

*Clean, reliable,  
affordable water  
for people.*

Investor Presentation  
August 2024



# Forward Looking Statements

Investor  
Presentation | 2024

This information 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 Information 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.

Cadiz, Inc.  
August 2024

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 can be held in Lake Mead - the U.S.'s largest reservoir.

**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

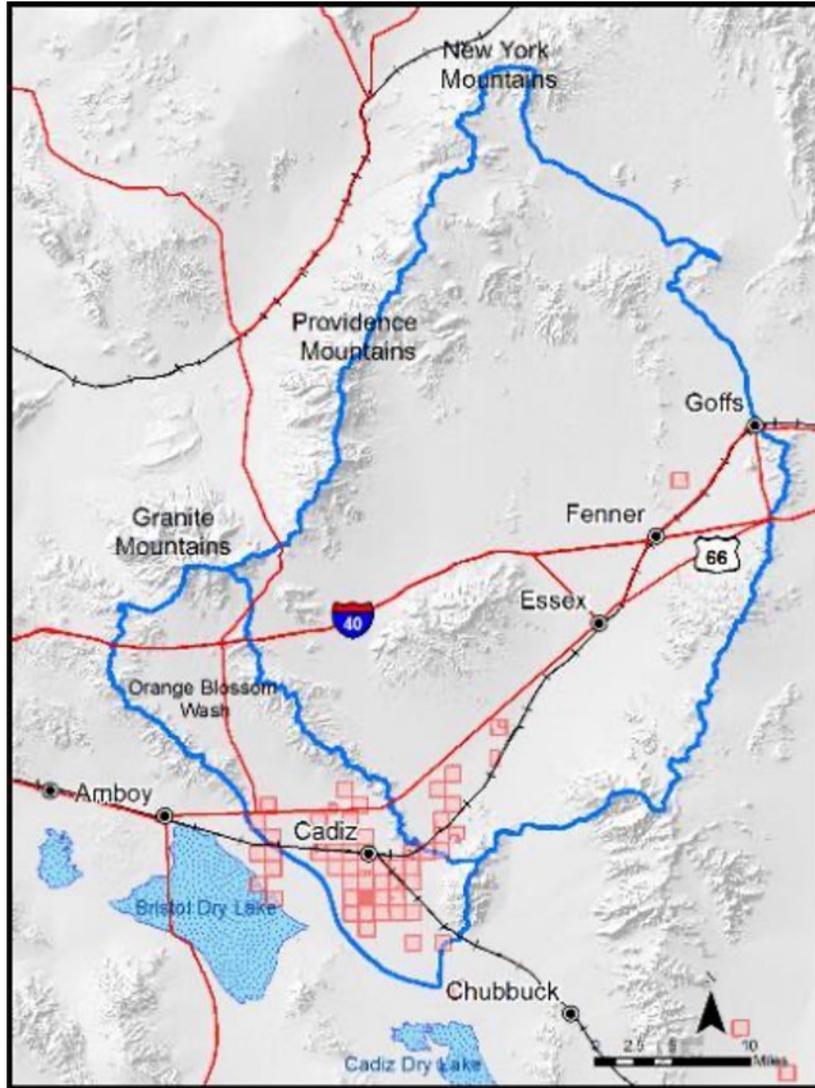
Droughts, extreme rainfall events, melting snow and ice... threaten long-term water security for billions of people.



