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H1 2026

Half Year Report

Financial Statement and Review

DESERT CONTROL

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Chairman’s message

Dear Shareholders,

It is my pleasure to welcome you to this year's interim report, presented in the same shorter, more focused format we introduced in our latest annual report. Much like our strategy, this condensed version emphasizes what truly matters — our performance, our priorities and focus, and the progress we are making toward our long-term vision.

As we reflect on the first half of 2026, one theme remains constant: disciplined focus. While there are many geographies around the world that could benefit from Liquid Natural Clay (LNC), we continue to concentrate our efforts in the American Southwest. This region offers the most attractive combination of need, scalability, and strategic alignment with our capabilities. By sharpening our geographic priorities, we position ourselves to deliver stronger impact and sustained growth.

So far this year, I have made two visits to Desert Control in the American Southwest. In April, the Board and I visited Berkeley Country Club to observe the successful LNC application in action. In June, I traveled to both Arizona offices and also spent time with Desert Control employees in California. These visits have allowed me to interact with our very strong operational and scientific teams. New hires have melded well with pre-existing colleagues and the result is a cohesive team, devoted to exceeding the expectations of our customers and maximizing the reach of LNC in our core markets.

Our commitment to innovation has continued to sharpen in the first half of the year. Following the manufacturing contract we signed in January for our first next-generation production unit, the unit completed extensive testing during the period and entered the field in July. This added capacity should allow us to serve more prospective customers as pilot and commercial volumes increase, strengthening our portfolio today while opening new avenues for future expansion. It reflects our belief that long-term success comes from anticipating evolving needs and delivering solutions that lead the industry forward

James Thomas marked his first full year as CEO in April, and under his leadership the Company has moved from a period of reset and consolidation toward a company poised for commercial expansion. The Board and I remain confident that James's leadership has Desert Control well positioned for its next chapter.

To support the Company through its current phase of commercial ramp-up in the U.S., we recently completed a fully underwritten NOK 70 million rights issue which will extend our cash runway and fund continued investment in production capacity and sales teams. As of 30 June 2026, the Group held cash of NOK 18 million and no interest-bearing debt. This financing, together with the Board's continued emphasis on discipline and capital efficiency, supports measured scaling through the second half of the year and beyond.

Events around the world this summer have highlighted the global imperative for the water saving technology of LNC. Wildfires in Europe and Canada and alarming language in the latest Colorado River update underscore how the growing preciousness of water.

In summary, Desert Control's outlook is bright. I am confident the combination of our focused strategy, strengthened product offerings, and expanded team put us in a strong position for growing success. The opportunities ahead of us are substantial, as global demand for water-efficient, sustainable agriculture solutions continues to rise. By building on the commercial progress achieved in the first half of 2026 and relying on a prudent growth strategy, we believe Desert Control can deliver significant value for all stakeholders while advancing our mission to combat desertification and water scarcity.

LARS RAUNHOLT EISMARK

CHAIR OF THE BOARD

CEO's message

The first half of 2026 has been a very busy period for Desert Control. We have been incredibly active with pilots, commercial applications, hiring and building the new production unit. While we remain active in Arizona, the additional focus on the multi-billion California market is clearly paying off, with 42 pilots and significant research results in just the first eight months. During that time, we have completed promising, tier-one pilots mostly in that state, hired talented professionals, and introduced a new, advanced production unit.

The most significant commercial milestone in the first half of the year was the application at Berkeley Country Club. Following the successful completion of our trial deployment in late 2025, Berkeley signed a commercial agreement in March, and we completed the full application in April. While only in the initial months, the course is seeing meaningful water savings and the staff is further reducing water use. Financially, Woodland Hills Country Club continued generating monthly recurring revenue (MRR) under our Pay-As-You-Save ("PAYS") structure and has filed for the first year of their rebates with the Los Angeles Department of Water and Power. The water savings were more than $120,000 and they expect to receive a similar amount in rebates. We also began recognizing MRR from Berkeley in Q2. Together, these two accounts prove out the value of our PAYS model.

