Desert Control 2026 Capital Markets Day Presentation (Transcript)

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Welcome to the Desert Control half-year report and investor update. Today's presentation will review our half-year report 2026 and interim financial results for a fiscal period ending in June 30, 2026. We will also share selected updates from the third quarter to date.

Following the presentation there will be a Q&A session and you are encouraged to use to submit the questions anytime using the Q&A function. To begin, Lars Raunholt Eismark, Chair of the Board, will share opening remarks. After that our CEO James Thomas will present the half-year report.

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Today we have a full lineup presentation with our team that we have put together to give a deep depth of the areas of focus. Our Chairman, Lars, will lead off the opening remarks regarding his perspective on the first half progress and we will give a summary of the year today. Mike will introduce himself in the areas of focus for the next 6 and 12 months that are coming and Jan will give us updates in our new production unit and the Middle East.

Marty Williams will take us through the pipeline about agriculture in the Gulf and David will cover the financials and they will be available for this Q&A session. And now we hand over to our Chairman, Lars Raunholt Eismark.

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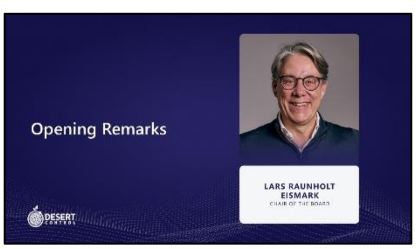

Thank you very much Ari and good afternoon or good morning depending on where you're dialing in from and welcome to the 26th half-year webcast.

I trust you all have had a wonderful summer and have returned to your daily do's with recharged batteries. The summer has been a busy period for Desert Control due to the ongoing process of strengthening the financial muscles of Desert Control. You might recall from earlier webcasts that we during the early months of Q1-26 initiated a process with the London-based bank MW&L Capital Partners or Masa Capital as they're called today.

The purpose of this process was to seek an investor or investors who would invest up to 15 million dollars into Desert Control. While the process and resulting expanded network that were addressed were very satisfactory, the outcome did not carry the fruit we had hoped for. The vast majority of investors were not allowed to invest in listed companies even though creative idea sharing and scenarios bounced back and forth.

The second largest knockdown course was and is our size. We are simply considered too small and combined with our listing the case is associated with too much complexity for many investors. This disappointing fact despite amazing feedback and interest that confirms our relevance, our strategy, the market potential, the proof of our technology and the substantial upgrade in organization.

So together with our advisors we assessed all angles and avenues of getting a solution that will strengthen our balance sheet and when I say all I mean all. This included reach outs to investors and to people who had waived that they represented interested investors who would make large placements under various technical setups, provide convertible loans, act as guarantors etc. All of these leads were pursued relentlessly and jointly by all our advisors and management and board however without carrying any fruit.

So in short the rights issue that we decided to pursue was by the end of the day the most viable option. Within the rights issue process we decided to accept the best offer which came from the guarantors who also participated in the 2025 rights issue. On top the Desert Control leadership team and individual board members in particular our CEO James Thomas stepped in with substantial guarantees illustrating their belief in Desert Control.

With the rights issue Desert Control will have financial runway until Q3 27 and we will continue to pursue our set strategy with confidence. Does that mean that we are satisfied with the current share price? No, definitely not. The share price does not reflect the value and potential of Desert Control but by the end of the day the share price is what investors are willing to pay in today's environment and we have to earn their trust.

We acknowledge that Desert Control has basically been through a complete restart since Q1 2025. Our go-to-market strategy was unclear. Delivery capacity was very limited.

Unit design was incomplete. We had a very small sales force. We lacked a market-oriented R&D strategy.

We had scarce resources spread over two continents with a nine-hour time difference and I could go on. This fact comes on top of an unfortunate strategic bet shortly after the IPO where funds and resources were directed to the Middle East. So we understand the impatience and the question marks that our shareholders pose.

I do think though and I feel confident that the strategic direction we have set is the right one. I would like to repeat a selection of them. Number one, be in the geographies where water is costly and all well water allocations are being reduced.

We are in the right spot, southwest US. Number two, focus on markets where density and presence of relevant addressable buyers and growers is high. That's why we are in California and Arizona.

Concentrate sales and marketing efforts on market-leading and trend-setting growers and players within the relevant segments, meaning high-value crops, predominantly permanent crops like dates, almonds, table grapes, citrus and golf courses in areas where water is costly or strictly limited. Number four, market a combined value position that focuses on water savings, cost reductions and yield improvements. Our primary focus on the segments I just mentioned above and we are researching as we speak, James will allude to it as well, a value proposition for selected row crops.

Number five, strategic joint ventures with leading academic institutions and agricultural market leaders. We are so proud of the continuous collaboration with University of California, University of Arizona, Syngenta and Siemens, all super valuable partners to Desert Control. Number six, concentrate research and development operations and sales and marketing in one location.

Already this year we've set up a new lab, new test facilities, a new organization is centered out of Yuma and very soon Bakersfield. Number seven, scale organization with capabilities reflecting our go-to-market priorities and strategy. This year we've hired a CFO, we've hired a Chief Scientific Officer, we've hired an operations lead, a new data engineer and we've scaled our sales force with relevant industry experience and network.

