at Woodland Hills, and we'll get into kind of the specifics of that blending.

But here I want to leave you with the message that we believe in LNC and have seen nothing to tell us that LNC is not the valuable product we believe it to be. We believe in our production methodology and the technology we bring to bear there. It needs to be optimized, but we've seen nothing that makes us question our production technology core.

And we have successfully used irrigation systems in many places, but this is the sharp end of the spear. If we don't do this well, it doesn't matter that LNC will work and that we've made it well. We have to get it out in the ground effectively through customer irrigation.

So we'll talk a little bit more about that, but I do want to highlight the fact that the company is fundamentally the same company it was five months ago with the same upside, the same technological innovation and the same challenges that we face. And so let me leave it there for the moment

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So I think you guys have seen this all slide before. This is a big global opportunity, and we are focused in the American Southwest and in the Middle East through distributor partners. We do plan to get to all of these other markets, but for this stage of the company at this market capitalization, we're plenty active and have plenty on our plates in the Middle East and in the U.S., particularly, frankly, in the U.S.

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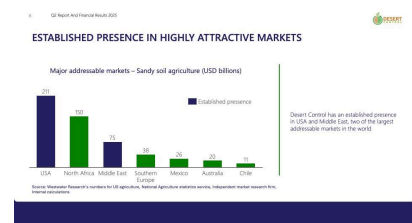
And, you know, a little further drill down, mostly as a reminder, in the U.S., we are focused on California and Arizona.

We will do work in Nevada. We will do some work in New Mexico, etc. But our real interest at the moment is California and Arizona.

We do that directly on the account of desert control, and we offer that product in two different ways, an upfront purchase, which we have seen at Oasis State and others, and a pay as you save model where we share risk with the customer. Of our technology, saving them sufficient water, which is the only variable at the moment, but hopefully ultimately it will be all inputs and us sharing in the savings in those inputs. In the Middle East, we do have our activities conducted currently in the UAE through an exclusive distributor and in Saudi Arabia through two non exclusive distributors.

And we are going to expand our presence in the Middle East as the technology matures and those markets mature. But that just lays the table. And I want to get a little more granular with the next slide.

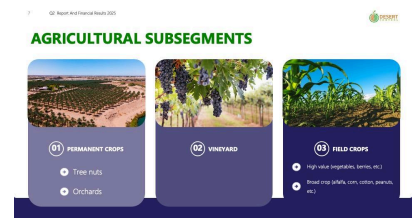
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So even though we're restricted to, quote, two markets at the moment, these are two of the three largest markets for our technology based on the analysis of third parties and ourselves. And I think that's important as you think about our opportunity set and where this company can grow from here. We are already active in two of the three major markets.

We're not ignoring the other markets, but we have positions where it most matters

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As we talk about our opportunity, I think it's important also to define what we mean by agriculture and what we'll mean by landscaping, because we use those terms and they're actually somewhat specific.

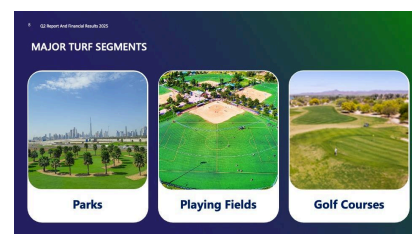
So our focus in agriculture is in permanent crops, by which we mean trees, largely trees of the lemon variety, of the date palm variety, of the avocado variety, of the almond variety, etc. And fruit orchards predominantly, again, citrus, but other fruit trees also are being grown in soils that are receptive to our technology. We mean vineyards, again, a permanent crop.

And this is an area we've done some pilots and we'll continue to focus on. And in the field crop, which is the biggest series by acres by far in the United States and in Saudi Arabia and everywhere. This is where people are growing a lot of fundamental feedstocks.

We are really only interested in the high value part of that market, which are the vegetables that we see in Arizona and other places and berries. We are not at this time pursuing corn, alfalfa, cotton, peas. We've done a trial in corn.

We'll continue to work with collaborators in these places, but they are not a commercial focus.

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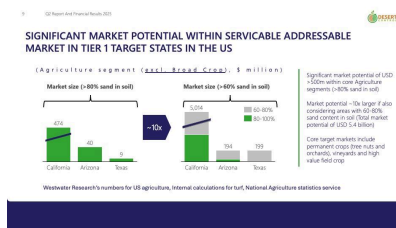


When we talk about turf, in some ways, turf is also a permanent crop, right? It's just a permanent crop of a particular variety, mostly grass.

