

DSRT: H2 2021 Report and Interim Financial Results | Desert Control AS

Sandnes, Norway, 25 February 2022 – Desert Control AS (DSRT) today published its H2 Report and Interim Financial Results for the fiscal second half of 2021, ending 31 December 2021.

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.

After the successful IPO in H1, Desert Control delivered on its commitment to accelerate operational scale-up, increase production capacity, and execute strategic projects and market activities in H2. Key achievements include:

- Expanded to the U.S. and established Desert Control Americas Inc. Hired first U.S. employees, finalized agreement with the University of Arizona, and started local assembly of the first mobile LNC production unit to support the upcoming pilot projects in the U.S.
- Carried out the Mawarid phase 1 pilot project of the MoU with Abu Dhabi based Mawarid Holding Investment
- Successfully executed stage two of the MoU with Mawarid Holding Investment. Entered strategic partnership and concluded agreement to launch a dedicated new sales and distribution company for LNC in the United Arab Emirates
- Achieved 3X increase in LNC production capacity
- Succeeded with 5X organizational growth to build operational capability to deliver projects and utilize LNC production capacity
- Gained global awareness as a selected Global Innovator by Expo Live, featured at EXPO 2020 Dubai
- Established new R&D center and innovation lab in Norway to strengthen innovation capabilities, accelerate development of digital platforms and formulation algorithms, and advance “green-box” reactor development

The next phase targets full-scale commercialization in the UAE through the new sales and distribution company. Desert Control concludes H2 2021 with a strong position and remains well-funded to execute the planned commercialization and market expansion ahead.

A webcast presentation for Desert Control H2 2021 Report and Interim Financial Results is hosted **on 25 February 2022 at 10.00 AM**, Central European Time (CET / UTC+1).

Interim Financial Highlights 2nd half 2021 (IFRS adjusted)

[2H 2020 in brackets]

- Revenue NOK 3.1M [NOK 0.2M]
- EBITDA: NOK – 18.2M [NOK -7.5M]
- Net Income: NOK -18.7M [NOK -7.6M]
- Gross R&D Investments: NOK 6.9M [NOK 2.9 M]
- Innovation Norway / Skattefunn grants NOK 4.3M [NOK 1.1M]

Interim Financial Highlights for the financial year 2021 (IFRS adjusted)

[2020 in brackets]

- Net proceeds from capital injection: NOK 190M
- Total cash balance 31.12.21 (bank deposits and funds): NOK 179.3M
- Equity 31.12.21 NOK 194M (equity ratio 96%)
- Revenue NOK 3.1M [NOK 1.0M]
- EBITDA: NOK – 31.1M [NOK -11.1M]
- Net Income: NOK -31.8M [NOK -11.2M]
- Gross R&D Investments: NOK 14.4M [NOK 4.5M] transferred to P&L according to IFRS accounting policy
- Innovation Norway/ Skattefunn grants NOK 8.7M [NOK 1.1M] transferred to the P&L according to the IFRS accounting policy

Annual report with audited 2021 financials is scheduled to be released on 28 April.

Company Update: Second Half 2021

The Company grew from 10 to 51 employees in the second half, tripled its LNC production capacity, secured a strategic partnership in the Middle East, and expanded its operation to the United States.

Expansion to the US

Desert Control Americas Inc. was successfully incorporated in Q4 as a Delaware C corporation with its office in Palo Alto, California. Desert Control Americas is wholly owned by Norwegian Desert Control AS. The US operational headquarter will be located strategically to serve California, Arizona, Nevada, and New Mexico as its initial target market. The first employees in the US have been hired and started as of 15 December. On 17 December, the Company reached a final agreement with the University of Arizona for the first pilot project on American soil, which will launch in Q1 2022. Discussions with three additional Universities for collaboration initiatives related to LNC are ongoing. The construction of the first mobile LNC production unit for pilot projects in the US has started, and the unit is expected to be operational in Q1 2022.