To put it in proper prospective, year-to-date piloting activity in 2026 substantially exceeded pilots for all of last year. During the first six months, we deployed more than five million liters of LNC and completed pilots spanning a broad range of crop types and geographies. Interest continues to grow among both our core permanent crop customers and, increasingly, high value row crop producers. Our production and field execution capabilities have kept pace with this demand, reflecting continuous operational improvements. The first unit built under the next-generation production contract signed in January completed extensive testing and was in the field in July, adding further on-site production capacity.

We also strengthened the organization. David Borah joined as Chief Financial Officer in February, and Dr. Michael Canady joined as Chief Science Officer in April. In February, shareholders approved the election of Juli Jessen and Jacob Christfort to the Board, adding expertise in global agriculture markets and corporate strategy at a critical stage of our development.

Independent scientific validation of LNC continued to advance. In addition to our ongoing trials in dates, almonds and pistachios, in June, we launched a multi-year research study with the Turfgrass Science program at the University of California, Riverside, led by Dr. James H. Baird. This controlled, independent evaluation examines how LNC-treated turf retains moisture, allowing less frequent irrigation and improving drought tolerance.

Recently, we have reported promising yield data in romaine lettuce, a crop not previously targeted by us and we are seeking to do more research trials in romaine and other high value vegetables. We are expanding our commercial field trials in Arizona with support from state grants and expect to apply more than $200,000 in LNC during the fourth quarter to a variety of vegetable crops in the Yuma area.

As we enter the second half of the year, Desert Control operates with greater scale, a stronger team, and a deeper commercial pipeline than at any point in the Company's history. Significant work remains to convert pilots into contracts, contracts into recurring revenue, and recurring revenue into a self-sustaining business. But the direction is clear and the momentum is real.

I want to thank our employees, customers, research partners, and shareholders for their commitment during this period. The work we are doing sits at the intersection of a real environmental challenge and a commercially viable solution. We intend to advance it with the same focus, discipline, and integrity that have guided us throughout.

JAMES THOMAS
CHIEF EXECUTIVE OFFICER

1H 2026 Review

Highlights

Core Market Focus

In the first half of 2026, Desert Control continued to expand and deepen its presence in the American Southwest. Most of our agriculture customers were growers farming more than 1,000 acres. We saw growing interest from high-value vegetable growers in California and Arizona alongside our core permanent crop focus, reinforcing the commercial credibility built through these reference projects. Berkeley Country Club converted from a successful 2025 trial into a full commercial agreement under our PAYS model, and Woodland Hills Country Club continued generating recurring revenue under the same structure — together giving us our first meaningful base of recurring, outcome-based revenue in the golf segment.

We were pleased to take delivery of our new production unit during the first half of the year and use it in the field in early July. It has had an immediate positive impact on our overall capacity and offers the potential for greater efficiency as we harness all it has to offer in terms of higher efficiency.

In the Middle East, we continued to work through our licensed operator partnerships, Saudi Desert Control and SOYL. This approach allows Desert Control to leverage local expertise and relationships while maintaining technological control and quality assurance. Geopolitical hostilities have dampened business prospects during this period but we are hopeful business will rebound once normalcy is restored.

Better Understanding the Potential of LNC

We advanced the consolidation of research activity in the U.S. with the April appointment of Mike Canady as Chief Science Officer, leading an R&D organization now based closer to our primary market to accelerate field research and improve customer proximity. In June, we launched a multi-year, independent turfgrass research study with the University of California, Riverside, led by Dr. James H. Baird, testing how LNC-treated turf performs under deficit irrigation — a direct, third-party test of the product's central premise.