And we are focused on parks, playing fields and golf courses. And if you're wondering why this golf course slide looks a little ratty, because it does look a little ratty. We it's... it's a customer, right? This is a guy who has a problem with sandy soils and water.

So, you know, the Augusta National Course where they play the Masters, they're not a customer. But this guy is a customer and that's what we care about as customers

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I want to touch again on this market piece. And I know I'm spending a lot of time on it, but it's how we think about the business. And so I'm trying to share that with you.

As you know, the product is designed to work in sandy soils and sandy soils are classified in two broad buckets. Obviously, it's a continuum from one percent. I guess going backwards, 99 percent sand, 98 percent sand, etc.

But they're classified in two buckets, kind of the 80% and above soils, which are the ones you may most think about us addressing. Because clearly the UAE, Saudi Arabia and parts of Arizona and California are almost 100% sand. And then there's a group of sands or soils that have 60% to 80% sand.

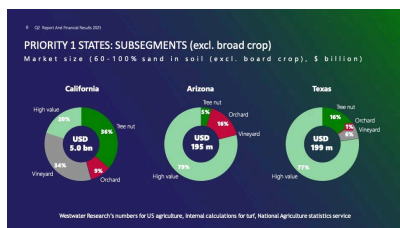
And what this slide is attempting to show you on the left hand side is that if we look only at the most sandy soils greater than 80% sand, the market in our target markets in agriculture. So back to the trees, the vineyards, the fruits and the vegetables, but not the corn and other large broad crops. In California, it's five hundred million dollars alone.

In Arizona, it's another 40 million dollars. And we'll show some slides later showing you some other states. But even in our most restricted markets, we have a large market opportunity.

If we can expand the technology below 80% sand and we have done work in 70% sand. That would expand our markets in these states another tenfold. So the 500 million dollar market in California begins becomes 5 billion.

I am not saying we are going to get to 60% sand. I'm saying that if we could, it would be big and we're below 80% sand today. And we're doing the work in our research labs and with our field collaborators to find out how far down we can push the value of this technology. So big markets, big markets, even when we narrow them completely.

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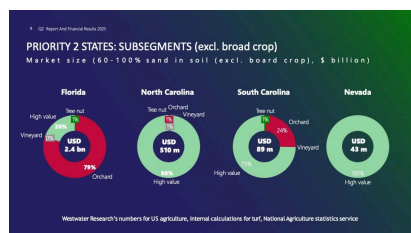


And here I want to get into even more detail. I'm using the 60% - 80% sand or 60% - 100% sand here, but again, excluding broad crops. And in California, you can see that it's a 5 billion dollar market, a third of which is trees, a third of which is vineyards, 10% of the orchards. And the balance is high value fruits and vegetables kind of crop.

In Arizona, a market that's much more dominated by the vegetable and fruit kind of side of the equation. That's Yuma, Arizona. If you've ever flown over Yuma, Arizona, or more importantly, maybe driven across a pickup truck.

There's a lot of lettuce, a lot of bell peppers, a lot of stuff growing down there. And in Texas, you'll see this market in Texas is on this list because it is so big. Not that we're currently super active there, but again, good tree crops and some high value dominated by high value vegetables. I talk about these states, but I want to touch on four more.

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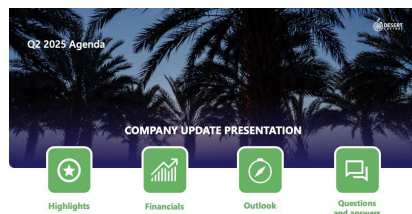


So these are other states just in the U.S. that represent large markets for us that have soils that have these similar characteristics. Those of you who have been to Florida know that it's very flat. It's a giant sandbar. And so we find areas with a lot of sandy soil. And on that sandy soil are planted predominantly fruit crops.

And so we are not in Florida now. We're not going to be in Florida in December. But this is another large potential market in agriculture in the states.

And again, if you've been to Florida, you also know there are a lot of golf courses in Florida. And we are in contact with some of the people who manage many of those golf courses. So I think I've spent a lot of time on this, but I think it's really important for the market to remember that where we are is a big opportunity.