Number eight, support and co-develop our licensed partners. We are satisfied with Soil and SDC and we collaborate better and tighter than ever. And lastly, number nine, and very important to me personally, the board of management.

We stick to facts, we let scientific data lead our approach, we are super ambitious but we are not naive and we are very humble around the market dynamics and we report the truth in a direct and unpolished manner. Since Q2 2025, we've refreshed our thinking around trials and pilots across many market segments and with quite a few attractive customers and industrial partners. While most have been within our sweet spot segments, permanent crops, we've also tested application for row crops.

Results from some of our small-scale lettuce trials are promising and we're keen to scale and validate further trials within these segments. Success in selected row crops add a new dimension to the potential of Desert Control and we're excited that our R&D department is engaged with large-scale growers as we speak. The world is currently undergoing geopolitical unrest and Desert Control has also felt its impact.

Our licensed partners, Soil and SDC, have suffered under the conflict in the Middle East and my thoughts go to our licensed colleagues and their dear ones. Stay safe and take care of each other. Desert Control has also felt the consequences of the rather unpredictable political environment in our US home market.

The long-awaited outcome of the expiration of the Law of the River is still unclear and even though the southwestern US is experiencing its lowest water basin levels ever, the current political system has not decided yet on how to proceed. However, you cannot distribute water amounts that do not exist and we are looking forward to seeing the outcomes of the distribution rights. Whether it will impose higher prices on water or whether distribution rights will be reduced, both are important for us.

So, to close on a positive note, we have faith in our strategy and we're committed to it. Our technology is proven, the application is powerful and our value proposition is relevant. We are in the right spot, the organization is set and we're doing our best every single day.

These efforts will pay off and I look forward to report back on our progress over the exciting period that we have in front of us. Thank you for listening to me and now I'll hand it over to our CEO, James Thomas.

Thank you Lars and I'd like to add my welcome to all of you joining us in today's meeting, both long-term shareholders who we truly appreciate your patience and new shareholders who have joined us in the recent offerings and are coming along on our journey for the first time.

As a result of having a mix of both long-term shareholders and new shareholders, we're going to treat this as a full year-to-date update rather than simply an update from our capital markets day in May where we provided some exhaustive and extensive information. Before we get deeply into it, I'd like to second some of the things that Lars said because I feel that his nine-point list is 100% accurate and you're going to hear more and more details about that through the course of the presentation, but I would like to start with the simple statement that LNC works and that it works more consistently and with greater potential every month. We have seen, and Lars mentioned this, this really quite surprising outcome in lettuce, a high-value row crop.

We see water retention rates that are as high as any that we see historically and we're getting feedback from growers that they notice the differences that LNC is making. So I just want you to know that I still fundamentally believe in LNC's role both as a water saving but more importantly as a soil health product and the way that soil health will yield to better plant health and better yield. So that's my number one takeaway.

Two, customer interest really has never been higher. This is, you know, I think a testament to a few things. One is the team and not just the sales team but having a sales team in the market and having people like Dr. Canady and even David Borah out shaking hands and talking to customers is helping to get the word out about LNC.

I think it's also the case that the data that our pilot farmers are seeing has increased their interest in expanding their commitment to LNC and almost as importantly word of mouth from them to fellow farmers and agricultural people. So I just think that it's important to know that interest is as high as it's ever been. I think the other, the next point I would make is our focus on California predominantly is clearly working.

When we spoke to you in May, we were highly confident it was working. Now, 10 weeks later, we know it's working. The level of activity is very, very high.

The talent we can attract is higher and I think it's just really been the right move. The next thing I'd like to address, and David Borah will get into this more, we are holding our guidance at $2 million of revenue for this year. In order to hit that, we have to do a lot of business in the third and fourth quarter, but we have those conversations ongoing.

We have the team to execute the business and we have the equipment to execute the business. So we are in the heat of the summer in most of our territories and this is a time when LNC can show its benefit and we are in the thick of the harvest across most of our crop types and this is where the data the growers need to make decisions on for the rollouts will come. So we're going to know a lot more in the next six weeks.

It would be easier in some ways if this call was later, but we are on this every day. The entire team is in the field and the data is coming back. On another financial metric I'd like to address just briefly, you have seen us change our expense base as much as increase our expense base with our move of research from Norway to California and Arizona, but we clearly also have increased the expense base and that phase is largely over.

We have one open to hire in the engineering group in the U.S. and then most of the additional hires will either be salespeople or operations people to handle the increase in activity. So I just want to put that on the table. I also want to be clear, as Lars was, it hasn't all been rosy and clearly the financing was a tough situation and we appreciate how tough it was for many on this call, including those on the management team, etc., who are investors.

The new production unit, which I think is a huge upgrade, was three months late. I think we were upfront about that earlier in the year. Hiring's been a challenge. The states know how hard it is to find anybody to do anything other than build a data center and we have certainly had hiring challenges, both on the sales operations and engineering team, because of the huge demand for AI around the world. And frankly, we've had some, I would describe as minor, operation challenges due to all the activity.

