



# 2023 Company Update

Desert Control AS



**DESERT**  
CONTROL

# Our focus: Soil improvement

## The Chief Problem

### **Sandy Soil**

have large particles with low 'surface charge' – water has 'nothing to stick to'

## Resulting in

# Less than 15%

of water is retained in the topsoil for plant use



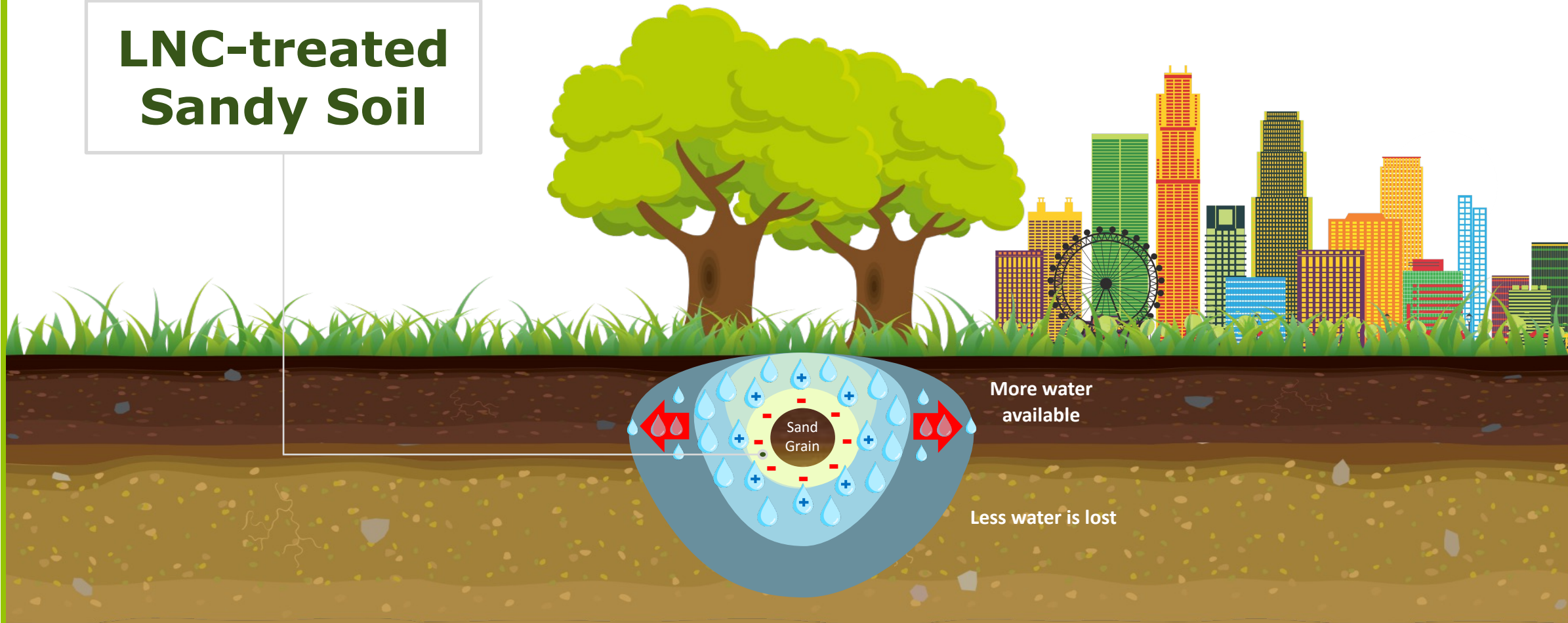
Water drains very fast



Most of the water is lost

# Liquid Natural Clay (LNC)

**LNC-treated  
Sandy Soil**



# Results

Improved efficiency in the use of:



Water



Energy



Fertilizers

Higher:



Yield



Quality



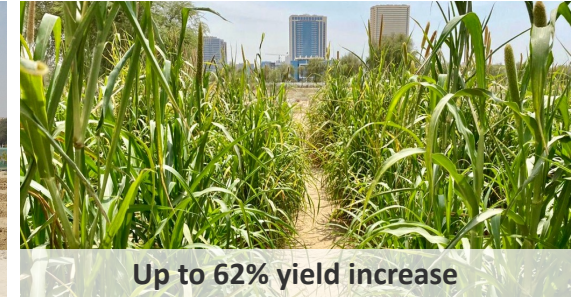
Profit

Before



ICBA, Dubai, UAE

After



Up to 62% yield increase



The University of Arizona, Yuma, U.S.