More recently, we have reported results from studies done with a prominent California grower in romaine lettuce, a row crop that previously we would not have considered to part of our target market. The studies show a profound impact on harvest yield in acreage where LNC was applied. There were upwards of 30% yield improvement in successive applications as compared to control in both cases. Not only was this row crop outside of what previously considered a target market but the soil had a relatively low, 64% sand content. Both of these factors indicate the potential for a larger total addressable market for LNC.

Dr Canady and his team intend to run more studies with outside researchers beginning in the current quarter in a number of crops as well as in turf to better understand the mechanism of action and potential of LNC, both alone and in combination with other soil amendments, in a number of crop types and soil conditions.

Financial Review

Key Figures

NOK, million	Half year 2026	2025	Change
LNC Revenue	0.6	1.6	(1.0)
Licensing Royalties	0.1	0.1	(0.0)
Total revenue and other income	**0.7**	**1.7**	(1.0)
Salary and employee benefit expenses	12.8	15.0	(2.2)
Other operating expenses	22.2	17.0	5.2
Depreciation and amortization	1.8	2.0	(0.2)
Operating profit or loss	**(37.0)**	**(33.0)**	(4.0)
Net financial items	0.1	(8.3)	(8.0)
Profit or loss for the year	**(37.1)**	**(41.3)**	**4.6**
EBITDA*	**(35.1)**	**(30.9)**	(4.2)
Cash and cash equivalents	**17.9**	**24.8**	(6.9)
Equity at 31 December	**44.1**	**43.7**	(0.4)
Equity Ratio	**87%**	**94%**	-7%

LNC revenue and licensing royalties

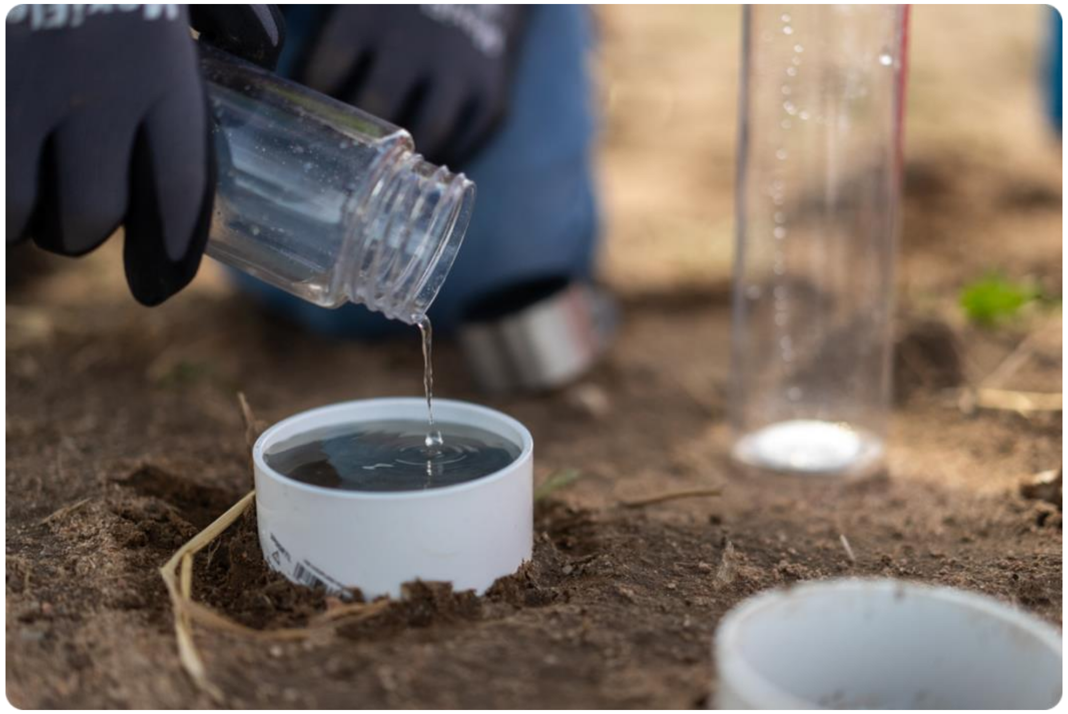
LNC revenue in 1H 2026 reflects the transition to a PAYS commercial model, under which revenue is recognized only as verified water savings are achieved. The Woodland Hills Country Club contract continued generating monthly revenue through 1H 2026, with Berkeley Country Club commencing operations in April 2026. The year-on-year decline compared to 1H 2025 reflects the revenues from one large commercial customer in 2025 that did not repeat in 2026. Licensing royalties remained broadly stable, representing fees from licensed operators in the Middle East.

