



CADIZ, INC. CORPORATE PRESENTATION

SEPTEMBER 2019



2019

Safe Harbor Agreement

September 2019

During the course of this presentation, we will 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 opportunities with CRA; discussion with BLM regarding railroad right-of-way; contracts with water providers; estimated costs of construction; and the expected pricing for water supply and water storage services. 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.

Cadiz Inc.

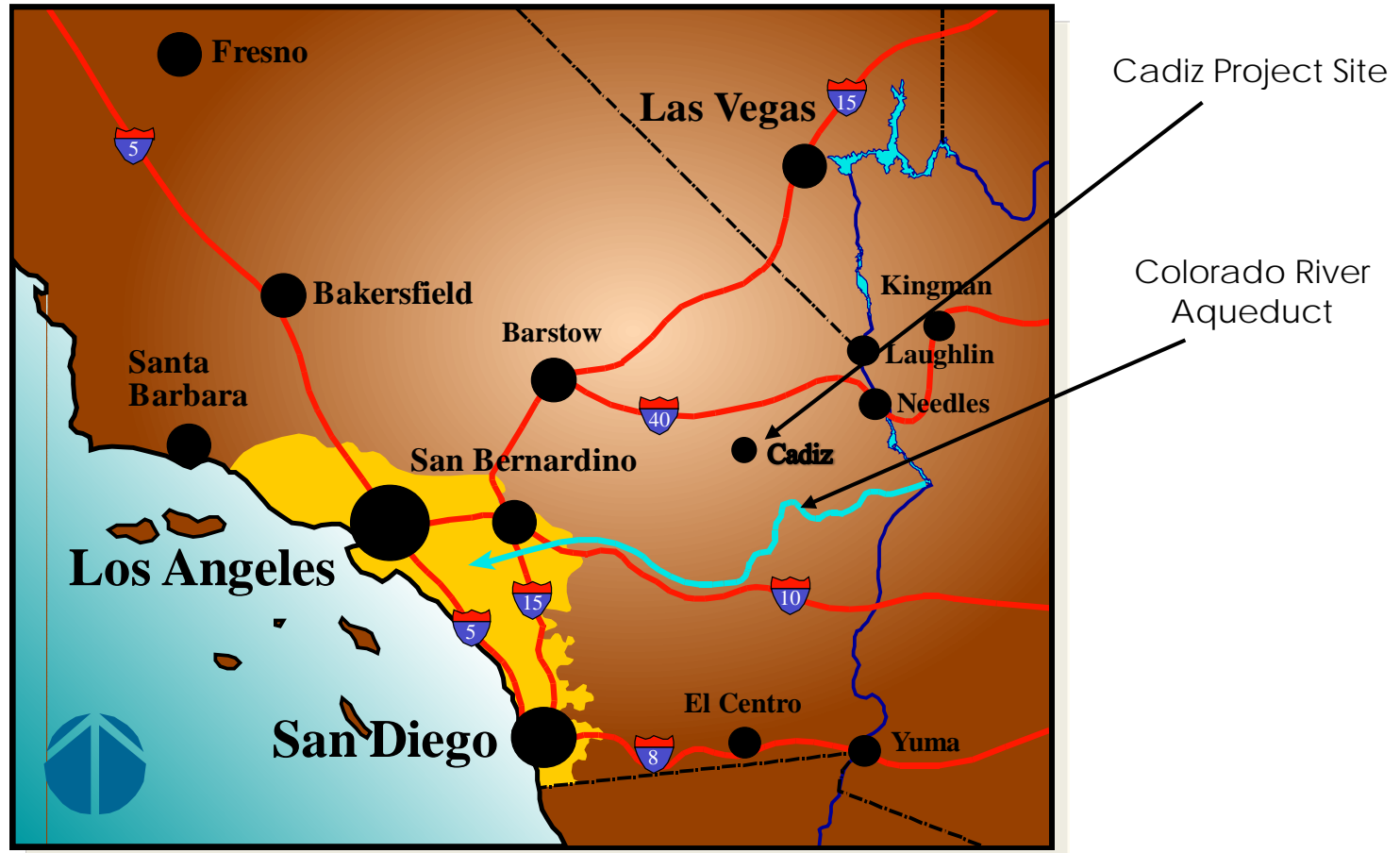
About Cadiz Inc.

