

Desert Control Executes Final Agreement with Woodland Hills Country Club

Follows earlier press release regarding binding MoU agreement and confirms recurring revenue service agreement in the California golf sector.

Los Angeles, California, 11 March 2025 — Desert Control (DSRT) announces that its U.S. subsidiary, Desert Control Americas Inc. (DCAM), has executed the final service agreement for its water conservation solution with Woodland Hills Country Club (WHCC), formalizing the terms outlined in the binding Memorandum of Understanding (MoU) <u>announced on 9 December 2024</u>.

The agreement involves the full deployment of Desert Control's proprietary water-conservation solution across 43 acres of WHCC's golf course. Implementation is scheduled to commence in the week of April 15, 2025, with May anticipated to be the first full month of operation under the agreement, marking the start of monthly recurring revenue (MRR) generation for Desert Control.

The service agreement is structured under the company's Pay-As-You-Save (PAYS) model, in which Desert Control funds implementation and earns revenue from a share of actual water cost savings. Savings are calculated by comparing real water usage to a predefined historical baseline, multiplied by the applicable water rate each month. Revenue is tied directly to verified savings, calculated with objective data from the client's metered water use, ensuring transparency and high confidence in revenue recognition. This creates a direct, transparent, and performance-based revenue stream aligned with client value creation.

The total agreement value for DSRT has the potential to exceed NOK 8.5 million over five years, based on achieving water savings above 25%. For WHCC, the agreement reduces its largest, fastest-growing operational expense for golf course maintenance irrigation—while maintaining top-tier golf course conditions. For Desert Control, the agreement secures predictable, performancetied MRR with long-term upside, converting upfront investment into recurring revenue based on measurable outcomes.

"This agreement reflects the kind of results-based partnership that makes good business sense," said Marty Weems, Managing Director of Desert Control Americas Inc. "We're helping WHCC cut costs where it matters most—water—while we increase shareholder value by generating recurring revenue from verified results. Frequent double-digit increases in water costs make irrigation one of the largest, fastest-growing operating expenses for golf courses. Our golf clients in active trials consistently report significantly less water use while maintaining peak course conditions. WHCC expects cash-flow positive benefits to their bottom line from day one; with no upfront investment. We are excited to help the golf course industry do well while doing good."

Desert Control's solution is <u>approved for major water conservation incentive programs</u> offered by the Metropolitan Water District of Southern California (MWD) and the Los Angeles Department of Water and Power (LADWP). The WHCC implementation is qualified for both programs. The savings-based incentives align with Desert Control's PAYS model, enhancing the financial return for clients.

This agreement highlights Desert Control's ability to convert pipeline into contracted, performance-based revenue through aligned incentive models that support profitable growth and efficient resource use. This strengthens the company's positioning for expansion across California and other high-cost water markets. Additionally, Desert Control is well-positioned to weather international tariff volatility with a localized in-country value chain and raw materials sourced domestically for all U.S. projects.

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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 guarantees of 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 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 will come to pass or that any forecasted performance, capacities, or results will be achieved. Readers are cautioned not to place any undue reliance on any forward-looking statements.

About Desert Control:

Desert Control develops solutions that enhance soil health, conserve water, and improve operational efficiency for water-intensive landscapes. Its patented treatment increases the soil's ability to retain moisture and nutrients, enabling healthier turf and vegetation with significantly reduced irrigation. Desert Control delivers customized programs for sports turf, golf courses, urban green spaces, and agriculture — starting with the sectors where water matters most.

The company's mission is to provide profitable and scalable solutions for efficient soil and water conservation. By enhancing resource efficiency and minimizing maintenance demands, Desert Control helps clients achieve long-term resilience, cost savings, and optimal operational performance.

For more information, visit https://www.desertcontrol.com