EBITDA *

EBITDA reflects the Group's continued investment in U.S. commercial operations and technology development. Other operating expenses increased compared to 1H 2025, driven primarily by higher field activity costs in the United States. This was partially offset by a reduction in salary and employee benefit expenses, reflecting the completion of Norwegian R&D headcount reductions following the closure of the Norway laboratory in Q1 2026.

Cash flow and cash position

The reduction in cash and cash equivalents during the period reflects the Group's operating loss and working capital requirements ahead of the 3Q 2026 rights issue.



Outlook and Strategic Priorities for 2026

Desert Control enters the second half of 2026 with clear priorities and a stronger operational foundation than a year ago. Key focus areas for the year ahead are as follows:

RECORD PILOTS ANNOUNCED

42

2026 YTD

01 U.S. commercial execution

The Company has already announced a record 42 pilots year to date. The Company is focused on converting these and future expected pilots into commercial customers in both agriculture and golf.

02 Middle East

Supporting licensed partners and pursuing opportunities as market conditions allow.

03 Production capacity

Continued investment in LNC productions units to support larger applications to more customers.

04 Grow our Understanding of LNC

Collaborating with researchers to investigate the mechanism of action and potential of LNC, both alone and in combination, in a variety of crops and soils.

Condensed interim financial statements and notes

Consolidated statement of comprehensive income

NOK thousand	Note	First half 2026	First half 2025
Revenue from contracts with customers		**678**	1,720
Total revenue	2	**678**	1,720
Cost of goods sold (COGS)		**833**	685
Gross profit		**(156)**	1,034
Salary and employee benefit expenses		12,793	14,963
Other operating expenses		22,182	17,005
Depreciation and amortization		1,835	2,041
Operating profit or loss		**(36,967)**	(32,975)
Finance income		**120**	639
Finance costs		**60**	8,943
Profit or loss before tax from continuing operations		**(36,907)**	(41,279)
Income tax expense		**182**	23
Profit or loss for the year from continuing operations		**(37,089)**	(41,302)

NOK thousand	First half 2026	First half 2025
Allocation of profit or loss:		
Other comprehensive income:		
Items that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**424**	7,958
Total items that may be reclassified to profit or loss	**424**	7,958
Total other comprehensive income for the year	**424**	7,958
Total comprehensive income for the year	**(36,665)**	(33,344)
Allocation of total comprehensive income		
Total comprehensive income attributable to owners of the parent	**(36,665)**	(33,344)

Consolidated statement of financial position

NOK thousand	Note	At 30 June 2026	At 31 December 2025
ASSETS			
Non-current assets			
Property, plant and equipment		**21,836**	16,127
Total non-current assets		**21,836**	16,127
Current assets			
Inventory		**508**	290
Trade receivables		**1,330**	1,027
Other receivables	3	**9,023**	6,906
Other current financial assets		**-**	-
Cash and cash equivalents	4	**17,897**	62,500
Total current assets		**28,758**	70,723
TOTAL ASSETS		**50,594**	86,850

