



Management's Discussion and Analysis

For the three and nine month periods ended September 30, 2025

November 12, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the condensed interim consolidated financial and operating results of Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Corporation") is dated November 12, 2025, and should be read in conjunction with Tidewater Renewables' condensed interim consolidated financial statements as at and for the three and nine month periods ended September 30, 2025, and 2024 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, which represent generally accepted accounting principles ("GAAP"). This MD&A contains non-GAAP measures which are used to measure and analyze financial performance, financial position and cash flow and therefore may not be comparable to similar measures presented by other entities. This MD&A also contains forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Tidewater Renewables' disclosure under "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" included at the end of this MD&A. Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars.

Management is responsible for preparing the MD&A. The MD&A has been reviewed and recommended by the Audit Committee of Tidewater Renewables' board of directors (the "Board") and approved by the Board.

BUSINESS OVERVIEW

Tidewater Renewables is an energy transition company. The Corporation is focused on the production of low carbon fuels, primarily renewable diesel. The Corporation was created in response to the growing demand for renewable fuels in North America and to capitalize on its potential to efficiently turn a wide variety of renewable feedstocks (such as tallow, used cooking oil, distillers corn oil, soybean oil, canola oil and other biomasses) into low carbon fuels. Tidewater Renewables' objective is to become a leading Canadian renewable fuel producer. The Corporation is pursuing this objective through the ownership, development, and operation of clean fuels projects and related infrastructure, that utilize existing proven technologies.

Tidewater Renewables' assets are located in Alberta and British Columbia (collectively the "Renewable Assets"). The Corporation's flagship asset, the renewable diesel & renewable hydrogen complex ("HDRD Complex") is located adjacent to the Prince George Refinery (the "PGR"), owned by the Corporation's controlling shareholder, Tidewater Midstream and Infrastructure Ltd. ("Tidewater Midstream"). Tidewater Renewables' other asset, the Corporation's joint venture investment in Rimrock Cattle Company Ltd. (the "Equity Investment"), is located in southern Alberta.

Tidewater Renewables' common shares are publicly traded on the Toronto Stock Exchange under the symbol "LCFS".

Additional information relating to Tidewater Renewables is available on SEDAR+ at www.sedarplus.ca and at www.tidewater-renewables.com.

HIGHLIGHTS

- During the third quarter of 2025, the Corporation reported a net loss of \$1.0 million, representing a 100% improvement compared to the net loss of \$367.1 million recorded in the third quarter of 2024, and a 108% decrease compared to the net income of \$13.0 million reported in the second quarter of 2025.
- Tidewater Renewables generated Adjusted EBITDA⁽¹⁾ of \$16.5 million during the third quarter of 2025, a 21% increase over the third quarter of 2024, and a 54% increase over the second quarter of 2025. The increase as compared to both comparative periods was primarily attributable to higher contributions from the Equity Investment, which totaled \$7.9 million during the quarter.
- On September 5, 2025, the Government of Canada announced its intention to introduce a new \$370 million Biofuels Production Incentive, designed to support the stability and resiliency of domestic biodiesel and renewable diesel producers. The program is expected to provide per-litre production incentives from January 2026 to December 2027, for up to 300 million litres per facility. With expected renewable diesel production of between 150 million to 170 million litres per year, management believes the Corporation is well-positioned to benefit from the Biofuels Production Incentive, supporting improved cash flow and returns over the eligible period.
- On September 3, 2025, Tidewater Renewables and the Government of British Columbia executed an amended initiative agreement that will provide additional BC LCFS Credits to help the Corporation advance its sustainable aviation fuel (“SAF”) project towards a potential final investment decision.

SUBSEQUENT EVENTS

- The Corporation’s scheduled turnaround at the HDRD Complex commenced as planned in early September and was completed in mid-October. Originally expected to last approximately three weeks, the turnaround was extended due to higher than anticipated fouling in the hydrodeoxygenation reactor beds.
- Following the scheduled turnaround, the HDRD Complex experienced a short unplanned outage from October 15, 2025 to October 29, 2025 due to an identified equipment anomaly. The issue was temporarily repaired, and the affected component is currently being rebuilt with installation expected to occur during a seven-day outage before year end 2025. With the temporary repair in place, utilization has averaged approximately 2,330 bbl/d to date in November, with rates expected to return to full capacity in December 2025.

(1) Non-GAAP financial measure. See the “Non-GAAP and Other Financial Measures” section of this MD&A.

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars except per share information)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 62,004	\$ 91,625	\$ 193,284	\$ 350,102
Net (loss) income	\$ (974)	\$ (367,116)	\$ 17,307	\$ (354,461)
Net (loss) income per share – basic	\$ (0.03)	\$ (10.46)	\$ 0.48	\$ (10.15)
Net (loss) income per share – diluted	\$ (0.03)	\$ (10.46)	\$ 0.47	\$ (10.15)
Adjusted EBITDA ⁽¹⁾	\$ 16,469	\$ 13,630	\$ 29,627	\$ 68,470
Net cash provided by operating activities	\$ 13,648	\$ 3,134	\$ 34,177	\$ 76,086
Distributable cash flow ⁽¹⁾	\$ (1,797)	\$ 4,488	\$ (5,797)	\$ 37,595
Distributable cash flow per share – basic ⁽¹⁾	\$ (0.05)	\$ 0.13	\$ (0.16)	\$ 1.08
Distributable cash flow per share – diluted ⁽¹⁾	\$ (0.05)	\$ 0.13	\$ (0.16)	\$ 1.04
Total common shares outstanding (000s)	36,414	36,327	36,414	36,327
Total assets	\$ 398,451	\$ 420,228	\$ 398,451	\$ 420,228
Net debt ⁽¹⁾	\$ 191,888	\$ 183,318	\$ 191,888	\$ 183,318

(1) Refer to “Non-GAAP and Other Financial Measures”.

OUTLOOK AND CORPORATE UPDATE

Regulatory developments

On September 5, 2025, the Government of Canada announced its intention to introduce a \$370 million Biofuels Production Incentive program, aimed at strengthening the domestic production of biodiesel and renewable diesel. This proposed time-limited incentive is expected to provide per-litre financial support for qualifying Canadian producers from January 2026 through December 2027, with eligibility for up to 300 million litres per facility.

Tidewater Renewables welcomes this announcement as a positive development for the Canadian renewable fuels sector. The Corporation’s HDRD Complex is anticipated to produce between 150 million and 170 million litres annually during the 2026 to 2027 period, positioning Tidewater Renewables to be a beneficiary of the program once implemented. The anticipated support is expected to enhance the HDRD Complex’s economics, strengthen the Corporation’s liquidity position, and contribute to improved profitability during the incentive window.

In addition, the Government of Canada announced its intention to propose targeted amendments to the Clean Fuel Regulations (“CFR”) and to collaborate with provinces and territories to create a more complementary framework. Management believes these developments reflect the continued commitment of the Government of Canada to fostering a competitive and resilient low-carbon fuels industry in Canada.

The Corporation applauds this renewed focus on Canadian biofuels and agricultural stakeholders, including canola growers, which are key partners in our renewable diesel supply chain. Government support to strengthen the competitiveness of Canadian biofuel producers is acknowledged, particularly in light of what management views as unfair trade practices in other jurisdictions. Tidewater Renewables remains committed to leading the energy transition and delivering long-term value for shareholders while supporting Canada’s low-carbon future.