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So with that, I want to skip to the next session, which is to bring you up to kind of more what's going on over the last quarter or so.

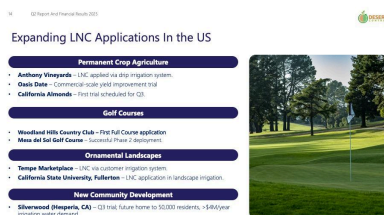
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And we're going to have Marty and Jan get further into this. But what I want you to know is we've been very active. It's been another very active with very diverse customers.

Some of those customers are expansion of existing projects like Cal State Fullerton. Others are brand new customers. And so we continue to see progress at the research and the commercial application and partner across all of this quarter.

We're not going to spend a lot of time on it, but we've also been seeing progress in the lab. And some of that progress, while pretty nascent, is pretty interesting. And with that, I think I'm turning it over to you, Marty.



Is that right? That's correct. Thank you, James. So here in the States, we're very excited about all the activity we've had in the recent quarters, especially here in the second quarter.

We continue our focus, as discussed in previous quarterly calls, around permanent crop agriculture, golf courses, ornamental landscapes, and have some really exciting opportunities there. I'll speak more on the next slide about Oasis State. We're excited to be on a path to almonds in California.

That's a really massive permanent crop in the state of California, and we have a really good access to our membership and relationship with the Western Growers Association as their largest permanent crop contingent is in the almond category. With golf courses, we had a successful phase two with Mesa Del Sol there. Quite excited to see their progress and outputs.

They took a little bit on that. We previously only worked on some of their fairway spaces. They wanted to test on a few parts of some of their greens, which typically golf courses are very shy about doing much differently on their greens.

It's their most protected, most valuable piece of real estate. Mesa Del Sol is keen to expand what they were beginning to see on the fairways and look at that on the greens in preparation for consideration of full course application there. Woodland Hills, we had actually a fantastic application that at the time of application, while we were there, we produced millions of liters of product.

That went out through the system quite well. We didn't seem to have any clogging while we were there, and things went quite well. It was a great week or so of application work.

The equipment worked great. Production equipment worked great. We made a good product.

It was only in the weeks later that we noticed a small number or percentage of their sprinklers were not fully functioning. They were functioning, just not fully functioning. We dug into that deeper and were able to find both the specific challenge with their equipment and have gotten that all rectified now, we do believe.

The course has continued to be open, very productive, and just looks beautiful, looks amazing. We're beginning to see good results there in terms of some water conservation. Ornamental landscapes, in the U.S., we've not leaned into this as much until recently, especially places like Tempe Marketplace we're very excited about.

If you go look at it, it looks like it would not have that much of a water challenge. It's a shopping center, but they'll spend almost half a million dollars a year in water, and we have an opportunity to help them save a significant part of that. Their water is quite expensive because they're irrigating with potable water. We continue to see really exciting opportunities and new business opportunities as well.



Specific to Oasis State, we're extremely excited about this relationship. They continue to be a really positive partner. The initial focus with Oasis State was on a very challenged ranch in California that has a finite amount of water available to it. That particular project that was applied last year is going quite well.

The customer, Oasis State, which to my knowledge is the largest producer of commercial organic dates in the world, they are a massive operator and incredibly professional. They see a lot of good things that they are liking, and at their suggestion, they wanted to do a commercial scale project that's focused on yield so that we can work towards the prospect of L&C being a foundational component of their farming activities program, whether water is compromised or not compromised, which most of their ranches have plenty of water, which is why they grow dates there. They are keen to look at the business case for broad scale use of L&C as a foundational support to their nutrition programs.

In order to give this as much scientific power as possible, we are actually doing about 1,000 trees. We have five replicates and different treatment algorithms. The scientific power of this output will be really robust.

We have our University of Arizona relationship, which continues. Not only continues, but it has expanded to include more and more researchers, principal investigators from the University of Arizona community. We're excited that also as a part of this, we're working with some folks that we haven't worked with in the past as well as many that we have.

This is a really exciting project. Think of this as we're trying to take a commercial grower who is the equivalent of a Formula One car in date growing and trying to help them get more output from one of the most efficient, most productive date growing programs on the planet. Helping them improve yields and the grades of their particular dates could have massive impact and tremendous opportunity.

Doing it on a commercial scale with a world-class commercial grower is just a fantastic opportunity for us. We're really quite excited about that. With that completes what I wanted to share from the United States for this.

