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Dear Fellow Shareholders,

In the last six months our team has been at work behind the scenes, navigating the ups, downs and opportunities of the new landscape. Here's a look back on Q1 with an update on key catalysts.

Our overarching goal is to get pipelines built so the Company can begin generating revenues from our water supply and storage assets. We've set an aggressive schedule to complete construction on the Northern Pipeline at the end of 2026 and the Southern Pipeline (for storage) at the end of 2027. Actions taken year-to-date were aimed at keeping us on target for this aggressive timeline.

Our primary objectives in Q1 were to establish the NewCos for project development and secure the lead project investor so we can raise project capital, move development costs off Cadiz' balance sheet, and fund construction. Despite the post-election chaos and some strategic detours, we made substantial progress on all fronts and remain on track to meet our construction timeline.

Highlights from Q1:

Transition – Q1 was dominated by transition in Washington, wildfires in Los Angeles and tariffs on steel. Looking back, the strategic decisions we made in Q4 following the election positioned the Company to navigate a rocky transition in Q1 and created some tailwinds for 2025:

Tariffs – In December, we closed a deal to purchase 180 miles of steel pipe from the abandoned Keystone XL project. In February, President Trump announced plans to hike tariffs on imported steel by 25%. With the Keystone steel already manufactured and in the U.S., this steel is not subject to import tariffs. The Company's ability to lock in steel at very favorable pricing shielded from tariffs eliminated what would have been a significant risk to project costs and which would have, in turn, impacted our ability to close project financing.

Permits – Following the election, we delayed submission of permit applications to federal agencies until the new Administration was in place to not lose any momentum in the void of a government transition. In January, following the wildfires in Los Angeles, President Trump issued an emergency proclamation directing federal agencies to streamline permits for projects that provide water supplies to California. We anticipate that our ROW application with BLM to convert the 220-mile EPNG pipeline to water conveyance will be among first permits to be reviewed under President Trump's emergency proclamation. It is important to note that we had already completed the necessary work with the Biden Administration to process the permit for conversion of the Northern Pipeline (NPL), but we anticipate that all regulatory permits will be processed more efficiently under the Trump Administration and this, combined with the President's emergency order, provides a tailwind for us to maintain an accelerated development schedule.

Investment Tax Credit (ITC) – The election results called into question whether any tax credits for clean energy would be supported by the incoming Congress. Aside from steel, the cost of energy generation was the biggest unknown in terms of project costs. In December, the Company closed a deal to purchase linear generation technology that qualifies for the ITC that expired at the end of 2024. Qualifying for the 2024 ITC provides as much as 50% in tax credits toward approximately $120 million in expected costs for generation equipment. Locking in power costs and tax credits, especially in such an unexpectedly volatile market environment, ended up being hugely important for securing project investors.

Project Finance – Following the election, we made the strategic decision to pivot away from project investors whose funding was tied to the Inflation Reduction Act or other federal climate programs that were expected to be frozen by the Trump Administration. In Q1 we confirmed a lead investor for the project finance company and are in the process of drafting the LLC agreement and related documents for syndication with other project investors. The LLC is a Public - Private Partnership with a complex investment structure due to the number of project investors and diversity of the capital sources involved, which includes private equity, publicly-traded companies, tribal-owned businesses, investor-owned utilities, Opportunity Zone Funds, municipal financing, tax equity and government grant funding. While this is a complex process and the diligence is lengthy, the number and types of investors interested in participating makes this a good problem to have.

To keep us on track, in Q1 the Company closed a $20 million[1] equity raise to cover capital costs and development expenses in 2025 while we finish drafting the LLC agreement and raise project capital. We did this to ensure we can cover mission critical development expenses and stay on schedule despite the timing of closing project financing. Thankfully, we closed that capital raise before the full impact of the tariff war roiled capital markets. The Company expects to be reimbursed for approximately $15 to $20 million in capital costs and development expenses at the close of project financing with initial capital drawdown for construction on the NPL scheduled to occur in late Q3 / beginning of Q4, as reflected in the development schedule:

[1] Net proceeds of $18.3 million.