We are running hard out there and we've had nothing important, but enough annoying kinds of things that we get better every day, but we're still going. Before I start into my slides, so that's my summary. Before I start into my slides, I do want to answer one quick investor question we've had, because I think this is the place to answer it because it doesn't fit anywhere else.

And we got a question about why we used Arctic Securities rather than MW&L to do the rights issue. And I think very straightforward, Arctic is a licensed securities broker in Norway. Arctic has been involved in all of our public equity offerings.

And so it was a natural when we moved to the rights issue to go forward with Arctic. So with that, Ari, can I get my first slide?

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Okay. For those of you who were at Capital Markets Day, you know, I love this slide and I loved it so much.

I showed it to you twice then. I'm going to show it to you again today. And I think Marty's going to show you versions of this slide later in his presentation.

But it really is the case that the acceleration in this business over the last nine months is quite real and continuing. We will, I will expect these bars to go ever upward. I do expect the acceleration to slow down, harvest, and just our reach.

But we are in touch with the right people in the right places in increasing scale and predominantly in California. Next slide, please.

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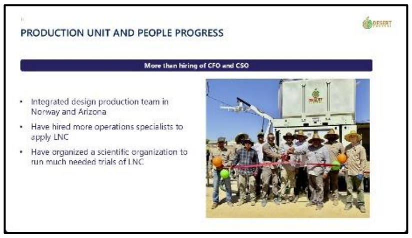

Lars touched on this.

I think I touched on this, but I think it's critical. We are a small company delivering a very real physical product in very arid conditions and doing it with a scientific focus. So I'm very excited, obviously, to have David Borah and Mike Canady on the team, but we have also added a lot of critical people out in the American Southwest to take LNC to the customer and deploy it and get home safe.

There are many days these guys are out working in 40 degree centigrade temperatures and we are immensely appreciative of their efforts and we work hard to make sure that they're healthy and safe in the field. Next slide, please.

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In reflecting on the Capital Markets Day and some of my talk tracks over time and the importance and scale of California and Arizona, I think that I have at times perhaps allowed people to think we're not focused on the broader opportunity also.

But I think it's really, really important to appreciate that this is not a California problem or an Arizona problem. It's a global problem. And the work we're doing in California and Arizona is directly applicable to other major agricultural regions, whether those are just south of us in Chile and Peru, whether they're in Southern Europe.

We are leveraging a technology and building out a technology that still has a very, very large global market. And, you know, we're walking before we run, but we will reach those markets at some point in the future. Next slide, please.

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And I think Lars touched on this tremendously, although he left out perhaps the droughts in Europe. I get regular reports from my son in London and from Lars and from the team in Norway about how brown everything is and the last time it rained. And so I continue to believe strongly that we are on the right side of the macro trend here and the Law of the River still to be determined, as Lars pointed out.

I think we can benefit from almost any resolution. Obviously, some are better or worse for us, but we continue to be on the right side of the water shortage around the globe. And with that, I think I will turn it over to Dr. Canady.

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All right. Thanks, James. So we can go to my next slide.

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It's great to be here with everybody. So this is all very deeply personal for me. I grew up in Southern California, so I've lived with severe water restrictions virtually my entire life.

I know exactly how precious every single drop of water is out here in the West, and this reality drives everything that I do. LNC is truly a game changer. We are offering a real lifeline for California agriculture.

LNC literally transforms sandy, light soils into land that holds onto water and nutrients, allowing us to cut irrigation needs by up to 50%. And the results really do speak for themselves. We're already seeing the impact right in our own backyard.

In our recent Salinas Valley trials, romaine lettuce yields jumped by nearly 30% on underperforming ground. And we are proving that we can boost crop yields even when the environment is working against us. So LNC changes the way soil works.

It acts like a sponge right in the root zone. It locks in moisture and nutrients and creates an environment where beneficial microbes can thrive and improve soil health almost immediately. And I'm here to scale this solution.

I've brought my 20 plus years of product development experience and my California roots to Desert Control for one reason, to turn this science into widespread action. My focus as Chief Scientific Officer is to drive the rigorous academic level research we need to scale LNC across the Southwest so our growers can thrive no matter how scarce water becomes. Next slide, please, Ari.

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So as we look at the R&D roadmap, it's important to note that everything we are doing builds directly upon a very robust baseline of established science and completed research. We aren't starting from zero. Now our strategy is moving from simply observing that our technology works to quantifying exactly how it works.

My job is to take LNC, break it down to its fundamental mechanics, and use that hard data to engineer targeted, highly profitable solutions. Now to do that, we are partnering with researchers across the University of California system. We are leveraging their academic rigor to quantitatively analyze LNC's mode of action across incredibly diverse soil and water chemistries.

And we aren't just hoping for good results anymore. We are building the predictive models. So why does this fundamental science matter to the market? Because mapping those mechanics allows us to solve one of the most expensive problems in agriculture, and that's fertilizer loss.

We are leveraging this mode of action data for targeted studies to validate LNC's ability to act as a physical vault in the root zone, retaining applied nitrogen and preventing loss. And this is massive return on investment for the grower. But rigorous university research only matters if it delivers powerful commercial results in the field.