I'll turn it over to Jan for the Middle East.



Thank you, Marnie. I'll touch on some of the highlights from the Middle East.

As James mentioned, our partners remain active, mainly focused on the UAE and Saudi Arabia. Starting off here, we'll touch on the Saudi Desert Control. As indicated in our report, they actually achieved a big milestone this quarter, which was the first commercial project.

Having been involved in our initial business in the Middle East, I know this is a big milestone, coming in less than two years after they started any activity in the kingdom. The application was a 3.7 hectare application at a commercial turf farm. This is Atlas Turf Arabia.

They're actually the first internationally licensed golf and sports turf farm in the Middle East. They are also a part of the Atlas Turf International, which is the largest supplier in the world of certified turf grasses. It's exciting because there's huge interest and focus on sports in the kingdom.

That got even more boosted when they won or got awarded the World Cup in 2024. The sports field is a very big focus in the kingdom and a very interesting market for us. We also have continued activities and new nurseries being added.

We've got several ongoing projects within tree nurseries. Combined with the turf farm and a few strategic pilots within the landscaping sector, it really positions SDC and LNC as a product and service, very well for the many urban and rural sort of large scale greening tree planting initiative that is ongoing and starting up in the kingdom.

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On the UE side, we are continuing, or Soil, our partner there, is continuing to expand the footprint within the new residential communities landscaping sector.

We finished off the Dubai Hills project in the quarter. The majority of that was done actually second half of 2024. They also added a smaller project called the Greenview residential development in Dubai South.

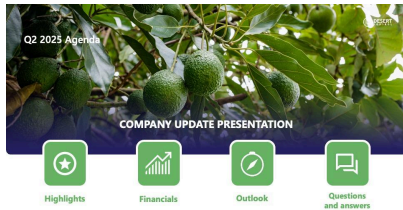
Both these communities, although the volumes that we put into the ground in the recent quarter wasn't that big, both communities are managed by the Mar Properties, which is the leading real estate developer in Dubai. For those of you who have visited the city, you will see their signs everywhere, including on the Burj Khalifa tower. Additional to the focus on the real estate, we have also done a stage two pilot within the golf course.

This is the Trump International Golf Club in Dubai. We are starting a new public park project for Masdar City, which is the sustainable development in Abu Dhabi. We do hope to announce that the focus remains very much on the landscape side.

We do hope to announce some larger residential projects in Dubai and potentially other emirates within the next quarters. We see the varied activities within the residential communities mixed in with sport and public parks. We are strongly positioning soil for the sustainable development and the urban greening initiatives that are going on in the emirates.

That's what I had very quickly on the Middle East. We are then going to pass on to our CFO, Leo, to touch on the financial updates.

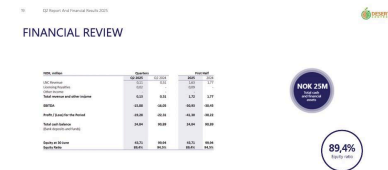
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Thank you, Jan, and good afternoon to all of you.

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

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

In Q2 2025, Desert Control completed a major US LNC application under a performance-based PACE contract. Preparations were made to support future US market growth. Turf applications in the Middle East continued under existing licensing, though market adoption remains early stage.

Revenue decreased compared to Q2 2024, largely reflecting the impact of the PACE contract structure, where income is recognized over time rather than at project completion. EBITDA held steady compared to the same period last year and year to date. Higher activity in the US was balanced by tight cost control and better delivery efficiency from our next generation production system. The company closed the second quarter with a positive cash balance of \$25 million and has no interest bearing debt.

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Item	Q2 2025	Q2 2024	Q2 2023
Revenue	\$1,100,000	\$1,100,000	\$1,100,000
Cost of Sales	(100,000)	(100,000)	(100,000)
Gross Profit	\$1,000,000	\$1,000,000	\$1,000,000
Operating Expenses	(100,000)	(100,000)	(100,000)
Operating Profit	\$900,000	\$900,000	\$900,000
Other Income	\$100,000	\$100,000	\$100,000
Net Income	\$1,000,000	\$1,000,000	\$1,000,000

Revenue from sales in Q2 also included some licensing royalties. For further details, please refer to note 2. Licensing activities in the Middle East were below expectations this quarter, and further time will be needed before we see meaningful pickup. Our operating results remained stable year over year, reflecting continued discipline in managing operational costs. We have maintained a lean cost base while focusing resources on core activities to support future growth.

