

Making Earth Green Again
– to foster the prosperity of life



DESERT
CONTROL

H1 2021 Report

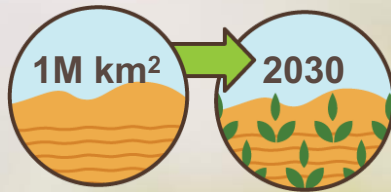
Financial Results for the First Half
(Fiscal half year ended 30 June 2021)

Desert Control AS



MAKING EARTH GREEN AGAIN

to foster the prosperity of life



Cultivate and green
100 Million Hectares
of degraded land and
desert by 2030



Contribute to sustainable social
impact, immense water savings
and balanced climate with
carbon sequestering



Establish a social impact
initiative throughout Sub
Sahara by 2025 to reduce
poverty and hunger



ABOUT DESERT CONTROL

HIGH-LEVEL COMPANY OVERVIEW | FOCUS AND SOLUTION AREAS

FOCUS

- Desert Control specializes in climate-smart agriculture technology to combat desertification, soil degradation, and water scarcity



12 million hectares of fertile land perish to desertification and droughts annually



Less than 60 years left for global agriculture if soil degradation continue at current pace



1.8 Billion people will suffer absolute water scarcity by 2025

SOLUTION

- Liquid Natural Clay (LNC) restores and protects soil, reduce water usage, and increase yields; for agriculture, forests, and green landscapes



AGENDA | H1 2021

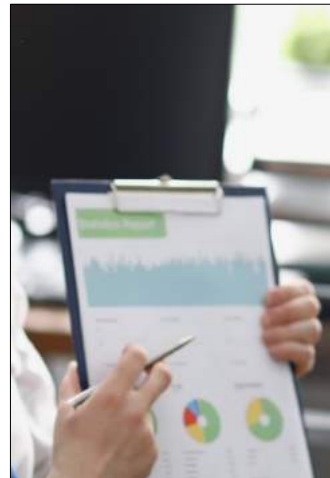
H1 2021 REPORT AND FINANCIAL RESULTS | COMPANY PRESENTATION

HIGHLIGHTS AND OUTLOOK



Ole Kristian Sivertsen
Chief Executive Officer

FINANCIAL RESULTS



Erling Rasmussen
Chief Financial Officer

QUESTIONS AND ANSWERS

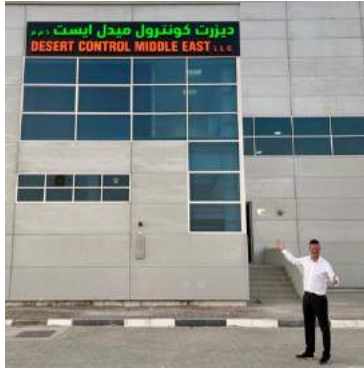


Moderator
Webcast Session

HIGHLIGHTS | H1 2021

FOCUSED EXECUTION TO PREPARE FOR OPERATIONAL SCALE-UP

CORPORATE DEVELOPMENT



- Raised NOK 200M in Private Placement
- IPO: Successfully listed on Euronext Growth, Oslo Stock Exchange (Ticker: DSRT)
- Established subsidiary in Abu Dhabi, United Arab Emirates (Operational HQ)
- Planning US subsidiary for H2 activities (Focus: California, Arizona, and Nevada)
- Was awarded Innovation Norway grant
- Maintain a solid net cash position of NOK 204M as of June 30 2021

TECHNOLOGY AND OPERATION



- Launched first industrial mobile LNC production prototype in January 2021
- Increased LNC production capacity by 15,000 litres per hour (l/h) in July 2021 (launch of 2nd prototype)
- Achieved traction to increase LNC production capacity by 30,000 l/h by Q4, and expecting another 120,000 l/h by EoY
- Accelerated front-loading of resources for organizational scale-up in H2 2021

COMMERCIAL AND MARKET



- Was awarded first commercial contract valued at NOK 3.4M
- Entered MoU for strategic partnership with Abu Dhabi, UAE based agriculture and nature conservation giant Mawarid Holding and Barari Natural Resources
- Won award for green innovation at global climate impact event; Greentech Festival
- Exceeded water-saving KPI's for several pilot projects

MAWARID PILOT

COMMERCIAL CONTRACT WITH AGRICULTURE AND NATURE CONSERVATION GIANT MAWARID HOLDING

PILOT OVERVIEW | PART 1

- Initiatives for strengthening food-security (local agriculture production) in desert climate conditions



*Cucumber, Beetroot, and Basil
(to be grown in the desert sand)*

*Date Palms
(existing plantation)*

*Alfalfa and Panicum
(to be grown in the open-field)*

MAWARID PILOT

COMMERCIAL CONTRACT WITH AGRICULTURE AND NATURE CONSERVATION GIANT MAWARID HOLDING

PILOT OVERVIEW | PART 2

- Initiatives for reducing water and resource requirements for maintaining and planting trees and forests in desert climate conditions



Ghaf, Salvadora, Ziziphus
(existing planted forests – nature reserves and green belts along highways)



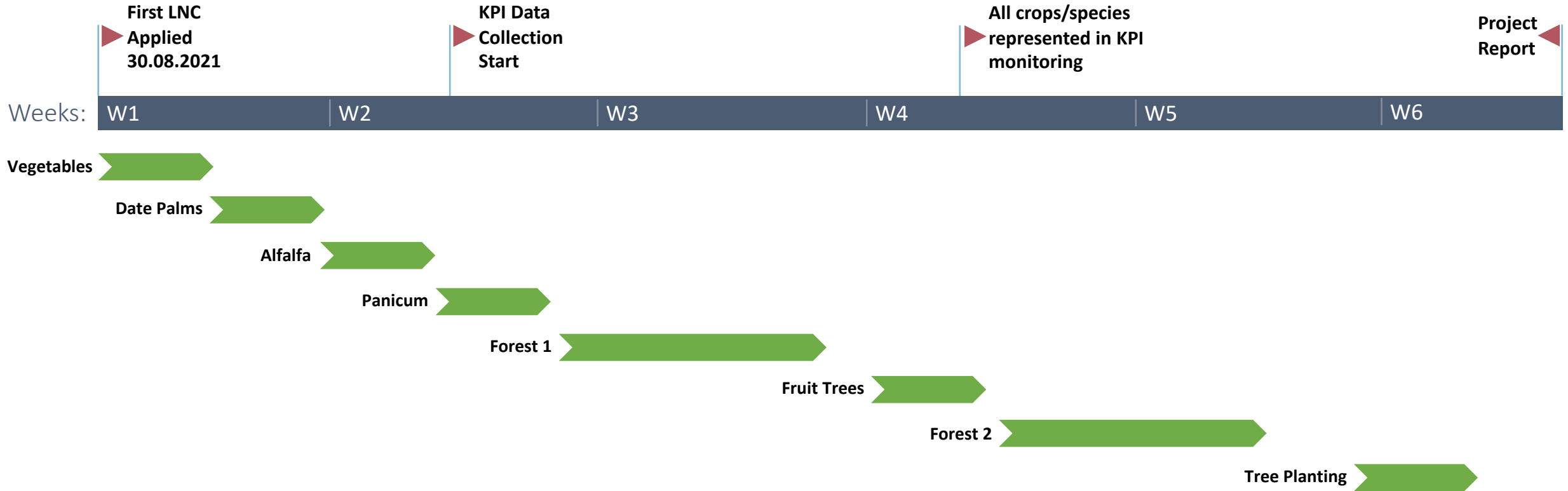
Fruit Trees
(existing plantation)



Tree Planting
(making the desert green)

MAWARID PILOT

HIGH-LEVEL PLAN FOR EXPECTED LNC APPLICATION



OTHER PILOTS

EXCEEDED WATER-SAVING KPI'S FOR PRE-COMMERCIAL PILOTS

RESULTS

- Pilot for ≈1,000 m² of a 200-hectare VIP property in Abu Dhabi delivered 35% water savings versus 25% KPI target
- Pilot for agriculture (sweet corn) delivered 35% water savings
- Pilot for landscaping areas with Tecom Group and Dubai Holding maintained >45% water savings versus 30% KPI target
- Pilot for improving the sustainability of trees came in at 50% water savings
- Pilot for testing LNC application through existing drip-irrigation systems proven technically feasible
- Negotiations and planning ongoing to covert pilots into commercial contracts