And that's why we've built an aggressive, action-oriented pipeline of field trials. For permanent crops, we're running our own ongoing trials on almonds, pistachios, citrus, and dates. And because we know the market demands third-party data, we are bringing in independent contract research organizations, or CROs, to test almonds, pistachios, and table grapes.

We're applying that exact same independent rigor to the vegetable and row crop markets with CRO trials already lined up for lettuce, tomatoes, peppers, onions, and other crops that prove that LNC delivers results across the board. And for our turfgrass sector, we partnered with Dr. Jim Baird of UC Riverside. We are deliberately utilizing reduced irrigation protocols to intentionally stress the turf so we can independently validate LNC's water-saving efficiency and drought resilience under severe conditions.

Next slide, please, Ari.

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So this spring, we went to California's Salinas Valley to run a side-by-side field trial on a commercial romaine lettuce operation. We took a one-acre block treated with our LNC and matched it against untreated control plot, all using standard growing practices.

And here is what we found. Now, we didn't run this test in perfectly controlled greenhouse-like conditions. We intentionally picked a block of fast-draining sandy loam that historically underperforms.

We wanted to prove we could take a grower's weakest ground and turn it into highly profitable acreage. And we saw a 30% jump in harvestable yield. That's almost 100 extra boxes of lettuce per acre, simply because our treatment kept more of those heads alive and healthy all the way to harvest.

For a grower, that kind of bump is pure profit margin. And we drove a 33% increase in water use efficiency, pushing the yield to 5.7 tons per acre foot of water, compared to the standard of 4.3 tons per acre foot. We are literally letting them do more with less.

But here's the value as it relates to commercial adoption. We delivered the LNC right through the grower's existing drip tape. No tractors, no tilling, no extra labor.

And at the end of this season, the grower was forced to delay their harvest and shut off the water. Our treated plot survived that dry down because LNC acts as a moisture buffer. And that brings me to the why of all this.

Our basic research studies we planned with the University of California, our aggressive field trials, and this Salinas data, it is all impactful. As a native Californian, I can tell you firsthand that severe water restrictions are a permanent reality. LNC isn't just a soil amendment.

It's a structural insurance policy for the future of agriculture. We are giving growers a scientifically validated, scalable tool to protect their crops, maximize their margins, and thrive in a world where water is only getting scarcer. That is why I am here, and that is the true value of liquid natural clay technology.

And here's the bottom line for a commercial scalability. We didn't stop at one acre. We immediately expanded to a larger five and a half acre follow-up trial, and the performance held up right through a commercial harvest.

We drove a 22% jump in total yield, adding over a thousand extra pounds per acre, and a 34% increase in total bins. We aren't just showing you a lucky, fortuitous harvest. We've proven this technology delivers massive, consistent returns as acreage scales up.

Let's go to the next slide, please, Ari.

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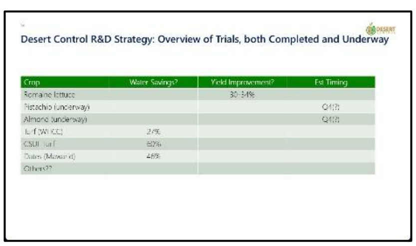

Now, this is a globally validated technology. From the extreme deserts of the Middle East to the agricultural hubs of the Americas, this data proves LNC is a highly adaptable, commercially validated solution.

We are fundamentally upgrading how soil performs across diverse climates. And we aren't just saving water. We're driving serious revenue growth.

With a 30% yield breakthrough in romaine lettuce in the Americas, and up to 60% increases in arid row crops, we're delivering significantly more harvestable product per acre. For high value, permanent agriculture, the numbers are undeniable. We are practically doubling yields on historically underperforming orchard ground and slashing water needs for date palms, all while pushing premium grade A crop quality.

We are radically cutting municipal and commercial water dependencies by driving up to 60% water reductions across sports and golf turf and sustaining long-term savings on century-old courses. LNC proves its extreme durability in heavy-use environments. And LNC does more than just hold moisture.

It repairs the ecosystem. We are actively rebuilding soil organic matter, mitigating soil salinity in municipal park and turf environments, and enabling large-scale native forest plantings that were previously impossible in desert conditions. And ultimately, this data shows that we have successfully decoupled water consumption from yield.

We are empowering growers and land managers to drastically cut their most critical input cost while simultaneously maximizing We can continue with Jan Vader, our Chief Innovation Officer.

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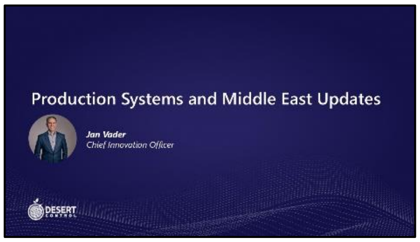

Okay. I think we lost Mike at the end there, but thank you very much.

That was an excellent summary of R&D. Good afternoon. Good morning to all.

Thank you for being with us today. I am pleased to provide some short updates, both on the development of our production and digital systems and as well on the status of our partner activities in the Middle East. Next slide, please.

