

*Clean, reliable,
affordable water
for people.*

B. Riley Investor
Conference Presentation
May 22, 2024



Safe Harbor Agreement

During the course of this presentation, we may make forward-looking statements. Any statement that is not a historical fact is a forward-looking statement. Forward-looking statements refer to expectations, projections or other characterizations of future events or circumstances about Cadiz Inc. (the “Company”), and such statements include, but are not limited to, statements relating to the progress and plans of the water development project, the expected pricing, value and terms for water supply and storage, and necessary permits required to construct facilities. **Actual results may differ materially from those expressed in these forward-looking statements due to a number of risks and uncertainties, including the factors detailed under the caption “Risk Factors” and elsewhere in the documents we file from time to time with the Securities and Exchange Commission (the “SEC”),** including our annual and quarterly reports. We undertake no obligation to update these forward-looking statements, which speak only as of the date of this presentation.



From one project / one customer to fully-integrated solution provider.

Yesterday

Satellite imaging identified 30-50 million acre-feet of groundwater in the Mojave Desert. More water than there is in Lake Mead the largest reservoir in the U.S.

1980s: Founders begin acquiring and consolidating thousands of acres of land in the Mojave Desert.

1990s: Cadiz develops water resources for 10,000 acres of farming, secures water rights 50,000 AF/Y for irrigation.

2000s: Secures permits to export average of 50,000 AF per year for 50 years (2.5 MAF) and 1 MAF of imported storage.

2010s: Company secures 99-year lease from ARZC railroad and permits to construct the Southern Pipeline within its right-of-way.

Today

Critical water infrastructure assets located in the fastest growing regions of Southern California

2021: Cadiz purchases 220 miles of existing, buried natural gas pipeline that will connect Cadiz water storage and supply to major SoCal water network (Northern Pipeline).

2022: Company acquires ATEC Water Systems – water filtration technology to remove iron, manganese, arsenic, nitrates, other water contaminants system

2023: Key permits issued by Bureau of Land Management (BLM) for Cadiz to begin development of Northern Pipeline for water conveyance.

2024: Cadiz signs est. \$1 billion in water supply agreements for 65% of capacity of the Northern Pipeline.

Tomorrow

Fully integrated water solutions provider operating the largest groundwater banking project in the Southwestern US

2024: Project financing, public agency partners secured for groundwater bank.

2025 Begin construction on the Northern Pipeline and complete development of the Southern Pipeline. Acquire additional pipelines.

2026 Begin water supply operation via the Northern Pipeline.

2027 Begin water supply and storage operations via Southern Pipeline. Both pipelines operational.

2028 Full operation of all pipelines, water supply, storage and treatment facilities for delivering, exchanging trading water resources in the Southwestern U.S.



WORLD
METEOROLOGICAL
ORGANIZATION

Weather · Climate · Water

“The hydrological cycle is spinning out of balance...”

WMO State of Global Water Resources Report 2022

Droughts, extreme rainfall events, melting snow and ice... threaten long-term water security for billions of people.