Continued commercial momentum

Tidewater Renewables has sustained its commercial momentum. Following the resumption of operations at the HDRD Complex on October 29, 2025, the Corporation significantly increased its contracted offtakes,

now comprising 100% of forecasted renewable diesel production for the remainder of 2025, compared to 70% of forecasted production for the second half of 2025 as disclosed in the second quarter. The Corporation anticipates this strong commercial momentum to continue into 2026, with over 80% of forecasted renewable diesel production for 2026 expected to be directed toward renewable diesel sales inclusive of associated emission credits, supporting further growth in contracted volumes and market presence. This meaningful progress reflects strong and growing demand for Canadian-produced renewable fuels. The majority of these contracts are structured with U.S. import parity pricing benchmarks, aligning pricing with prevailing market values and supporting enhanced margin realization. Remaining volumes are expected to be sold into the spot market, where current pricing remains favorable and presents further upside potential.

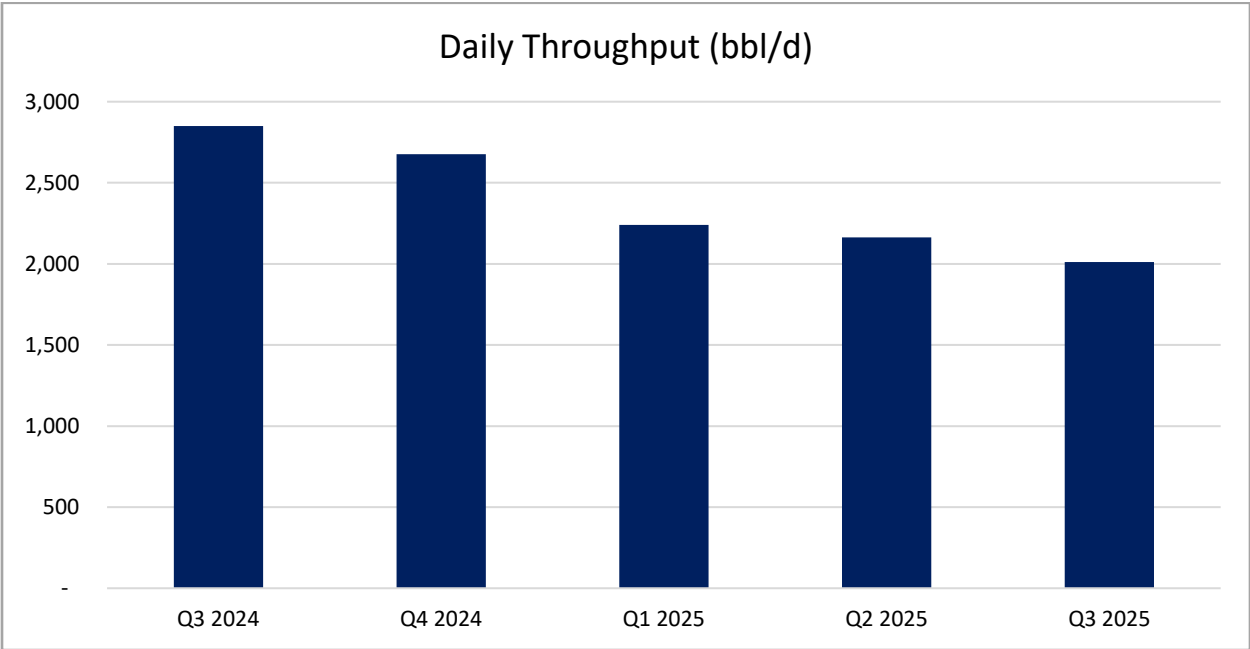
SAF development update

Tidewater Renewables continues to advance its proposed 6,500 bbl/d SAF project in British Columbia. Front-end engineering design (“FEED”) work was completed during the second quarter of 2025. In September, the Corporation executed an amendment to its existing initiative agreement with the Government of British Columbia, providing for additional BC LCFS Credits. These additional credits are intended to help fund ongoing optimization work as the Corporation works toward a potential final investment decision, currently targeted for 2026. The Corporation expects to receive emission credits in connection with completing the first of three milestones outlined in the amended initiative agreement, in the fourth quarter of 2025, with the remaining credits expected to be received in the first half of 2026.

While Tidewater Renewables remains optimistic about the project’s potential, the decision to proceed with the SAF project is contingent upon the execution of long-term offtake agreements, and provincial and federal government support to facilitate obtaining committed financing.

HDRD Complex

Tidewater Renewables’ HDRD Complex is Canada’s first standalone renewable diesel facility and is located adjacent to Tidewater Midstream’s PGR. The HDRD Complex is designed to process 3,000 bbl/d of renewable feedstock and utilizes renewable hydrogen to reduce the CI of the renewable fuel it produces.



During the third quarter of 2025, the HDRD Complex achieved an average utilization rate of 2,011 bbl/d, or 67% of design capacity. This compares to 2,849 bbl/d, or 95% of design capacity, during the same period in the prior year. During the nine months ended September 30, 2025, the HDRD Complex achieved an average utilization rate of 2,137 bbl/d, or 71% of design capacity, compared to 2,630 bbl/d, or 88% of design capacity, during the same period in 2024. Excluding the impact of the scheduled turnaround, the HDRD Complex achieved an average utilization rate of approximately 2,920 bbl/d, or 97% of design capacity, during the third quarter of 2025, reflecting strong operational performance in July and August and materially higher utilization compared to the first half of 2025.

The decrease in utilization during the three and nine month periods ended September 30, 2025 was primarily due to planned turnaround activities carried out in September 2025. The turnaround was originally expected to last approximately three weeks but was extended by an additional two weeks due to greater than anticipated fouling in the hydrodeoxygenation reactor beds. Despite the delay, the turnaround was completed safely, with operations resuming on October 14, 2025.

Shortly after operations resumed, an equipment anomaly was identified which required the HDRD Complex to take an unplanned outage. The issue was temporarily repaired, resulting in a delay of approximately two weeks, and operations resumed on October 29, 2025. A ramp-up period followed the restart, during which utilization improved steadily, supported by a disciplined ramp-up process and strong operational oversight. With the temporary repair in place, current utilization rates have stabilized at approximately 2,330 bbl/d. The affected component is being rebuilt and is expected to be installed during a seven-day outage before year end 2025.

In addition, utilization during the nine months ended September 30, 2025 was impacted by the previously disclosed minor fire incident that occurred on April 1, 2025, at the main renewable diesel process unit within the HDRD Complex. The incident was promptly contained, with the affected area safely isolated and stabilized. Operations resumed on April 14, 2025, and utilization improved in the weeks that followed as part of a safe and controlled restart.

Tidewater Renewables expects the HDRD Complex to achieve an average throughput of between 1,900 to 2,000 bbl/d for the full year 2025, lower than the previous guidance of between 2,200 to 2,400 bbl/day, as a result of the extended turnaround and the unplanned outage that followed in October 2025.