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So, during July, we completed the first two field operations with our next generation production unit. The first was the commercial-scale application we announced earlier, covering 12 acres of Medjool date palms in Yuma, which demonstrated the stable performance of the core production module under real field conditions. We then completed a second operation later in the month, where we tested several refinements to the system.

And I'm pleased to say that this gave us further confirmation that performance enhancements and the automation are working as intended. So, main takeaways from this is the new core design is performing very well and providing a solid platform for further optimization. As James mentioned, we have been strengthening our team and in parallel with finalizing and testing the core module, we've developed ancillary modules, which we're now completing.

These allow us to fully utilize the higher operating efficiency now demonstrated by the core module. So, the modular design that we're going for now, this provides a very flexible platform for further increases in production capacity, while supporting easier replication and scale up over time as we address larger and more projects. At the same time as the hardware has been finalized, the new production system has become increasingly integrated with our digital infrastructure, which is what I'll touch on in the next slide.

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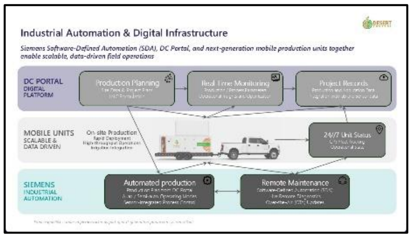

So, here we're trying to see – we're not going to go through all the details here, but it shows how our digital system is being developed in parallel with the new production platform, connecting project planning, production control, monitoring, and project records in one integrated workflow. Our long-term collaboration with Siemens already gives us an automation platform that supports a standardized and automated production process and provides the basis for remote diagnostics, centralized updates, and more efficient support of a distributed fleet as it grows.

In parallel, we're strengthening our internal development capacity on the DC portal digital platform with a new senior resource that joined the digital team just this week. The strategic value of the digital integration is not only a more capable production unit, but a consistent service delivery process that becomes more efficient as field data and operational experience accumulates.

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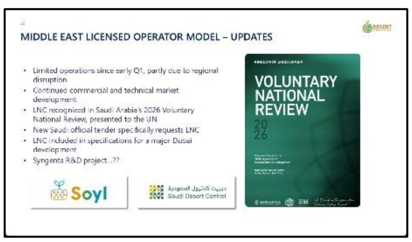

Touching on the Middle East side of things, our licensed partners there have continued the commercial and technical market development during the period.

In Saudi Arabia, a highlight is that the liquid natural clay was recently referenced in the Kingdom's 2026 Voluntary National Review, which was presented to the United Nations, increasing the visibility for our technology within the country's broader sustainability agenda. We've also reached what is a significant public procurement milestone in Saudi, where a new governmental tender specifically was launched for LNC treatment of an existing urban landscaping project in the capital. So for those of you who have been involved, you know, governmental processes many places, but in particular in the Middle East, there is a process you have to go through.

You can only directly issue a certain scope of work, and to get beyond that, you need to go through a tender process, which is where we're now gotten. So this is a good milestone for us. In the UAE, we've seen another encouraging sign of commercial progress of similar nature, where LNC was now included in the technical specifications for a new commercial development in downtown Dubai.

We have had some impact, as Lars has mentioned, you know, luckily it hasn't directly impacted anybody safety-wise, but there has been some impact on the project progress from the broader regional disruptions, and field activity has consequently been lighter for the last months, compared to the beginning of the year. But the underlying business and technical development work has continued in the region. This includes our R&D collaboration with Syngenta, with the project going on in UAE, although we don't have any results that we can share yet.

We hope to do that soon. Thank you from my side. With that, I would like to pass on to Marty now for an update on what's going on in the U.S.

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Thank you, Jan, and thank you, Mike, James, and to Chairman.

I'm very excited to be here today, excited to share the news that we have developing here in the U.S. But before I start with that, I especially want to extend my deep thanks and enthusiasm for the leadership over this past year and for the great work that Jan's team has done and that Dr. Canady's team has brought to the table here in this year. Our engineering work is very focused on reducing our overhead, reducing our labor costs, improving our throughput on a per-unit basis, all very exciting things to be able to deploy operationally in the field. Then Dr. Canady's work continues to lean towards the customer and integrate with the customer with things that matter to our customers, the data they care about and the performance they care about.

So we're very excited to have work that is very customer forward-leaning, customer integrated, and is expanded well beyond the greenhouse and the lab. So that creates an exciting platform from which we can work here in the States. Next slide, please.

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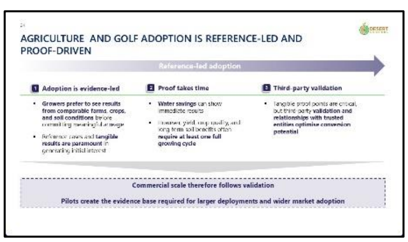

All right, so those of you who've worked at Capital Markets Day, you recall this slide. So it's really important to understand that adoption in both the agriculture and golf markets are reference-led, proof-driven. Prospects grasp the soil physics very quickly, but the approach is novel to them.

We have to move at the speed of trust, and that's earned with trials or pilots that include objective data. Specifically, we talk about a trial or pilot. A trial is scientific focused.