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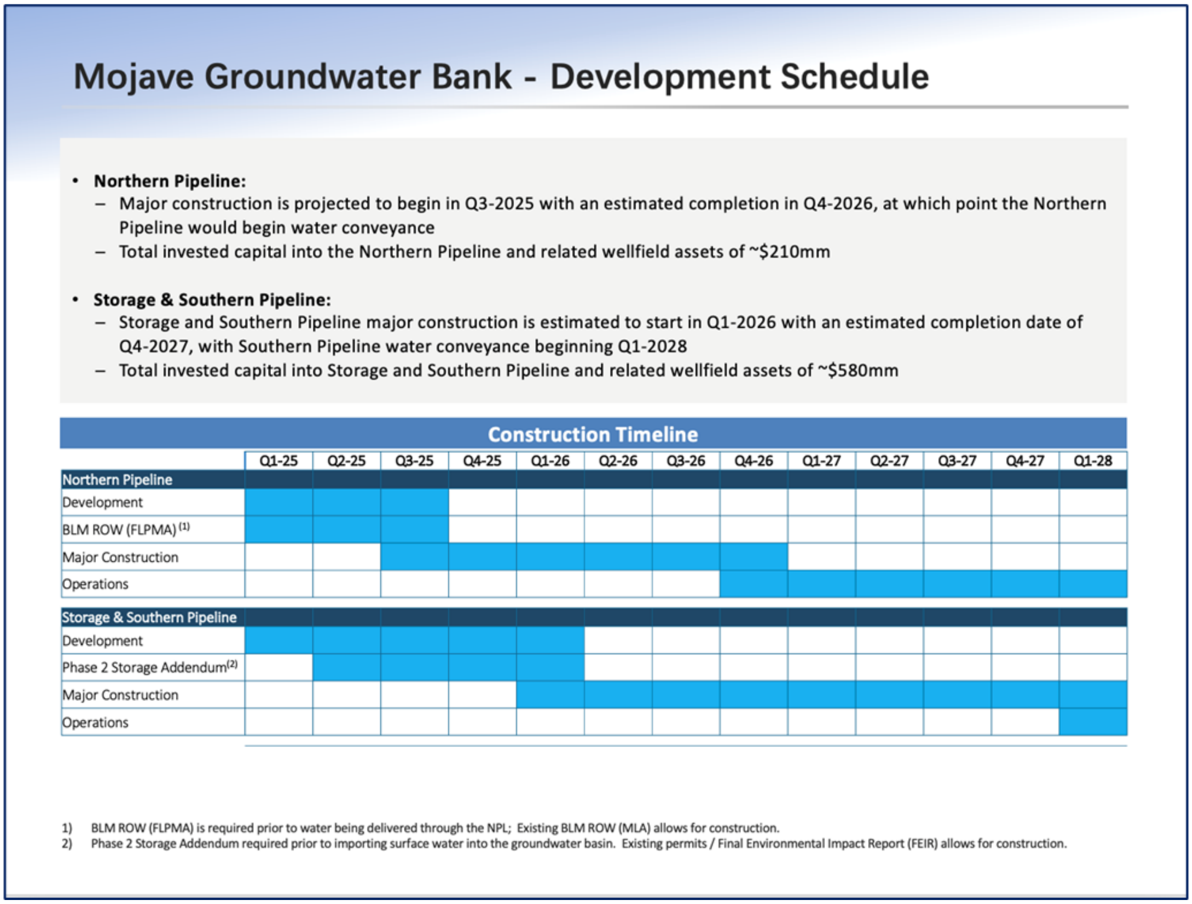

As previously disclosed, in addition to reimbursement of development expenses, the Company also expects to receive payments for the transfer of assets to the LLC in accordance with the terms and conditions set out in the LLC agreement. Expected payments to the Company from the LLC include $25 million for NPL assets and $51 million in exchange for 51% of the cash flows from water storage and banking operations.