Natural resources company (NASDAQ: CDZI)
with California land and water rights including:

- ❖ Fee owner of 45,000 acres in San Bernardino County with appurtenant water rights & zoning Ag use.
- ❖ 35,000 acres at base of a protected, closed basin watershed with no competition.
- ❖ Agricultural Permits for 9,600 acres. Farming on 2,100 acres to citrus and vegetables; research trial of hemp.
- ❖ On-site groundwater wells and infrastructure supply 100% of overlying irrigation demand.
- ❖ 7,500 acres dedicated to Desert Tortoise conservation, mitigation bank with credits available.



Cadiz Location: 200 Miles Northeast of Los Angeles

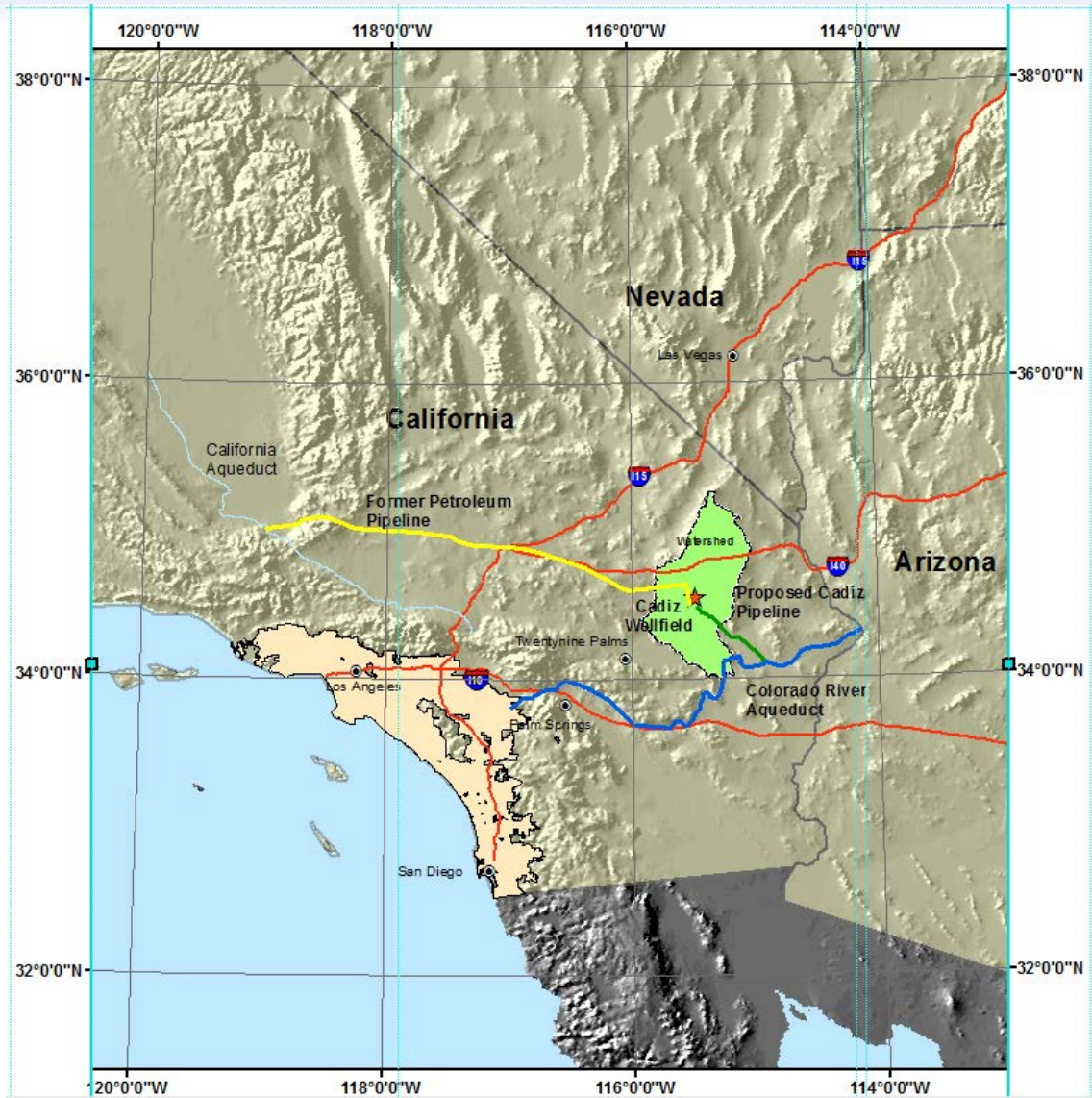


Remote location, with access to critical highway, rail and aqueduct infrastructure

