



PRESS RELEASE

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Cadiz Provides B. Riley Institutional Investor Conference Recap

CEO & Chairman Discusses Goal to Pursue Financing Structures, Move Project Development & Capital Costs Off Balance Sheet

Los Angeles, CALIFORNIA (05.30.24) - Cadiz, Inc. (NASDAQ: CDZI / CDZIP) (“Cadiz” or the “Company”), a California water solutions company, today released a brief update from Chairman and CEO Susan Kennedy to address the Company’s most frequently asked questions following its participation in the B. Riley Securities 24th Annual Institutional Investor Conference. A copy of the Company’s conference presentation is available at this [link](#).

Fellow Shareholders:

Last week, we attended the B. Riley Institutional Investor Conference, which presented a distinct forum to meet with many of you. I would like to thank our sell-side analyst Mike Crawford and the extended B. Riley team for the opportunity to participate in a productive two days of meetings and a well-attended roundtable discussion. There were a handful of common questions from interested investors and I’d like to recap a few questions below for those who were unable to attend in person for a live discussion.

What are the best current indicators of long-term success to gauge progress on the Company’s plans for the development of its water supply, storage and conveyance assets?

The real pivot point for Cadiz in terms of milestones occurred in Q1 of this year when we announced the first firm contracts for water supply.

These contracts include two investor-owned utilities, one public water system and one housing developer and represent more than 16,000 acre-feet per year, or 65% of the capacity of our Northern Pipeline (which has a total throughput capacity of 25,000 acre feet per year.) [The agreements](#), with 40-50 year contract terms, represent expected cumulative payments in excess of \$1.2 billion over the life of those contracts. When the Northern Pipeline becomes operational, which is expected in 2026, the estimated net annual revenue to the company from these contracts alone is approximately \$16 million per year. We are in advanced stages of negotiation with other public water systems to purchase the remaining capacity of the Northern Pipeline and we expect additional off-take agreements to be finalized throughout the year.

Having firm contracts in place for water supply is key to project financing which will enable the Company to finalize development and move into the construction stage.

But remember, the Northern Pipeline is only half the water supply story. We expect to begin contracting for the *other* half of the annual supply for delivery from the Southern Pipeline later this year. When both pipelines are fully subscribed and operational, we expect annual recurring cash flow to the Company from water supply contracts to be approximately \$50 million per year based on an expected \$850 per AFY in 2024 dollars and adjusted annually based on the BLS Water and Sewer Index. The cumulative total net revenue to the Company from water supply over the 50-year life of those contracts is expected to be approximately \$2.5 billion.

How does the groundwater storage project work in terms of cash flow?

We have one million acre-feet of storage capacity in the Cadiz aquifer. Water banking at Cadiz would be offered to the market the same way leasing an apartment unit in an apartment complex would work. Agencies with water supply to store during wet years would lease space in our aquifer and pay wheeling rates to use our pipelines to move water in and out of storage during dry years. The market comps for groundwater storage banks in California today is approximately \$1,500 per acre foot of storage space. So, cumulative total gross payments for water storage over the 50-year life of our permit are expected to be approximately \$1.5 billion. A water bank as large as ours will also be able to facilitate water exchanges and trading among and between agencies, which opens up additional possible revenue streams in addition to maintenance and wheeling fees.

How much capital will be required to achieve full operation of all pipelines, water supply and storage facilities for the Cadiz groundwater bank by 2028?

Our engineers estimate total costs to operationalize the Northern Pipeline and construct the Southern Pipeline at approximately \$800 million, which includes \$135 – \$165 million for the Northern Pipeline conversion.

How do you plan on funding the project's financing needs?

Our strategic plan has always been to partner with public agencies to fund infrastructure costs at the lowest available cost of capital and with a combination of federal and state grant funding.

There's more than \$55 billion available for clean water projects alone through the Infrastructure Investment and Jobs Act. The availability of grant funding for projects like ours has never been higher.

Our objective is to pursue financing structures that allow us to move project development and capital costs off balance sheet and reduce debt and interest costs on the Company's financial statements.

We believe forming a Master Limited Partnership (MLP) entity could be the most advantageous structure to allow for public agency partners and investors to act as limited partners and commit funding to the capital infrastructure costs and/or obtain grant funding in exchange for an agreed-upon cash flow share from the project. Under an MLP structure, traditionally used for pipeline and real estate assets, Cadiz would act as General Partner and contribute our infrastructure assets to the partnership in exchange for a share of the long-term cash flows from the groundwater bank. An MLP structure would be tax efficient and reduce the cost of water to end-users – a win for investors, the Company, and the communities

benefiting from clean and secure water supplies.

We are in advanced discussions with parties that would participate in establishing an MLP and expect to provide further updates on this throughout the summer.

What is your long-term vision for the Company?

I envision Cadiz operating the largest water trading bank in the Southwestern United States. We are well positioned to be the industry leader in repurposing fossil fuel pipelines for water conveyance, and a model for improving access to reliable and affordable water around the world.

Again, thank you to the B. Riley team for hosting us at the conference. If you have additional questions, please submit them to CDZI@mzgroup.us.

About Cadiz, Inc.

Founded in 1983, Cadiz, Inc. (NASDAQ: CDZI) is a California water solutions company dedicated to providing access to clean, reliable and affordable water for people through a unique combination of water supply, storage, pipeline and treatment solutions. With 45,000 acres of land in California, 2.5 million acre-feet of water supply, 220 miles of pipeline assets and the most cost-effective water treatment filtration technology in the industry, Cadiz offers a full suite of solutions to address the impacts of climate change on clean water access. For more information, please visit www.cadizinc.com.

Forward-Looking Statements

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. “Forward-looking statements” describe future expectations, plans, results, or strategies and are generally preceded by words such as “anticipates”, “expect”, “may”, “plan”, or “will”. Forward-looking statements include, without limitation, projections, predictions, expectations, or beliefs about future events or results and are not statements of historical fact, and such statements include, but are not limited to, statements relating to the progress and plans for the water supply and storage project, the expected pricing, value and terms for water supply and storage, necessary permits required to construct facilities, our ability to consummate additional public partnerships for water supply and storage and related project finance, projected financial performance and accounting, and the anticipated partnership structure for our water projects. You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements. These and other risks are identified in our filings with the Securities and Exchange Commission (the “Commission”), including without limitation our Annual Report on Form 10-K for the year ended December 31, 2023 and our Quarterly Reports on Form 10-Q and other filings subsequently made by the Company with the Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management’s assumptions and estimates as of such date. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

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