Landscaping / Parks



VIP Gardens / Sports



Trees / Forest



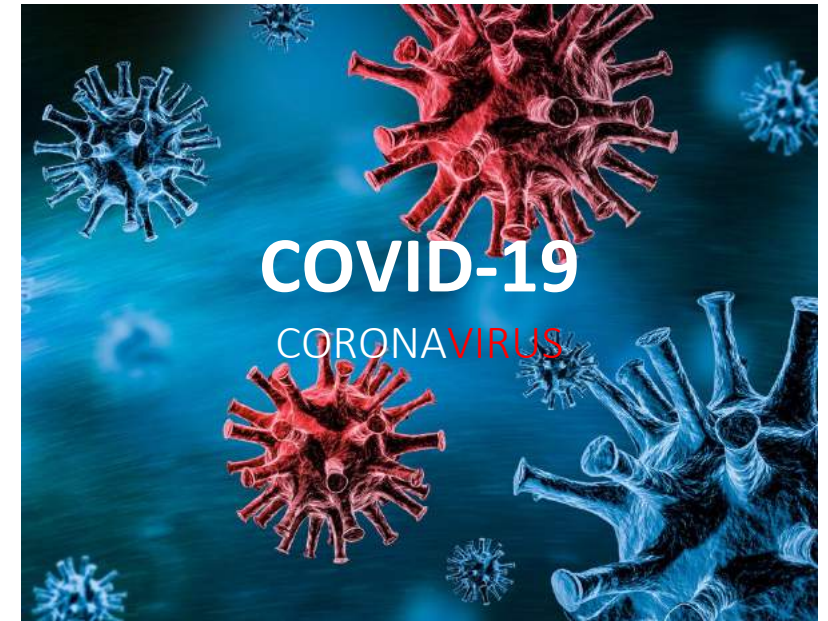
Agriculture



COVID-19 | 2021

STILL NEGATIVE IMPACT ON BUSINESS OPERATION IN H1 | SOME IMPACT EXPECTED TO CONTINUE IN H2

- **Negative impact related to travel restrictions**
 - Especially for travel between Norway and United Arab Emirates
- **Impact on hiring activities**
 - United Arab Emirates closed borders for several key workforce countries
- **Some impact on vendors and supply chains**
 - Vendor for assembly of LNC production units exposed to some delays due to foreign workforce issues (i.e. re-entry to UAE after Ramadan)
 - Some delays in delivery of certain parts and components from overseas
- **Expect continued impact from Covid-19 also in H2**
 - Extensive field-work and increased collaboration with partners and suppliers will expose workforce to related Covid-19 risks
 - Covid-19 incidents within internal workforce may cause delays
 - Ongoing global sea-freight challenges may impact supply chain



OUTLOOK | FOCUS AND AMBITIONS FOR H2 2021

ACCELERATE OPERATIONAL SCALE-UP | EXECUTE ON PROJECTS AND MARKET ACTIVITIES

CORPORATE DEVELOPMENT



- Establish US subsidiary to prepare for H2 2021 planned activities focused on California, Arizona, and Nevada (Including preparations for upcoming field study with Arizona University)
- Prepare for potential establishment of partner company with Mawarid Holding (Partnership for LNC deployment and application projects in UAE/MENA)
- Develop enhanced ESG and impact measurement reporting framework

TECHNOLOGY AND OPERATION



- Increase LNC production capacity by $\approx 150,000$ l/h to reach total $\approx 180,000$ l/h
 - Additional 2 units ($\approx 30,000$ l/h) by Q4
 - Additional 2 clusters ($\approx 120,000$ l/h) by EoY
- Scale-up operational capacity to execute critical priorities, operate units, and deliver projects
- Anticipating to grow the organization with additional ≈ 40 FTEs during H2 2021 (Majority share: field workforce and operators)

COMMERCIAL AND MARKET



– in partnership to make the desert green again

- The #1 objective for H2 is the successful pilot execution with Mawarid Holding and Barari Natural Resources in order to move forward with strategic partnership
- Other objectives:
 - Continue work aimed at converting other pilots into commercial contracts
 - Exhibit at EXPO 2020
 - Build sales pipeline for 2022

MAWARID PARTNERSHIP

STRATEGIC PARTNERSHIP TO SERVE THE ENTIRE UAE MARKET AND WIDER MIDDLE-EAST, NORTH AFRICA REGION

ABOUT MAWARID

- Manage agriculture, forests, green landscapes and natural resources on large scale
 - 11,000 employees
 - 3,000 vehicles, specialty equipment, and machinery for their forest management and agriculture operation which includes;
 - 200,000 hectares of cultivated land and areas of nature conservation
 - 160,000 km of irrigation pipelines
 - 438 forests
 - 13 million forest trees
 - 630,000 date palms
 - 80 private farms and 30 organic farms
 - A range of nurseries with a combined capacity of 25 million seedlings per year
- Mawarid is dedicated to strategic initiatives for national food security, climate resilience, and sustainability in the UAE and MENA region



STRATEGIC UPDATE

POTENTIAL CHANGE OF BUSINESS MODEL FOR MIDDLE EAST PENDING SUCCESSFUL MAWARID PILOT

CURRENT BUSINESS MODEL

- Service based business model (direct to customers)
 - Desert Control deliver turnkey projects for LNC treatment
 - All aspects of Production and Application of LNC carried out by Desert Control

POTENTIAL BUSINESS MODEL WITH MAWARID

- Partner based business model (in-direct delivery to customers)
 - Desert Control: Production of LNC
 - Partnership company: Application of LNC and last-mile delivery

EXPO 2020

DUBAI, UNITED ARAB EMIRATES, 1 OCTOBER 2021 – 31 MARCH 2022

DESERT CONTROL AT EXPO 2020

- Desert Control is featured at the “Good Place Pavilion” in the Opportunity District
- The “Plantar Project” is a specific landscaping plot in the “Good Place Pavilion” allocated to Desert Control for LNC application showcasing
- Demos with LNC kits will feature at the Sustainability Pavilion for the full six months of EXPO 2020
- Desert Control is one of 140 selected Global Innovators
- During the Climate and Biodiversity week (October 3-9, 2021) Desert Control is selected along with 16 relevant Global Innovator’s for presentations & panel sessions

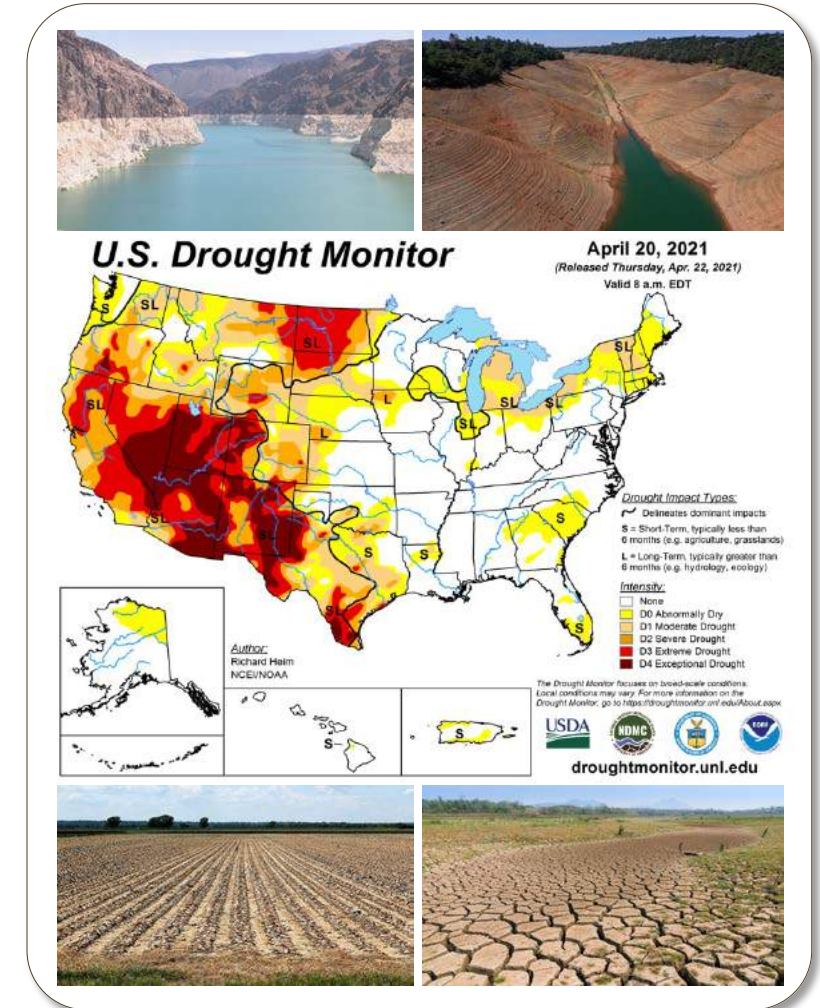


UNITED STATES

ESTABLISH US SUBSIDIARY TO PREPARE FOR PLANNED ACTIVITIES IN 2H

ACTIVITIES

- Establish US subsidiary in Q4 2021 to prepare for planned activities focused on California, Arizona, and Nevada
 - The subsidiary is likely to be incorporated in the state of Delaware
 - Branch office for states of operation to be considered when required
- Initial FTEs expected to be hired during Q4 2021 to run activities including;
 - Preparation for field study with University of Arizona
 - Local assembly of mobile LNC production unit suited for pilots and field studies
 - Develop capabilities to produce and apply LNC for field studies and other pilots (similar approach as in the UAE from 2018 to 2019)
- Field study with University of Arizona H1 2022
 - Focus for the field study is to validate the transferability of water saving results achieved at International Centre for Biosaline Agriculture in the UAE
 - Season for seeding of selected crops is from January
 - Project may run 3-6 months
 - Other pre-commercial pilots may be initiated during the timeframe