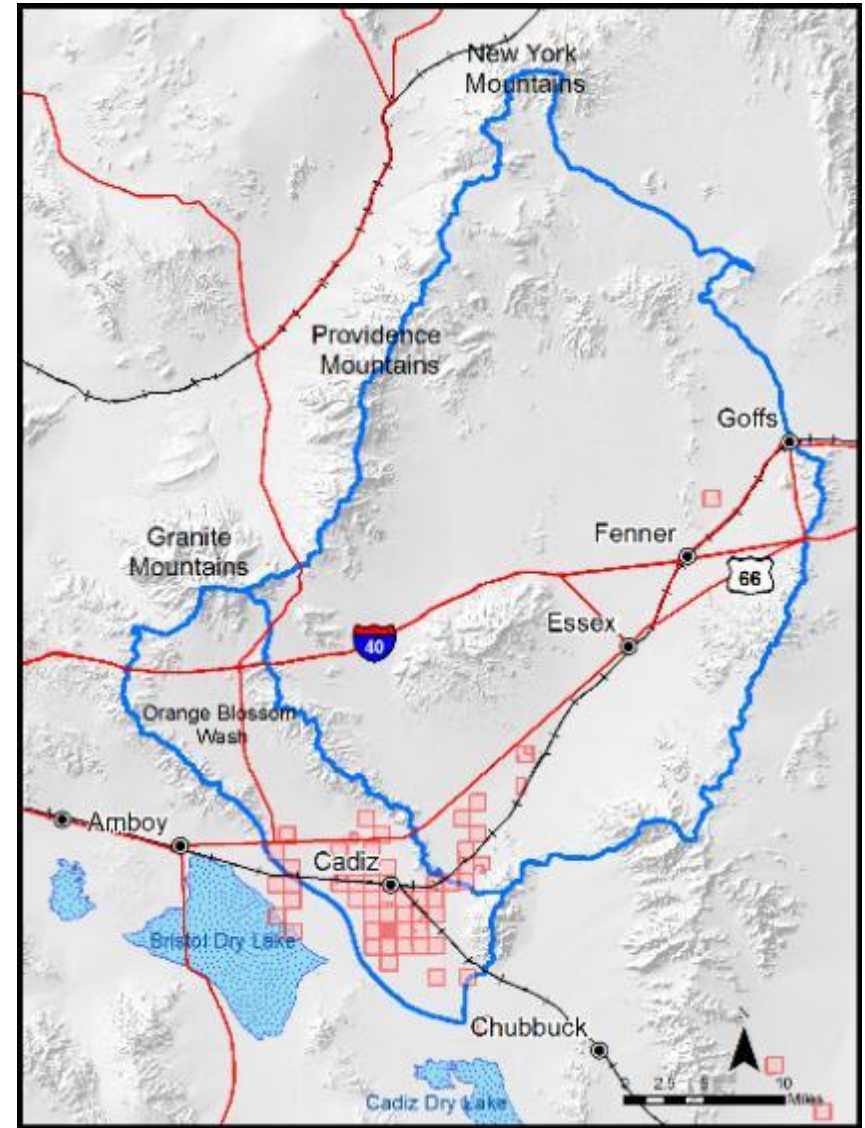


Cadiz Valley – Prolific Groundwater System

- ❖ Cadiz/Fenner Watershed terminates at dry lakes where groundwater is lost to the atmosphere by evaporation.
- ❖ Groundwater beneath dry lake surface is highly saline (10 times the salinity of Pacific Ocean)