From a technology standpoint, from a broken record, we're focused on getting the prototype machines into production and getting the basic research expanded beyond most same soils, as we already have, and the somewhat same soils and the further types of soils and developing other attitudes that allows us to work with soil types and water types that we find all over the globe. So intensely focused on those things we're already articulating. And I think that the concluding view that I have is we have a strong pipeline, we have contracts, we have partnerships, we have a revenue model, as I articulated in the phase and in the up front, what I like, and that we're on track to grow this company exponentially this year, tenfold versus 20.4, and I think that we will be able to grow this company in multiple levels produced.

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Consolidated Statement Of Financial Position

	Q2 2025			Q2 2024		
	\$M	US\$M	US\$M	\$M	US\$M	US\$M
Assets						
Cash and cash equivalents	25.0	25.0	25.0	25.0	25.0	25.0
Accounts receivable	1.0	1.0	1.0	1.0	1.0	1.0
Prepaid expenses	0.1	0.1	0.1	0.1	0.1	0.1
Other assets	0.1	0.1	0.1	0.1	0.1	0.1
Liabilities						
Accounts payable	0.1	0.1	0.1	0.1	0.1	0.1
Other liabilities	0.1	0.1	0.1	0.1	0.1	0.1
Equity						
Common stock	43.7	43.7	43.7	43.7	43.7	43.7
Retained earnings	0.1	0.1	0.1	0.1	0.1	0.1
Other equity	0.1	0.1	0.1	0.1	0.1	0.1
Total equity	43.9	43.9	43.9	43.9	43.9	43.9

At the end of Q2 2025, the company held \$25 million in cash and cash equivalents, an equity of \$43.7 million, representing 89.4% of total assets. With no interest bearing debt, our liquidity position is lean, yet sufficient to support operations and planned initiatives.

Last quarter, we guided for a financial runway into late Q3 2025. Through disciplined cost management and operational focus, we now expect this to extend into Q4 2025. Maintaining stability while executing on our plans.

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Consolidated Statement of Cash Flows

	Q2 2025			Q2 2024		
	\$M	US\$M	US\$M	\$M	US\$M	US\$M
Operating activities						
Net income	0.1	0.1	0.1	0.1	0.1	0.1
Depreciation and amortization	0.1	0.1	0.1	0.1	0.1	0.1
Change in accounts receivable	0.1	0.1	0.1	0.1	0.1	0.1
Change in accounts payable	0.1	0.1	0.1	0.1	0.1	0.1
Change in other assets and liabilities	0.1	0.1	0.1	0.1	0.1	0.1
Investing activities						
Capital expenditures	0.1	0.1	0.1	0.1	0.1	0.1
Financing activities						
Net cash provided by operating activities	0.2	0.2	0.2	0.2	0.2	0.2
Net cash used in investing activities	0.1	0.1	0.1	0.1	0.1	0.1
Net cash provided by financing activities	0.1	0.1	0.1	0.1	0.1	0.1
Net change in cash and cash equivalents	0.2	0.2	0.2	0.2	0.2	0.2

Operating cash flow now reflects only continued operations, adjusted for depreciation and amortization, underscoring our disciplined cash centric approach. In Q2, cash flow developed in line with both expectations and recent quarters, with no significant variances and no new capital inbound.

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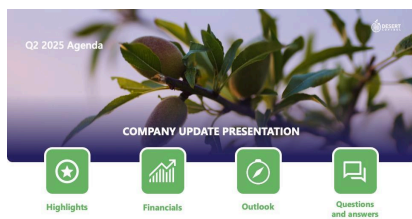


DSRT Shareholders

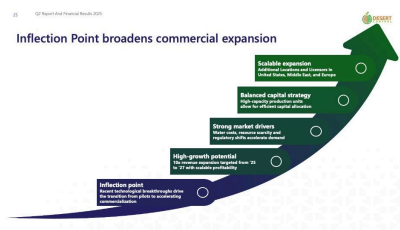
Shareholder	Number of Shares	Percentage of Shares	Percentage of Ownership
Desert Control	1,000,000	100.0%	100.0%
Other Shareholders	0	0.0%	0.0%
Total	1,000,000	100.0%	100.0%

To get additional information about the Desert Control share and the top 20 shareholders, please visit our webpage [desertcontrol.com slash investors](https://desertcontrol.com/investors). And back to you, James.

