

# Q1

Report

2023





## Contents

DESERT CONTROL FIRST QUARTER 2023 REPORT.....	4
Q1 2023 HIGHLIGHTS .....	5
FINANCIAL KEY FIGURES .....	6
2023 Q1 COMPANY UPDATE .....	7
ABOUT DESERT CONTROL .....	9
INQUIRIES .....	10
CAUTIONARY NOTE .....	11
STATEMENT BY THE MANAGEMENT AND BOARD OF DIRECTORS .....	12
CONSOLIDATED FINANCIAL STATEMENTS DESERT CONTROL GROUP.....	13
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG).....	23
OUR CORE VALUES.....	24

**Desert Control completes second phase of the Limoneira project, secured five strategic pilots and received official approval for organic farming. The company closes the first quarter with a positive cash balance of NOK 56.7 Million and has no interest-bearing debt.**



# Desert Control First Quarter 2023 Report

SANDNES, NORWAY, 25 MAY 2023 – DESERT CONTROL AS (DSRT) ANNOUNCES ITS FIRST QUARTER REPORT FOR THE FISCAL PERIOD ENDING 31 MARCH 2023.



# Q1 2023 Highlights

Solid progress towards commercialization readiness:

- Completed second phase of the Limoneira project in Yuma, Arizona, demonstrating significant efficiency increase of LNC application
- Secured five strategic pilots, expanding LNC application capabilities
- Liquid Natural Clay (LNC) received official approval and certification for organic farming in the United Arab Emirates (UAE)

Webcast presentation for Desert Control Q1 2023 Report and Interim Financial Results is hosted on 25 May 2023 at 10.00 AM, Central European Time (CET).

Register: [https://desertcontrol.zoom.us/webinar/register/WN\\_uiW\\_Qq51Q6O4b-lZn6Hx\\_g](https://desertcontrol.zoom.us/webinar/register/WN_uiW_Qq51Q6O4b-lZn6Hx_g)

## Marketing activities

- Won the top prize in the Sustainability & Environment category at the Entrepreneurship World Cup (EWC) Global Finals held in Riyadh, Saudi Arabia, March 2023. Desert Control was among the top 10 finalists selected from 30,000 entrepreneurs worldwide.
- Mawarid Desert Control named winners of the Research and Innovation Award by Ministry of Energy & Infrastructure, UAE
- Official opening ceremony of U.S. operational base in Yuma, Arizona.