Water Leaves System Via Evaporation



Dry Lake Salt Mining

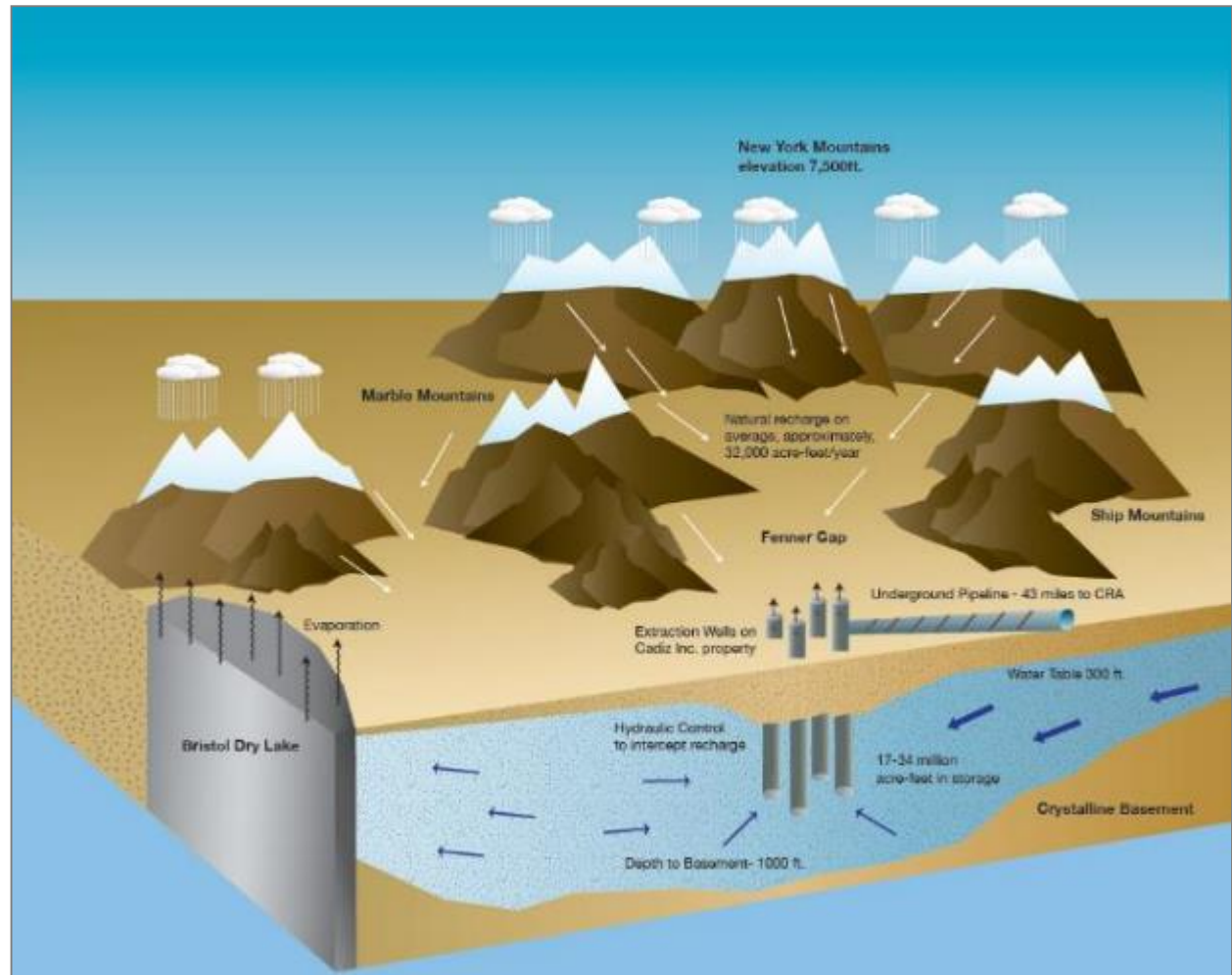


Cadiz Water Project

Conserve Water for Beneficial Use

Intercept and conserve H₂O before it can be lost to salinity and evaporation:

- * Intercept and retrieve 50,000 AFY before evaporation.
- * Conserve new 50-year supply for 400,000 throughout So. Cal.
- * In-lieu storage up to 150,000 AF in wet yrs.
- * Safe, sustainable operations with NO undesirable results for environment.



Structure: Public-Private Partnership

- ❖ Cadiz partners with public agencies funding R&D, permitting and construction. No public dollars required.
- ❖ Public agencies have secured options and contracts with Cadiz to long-term supply and storage from the Project. Cadiz is approved to deliver 2.5 MAF over 50 years.
- ❖ Public agencies will purchase water providing Cadiz a reasonable rate of return on investment with no risk to public rate payer.
- ❖ Cadiz does not operate the Project, it leases facilities to public agencies. Local government agencies enforce provisions of permits.
- ❖ Construction of Phase 1 is estimated at \$300M, including pipeline, wellfield, railroad improvements, energy and treatment.
- ❖ Contracts for supplies at \$1 100/AF, includes construction finance reimbursement, O&M. Competitive with other new supplies.
- ❖ Project will generate 3,000 jobs in Phase 1 and \$1B in economic impact.