TECHNOLOGY AND OPERATION

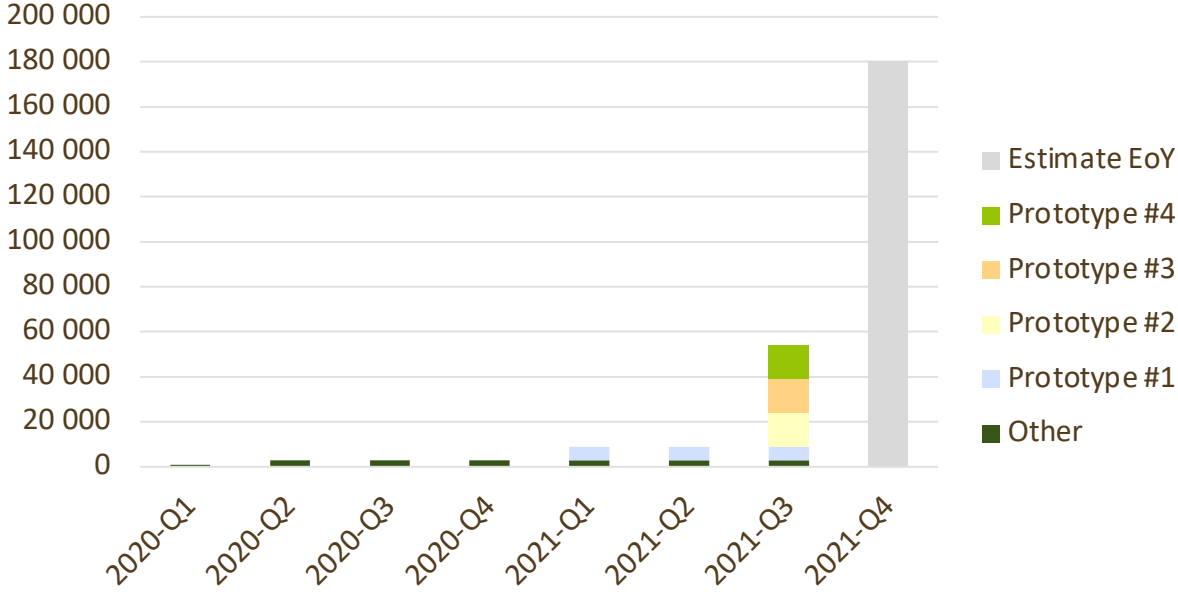
SIGNIFICANT INCREASE OF LNC PRODUCTION CAPACITY

DEFINITIONS

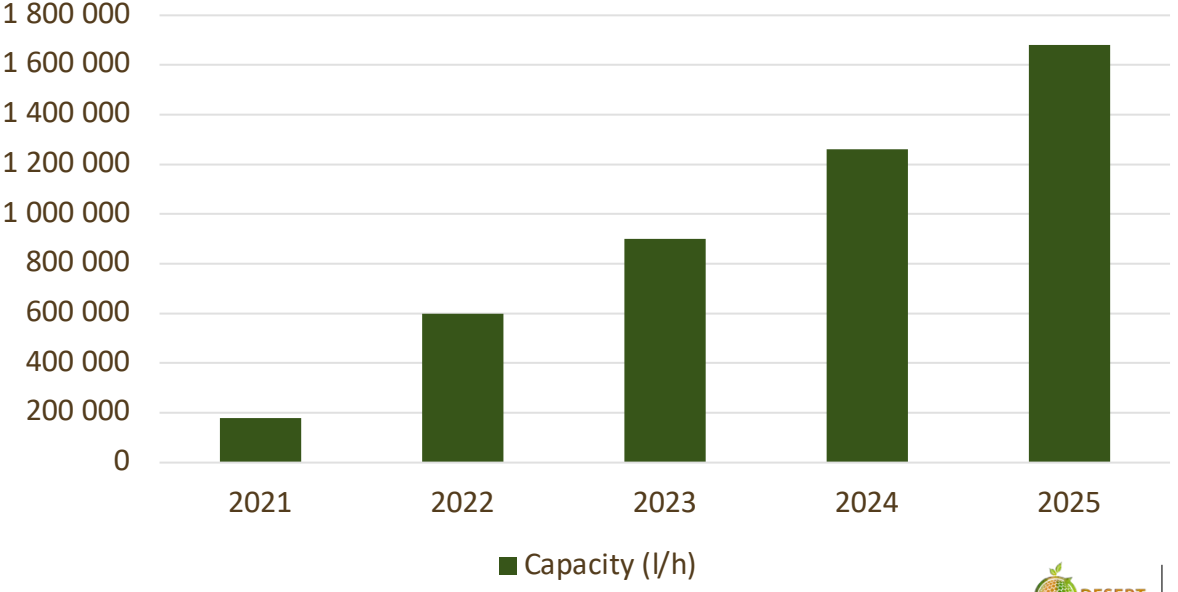
- LNC production unit: mobile factory for in-situ LNC production
- Cluster: 4 units
- Capacities:
 - 15,000 l/h per unit
 - 60,000 l/h per cluster



PRODUCTION CAPACITY DEVELOPMENT



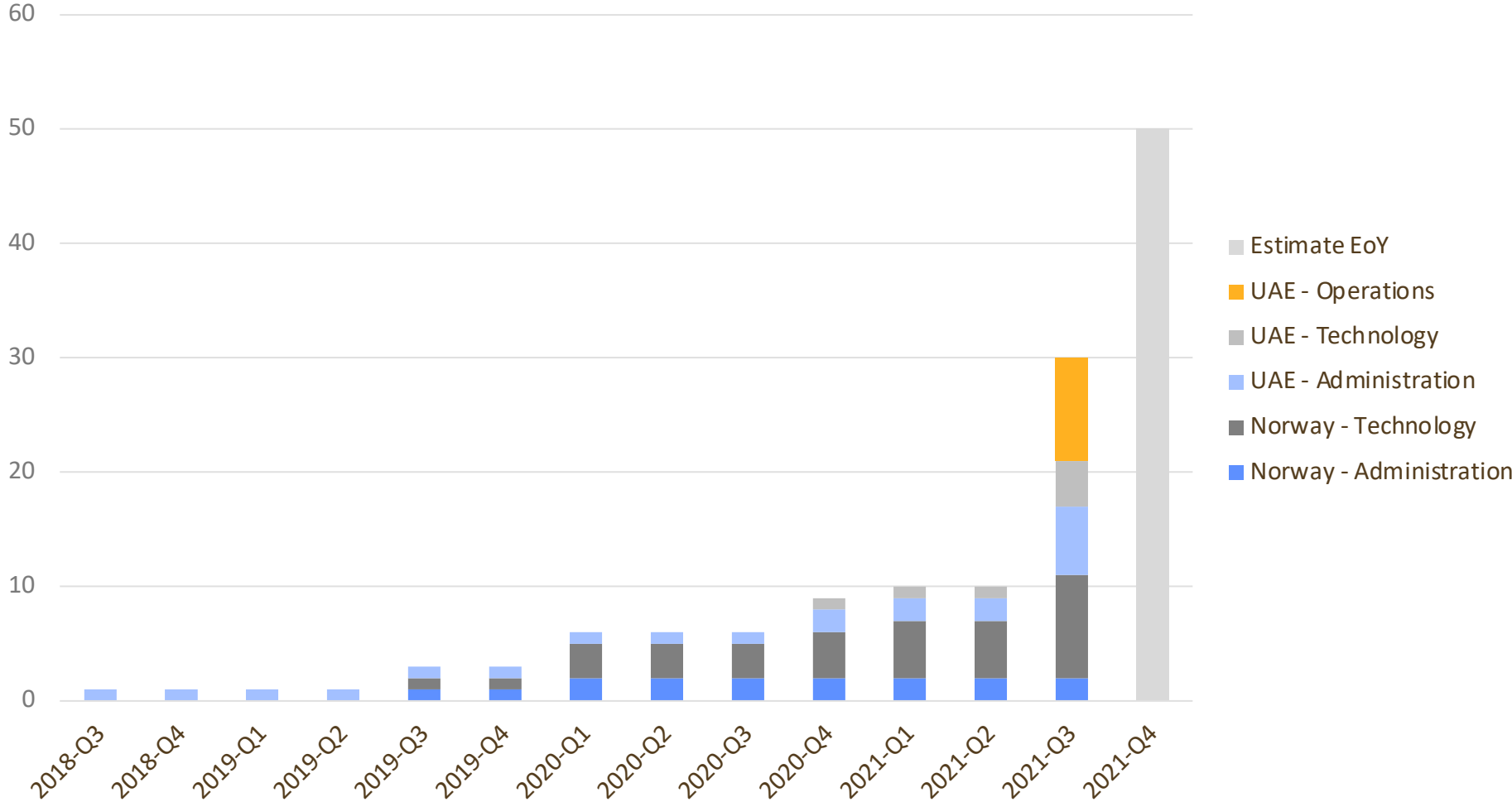
PRODUCTION CAPACITY FORECAST (EOY)