Across North America, fuel suppliers are subject to numerous mandates to decrease the CI of their fuels. These mandates include federal programs such as the Canadian CFR and the U.S. Renewable Fuel Standard Program, as well as provincial and state-level low carbon fuel standard programs, including those in British Columbia, California, Oregon, and Washington. To comply with these mandates, fuel suppliers must either lower the CI of their fuel, undertake approved capital projects to reduce emissions, or acquire emissions credits from other fuel suppliers.

Looking forward, the British Columbia Low Carbon Fuel Standard program mandates that marketers of fossil-derived fuels and their alternatives adhere to increasingly stringent CI reduction targets. Specifically, the diesel CI reduction target was set at 18.3% in 2025, with an increase to 20.6% in 2026, ultimately aiming for a 30% reduction by 2030 relative to the 2010 CI levels. The tightening CI reductions targets will require obligated parties to blend more renewable fuel into their existing fuel stream, or acquire additional BC LCFS Credits, both of which are expected to increase the market and demand for Tidewater Renewables' products. This evolving regulatory framework is expected to enhance market conditions and drive a higher demand for emissions credits. Notably, British Columbia remains the only province in Canada with an established LCFS program, positioning it as a leader in clean fuel policy.

The CFR, a federally mandated program, requires liquid fuel suppliers in Canada to reduce the CI of gasoline and diesel, with annual emission reduction targets increasing through 2030. The CFR is aligned with similar programs in jurisdictions such as British Columbia, California, and Oregon. The regulations aim to drive investment in clean fuels by establishing a credit market, where each CFR Emission Credit represents a one-tonne CO₂e lifecycle emission reduction. Renewable diesel qualifies as a low-CI fuel that can generate CFR Emission Credits, which the Corporation may monetize either through embedded pricing in fuel sales or via the open market. As federal emission reduction requirements rise and the obligated fuel pool expands, management expects growing demand for CFR Emission Credits through 2030.

The Corporation's renewable fuel has a CI low enough to generate environmental credits in various jurisdictions which are referred to as "*operating emissions credits*". These operating emissions credits may be sold "attached" to the fuel or separated and sold independently. Operating emissions credits are, in many but not all cases, fungible with "*capital emissions credits*", which the Corporation receives under agreements for achieving engineering or construction milestones on certain capital projects.

Capital Program

The main expenditure under Tidewater Renewables' 2025 growth capital program is the FEED work being conducted on its proposed 6,500 bbl/d SAF project in British Columbia. The SAF project is being developed under a joint development agreement with Tidewater Midstream, whereby both parties have the right to participate in up to 50% of the project upon a final investment decision, which is targeted for 2026.

The SAF FEED work is complete and was funded through the sale of capital emissions credits issued under an executed initiative agreement with the Government of British Columbia. The Corporation is now advancing optimization work on the project, which is partially funded through the amended initiative agreement. Tidewater Renewables is actively pursuing long-term offtake agreements for the SAF product expected to be produced. Tidewater Renewables continues to see significant interest in supporting future SAF developments, as well as other renewable fuel and renewable gas initiatives, from various provincial and federal governments.

Despite the extended turnaround, and unplanned outage at the HDRD Complex, Tidewater Renewables' remains on track to achieve its full year maintenance capital guidance of approximately \$8.0 million to \$10.0 million, primarily related to the planned turnaround activities at the HDRD Complex during the third quarter of 2025.

Tidewater Renewables schedules regular turnaround activities at the HDRD Complex to ensure operational efficiency, safety, and regulatory compliance. These turnarounds are planned on a recurring minor and major cycle. The minor turnarounds primarily involve hydrodeoxygenation catalyst replacement of two reactors, along with routine maintenance. Leveraging operational insights gained during the first two years of operations, including the insights gained from the most recent turnaround, Tidewater Renewables has optimized the turnaround schedule to extend the catalyst life to approximately two and half years, to align with the first major turnaround planned for spring of 2028. The major turnaround includes activities performed during a minor turnaround, in addition to a dewax catalyst replacement, internal vessel inspections, general cleaning and preventative maintenance, and targeted equipment upgrades focused on enhancing both safety and performance. Although these activities may temporarily reduce production capacity, they are strategically timed, often during periods of lower demand to minimize revenue impact.

RESULTS OF OPERATIONS

Financial Overview

(in thousands of Canadian dollars except per share information)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 62,004	\$ 91,625	\$ 193,284	\$ 350,102
Operating expenses	\$ 49,401	\$ 63,243	\$ 158,575	\$ 246,407
General and administrative	\$ 1,331	\$ 1,893	\$ 3,952	\$ 6,965
Share-based compensation	\$ 104	\$ 394	\$ 659	\$ 281
Depreciation	\$ 5,654	\$ 5,610	\$ 13,471	\$ 24,508
Finance costs and other	\$ 5,613	\$ 13,483	\$ 16,243	\$ 33,138
Realized loss on derivative contracts	\$ 2,778	\$ 13,876	\$ 13,301	\$ 31,899
Unrealized gain on derivative contracts	\$ (2,414)	\$ (13,268)	\$ (25,573)	\$ (13,585)
Loss (gain) on warrant liability revaluation	\$ 3,412	\$ (1,770)	\$ 6,168	\$ (2,715)
(Income) loss from equity investments	\$ (2,901)	\$ 664	\$ (11,013)	\$ (797)
Loss on sale of assets	\$ -	\$ 491,028	\$ -	\$ 491,028
Impairment expense	\$ -	\$ 801	\$ -	\$ 801
Transaction costs	\$ -	\$ 1,532	\$ 194	\$ 1,537
Deferred income tax recovery	\$ -	\$ (118,745)	\$ -	\$ (114,904)
Net (loss) income	\$ (974)	\$ (367,116)	\$ 17,307	\$ (354,461)
Net (loss) income per share – basic	\$ (0.03)	\$ (10.46)	\$ 0.48	\$ (10.15)
Net (loss) income per share –diluted	\$ (0.03)	\$ (10.46)	\$ 0.47	\$ (10.15)

Revenue

Revenue decreased to \$62.0 million in the third quarter of 2025, compared to \$91.6 million in the third quarter of 2024. Revenue for the nine months ended September 30, 2025 was \$193.3 million, compared to \$350.1 million for the same period in 2024. The decline in both periods was primarily driven by the sale of emission credits in the third quarter of 2024 under forward contracts that were priced during the first half of 2024, when emission credit prices were significantly higher. Emission credit prices declined sharply during the third quarter of 2024 and remained at depressed levels through to the first quarter of 2025. Revenue was also impacted by the divestiture of certain revenue-generating co-processing and natural gas storage assets completed under the Tidewater Midstream Transaction. The year to date period was further impacted by lower third-party sales of conventional blending fuels.

Operating Expenses

Operating expenses for the three and nine months ended September 30, 2025 were \$49.4 million and \$158.6 million, respectively, compared to \$63.2 million and \$246.4 million, respectively, in the corresponding periods in 2024. The decrease in both periods was primarily driven by the elimination of operating expenses associated with assets sold as part of the Tidewater Midstream Transaction. This reduction was partially offset by higher blending fuel costs in the current quarter. On a year to date basis, lower blending fuel costs and elevated expenses in the first quarter of 2024, reflecting the initial full quarter of HDRD production, related startup challenges and higher feedstock prices, also contributed to the year over year decrease.