A pilot is customer focused. So what you'll see me focused on speaking about today are specifically the pilot activity project activity with those customers. So that objective data from soil moisture sensors and lab reports on the soil.

Golf courses and those growers with significant water cost pain convert more quickly, but all want to see it work on their soil with their water and for their crop before making a large commercial commitment. Commercial scale therefore follows validation. Pilots create the evidence base required for larger deployments and wider market adoption.

Key to our targeting approach, we are hyper-focused on what we call tier one targets. Those are the largest and our most influential growers golf course logos. These are well-known players by size and their positions on the boards of industry associations where what they say and do are followed by many in the respective vertical. Next slide.

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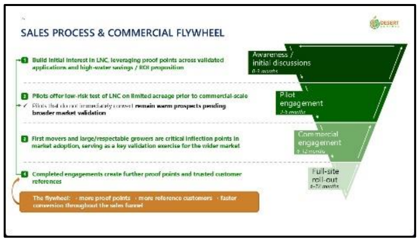

So our sales process and commercial flywheel has been developed and honed, and we continue to execute on it in exactly this way. So as we build on this idea, it's how we execute our sales process.

Initial discussions are typically over a couple of weeks to three months focused on getting a pilot committed. The pilot begins the accumulation of customer-specific data on the performance of LNC to drive commercial engagement and conversion to full-size rollouts in agriculture that is a stepped process of larger and larger applications until we eventually earn being a part of their standard process. So this is extremely important as commercial flywheel accelerates, accelerates, and we are at inflection.

These successes drive others to commit more quickly. Additionally, our past pilots are essentially a bank of opportunity where early prospects said to us, not yet, but come back to me when you have more adoption and success. So we're seeing some of those come back around now.

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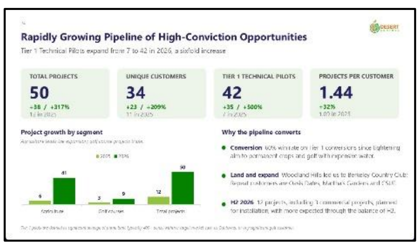

So as we've tightened our aim on the commercial crops and golf courses with expensive water, our conversion rate has become impressive. Woodland Hills is our flagship customer in Los Angeles that led us to Berkeley Country Club in the San Francisco market.

High water intensity date fruit growers such as Oasis Date and Martha's Garden have been exciting multi-project commercial conversions, each buying more than once, treating more and more of their acres. We're targeting leaders in the respective markets, highlighting, I want to highlight here the 60% win rate that we've encountered as we look at our tier one engagements over the past year and how we've been able to convert them and keep them in play. We are now very disciplined on who to engage and what opportunities to pass on.

So I'll call out Cal State University Fullerton as a repeat customer, Oasis, Martha's Garden. We continue, especially in agriculture, to have customers that we engage and each successive project becomes a bit bigger and a bit bigger as they move towards much more substantial adoption. Next slide.

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So here as you see in agriculture, our growth in our projects and in our tier one technical pilots has just exploded. I cannot express how busy we've been. It's been really exciting to be a part of this.

The team has worked incredibly hard and one thing that's not necessarily reflected here is Q1 was actually remarkably quiet relative to this number. The overwhelming majority of these have happened in Q2 and now into Q3 and are scheduled for Q4. So this coming September is going to be incredibly busy and we expect to have even more come into the pipeline as this year continues to mature.

So now that we've had this early application operations activity, now we're getting ready to see some of the fruit of that harvest quite literally. So as we get into October and December, October, November, December, we should be seeing fruit and nut harvest. The table grapes in the into next year, our applications were this past spring.

They harvest that in May so they'll come in around May 27 of 2027. So we're quite excited to see how these results come back to us, both in terms of potential for either water conservation or potential for yield growth depending on what the customer's primary pain point is and their primary opportunity for ROI.

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Golf and landscape continues to grow quickly.

We've added another second salesperson in this category and they're off to a great start and we've made excellent progress here. Nine golf course projects so far a year to date across eight unique customers. We've done two commercial projects this year, both with Cal State Fullerton as well as the Berkeley project that most of you know well about.

We're really excited about our now we've made a step into Las Vegas as well with customer projects and technical pilots. That market has changed immensely this year with some changes to the water prices and that has really motivated some people to be quite literally desperate for answers and we're excited to be a part of the solution landscape for them. Next slide.

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So everyone always wants to know updates on you know what's happening at Woodland Hills, what's happening at Berkeley. We're very excited about how things have developed at Woodland Hills over the past 12 months. We have this is our first full golf course with a full 12 months of data and you know 27 percent water savings.

They've had a $350,000 gross benefit to the customer from the combination of water savings and rebates. That's just an extraordinary number to me. That is beyond my expectations of the financial benefit to the customer.

So we're incredibly excited about that. This is in a really high potential market for us in the Los Angeles market where the rebate opportunity from the local utility provider really makes this especially financially feasible for the customer and reduces their you know any perception of risk on their side. So the rebates plus the pays model has incredibly de-risked the customer's perception of stepping into what is to them a new and novel concept, a new idea.

Keep in mind LNC is not a product that they've ever engaged before when they've engaged with us. It's their first time with this or any similar type product. We are early days with the Berkeley Country Club.