Significant progress for Desert Control Middle East LLC

Desert Control Middle East focused its efforts on three main priorities during the second half. (1) The Mawarid initiative, (2) Building LNC production units to increase capacity, and (3) Hiring activities to support the capacity ramp-up. With two new LNC production clusters completed on 15 December, Desert Control is reaching its 2021 production capacity objective. Furthermore, this also demonstrate the possibility to quickly manufacture new clusters if increasing customer demand is likely to fill the capacity. Based on these achievements, the company is now preparing to move forward with previously completed pilots. The objective going forward is to convert pilots and sales opportunities to commercial contracts for delivery through the new sales and distribution company in UAE.

Desert Control Middle East grew from 3 FTEs in Q1 to 35 FTEs in Q4. Recruitment activities suffered some delays due to Covid-19. Most new hires are field workforce-related for the operation of LNC production. Each cluster (60,000 l/h capacity) is run by eight operators, a field technician, and a supervisor. Since August, current operational staff in-service has gained significant experience running the first cluster and will serve as trainers for efficient onboarding of new hires. Recruitment is ongoing to staff 3 clusters fully.

The Mawarid Desert Control partnership

On 15 December, Desert Control and Mawarid announced entering strategic partnership by forming a new sales and distribution company for LNC in Abu Dhabi. The announcement follows the MOU and pilot announced on 8 June 2021. Further to the pilot results, the parties agreed to execute stage two of the MOU by creating a new company that targets accelerated deployment and full-scale commercialization of LNC in the UAE.

The new company will be incorporated as a limited liability company in Abu Dhabi under a 49/51 percentage shareholding between Desert Control and Mawarid. The 51% Mawarid shareholding enables the new Company to be recognized as a local entity in the UAE. Being a local entity ensures the Company is fully qualified to deliver LNC and services to governmental, public, and private sectors. Backed jointly by reputable shareholders, the new sales and distribution company will be strategically positioned in the Middle East region.

The parties have agreed on the essential elements of a business plan, formed a roadmap of future expansions, and agreed on cash requirements necessary to establish and develop the new Company. Mawarid will support the new Company with sufficient working capital to develop and grow the business. The business plan further targets alignment with Desert Control's previously announced plan for the ramp-up of LNC production capacity.

Under this agreement, the new Company is formed with sales and distribution rights for LNC across the Middle East and North Africa (MENA) and will be Desert Control's exclusive partner in the UAE. The Company will buy LNC from Desert Control at arms-length commercial terms. The Company will further resell LNC in combination with implementation and turnkey services for the treatment of land areas in the local markets. Desert Control remains the sole owner of all its IP, patents, data, and know-how. It will support the new Company with methodology, protocols, and quality assurance measures to ensure delivery excellence and customer satisfaction. Desert Control also remains the owner of its production technology. Desert Control Middle East will operate all clusters (LNC production units), using its expertise and experience to provide tailor-made LNC to the new sales and distribution company for all its projects and deliveries.

Mawarid manages more than 200,000 hectares of land, including 13 million forest trees, 550,000 date palms, nature reserves, landscapes, and agricultural land. The new Company will be strategically positioned to provide LNC services to preserve water and strengthen food security by enabling more efficient use of resources for the Mawarid managed areas. Further, and more importantly, the Company will aim to become a leading provider of climate-smart agriculture solutions to combat desertification and soil degradation in the UAE and MENA region.

The strategic partnership will allow Desert Control to focus entirely on the continuous development of its LNC technology and the production of LNC. Sales, distribution, delivery, and the application of LNC in the field will be managed by the new jointly owned Company. The sales and distribution company will have access to Mawarid's 11,000 strong workforce with significant experience in agriculture, forestry, landscaping, and nature conservation. The synergistic partnership with Mawarid in the Middle East allows Desert Control to focus on its core, allowing for faster scale-up with optimal utilization of capital and resources.

The next phase targets full-scale commercialization in the UAE through the new sales and distribution company which will be incorporated during Q1 2022 with expected revenue from Q2 2022.