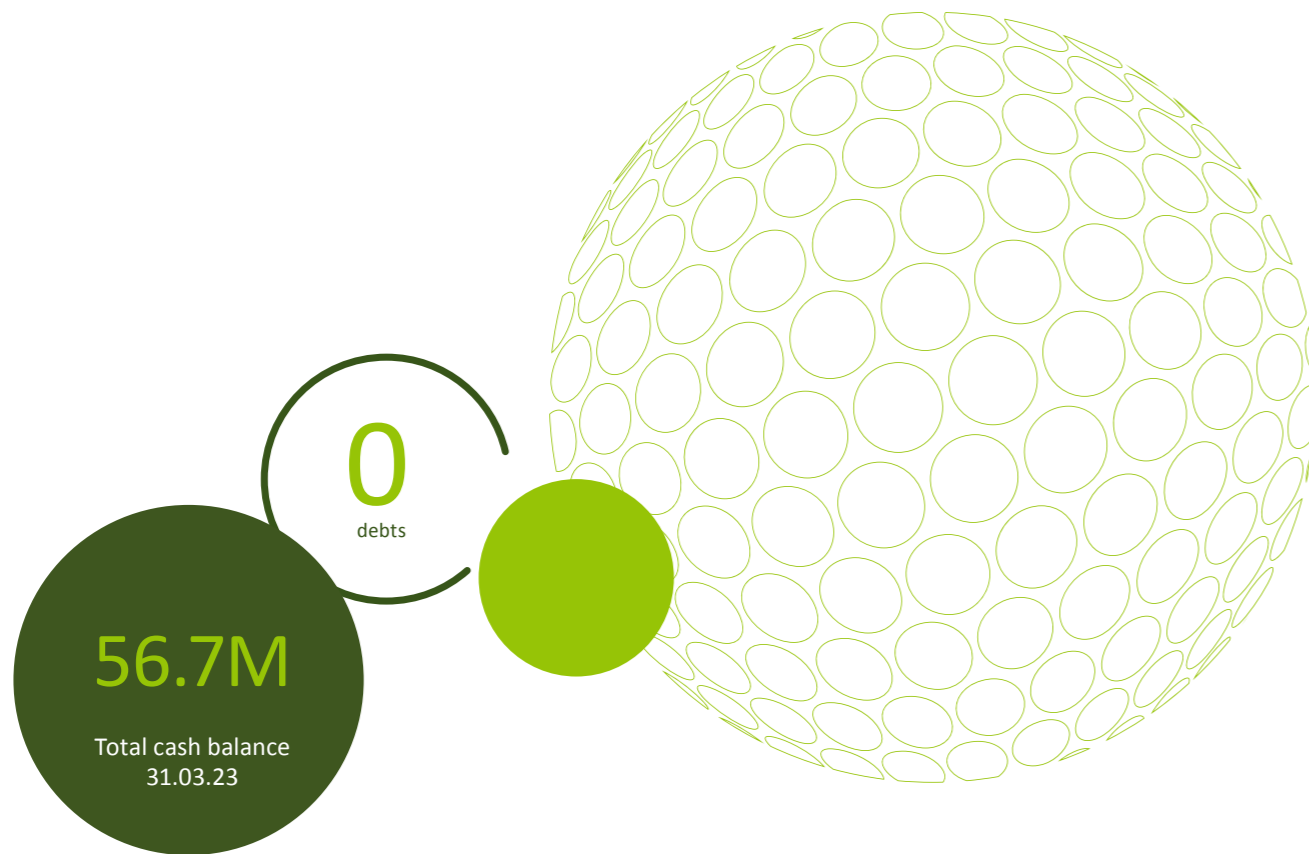


# Financial Key Figures

## FINANCIAL HIGHLIGHTS FIRST QUARTER 2023

[first quarter 2022 in brackets]

- Revenue NOK 1.9M [NOK 0.6M]
- EBITDA NOK -23.4M [NOK -22.8M]
- Net Income NOK -19.3M [NOK -23.7M]
- Gross R&D expenses TNOK 322 [NOK 1.6M]
- Total cash balance 31.03.23 (bank deposits and funds) NOK 56.7M [NOK 153.3M]
- Equity 31.03.2023 NOK 86M (equity ratio 89%) [NOK 170.6 (92.5%)]