ORGANIZATIONAL DEVELOPMENT | 2021

BUILD OPERATIONAL CAPABILITY TO DELIVER PROJECTS AND UTILIZE THE GROWING LNC PRODUCTION CAPACITY

FTE DEVELOPMENT



AGENDA | H1 2021

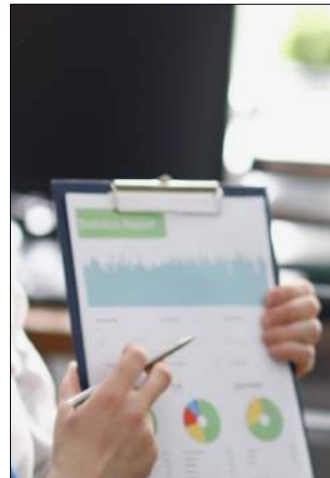
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HIGHLIGHTS AND OUTLOOK



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QUESTIONS AND ANSWERS



Moderator
Webcast Session

KEY FIGURES | H1 2021

DESERT CONTROL MAINTAINS A SOLID NET CASH POSITION OF NOK 204M AS OF 30 JUNE 2021



FINANCIAL HIGHLIGHTS

(30 June 2020 in brackets)

- Net proceeds from capital injection: NOK 190M
- Total cash balance: NOK 204M
- Equity: NOK 221M (equity ratio 96% as of 30 June 2021)
- EBITDA*: NOK -8.2M [NOK -2.6M]
- Net Income: NOK -8M [NOK -2.6M]
- Gross R&D Investments: NOK 7.5M [NOK 1.6M]

COMMENTS TO H1 RESULTS

- EBITDA of NOK -8.2M H1 2021 vs NOK -2.6M H1 2020 is primarily reflecting increased activity level compared to a Covid-19 impacted 2020
- Hiring activities to accelerate front-loading of resources for operational scale-up is expected to be reflected in H2 financials, and are according to plan
- Booked revenue for initial pilot with Mawarid is at large up-front payment, and revenue will be recognized in line with completion of work packages during H2

* EBITDA, Earnings Before Interest Taxes Depreciations and Amortizations

STATEMENT OF OPERATIONS | H1 2021

INTERIM CONSOLIDATED PROFIT AND LOSS (P&L) STATEMENT

Unaudited NOK (in thousands)

	For the six months ended	
	30 June 2021	30 June 2020
Total Revenue		821
Cost of Goods Sold (COGS)	194	4
Gross Margin	(194)	817
Payroll	4 047	2 809
Other Expenses	3 997	635
Operating Expenses	8 044	3 443
EBITDA	(8 238)	(2 626)
Depreciation	126	
EBIT	(8 364)	(2 626)
Finance Expenses	(356)	(5)
Net Income	(8 009)	(2 621)

EBITDA: Earnings Before Interest Taxes Depreciations and Amortizations

EBIT: Earnings Before Interests and Taxes

STATEMENT OF FINANCIAL POSITION | H1 2021

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited NOK (in thousands)

	For the six months ended	
	30 June 2021	30 June 2020
Fixed assets		
Research & development	7 566	3 441
Goodwill	6 413	6 562
Total intangible assets	13 979	10 003
Machinery and equipment	1 059	1 188
Equipment and other movables	740	197
Total tangible assets	1 799	1 385
Total fixed assets	15 778	11 388
Current assets		
Debtors	-	-
Other short-term receivables	10 383	2 002
Total receivables	10 383	2 002
Fixed income funds	90 000	-
Cash and bank deposits	114 552	28 935
Total current assets	214 934	30 937
Total assets	230 712	42 325
Equity		
Share capital (40 626 639 shares at 0.003)	122	70
Other paid-up capital	230 845	40 994
Total paid-up equity	230 967	41 064
Retained earnings	(10 118)	(2 090)
Total equity	220 849	38 974
Liabilities		
Current debt		
Trade creditors	1 339	838
Public duties payable	(558)	363
Other current debt	9 082	2 151
Total current debt	9 863	3 351
Total liabilities	9 863	3 351
Total assets, equity, and liabilities	230 712	42 325

STATEMENT OF CASH FLOWS | H1 2021

INTERIM CONSOLIDATED CONDENSED CASH FLOWS

Unaudited NOK (in thousands)

For the six months ended

30 June 2021

Cash flow from operating activities

Profit before taxes	(8 009)
Taxed paid	-
Depreciation and amortization	126
Changes in working capital	(1 869)
Cash used in operating activities	(9 751)

Cash flow from investment activities

Investments in research and development, gross	(7 500)
Soft funding from Innovation Norway / skattefunn	3 375
Investments in research and development, net	(4 125)
Investments in good will	149
Investments in fixed assets	(414)
Investments in fixed income funds	(90 000)
Net cash used in investment activities	(94 389)

Cash flow from financing activities

Net borrowing	
Capital injection	189 903
Net cash flow from financing activities	189 903

Net change in cash equivalents	85 763
Net foreign exchange differences	(112)
Cash and cash equivalents at beginning of period	28 935
Cash and cash equivalents at end of period	114 585

SHAREHOLDERS

Top 20 shareholders

No of shares	%	Account name	Type	Citizenship
5 900 000	14,52%	OLESEN CONSULT HVAC AS		NOR
2 154 715	5,30%	JAKOB HATTELAND HOLDING AS		NOR
2 154 715	5,30%	MONSUNEN FORVALTNING AS		NOR
1 881 950	4,63%	J.P. Morgan Bank Luxembourg S.A.	NOM	SWE
1 750 000	4,30%	KONTRARI AS		NOR
1 650 000	4,06%	OLE MORTEN OLESEN		DEN
1 543 371	3,79%	BEYOND CENTAURI AS		NOR
1 500 000	3,69%	JPMorgan Chase Bank, N.A., London	NOM	LUX
1 360 000	3,34%	NESSE & CO AS		NOR
1 355 431	3,33%	LITHINON AS		NOR
1 283 147	3,15%	INVESTORE FINANS AS		NOR
1 283 147	3,15%	DnB NOR Bank ASA	BRO	NOR
1 135 843	2,79%	ATLE IDLAND		NOR
1 075 000	2,64%	KRISTIAN FALNES AS		NOR
1 026 518	2,52%	CACEIS Bank	NOM	LUX
855 431	2,10%	SOBER AS		NOR
855 431	2,10%	LIN AS		NOR
590 000	1,45%	URBAN COWBOY AS		NOR
560 000	1,37%	OKS CONSULTING AS		NOR
527 715	1,29%	SORTUN INVEST AS		NOR
30 442 414	74,93%	20 largest shareholders		
10 184 225	25,07%			
40 626 639	100,00%	Total shares		

Share development

NOK 15.56	CHANGE % 0.06 (0.39%)	BUY / SELL 15.56 / 15.67	HIGH / LOW 15.70 / 15.22	TURNOVER 184,940.78	MARKET CAP. 633.68 mill.	VOLUME 11,929
2021-08-30 12:43 (CET)						

Issue price as of 14. apr: NOK 11,69

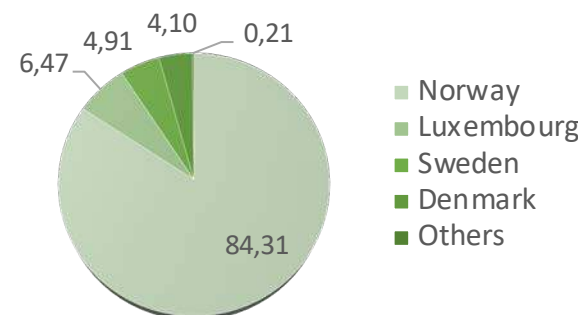


Source: Oslo Market Solutions

Origin of shareholders | largest countries

No of shares	%	Origin	No of shareholders
34 252 319	84,31%	Norway	1308
2 628 544	6,47%	Luxembourg	3
1 994 768	4,91%	Sweden	13
1 665 692	4,10%	Denmark	5
85 316	0,21%	Other	26

Total number of shareholders: 1355 from 23 countries



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AGENDA | H1 2021

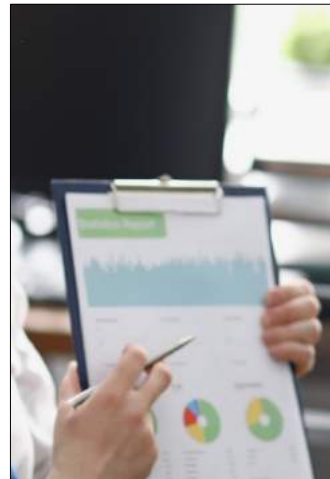
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APPENDIX