NOK thousand	Note	At 30 June 2026	At 31 December 2025
EQUITY AND LIABILITIES			
Equity			
Share capital		**363**	363
Share premium		**156,946**	154,822
Currency translation differences		**2,127**	1,764
Retained earnings		**(115,332)**	(78,461)
Total equity	5	**44,104**	78,488
Current liabilities			
Trade and other payables		**3,722**	5,895
Public duties payable		**1,414**	792
Other current liabilities		**1,354**	1,675
Total current liabilities		**6,490**	8,363
Total liabilities		**6,490**	8,363
TOTAL EQUITY AND LIABILITIES		**50,594**	86,850

Consolidated statement of cash flows

		First half	
NOK thousand	Note	2026	2025
Profit or loss before tax from continuing operations		**(36,907)**	(41,279)
Profit or loss before tax for discontinued operations		**-**	-
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization		**1,835**	835
Net financial income/expense		**(494)**	(354)
Foreign exchange gains or losses		**(2,535)**	5,306
Share-based payment expense		**4,786**	2,641
Adjustments for other non-cash items		**969**	1,270
Working capital adjustments:			
Changes in accounts receivable and other receivables		**(2,638)**	(5,343)
Changes in trade payables, duties and social security payables		**(1,551)**	413
Changes in other current liabilities and contract liabilities		**(321)**	342
Cash flows from operating activities		**(36,856)**	(36,170)

		First half	
NOK thousand	Note	2026	2025
Cash flows provided by (used in) investing activities			
Capital expenditures and investments		**(8,222)**	(3,014)
Sale (Purchase) of financial instruments		**-**	-
Proceeds from sale of property, plant and equipment		**-**	-
Interest received		**501**	615
Cash flow provided by (used in) investing activities		**(7,721)**	2,399
Cash flow provided by (used in) financing activities (NOK)			
Proceeds from issuance of equity		**-**	-
Transaction costs on issue of shares		**-**	-
Lease payments		**-**	-
Interest paid		**(7)**	(19)
Cash flows provided by (used in) financing activities		**(7)**	(19)
Net increase/decrease) in cash and cash equivalents		(44,584)	(38,589)
Cash and cash equivalents at beginning of the year/period		**62,500**	63,575
Net foreign exchange difference		**(20)**	(145)
Cash and cash equivalents, end of period		**17,897**	24,841

Consolidated statement of changes in equity

NOK thousand	Notes	Share capital	Share premium	Cumulative translation differences	Retained earnings	Total equity
At 1 January 2025		**161**	**135,118**	**(5,664)**	**(54,845)**	**74,769**
Profit (loss) for the period		-	-	-	(78,461)	(78,461)
Total comprehensive income for the year		-	-	7,428	-	7,428
Issue of share capital - rights issue subscription		182	74,818	-	-	75,000
Issue of share capital - underwriter shares (non-cash)		20	8,050	-	-	8,070
Transaction costs of equity issue		-	(13,105)	-	-	(13,105)
Issue costs / share-based underwriting		-	-	-	-	-
Share-based program options		-	4,786	-	-	4,786
Share premium reclassification		-	(54,845)	-	54,845	-
At 31 December 2025		**363**	**154,822**	**1,764**	**(78,461)**	**78,488**
At 1 January 2026		**363**	**154,822**	**1,764**	**(78,461)**	**78,488**
Profit (loss) for the period		-	-	-	(36,655)	(36,655)
Currency translation differences (OCI)		-	-	363	-	(2,267)
Share-based program options		-	2,124	-	-	2,124
Share premium reclassification		-	-	-	-	-
At 30 June 2026		**363**	**156,946**	**2,127**	**(115,332)**	**44,104**

Notes to the consolidated financial statements

Note 1. General information and basis of preparation

General Information

The consolidated financial statements of Desert Control AS and its subsidiaries (collectively, "the Group", "Company" or "Desert Control") for the six months period ended 30 June 2026 were authorized for issue by a Board meeting held on 18th of August 2026.

Basis of preparation

The condensed consolidated interim financial statements of the Group comprise the 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 condensed consolidated interim financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union ("EU") and comply with IAS 34 Interim Financial Reporting.