# 2023 Q1 Company Update



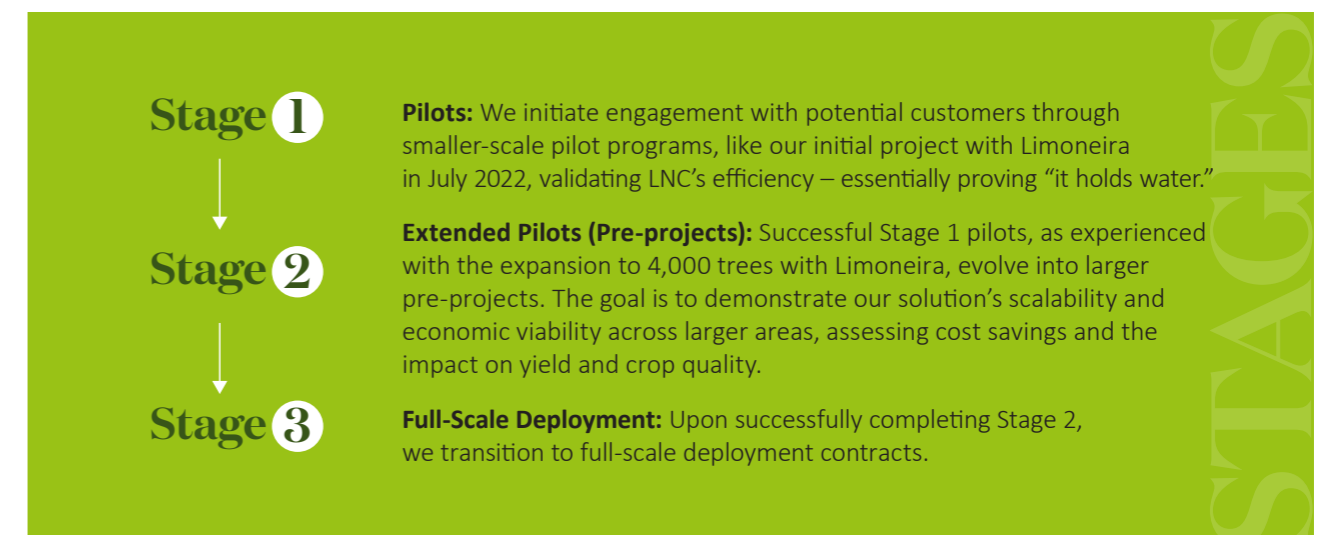
## DEMONSTRATING PROGRESS IN SALES, EFFICIENCY, AND SCALABILITY

In Q1 2023, we focused on sales and enhancing efficiency and scalability in our operations. This commitment has shaped our customer conversion model, designed to build trust and demonstrate the impact and practical application of Liquid Natural Clay (LNC).

One of the quarter's key accomplishments was building on the momentum from our successful projects with Limoneira. In Q1, we reached an efficiency rate of treating an impressive 500 trees per day in the second stage of Limoneira's deployment, marking a 30X improvement since the initial pilot in July 2022. This progress in efficiency coincided with the expansion of our project portfolio as we secured five additional commercial pilot

contracts. These pilots underscore our commitment to broadening our reach and present an opportunity to apply LNC to a broader range of crops and application areas.

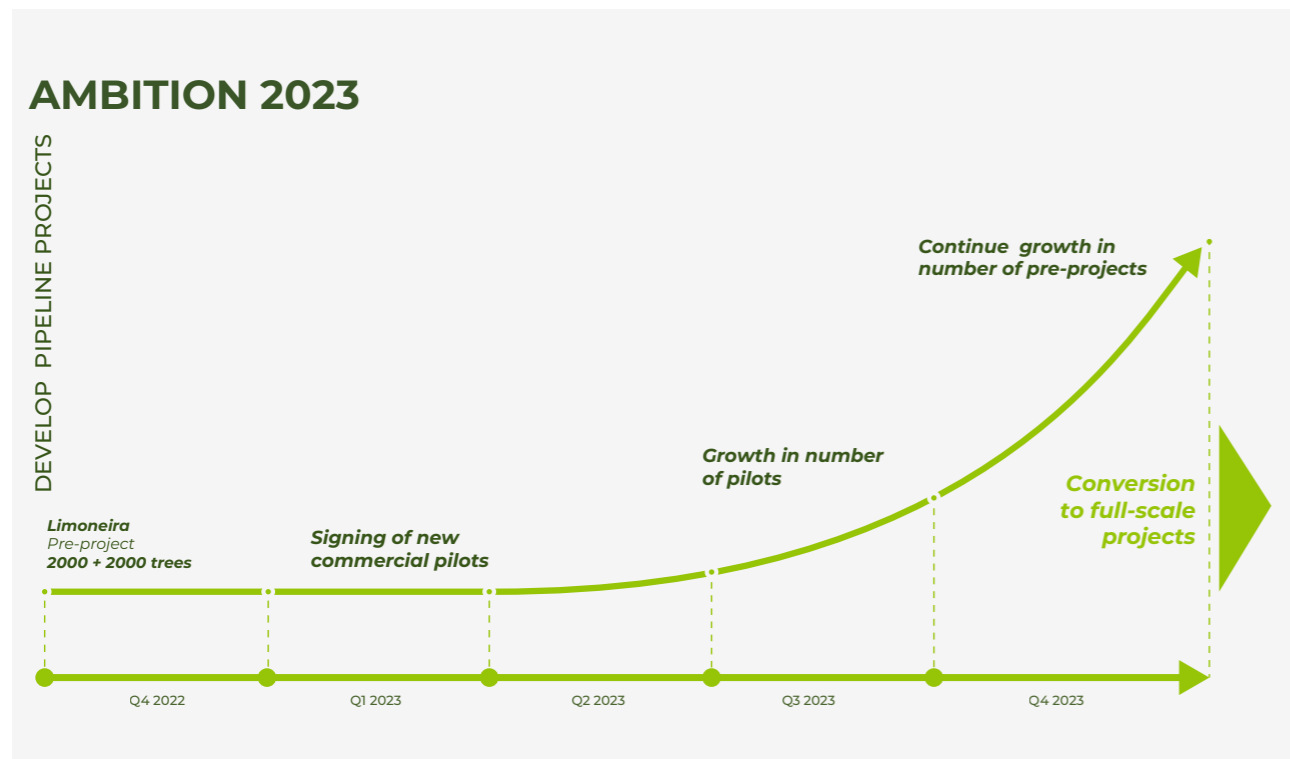
Our sales strategy focuses on a staged customer conversion model designed to engage potential customers and build trust by demonstrating LNC's effectiveness. Here's a brief overview of the model's stages:



