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Desert Control AS: NOK 200 million private placement successfully completed

Reference is made regarding Desert Control AS' ("Desert Control" or the "Company") contemplated private placement of new shares in the Company raising between NOK 150 and NOK 200 million in gross proceeds and up to NOK 5.5 million in a secondary placement (the "Private Placement"). The Company is pleased to announce that the Private Placement has been successfully placed.

The Private Placement attracted significant interest from high-quality domestic, Nordic and international investors.

The Private Placement consisted of a total of 17, 579,425 shares (the "Offer Shares") at NOK 11.69 per share (the "Offer Price"), divided on 17,108,639 new shares issued by the Company (the "New Shares") raising gross proceeds of approximately NOK 200 million and 470,786 secondary shares sold by existing shareholders (the "Secondary Shares").

The net proceeds from the Private Placement will be used to fund the capital requirements in the Company's current business plan, build the organization, accelerate the development of pipeline and opportunities, as well as general corporate purposes.

Notification of allotment of the Private Placement Shares, including settlement instructions, will be sent to the applicants allocated Private Placement Shares through a notification from the Managers on or about 29 March 2021. The Private Placement will be settled by the Managers on a delivery-versus-payment basis on or about 14 April 2021. The delivery-versus-payment settlement in the Private Placement is facilitated by a pre-funding agreement entered into between the Company and the Managers.

Key employees and members of the board of directors in Desert Control AS were allocated shares in the Private Placement in accordance with their pre-commitments, for an aggregate amount of approximately NOK 12.1 million.

The allocation of the Offer Shares has been resolved by the Company's Board of Directors. The completion of the Private Placement by delivery of the Offer Shares is subject to (i) all necessary corporate resolutions being validly made by the Company, including without limitation, an extraordinary general meeting of the Company resolving to issue the New Shares, and (ii) the registration of the share capital increase in the Company pertaining to the New Shares in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) having taken place. The Company's shares are expected to commence trading on Euronext Growth Oslo, a multilateral trading facility, on or about 14 April 2021 (the "Listing").

Subject to the above conditions and completion of the Private Placement with registration of the new share capital pertaining to the Private Placement in the Norwegian Register of Business Enterprises, the Company will have an issued share capital of NOK 121,879.917 divided into 40,626,639 shares, each with a par value of NOK 0.003.

Advisors:

Arctic Securities AS acted as Sole Global Coordinator and Bookrunner and SpareBank 1 SR-Bank Markets acted as Co-Manager in connection with the Private Placement and Listing. Advokatfirmaet Selmer AS is acting as legal advisor to Desert Control AS, while Advokatfirmaet Thommessen AS is acting as legal advisor to the Managers.

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