Phase 2 - Storage

- ❖ Via pipelines, import water in wet years and store underground at Cadiz.
- ❖ Total storage capacity = 1 million acre-feet.
- ❖ Permitting – additional project level state environmental review.
- ❖ Construction:
 - Repurpose existing 30" Northern Pipeline to water conveyance.
 - Create recharge basins at project area.
 - Build pump stations to convey water.
 - Cost estimate TBD, expected to create and support 2,900 jobs.



Cadiz Water Project - Status

- ✓ 2009 – 2011: Completed r&d and permitting documents.
- ✓ July 2012: California environmental impact report.
- ✓ October 2012: County approved conservation plan:
 - Right to conserve and deliver average of 50,000 AFY for 50 years = water for 400,000 people a year.
- ✓ 2014 - 2016: Review + Approvals upheld & validated by California Courts in 12 separate cases.
- ✓ Ongoing: Contracts and option agreements with public water agencies for project supplies and carry-over storage.
- ✓ 2017: New conveyance pipeline (43-mile) to Colorado River Aqueduct in railroad right-of-way, 99-year lease.
- ✓ Dec 2018: 226 Mile Northern Pipeline.
- ✓ 2018: Treatment technology perfected.



Cadiz Water Project status

2019:

- ✓ June: Federal Court ruling on 2017 ROW approval – remands back to BLM
- ✓ July: Addendum to FEIR approved and adopted - CEQA Lead agency
- ✓ July: SB 307 Legislation adopted, new state review of project science by State Agencies to be completed in 2020.
- ✓ Sept. into 2020: Participating Water Agency review of Project (Three Valleys) via open study of springs in watershed.

Water Market Comps

New Storage	
High Desert Water Bank	280,000 AF storage \$130 Million up-front construction \$2 Million/year recovery usage
Semitropic	1.65 MAF Storage \$1,500 per AF reserve capacity. Comparable pricing based upon dual input and outputs.
IEUA Chino Basin Project	100,000 AF storage \$385 Million (\$210M CA Bond Finance) Advanced purification facility to treat & store up to 50,000 AF/Y.
New Supply	
Cadiz	\$1,276 – 1,652/AF Construction \$300M
Poseidon Desal HB	\$2,132-2,197/AF Construction \$859M
Carson recycling	\$1,830/AF (assumes subsidies) Construction \$3.4B

Cadiz Farming

25 Year History of Agricultural Use

- ❖ Similar climate and crop mix as Imperial, Palo Verde and Coachella Valleys.
- ❖ In 1993, County permitted ag development on 9,600 acres, including water rights to irrigate entire acreage.
- ❖ Cadiz is largest agricultural operation in SB County.
- ❖ 2,100 acres currently developed for crops, including 7 wells, infrastructure for ongoing operations
- ❖ Lemons in production under active lease arrangements. Previous crops included grape vineyard and seasonal vegetables including squash and asparagus.
- ❖ Two phase hemp trial Q3/ Q4 2019 with new SoCal Hemp Co. JV
- ❖ Active groundwater use for 25+ years , regulated by a County groundwater plan. Regular monitoring - gw levels all-time high. No adverse impacts.





SoCal Hemp JV LLC

- ❖ Joint venture 50/50 partnership with CA-based GlassHouse Farms founded on July 31, 2019.
- ❖ JV operates under the name SoCal Hemp Co.
- ❖ Focused on cultivating organic, sun-grown, industrial hemp on up to 9,600 acres at the Cadiz Ranch.
- ❖ Ideal location for commercial production of hemp, & organic, natural hemp-derived products.
- ❖ JV will initially harvest and sell biomass and then develop into processing for CBD, sales and distribution.
- ❖ Potential to become the largest, vertically integrated, commercial hemp operation in the U.S. with a home base in the fastest growing hemp market – California.



Why Hemp?