Additional Q1 Callouts:

Victor Valley Wastewater Reclamation Authority (VVWRA) whose municipal members include the Cities of Victorville and Hesperia and the County of San Bernardino, voted in favor of forming a Joint Powers Authority (JPA) with our public agency partners to support municipal financing for the project. Formation of this new JPA will allow us to access municipal debt to support construction financing (in addition to equity capital and grant funding through the LLC). We expect to complete formation of the JPA in the next few months with the goal of being able to issue revenue bonds for construction in early 2026.

OTHER SEGMENTS:

ATEC

In Q1 ATEC substantially completed delivery on the 60MGD Central Utah treatment project and concluded shipment in April. ATEC also opened a second 20,000 sq ft new building for storage, assembly, training and lab services – doubling its production capacity.

Interest in ATEC's water filtration technologies for groundwater treatment continues to grow at a robust rate as our presence in the market grows. For context, the groundwater remediation market in the US overall is projected to grow at a CAGR of 8.4% to $163.4 billion by 2027 [2]; ATEC's annual revenue potential is tied to a deal stage cycle that runs from "Planning" (e.g. RFIs and anticipated procurement for treatment solutions by water utilities) to "Design", "Bidding" and "Purchase Order." The number of opportunities in the Planning stage grew by 38% in Q1; The value of potential deals in the Design stage grew 32%; The value of potential deals we bid on grew by 27%; and our overall "win" rate (the number of bids resulting in Purchase Orders) still stands at better than 90%.

For context, remember that we acquired ATEC Systems in 2022 for $2 million. The $9.2 million Utah deal awarded in 2023 was "pig in a python" for the ATEC pipeline but we've steadily expanded our market presence with new reps covering larger communities (Texas, Midwest) and new treatment solutions (arsenic, nitrates, Chromium VI and PFAS).

ATEC had a surge in inquiries in Q1 after previewing a new water filtration solution for PFAS (forever chemicals) with California water agencies last December. FluoroSorb, an engineered clay, has now been approved for use in PFAS removal in California. We began pilot-testing ATEC's PFAS filter using FluoroSorb in the field in Q1 and are very excited about rolling out the results in 2025. Bottom line: We remain very bullish on the future of ATEC, its importance in the water treatment marketplace and the value it can bring to shareholders of Cadiz as it grows.

Cadiz Ranch

Q1 has been busy at Cadiz Ranch. In addition to preparing for the 2025 growing season, we've been building out the wellfield infrastructure to support construction of the water supply and storage project. We are also assisting RIC Energy with the permit process for development of the hydrogen production facility (announced in Q4 2024) and fielding inquiries from other developers to locate at least one additional hydrogen facility at Cadiz Ranch. In addition, we've received multiple inquiries to locate a data center at Cadiz Ranch as well.

The synergies of co-locating hydrogen, solar and potentially a data center at Cadiz are becoming clear. After we announced the agreement with RIC to build a green hydrogen production at Cadiz, we attracted the attention of other developers looking for space to build data

[2] https://www.marketsandmarkets.com/Market-Reports/environmental-remediation-market-93290334.html

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centers. As previously discussed, we intend to develop our land assets to generate the highest value to shareholders and are very encouraged by these recent developments.

Key Takeaways

We understand the importance of continuing to update our shareholders as we work through a complex project financing. We will continue to release as much information as we can, as soon as we can, about our progress on project financing as we finalize agreements with our public and private partners for project finance and reach key milestones. The main message here is that, despite some external chaos, project development is on track; We made strategic decisions that insulated us from variables outside of our control and we picked up some strong tailwinds in Q1.

I look forward to delivering future updates.

Sincerely,

Susan Kennedy
Chairman & Chief Executive Officer