21-53% yield increase



Silicon Oasis, Dubai, UAE



47% water savings

# Traction



**Commercialization started with customer conversion model**

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**30X improvement of application scalability since July 2022**



**Scalable, Patented, and Proven to Boost Yields & Cut Water Costs**

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LNC is Poised for Outstanding Growth

# Agenda / Q1 2023

Q1 2023 REPORT AND FINANCIAL RESULTS / COMPANY PRESENTATION



**Q1 Highlights**



**Financials**



**Outlook**



**Questions  
and answers**

# Progress in efficiency, scalability, and sales



## INCREASED EFFICIENCY IN PRODUCTION CAPACITY

- Significant increase in production per unit, ensuring faster and less energy-intensive production



## ACCELERATED SCALABILITY ON LNC APPLICATION: **30X**

- Speed of application is accelerating, going from manual application to application through sprinkler systems

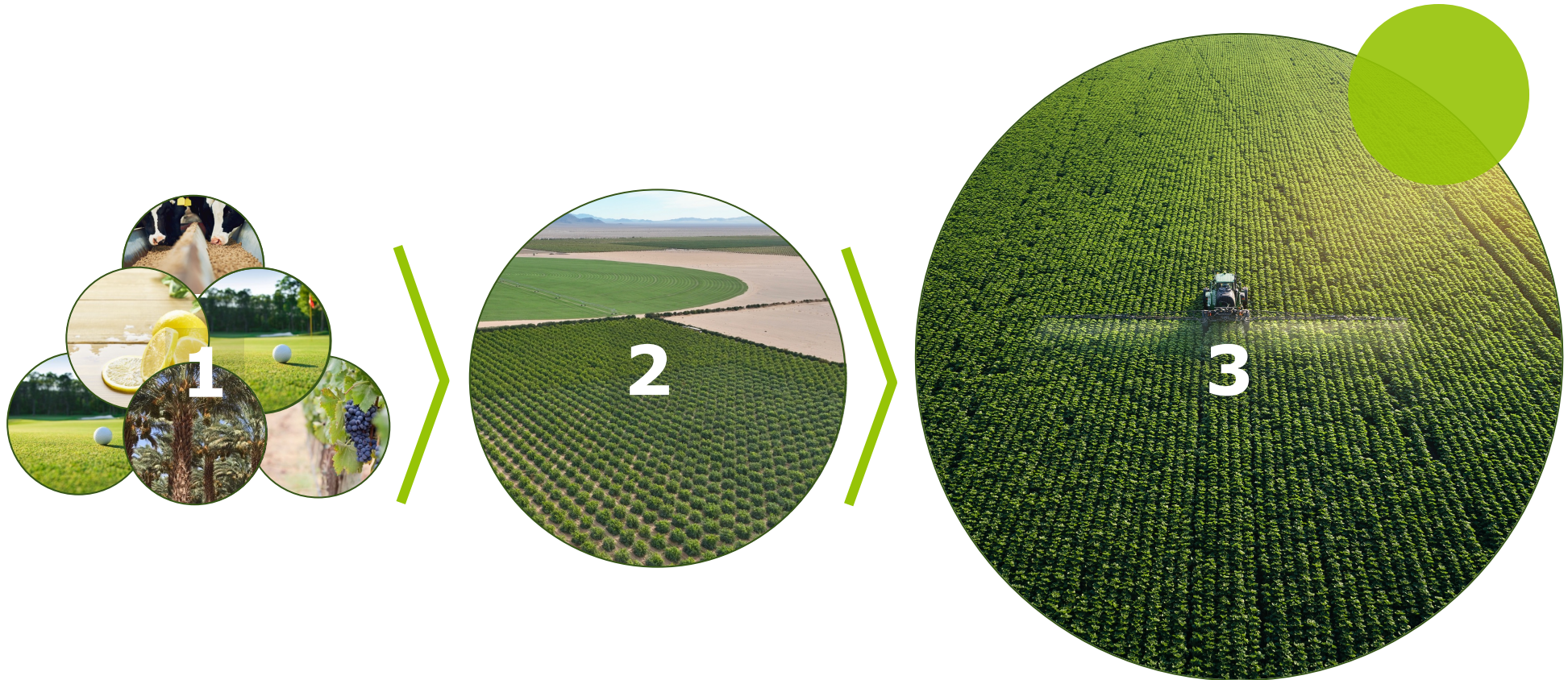


## FOCUSED CUSTOMER CONVERSION MODEL

- From technical pilots to commercial pre-projects to full-scale deployments

# Customer conversion model

## From pilots to full-scale projects at the speed of trust...



FROM TECHNICAL PILOTS...

