

Desert Control Announces Strategic Agreement with Mawarid Holding Investment

Expanding impact in the Middle East and strengthening the foundation to accelerate LNC adoption in the United States and other markets

SANDNES, NORWAY, June 23, 2023 /EINPresswire.com/ -- Desert Control is pleased to announce an expanded strategic partnership with Mawarid Holding Investment (Mawarid), a leader in natural resources management in the United Arab Emirates (UAE). Mawarid will become the exclusive licensed operator and provider of Desert Control's Liquid Natural Clay (LNC) in the UAE, with a view to further expansion in the Middle East.



H.E. Abdul Jalil Ablouki and Ole Kristian Sivertsen
(Photo by Lauren Scott)

The transition to a licensed operator model represents a strategic shift that strengthens the foundation for Desert Control's global reach, reduces operational costs, and unlocks financial capacity. The business model change allows Desert Control to focus on its core mission to combat desertification, soil degradation, and water scarcity in sandy soil environments, expand impact in the Middle East, and strengthen the foundation to accelerate LNC adoption in the United States and other markets.

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The nation that regenerates its soil and nature regenerates itself”

His Excellency Abdul Jalil Ablouki, Chairman of Mawarid Holding Investment

Ole Kristian Sivertsen, President and Group CEO of Desert Control, expressed his enthusiasm for the partnership, stating, "Our partnership with Mawarid sharpens our focus on innovation and expansion, paving the way for a stronger impact in the UAE and accelerated global growth."

As part of the agreement, Mawarid will acquire Desert Control's LNC production subsidiary in the UAE, including one LNC production cluster, to facilitate local manufacturing. Mawarid will further

acquire Desert Control's 49% shareholding in the UAE Joint Venture company Mawarid Desert Control. In the new structure, Mawarid will expand its commitment to a fully integrated business for the production, sales, and distribution of LNC in the UAE under an exclusive royalty-based licensing agreement. Mawarid further maintains its general non-exclusive license to also operate in additional countries in the Middle East and North Africa region.

H.E. Abdul Jalil Ablouki, Chairman of Mawarid, highlighted the alignment of the partnership with broader strategic priorities, "Our Desert Control partnership aligns with UAE national goals and the COP28 agenda, addressing food security, water security, and climate change." He expressed his desire to highlight the importance of products like LNC for future generations. "The nation that regenerates its soil and nature regenerates itself," His Excellency added.

The pivot towards a licensing model will leverage the capacity and reach of local operators in the Middle East while allowing Desert Control to dedicate additional resources to innovation, core business activities, and global growth.

"We believe that focusing on our core business and leveraging the reach of Mawarid will strengthen our position in the Middle East and allow us to accelerate commercialization in the United States and other markets," said Ole Kristian Sivertsen, President and Group CEO of Desert Control.

This partnership signifies a pivotal moment in the strategic review process initiated by Arctic Securities and Pareto Securities on 27 April 2023 to optimize shareholder value and secure funding for Desert Control's long-term strategies.

Through the agreement with Mawarid, Desert Control will have taken a significant leap toward restructuring its operations in the Middle East. Desert Control will receive an initial consideration for the combined transaction, including sales of the LNC production units. Going forward, Desert Control will receive royalty payments calculated as a percentage of revenues from Mawarid's LNC business in the territory.

Completion of the agreements is subject to customary terms and conditions, including certain public authorizations, all of which are expected to be met.



H.E. Abdul Jalil Ablouki and Ole Kristian Sivertsen
(Photo by Lauren Scott)

The Board is pleased to have reached this stage in the strategic review. The review process continues as previously announced, aiming to optimize shareholder value and to support funding of the Company's long-term strategies as announced when Desert Control appointed Arctic Securities and Pareto Securities to explore strategic options available to the Company as reported on 27 April 2023.

For more details, please refer to the stock exchange notification:

<https://newsweb.oslobors.no/message/593939>

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About Desert Control:

Desert Control specializes in climate-smart AgTech solutions to combat desertification, soil degradation, and water scarcity. Its patented Liquid Natural Clay (LNC) restores and enhances soil ecosystems to reduce water usage and improve the efficiency of fertilizers and natural resources for agriculture, forests, and green landscapes. LNC enables sandy and arid soil to retain water and nutrients, thus increasing crop yields, plant health, and ecosystem resilience while preserving water and natural resources by up to 50%.

For more about Desert Control, visit <https://www.desertcontrol.com>

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