# Current California Water Network



# Lake Mead Compared with Cadiz Aquifer



## *Lake Mead*

250 square miles  
160,000 acres



**28 million acre-feet storage capacity**

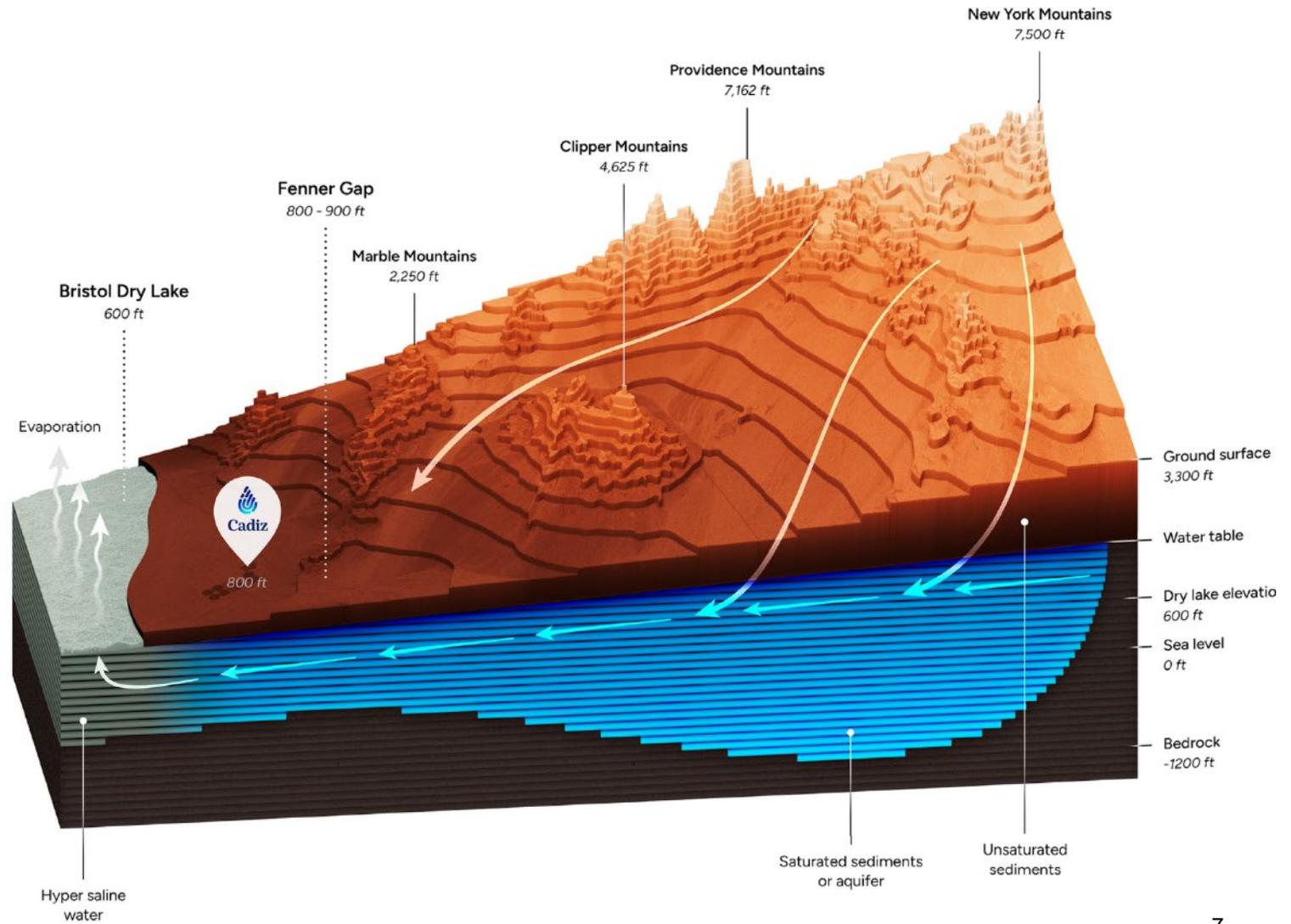
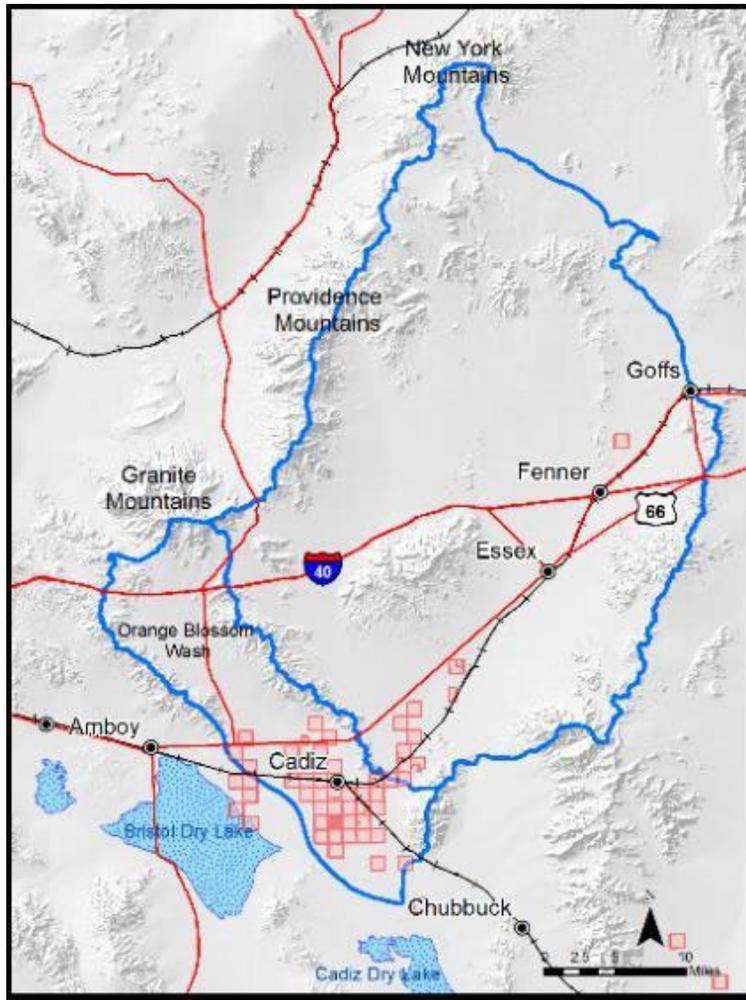
## *Cadiz*