It's been a very hot summer especially in northern California across much of the U.S. with this super El Nino event that we're experiencing. But they have while the percent water savings may look a little modest just over these first few months they've a $17,000 benefit which is not insignificant. That's a really good start.

It's important to keep in mind that because they're in northern California they have a cool season grass that is very sensitive to dramatic changes in how you care for it. So they're wanting to be extra careful and they're turning down that water just a little bit at a time to protect that turf and make sure that it's not overstressed. If they overstress it too quickly they could certainly begin to lose some turf.

So they want to be super careful and just barely turn it down a bit at a time. So we're sincerely encouraged with the even the modest benefit that we're seeing there now and we do believe that will continue to grow. Next slide.

-25-

So that brings us to the fact that we are at our commercial inflection point here. We've got commercial validations across a number of high value crops. We began the year very much focused on golf courses with expensive water and permanent crops in California.

We continue to be hyper focused on that group but in the process as we continue to keep an open mind and look for opportunities where we can have the greatest value proposition, we have come into this opportunity specifically with vegetables, fruit, berries that are grown on precision irrigation such as drip tape that opens up a whole new opportunity for us that we had previously thought was not truly available to us. So I'm incredibly excited by this addition because there are tens of thousands of acres of opportunity for us in California as well as quite a bit in Arizona and other states where precision drip tape irrigation is quite common and dependent upon and is used quite often with very high value crops. So this boom in pilots has brought us a tremendous amount of activity and there's a material increase in both size and quality.

We're not just dealing with the small operator, the daring and the desperate anymore. We're dealing with huge commercial operators that have tens of thousands of acres that could be a potential opportunity for us. These are massive corporate players that take opportunities like this very seriously and once we work our way into their standard of practice it will grow very quickly.

So we see this huge realizable pipeline of 56 million dollars and all that's so much of that has grown just in this past nine months of entering California agriculture and adding to our sales staff. Marty.

Yes sir. Marty. If I might interject, you know the situation here with the row crops and the high value lettuce.

Marty and his team get all the credit. I was a skeptic. I think I'm even on official record saying we're not focused on that but I think one of the things that I tried to highlight in my opening remarks is we keep finding ways that LNC works even in places that we weren't entirely expecting it and so part of the real benefit of having more guys in the field, being operationally more efficient and being so active, you find things you didn't expect to find and you find growers who are open to what they're interested in not necessarily what we think they should be interested in and this is one a situation where I just have to do the mea culpa.

I was wrong. We're hitting it hard now. Mike articulated all of the new trials we're putting into the ground around high value row crops but I think it's a symbol of the activity level and the ability of the technology to kind of expand in ways that were unpredicted and I'm greatly appreciative of Marty and the team for pushing that one along.

Yeah thank you James. Next slide.

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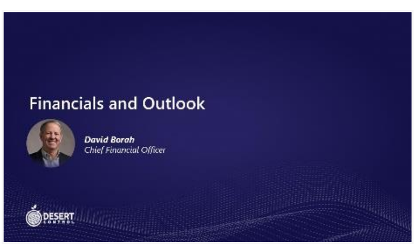

So now I'll turn it over to David and I must say David's been just a breath of fresh air to the organization this year.

He's brought a tremendous focus on our being more accountable to our accounting and our financial outlook, how we manage and understand where the money's going and what we're doing with it so I deeply appreciate David and all of his hard work and I'll turn it over to him now to give us some of that flavor. Wow thank you Marty. That was very nice.

I'm trying not to blush right now but so I'm going to cover the financial section and then I'm going to hand it over to myself to conduct the question and answer period. I'm just looking at the clock we are. I think we're running a bit behind schedule.

I think we budgeted an hour but we can go a little bit over an hour to answer all the questions that we've received ahead of time. So if you could go to the next slide Marty that'd be great.

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So year to date we've had a great deal of success with tier one pilots and very focused on converting them to full scale commercial customers.

I think you've heard this from Marty and from James. Back in February right after I started we had an investor call and I received a question about what my grand plan was as the CFO. I didn't answer the question because I was frankly too new to the job at the time but I've learned that one of the best uses of my time is to help convert customer pilots to commercial customers.

I think we all know the product works. We've increased capacity. We've hired new people.

We have a great team both in Norway and the U.S. and so right now we're focused on commercial customers and so this effort has come in many forms. As my role as CFO I'm responsible for investor relations so this has included a more active and regular social media presence. It's also included marketing efforts like engaging with an outside marketing consultant to sort of trumpet the news from the Romaine lettuce trial and it's also helping to organize an upcoming marketing event, a series of marketing events frankly in the Central Valley of California and it's also focused on helping our customers do business with us more easily and that is an example of that is engaging with Growers Edge, the financial company that serves the agricultural market to give our customers a more user-friendly way to finance purchases of LNC.

So as Marty alluded to our golf customers especially Woodland Hills are making steady contributions to current year revenues. We have always viewed these customers as more than just current year revenues given their clear embedded annuity value so we believe each golf course customer is equivalent to over $300,000 in value. As Lars and Jan have both commented our partners have had a tough year so far but plenty of interest remains going forward and in terms of spending we don't really see a radical change from what we've experienced in the first half of the year.