... TO COMMERCIAL PRE-PROJECTS...

... TO FULL SCALE DEPLOYMENT



# Key accomplishments



COMPLETED FINAL STAGE OF LIMONEIRA  
PRE-PROJECT AND SECURED FIVE PILOTS



ON TRACK FOR Q2

# Key accomplishments



## TOP PRIZE IN SUSTAINABILITY & ENVIRONMENT

- Won the top prize in the Sustainability & Environment category at the Entrepreneurship World Cup (EWC) Global Finals
- Desert Control was among the top 10 finalists selected from 30,000 entrepreneurs worldwide.



## LNC APPROVED FOR CERTIFIED ORGANIC FARMING

- Receives official approval and certification for organic farming from the Ministry of Industry and Advanced Technologies in the UAE
- Validates the effectiveness and safety of LNC as a solution for organic farming



## WINNERS OF THE RESEARCH AND INNOVATION AWARD

- Mawarid Desert Control named winner of the Research and Innovation Award by the Ministry of Energy & Infrastructure, UAE

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# Financial key figures

## FIRST QUARTER 2023

[first quarter 2022 in brackets]

- Revenue NOK 1.9M [NOK 0.6M]
  - EBITDA NOK –23.4M [NOK –22.8M]
  - Profit or loss for the year NOK –19.3M [NOK –23.7M]
  - Gross R&D expenses TNOK 322 [NOK 1.6M]
- 
- Total cash balance 31.03.23 (incl. current financial assets) NOK 56.7M [NOK 153.3M]
  - Equity 31.03.23 NOK 86M (equity ratio 89%) [NOK 170.6 (92.5%)]



56.7M

Total cash balance  
31.03.2023

89%  
Equity ratio

# Consolidated statement of comprehensive income

(Amounts in NOK thousand, unaudited)	Notes	Q1 2023	Q1 2022	2022
Revenue from sales	2	875	595	2 223
Other income		1 016	-	1 995
<b>Total income</b>		<b>1 891</b>	<b>595</b>	<b>4 218</b>
Cost of goods sold (COGS)		453	908	2 508
<b>Gross margin</b>		<b>1 438</b>	<b>- 313</b>	<b>1 711</b>
Salary and employee benefit expenses		16 094	16 341	62 087
Other operating expenses		8 735	6 160	29 859
Depreciation and amortisation		1 906	1 075	6 108
Impairment		-	-	-
<b>Operating profit or loss</b>		<b>-25 296</b>	<b>-23 889</b>	<b>-96 343</b>
Finance income		6 004	427	15 873
Finance costs		-	236	9 987
<b>Profit or loss before tax</b>		<b>-19 293</b>	<b>-23 698</b>	<b>-90 457</b>
Income tax expense		3	3	3
<b>Profit or loss for the year</b>		<b>-19 296</b>	<b>-23 701</b>	<b>-90 459</b>

# Consolidated statement of financial position

(Amounts in NOK thousand, unaudited)

	Notes	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		7 740	6 504	7 221
Property, plant and equipment		20 223	14 132	21 002
Right-of-use assets		2 264	1 672	1 635
<b>Total non-current assets</b>		<b>30 227</b>	<b>22 308</b>	<b>29 857</b>
<b>Current assets</b>				
Inventory		133	80	584
Accounts receivable		2 846	103	1 572
Other receivables		6 644	8 670	9 052
Other current financial assets		38 903	65 371	41 416
Cash and cash equivalents	4	17 795	87 886	36 791
<b>Total current assets</b>		<b>66 322</b>	<b>162 110</b>	<b>89 415</b>
<b>TOTAL ASSETS</b>		<b>96 548</b>	<b>184 418</b>	<b>119 272</b>

# Consolidated statement of financial position (continue)

<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	3	124	123	123
Share premium		230 849	230 849	230 849
Currency translation differences		- 158	- 71	-1 336
Retained earnings		-144 845	-60 289	-122 636
<b>Total equity</b>		<b>85 970</b>	<b>170 612</b>	<b>107 001</b>
<b>Non-current liabilities</b>				
Non-current lease liabilities		1 696	175	425
<b>Total non-current liabilities</b>		<b>1 696</b>	<b>175</b>	<b>425</b>
<b>Current liabilities</b>				
Current lease liabilities		208	1 060	1 059
Trade and other payables		2 871	3 551	5 004
Public duties payable		2 795	6 163	944
Other current liabilities		3 008	1 911	4 839
Contract liabilities		-	945	-
<b>Total current liabilities</b>		<b>8 882</b>	<b>13 630</b>	<b>11 845</b>
<b>Total liabilities</b>		<b>10 578</b>	<b>13 805</b>	<b>12 270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96 548</b>	<b>184 417</b>	<b>119 271</b>

