



Desert Control Provides Mid-Year Update

Sandnes, Norway, 21 July 2025 — Desert Control (DSRT) today provides an operational update

Operational Update

Recent applications of the company's Liquid Natural Clay ('LNC') at Woodland Hills Country Club and PGA West have experienced operational challenges, related to irrigation systems on the sites and residual LNC not being distributed as intended. The company is conducting analysis on both incidents and preliminary results show that reliability issues with certain secondary equipment and operator miscommunications were the likely causes of each matter. Importantly, both properties remain fully operational, and Desert Control and the clients are fully committed to resolving any residual effects. Applications at California State University- Fullerton and Mesa del sol Golf Course were conducted without any challenges

Manufacturing schedule update for the new LNC production unit

The company remains committed to producing initial units of the new design, high volume production system modules, in the second half of 2025. The process has been delayed by personnel shortages at Desert Control and longer processing time than anticipated with certain vendors. The company recently added a senior resource in the US to help accelerate manufacturing and other supply chain programs. Further, while some modifications may be made to the system's peripheral equipment – clay loading and tanks, – as a result of the ongoing analysis no change is expected in the fundamental core production modules.

Withdrawal of Revenue Guidance for 2025.

Until the company has completed its analysis and implemented solutions to issues discovered, no additional, large-scale applications in the Golf segment are expected to be initiated in 2025 and the company is, therefore, withdrawing its previous 2025 revenue guidance.

Emerging Data on LNC's ability to increase crop yield

While much of the company's research to date has been focused on the water saving benefits of LNC, the product's ability to also positively impact crop yields has been both a scientific and commercial goal. Yield increases have been seen in several small studies in both the Middle East and the United States, but larger, well controlled studies have been limited in number. Recent data coming from our work with the University of Arizona Maricopa Research Center on both Broccoli and Cantaloupe show encouraging increases in yield in fields treated with LNC.

[Cantaloupe Yield and Water Productivity Under Different Irrigation Systems, Regimes and Soil Conditions in Arizona](#)
[Optimizing Broccoli \(Brassica oleracea var. italica\) Yield and Water Productivity in Arizona](#)

Release Date for Second Quarter Report

The company will now release its second quarter report on August 15th 2025 versus the prior date of August 27, 2025.

"The operational challenges at Woodland Hills Country Club and PGA West are frustrating for our customers, our shareholders, and our dedicated team," said James Thomas, CEO of Desert Control. "While some unintended impact on irrigation infrastructures has occurred, it's however important to note that over 4.5 million liters of LNC was applied at Woodland Hills, and the total residual matter identified is measurable in pounds. Moreover, we have not observed similar complications at other recent applications, including those at Oasis Dates and Cal State Fullerton."

"Our customers remain confident in LNC's ability to enhance soil health and water retention," Thomas added. "However, we recognize the need to further refine our delivery capabilities particularly for high-pressure, high-flow irrigation environments."

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About Desert Control:

Desert Control develops innovative solutions to enhance soil health, conserve water, and promote ecosystem resilience. . Our proprietary Liquid Natural Clay (LNC) allows sandy, fast-draining soils to retain water and nutrients, improving soil health, crop yields, and ecosystem vitality while conserving water. Desert Control provides customized solutions to strengthen sustainability, profitability, and prosperity for agriculture, forests, and green landscapes. In collaboration with partners and clients, we aim to preserve natural resources, enhance food security, and ensure a climate-resilient future.

Important Notice:

This information is considered to be inside information pursuant to the EU Market Abuse Regulation (MAR) and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. The stock exchange announcement was published by Leonard Chaparian, CFO in Desert Control AS, at the time and date stated above in this announcement.

Cautionary Note:

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