- **Reduces CO2:** can help reduce global warming as it takes out large amounts of carbon dioxide per acre, 4X more than trees.
- **No pesticides:** Hardy plant, or weed, that can grow in a variety of environments without the use of pesticides, better for air, soil and groundwater
- **Soil:** Large tap root (9ft.) prevents erosion and cleans soils
- **Biodegradable:** Hemp can produce environmentally friendly products that are easily recycled in compost or in landfills
- **Water:** Needs less water than many other crops
- **Product diversity:** health foods, organic body care, clothing, construction materials, biofuels, plastic composites and more.



GROWING HEMP AS NATURE DESIGNED IT
IS VITAL TO OUR URGENT NEED TO REDUCE
GREENHOUSE GASES AND ENSURE THE
SURVIVAL OF OUR PLANET.

- JACK HERER -

THE MANY USES OF HEMP

FIBER

- Technical Fiber
 - ★ Concrete Reinforcement
 - Construction Materials
 - Automotive Compression Molding
 - Fiberglass Replacements
 - Plastics Reinforcements & Fillers
 - Cordage
 - Paper
 - Mats
 - Geotextiles
 - Brakes/clutch lining
 - Loss Circulation Control
 - Thermal & Sound Insulation
- Textiles
 - Clothing
 - Shoes
 - Handbags
 - Diapers

HURD (SHIV)

- ★ Cat Litter
- ★ Potting Mix
- ★ Food Preservation
- ★ Soil Amendment
 - Hempcrete**
 - Fiberboard
 - Insulation
- ★ Absorption Products
 - Fillers
 - Paper
 - Hydroponic Retention
 - Animal Bedding
- ★ Mulch/landscaping

FIBER FLOUR

- ★ CBD Skin Care Products
- ★ CBD Dog Food Supplement
- ★ CBD-Infused Beverages

FLOWERS

- Pharmaceutical
- Recreational

SEEDS

- Biofuel
- Food
 - Oil
 - Protein Flour
 - Seeds
 - Beer
 - Animal Feed
- Personal Care
 - Shampoos/soaps
 - Cosmetics
 - Lotions
- Technical Fluids
 - Lubricants
 - Solvents
 - Oil Paints
 - Varnishes

LEAVES

- Pharmaceutical
- Tea

ROOTS

- Improves soil health
- Reduces water pollution
- Benefits crop rotation

★ HempAlta™ Branded Products

Note: The HempTrain™ Advanced Hemp Decorticator can be used in production of all the above products

** Due to certain limitations, please consult a civil engineer before using this product



@hemp_alta

Competitive Advantage: Why Cadiz?

- 35,000 acres of farmable acreage including 9600 acres permitted for AG
- Remote location in CA desert that can grow organic hemp, open-air (creates 365 supply chain)
- No cross-contamination of cannabis crops, or issues with pests.
- Groundwater resources to efficiently support a successful hemp operation.
- As a low water using crop (1.5AF/acre), hemp cultivation is particularly compatible with the desert environment.

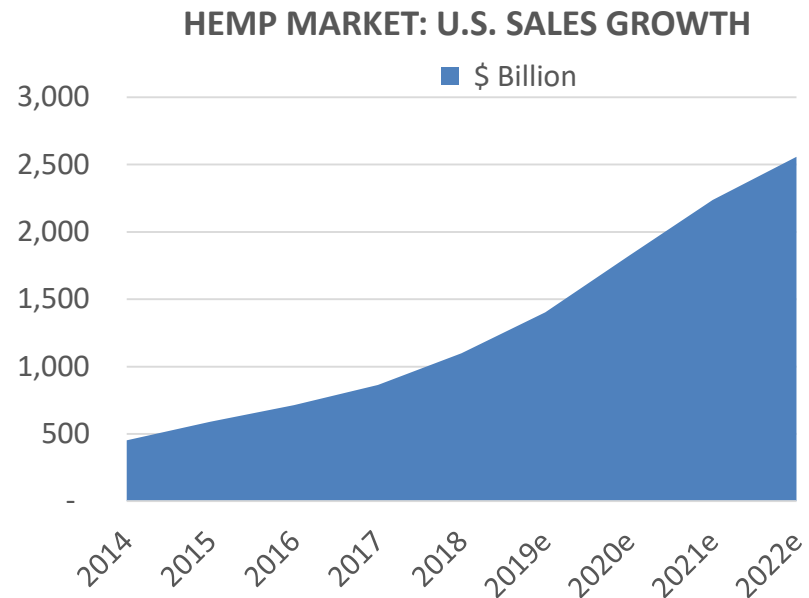
- Cadiz operation already regulated & compliant with local, state and federal laws.
- Easy access to rail, highway and distribution infrastructure.
- Access to processing and distribution facilities in local county, with future potential to dry and process on site.
- Organic, sun-grown, California hemp and hemp-derived products have unmet demand in market.