# Consolidated statement of cash flows

(Amounts in NOK thousand, unaudited)

<b>Cash flows from operating activities</b>	<b>Notes</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>2022</b>
<b>Profit or loss before tax</b>		<b>-19 293</b>	<b>-23 698</b>	<b>-90 457</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Net financial income/expense		-6 004	-191	-5 886
Depreciation and amortisation		1 906	1 075	6 108
Share-based payment expense		1 915	90	4 283
Working capital adjustments:				
Changes in accounts receivable and other receivables		1 132	-2 631	-5 066
Changes in trade payables, duties and social security payables		-282	6 168	2 402
Changes in other current liabilities and contract liabilities		-1 831	-1 821	161
<b>Net cash flows from operating activities</b>		<b>-22 455</b>	<b>-21 009</b>	<b>-88 455</b>



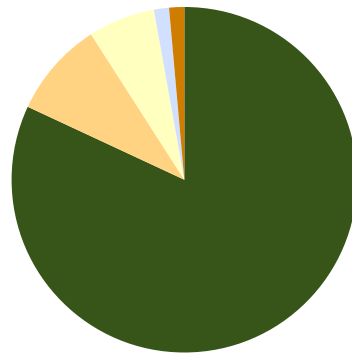
# Consolidated statement of cash flows (continue)

<b>Cash flows from investing activities (NOK)</b>			
Purchase of property, plant and equipment	-346	-4 317	-13 969
Purchase of financial instruments	2 514	11 976	36 744
Proceeds from sale of property, plant and equipment	801	-	890
Interest received	88	427	867
<b>Net cash flow from investing activities</b>	<b>3 056</b>	<b>8 086</b>	<b>24 533</b>
<b>Cash flow from financing activities (NOK)</b>			
Proceeds from issuance of equity	1	1	1
Lease payments	548	-726	-1 589
Interest paid	2	-236	-3
<b>Net cash flows from financing activities</b>	<b>550</b>	<b>-961</b>	<b>-1 591</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-18 849</b>	<b>-13 883</b>	<b>-65 513</b>
Cash and cash equivalents at beginning of the year/period	36 791	101 924	101 924
Net foreign exchange difference	-147	-155	380
<b>Cash and cash equivalents, end of period</b>	<b>17 795</b>	<b>87 886</b>	<b>36 791</b>

# The DSRT share



## ORIGIN OF SHAREHOLDERS



■ Norway 
 ■ Luxembourg 
 ■ UK 
 ■ Sweden 
 ■ Others

### THE GROUP'S SHAREHOLDERS:

#### Shareholders in Desert Control AS at 31.03.2023

Shareholders in Desert Control AS at 31.03.2023	Total shares	Ownership/ Voting rights
Olesen Consult HVAC AS	5 900 000	14.3%
J.P. Morgan SE	2 520 176	6.1%
Ole Morten Olesen	1 650 000	4.0%
Nordnet Livsforsikring AS	1 618 260	3.9%
JPMorgan Chase Bank, N.A., London	1 516 166	3.7%
Lithinon AS	1 423 706	3.4%
Nesse & Co AS	1 360 000	3.3%
Beyond Centauri AS	1 243 371	3.0%
LIN AS	1 215 275	2.9%
DNB BANK ASA	1 208 569	2.9%
Monsunen Forvaltning AS	1 136 871	2.8%
Idland	1 106 390	2.7%
Jakob Hatteland Holding AS	1 000 000	2.4%
The Northern Trust Comp, London Br	958 275	2.3%
OKS Consulting AS	925 000	2.2%
Clearstream Banking S.A.	874 938	2.1%
Investore Finans AS	850 724	2.1%
Sortun Invest AS	677 715	1.6%
Glomar AS	627 715	1.5%
Platypus Invest AS	274 995	0.7%
Others	13 238 643	32.0%
<b>Total</b>	<b>41 326 789</b>	<b>100%</b>