Current California Water Network



California Aqueduct

Los Angeles Aqueduct

West Branch

Mojave Pipeline

Morongo Pipeline

East Branch

Colorado River Aqueduct

MWD Distribution System

Coachella Canal

San Diego Aqueducts

All American Canal

0 10 20 50 miles

Lake Mead

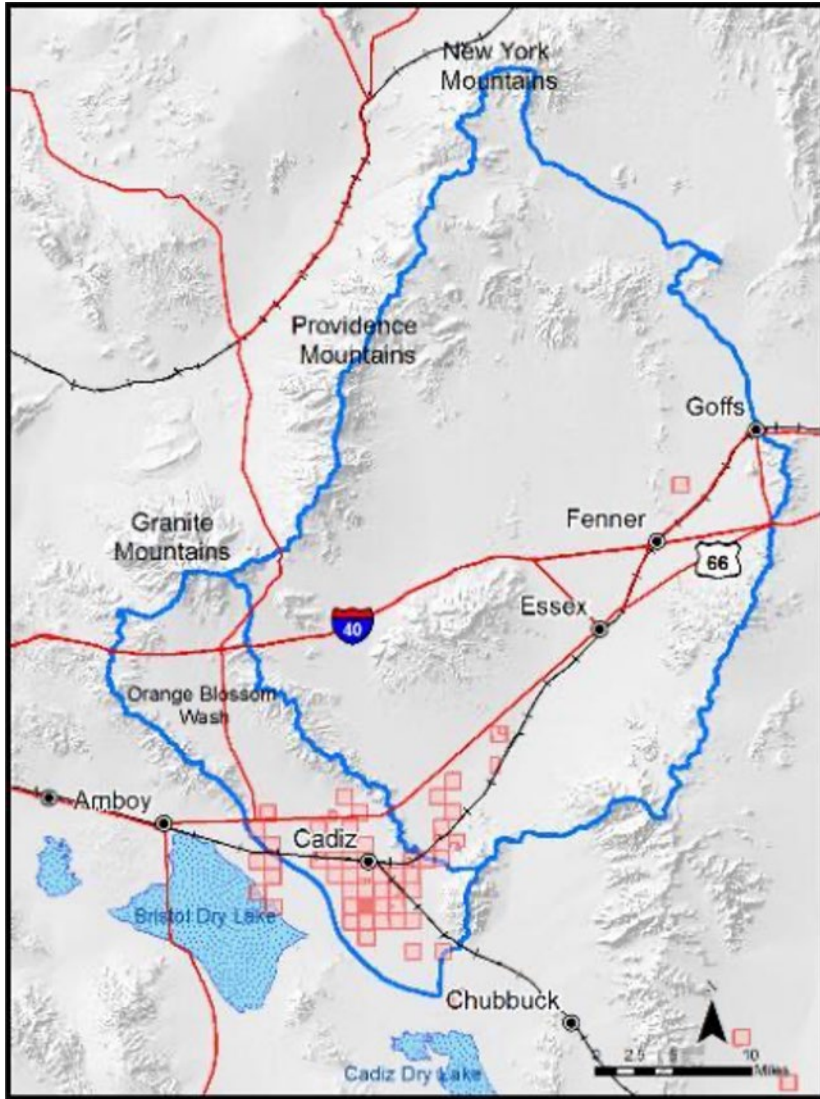
Los Angeles

San Diego

Pacific Ocean

UNITED STATES MEXICO

Lake Mead Compared with Cadiz Aquifer



Lake Mead

250 square miles
160,000 acres



28 million acre-feet storage capacity

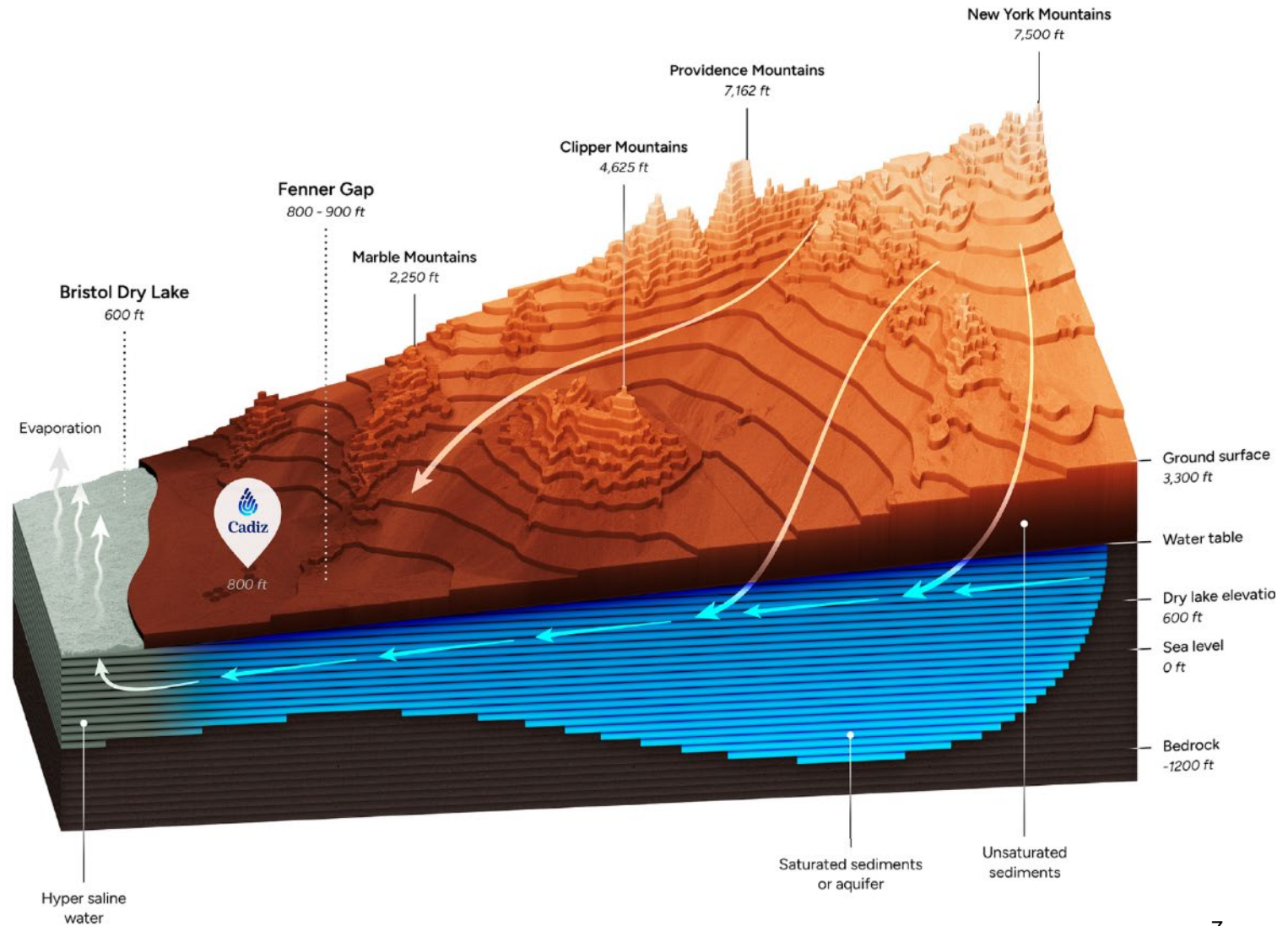
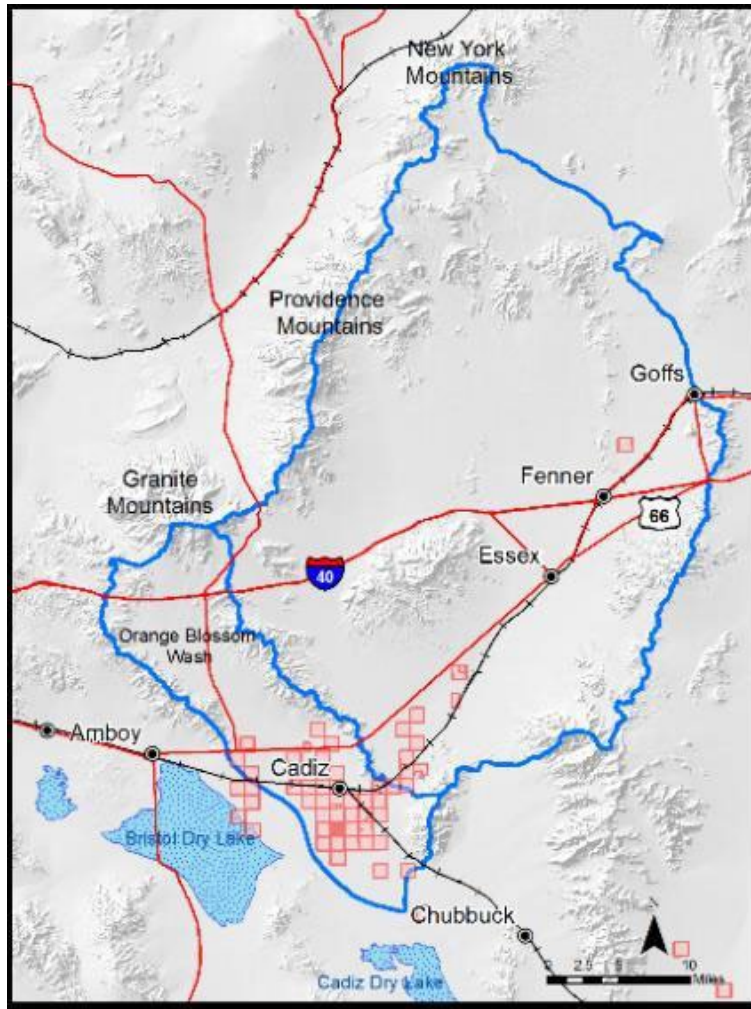
Cadiz

2000 square miles
1.2 million acres

30-50 million acre-feet water in storage

Cadiz - Located at the bottom of 2000 square mile closed basin

All groundwater passes through Fenner Gap evaporates at Bristol and Cadiz Dry Lakes.