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**



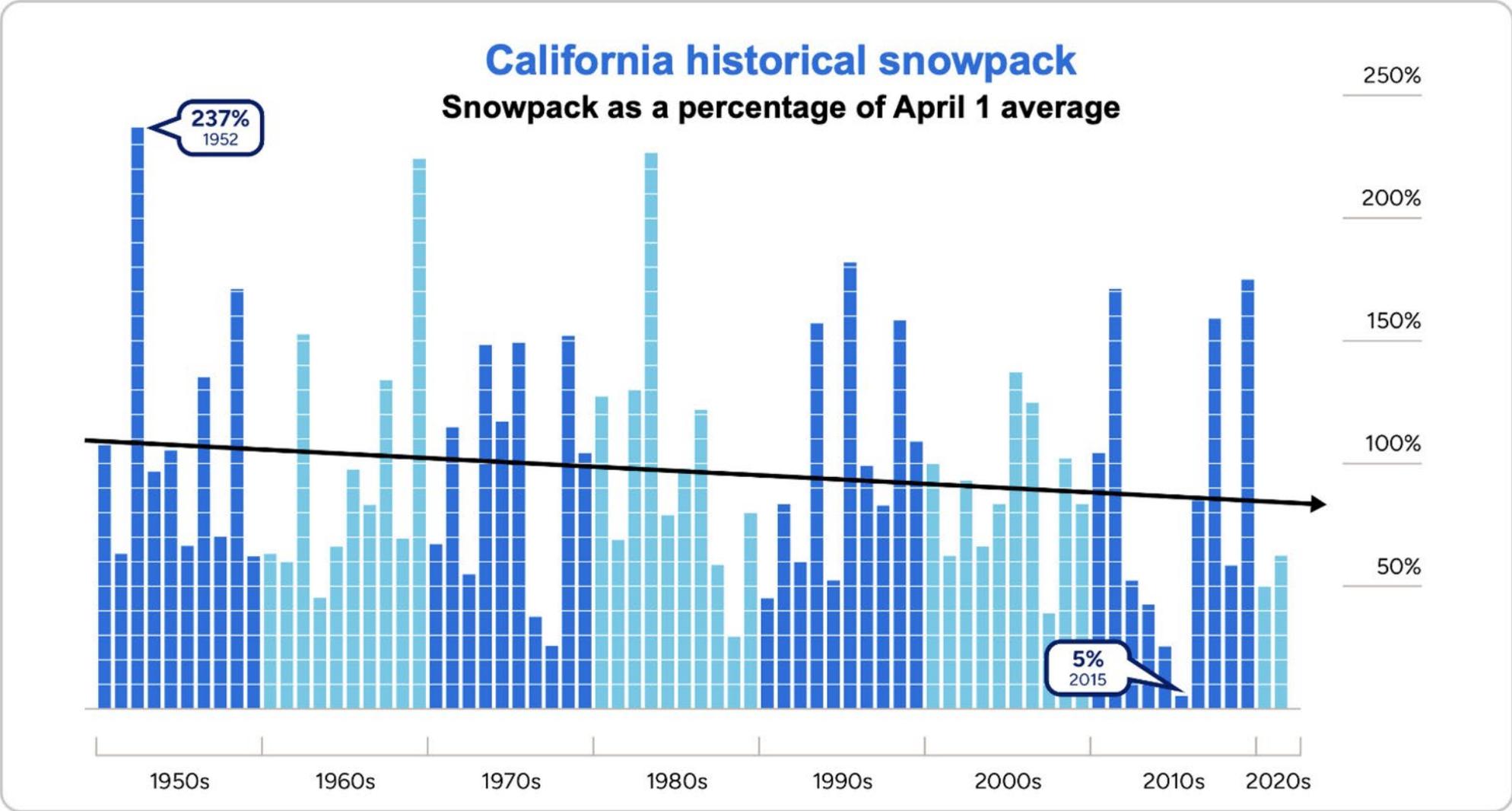
**The Water Planet**



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

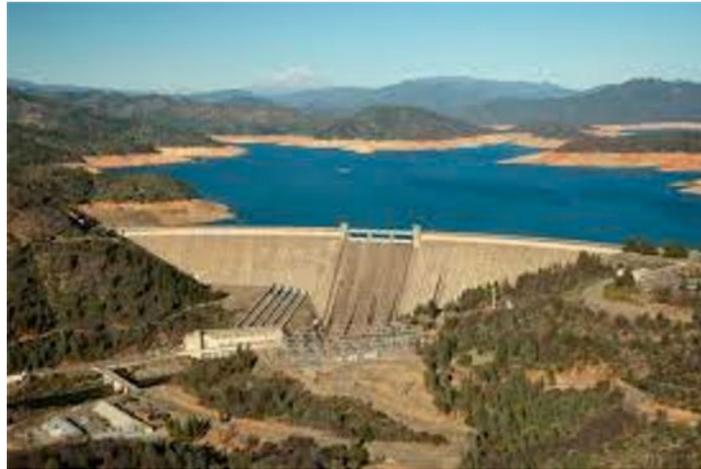
May 2024