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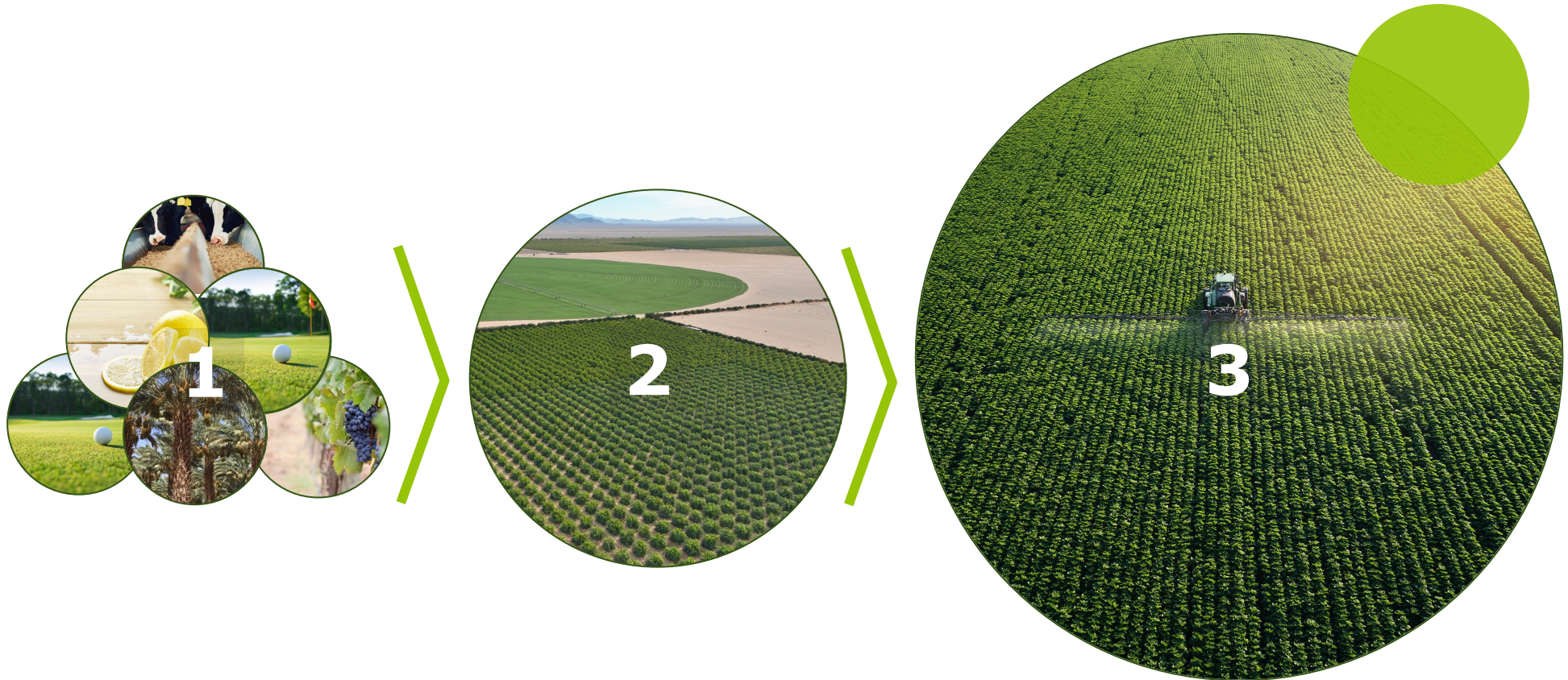


**Outlook**



**Questions  
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# Continued focus on commercialization, customer conversion, and operational scalability in Q2-2023



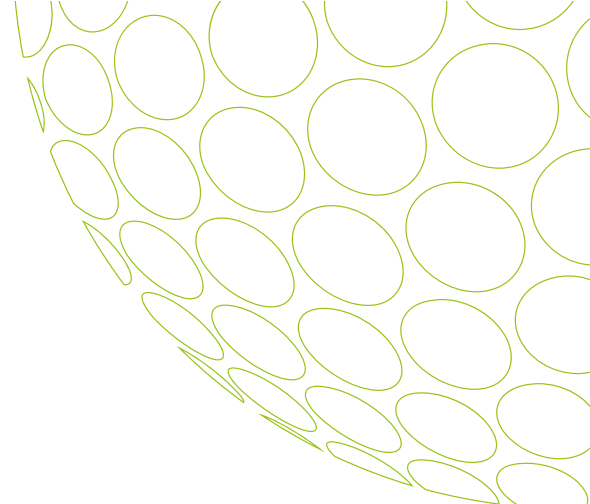
FROM TECHNICAL PILOTS...