H1 2021 REPORT AND FINANCIAL RESULTS

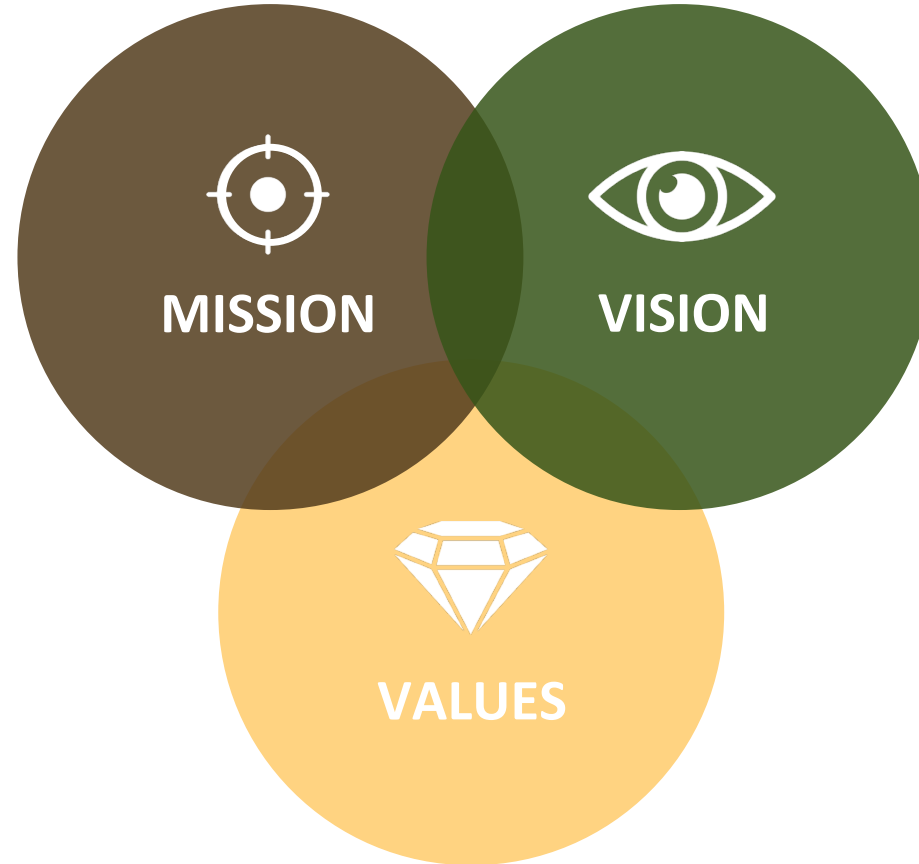
DESERT CONTROL COMPANY PRESENTATION

VISION, MISSION & VALUES

OUR PURPOSE | THE REASON WHY WE EXIST AND OUR VALUES

OUR MISSION

- Our mission is to combat desertification, land degradation, and water scarcity
 - Restore and protect vital topsoil
 - Make desert land fertile and arable
 - Reduce water consumption
- To foster climate resilient agriculture, forestry, and green landscapes



OUR VISION

- Our vision is making earth green again
 - Desertification, loss of fertile soil, and growing water scarcity are threats to all life on earth, further accelerated by climate change and overexploitation of natural resources
- What drives us is making earth green again to foster the prosperity of life

Leadership

Inspirational pro-active execution



Growth-mindset

Curious and solution oriented



Innovation

Challenge status-quo | create value



Integrity

Keep promises | strong relationships



Contribution

Desire to make everything better



Diversity

Inclusive | open-minded | respectful

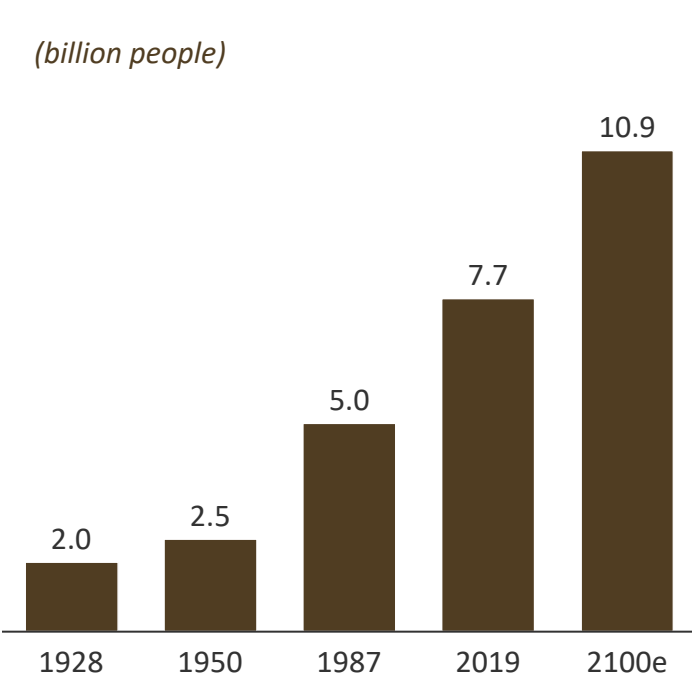


POPULATION GROWTH DRIVING INCREASED DEMAND FOR FOOD AND WATER

WATER DEMAND EXPECTED TO EXCEED RELIABLE WATER SUPPLY BY 40% IN 2030

INCREASING POPULATION...

(billion people)



...NEEDS MORE FOOD AND WATER...

Food production required to increase by

60-70%

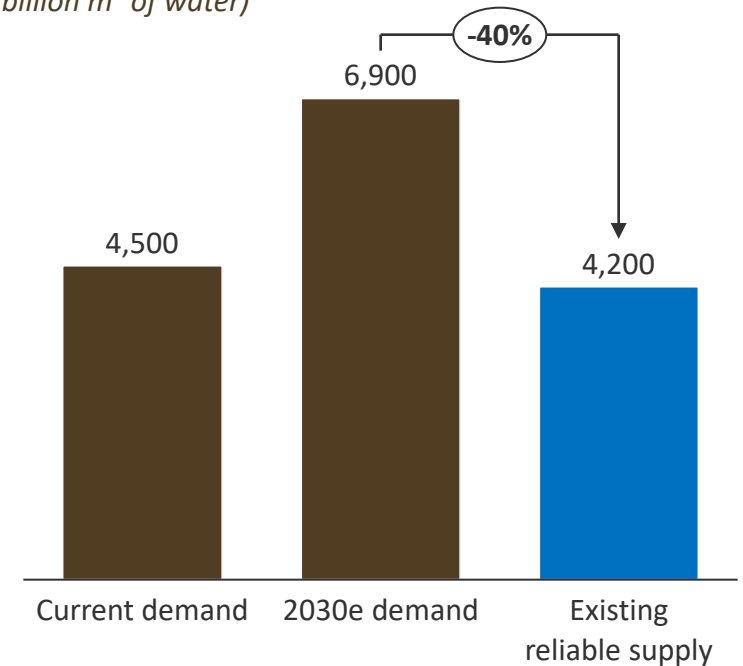
by 2050 and water demand estimated to increase by

50%

to feed the growing population

...WATER SHORTAGE EXPECTED TO BE SUBSTANTIAL

(billion m² of water)



By 2025, 1.8 billion people will experience absolute water scarcity, and 2/3 of the world will be living under water-stressed conditions



