Cadiz Inc. Q3 2025 Investor Update

LOS ANGELES, Nov. 13, 2025 /PRNewswire/ -- Cadiz Inc. (NASDAQ: CDZI / CDZIP) (the "Company," or "Cadiz") today issued the following statement from Chairman and Chief Executive Officer Susan Kennedy following the filing of the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2025 to provide highlights, updates on key milestones and priorities for Q4 2025 and FY 2026.

2025 has been a watershed year for Cadiz. We achieved several critical milestones in the third quarter that position us to end the year on track and make 2026 the biggest year in the Company's history.

Highlights:

Mojave Groundwater Bank Project Development Milestones

- **Secured the first tranche of construction financing through a strategic partnership with the Lytton Rancheria of** California**, a federally recognized Native American tribe.** Lytton's **$**51 million investment represents the initial phase of project funding for the Mojave Groundwater Bank and will convert into an ownership interest in Mojave Water Infrastructure Company (MWI) - the newly-formed LLC established by Cadiz to finance, construct and own the Company's pipeline and storage assets. Lytton's investment (in the form of an unsecured convertible loan as the first step in a two-step process) will convert into equity interest in MWI alongside other investors with the execution of project financing agreements expected to be completed in Q4. *(Details of Lytton's investment are provided in our Current Report on Form 8-K filed on October 28, 2025 and our Form 10Q for Q3 2025 filed today.)*
- **Executed a Memorandum of Understanding (MOU) for the purchase and sale of 25,000 AFY of water supply via the Southern Pipeline with** Arizona's **largest private water utility, EPCOR**. Under a definitive agreement expected to be finalized by early 2026, EPCOR would also contribute capital toward construction of the Southern Pipeline system, a portion of which will be dedicated to delivery of water into the Colorado River Aqueduct for the benefit of their Arizona off-takers.
- **Executed a MOU with the U.S. Bureau of Reclamation / Department of Interior to support development of the Mojave Groundwater Bank and identify opportunities for water augmentation to the Colorado River**. Negotiations have stalled among Colorado River Basin states on new water sharing rules, and the pressure is increasing to find solutions to address long-term supply shortages on the Colorado River. We believe we are extremely well positioned to provide valuable water supply, storage, treatment and conveyance solutions across the Southwest.
- **Received approval of an Addendum to our permit for operation of the Northern pipeline**. The Addendum, which included extensive environmental analysis on conversion of the NPL for water conveyance was approved by the Fenner Valley Water Authority (FVWA) in September 2025 without objection. The Addendum will be added to the record before the Bureau of Land Management in the federal right of way process for the Northern Pipeline which is anticipated to wrap up in the next 8 weeks.
- **Entered final stages of diligence with private infrastructure investors for up to** $400 million **in equity capital in MWI to fund construction of the Mojave Groundwater Bank.** Completion of diligence and satisfaction of conditions for initial closing are expected in Q4. Although the delay in completion of certain closing conditions (and the "domino effect" of the government shut down) pushed us back a few weeks, we anticipated these potential delays and that is one reason we structured the two-step process with Tribal investors coming in first. This initial funding from Lytton will allow us to stay on track for construction in 2026.

ATEC Water Systems Performance

The ATEC Water Systems subsidiary continues to demonstrate strong growth. Year-to-date, ATEC has shipped 308 filtration systems-more than double the volume achieved in 2024 - including delivery of our largest project ever completed for the Central Utah Water Conservancy District.

- Revenue hit $4.0 million in Q3 2025 as compared to $2.8 million in Q3 2024, a 42% increase year-over-year.
- Year-to-date revenue for ATEC reached $10.1 million for the first nine months of 2025 as compared to $3.5 million in the first nine months of 2024.
- Gross margin in Q3 2025 was approximately 50%, up from 32% in the prior year, reflecting production efficiencies and scale.
- Q3 2025 was the second consecutive quarter of operating profit for ATEC, confirming strong market adoption and operational efficiencies.

Hydrogen Development at Cadiz Ranch Moving Forward

Hydrogen development at Cadiz Ranch continues with the strong support of local leaders. The final version of the One Big Beautiful Bill Act ("BBB") that passed in July had some last-minute changes that positively impacted the clean hydrogen production credit (45V). RIC Development LLC is now in the development phase for up to 3,000 acres of solar to support green hydrogen production and is expecting to submit local, state and federal environmental permitting documents in early 2026.

Financial Summary

Total company revenue reached $11.2 million for the nine months ending September 30, 2025, up 131% year-over-year, as a result of the contributions from ATEC.

- Total revenue: $4.1 million in Q3 2025 as compared to $3.2 million in Q3 2024.
- Operating loss: $4.9 million in Q3 2025 as compared to $4.8 million in Q3 2024.
- Net loss: $7.1 million in Q3 2025 as compared to $6.8 million in Q3 2024.
- Cash used in operations: $12 million in the first nine months of 2025, down from $15.3 million in the first nine months of 2024 primarily due to ATEC performance.
- Balance Sheet information as of September 30, 2025:
  - Current assets: $11.8 million.
  - Stockholders' equity: $27.7 million.
  - Total Long-Term Debt, net: $60.3 million of which $40.4 million is convertible into common shares, maturity date of June 30, 2027.
  - Common shares outstanding: 82,025,586

Outlook

Cadiz enters the final quarter of 2025 well-positioned to unlock long-term recurring cash flows and deliver sustainable shareholder value as we finally enter the construction phase on our major water supply and storage projects.

About Cadiz, Inc.

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

Forward-Looking Statements

This press release 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 can be identified by the use of words such as "would," "will," "intends," "anticipates," "believes," "estimates," "projects," "forecasts," "expects," "plans," and "proposes." These forward-looking statements include, but are not limited to, expectations regarding project financing activities and

the use and conversion of proceeds from the Lytton investment; anticipated terms, timing and structure of additional capital raises for the Mojave Groundwater Bank and related infrastructure; expected development and regulatory progress for the Company's water storage, conveyance and supply projects, including anticipated agreements and approvals involving prospective partners and governmental agencies, as well as expected progress related to its emerging initiatives, including hydrogen development. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it 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 risks and uncertainties and other factors described in the Company's SEC filings including its annual report on Form 10-K for the year ended December 31, 2024 and subsequent Exchange Act and Securities Act filings. The Company undertakes 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, except as required by law

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