Hemp: Demand, Products, Market Size

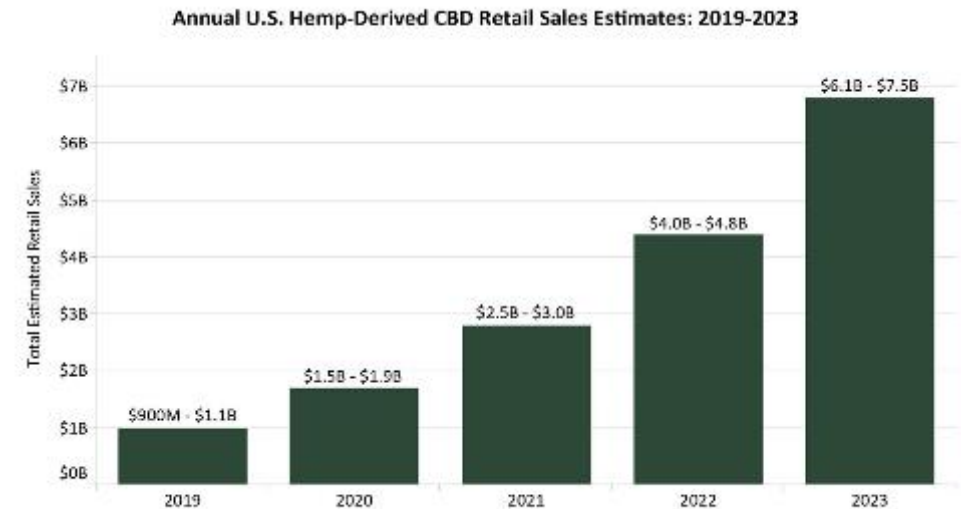
- US Farm Bill 2018 (Dec.) made it legal to grow hemp in all 50 states. Hemp-derived products also legalized.
- China, Canada historically largest suppliers, but US market now taking off.
- Hemp product and seed from China subject to US tariffs.
- In 2019, Hemp now farmed in 28 US States with roughly 80,000 acres in production.

Total U.S. sales for Hemp products were approximately \$1.1 billion in 2018 and are projected to reach **\$2.6 B** by **2022 (18.4% CAGR)**.



Hemp-derived CBD market opportunity

- Hemp-derived CBD as an alternative to marijuana products gaining in popularity, in line with health, wellness, and anti-pharma trends.
- Retail sales of these products expected to surge to **\$7.5 billion by 2023**, up from about \$1 billion this year. (source *Hemp Industry Daily*).
- Regulatory environment for hemp-derived CBD still being structured at state and federal level, w/ expected framework in 2020.
- We intend to market our hemp product, all of the plant including CBD, in 2020 after completion of research trial.



Source: Hemp Industry Daily
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Cadiz's Hemp Program

- **2019 Pilot Program:**
 - Summer: Industrial hemp research conducted on 5 acres. Various genetics (via seeds) are being planted.
 - Fall: Acreage will be expanded up to 55 add'l acres (8 more varieties).
- **2020 Commercial Hemp Program:**
 - Desert climate expected to allow 3 cuttings per year.
 - Acreage expanded to total 1,280 acres (2 sections of land)
 - Revenues derived from hemp-based cultivation and processing to meet our cash-flow objectives in 2020.
- **2021 – 2023:** JV option to continue expansion 2023, with full buildout of 9,600 acres by 2023.

Financials

(As of 6/30/19)

Shares Outstanding	27 M
Working Capital	\$17 M
Debt – Sr. Secured *	\$70 M
Debt – Convertible **	\$70.5 M
Lease buy-back Provision ***	\$15.5 M
Enterprise Value	\$450 M

* Senior Secured Mortgage - 8% Interest (6% PIK and 2% cash quarterly), Maturity in May 2021 or “Springing Maturity Date” 91 days prior to March 2020.

** Convertible Notes - Convert at \$6.75/share, 7% Interest PIK, Maturity March 2020.

*** Lease buy-back amount increases at 10% per Annum.