United Nations
Convention to Combat
Desertification

UNITED NATIONS HAS DECLARED DESERTIFICATION AND LAND DEGRADATION THE GREATEST ENVIRONMENTAL CHALLENGE OF OUR TIME

110

Countries exposed to desertification and land degradation

1.3Bn

People trapped on degrading agricultural land

12m

hectares productive land becomes barren every year

20%

Of Earths drylands degraded

52%

Of agricultural land affected by soil degradation

<60 years

Farming left at current degradation rate

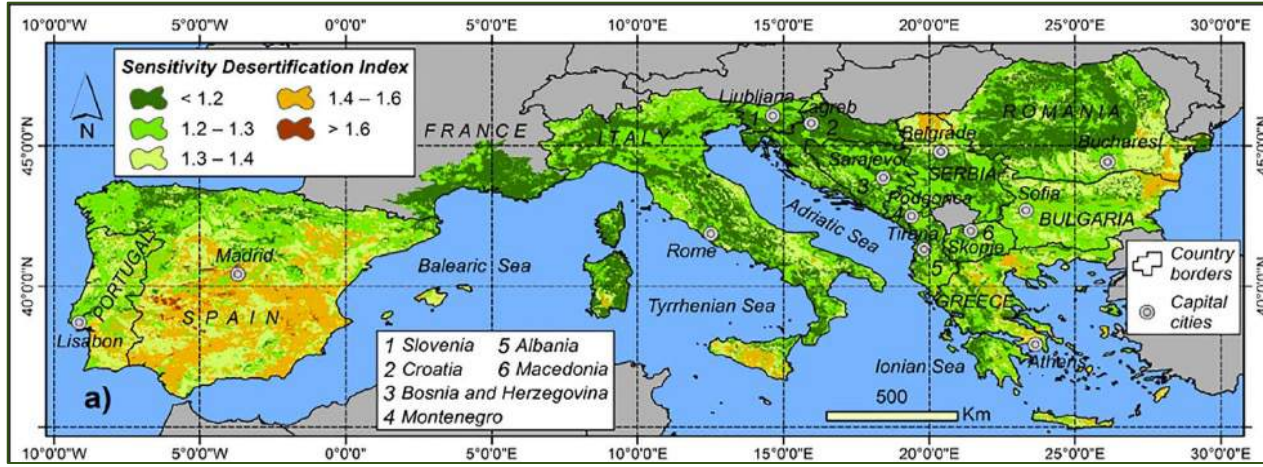
\$490Bn

annual cost world-wide

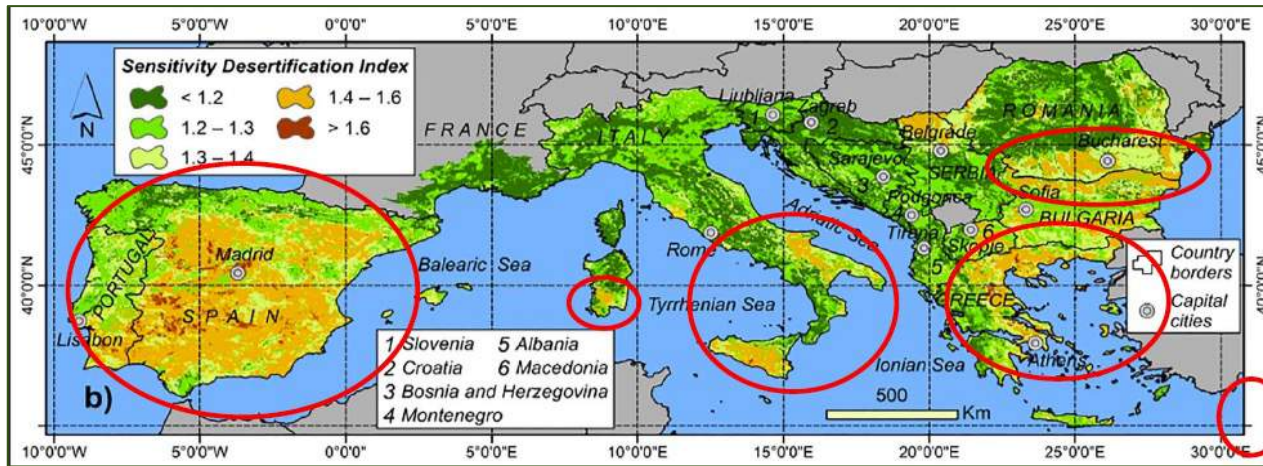


PROBLEM – IMPACT WAY BEYOND THE “TRADITIONAL DESERTS”

2008



2017



59% of territory with a higher or medium sensitivity to desertification



74% of territory at risk of desertification



+50% of mainland at risk of desertification

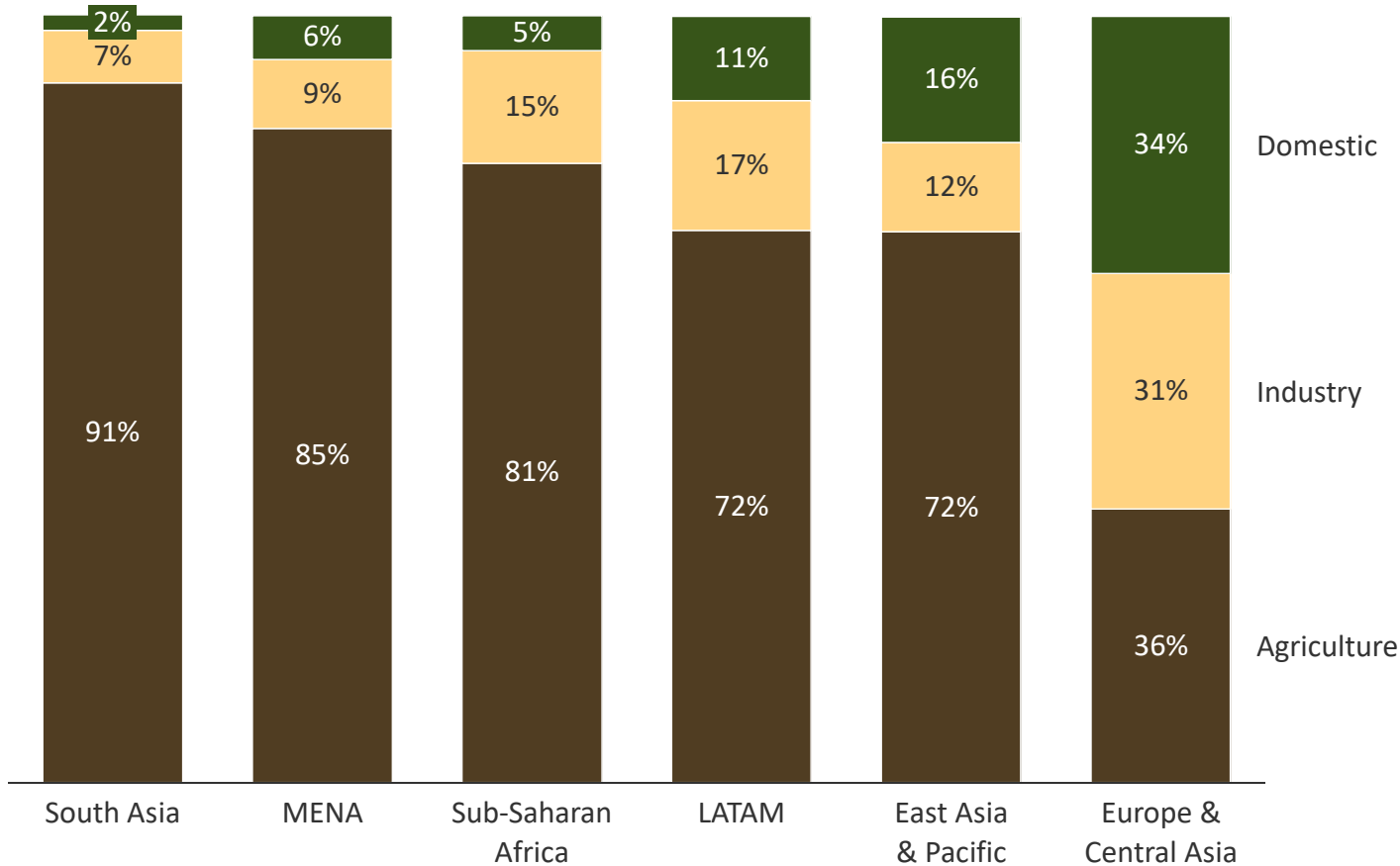


99% of territory vulnerable to desertification

70% OF FRESHWATER IN THE WORLD IS USED FOR AGRICULTURE

CURRENT APPROACHES IN AGRICULTURE YIELD LOW WATER EFFICIENCY GAINS

SHARE OF FRESHWATER WITHDRAWALS BY SECTOR (%)



- The shortfall between demand and supply of water is estimated to be 40% by 2030
- Approx. 1/3 of the population will live in areas where the deficit is >50%
- The agriculture industry represents the single largest consumer of water in the world, accounting for ~70% of water withdrawals
 - Water challenges are therefore closely tied to food provisions and trade