The problem is not water scarcity



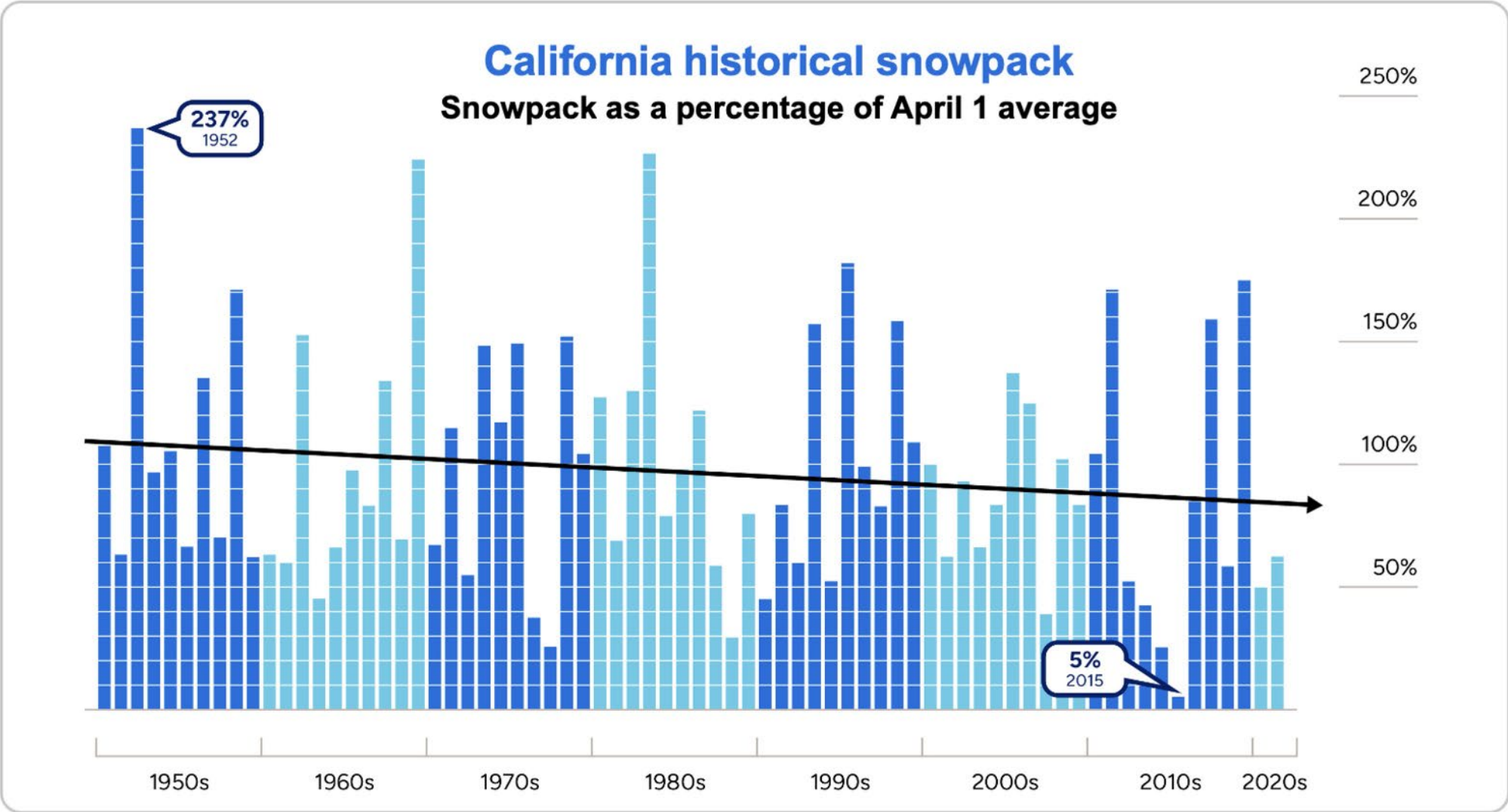
The Water Planet



The problem is snow

The End of Snow Threatens to Upend 76 Million American Lives

Snowpacks in the west are steadily declining



Source: California Dept of Water Resources

May 2024

Snow and snowmelt make up more than half our water supply

Where do we store freshwater?



30%
Snowpack



60%
Reservoirs



40%
Groundwater

Extreme is the new normal

2022

Los Angeles Times

Western megadrought is worst in 1,200 years, intensified by climate change.



