



PRESS RELEASE

Date: June 20, 2024

## **Cadiz Signs Northern Pipeline Delivery Agreement with Santa Margarita Water District**

***SMWD, Cadiz sign agreement for 5,000 AFY of water via Northern Pipeline with price cap of \$1,650 AFY***

Los Angeles, CALIFORNIA (06.20.24) – Cadiz, Inc. (NASDAQ: CDZI / CDZIP) (“Cadiz” or the “Company”), a California water solutions company, today announced that the Company signed a definitive agreement with Santa Margarita Water District (“SMWD”) to deliver water from the Cadiz Water Supply and Storage Project in the Mojave Desert through the Company’s Northern Pipeline. SMWD’s board of directors approved the agreement by unanimous vote at the agency’s board meeting on June 5<sup>th</sup>. The 50-year take or pay agreement with SMWD follows the previously announced term sheet entered into with SMWD in February 2024.

SMWD’s decision to contract for delivery of water through Cadiz’s Northern Pipeline provides key revenue streams expected to support infrastructure financing for the pipeline project. Under the agreement Cadiz is expected to deliver 5,000 acre-feet per year to groundwater banks located along the 220-mile pipeline in the High Desert in exchange for water that can be delivered to SMWD by State Water Contractors with local water suppliers. In accordance with the agreement the price per acre-foot of water from Cadiz, inclusive of all capital, operating and maintenance costs, will not exceed \$1,650 per AFY.

“Santa Margarita has been a leader in conservation and efficiency for the last two decades,” said Susan Kennedy, Chairman and Chief Executive Officer of Cadiz. “Santa Margarita’s agreement to take delivery of water via the Northern Pipeline will help us meet an aggressive construction schedule to have the pipeline online in 2026.”

“The Cadiz project will help us diversify our water supply portfolio and reduce our dependence on Colorado River and State Water Project resources,” said SMWD board member, Frank Ury. “Utilizing Cadiz’ Northern Pipeline will allow us to diversify faster, keep costs down and build resilience at a regional level.”

SMWD holds existing contractual rights that enable it to acquire up to 15,000 AFY from the Cadiz Project by delivery through the Colorado River Aqueduct. Now this agreement allows SMWD to obtain delivery of up to 5,000 AFY of that quantity through the Northern Pipeline without having to wait for the construction of a completely new pipeline.

Currently, the Company has signed water supply agreements for 65% of the capacity of the Northern Pipeline and is in late-stage discussions with additional agencies for the remaining capacity.

For additional information regarding the terms and conditions of the agreement with SMWD, please refer to our Current Report on Form 8-K filed on March 4, 2024.

**About Cadiz, Inc.**

Founded in 1983, Cadiz, Inc. (NASDAQ: CDZI/ CDZIP) 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](http://www.cadizinc.com).

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*FORWARD LOOKING STATEMENTS: This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, the expected benefits to be derived from our agreements with SMWD and the projected timeline for construction and operation of the Northern Pipeline, which are subject to risks and uncertainties, many of which are beyond the control of the Company, including the Company's ability to fulfill the required contractual conditions and complete the needed construction for water delivery to occur. Although the Company believes that the expectations reflected in our forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Factors that could cause actual results or events to differ materially from those reflected in the Company's forward-looking statements include potential delays in the supply chain for materials, whether the parties to the agreement with SMWD described in this release will be able to obtain the grant funding contemplated by the agreement, and other factors detailed in the Company's Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the year ended December 31, 2023 and subsequent quarterly and current reports. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*

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