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Great. Thank you, Leo. And so let's get into the outlook as we see the next 12 to 18 months developing.



So I think it's important that we remember where this company really is on its journey. We're still a relatively young company.

We are a company with a technology that started, you know, in a laboratory and we've moved it into commercial operations. And so I think that where we are is we're on this inflection point. We have just completed two very large jobs and have developed the equipment to make us capable of developing those jobs.

And we continue to accumulate the customer relations, the community kind of buzz, and the scientific inputs to push the product further, and further, and further, into our target markets. We are very focused on the, quote, small half a billion to \$5 billion market that we currently address. We are not giving up on the other markets.

But as we pursue our growth path, we have lots of runway in our own marketplaces. One of the things that I like to think about both as an executive and as an investor is, is the wind in your face or is the wind at your back? And in our technology's case, whether the current American president lasts or doesn't last, the wind is at our back. No one can produce more water.

Right. No one can produce more food by executive order. And the drivers of the opportunity for desert control remain the same and, frankly, are accelerating.

This is a technology that could support a much broader adoption and a much faster pace. But we are quite cognizant of the fact that we are a young company working with shareholder money. So we're trying to be very good stewards of your money.

And as a result, we will focus our activities on what we see as the most valuable of those activities in the short run. And activities which we think will provide the foundation and evidence for a broader expansion outside the U.S., outside the Middle East at the appropriate time.



So what are we looking at? What are we expecting to happen from where we sit today and on our path towards that journey? I'm going to start this on the milestones. We had some hiccups this quarter.

We're not run away from those hiccups. We need to get better on our execution. I think we know what went wrong and we're fixing it and we're committed to getting better.

We need to execute better in California. Arizona has historically been our home market. But as you saw from the prior slides, California is where the bigger current opportunity is.

And we need to get better there. I do think there will be a long-term opportunity in Arizona, which is what took the company there originally. Because we are going to see significant changes in the law of the river, the hundred year old pact that allocates the Colorado River.

That I think will lead to changes in the price and importantly, volume of water available to some of our potential customers in Arizona. We're running away from Arizona. We think Arizona does have long term potential.

It's just that we're going to build out further in California where the need is obvious. You've heard us say this before about how important the new production units are. And they are really important.

The prototype has proven that we can do large jobs and we need to have both permanent equipment and more of it. And I think you will see us bring those machines to bear before the end of the year. As our press release said, we've had some issues in getting into final construction.

But we are active with contract manufacturers. We have some quotes from contract manufacturers. And so I do expect that you will see those units.

And I am very excited to get my hands on them. Most of my presentation has focused on agriculture because by acreage, that is really the biggest market. But we are active in golf, remain active in golf, and remain excited about golf.

And we have pilots to do in golf. And I think we will continue to see more and more pilots in golf. Agriculture, I think I've beaten this drum pretty hard.

This is the big market. Permanent agriculture is the big market for us. We have done a lot of work in agriculture on both sides of the border, but predominantly in Arizona.

And we will do a bunch more work in California over the coming 12 months. Marty brought out that we have this trial that we plan to install in the almond market there in California. There are 200 million almond trees in California alone.

They're not all for us, but that's a very big market. And they're very thirsty. So we have great hopes for there.

On the full golf course applications, I think that we'll do at least two more over the course of this time. You know that we've talked about Berkeley. And we have an MOU with Berkeley Country Club up near San Francisco.

I still think that's a real opportunity. We're in dialogue with them. As you know with golf, or at least you've heard from all of us in golf, your windows are narrow.

You need to get in during the maintenance seasons. So I would expect that you're going to see a lot more activity in golf in the spring and in the fall from a full course basis. But you can pilot year round.

I don't want to lump all of golf into kind of the northern hemisphere seasons. We've got some courses out there in Arizona, California that are just plain hot all the time. And so they have to do the maintenance when they can.

And we've seen opportunities to do that. I think, and Jan has been with us since the beginning in the Middle East. And we've been telling you about the Middle East for a long time.

I think the Middle East guys really are on the cusp of some large contracts. It's always been the case in the Middle East that this is elephants. In California, Arizona, all over the U.S., it's all about midsize, small, midsize, kind of banging it out a lot of times.