**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.



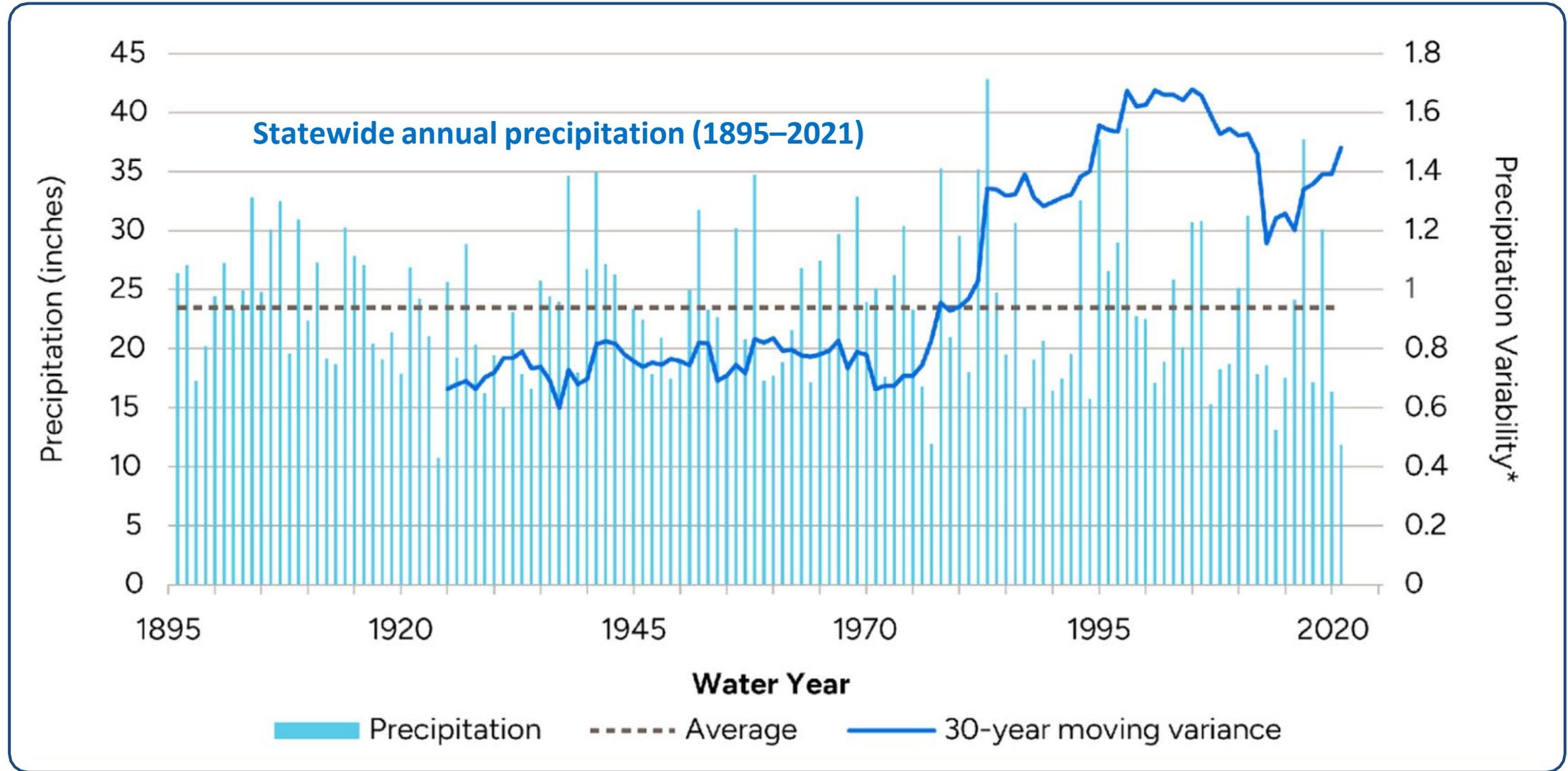
**2023**

*Los Angeles Times*

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



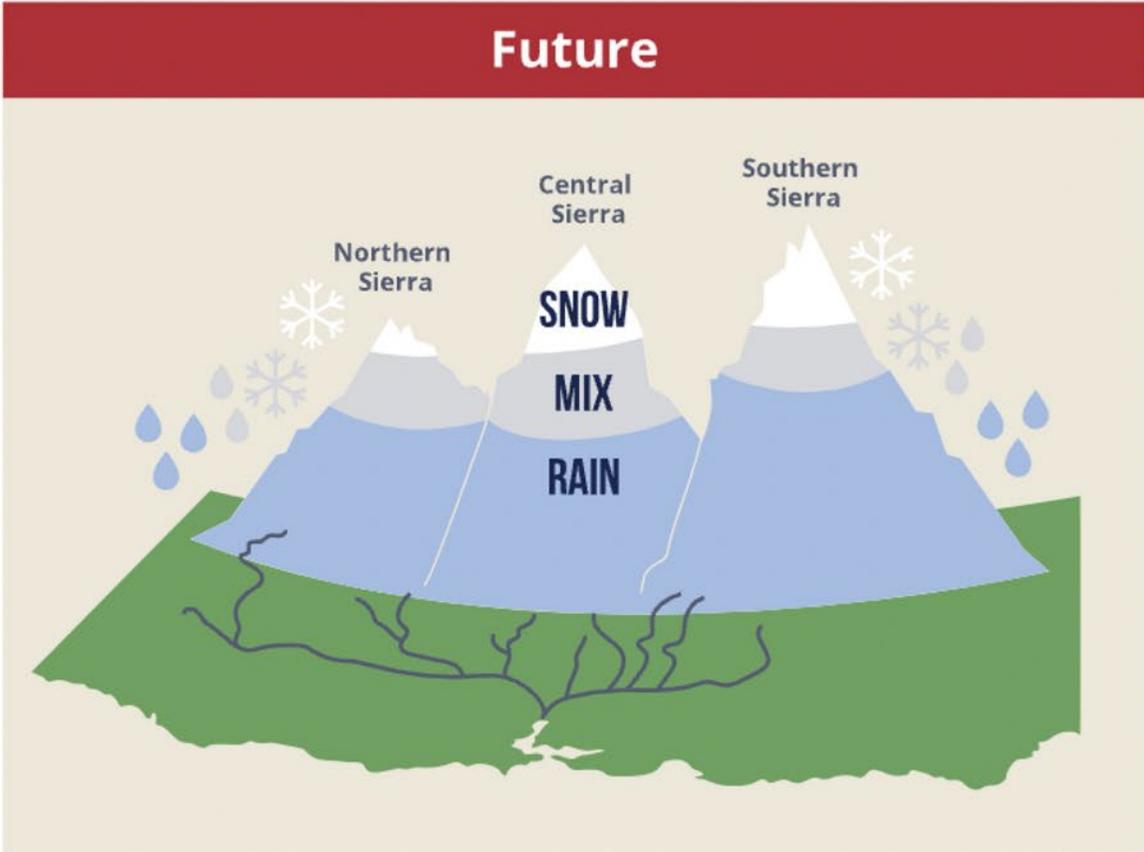