These interim financial statements are unaudited and do not include all the disclosures required in a full set of annual financial statements. They should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. Comparative financial information is presented for the corresponding period in the prior year, consistent with the requirements of IAS 34.

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 fluctuate significantly, transaction date exchange rates are applied for significant transactions. The subtotals and totals in some 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.

Going concern basis of accounting

The Board of Directors has assessed Desert Control's financial position and future outlook. As of 18 August 2026, the Group's current liquidity supports operations into Q3 2027 based on planned activities.

The financial statements are prepared on a going concern basis since a material uncertainty exists regarding the Company's ability to continue as a going concern beyond Q3 2027, pending completion of the funding initiatives described above.

Note 2. Revenue from contracts with customers

Accounting policies

Revenue from contracts with customers is recognized in accordance with IFRS 15 when control of goods or services transfers to the customer, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

LNC application revenue - for point-in-time LNC application contracts, revenue is recognized at the point of delivery when control transfers to the customer and the sole performance obligation is satisfied.

Pay-As-You-Save (PAYS) contracts - under outcome-based PAYS arrangements, no upfront fees are charged. Revenue is recognized over time, measured using the right-to-invoice practical expedient, in the amount of the Group's contractual share of water savings verified by the customer in each period. All considerations are variable and are constrained until savings are independently verified, in accordance with IFRS 15. Direct fulfillment costs incurred at inception - primarily LNC materials and installation labor - are capitalized as contract fulfillment assets and amortized on a straight-line basis over 24 months from the commencement of revenue recognition.

Licensing royalties - revenue from royalty arrangements is recognized when the licensee's underlying sales or usage occurs, in the period to which royalty relates.

Revenue from contracts with customers

	First half	
By area of operation: (NOK thousand)	**2026**	**2025**
Liquid Natural Clay (LNC)	**627**	1,633
Licensing Royalties	**51**	86
Total Revenues from contracts with customers and other revenues	**678**	**1,720**

	First half	
By geographic market: (NOK thousand)	**2026**	**2025**
United States	**627**	1,633
Norway	**51**	86
Revenue from contracts with customers	**678**	**1,720**

The Group disaggregates revenue by type of service: LNC application revenue and licensing royalties. Both revenue streams arise from the Group's single operating segment. In 1H 2026, LNC revenue reflects activity under two active Pay-As-You-Save contracts in the United States - Woodland Hills Country Club, which commenced in April 2025, and Berkeley Country Club, which commenced in April 2026. Licensing royalties represent fees invoiced by Desert Control AS to licensed operators in the Middle East. All revenue recognized in the period relates to contracts with customers within the scope of IFRS 15.

In 1H 2026, revenue from one external customer in the United States individually exceeded 10% of the Group's total revenue from contracts with customers, amounting to NOK 367 thousand. This arrangement is reported within Liquid Natural Clay (LNC) revenue. In 1H 2025, revenue from two external customers in the United States individually exceeded 10% of total revenue, amounting to NOK 1,274 thousand and NOK 873 thousand respectively, both within LNC revenue. As the Group operates as a single operating segment, all such revenue is reported within that segment.

Note 3. Other receivables

Accounting policies

Other receivables are measured at initial fair value and subsequently at amortized cost, and include VAT receivables, government grant receivables, capitalized contract costs, prepayments, and other current claims. The Group applies a simplified approach for expected credit losses in accordance with IFRS 9. The credit lboss allowance is insignificant.

Capitalized contract costs represent direct fulfillment expenditures incurred under Desert Control's PAYS contracts, where costs are deferred until verified water savings are achieved and revenue is recognized. These costs are amortized on a straight-line basis over 24 months from the commencement of revenue recognition. The full accounting policy and key judgements are set out in Note 2. Revenue from contracts with customers.