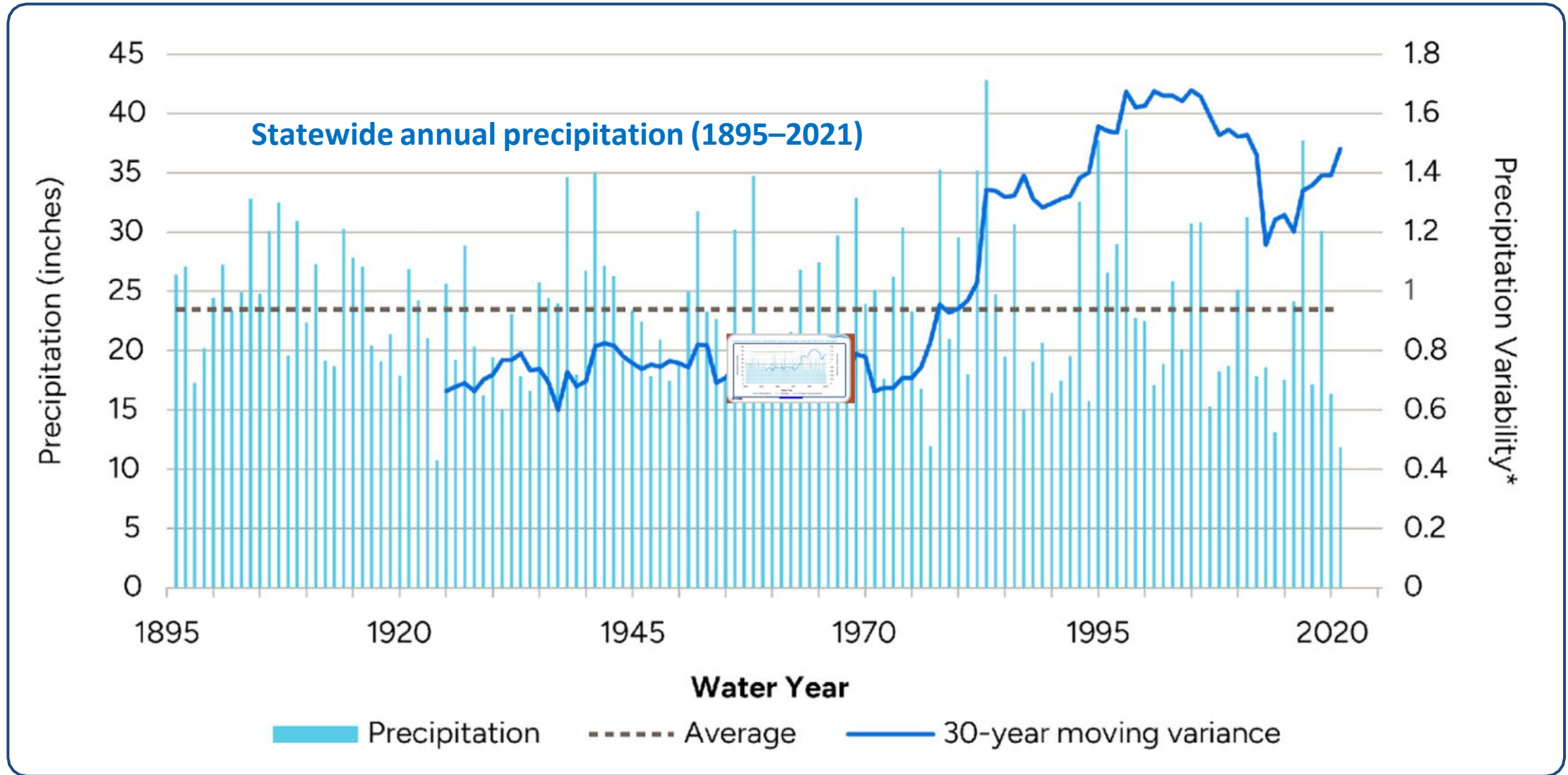
2023

Los Angeles Times

California has so much snow that flood danger will last through the year.



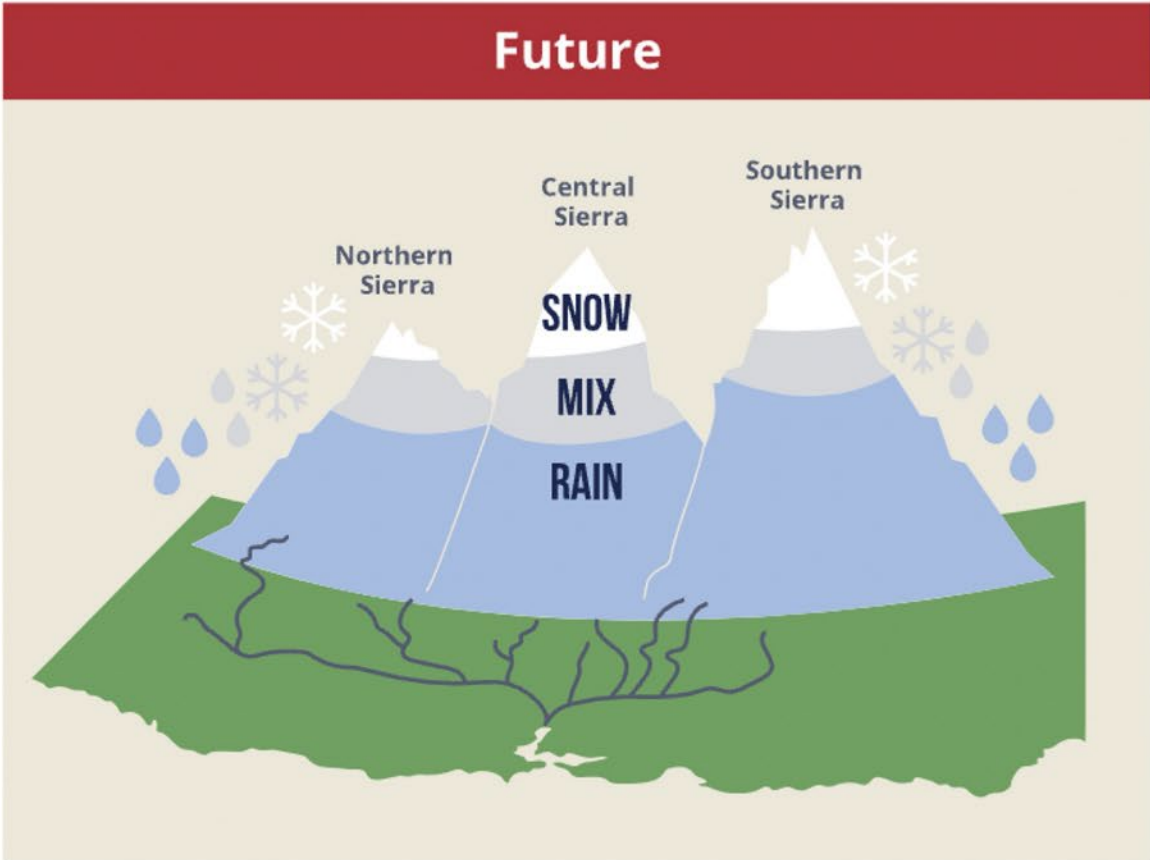
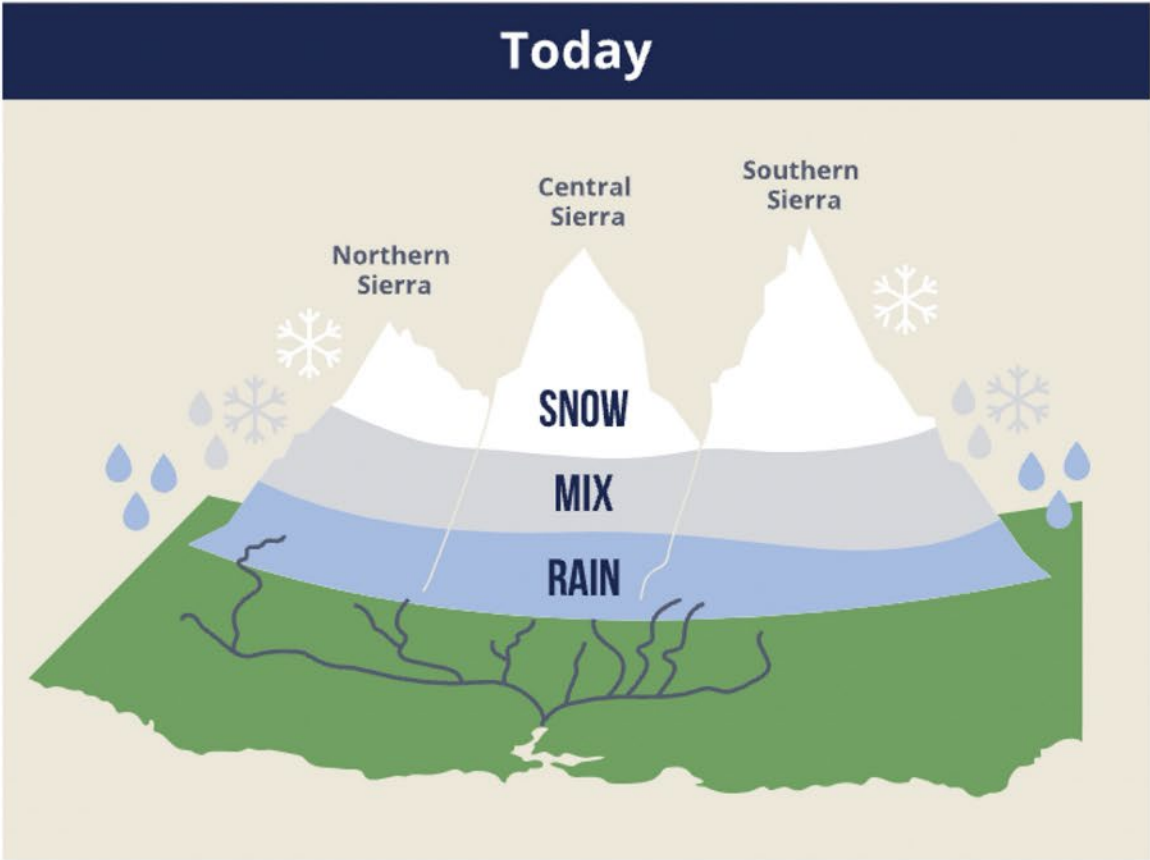
California's climate "whiplash" pattern began with the 1976-77 drought