3X increase of LNC production capacity

Desert Control maintained its objective to increase production capacity from 60,000 l/h in H1 to 180,000 l/h by the end of H2. Additional personnel for the operation of the new clusters have been recruited and onboarded, and the added capacity will ensure a successful start for the new Mawarid Desert Control partnership company. The two clusters added in December were built in just six weeks and demonstrate that the production capacity can be increased quickly whenever needed.

5X Growth of the organization

During H2, Desert Control grew the organization by 5X going from 10 to 51 passionate and dedicated employees. The Company has implemented a recruitment and onboarding process to ensure optimal balance between expertise, experience, and personal values to build a strong and uniting culture. The Company further values diversity. Excluding field workforce, 33% of the employees are female, and the 51 employees are made up of 16 nationalities, including Norwegian, Thai, Iranian, Filipino, Pakistani, British, Iraqi, Egyptian,

Indian, Sudanese, Syrian, Swedish, Danish, Ugandan, Cameroonian, and Tunisian. As per March 1st the total number of employees is 63.

Expo 2020 Dubai highlights

Expo Live features Desert Control as a selected Global Innovator. A unique presentation of Liquid Natural Clay is showcased at the good place pavilion, and LNC demos are also running in the sustainability pavilion of EXPO 2020 Dubai. The event runs until the end of March 2022 and generates significant leads and opportunities, and global awareness. Recently Bill Gates visited Desert Control to learn about the Company and the LNC innovation.

New R&D center in Norway

On 25 November, Desert Control launched a new R&D center in Stavanger, Norway. The center will serve as the Company's global innovation lab to consolidate all technology development and intellectual property in a central hub. The center's objective is to strengthen innovation capabilities, accelerate development of digital platforms, drive continuous improvement of LNC formulation through algorithms enabled by AI and machine learning, and advance the development of "green-box" reactors and control systems.

Green-box reactors and control systems

The core of the patented LNC technology is the process where clays and natural minerals get into its liquid state with unique properties. This process takes place inside a reactor. The reactor and other mechanical components of the mobile LNC production units will be managed by control systems that will integrate with the Company's centralized formulation database and its global data collection networks. By centralizing the development of "green-box" reactors and control systems in Norway, the Company gains strong control of intellectual property while enabling outsourcing of the building of 20-ft container-sized LNC production units without exposing core IP.

Other priorities of the R&D center are to advance the areas of digitalization, formulation, and automation. LNC is tailored-made specific to unique combinations of various soils, plants, water qualities, and environmental factors. Formulations are managed mainly manually at the current stage, requiring more extensive operators' training. R&D initiatives aim to fully automate this process similar to LCD-operated coffee machines that can formulate the desired drink with the touch of a finger. This will, in turn, enable future evolution of the Company's business model that can drive exponential scalability.

Impact from Covid pandemic

The regulations to prevent the spread of the pandemic have been adhered to. Employees have been on and off work, in quarantine and isolation. A total of more than 300 working days have been lost during 2nd half 2021 and first months of 2022.

Logistics have also been affected, at par with other international business.

Outlook: First Half 2022

Desert Control targets continued operational scale-up, execution of strategic projects in the US and the UAE, and full-scale commercialization in 2022. Key objectives for the first half include:

- **Successfully establish the new sales and distribution company in partnership with Mawarid in Q1 and achieve sales with effect from Q2**
- **Transfer pilots and early-stage opportunities in the UAE to the new Mawarid Desert Control company**
- **Implement the first pilot projects on American soil in collaboration with the University of Arizona**
- **Launch additional LNC collaboration initiatives with universities in the US**
- **Align production capacity with the business plan and market demand**
- **Strengthen Desert Control's executive leadership team**
- **Build capabilities to support the next stage of full-scale commercialization in the UAE**

Webcast Presentation 25 February 2021 Desert Control H2 2021 Report and Interim Financial Results

Desert Control is hosting a webcast presentation following its H2 2021 Report and Financial Results, 25 February 2022, at 10:00 AM Central European Time (Oslo, UTC+1).

Registration:

https://desertcontrol.zoom.us/webinar/register/7816451668620/WN_gNoNVqAgSH6UrdqhZbkjww

After the presentation, there will be a moderated question and answers session.