	At 30 June	At 31 December
NOK thousands	**2026**	**2025**
Government grant receivables	**3,109**	3,676
Prepayments	**1,805**	1,001
Capitalized contract cost	**835**	1,169
VAT receivable	**-**	936
Other	**3,273**	124
Total other receivables	**9,023**	6,906

At 30 June 2026, capitalized contract costs of NOK 835 thousand (31 December 2025: NOK 1,169 thousand) relate to the Group's active PAYS contracts with Woodland Hills Country Club and Berkeley Country Club. The WHCC contract commenced revenue recognition in Q4 2025 following the first verified water savings, with amortization charged on a straight-line basis over 24 months from that date. The Berkeley Country Club contract was executed in March 2026 with LNC application completed in April 2026; as verified water savings had not yet been achieved at 30 June 2026, no amortization has been recognized on this contract to date. The net movement in the period reflects continued amortization on the WHCC contract, partially offset by costs capitalized on inception of the Berkeley contract. The government grant receivables balance reflects ongoing SkatteFUNN claims associated with the LNC production unit project approved for 2025–2026.

Note 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Restricted bank deposits comprise cash for withholding taxes which may not be used for other purposes.

	At 30 June	At 31 December
NOK thousands	**2026**	**2025**
Bank deposits, unrestricted [1]	**17,897**	62,048
Bank deposits, restricted [2]	**0**	452
Total cash and cash equivalents	**17,897**	62,500

[1] Bank deposits earn a low interest at floating rates based on bank deposit rates.

[2] Restricted bank deposits represent cash held for withholding tax obligations.

Note 5. Equity and Shareholders

Accounting policies

Costs related to equity transactions

Transaction costs directly attributable to the issue of new shares or options are deducted from equity, net of any associated income tax, in accordance with IAS 32.

Distribution to shareholders

The Group recognizes a liability to make distributions to equity holders when the distribution is authorized and is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorized when it is approved by the shareholders at the Annual General Meeting. A corresponding amount is recognized 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 authorized and fully paid	Par value per share (NOK)	Financial Position
At 31 December 2024	**53,627,977**	**0.003**	**160,884**
Share issue 22 February 2025	120,000	0.003	360
Rights issue, October 2025	60,743,500	0.003	182,231
Underwriter fee shares, October 2025	6,535,995	0.003	19,608
At 31 December 2025	**121,027,472**	**0.003**	**363,082**
At 30 June 2026	**121,027,472**	**0.003**	**363,082**

Issued capital and reserves.

At 30 June 2025, the total number of shares in issue was 121,027,472 with a par value of NOK 0.003 per share, representing total share capital of NOK 363,082. All shares are ordinary and have the same voting rights and rights to dividends.

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

Shareholders in Desert Control AS at 30 June 2026	Total shares	Ownership/ Voting rights
Woods End Interests LLC	13,437,003	11.1%
Nordnet Livsforsikring AS	11,696,114	9.7%
Citibank, N.A.	9,559,671	7.9%
Glomar AS	4,240,206	3.5%
Lin AS	3,404,175	2.8%
NPP Capital AS	3,296,824	2.7%
Clearstream Banking S.A.	2,987,417	2.5%
Jakob Hatteland Holding AS	2,768,743	2.3%
Sortun Invest AS	2,418,119	2.0%
Citibank, N.A. (2nd entry)	2,343,169	1.9%
The Northern Trust Comp, London Br	1,687,197	1.4%
Olesen Ole Morten	1,586,083	1.3%
Handskjeik AS	1,583,000	1.3%
Olesen Consult HVAC AS	1,484,718	1.2%
E.T.T. Holding AS	1,335,194	1.1%
BNP Paribas	1,300,000	1.1%
OKS Consulting AS	1,150,000	1.0%
Others	54,749,839	45.2%
Total	**121,027,472**	**100.0%**