Our head count should not change much from here and so therefore we don't see expenses growing meaningfully going forward for the foreseeable future.

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So as you might assume our revenues are back and loaded. This has always been the case.

It was the case when we first gave guidance earlier this year and still is the case now. We are now in the thick of harvest season in our agricultural end market and we're also close to the winding down of the golf season so we're having a lot of discussions with potential commercial customers who generally have had very positive customer pilot experiences. So our visibility should improve quite a bit over the coming one to two months as we continue having discussions with pilot customers.

As it stands right now we are maintaining guidance giving the large uptick in these customer pilots that we've seen year over year and as well as our increased capacity given the new production unit. So now I think we'll hand it over to Q&A and I will look at my other screen for that.

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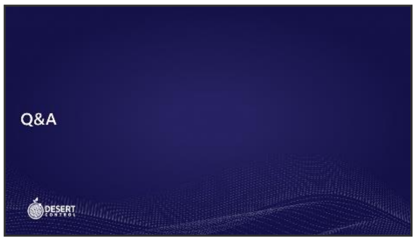

Q&A session (Summarized written recap of the questions and answers from the Q&A session)

Q: When will management provide another company update?

A: We will give our final update of the year on November 19th. That date is posted on our website. We haven't specified the exact time yet, but you can expect us to provide our next update on that day.

Q: Could you describe the sales cycle for golf pilots and how it has changed over the past couple of years regarding converting them to commercial business?

A: The focus on golf courses has been very intense, especially as we transitioned from an Arizona focus to a California focus, and now expanding into Las Vegas due to dramatic increases in water costs. By focusing on the right geography, the right customers, and markets with rebate opportunities, we have immensely improved our targeting and conversion rates. Furthermore, results from Woodland Hills show that a golf course doesn't have to be in a desert for LNC to be effective. While our initial targets had very high sand content, we are finding that we can positively affect courses with 60 to 70 percent sand, which opens up entirely different market opportunities.

Q: Regarding the Arizona grants released earlier this year, why was there a delay and when should these convert into commercial revenue?

A: The delay is largely due to classic government realities; they do not necessarily move at the pace or deadlines they set for themselves. The good news is that the approval processes are complete. We have two different customers and three different approved grants. We are currently on track to plan those installations for Q3 and Q4. We just need to finalize the sales agreements and the documentation required by the state, but we fully expect to complete those in the second half of the year. Additionally, some of that grant funding is targeted toward high-value row crops, specifically carrot and leafy greens applications.

Q: Are the customer pilots conducted in the first half of the year paid trials?

A: The vast majority of our pilots are paid trials. While the scope is a bit different from a full commercial rollout focused on wettable acres, we do charge for our time, labor, and the LNC product. A typical pilot requires a day or two of labor and time, and we do tend to charge for them.

Q: What is Desert Control's actual historical conversion rate from pilots to paid commercial customers?

A: At our Capital Markets Day, we noted that our conversion rate last year was about four out of seven pilots converting into commercial customers, which is roughly a 60 percent conversion rate. However, that is not a rate people should expect going forward. Given the massive increase in business interest and the high volume of pilots we've seen year-to-date, we would be very happy with a number far below that. Even half of that rate would be a dramatic success given our current pipeline.

Q: Can you provide a quick update on the relationship and ongoing work with Syngenta in both the Middle East and the U.S.?

A: We have activities currently ongoing in Colorado with Syngenta's Americas team, though it has been challenging this year due to the weather and water situation in the state. We also started a trial in the UAE with Syngenta's Europe and Middle East team. This trial is slightly differently focused, looking at synergies between our Liquid Natural Clay and some of their products. Both trials are actively ongoing and we are very excited about the potential outcomes, but since it is a collaboration, we do not have results that we can share publicly just yet.

David Borah: I think those are all the questions that we have time for. And frankly, if there are questions that we didn't ask, feel free to reach out to us. I appreciate your time, James. If you want to wrap up the call that's fine, or we can close it right now.

James Thomas: Well again, I just want to thank shareholders for being on the journey with us. Hopefully, the call today provided a good sense of where we are and the progress we have made.

We know that we have a lot to do. We are intently focused over this next six weeks. Not that we haven't worked hard all year, but we're working really hard this next six weeks to convert this activity into business. And at the same time, you should expect us to continue to pilot because, as Marty showed, this is a funnel and it's a process, and we've got a lot of interest and we're going to keep after it.

I think there was a question on capacity, and I know in the past calls I've talked about, you know, we're essentially sold out, which we were through kind of the April, May, June timeframe. There are weeks this fall we will be sold out just because you can't be in too many places at once. But we do have the capacity if we can get it scheduled properly. And unfortunately, agriculture doesn't work on exact schedules. We do have the capacity to deliver the business we would hope to sign. But Marty's team hustles and will have to hustle to get it all done.

And with that, thank you very much for your interest, your continued interest. Ari, David, Lars and I are always available, and we look forward to the report in November of hopefully a lot of progress.

Have a good evening. Thank you.