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11/16/26

Dear Fellow Shareholders,

I'm pleased to report that during the third quarter we achieved two key milestones toward securing the equity and debt financing needed to develop our flagship project, the Mojave Groundwater Bank. As reflected in our third-quarter financial results, we deployed significant capital to complete the critical engineering, legal and regulatory work necessary to reach this point. These expenditures, while increasing our near-term costs, were deliberate investments to close project financing and bring us closer to generating free cash flow. The two milestones we reached in this last quarter—obtaining the final BLM permit and an indicative investment-grade rating for project debt—are the keys to unlocking the capital needed to finance construction and begin realizing the long-term value of the project for shareholders.

After years of investing in the development and permitting of our assets, we are moving toward a structure in which project-level capital will support construction and operating expenditures. Accordingly, we are now beginning to fund project operating and financing entities, positioning them to access government funding—including grants and low-interest loans. Once operational, Cadiz will participate in the long-term cash flows generated by these assets—creating a royalty-like revenue stream for our shareholders.

To understand how these milestones translate into value for shareholders, let me explain our financing strategy. Our target capital structure is approximately 80% debt and 20% equity, with the goal of securing the lowest possible cost of capital. Our public agency partners—and the communities they serve—are central to this strategy, providing access to low-interest government loans and grants that reduce the cost of critical water and energy infrastructure.

The centerpiece of our debt financing strategy is the creation of the San Bernardino Water & Power Authority (SBWPA), a Joint Powers Authority led by the County of San Bernardino and a powerful coalition of the region's largest water agencies. The Authority provides a new public financing platform through which participating agencies can share resources, reduce infrastructure costs and access low-cost financing for regional water infrastructure projects, including the Mojave Groundwater Bank. In October, the Authority received an indicative investment-grade rating for the Northern Pipeline project debt, a condition precedent for securing low-interest federal loans and revenue bond financing.

As we move into this critical execution phase, we are focused on strengthening our balance sheet and maintaining the flexibility needed to reach financial close and advance construction. Following quarter-end, we raised $21 million in gross proceeds through a registered direct offering and drew the remaining $11 million available under our Lytton loan agreement, providing additional liquidity to support these objectives. At the same time, we began a comprehensive review of our corporate cost structure and identified opportunities to reduce our corporate burn rate and improve operating efficiency

while continuing to invest in the work necessary to bring our projects into operation and begin generating free cash flow. More detail on that later.

Mojave Groundwater Bank Update

In July, we received the long-awaited federal right-of-way permit from the Bureau of Land Management (BLM) for conversion of the Northern Pipeline. Although the BLM review took many months longer than anticipated, the result is an exceptionally thorough administrative record supporting its decision. The BLM's decision attracted expected legal challenges from longtime opponents, but unlike in previous years, the BLM and U.S. Department of Justice are vigorously defending the permit. The Administration has expressed confidence that the litigation poses no material risk of delay and has authorized the project to proceed.

With this permit in hand, there are three main steps remaining for us to secure debt and project equity financing and commence construction. First, we must progress our indicative project debt rating to a final, public rating. Second, we must complete the State Lands Commission review of the environmental record under Section 1815 of the California Water Code. Third, we must finalize water pricing with our off-takers. I will explain each of these in greater detail below.

Debt financing. We were pleased to receive an indicative investment-grade rating from a rating agency in October for the Northern Pipeline project. To finalize the rating, we must obtain an Independent Engineer report validating our construction costs, which are already supported by Construction Manager at Risk contracts with guaranteed maximum prices in place. We must also finalize our water offtake agreements, as discussed in more detail below.

State Lands Commission. Section 1815 of the CA Water Code requires State Lands Commission ("SLC") to make a finding that the environmental record is complete confirming no impacts to the environment. The application was deemed complete in April, and we anticipate adoption of the finding in the first quarter of next year. We have been delighted by the amount of public support for our application. The SLC has received hundreds of letters of support from individuals as well as legislators, businesses, tribal leaders, housing advocates and local community leaders. We expect this growing support to continue as our application moves forward.