1. Water 2030 Global Water Supply and Demand model; agricultural production based on IFPRI IMPACT-WATER base case

DESERT CONTROL'S LNC TREATMENT IS PART OF THE SOLUTION

ENRICHES THE FERTILITY CAPABILITY IN DESERT SAND – LOWER WATER USAGE AND IMPROVED SOIL HEALTH

1. **UNIQUE FORMULATION PROCESS**

Clay is processed into a liquid compound

2. **SPRAY ON**

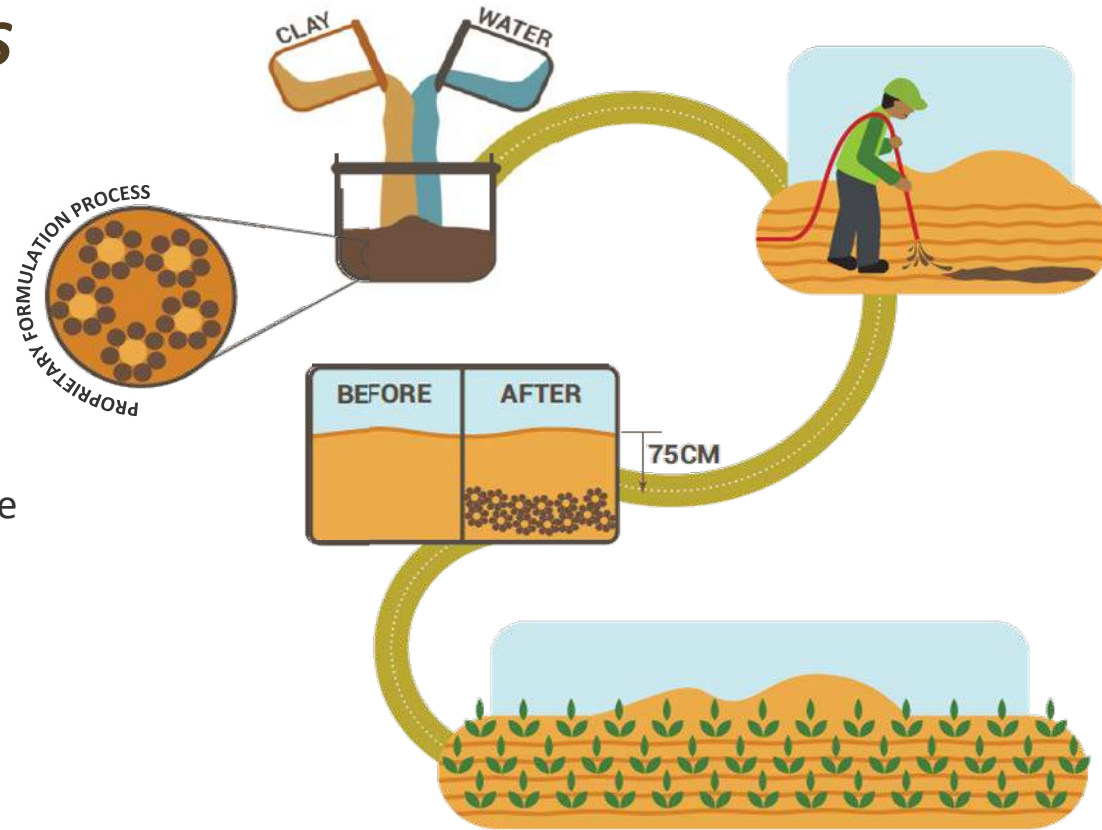
Applied directly to sand or arid soil

3. **EFFECT**

Forms a soil structure that retains water like a sponge

4. **RESULT**

- 20-50% water and fertilizer savings
- Increased crop yields and carbon uptake



PATENTED PROCESS BASED ON 12 YEARS RESEARCH

LIQUID NATURAL CLAY («LNC»)

PREMISE

Clay-rich soil retains water effectively and has high resilience to droughts



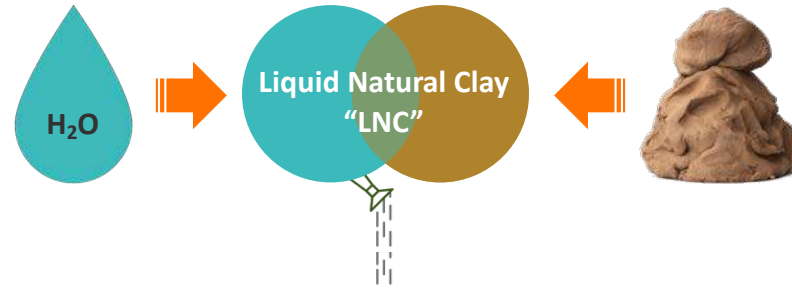
Working clay into the soil, however, is challenging



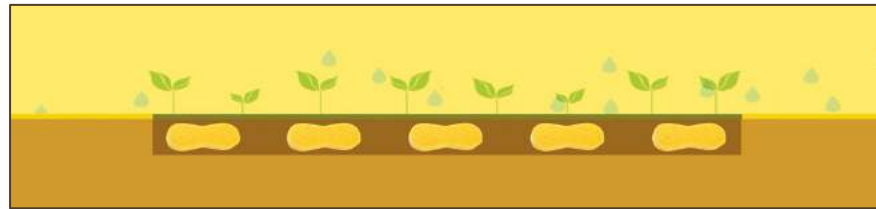
Up to 100 kg of clay needed per m²

DESERT CONTROL'S PATENTED LNC PROCESS

Natural clay is turned into a liquid nearly as thin as water



Liquid is applied onto the surface, and percolates down to form a soil structure that retains water like a sponge

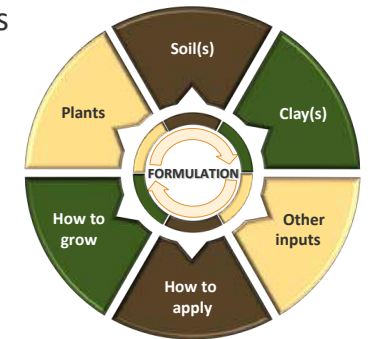


KNOWLEDGE BASED STRATEGY

- Each clay type has unique properties
- Different soils require custom liquid compositions
- Plants have different preferences

LNC is made scalable:

- Automation
- Formulation
- Data Analytics
- AI & Machine Learning



Unique nano-technology reduces the clay consumption from 100 kg to less than 1 kg per m²

UNIQUE PRODUCT OFFERING WITH NO DIRECT COMPETITOR

SUBSTITUTES AND OTHER METHODS FOR SOIL ENHANCEMENT ARE INTRUSIVE, TIME CONSUMING AND COSTLY

DESERT CONTROLS LNC PROCESS IS THE ONLY NON-INTRUSIVE SOIL ENHANCEMENT OPTION

INTRUSIVE

(mechanical/manual intervention)



Solid form soil amendment

VS.

NON-INTRUSIVE

(self-percolating into the soil)



Liquid soil amendment

Intrusive soil enhancement treatments are costly, time consuming and to a large extent less effective

LNC'S ADVANTAGES



Immense water savings: Up to 50%



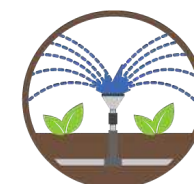
Possible to Spray or Inject



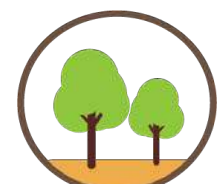
Uniform Application



Natural Product



Applied using existing systems



Can be applied on existing greenery



Returns of 2X – 3X per investment cycle



One application lasts up to 5 years

PROVEN, VALIDATED AND PATENTED

MULTI-YEAR FIELD TRIALS

EGYPT - BEFORE AND AFTER APPLICATION OF LNC



UAE, AL AIN AFTER APPLICATION OF LNC



SCIENTIFIC ACCREDITATION BY ICBA



 September 16, 2019

Key findings for the Liquid Nano Clay (LNC) product being tested in turf and Bermuda grass pilot field trials in a desert environment.

It is very important to identify soil amendments that can enhance the soil properties in hot and dry conditions. Liquid Nano Clay (LNC) is one of the most promising solutions to improve the soil productivity and plant growth. Desert Control Company in collaboration with International Center for Biosaline Agriculture (ICBA) evaluated for the effectiveness of LNC product on turf and Bermuda grass used for landscape purposes compared to the "business as usual" irrigation model of golf course companies. The experiment was conducted at ICBA's research station, looking into the water and nutrients retention and biomass production in desert conditions after LNC treatments application for one year. The key findings after evaluation of the 10 Liquid Nano Clay (LNC) treatments, untreated plots included, on turf and Bermuda grass plots were the following:

Key findings in turf

It is very important to identify soil amendments that can enhance the soil properties in hot and dry conditions. Liquid Nano Clay (LNC) is one of the most promising solutions to improve the soil productivity and plant growth. Desert Control Company in collaboration with International Center for Biosaline Agriculture (ICBA) evaluated for the effectiveness of LNC product on turf and Bermuda grass used for landscape purposes compared to the "business as usual" irrigation model of golf course companies. The experiment was conducted at ICBA's research station, looking into the water and nutrients retention and biomass production in desert conditions after LNC treatments application for one year. The key findings after evaluation of the 10 Liquid Nano Clay (LNC) treatments, untreated plots included, on turf and Bermuda grass plots were the following:

- 1) Bermuda grass can tolerate a good grass candidate for the UAE summer climate compared to turf grass since the latter grass species could not survive the high temperatures during the hot summer season and finally die.
- 2) Bermuda grass treated with LNC could have water savings as high as 47% and still higher biomass production for certain maturities.
- 3) Topsoil salinity significantly decreased in the LNC treated plots. This outcome was observed and verified by soil sampling one month and four months after the LNC applications (15% of February & 20% of May 2019).
- 4) LNC treatment significantly increased soil available P content of the surface soils compared to the untreated plots which was highly concerned by the grasses for their development.
- 5) Soil analysis for the second sampling (the May) showed that treatments 1, 2 kg LNC injected, 1.2 kg LNC injected & combined with fung, 3, 1 kg LNC sprayed with aeration - 2 applications, 1.2 kg LNC sprayed with aeration - 20 L/m² and 1.2 kg LNC injected with sodium bentonite significantly increased soil potassium available content compared to the control especially in the upper soil layer (up to 30 cm).
- 6) Treatments 1, 2 kg LNC injected and 0.7 kg LNC sprayed with aeration were the ones that improved soil organic matter content especially at the second soil sampling.
- 7) Treatment (1, 2 kg LNC injected combined with fung) was very effective in boosting the growth of Bermuda grass species and demonstrated double fresh biomass production (222.3 g/area) compared to the one observed for ET based untreated plots (108.7 g/area) with a total of water savings of 47%.
- 8) ET based irrigation schedules on LNC treated plots with reduced flow rates of water showed good results and could lead to confirmed water savings of over 33%.
- 9) During ET based irrigation of all plots the 1.2kg LNC sprayed application seemed to have the highest soil moisture levels (almost twice as high as reference field) with over 30% less water consumption without any compromise on grass growth by using LNC.
- 10) Different LNC treatments showed better results at specific growth stages and time periods.