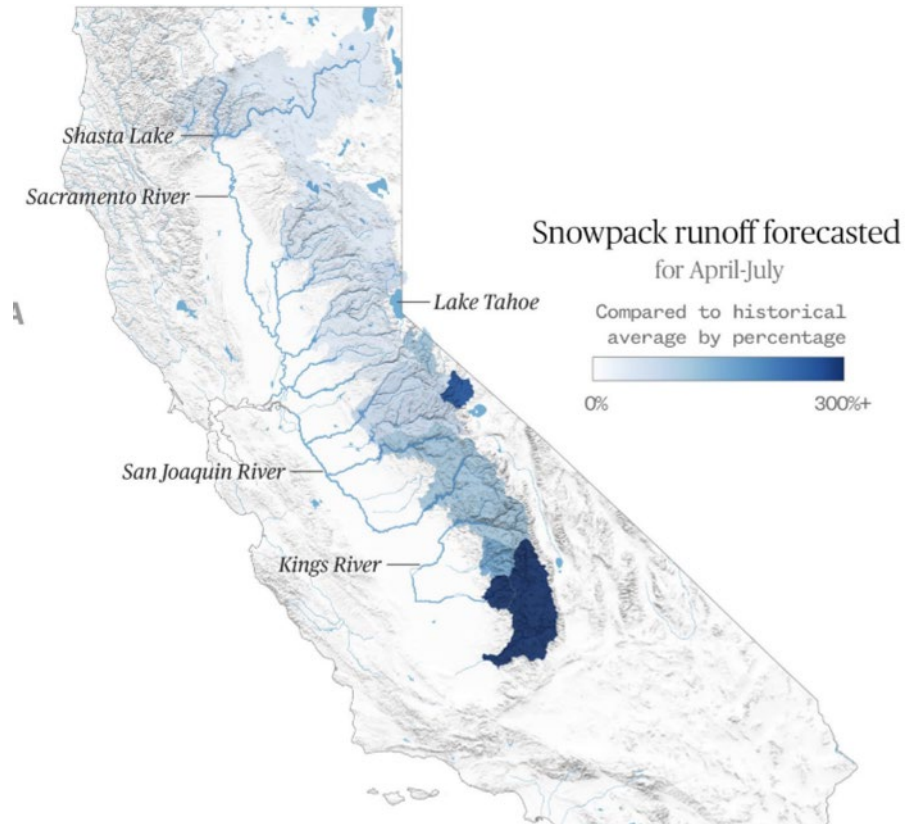
Source: WRCC, 2022 <https://oehha.ca.gov/media/02precip.pdf>

May 2024

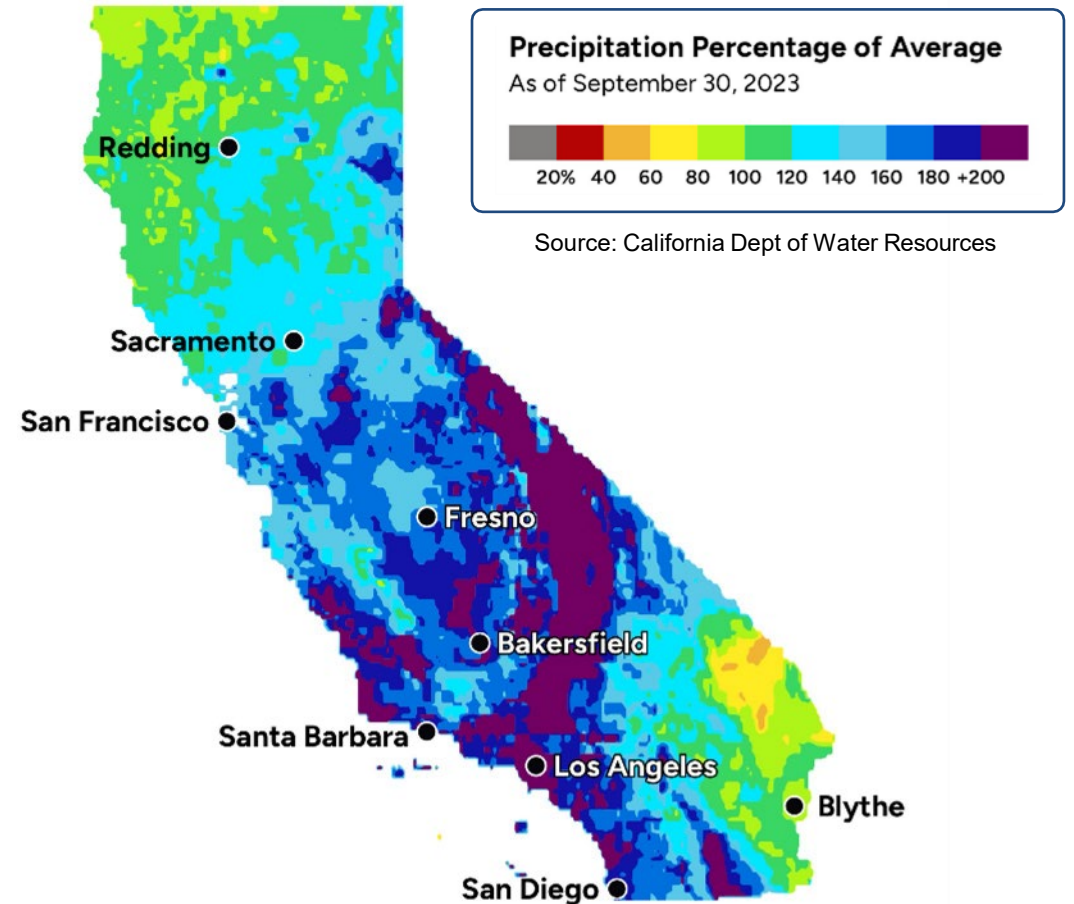
The future is rain.