Country of Origin	No of shares	%	# shareholders
Norway	83,035,907	68.6%	3,229
United States	14,075,214	11.6%	4
Ireland	12,253,259	10.1%	12
Luxembourg	4,023,314	3.3%	5
United Kingdom	2,384,382	2.0%	5
Sweden	1,659,181	1.4%	12
France	1,442,449	1.2%	6
Belgium	1,237,806	1.0%	6
Others	915,950	0.8%	82
Grand Total	**121,027,472**	**100%**	**3,284**

Note 6. Subsequent events

Desert Control Group assesses all significant information received up to the date the financial statements are authorized for issuance to determine whether events after the reporting period provide evidence of conditions that existed at the reporting date or indicate new conditions that arose subsequently. Events that provide further evidence of conditions existing at the balance sheet date are considered adjusting events, and necessary adjustments are made to the financial statements in accordance with IAS 10 *Events after the Reporting Period*. For non-adjusting events that arise after the reporting period and do not relate to conditions existing at the reporting date but are material, their nature and financial impact are disclosed, or a statement is provided if such an estimate cannot be made.

The following non-adjusting subsequent event occurred after 30 June 2026:

Rights issue

On 2 July 2026, the Company announced a fully underwritten rights issue of 256,172,241 new ordinary shares that was subsequently completed at a subscription price of NOK 0.2733 per share, raising gross proceeds of NOK 70,000,000. The rights issue was oversubscribed by approximately 74%. Of the gross proceeds, NOK 768,517 is attributable to share capital and NOK 69,231,483 to share premium, before deduction of directly attributable transactions. Following completion, the total number of shares in issue increased to 377,199,713, each with a par value of NOK 0.003 per share.

The rights issue was completed after the reporting date of 30 June 2026 and therefore has no effect on the condensed consolidated financial statements for the six months ended 30 June 2026.

The proceeds are intended to fund continued commercialization of the Group's Liquid Natural Clay technology, U.S. market development, and general working capital requirements.

No other events have occurred after the reporting period that require adjustment or disclosure in these financial statements.

Statement of the Board and the Chief Executive Officer of Desert Control AS

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Desert Control Group Condensed Consolidated Interim Financial Statements as of 30 June 2026.

To the best of our knowledge, these financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting (IFRS as adopted by the EU) and give a true and fair view of the Group's assets, liabilities, financial position, and results for the first half of 2026. These interim financial statements are unaudited. We further confirm that this 2026 interim report provides a fair overview of significant events that occurred during the reporting period and their impact on the condensed financial statements, as well as the principal risks and uncertainties for the remainder of the financial year.

Sandnes, 18 August 2026

This Interim Report has been signed electronically. The signed version is held on file by Desert Control AS.

/s/ **Lars R. Eismark,** Executive Chairman

/s/ **Maryne Lemvik**, Board Member

/s/ **Jacob Christfort**, Board Member

/s/ **Marit Røed Ødegaard,** Board Member

/s/ **Juli Jessen,** Board Member

/s/ **James Thomas,** CEO

Additional information

Forward-looking statement

This report contains forward-looking statements related to Desert Control's business, financial condition, operational results, and industry developments. These statements are based on management's current expectations, estimates, and projections about future events and trends, including but not limited to market adoption, regulatory developments, financial performance, and strategic growth initiatives.

Forward-looking statements are inherently subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied. These include, among others, risks related to market conditions, competition, regulatory changes, technology validation, supply chain constraints, macroeconomic factors, foreign exchange fluctuations, and the ability to secure and scale commercial contracts.

Terminology such as "expects," "intends," "plans," "believes," "anticipates," "projects," "targets," or similar expressions indicate forward-looking statements. While Desert Control considers these assumptions reasonable, there is no assurance that they will be realized. Investors are cautioned not to place undue reliance on forward-looking statements, as actual outcomes may differ due to external factors beyond the Company's control.

Except as required by law, Desert Control assumes no obligation to publicly update or revise forward looking statements in light of new information or future events. This statement is made in accordance with applicable securities laws, including Section 5-12 of the Norwegian Securities Trading Act.

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