Finalizing water pricing in off-take agreements. Finalizing off-taker agreements includes providing the final capital and financing plans to our off-takers. With an indicative investment-grade rating for the debt in hand and our progress toward securing low-interest government loans through Water Infrastructure Finance and Innovation Act (WIFIA) and the State Revolving Fund (SRF) program we expect the financing plan—even with the previously announced increased construction costs we absorbed —to be in line with the current expectations of our off-takers and substantially more attractive than alternative sources of new water supply.

Strategic Partnerships

Our partnership with Lytton Rancheria, a federally recognized Native American tribe, has become one of our most valuable strategic assets. Working together, we have identified opportunities to tap federal and state funding and expand the scope and value of our services to our water agency partners. One initiative we are pursuing with Lytton combines water supply with distributed energy systems, allowing

us to offer water agencies across the Lower Colorado River Basin a broader range of products and services that lower water and energy costs. We believe this partnership creates a significant competitive advantage and opportunities to generate additional cash flow streams for the company. We expect to share more about these exciting developments in the coming quarters.

The Memorandum of Understanding (MOU) we signed with the U.S. Bureau of Reclamation in September 2025 has taken on new significance as the Colorado River Basin confronts an increasingly urgent need for new water supplies. We've been saying that for some time, but what's different today is that agencies are moving from planning to action. In July, Reclamation proposed a new operating framework that could reduce Colorado River deliveries to the Lower Basin states by up to 3 million acre-feet per year—roughly 40% of their combined annual apportionment. The framework also contemplates new opportunities to store and exchange water supplies supplemental to the Colorado River. We believe the Mojave Groundwater Bank, positioned to move into construction in 2027, is the most advanced water project in the Basin. Under our MOU, we are working with Reclamation and regional water agency partners to advance interstate water exchanges and integrate the Bank's water supply and storage capacity into Colorado River operations.

In addition to the Mojave Groundwater Bank, we continue to progress opportunities to generate cash flows from our other assets, including Cadiz Ranch and ATEC Water Systems.

Cadiz Ranch

Agriculture

At Cadiz Ranch, our agricultural operations were impacted by disruptions to export markets associated with the Strait of Hormuz. While the conversion of our agricultural wells from diesel to natural gas improved operating efficiency and reduced costs, disruptions in export markets delayed alfalfa sales and contributed to lower agricultural revenues during the first nine months of 2026. Harvested inventory remains available for sale should market conditions normalize. We are also entering a transition period at Cadiz Ranch as we prepare for groundwater project operations, and do not view lower agricultural revenues over the quarter as indicative of a longer-term negative trend.

Hydrogen Development

Hydrogen development at Cadiz Ranch remains part of our broader strategy to convert our assets into long-term revenue streams through land leases, water sales and potentially on-site clean energy production to support groundwater operations. RIC Energy continues to advance its hydrogen project at Cadiz Ranch, with environmental permitting underway through San Bernardino County and a pilot project planned for 2027.

Despite uncertainty surrounding federal funding for hydrogen projects, RIC has positioned its Mojave Hydrogen Works project to qualify for the federal clean hydrogen production tax credit of up to $3 per kilogram, preserved under the One Big Beautiful Bill Act for projects beginning construction before 2028. We are also encouraged by California's continued strong political and legislative support for hydrogen development, including Governor Newsom's signing of legislation this summer expanding opportunities for renewable hydrogen in electricity generation and the State's favorable court ruling in

its effort to restore federal ARCHES funding. Together with growing demand from hydrogen-powered public transit and potential customers among our water and energy infrastructure partners, these developments strengthen the outlook for hydrogen at Cadiz Ranch and its potential to create additional shareholder value.

ATEC Water Systems

Last quarter, we highlighted the completion of the large Central Utah project, which created negative year-on-year revenue comparisons. Since then, ATEC's commercial pipeline has continued to expand, reflecting strong underlying demand for groundwater treatment solutions. Through the third quarter, its total pipeline of prospective projects grew to $246 million, up from $184 million at year-end 2025, while opportunities in active development increased from $49 million to $70 million.