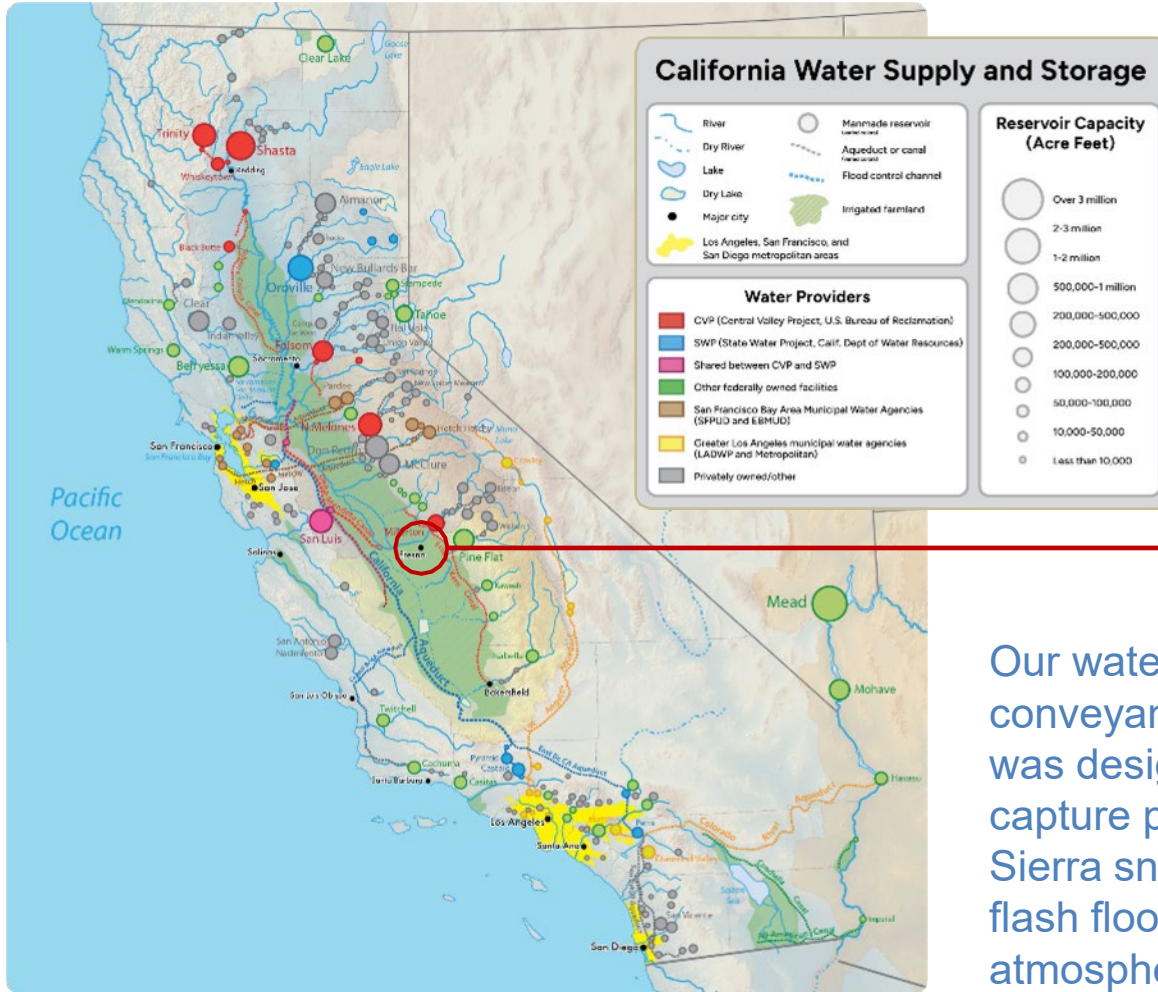
Snowmelt and precipitation are moving South