In the Middle East, this is about big government contracts. And we are seeing activity both in the UAE with soil and with SDC in Saudi Arabia that says some of those big contracts are maturing. I don't think we're going to do 15 million trees next year in the Middle East, because that's not how this works.

We'll get signed up for a big contract, and it will start with what are sizable deployments, but not million tree kind of deployments. But I do think we'll see that activity. And I think that will drive conversations about production units.

Because as we've tried to tell you in the past, the old equipment was good for doing pilots. It's hard to do big commercial jobs with them. The new equipment is much better.

So I think we'll have conversations with our partners in that area. And we didn't spend much time on it in the presentation, but this is a science company. We are a science and technology company and remain committed to being a science and technology company.

And we continue to see interesting adjacencies is one way to talk about it around LNC with the kinds of other soil health factors we can support, whether that's nutrient use, nutrient retention, whether that's synergy with fungi or good microbials. We continue to see those things and we continue to refine them. And we do that somewhat behind the curtain.

But I assure you that we will continue to invest in our science and our technology. So from a milestone standpoint, that's how we view the business and how we would expect to be measured. From a revenue guidance point, this is we have not given guidance for 2026 yet.

And I guess I would characterize this as initial guidance for 2026. We're obviously only halfway through 2025. And this is a company where things are pretty dynamic.

But I believe the business will generate more than three million dollars next year and that the 50% of it, 60% of it will come from the US business. And their balance will come from licensing revenue and hardware sales in the Middle East.

You know. That's a very big number. If you're doing \$10 thousand dollar jobs at a time, it's a very small number.

Right. If you're doing 100 hectare jobs at a time. And I think what we will see is a combination of both because the small jobs lead to the big jobs.

But I think we'll see a number of big jobs, including these two golf courses, including deployments in agriculture, et cetera, that will bring up that number. So that's what we're we're planning for in the next 12 to 18 months.

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So I think this is, you know, you've seen this slide before. This is in some ways, you know, what we've been doing for the last three years and we'll just keep doing. Right.

We don't think anything's changed in the market. And maybe I should leave it that way in the sense that we believe in the product. We have made tremendous strides in our ability to make the product, which allows us to be commercial.

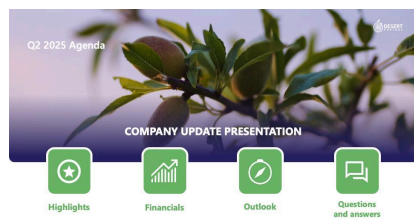
We have customers who believe in the product, as you've seen at Oasis States and other people, including Woodland Hills, who believes in the product. Right. We have had a couple of hiccups there.

We strongly believe they're operational, a.k.a. human, and that they're all at the injection side. And Marty and his team are working very diligently on tightening up our processes at the injection side. We're doing tests in California and Arizona, sorry, on our own sprinkler rigs to try and drive them to failure to recreate our problems.

Our customers continue to proceed. Our customers perceive the value in the product and understand where we are technologically. And so we're not on hold.

I want to communicate that quite clearly. We continue to move forward. And as Lars opened this, and I know many of us on the phone or on the video are interested, we are aware of our cash situation and our burn rate.

And we are working quite diligently on that. And obviously, as a public company around all of these points, whether they're the great markets, the success, the customer dynamics, the failures, the financing, there are things that we're allowed to tell you and things we're not. And I'd ask you in the questioning that you ask those questions. But if we have questions that we're unable to answer, I request that you understand that.



Thank you so much for your update. Now we will start the Q&A session and we invite all of you to use the Q&A function for this. So we will start with the questions that we received this morning

Q: So there have been rumors about indicative offers for the company from a larger player. ¿Can the company confirm whether there has been interest from any party to acquire the company?

A: So thank you for the question. And first of all, I think it's hard to respond on rumors. But let me emphasize that we would have and we will continue to report on anything that has relevance for the market in these matters. That's the short answer to that question.

Q: ¿What will you start getting shareholders confident about the share again and getting the share price up?

A: So I think one of the means of replying to that question is basically to be open in our communication. And I think we've had a continuous stream of news every time we had relevant information to share with the market. I think I hope at least shareholders acknowledge that we have in Q1 and in today's webcast been extremely open on all aspects of Desert Control.