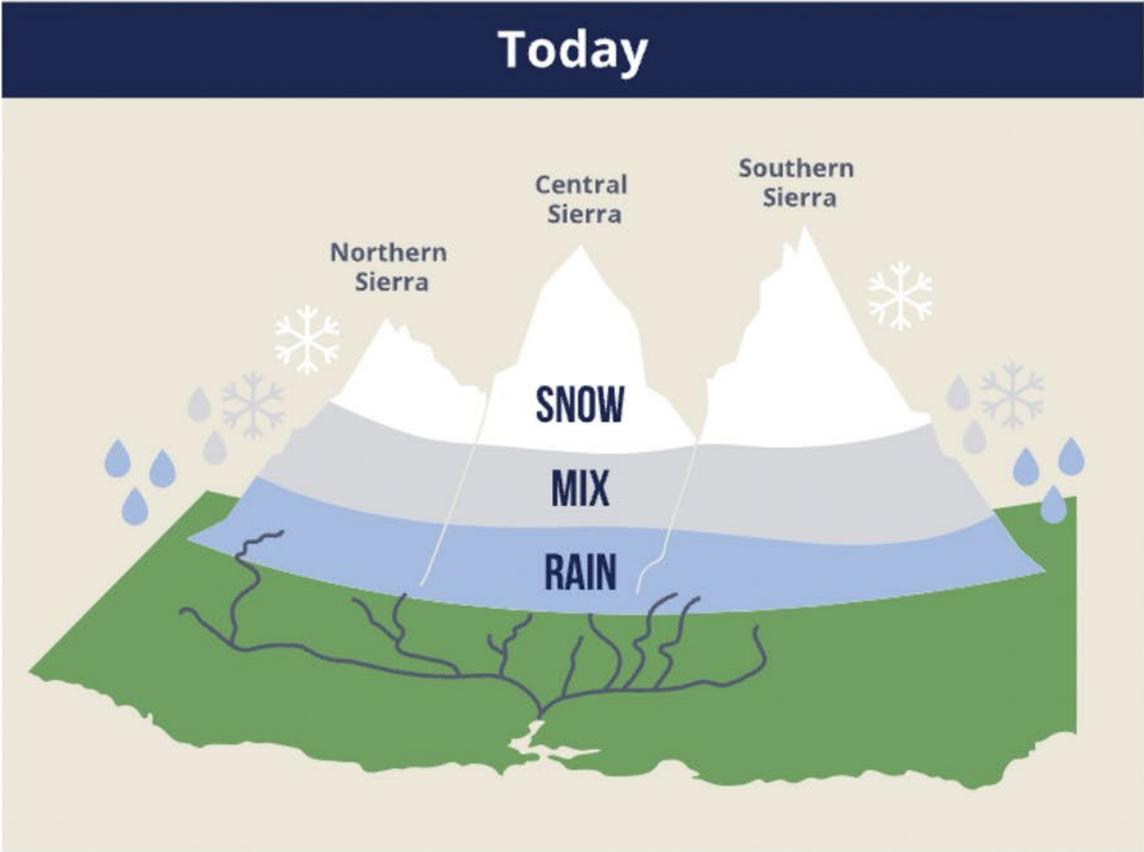
# California's climate "whiplash" pattern began with the 1976-77 drought



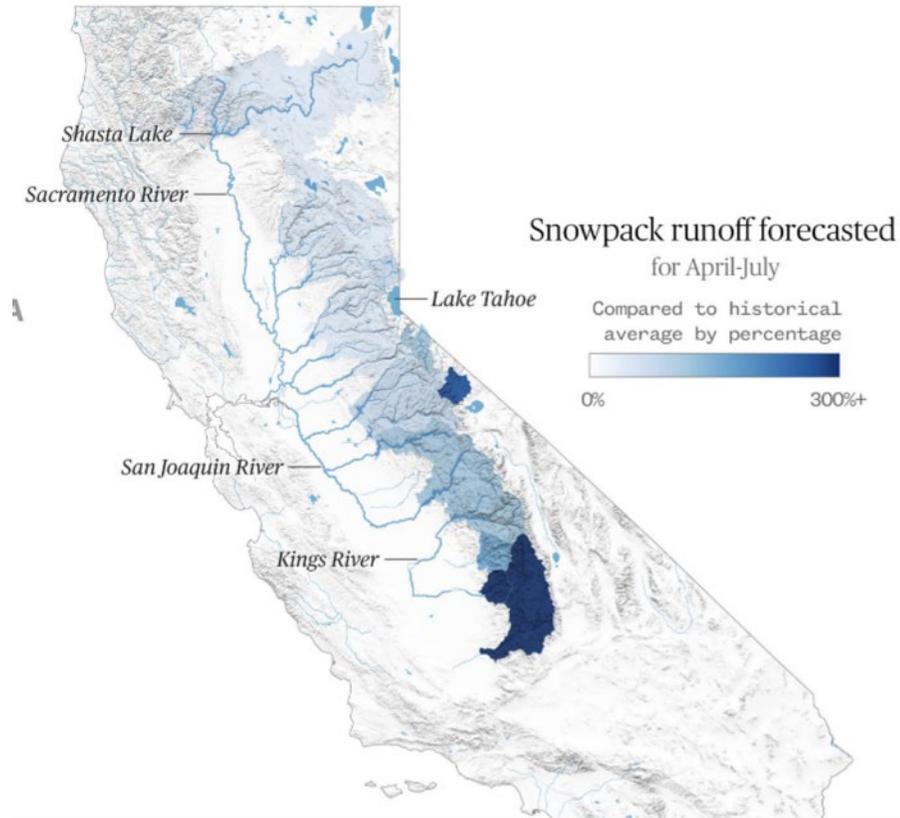
Source: WRCC, 2022 <https://oehha.ca.gov/media/02precip.pdf>