Source: Data from USGS CA Dept Water Resources

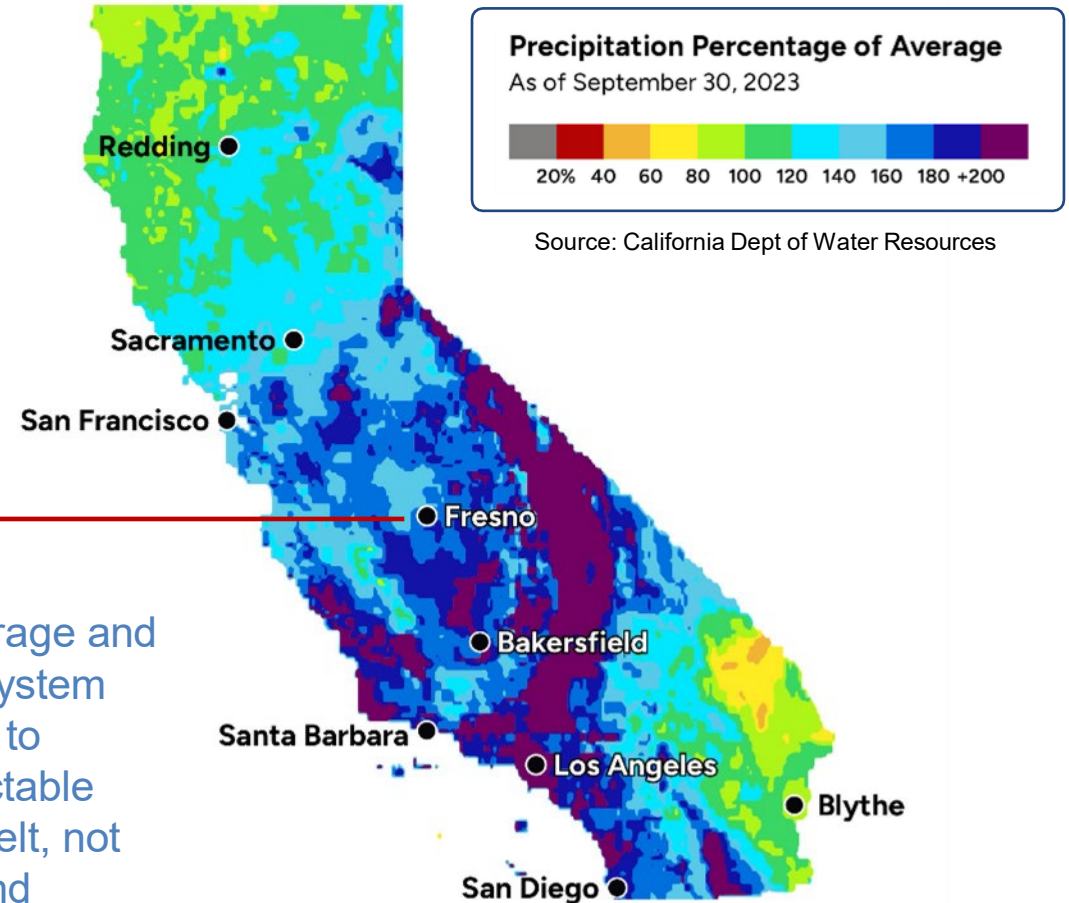


Most of our water storage systems are in the North



Source: Data from USGS CA Dept Water Resources

Our water storage and conveyance system was designed to capture predictable Sierra snowmelt, not flash floods and atmospheric rivers



A fully operational groundwater bank at Cadiz would facilitate water trading & exchanges across Southern California and the Southwest



**Supply
Storage
Conveyance
Trading & Exchanges
Water Quality**

Innovation. Evolution. Inflection.

Strategically Located. Revenue generating assets: The whole is much greater than the sum of the parts.

Water Supply

+

Water Storage

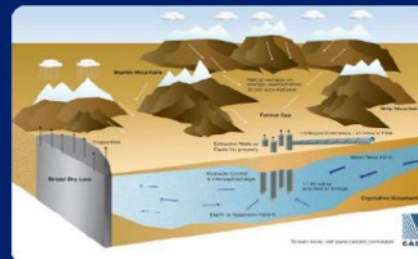
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Water Transport

+

Water Treatment

- 45,000 acres of land with water rights in the Mojave Desert.
- The only new water supply in the Colorado River Basin created by reducing evaporation.
- Permits to withdraw and export 2.5 million AF of groundwater over 50 years
- 2,000 square mile watershed with approx. 30-50 million AF of water in storage - 2X Lake Mead
- 1 million AF storage capacity- The largest new groundwater storage bank in the Southwest
- Strategically located between the Colorado River and California's State Water Project
- ROW to build 43-mile new pipeline to CO River Aqueduct in existing railroad ROW
- Multiple gas and railroad lines connect Cadiz to major water network in SoCal
- 220 miles of existing pipeline that cross major Northern CA water systems
- Acquired ATEC Water Systems in 2022 for \$2 million. \$15 million gross revenue in 2024 (projected).
- Modular, scalable, systems that can treat 20 GPM to-60 MGD.
- \$15 billion addressable market projected to grow to \$23 billion by 2030 with global demand and climate impacts.



Cash Flow Outlook

Water Supply 50 Year Recurring Cash Flow Stream

- \$50 M per year of Projected Net Annual Cash Flow from Water Supply & Delivery Infrastructure upon full implementation, with escalation of approx. 5% per year, or 2.5B cumulative total revenue over 50 years.

Water Storage Capacity Leasing

- \$1.5B of Projected total customer cash payments from Groundwater Storage for reservation and leasing of 1 million acre-feet of capacity in the Cadiz groundwater storage bank.
- \$25 /AFY of annual cash flow from groundwater storage management fees.
- \$75-\$200/AF of Projected cash payments from wheeling and exchange fees.

Water Filtration Technology Segment

- ATEC Water Filtration forecast gross \$15M revenues in 2024, with double-digit CAGR projected for first 5 years.

Annuity Value

- Projected \$1.7B Net Present Value of water supply, storage and pipeline delivery cash flows over 50 years.

Upside Potential

- Additional pipeline purchase opportunities for wheeling.
- Additional water supply, trading and exchange products with multiple pipelines in operation
- Additional water supply projects with public agency partners (Danby, Piute parcels, other)
- Land leases for renewable energy development.

Total Cash Flow
Potential from
Assets

>\$5 Billion

NPV of Cash
Flows

\$1.7 Billion

CAP TABLE

(\$ in millions)	3/31/2024
Cash and cash equivalents	\$19.2
Senior secured (non-convertible) term loan ⁽¹⁾	\$21.2
Senior secured (convertible) term loan (2)	\$20.0
Senior unsecured convertible loan ⁽³⁾	\$16.3
Series A perpetual preferred stock (CDZIP)	\$57.5
Common Stock shares outstanding as of May 10, 2024	67.8M

(1) 7% interest, paid quarterly, Maturity June 30, 2027

(2) 7% interest, PIK, convertible into common stock at \$5.30 per share, Maturity June 30, 2027.

(3) 7% interest, PIK, convertible into common stock at \$4.80 per share, Maturity June 30, 2027.

Appendix



Charge Led by Susan Kennedy

- Susan Kennedy leads Cadiz as **Chairman of the Board and CEO**
 - Joined Board in February 2021 and was **elected Chairman in February 2022**
 - In January 2024, Ms. Kennedy was **appointed CEO**
- Led a distinguished career as a **policymaker and entrepreneur**
- Built a formidable reputation through two decades at the **highest levels of California government**
 - **Chief of Staff to Governor Arnold Schwarzenegger** and **Cabinet Secretary to Governor Gray Davis**
 - **Led the most extensive deployment of renewable energy in California history over two administrations**
 - **Negotiated groundbreaking agreements on climate change including California's cap and trade program and the nation's first low carbon fuel standard**
- Served as Commissioner of the **California Public Utilities Commission (CPUC)** from 2003-2006
 - **Oversaw investor-owned energy, water, gas utilities and CPUC's efforts to restructure electricity markets**
- Founder and CEO of Advanced Microgrid Solutions acquired by Fluence (NASDAQ: FLNC).
 - **Built the first A.I. platform for trading renewable energy**
 - **Built the first large-scale distributed battery systems for grid services in California**
- **Known for execution skills, Kennedy is results oriented with the deep expertise and practical experience needed to lead Cadiz's as the Company hits critical inflection point**

Kennedy's Leadership Backed by New Board of Directors



Stephen E. Courter
Independent Director

- Over 30 years of experience in management positions in the technology/telecommunications industry
- Faculty of the McCombs School of Business, University of Texas at Austin teaching MBA courses in strategy and new venture creation
- Former Chief Executive Officer of publicly traded and private organizations



Maria Dreyfus
Independent Director

- CEO and Founder of Ardinall Investment Management, focused on sustainable investing and resilient infrastructure
- Serves as a director on the boards of multiple publicly traded energy companies, one of Canada's largest pension plans and a private California-based water controls company