Our customer conversion model has guided our Q1 focus, achieving significant milestones, including the successful stage 2 deployment with Limoneira, securing five additional stage-1 pilots, and expanding LNC application capabilities. Furthermore, LNC’s official approval and certification for organic farming in the UAE during Q1 opens for customer base expansion.

As we look ahead, we remain committed to our sales strategy and customer conversion model. We are confident in our ability to secure a minimum of five new pilot projects per quarter, targeting a 50% conversion to larger deployments – in line with the target shared in our Q4-2022 update on 28 February 2023. Our ultimate goal is to secure

the first contract for large-scale deployment by the end of the year, contingent on the continued success of our pilots. Our systematic and progressive approach to sales and operational delivery reflects our commitment to building the pipeline for a robust future order book while continuing to enhance efficiency and scalability.



## About Desert Control

Desert Control specializes in climate-smart AgTech solutions to combat desertification, soil degradation, and water scarcity. Its patented Liquid Natural Clay (LNC) restores and enhances soil ecosystems to; reduce water usage and improve the efficiency of fertilizers and natural resources for agriculture, forests, and green landscapes. LNC enables sandy and arid soil to retain water and nutrients, thus increasing crop yields, plant health, and ecosystem resilience while preserving water and natural resources by up to 50%.

Agriculture and food production consumes more than 70% of all available freshwater. Desertification and soil degradation further increase the pressure on water and natural resources in a negative spiral. Feeding the global population requires growing more food in the next 40 years than was produced over the last 500 years; this can only be achieved by improving resource efficiency and regenerating nature.

According to the United Nations, twelve million hectares of fertile land perish annually to desertification, representing an annual \$490 billion loss to the global economy. Desert Control’s vision is making earth green again to foster the prosperity of life.