... TO COMMERCIAL PRE-PROJECTS...

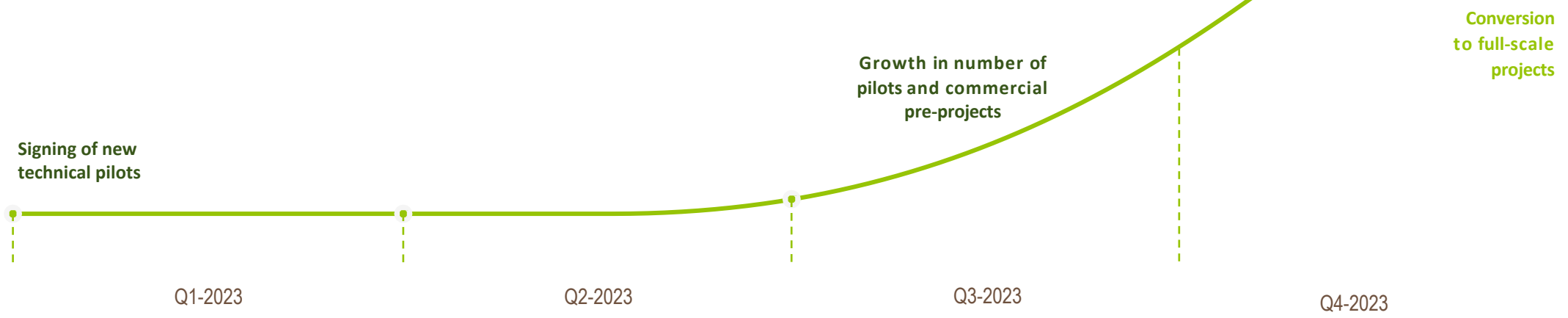
... TO FULL SCALE DEPLOYMENT

# Customer conversion plan U.S.

**Objective: Securing 5 technical pilots per quarter, targeting minimum 50% conversion to larger projects**



- Stage 1** **Technical Pilots:** We initiate engagement with potential customers through smaller-scale pilot programs, validating LNC’s efficiency – essentially proving “it holds water.”
- Stage 2** **Extended Pilots (Commercial Pre-projects):** Successful Stage 1 pilots evolve into larger pre-projects. The goal is to demonstrate our solution’s scalability and economic viability across larger areas, assessing cost savings and the impact on yield and crop quality.
- Stage 3** **Full-Scale Deployment:** Upon successfully completing Stage 2, we transition to full-scale deployment contracts.



# Cautionary note

## DISCLAIMER RELATED TO FORWARD-LOOKING STATEMENTS

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

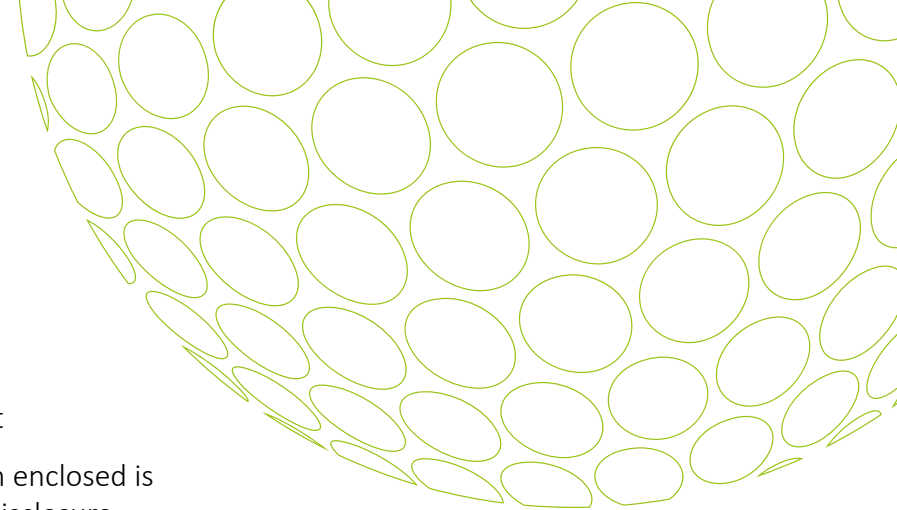
Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates, and projections, reflect current views concerning future events, and are subject to risks, uncertainties, and assumptions, and may be subject

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

### Q1 2023 Report

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



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**Thank you  
for your attention!**