Questions for Q&A can be submitted in advance to erling.rasmussen@desertcontrol.com

DSRT: Financial Reporting Schedule

Annual Report 2021 28 April 2022

Quarterly report Q1 25 May 2022

Half-yearly report Q2 26 August 2022

The company decided to move from bi-annual reporting in 2021 to quarterly reporting from 2022 onwards.

About Desert Control

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.

LNC enables sand and degraded soil to retain water and nutrients, thus increasing crop yields and ecosystem resilience while preserving water resources by up to 50%.

Agriculture and food production already consume more than 70% of all available freshwater. Desertification and soil degradation drive a negative spiral of increasing water consumption and decreasing yields for global food production. Feeding our planet's growing population will require more food in the next 40 years than was produced over the last 500 years, putting even more pressure on vital resources such as water. This is the problem Desert Control is determined to solve. According to the United Nations, thirty million acres of fertile land (equal to Pennsylvania) perish to desertification annually, representing an annual loss of \$490 billion to the global economy. Desert Control's vision is to make our planet earth green again.

Inquiries

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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.

H2 Report 2021

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

Statement by Management and Board of Directors

Desert Control H2 2021 Report and Financial Results

Management and the Board of Directors have considered and approved the interim consolidated financial statements of Desert Control AS ("the Company") and its subsidiaries (collectively, "the Group") for the second half-year ended 31 December 2021. The interim report, which has not been audited by the Company's independent auditor, has been prepared in accordance with International Financial Reporting Standards (IFRS) and interim financial reporting requirements for Euronext listed companies. The introduction of IFRS has led to adjusted profit and loss reports and balance sheets for 2020 and 2021.

In our opinion, the accounting policies used are appropriate, and the interim report gives an accurate and fair view of the Company's consolidated financial position as of 31 December 2021. In our opinion, Management's review provides an accurate and fair presentation of performance, developments, and results for the respective fiscal period and overall financial position of the Group's operation, in addition to a description of the most significant risks and elements of uncertainty facing the Group.

The Board of Directors Desert Control AS

Sandnes, Norway, 24 February 2022

KNUT NESSE

Chairman of the Board

KRISTIAN P. OLESEN

Member of the Board

BRAGE W. JOHANSEN

Member of the Board

ARNFINN MATRE

Member of the Board

MARIT RØED ØDEGAARD

Member of the Board

GEIR HJELLVIK

Member of the Board

OLE KRISTIAN SIVERTSEN

Chief Executive Officer

Financial Statements

Interim group consolidated financial statements

Unaudited NOK (in thousands)

Overview of the Company's business activities, business model, revenue sources, market segments, geographic regions, and corporate structure is described under "Note 1" page 10.

Desert Control has introduced IFRS as accounting policy at 31.12.2021. Consequently, the profit & loss and balance sheet has been adjusted to reflect the position as if the IFRS policy had been the basis for the accounts for both 2020 and 2021.

Capitalized R&D expenses for 2020 has been transferred to profit & loss 2020 by NOK 3 441k and by NOK 7 891k for 2021. The calculated expense of employees' share incentive program has been registered to profit and loss 2020 by NOK 1 608k and by NOK 811k for 2021. Because of this, the total profit & loss for the Group has been depressed by NOK 5 049k for 2020 and NOK 8 702 for 2021 compared to the former GRS accounting policy.

Interim Consolidated Profit and Loss (P&L) Statement

All figures in NOK 000s

	2021	2020	2H 2021	2H 2020
Total Revenue	3 127	1 041	3 127	220
Cost of Goods Sold (COGS)	563	40	369	36
Gross Margin	2 564	1 001	2 758	184
Payroll	14 993	7 290	10 413	3 484
Other Expenses	18 622	4 813	10 500	4 178
Operating Expenses	33 614	12 103	20 913	7 662
EBITDA	- 31 050 -	11 102 -	18 155 -	7 478
Depreciation	1 546	9	1 045	9
Impairment	644		644	-
EBIT	- 33 241 -	11 110 -	19 844 -	7 487
Finance Expenses	- 1 476	119 -	1 120	124
Net Income	- 31 765 -	11 229 -	18 724 -	7 611