For more about Desert Control, visit <https://www.desertcontrol.com>



# Inquiries

## FOR MORE INFORMATION, PLEASE CONTACT:

### Ole Kristian Sivertsen

*President and Group CEO*

Email: oks@desertcontrol.com

Mobile (NOR): +47 957 77 777

Mobile (USA): +1 650 643 6136

Mobile (UAE): +971 52 521 7049

### Marianne Vika Bøe

*Chief Financial Officer*

Email: marianne.boe@desertcontrol.com

Mobile: +47 406 36 356



# Cautionary Note

## Disclaimer related to forward-looking statements

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

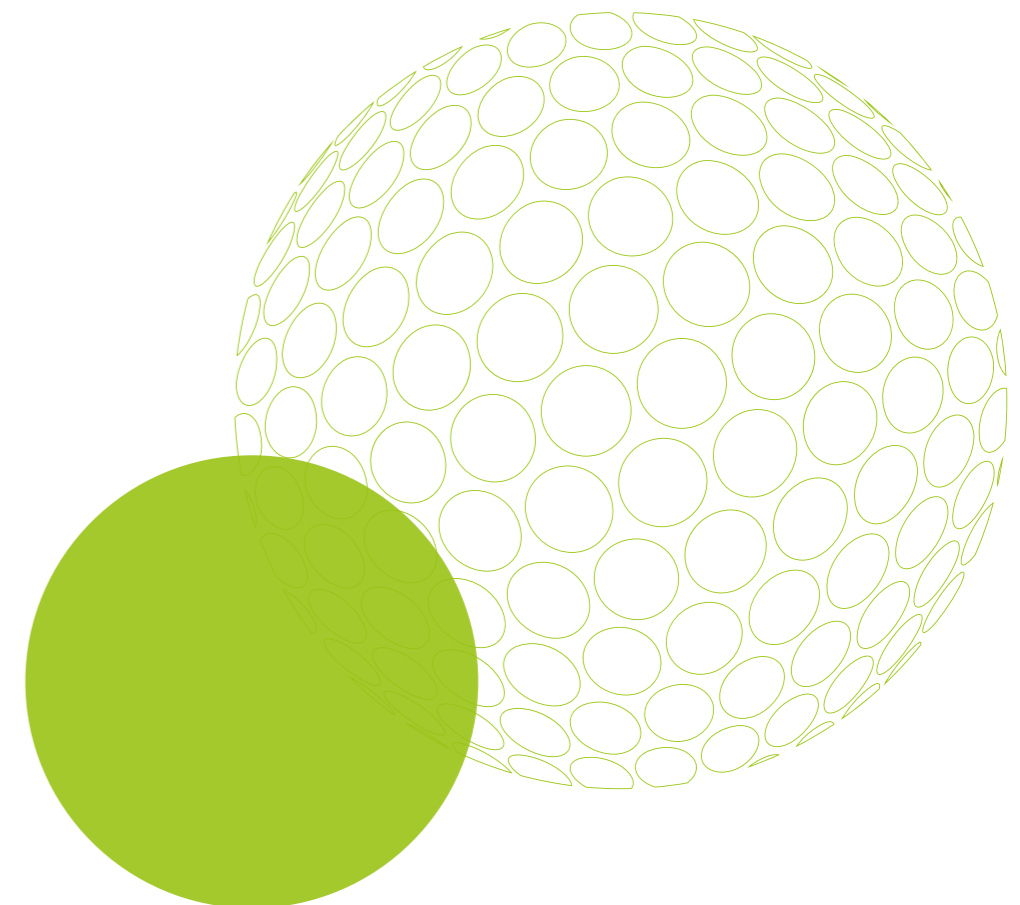
Forward-looking statements are statements that are not historical facts and may be identified by words such as “aims”, “anticipates”, “believes”, “estimates”, “expects”, “foresees”, “intends”, “plans”, “predicts”, “projects”, “targets”, and similar expressions. Such forward-looking statements are based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

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

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

## Q1 2023 REPORT

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



# Statement by the Management and Board of Directors

The Board of Directors and the CEO have considered and approved the Q1 2023 Report and Interim Financial Results for Desert Control Group ("Group") for the three months ending on 31 March 2023. The interim consolidated financial statements are unaudited and have been prepared in accordance with IFRS as well as additional information requirements as per the Norwegian Accounting Act.

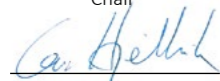
We confirm to the best of our knowledge that:

- The Q1 2023 interim financial statements for the Group have been prepared in accordance with applicable accounting standards
- The information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position, and results as of 31 March 2023
- The report for the Group gives a true and fair view of the Group's development, performance, and financial position and includes a description of the principal risks and uncertainty factors facing the Group
- The Q1 2023 Report has been prepared in accordance with the Norwegian Accounting Act § 3-3d and the Norwegian Security Trading Act § 5-5a