As with any venture company, as with any mature going concern, it's not everything that is rosy. We have a company that holds massive potential, and I'm very excited about the progress we've made. But we have had hiccups.

And I'm absolutely certain and I can almost guarantee we will continue to have hiccups as we proceed. But we learn from all of them. And I'm sure that with some of the aspects that we shared today, I hope the shareholders are receiving some of these news in a positive manner.

It's up to every shareholder, of course, to make their own assessment. And if I might, I'd like to just follow up a bit there because I agree completely with Lars.

One of the things that I think both of us have been accused of in our personal lives is being too honest and too direct. But we consider you on this journey with us. And I think what we're trying to do is convey both the tremendous market opportunity, which is very, very real.

The value of the technology, which is very, very real. The engagement of our customers, which is very, very real. And the fact that we're still small and we have a really low market cap to be perfectly straightforward.

I think that we are where we are and we are trying to treat you as fellow investors in this space and on our journey. And we will share with the market both our triumphs and our tragedies. Too strong a word.

But that's how we're trying to communicate with people. And we're not focused. I will tell you quite honestly, I don't even know where the stock trades at \$11.49 in any given day.

I do watch the stock, but we're trying to build long term value here. And I think we can and we will. And I think off the space of both market cap and opportunity, there is a lot of room for us.

Q: ¿We can answer this one live. What does happen with the projects with the Monerian Company, Marta's Garden? Can we get a status update on both?

A: We continue to have a fantastic relationship with both of those businesses. They are both just fantastic growers, fantastic partners. We're consistently in contact with them and checking up on the progress of where L&C has been applied and seeking opportunities to expand that with them.

So all is well with those relationships. And there's always a conversation of what's next and where will it be next. That it fits well into their particular business programming as each of those organizations move forward.

But we have great relationships there and continue to watch progress of their crops, where the application has been provided, both in terms of yield outputs as well as water conservation.

Q: the company capital needs have been known and communicated to the market for a long time. One month ago, the share price, which effectively the company currency, was at Norwegian kroner 7.8. ¿Why was the share issue not carried out on time?

A: I think it's a fair question and it's a very relevant question. But let me emphasize very, very clearly. The board, or I would even say a board, has at all times the responsibility to address the strength of the balance sheet of desk control.

And I can assure you that the board has had an ongoing task to pursue all avenues that will strengthen our financial muscle. This has not been only the case for the current new leadership and the current board, but that has been the case for a long time going back as well. And needless to say, the board would have, and we still will, as I mentioned before, report any information in these matters that would have been or are relevant to share with the market.

Q2 Report And Financial Results 2021
Cautionary Note

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thank you for not just participating in this call, but obviously for your support of the company. We are, as we said, probably broken record wise here, focused on growth, focused on the huge opportunity.

We have a small team. We're making a lot of progress. We own our mistakes when we make them and we celebrate our successes also.

And our successes are greater than not. And we expect them to continue. I want to thank the team.

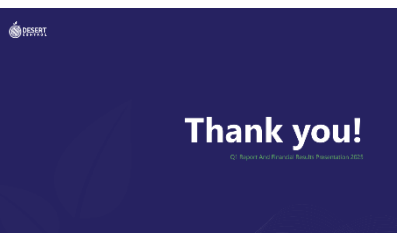
I want to make a real point of this. I mean, Lars and I were out at PGA West when we were installing that job and seeing it and when we had our problem. And it was 119 degrees.

And, you know, one of the things when you work in sandy soils is one of the reasons that Sandy's is hot. And our guys are out there every day. Marty himself was out in the Arizona heat yesterday working on the Oasis State install.

So I want to thank our employees who work hard every day making this company what it is. I am very optimistic. I think the entire team is very optimistic.

We're also very realistic and we're focused on building shareholder value. And targeting the markets that I think we've identified and where we see value for the technology through my focus. I don't want anybody to think that someday we're not going to go to Australia.

I think this technology will be relevant in Australia, but it's not what we're doing today. And what we're really focused on is executing really well in what are really big markets that we're already in. And we look forward to sharing our progress in all regards with you going forward.



And, you know, thank you again for being part of our investor base. Lars, anything you want to say? I think you said it very well, Thomas and James. And what I will also is to wish everybody a fantastic weekend. Great. Thanks, everyone. Thank you.