Maria Echaveste
Independent Director

- Distinguished career working as a community leader, public policy advisor, lecturer, senior White House official, and attorney
- Former Deputy Chief of Staff for President Bill Clinton and special representative to Bolivia for Secretary of State Hillary Clinton. Also served as vice-chair of the California International Trade and Investment Advisory Committee



Winston Hickox
Independent Director

- Partner at the public policy consulting firm California Strategies
- Former portfolio manager of CalPERS focused on investments oriented in environmental impact



Barbara Lloyd
Independent Director

- Founder and CEO of IMPACTS USA Advisory Services for governments, developers and investors on innovative capital asset strategies
- Former Managing Director at KPMG focused on infrastructure projects and governmental facilities and Chief Deputy Treasurer for Public Finance for the California State Treasurers Office



Carolyn Webb de Macías
Independent Director

- Community leader with an extensive career in public policy and higher education
- Serves as Chief of Staff and Senior Advisor to the City of Los Angeles Mayor Karen Bass. Board Chair for the Partnership for Los Angeles Schools, a non-profit organization that manages 20 schools through a Memorandum Of Understanding with the Los Angeles Unified School District



Senator Richard Polanco (ret.)
Independent Director

- Esteemed California political and business leader, and champion for the state's disadvantaged communities
- Elected to the California State Senate in 1994 through to retirement in 2002



Ken Lombard
Independent Director

- President & CEO of BRIDGE Housing, a leading nonprofit developer, owner, and manager of affordable housing
- Former EVP and COO of publicly listed Seritage Growth Properties; an owner and developer of diversified retail and mixed-use properties

Water Supply Price Appreciation

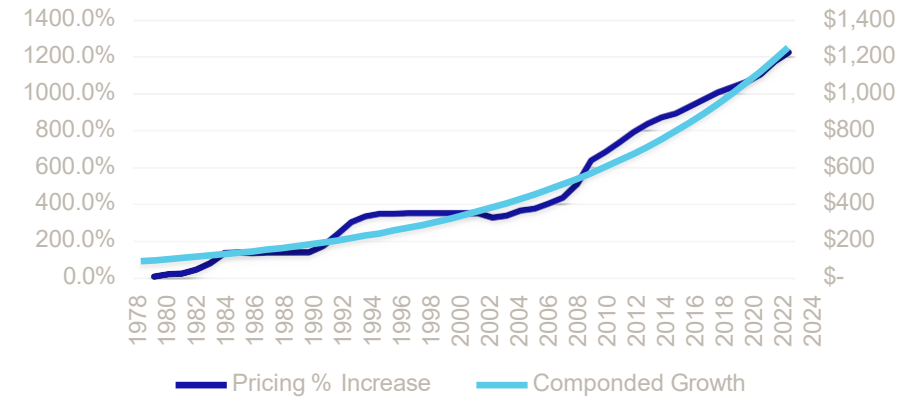
The value of Cadiz water supply is comparable to Metropolitan Water District's untreated imported water supply rate.

Metropolitan Water District Published Rates				
Effective January 1st	2022	2023	2024	
Full Service Untreated Volumetric Cost (\$/AF)				
Tier 1	\$799	\$855	\$903	
Tier 2	\$841	\$1,064	\$1,102	
Defintions:				
Tier 1 Supply Rate - recovers the cost of developing and maintaining a reliable water supply				
Tier 2 Supply Rate - set at Metropolitan's cost of purchasing water transfers north of the Delta, this rate tier encourages the maintenance of existing local supplies and the development of cost-effective local supply resources and conservation.				

Source: Metropolitan Water District - <https://www.mwdh2o.com/budget-finance/>

Wholesale water prices in the Southern California market have escalated at CAGR of approximately 5.8% for the past 45 years.

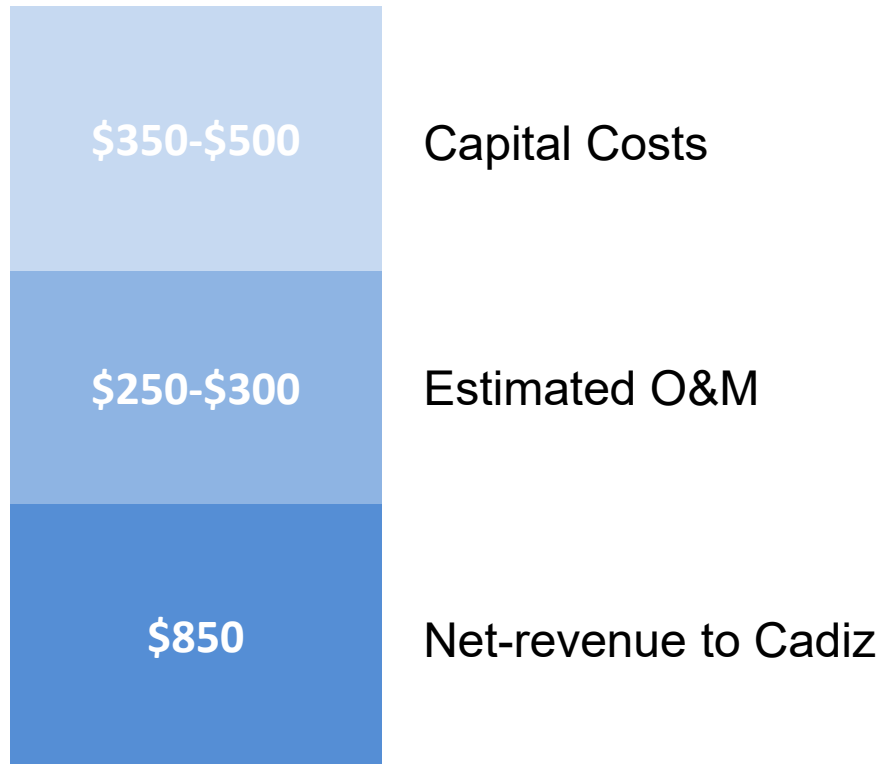
So Cal Wholesale Water Price Escalation



New Supply	
Desalination (Doheny)	\$2,200/AF
Carson Recycling	\$1,830/AF (assumes subsidies)
Charles E. Meyer Desal Plant	\$3,125/AF
Storage	
Semitropic Bank	\$1,500/AF reserve capacity
Strand Ranch	\$2,000/AF reserve capacity

Water Supply Cash Flows: Contract Pricing & Financing

Contract Price Cap = \$1,650 per AF



- Financing of capital costs off Cadiz balance sheet, 3rd party structure with public agencies and/or non-governmental partner
- Capital cost to convert Northern Pipeline to transport water estimated at \$135-\$160 million.
- O&M borne by Project operating entities, not Cadiz
- Similar structure expected for Southern Pipeline



NASDAQ: CDZI

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