General and Administrative

General and administrative (“G&A”) expenses for the third quarter of 2025 were \$1.3 million, compared to \$1.9 million in the third quarter of 2024. G&A expenses for the nine months ended September 30, 2025 were \$4.0 million, compared to \$7.0 million for the nine months ended September 30, 2024. The decrease

in both periods was primarily driven by lower employee costs resulting from workforce reductions, as well as the absence of one-time employee severance expenses incurred in the second quarter of 2024.

Share-Based Compensation

For the three and nine months ended September 30, 2025, the Corporation's share-based compensation expense was \$0.1 million and \$0.7 million, respectively, compared to \$0.4 million and \$0.3 million for the same periods in 2024. Share-based compensation expense for the current quarter remained consistent with the third quarter of 2024, while the year-to-date increase reflects the absence of non-recurring forfeitures and cancellations of share-based awards that occurred in the prior year in connection with workforce reductions. The current period expenses represent steady, ongoing equity-based compensation aligned with the Corporation's long-term incentive programs.

Depreciation

Depreciation expense for the three and nine months ended September 30, 2025 was \$5.7 million and \$13.5 million, respectively, compared to \$5.6 million and \$24.5 million for the same periods in 2024. The current quarter remained consistent with the third quarter of 2024. The year-to-date decrease is primarily due to a lower depreciable asset base following the Tidewater Midstream Transaction and other asset disposals completed during the third quarter of 2024.

Finance Costs and Other

Finance costs and other expenses for the third quarter of 2025 were \$5.6 million, compared to \$13.5 million for the same period in 2024. Finance costs and other for the nine months ended September 30, 2025 were \$16.2 million, compared to \$33.1 million for the same period of 2024. The decrease for both periods is primarily due to the reduced average net debt outstanding and lower interest rates.

Finance costs and other includes interest on the Corporation's credit facilities as well as other non-cash interest expenses. Non-cash interest expenses include unrealized foreign exchange losses, unrealized gains or losses on equity investments, and accretion expenses on the Corporation's decommissioning obligations, lease liabilities and long-term debt.

Realized Gains or Losses on Derivative Contracts

During the third quarter of 2025, the Corporation recognized a realized loss of \$2.8 million on derivative contracts, compared to a realized loss of \$13.9 million for the same period in 2024. Realized losses on derivative contracts for the nine months ended September 30, 2025 were \$13.3 million, compared to realized losses of \$31.9 million for the same period in 2024. The realized losses on derivative contracts relate to lower average commodity prices for soybean oils in 2025, when compared to the fixed derivative price. Generally, realized gains and losses on derivative contracts resulting from fluctuations in feedstock and energy prices are partially offset by an inverse gain or loss on physical product purchases and sales.

Unrealized Gains or Losses on Derivative Contracts

The Corporation recorded a non-cash unrealized gain of \$2.4 million for the three months ended September 30, 2025, compared to an unrealized gain of \$13.3 million for the same period in 2024. Unrealized gains on derivative contracts for the nine months ended September 30, 2025 were \$25.6 million, compared to an unrealized gain of \$13.6 million for the same period in 2024. The changes in unrealized gains and losses are primarily due to pricing changes in the Chicago Board of Trade soybean oil futures market.

Warrant Liability Revaluation

For the three and nine months ended September 30, 2025, the Corporation recognized non-cash revaluation losses of \$3.4 million and \$6.2 million, respectively from remeasuring the warrants to their fair value. Changes in the fair value are influenced by movements in the Corporation's share price, volatility assumptions, and other market-based inputs.

Income from Equity Investment

For the three and nine months ended September 30, 2025, the Equity Investment generated income of \$2.9 million and \$11.0 million, respectively, compared to a loss of \$0.7 million and income of \$0.8 million, respectively, for the same periods in 2024. The increase in income for both periods was primarily driven by higher volumes of cattle sold at higher average selling prices, with additional contributions from realized and unrealized gains on cattle-related derivative contracts.

Loss on sale of assets

In 2024, Tidewater Renewables recognized a loss of \$491.0 million on sale of assets which was primarily attributable to the Tidewater Midstream Transaction, partially offset by a gain on the sale of assets from the Corporation's non-core used cooking oil feedstock business.

Impairment

In 2024, the Corporation initiated the process to divest its interest in Rimrock Renewables Limited Partnership ("RNG LP"), classifying it as held for sale at September 30, 2024. Consequently, an impairment charge was recognized on the Corporation's investment in RNG LP.

Transaction costs

For the three months ended September 30, 2025, the Corporation incurred no significant transaction costs. For the nine months ended September 30, 2025, however, transaction costs of \$0.2 million were incurred to complete the sale of the Corporation's interest in RNG LP.

Deferred Tax

For the three and nine months ended September 30, 2025, the Corporation did not recognize any deferred tax expense or recovery, compared to a deferred tax recovery of \$118.7 million and \$114.9 million, respectively, for the same periods in 2024. The absence of a deferred tax recovery in the current year is primarily attributable to the Corporation's unrecognized deferred tax asset position. In the prior year, the deferred tax recovery was largely driven by the disposition of assets related to the Tidewater Midstream Transaction.

Net Income (Loss)

During the three and nine months ended September 30, 2025, the Corporation reported net loss of \$1.0 million and a net income of \$17.3 million, respectively, compared to net losses of \$367.1 million and \$354.5 million, respectively, for the same periods of 2024. The significant reduction in the current quarter's net loss and the improvement to net income on a year to date basis were primarily driven by the absence of the loss recognized on the sale of assets in the Tidewater Midstream Transaction recorded in the third quarter of 2024, lower financing costs, higher contributions from the Equity Investment, and favourable movements in derivative contracts. These favourable factors were partially offset by lower

income from emission credit sales, the absence of deferred tax recoveries recognized in 2024 as part of the Tidewater Midstream Transaction, and the loss of earnings from income generating assets divested in the Tidewater Midstream Transaction.

Capital Expenditures

The following table summarizes growth and maintenance capital expenditures for the three and nine months ended September 30, 2025, and 2024:

<i>(in thousands of Canadian dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Growth capital ⁽¹⁾	\$ 420	\$ 309	\$ 2,647	\$ 13,520
Maintenance capital ⁽¹⁾	5,200	1,134	7,467	2,251
Expenditures on property, plant and equipment as per statement of cash flows	\$ 5,620	\$ 1,443	\$ 10,114	\$ 15,771
Capital emissions credits awarded ⁽²⁾	\$ (143)	\$ (9,271)	\$ (2,593)	\$ (42,896)

(1) Supplementary financial measures. See the "Non-GAAP and Other Financial Measures" section of this MD&A.

(2) During the three and nine months ended September 30, 2025, the Corporation monetized \$NIL and \$1.3 million, respectively, of capital emissions credits (2024 - \$2.4 million and \$36.0 million, respectively).

Growth Capital

Growth capital expenditures for the third quarter of 2025 totaled \$0.4 million, compared to \$0.3 million in the third quarter of 2024. For the nine months ended September 30, 2025, growth capital expenditures were \$2.6 million, compared to \$13.5 million for the same period in 2024.