May 2024

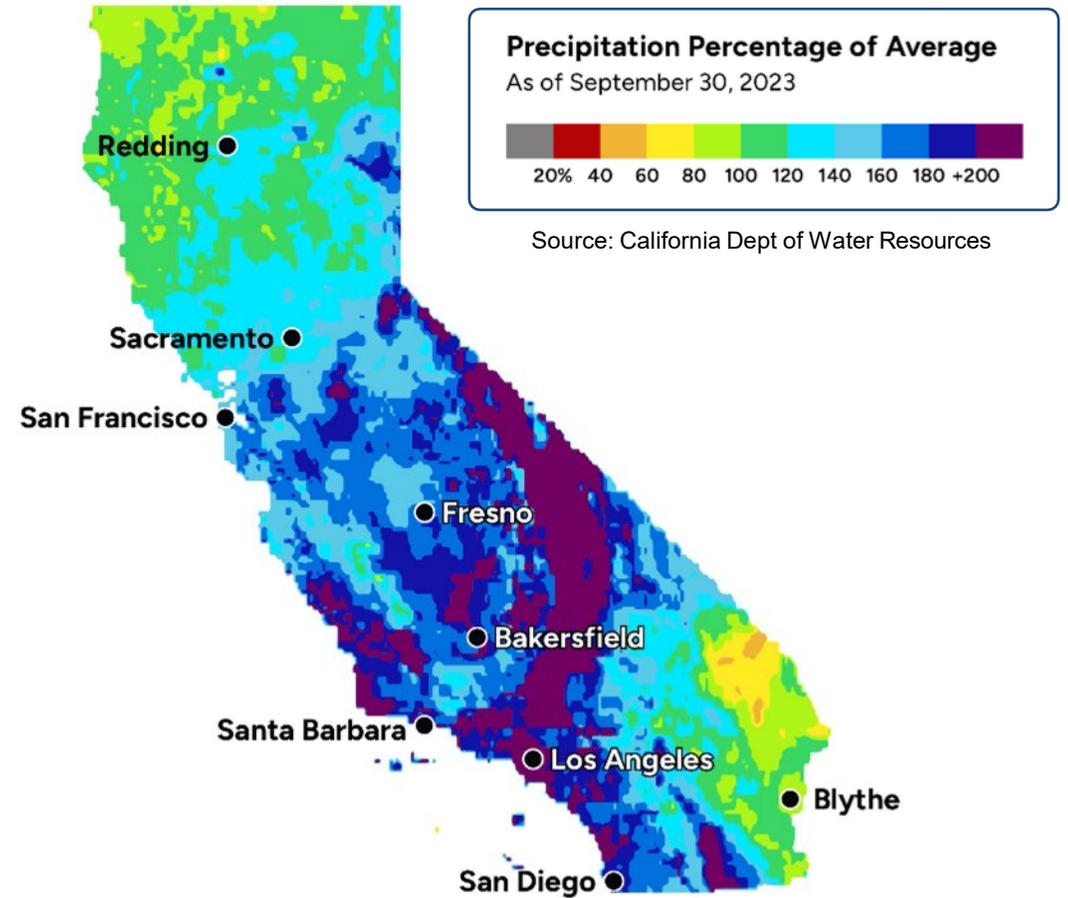
# The future is rain.