It is vital for agriculture implemented in desert areas to adapt management practices, methodologies and apply products that contribute to fresh water savings and retain the soil moisture and nutrients to soil levels that will enhance crops growth and continuous development. LNC is such a product that its efficiency is evaluated for the first time in field trials following a systematic research study in desert climatic conditions.

Seta Tutundjian 
 Director of Programs



 International Center for Biosaline Agriculture

Dr. Ahmed H. El-Naggar 
 Soil Management Scientist

P.O. Box 14860, Dubai, United Arab Emirates
 Tel: +971 4 396 1100, Fax: +971 4 396 1106
 www.biosaline.org

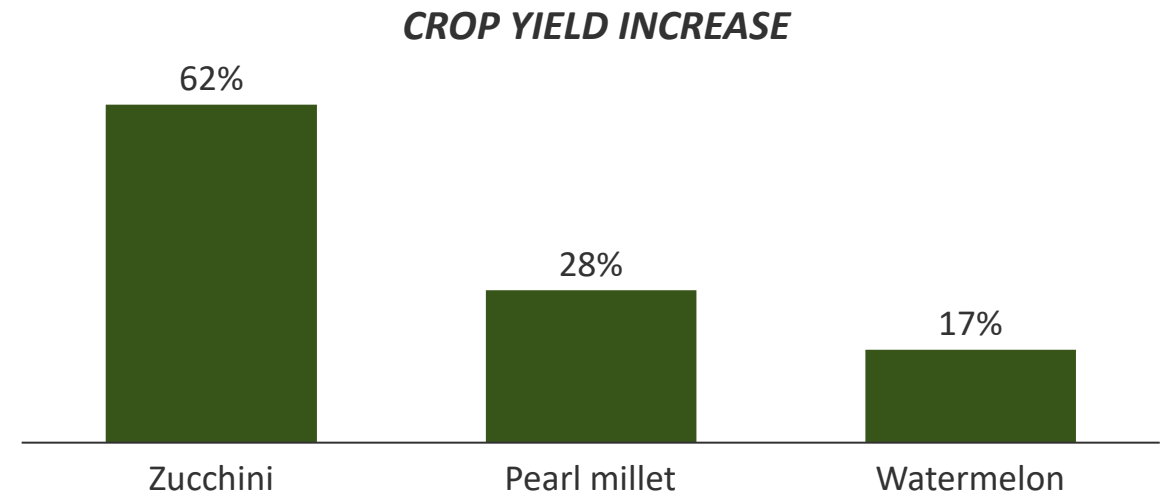
P.O. Box 14860, Dubai, United Arab Emirates
 Tel: +971 4 396 1100, Fax: +971 4 396 1106
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Source: International Center for Biosaline Agriculture; <https://www.biosaline.org>

THE RESULTS – UAE DESERT EXAMPLE



- ✓ *Less than 1kg of clay per m²*
- ✓ *Water and fertilizer savings (20-50%)*
- ✓ *Increased crop yields (17-62%)*
- ✓ *Improved soil, biodiversity, and carbon uptake*



LNC IDENTIFIED AS A POTENTIAL IMPACT SOLUTION BY THE UNITED NATIONS

THE GREATEST CHALLENGE OF OUR TIME: THE GREAT GREEN WALL

RECEIVED OVER \$14 BILLION IN DONATIONS TO REGREEN THE SAHEL – WORLD BANK AMONG DONORS



RESTORE **100 MILLION HECTARES** OF DEGRADED LAND

SEQUESTER **250 MILLION TONNES** OF CARBON

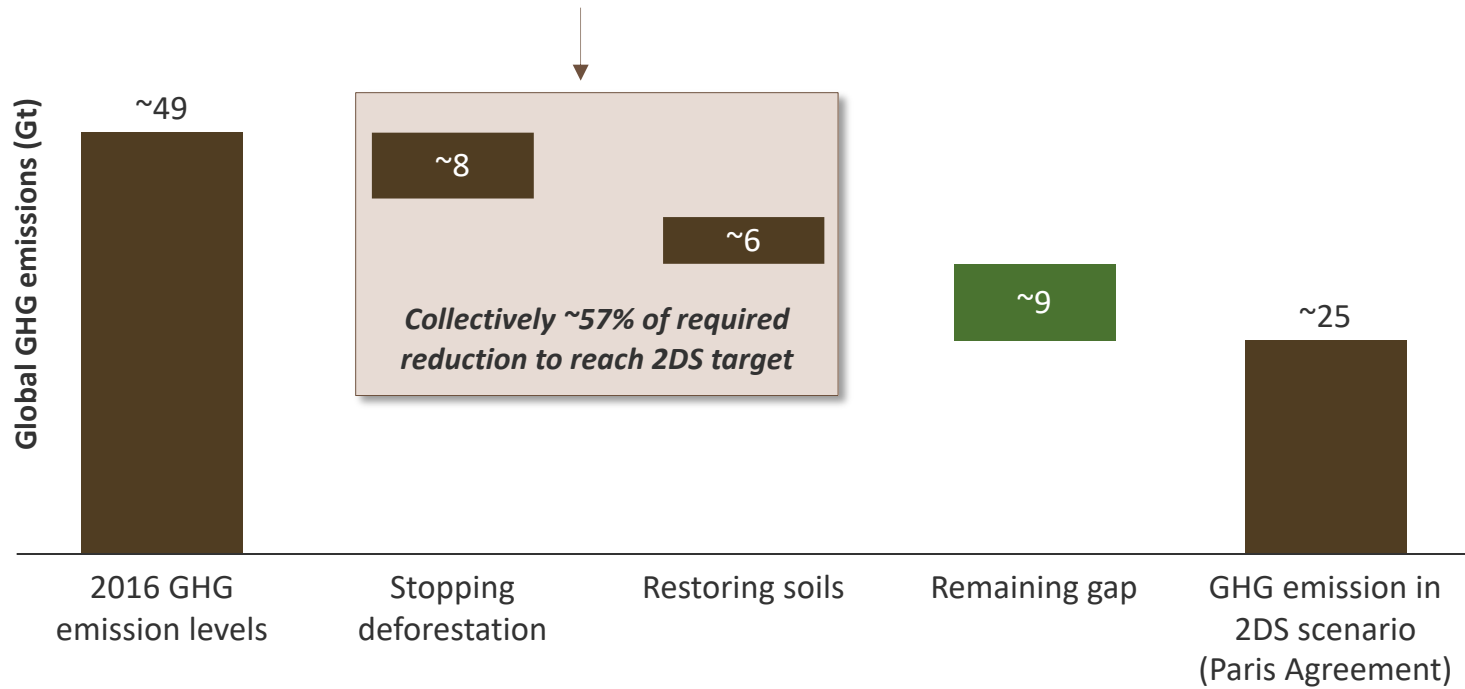
CREATE **>10 MILLION GREEN JOBS** IN RURAL AREAS



LIQUID NATURAL CLAY | ESG AND IMPACT POTENTIAL

EXPECTED TO PLAY A VITAL ROLE IN SUSTAINABLE DEVELOPMENT FROM A FINANCIAL AND AN ESG PERSPECTIVE

In a conservative estimate of \$20 /t this translates to **\$280Bn** of annual cost



Stopping deforestation, restoring forests and improving forestry practices could cost-effectively remove **7 billion** metric tons of carbon dioxide annually – equivalent to eliminating **1.5 billion** cars, more than all of the cars in the world today

ADDRESSING KEY UN SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

UN SUSTAINABLE DEVELOPMENT GOALS

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 desalination of seawater 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, which is the home of 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 impact 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.

Powered by operational data, an updated ESG and impact reporting framework will be under development during Q4 to align with ESG reporting standards for investors and stakeholders.

ABOUT DESERT CONTROL

COMPANY OVERVIEW

Desert Control is a company specialized 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 and 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 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.

United Arab Emirates is Desert Control's first geographic market, to be followed by broader expansion in the Middle East region. In 2022 the Company aims to expand operations to the United States, focusing on California, Arizona, and Nevada. 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.