During the third quarter of 2025, Tidewater Renewables' growth capital spending primarily related to optimization work on the SAF project, which is expected to be partially funded through the sale of capital emission credits issued under the amended initiative agreement. Year-to-date growth capital expenditures were focused on completing FEED work for the SAF project, which was finalized during the second quarter of 2025.

Maintenance Capital

Maintenance capital expenditures for the three and nine months ended September 30, 2025 were \$5.2 million and \$7.5 million, respectively, compared to \$1.1 million and \$2.3 million, respectively, in the same periods of 2024. The increase primarily reflects the timing of planned maintenance activities. As previously disclosed in the first quarter of 2025, higher maintenance capital spending was expected in the third quarter of 2025, driven by the scheduled turnaround and the replacement of spare parts. These activities were completed in October 2025.

SUMMARY OF QUARTERLY RESULTS

The following table presents a summary of Tidewater Renewables' quarterly results of the last eight quarters:

<i>(In thousands of Canadian dollars, except per share information)</i>	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Revenue	\$ 62,004	\$ 73,606	\$ 57,674	\$ 76,442
Net income (loss)	\$ (974)	\$ 13,034	\$ 5,247	\$ (3,385)
Net income (loss) per share – basic	\$ (0.03)	\$ 0.36	\$ 0.14	\$ (0.09)
Net income (loss) per share – diluted	\$ (0.03)	\$ 0.35	\$ 0.14	\$ (0.09)
Adjusted EBITDA ⁽¹⁾	\$ 16,469	\$ 10,712	\$ 2,446	\$ 6,005

(1) Refer to "Non-GAAP and Other Financial Measures".

<i>(In thousands of Canadian dollars, except per share information)</i>	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Revenue	\$ 91,625	\$ 147,238	\$ 111,239	\$ 40,376
Net income (loss)	\$ (367,116)	\$ 4,935	\$ 7,720	\$ (12,747)
Net income (loss) per share – basic	\$ (10.46)	\$ 0.14	\$ 0.22	\$ (0.37)
Net income (loss) per share – diluted	\$ (10.46)	\$ 0.14	\$ 0.21	\$ (0.37)
Adjusted EBITDA ⁽¹⁾	\$ 13,630	\$ 29,570	\$ 25,270	\$ 10,708

(1) Refer to "Non-GAAP and Other Financial Measures".

During the 2025 year to date, Tidewater Renewables' results were impacted by the following factors and trends:

- strong commercial momentum, reflected in increased contracted offtakes and growing demand for Canadian-produced renewable diesel, which is expected to contribute to long-term market stability for the Corporation's renewable diesel production and associated emission credits;
- higher contributions from the Equity Investment;
- the absence of income contributions and related costs associated with the assets sold in the Tidewater Midstream Transaction;
- continued volatility to gains and losses on derivative contracts as a result of price movements in soybean oil futures; and
- lower finance costs resulting from reduced debt balances and more favourable interest rates.

During 2024, Tidewater Renewables' results were impacted by the following factors and trends:

- full year of commercial operations at the HDRD Complex;
- losses recognized on the sale of assets, leading to a deferred tax recovery;
- volatility in unrealized gains and losses on derivative contracts as a result of price movement in the commodities hedged by the Corporation;
- imports of subsidized U.S. renewable diesel into the British Columbia market that reduced demand for emission credits, resulting in a significant decrease in the price for such emission credits; and
- higher finance costs due to lower capitalized interest.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's primary liquidity and capital resource needs include funding the HDRD Complex's operations, future interest payments, working capital requirements and funding growth opportunities, including the SAF project. The Corporation anticipates that its net cash from operating activities, funds from its senior credit facility and second lien credit facility, proceeds from the sale of emissions credits, and other financing sources will be sufficient to fulfill its financial commitments, obligations, and anticipated capital expenditures as they become due.

Further to the Corporation's deleveraging strategy, on January 10, 2025, Tidewater Renewables completed the sale of its interest in RNG LP for total proceeds of \$7.8 million, of which \$4.7 million was received on close and the remaining \$3.1 million is expected to be received upon the satisfaction of certain post-closing conditions on or before December 30, 2025. The proceeds of this transaction received to date were used to reduce outstanding debt.

Strong commercial and marketing initiatives have enabled Tidewater Renewables to successfully secure contracted offtake agreements, the majority of which are indexed to U.S. import parity benchmarks. This structure aligns contract pricing with prevailing U.S. market values, enhancing revenue stability and supporting consistent cash flow generation. These agreements are expected to support the liquidity and financial sustainability of Tidewater Renewables.

The Corporation does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Corporation's financial performance. Credit facilities held by the Corporation's equity investees are non-recourse to the Corporation.

Debt Borrowings

The following table summarizes the Corporation's credit facilities outstanding as at September 30, 2025:

<i>(in thousands of Canadian dollars)</i>	Maturity Date	Rate	Facility Amount	Amount Drawn
Senior Credit Facility	February 28, 2027	variable	\$ 40,000	\$ 10,000
Second Lien Credit Facility	October 24, 2027	variable	183,930	183,930
Total			\$ 223,930	\$ 193,930

Senior credit facility

On March 26, 2025, the senior credit facility was amended to increase the total aggregate availability from \$30.0 million to \$40.0 million. The amended facility consists of a \$5.0 million syndicated facility and a \$35.0 million revolving operating facility. As a result of the amendment, compliance by Tidewater Renewables with its quarterly financial covenants has been waived for an additional two quarters, until March 31, 2026.

On May 7, 2025, the maturity date of the senior credit facility was extended from February 28, 2026 to February 28, 2027.

The senior credit facility can be drawn in Canadian funds and bears interest at the agent bank's prime lending rate or adjusted Canadian Overnight Repo Rate Average ("CORRA") or Secured Overnight Financing Rate ("SOFR") lending rates, plus applicable margins and stamping fees.

Second lien credit facility

Tidewater Renewables' second lien credit facility consists of a tranche A facility in the aggregate principal amount of \$155.1 million, a tranche B facility in the aggregate principal amount of \$28.8 million and a tranche C facility which may only be drawn in certain circumstances to refinance the senior credit facility. On March 26, 2025, the second lien credit facility was amended. Total aggregate availability under the tranche C facility increased from \$33.0 million to \$43.0 million. The maturity date for both the tranche B and tranche C facilities was extended to October 24, 2027 (with the tranche A facility maturity date remaining unchanged at October 24, 2027). The Corporation was provided the option, which it exercised, to elect that the April 24, 2025 interest payment of \$5.1 million on the tranche A facility, be paid in kind,

with the balance added to the aggregate principal amount of the tranche A facility. An amendment fee of \$3.8 million was added to the principal amount of the tranche B facility.

The second lien credit facility is subordinate to the senior credit facility and is subject to a number of customary covenants and restrictions, however, compliance with the quarterly financial covenants has been waived until March 31, 2026, having been previously waived until September 30, 2025, at which time the Corporation will be required to maintain certain financial covenants on an annualized basis.

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds from continuing operations for the three and nine months ended September 30, 2025, and 2024:

Cash flows provided by (used in) (in thousands of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Operating activities	\$ 13,648	\$ 3,134	\$ 34,177	\$ 76,086
Financing activities	\$ (7,513)	\$ (141,543)	\$ (24,793)	\$ (186,784)
Investing activities	\$ (4,295)	\$ 136,443	\$ (7,386)	\$ 110,598

Net Cash Provided by Operating Activities

Net cash provided by operating activities was \$13.6 million for the three months ended September 30, 2025, compared to \$3.1 million for the three months ended September 30, 2024. For the nine months ended September 30, 2025, net cash provided by operating activities was \$34.2 million, compared to \$76.1 million in the prior year period.