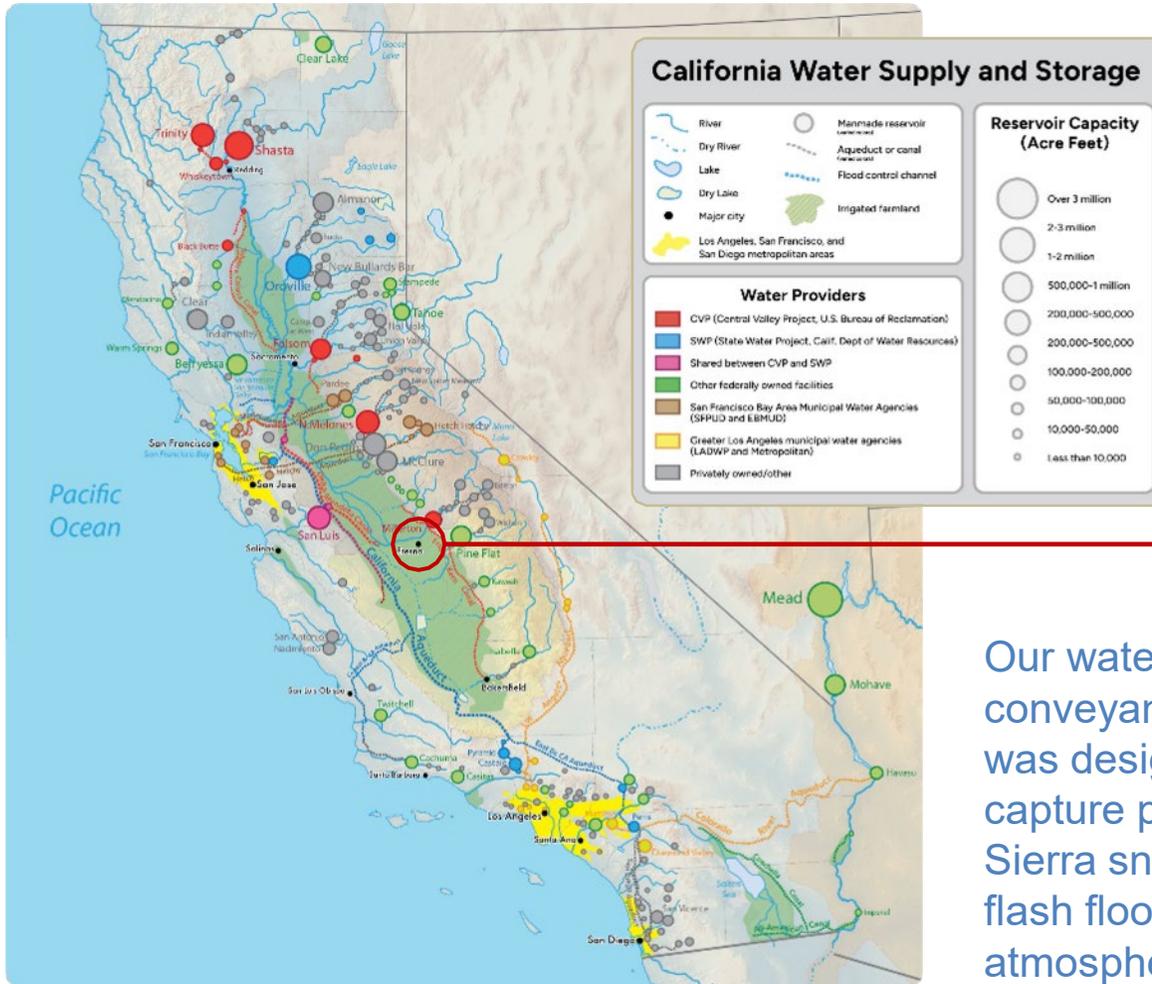
# Snowmelt and precipitation are moving South



Source: Data from USGS CA Dept Water Resources

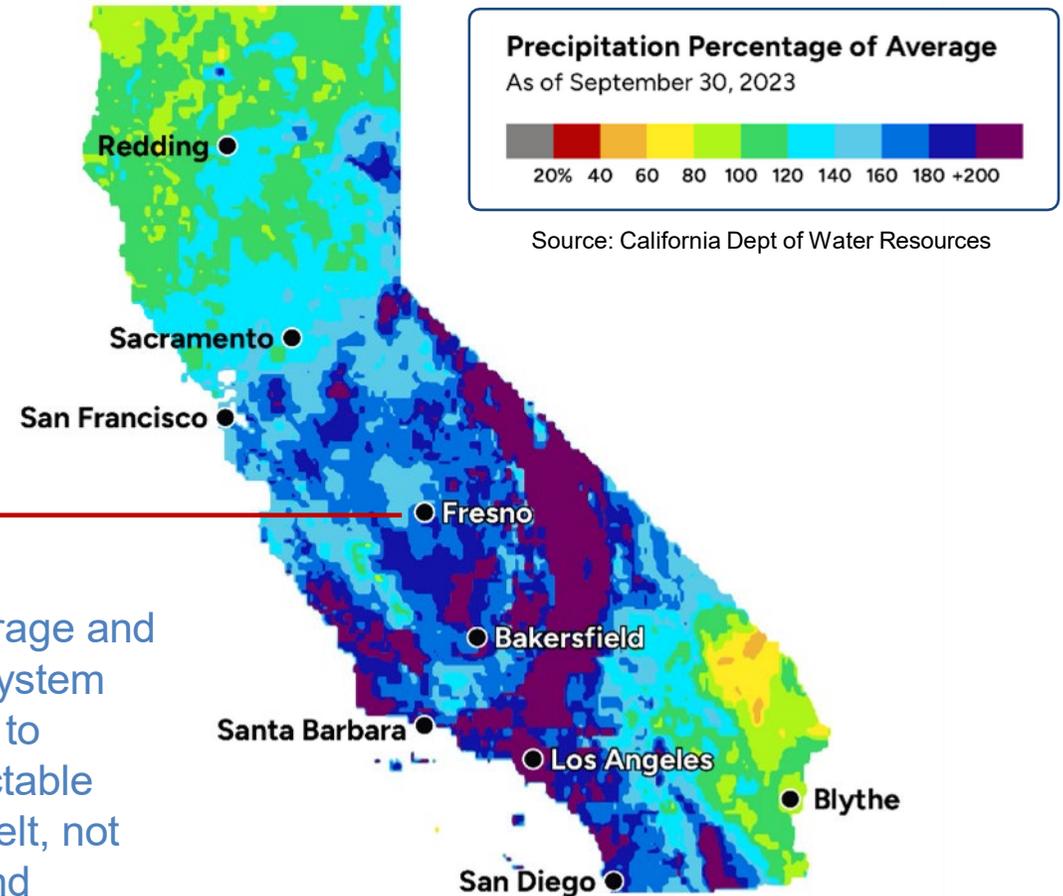


# Most of our water storage systems are in the North



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

+

## Water Transport

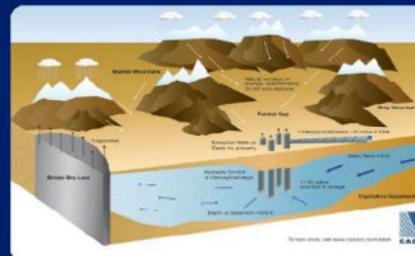
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## Water Treatment