Balance sheet

All figures in NOK 000s

31.12.2021 31.12.2020

Fixed assets

Research & development	-	
Goodwill	6 504	6 345
Property, plant and equipment	10 425	1 385
Right-of-use assets	2 006	
Total fixed assets	18 935	7 730

Current assets

Inventory	99	-
Debtors	544	-
Other short-term receivables	5 597	2 002
Fixed income funds	77 347	-
Cash and bank deposits	101 924	28 935
Total current assets	185 510	30 937
Total assets	204 445	38 667

All figures in NOK 000s

31.12.2021 31.12.2020

Equity

Share capital (40 724 639 shares at 0.003)	122	70
Other paid-up capital	230 849	40 994
Retained earnings	(36 701)	(5 748)
Total equity	194 270	35 316

Non-current Liabilities

Non-current lease liabilities	1 423	
Total non-current liabilities	1 423	-

Current Liabilities

Current lease liabilities	528	
Trade creditors	2 523	838
Public duties payable	912	415
Other current liabilities	1 608	2 098
Current provisions	3 181	-
Total liabilities	8 751	3 351
Total equity and liabilities	204 445	38 667

Consolidated Statement of Cash Flows

All figures in NOK 000s

	2021	2H 2021	2020
Cash flow from operating activities			
Profit before taxes	(31 765)	(18 724)	(11 229)
Taxed paid	-	-	-
Depreciation and amortization	2 190	1 689	9
Changes in working capital	1 162	2 498	39 165
Cash used in operating activities	(28 412)	(14 537)	27 945
Cash flow from investment activities			
Investments in good will	159	9	(217)
Investments in fixed assets	(13 395)	(12 981)	(1 168)
Investments in fixed income funds	(77 347)	12 653	-
Net cash used in investment activities	(90 583)	(318)	(1 385)
Cash flow from financing activities			
Non-current lease liabilities	1 423	1 423	
Capital injection	189 907	4	1 667
Net cash flow from financing activities	191 331	1 428	1 667
Net change in cash equivalents	72 335	(13 427)	28 227
Net foreign exchange differences	654	766	174
Cash and cash equivalents at beginning of period	28 935	114 585	534
Cash and cash equivalents at end of period	101 924	101 924	28 935

Notes to the Financial Statements

Unaudited NOK (in thousands)

Note 1: Summary of Significant Accounting Policies

Company Overview

Desert Control specializes in climate-smart Agri-tech solutions to combat desertification, soil degradation, and water scarcity. Its patented Liquid Natural Clay restores and protects soil, reducing water usage for agriculture, forests, and green landscapes.

Liquid Natural Clay (LNC) enables sand and degraded soil to retain water and nutrients. LNC increases crop yields while reducing water and fertilizer consumption by up to 50%.

Desert Control's business model is service-based and targets turnkey projects for LNC treatment of land areas, vegetation, crops, plants, trees, etc. LNC is produced on-site at customer locations using mobile factories. Further, the LNC is applied across the customer's land areas using existing irrigation systems and techniques. LNC is sprayed or applied directly onto the surface and percolates into the ground forming a soil structure that retains water and nutrient like a sponge. One LNC treatment may last 3-5 years, followed by periodic top-up to maintain the optimal ability to retain water and nutrients. The Company's revenue model is pre-paid project deliveries direct (B2B) to customers within the segments, agriculture, forestry, and landscaping. Project pricing considers the size of land, type of vegetation, crops, number of trees, etc. Additional revenue sources may come from (1) periodic maintenance and (2) digital subscription services related to soil health monitoring, water management optimization, and digital farming services for precision agriculture and sustainable land management.

Desert Control AS is a private limited liability company incorporated under the laws of Norway. The Group has active subsidiaries in Abu Dhabi and Dubai, the United Arab Emirates, and California, USA.