While revenues are lower year-over-year following completion of the Central Utah project, ATEC's third-quarter revenue increased 72% from the second quarter, and its gross margin improved to 38.4% from 23.7%. Now that this unusually large project is complete, our focus is on converting our current pipeline of opportunities into profitable revenues. To this end, during the quarter we right sized our manufacturing capabilities to improve our margins. We expect these changes to begin benefiting operating results in the fourth quarter, with greater impact in 2027.

I'll turn it over to Jase to discuss our financial position, our progress on project financing, and the steps we're taking to maximize value for shareholders.

Financial Commentary – Jacinto Hernandez

I am pleased to report to you during my first quarter as your Chief Financial Officer.

We have continued to progress project financing during the quarter, including both debt and project equity financing. Additionally, after quarter end, we raised $21 million in gross proceeds in a registered direct offering to shore up the Cadiz balance sheet. We also drew down the remaining $11 million available to us under our Lytton loan agreement. To ensure this corporate level financing is as durable as possible, we took significant actions to reduce the fixed cost structure of the company during the quarter. Let me discuss each of these in turn.

We advanced our WIFIA loan application meaningfully since our last letter. While $194 million in funding has been earmarked for us, the project debt needs an investment grade rating to advance the application and execute on this low-cost funding. I should note that we believe we could potentially secure more than the $194 million earmark—up to as much as 80% of the final project capital requirements. As Susan noted earlier in this letter, the company secured an indicative investment grade rating for the project debt in October. While not yet an official public debt rating, the indicative rating allows us to progress the WIFIA loan, which, if executed, will allow the project to borrow at a rate similar to a US treasury of comparable duration.

Diligence by potential project equity investors continued during the quarter. We believe this project is extremely attractive given its return profile and exposure to water as an asset class. At water prices that are likely meaningfully below market today, we currently expect the overall project to generate

approximately $5.5bn in gross cashflows in its first 20 years—with upside of approximately $400 million for every 5% change in water pricing above what we have modeled. Our long-term contracts include inflation escalators which protect those cash flows over time. I continue to believe that this size and scale of inflation-protected cash flows provides us optionality as we evaluate potential project structures and partners—with the goal of retaining as much value as possible for Cadiz shareholders. Just as the federal ROW created inbound interest from project equity investors that had previously declined to evaluate the project, I also believe that the visibility on the Section 1815 finding noted by Susan above will generate further interest from potential project equity investors—notably at a time in the project's history that should justify a lower cost of capital.

Part of our strategy is to ensure that we have sufficient liquidity to advance project equity discussions up to or even after the receipt of all remaining approvals required for final investment decision. The $11 million we recently drew down on the Lytton loan provides us with project equity funding to advance final design and construction work on the pipeline. The registered direct offering we executed in October provided further flexibility to accelerate construction if we believe it would advantage the company to do so.

Since joining as Chief Financial Officer, I have been focused on increasing efficiency and reducing cash expenditures while continuing to advance the Mojave Groundwater Bank. This focus has extended to every aspect of the business. For instance, the registered direct offering I mentioned above had fees of approximately 3.3% of gross proceeds- which is extremely attractive relative to a typical 6% to 8% fee structure for an offering of that size. We are also focused on sustainably reducing our corporate overhead. To pick just one example, during the quarter we advanced plans to outsource HR and change insurance carriers—which should generate over $120,000 in G&A savings in the coming year. We have reduced headcount and have sharpened our focus on our consultant spending. We are looking at every way we can to reduce the cash needs of the company, as we (like you), are sensitive to equity dilution and want to ensure that every dollar we raise is put to its highest and best use.

At ATEC, we have right sized headcount to match the current expected book of business and are leveraging AI for back-office automation, including AP/AR, as well as generating standard reporting. This has allowed us to further reduce headcount beyond the initial right-sizing actions. We are focusing on marketing our core products in areas where we have seen the most pilot testing while continuing to expand geographically. We are continuing to build relationships with national and regional engineering firms through in-house presentations and are updating our website to reflect the full range of water treatment products that we offer. After an extensive review of our contract pricing, we will be undergoing select price increases in 2027. We expect the benefits of these actions to begin to be reflected in Q4, with accelerated benefit next year.