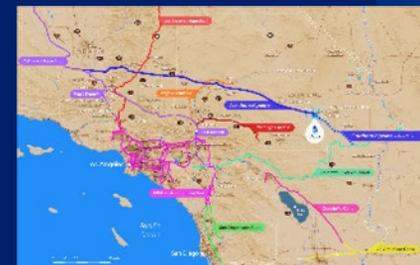
- 45,000 acres of land with water rights in the Mojave Desert.
- The only new water supply in the Colorado River Basin created by reducing evaporation.
- Permits to withdraw and export 2.5 million AF of groundwater over 50 years



- 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.

### Water Filtration Technology Segment

- ATEC Water Filtration forecast gross \$15M revenues in 2024, with double-digit CAGR projected for subsequent 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)	6/30/2024
Cash and cash equivalents	\$10.6
Senior secured (non-convertible) term loan <sup>(1)</sup>	\$21.2
Senior secured (convertible) term loan (2)	\$20.0
Senior unsecured convertible loan <sup>(3)</sup>	\$16.3
Series A perpetual preferred stock (CDZIP)	\$57.5
<b>Common Stock shares outstanding as of August 10, 2024</b>	<b>67.8M</b>

(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

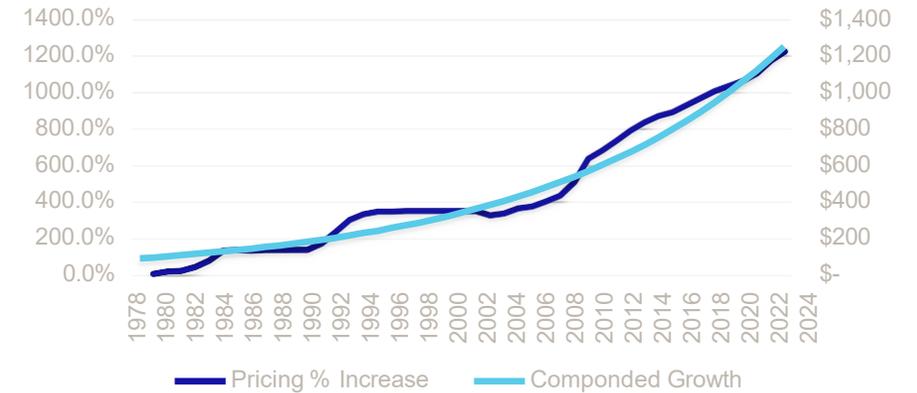
The value of Cadiz water supply is comparable to Metropolitan Water District's untreated imported water supply rate.

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:				
<b>Tier 1 Supply Rate</b> - recovers the cost of developing and maintaining a reliable water supply				
<b>Tier 2 Supply Rate</b> - 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.

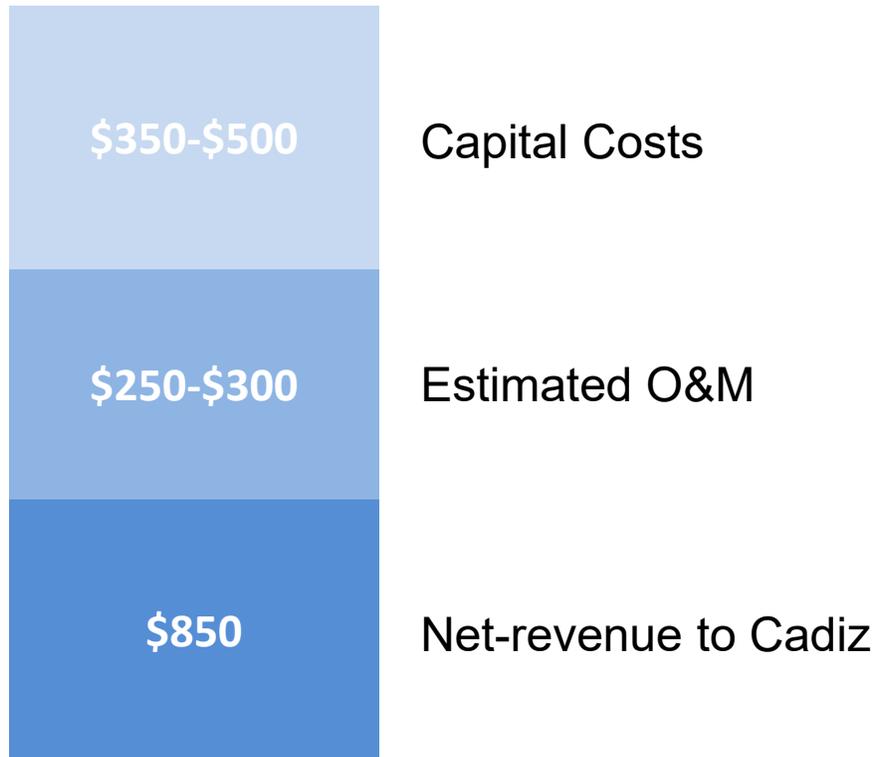
## So Cal Wholesale Water Price Escalation



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, 3<sup>rd</sup> 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

[www.cadizinc.com](http://www.cadizinc.com)

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