Sandnes, 24.05.2023



**Knut Nesse**  
Chair



**Geir Hjelvik**  
Board Member



**Brage Wårheim Johansen**  
Board Member



**Marit Røed Ødegaard**  
Board Member



**Ole Kristian Sivertsen**  
Chief Executive Officer



**Maryne Lemvik**  
Board Member



**Kristian P. Olesen**  
Board Member

# Consolidated Financial Statements Desert Control Group

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> .....	<b>14</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> .....	<b>15</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b> .....	<b>16</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b> .....	<b>17</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b> .....	<b>18</b>
1.1 General information .....	18
1.2 Basis of preparation .....	18
2 Revenue from contracts with customer .....	19
3 Equity and shareholders.....	20
4 Cash and cash equivalents .....	22

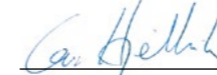
# Consolidated Statement of Comprehensive Income

(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>
Allocation of profit or loss:				
Profit/loss attributable to the parent		-19 296	-23 701	-90 459
Other comprehensive income:				
Items that subsequently may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		2 739	1	- 43
Total items that may be reclassified to profit or loss		2 739	1	- 43
<b>Total other comprehensive income for the year</b>		<b>2 739</b>	<b>1</b>	<b>- 43</b>
<b>Total comprehensive income for the year</b>		<b>-16 557</b>	<b>-23 700</b>	<b>-90 503</b>
Allocation of total comprehensive income				
Total comprehensive income attributable to owners of the parent		-16 557	-23 700	-90 503

# 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>
<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>

Sandnes, 24.05.2023


Knut Nesse  
Chair

Geir Hjellvik  
Board Member

Brage Wårheim Johansen  
Board Member

Marit Røed Ødegaard  
Board Member

Ole Kristian Sivertsen  
Chief Executive Officer

Maryne Lemvik  
Board Member

Kristian P. Olesen  
Board Member



# Consolidated Statement of Cash Flows

(Amounts in NOK thousand, unaudited)

	Notes	Q1 2023	Q1 2022	2022
<b>Cash flows from operating activities</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>
<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>

# Consolidated Statement of Changes in Equity

(Amounts in NOK thousand, unaudited)

	Share capital	Share premium	Cumulative translation differences	Retained earnings	Total equity
<b>Balance at 31 December 2021</b>	<b>122</b>	<b>230 849</b>	<b>-107</b>	<b>-36 592</b>	<b>194 272</b>
Profit (loss) for the period				-23 697	-23 697
Other comprehensive income				-54	-54
Issue of share capital	1				1
Transaction costs					-
Share based payments				90	90
Currency translation effects					-
<b>Balance at 31 March 2022</b>	<b>123</b>	<b>230 849</b>	<b>-107</b>	<b>-60 253</b>	<b>170 612</b>
<b>Balance at 31 December 2022</b>	<b>123</b>	<b>230 849</b>	<b>-1 336</b>	<b>-122 636</b>	<b>107 001</b>
Profit (loss) for the period				-19 296	-19 296
Other comprehensive income					-
Issue of share capital	1				1
Transaction costs					-
Share based payments				1 915	1 915
Currency translation effects			1 178	-4 829	-3 651
<b>Balance at 31 March 2023</b>	<b>124</b>	<b>230 849</b>	<b>-158</b>	<b>-144 846</b>	<b>85 970</b>

# Notes to the Consolidated Financial Statements

## 1.1 GENERAL INFORMATION

### CORPORATE INFORMATION

The consolidated financial statements of Desert Control AS and its subsidiaries (collectively, “the Group” or “Desert Control”) for the first quarter period ended 31 March 2023 were authorised for issue by a Board meeting held on 24 May 2023.

Desert Control AS is a private limited liability company incorporated and domiciled in Norway. It’s shares are traded at the unregulated market place Euronext Growth. The Group’s head office is located at Grenseveien 21, 4313 Sandnes, Norway.

Desert Control specializes in climate-smart Agri-tech solutions to combat desertification, soil degradation, and water scarcity. Its patented Liquid Natural Clay (LNC) enables sustainable ecosystem management by restoring and protecting soil’s ability to preserve water and increase yields for agriculture, forests, and green landscapes.