Priorities and Focus

The regulatory, political and economic landscape for water supply, storage, energy and infrastructure in the West has fundamentally and permanently changed. With first water from the Mojave Groundwater Bank in sight, we are positioned to deliver on the value we have long promised our shareholders. Our focus now is on turning the extraordinary value of our assets into long-term cash flows and returns for our shareholders.

Our priorities are clear: execute on our financing and construction plans, reduce corporate cash requirements and improve operating performance across the company. We have reduced headcount and consultant spending, streamlined administrative functions and introduced automation to improve efficiency. At ATEC, we have also right-sized operations and are reviewing pricing to improve margins. We expect these measures to begin reducing costs in the fourth quarter, with greater savings in 2027. Combined with the shift of project development expenses to project entities, these actions are intended to substantially reduce corporate cash requirements and the need for additional shareholder capital.

Thank you for your continued confidence in Cadiz. We've spent years building toward this moment. Now it's time to deliver.

Sincerely,

Susan

Susan Kennedy
CEO & Chairman of the Board

Cautionary Note About Forward-Looking Statements

This letter contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 may be identified by the use of words such as “expect,” “plan,” “intend,” “projected,” “believe,” “anticipate,” “anticipated,” “estimate,” “likely,” “positioned,” “contemplate,” “target,” “goal,” “potential,” “potentially,” “will,” “may,” “could,” “should,” “would,” and variations of such words and similar expressions.

Forward-looking statements in this letter include, without limitation, statements relating to the Company’s expectations regarding the achievement of project development, permitting and financing milestones for the Mojave Groundwater Bank, including the timing of a final investment decision for the Mojave Groundwater Bank and the Company’s ability to complete the remaining steps required to reach it, including a final public debt rating, completion of the State Lands Commission review, and finalization of off-taker agreements; the preparation of the Northern Pipeline for construction; the expectation that the Mojave Groundwater Bank will move into construction in 2027, the timing of first water, and the Company’s ability to generate free cash flow; the receipt and timing of a Section 1815 finding and the outcome of the California State Lands Commission process and other remaining agency reviews; the formation, funding and success of the San Bernardino Water & Power Authority and the Company’s ability to access government funding, grants, low-interest loans, revenue bond and other public financing, including the Company’s WIFIA loan application, the amount, timing and terms of any WIFIA loan, whether the Company can obtain amounts above the current $194 million earmark, up to as much as 80% of final project capital requirements, and the interest rate on any such loan; the Company’s expectations regarding the indicative investment grade rating for the project debt, the receipt of an independent engineer’s report, and the issuance of an official public debt rating; the Company’s reliance on Construction Manager at Risk contracts and guaranteed maximum prices to validate project capital costs; the Company’s ability to finalize water pricing and the commercial and financing plan with its customers and off-takers, including the Company’s ability to obtain