The increase in net cash provided by operating activities in the current quarter of 2025 was primarily driven by favourable non-cash working capital changes, largely due to an increase in deferred revenue, which reflects the timing of cash receipts, as well as lower realized losses on derivative contracts compared to the same period in the prior year. These favourable impacts were partially offset by lower gross margins and the absence of income-generating assets sold pursuant to the Tidewater Midstream Transaction.

For the year to date period, net cash provided by operating activities decreased compared to the prior year, primarily due to lower gross margins resulting from reduced emission credit prices, as well as the sale of income-generating assets under the Tidewater Midstream Transaction. These impacts were partially offset by favourable non-cash working capital changes, primarily from higher deferred revenue due to the timing of cash receipts. The prior year period also benefited from a significant increase in accounts payable, driven by the timing of payments, which did not recur in the current year.

Net cash provided by operating activities will fluctuate quarter over quarter due to inventory at the HDRD Complex, the commodity prices at which inventory is bought and sold, and seasonal demand. Commodity prices and the HDRD Complex's inventory is expected to fluctuate period over period, and accordingly, working capital requirements also fluctuate with changes in commodity prices and demand.

Net Cash (Used in) Provided by Financing Activities

Net cash used in financing activities for the three and nine months ended September 30, 2025 was \$7.5 million and \$24.8 million, respectively, compared to \$141.5 million and \$186.8 million, respectively, for the same periods in 2024. For both periods, the decrease in net cash used in financing activities reflects

lower interest and financing charges paid in the current period, as well as significant debt repayments made during the comparative periods of 2024.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities for the three and nine months ended September 30, 2025 was \$4.3 million and \$7.4 million, respectively, compared to net cash provided by investing activities of \$136.4 million and \$110.6 million, respectively, for the same periods in 2024. The decrease for both periods primarily reflects proceeds received in the prior year from the Tidewater Midstream Transaction, as well as higher proceeds from capital emission credit sales in the comparative periods.

CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments as at September 30, 2025:

<i>(in thousands of Canadian dollars)</i>		Within one year	One to five years	Thereafter	Total
Accounts payables, accrued liabilities and provisions	\$	19,523	\$ -	\$ -	\$ 19,523
Derivative contracts		3,568	-	-	3,568
Lease liabilities ⁽¹⁾		6,273	1,586	-	7,859
Senior credit facility ⁽²⁾		-	10,000	-	10,000
Second lien credit facility ^{(2) (3)}		-	183,930	-	183,930
Total	\$	29,364	\$ 195,516	\$ -	\$ 224,880

(1) Amounts represent the expected undiscounted cash payments related to leases.

(2) Amounts represent undiscounted principal only and exclude accrued interest.

(3) The second lien tranche A and tranche B facilities are due on October 24, 2027.

OUTSTANDING EQUITY

As at November 10, 2025, Tidewater Renewables had the following number of outstanding common shares, restricted share units ("RSUs"), deferred share units ("DSUs"), stock options ("Options") and warrants:

<i>(in thousands)</i>	
Common shares	36,414
RSUs	532
DSUs	128
Options	434
Warrants	4,375

TRANSACTIONS WITH RELATED PARTY

The Corporation has entered into certain agreements and transactions with its controlling shareholder, Tidewater Midstream. Related party transactions included in the consolidated statements of net income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2025 and 2024, are summarized in the following table:

<i>(in thousands of Canadian dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue from take-or-pay agreements	\$ -	\$ 4,167	\$ -	\$ 27,420
Revenue from the sale of renewable fuels	9,085	41,580	43,736	118,902
Purchases of blending fuels	8,775	2,340	22,956	52,444
Purchase of emission credits	-	-	-	6,023
Sales of emission credits	-	13,344	28,280	13,344
Other operating expenses	4,518	6,129	17,062	24,260
G&A expenses under the shared services agreement	821	736	2,120	2,022
Realized loss on derivative contracts	584	1,215	2,413	3,056
Unrealized gain on derivative contracts	(418)	(1,587)	(4,067)	(844)

The related party balances included in the consolidated statement of financial position as at September 30, 2025 and December 31, 2024, are summarized in the following table:

	September 30, 2025	December 31, 2024
Accounts receivable	\$ 355	\$ 10,516
Accounts payable, accrued liabilities and provisions	(5,193)	(7,138)
Derivative contracts	(749)	(4,812)

For the three and nine months ended September 30, 2025, Tidewater Renewables had no other transactions with related parties, except the remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

Tidewater Renewables' financial instruments consist of cash and cash equivalents, accounts receivable, derivative contracts, accounts payable, accrued liabilities and provisions, the senior credit facility and the second lien credit facility. Tidewater Renewables employs risk management strategies and policies to ensure that any exposures to market risks are in compliance with the Corporation's business objectives and risk tolerance levels.

The majority of the Corporation's accounts receivable are due from Tidewater Midstream and other entities subject to normal industry credit risks. Tidewater Renewables evaluates and monitors the financial strength of its customers in accordance with its credit policy. Financial assurances received to mitigate and reduce risk may include letters of credit and prepayments.

The Corporation enters into certain financial derivative contracts to manage commodity price risk and these instruments are not used for speculative purposes. The Corporation has not designated its financial derivative contracts as effective accounting hedges. Such financial derivative contracts are recorded on the statement of financial position at fair value, with changes in the fair value being recognized as an unrealized loss (gain) on the consolidated statement of net income and comprehensive income.

RISK FACTORS

The Corporation continually works to mitigate the impact of risks to its business by identifying all significant risks so that they can be appropriately managed. The risks that may affect the business and operations of Tidewater Renewables are described herein and within the Corporation's Annual Information Form, a copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca. The Corporation's financial risks are discussed in note 10 of the Financial Statements.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimates that differ materially from current estimates. The Corporation's use of estimates and judgments in preparing the Financial Statements is discussed in note 2 of the consolidated financial statements for the year ended December 31, 2024, a copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca. There have been no material changes to the Corporation's critical accounting estimates and judgements during the three and nine months ended September 30, 2025.

CONTROL ENVIRONMENT

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, assessed the design and effectiveness of internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") as at September 30, 2025. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013) to evaluate the design and effectiveness of ICFR. Based on that evaluation, management has concluded that both ICFR and DC&P were effective as at September 30, 2025, in all material respects.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable and not absolute assurance that the objectives of the control system will be met. As a result of inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Corporation's policies or procedures.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater Renewables uses a number of non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures when assessing its results and measuring overall performance. The intent of non-GAAP measures and ratios is to provide additional useful information to investors and analysts. These non-GAAP financial measures and ratios do not have standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities.

As such, these measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP. Except as otherwise indicated, these non-GAAP financial measures and ratios will be calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods. The following are the non-GAAP financial

measures, non-GAAP financial ratios, capital management measures and supplementary financial measures used herein.