## 1.2 BASIS OF PREPARATION

The interim consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the EU (IAS 34). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. The condensed interim financial statements do not include all of the information and disclosures required by International Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the most recent annual financial statements. The annual financial statements were prepared in accordance with International Financial Reporting Standards and interpretations as issued by the International Standards Board and as adopted by the EU. The interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. Further, the financial statements are prepared based on the going concern assumption. There have been no changes to significant accounting policies since the preparation of the annual financial statements for 2022. The condensed interim financial statements are unaudited.

Comparative financial information is provided for the preceding period in the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated statement of cash flows.

### Presentation currency and functional currency

The consolidated financial statements are presented in Norwegian Kroner (NOK), which is also the functional currency of the parent company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions. The subtotals and totals in some of the tables in the notes may not equal the sum of the amounts shown in the primary financial statements due to rounding. All amounts have been rounded to the nearest thousand unless otherwise stated.

## 2 REVENUE FROM CONTRACTS WITH CUSTOMER

### ACCOUNTING POLICIES

#### REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue from sale of LNC is recognised when a customer obtains control of LNC, which normally is when LNC is applied at point of delivery, based on the contractual terms of the agreements. Each sale represents a single performance obligation.

The Group’s revenue from contracts with customers has been disaggregated and presented in the tables below:

By area of operation: (Amounts in NOK thousand)	Q1 2023	Q1 2022	2022
Liquid NaturalClay (LNC)	875	595	2 223
<b>Total</b>	<b>875</b>	<b>595</b>	<b>2 223</b>
By geographic market:	Q1 2023	Q1 2022	2022
Norway	-	331	-
USA	826	-	1 100
UAE	48	264	1 123
<b>Total</b>	<b>875</b>	<b>595</b>	<b>2 223</b>

### 3 EQUITY AND SHAREHOLDERS

#### ACCOUNTING POLICIES

##### COSTS RELATED TO EQUITY TRANSACTIONS

Transaction costs are deducted from equity, net of associated income tax.

##### DISTRIBUTION TO SHAREHOLDERS

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

No distributions were made to shareholders in the current or prior period.

#### ISSUED CAPITAL AND RESERVES:

Share capital in Desert Control AS	Number of shares authorised and fully paid	Par value per share (NOK)	Financial Position
<b>At 1 January 2022</b>	<b>40 724 640</b>	<b>3</b>	<b>122 174</b>
Share issue 10 March 2022	375 040	0	1 125
<b>At 31 December 2022</b>	<b>41 099 680</b>	<b>0</b>	<b>1 125</b>
Share issue 10 March 2023	227 109	0	681
<b>At 30 December 2022</b>	<b>41 326 789</b>	<b>0</b>	<b>1 806</b>

All shares are ordinary and have the same voting rights and rights to dividends.

Reconciliation of the Group's equity is presented in the statement of changes in equity.

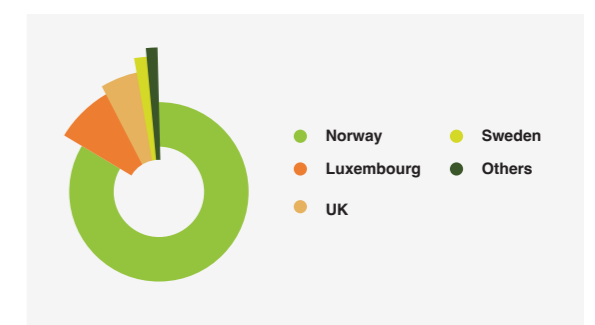
#### THE GROUP'S SHAREHOLDERS:

##### 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%
Lithion 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>

#### Origin of shareholders

No of shares	%	Origin	# shareholders
33 935 804	81.2	Norway	3 738
3 669 922	8.9	Luxembourg	8
2 561 715	6.2	UK	10
575 004	1.4	Sweden	17
584 344	1.4	Others	57
<b>41 326 789</b>	<b>100</b>	<b>Total</b>	<b>3 830</b>



## 4 CASH AND CASH EQUIVALENTS

### ACCOUNTING POLICIES

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Restricted bank deposits comprise of cash for withholding taxes which may not be used for other purposes.