waivers of the “Not to Exceed” prices under its existing water supply agreements, the net water price to be paid by off-takers (including the effect of WIFIA loans, State Revolving Fund financing and potential grants), and the expectation that discussions with off-takers will continue through year-end; the Company’s plans to shift project development costs to project operating and financing entities, including the Company’s funding of project operating and financing entities and the expectation that project-level capital will support construction and operating expenditures; the Company’s expected participation in the long-term net cash flows of the project, including a royalty-like revenue stream; projected cash flows from the project, including the expectation of $5.5 billion in gross cash flows over the first 20 years, the sensitivity of those cash flows to changes in water pricing (including approximately $400 million for every 5% change in water pricing), and the protective effect of inflation escalators; the Company’s evaluation of project structures and equity partners, the cost of capital, and its ability to retain value for shareholders; developments in the Colorado River Basin, including the Bureau of Reclamation’s proposed operating framework, opportunities for interstate water exchanges and supplemental storage under the September 2025 Memorandum of Understanding, demand for new water supplies, and the Company’s competitive position; the Company’s partnership with the Lytton Rancheria, including the Company’s use of borrowings under the Lytton loan agreement to fund final design and construction work on the Northern Pipeline; the Company’s initiatives with Lytton Rancheria to combine water supply with distributed energy systems and related funding and cash flow opportunities; the sufficiency of the Company’s liquidity, the intended use of proceeds from the Company’s recent registered direct offering and borrowings under the Lytton loan agreement, including strengthening the balance sheet and providing flexibility to accelerate construction; the Company’s ability to secure additional financing; the Company’s agricultural operations, including the effect of export-market disruptions and the Company’s ability to sell harvested inventory; the anticipated savings from cost-reduction initiatives, including the outsourcing of HR functions, the change in insurance carriers, headcount reductions, reduced consultant spending, and the expected savings in general and administrative expenses; the expected effects of ATEC’s restructuring and efficiency measures, pricing actions (including select price increases in 2027), use of AI-enabled back-office automation, and marketing efforts on ATEC’s results of operations; the conversion of ATEC’s pipeline of prospective projects into revenue; the timing of expected benefits beginning in the fourth quarter of 2026 and increasing in 2027; and the overall pace and success of the Company’s project development and financing activities and demand for the Company’s water supply, storage and related solutions.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, there can be no assurance that such expectations will prove to be correct. Actual outcomes and results may differ materially due to a variety of factors, including, without limitation: the ability to secure commitments from project equity investors, negotiate and execute definitive agreements with project investors, partners and off-takers, and reach a final investment decision on the anticipated timeline or on acceptable terms, or at all; delays or setbacks in obtaining a Section 1815 finding and other required permits, agency reviews and regulatory approvals, including the State Lands Commission process; the outcome of the State Lands Commission review, including whether the draft report and finding are published and adopted on the anticipated timeline, and the level of public support or opposition; changes in applicable laws, regulations, or federal and state policies; the impact of lawsuits, appeals and other legal or administrative challenges relating to the federal right-of-way permit issued by the Bureau of Land Management for the Northern Pipeline and any future lawsuits that may be filed against the Company or its projects; changes to or the outcome of the Bureau of Reclamation’s proposed operating framework; hydrological conditions; the ability to implement interstate exchanges or integrate the Mojave Groundwater Bank into Colorado River operations; competition from other water supply, storage and energy projects and providers; the availability and terms of project financing and government funding, including the Company’s ability to obtain an official investment grade rating, an independent engineer’s report validating project capital costs, and approval of and funding under the WIFIA loan or other grants; the risk that earmarked or anticipated WIFIA, State Revolving Fund or grant funding is not executed or disbursed, is reduced, or is subject to conditions or changes in federal or state funding priorities; the ability to finalize water pricing, including the risk that off-takers may exercise rights to terminate their agreements if stipulated prices are exceeded; delays in construction schedules and increases in project costs (including contractor performance issues notwithstanding guaranteed maximum price contracts) or adverse shifts in market

conditions, including those related to tariffs, inflation, or supply chain disruptions, and the resulting effect on projected cash flows; the risk that projected cash flows and other projections, which are based on assumptions regarding water pricing, volumes, inflation escalators, capital costs, financing terms and timing, may not be realized, and actual results may differ materially; the Company's ability to shift project development costs to the project operating and financing entities as planned; the Company's ability to obtain financing on acceptable terms to meet its ongoing working capital needs, including the dilutive effect of equity financings; disruptions to export markets for the Company's agricultural products, including those arising from geopolitical events such as those affecting the Strait of Hormuz, as well as commodity prices and weather; the risk that anticipated cost savings may not be realized; operational disruption from outsourcing, headcount reductions or vendor changes; the risk that ATEC's operating results may not improve as expected, including the failure of ATEC's prospective project pipeline to convert into revenue, delays in customer decisions, competition, and the risk that restructuring, pricing and automation initiatives do not produce expected results; and broader political, environmental, or economic developments that may affect the Company's operations, assets, or financing strategy. Additional information regarding factors that may affect the Company's forward-looking statements can be found in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and its subsequent filings under the Securities Act and Exchange Act. All forward-looking statements contained in this letter speak only as of the date of this letter and are based on management's assumptions and estimates as of that date. The Company undertakes no obligation to publicly update or revise 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, except as required by law.