Non-GAAP Financial Measures

The non-GAAP financial measures used by the Corporation are Adjusted EBITDA and distributable cash flow.

Adjusted EBITDA

Adjusted EBITDA is calculated as income (or loss) before finance costs, taxes, depreciation, share-based compensation, unrealized gains and losses on derivative contracts, transaction costs, and other items considered non-recurring in nature, plus the Corporation's proportionate share of Adjusted EBITDA in its equity investments.

Adjusted EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. Tidewater Renewables also believes Adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions and others to evaluate the financial performance of the Corporation. From time to time, the Corporation issues guidance on this key measure. As a result, Adjusted EBITDA is presented as a relevant measure in this MD&A to assist analysts and readers in assessing the performance of the Corporation as seen from management's perspective. Investors should be cautioned that Adjusted EBITDA should not be construed as an alternative to net income, net cash provided by operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Corporation's performance and may not be comparable to companies with similar calculations.

The following table reconciles net income, the nearest GAAP measure, to Adjusted EBITDA:

	Three months ended September 30,		Nine months ended September 30,	
<i>(in thousands of Canadian dollars)</i>	2025	2024	2025	2024
Net (loss) income	\$ (974)	\$ (367,116)	\$ 17,307	\$ (354,461)
Deferred income tax recovery	-	(118,745)	-	(114,904)
Depreciation	5,654	5,610	13,471	24,508
Finance costs and other	5,613	13,483	16,243	33,138
Share-based compensation	104	394	659	281
Unrealized gain on derivative contracts	(2,414)	(13,268)	(25,573)	(13,585)
Loss (gain) on warrant liability revaluation	3,412	(1,770)	6,168	(2,715)
Transaction costs	-	1,532	194	1,537
Non-recurring expenses	78	325	641	2,992
Loss on sale of assets	-	491,028	-	491,028
Impairment expense	-	801	-	801
Adjustment to share of profit from equity accounted investments	4,996	1,356	517	(150)
Adjusted EBITDA	\$ 16,469	\$ 13,630	\$ 29,627	\$ 68,470

Distributable Cash Flow

Distributable cash flow is calculated as net cash provided by (used in) operating activities before changes in non-cash working capital plus transaction costs, non-recurring expenses, and after any expenditures that use cash from operations. Changes in non-cash working capital are excluded from the determination of distributable cash flow because they are primarily the result of seasonal fluctuations or other temporary changes, and are generally funded with short-term debt or cash flows from operating activities.

Maintenance capital expenditures, including turnarounds, are deducted from distributable cash flow as they are ongoing recurring expenditures which are funded from operating cash flows. Transaction costs are added back as they vary significantly quarter to quarter based on the Corporation's acquisition and disposition activity. Distributable cash flow also excludes non-recurring transactions that do not reflect Tidewater Renewables' ongoing operations.

Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from the Corporation's normal operations. These cash flows are relevant to the Corporation's ability to internally fund growth projects, alter its capital structure, or distribute returns to shareholders.

The following table reconciles net cash provided by (used in) operating activities, the nearest GAAP measure, to distributable cash flow:

<i>(in thousands of Canadian dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 13,648	\$ 3,134	\$ 34,177	\$ 76,086
Add (deduct):				
Changes in non-cash working capital	(5,015)	8,256	(16,977)	(12,997)
Transaction costs	-	1,532	194	1,537
Non-recurring expenses	78	325	641	2,992
Interest and financing charges	(3,585)	(5,877)	(11,119)	(22,522)
Payment of lease liabilities	(1,723)	(1,748)	(5,246)	(5,250)
Maintenance capital	(5,200)	(1,134)	(7,467)	(2,251)
Distributable cash flow	\$ (1,797)	\$ 4,488	\$ (5,797)	\$ 37,595

Growth capital expenditures will generally be funded from net cash provided by operating activities, sales of capital emission credits and proceeds from additional debt or equity, as required.

Non-GAAP Financial Ratios

The Corporation uses the following non-GAAP financial ratios to present aspects of its financial performance or financial position.

Distributable cash flow per common share (basic and diluted)

Distributable cash flow per common share is calculated as distributable cash flow, a non-GAAP financial measure, over the weighted average number of common shares outstanding for the period.

Management believes that distributable cash flow per common share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

<i>(in thousands of Canadian dollars except per share information)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Distributable cash flow	\$ (1,797)	\$ 4,488	\$ (5,797)	\$ 37,595
Weighted average shares outstanding – basic	36,412	35,109	36,404	34,912
Weighted average shares outstanding – diluted	36,412	35,848	37,094	36,066
Distributable cash flow per share – basic	\$ (0.05)	\$ 0.13	\$ (0.16)	\$ 1.08
Distributable cash flow per share – diluted	\$ (0.05)	\$ 0.13	\$ (0.16)	\$ 1.04

Capital Management Measures

The Corporation has its own methods for managing capital and liquidity as further described in “**Liquidity and Capital Resources**” section of this MD&A and within note 22 of the consolidated financial statements for the year ended December 31, 2024, a copy of which is available on Tidewater Renewables’ SEDAR+ profile at www.sedarplus.ca.

Net Debt

Net debt is used by the Corporation to monitor its capital structure and financing requirements. It is also used as a measure of the Corporation’s overall financial strength. Net debt is defined as amounts owing under the senior credit facility and second lien credit facility, less cash.

Net debt excludes working capital, lease liabilities and derivative contracts as the Corporation monitors its capital structure based on net debt to Adjusted EBITDA.

The following table reconciles net debt:

<i>(in thousands of Canadian dollars)</i>	September 30, 2025		December 31, 2024	
Senior Credit Facility	\$	10,000	\$	20,896
Senior Lien Credit Facility		183,930		175,000
Cash		(2,042)		(44)
Net debt	\$	191,888	\$	195,852

Supplementary Financial Measures

Growth Capital

Growth capital expenditures are defined as expenditures which are recoverable, incrementally increase cash flow or the earning potential of assets, expand the capacity of current operations, or significantly extend the life of existing assets. This measure can be used by investors to assess the Corporation’s discretionary capital spending.

Maintenance Capital

Maintenance capital expenditures are generally defined as expenditures that support and/or maintain the current capacity, cash flow or earning potential of existing assets without the characteristic benefits associated with growth capital expenditures. These expenditures include major inspections and overhaul costs that are required on a periodic basis. This measure can be used by investors to assess the Corporation’s non-discretionary capital spending.

ABBREVIATIONS

“bbl/d” means barrels per day.

“BC LCFS Credits” are tradable certificates awarded to fuel producers, importers, or users who produce or use fuels with a CI lower than the required standard set by the British Columbia government. These credits are earned when the carbon emissions of fuel are below the established threshold, and they can be bought and sold in a market to help companies meet their regulatory obligations. The purpose of these credits is to incentivize the use of cleaner, low-carbon fuels and to help reduce the overall greenhouse gas emissions in the transportation sector.

“capital emissions credits” refers to environmental credits granted or generated for the achievement of engineering or construction milestones on the expansion of the Corporation’s capital assets.

“CFR Emission Credits” means credits generated under the Canadian Clean Fuel Regulation.

“CI” means carbon intensity as specified and calculated under each specific government methodology, where certain calculation differences may exist from one jurisdiction to another.