Cash and cash equivalents (Amounts in NOK thousand)	31.03.2023	31.12.2022	01.01.2022
Bank deposits, unrestricted	17 180	35 617	101 303
Bank deposits, restricted	615	1 174	621
<b>Total cash and cash equivalents</b>	<b>17 795</b>	<b>36 791</b>	<b>101 924</b>

Bank deposits earns a low interest at floating rates based on the bank deposit rates.

# Environmental, Social, and Governance (ESG)

### SUSTAINABILITY AND IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Liquid Natural Clay (LNC) can reduce water consumption for agriculture, forests, and green landscapes by up to 50%. The amount of water required to produce LNC is recovered within 2-3 weeks (offset by irrigation water savings). Improved water efficiency and increased crop yields contribute significantly to a positive impact on the United Nations Sustainable Development Goals (SDGs), including reducing hunger and competition for scarce resources and securing access to clean water. Arid regions using energy-intensive seawater desalination can further significantly reduce CO2 and greenhouse gas (GHG) emissions.

LNC enables sandy soil and desert land to retain water and nutrients. Reduction of water consumption further allows for reducing fertilizer usage. Reduced leaching of fertilizers and pesticides through the soil can further minimize the risk of chemical run-off reaching through to natural water systems and oceans. Stopping fertilizer and pesticide leaching can further improve life below the water by reducing ocean acidification and eutrophication.

According to the Intergovernmental Panel on Climate Change (IPCC), restoring degraded soil ecosystems can globally offset 5-6 Gt of CO2 annually. Even degraded soils have degrees of stored carbon. When tilling or mechanically working amendments into the ground, carbon exposed to oxygen may turn into CO2 and escape into the atmosphere. LNC can be applied directly to the surface of the ground without intervention to the soil. LNC percolates into the ground in a non-intrusive way without exposing any carbon to surface air oxygen, safeguarding the carbon storage of soil ecosystems and fostering increased carbon sequestration.

Non-intrusive soil treatment is further gentle to fragile soil ecosystems, home to 95% of all biological species on earth. Reclaiming and protecting soil is therefore critical to preserving and restoring biodiversity.

Mining clay and the production of LNC requires energy. Logistics and transportation of material, equipment, personnel, and manufacturing also require energy. Desert Control strives to reduce energy consumption in all stages of the process and facilitate the use of renewable energy sources wherever available. These negative impact factors are, by far, surpassed by the sum of positive impacts from stopping and reversing desertification and soil degradation, reducing water consumption, and other environmental benefits.

LNC has no adverse impact on any of the 17 United Nations Sustainable Development Goals (SDGs). Further, LNC has a significant direct positive impact on 9 of the SDGs.



# Our Core Values

## Leadership

Inspirational pro-active execution

## Growth-mindset

Curious and solution-oriented

## Innovation

Challenge status-quo | create value

## Integrity

Keep promises | grow strong relationships

## Contribution

Desire to make everything better

## Diversity

Inclusive | open-minded | respectful



# MAKING EARTH GREEN AGAIN

### GROUP HQ – NORWAY

Desert Control AS  
Grenseveien 21 (FOMO Works)  
4313 Sandnes, Norway

### ABU DHABI

Desert Control Middle East LLC  
Abu Dhabi Business Hub  
Unit No. B2-25 and B2-26, ICAD1  
P.O.BOX 114043 Abu Dhabi, UAE

### DUBAI

Desert Control Middle East LLC  
Arenco Towers, Office No.1408  
Dubai Media City, Dubai, UAE

### PALO ALTO

Desert Control Americas Inc  
470 Ramona Street  
Palo Alto, CA 94301, USA

### PHOENIX / MARICOPA

Desert Control Americas Inc  
37860 W Smith Enke Rd  
Maricopa, AZ 85138, USA

### YUMA

Desert Control Americas Inc  
1219 E 21st St  
Yuma, AZ 85365, USA