The United Arab Emirates is Desert Control's first geographic market, followed by broader expansion in the Middle East region. In 2022 the Company aims to expand operations in the United States, focusing on California, Arizona, Nevada, and New Mexico. More than 110 countries worldwide suffer accelerating desertification, loss of fertile soil, and water scarcity. Desert Control's ambition is to develop a global business with its vision of making earth green again.

Basis for Preparation

The interim report, which has not been audited by the Company's independent auditor, has been prepared in accordance with International Financial Reporting Standards (IFRS) and interim financial reporting requirements for Euronext listed companies. The introduction of IFRS has led to adjusted profit and loss reports and balance sheets for 2020 and 2021.

Note 2: Fixed Assets

All figures in NOK 000s

	Plant, machinery, fixtures	Right of use assets	Goodwill
Net acquisition costs 31.12.2020	1 520	-	6 562
+ inflow purchased fixed assets	10 263		
+ other adjustments		2 974	-
Acquisition costs 31.12.2021	11 783	2 974	6 562
Accumulated depreciation 31.12.2021	1 358	968	-
Book value 31.12.2021	10 425	2 006	6 562
This year's ordinary depreciations	579	968	
This year's impairment cost	644		
Economic life	3-5 years		

The goodwill represents the unallocated purchase price of the Desert Control UAE business and it is not amortized as the value is deemed intact as per 31.12.2021

Note 3: Bank deposits and fixed incomes funds

All figures in NOK 000s

	31.12.2021	31.12.2020
Bank deposits	31 623	28 697
Bank deposits redeemable at 30 days	60 100	
Bank deposits redeemable at 90 days	10 000	
Tax deduction account	201	238
Total bank deposits	101 924	28 935
Fixed Income funds		
Fixed income funds can be redeemed at short notice	77 347	
The total liquidity represented by bank deposits and funds	179 271	28 935

Note 4: Equity*All figures in NOK 000s*

	Share capital	Share premium	Retained earnings	Total equity
As at 01.01.2021	70	40 994	(5 531)	35 533
Result for the year			(31 818)	(31 818)
Capital increase gross	53	199 946		199 999
Cost of capital increase		(10 091)		(10 091)
Other adjustments			648	648
Equity as of 31.12.2021	122	230 849	(36 701)	194 270

Note 5: Top 20 Shareholders as of 31.12.2021

No of shares	Account name	% of total
5 900 000	OLESEN CONSULT HVAC AS	14,48
1 761 720	J.P. MORGAN BANK LUXEMBOURG S.A.	4,32
1 754 715	MONSUNEN FORVALTNING AS	4,31
1 650 000	OLE MORTEN OLESEN	4,05
1 543 371	BEYOND CENTAURI AS	3,78
1 485 860	NORDNET LIVSFORSIKRING AS	3,64
1 360 000	NESSE & CO AS	3,34
1 355 431	LITHINON AS	3,33
1 266 087	DnB NOR Bank ASA	3,11
1 215 275	LIN AS	2,98
1 135 843	ATLE IDLAND	2,79
1 000 000	JAKOB HATTELAND HOLDING AS	2,45
995 109	CACEIS Bank	2,44
958 275	THE NORTHERN TRUST COMP LONDON BRANCH	2,35
883 147	INVESTORE FINANS AS	2,17
819 671	CLEARSTREAM BANKING S.A.	2,01
789 484	JP MORGAN CHASE BANK N.A LONDON	1,93
627 715	SORTUN INVEST AS	1,54
627 715	GLOMAR AS	1,54
560 000	OKS CONSULTING AS	1,37
27 689 418	20 largest shareholders	67,99
40 724 639	Total shares	100,00

ESG and Impact

Impact on External Environment and Sustainability

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). Increased crop yields with improved water efficiency contribute significantly to the United Nations Sustainable Development Goals (SDGs), including reducing hunger 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 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 ground's surface 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 preserve and restore essential biodiversity.

Mining clay and the production of LNC requires energy. Logistics and transportation of material, equipment, and personnel and manufacturing of equipment 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.

- end of report -