“operating emissions credits” refers to environmental credits granted or generated through the production or blending of renewable fuels.

“throughput” means with respect to refinery units of the HDRD Complex, inlet volumes processed (including any off-load or reprocessed volumes).

“Tidewater Midstream Transaction” refers to an Assets Sales Agreement that the Corporation and Tidewater Midstream entered into on September 12, 2024, pursuant to which the Corporation sold its canola co-processing infrastructure, the fluid catalytic cracking co-processing infrastructure, working interests in various other Prince George refinery units, and a natural gas storage facility co-located at Tidewater Midstream’s Brazeau River Complex (collectively the “Divested Assets”) to Tidewater Midstream for cash proceeds of \$122.0 million, plus the assumption by Tidewater Midstream of certain of our liabilities relating to the Divested Assets. In addition, as part of the consideration, Tidewater Midstream assigned the right to receive certain BC LCFS Credits to the Corporation with a minimum value of \$7.7 million.

“U.S.” meaning the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“utilization” or “utilization rate” means the throughput of a facility or unit divided by its design capacity.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events, conditions or future financial performance of Tidewater Renewables based on future economic conditions and courses of action. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of any words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “forecast”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon.

In particular, this MD&A contains forward-looking statements pertaining to, but not limited to, the following:

- the Corporation’s ability to become a leading renewable fuel producer;
- the Government of Canada’s intention to introduce the Biofuels Production Incentive, the expected program parameters and the effect of the program on the Corporation;
- the percentage of forecasted production subject to offtake agreements;
- growth in contracted offtake volumes in 2026;
- the percentage of forecasted production expected to be sold inclusive of associated emission credits;
- the effect of contracted offtake agreements on the Corporation’s liquidity and financial sustainability;
- the receipt of additional BC LCFS Credits from the Government of British Columbia as a result of the amended initiative agreement, including the anticipated use thereof;
- the development of the proposed SAF project, including the expected timing of a final investment decision and the pursuit of long-term offtake agreements in relation thereto;
- the receipt of emission credits as a result of completing the milestones outlined in the amended initiative agreement, including the timing thereof;
- the expected timing of installation of repaired equipment at the HDRD Complex;
- the expected timing for the return to full capacity at the HDRD Complex following the unplanned outage;
- the Corporation’s view of the renewable diesel and emissions credit markets;
- the Corporation’s view of regulatory developments in the low-carbon fuels sector;
- the Corporation’s expectations of average throughput at the HDRD Complex for 2025;
- the timing of turnaround activities at the HDRD Complex and the effect of turnaround activities on production capacity;
- requirements to adhere to increasingly stringent CI reduction targets pursuant to regulations put in place by various levels of government in Canada and the U.S. and the effect on obligated parties’ operations and the market conditions for emissions credits;
- expectations for the Corporation’s capital program for 2025;
- the effect of fluctuations in feedstock and energy prices on the Corporation’s derivative contracts;
- the Corporation’s primary liquidity and capital resource needs and the Corporation’s expectations regarding its ability to satisfy such needs;

- the Corporation's receipt of the remaining proceeds from the sale of its interest in RNG LP;
- the Corporation's requirement to comply with its quarterly financial covenants under the senior credit facility and the second lien credit facility;
- expectations regarding the Corporation's ability to generate capital emissions credits;
- the fluctuation of net cash (used in) provided by operating activities quarter to quarter;
- the fluctuation of working capital requirements;
- the Corporation's use of risk management strategies and policies;
- the use of financial assurances such as letters of credit and prepayments to mitigate and reduce credit risk;
- the Corporation's use of financial derivative contracts to manage commodity price risk; and
- the Corporation's business plans and strategies.

Although the forward-looking statements contained in this MD&A are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this MD&A, the Corporation has made assumptions regarding, but not limited to:

- Tidewater Renewables' ability to execute on its business plan;
- general economic and industry trends;
- operating assumptions relating to the Corporation's projects;
- the ownership and operation of Tidewater Renewables' business;
- regulatory risks;
- future commodity and renewable energy prices;
- sustained or growing demand for renewable fuels;
- the ability for the Corporation to successfully turn a wide variety of renewable feedstocks into low carbon fuels;
- the ability of the Corporation to successfully execute offtake agreements with respect to expected production;
- the effect of increasingly stringent carbon intensity reduction targets on obligated parties' operations and the emission credit market;
- the credit-worthiness of counterparties;
- the Corporation's future debt levels, financial stability, future debt reduction initiatives, and its ability to repay its debt when due;
- the Corporation's ability to continue to satisfy the terms and conditions of its credit facilities;
- the continued availability of the Corporation's credit facilities;
- the Corporation's ability to obtain additional debt and/or equity financing on satisfactory terms;
- the Corporation's ability to manage liquidity by working with its current capital providers and other sources and through the sale of emissions credits and renewable diesel;
- the market, demand and pricing for emissions credits;
- foreign currency, exchange, inflation and interest rate risks;
- and the other assumptions set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements, as a result of numerous known and unknown risks and uncertainties and other factors including, but not limited to:

- changes in supply and demand for, and the pricing of, low carbon products and emissions credits;
- general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, supply chain pressures, inflation, stock market volatility and supply/demand trends;

- risks and liabilities inherent in the operations related to renewable energy production, including the lack of operating history and risks associated with forecasting future performance;
- competition for, among other things, third-party capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel;
- risks related to the environment and changing environmental laws and regulations in relation to the operations conducted with the Renewable Assets and the Corporation's other future capital projects;
- actions by joint venture partners or other partners which hold interests in certain of the Corporation's assets;
- reliance on key relationships and agreements;
- losses of key customers;
- construction and engineering variables associated with capital projects, including the availability of contractors, engineering and construction services, accuracy of estimates and schedules, and the performance of contractors;
- effects of weather conditions (such severe weather or catastrophic events including, but not limited to, fires, floods, lightning, earthquakes, extreme cold weather, storms or explosions);
- reputational risks;
- the Corporation's reliance on key personnel;
- technology and security risks, including cybersecurity;
- potential losses stemming from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Corporation is reliant;
- technical and processing problems, including the availability of equipment and access to properties;
- failure to realize the anticipated benefits of dispositions and capital projects; and
- the other risks set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Corporation's operations or financial results are set forth in the Corporation's most recent annual information form and in other documents on file with the Canadian regulatory authorities available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this MD&A in order to provide holders of common shares in the capital of the Corporation with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes.

The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what benefits the Corporation will derive therefrom. Readers are therefore cautioned that the foregoing list of important factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this MD&A. Tidewater Renewables does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities law. All forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in the Corporation's most recent annual information form and other filings

made by the Corporation with Canadian provincial securities commissions available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The financial outlook information contained in this MD&A is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Additionally, the financial outlook information contained in this MD&A is subject to the risk factors described above in respect of forward-looking information generally as well as any other specific assumptions and risk factors in relation to such financial outlook noted in this MD&A. Accordingly, readers are cautioned that the financial outlook information contained in this MD&A should not be used for purposes other than for which it is disclosed herein. The financial outlook information contained in this MD&A was approved by management as of the date such financial outlook information was announced and was provided for the purpose of providing further information about Tidewater Renewables' current expectations and plans for the future.