



**TIDEWATER RENEWABLES LTD. ENTERS INTO INAUGURAL MULTI-YEAR SALE AGREEMENT FOR ITS CLEAN FUEL REGULATION CREDITS WITH AN INVESTMENT GRADE COUNTERPARTY**

CALGARY, June 28, 2022 – Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Corporation") (TSX: LCFS) is pleased to announce a multi-year agreement today with an investment-grade company to sell Federal Clean Fuel Regulation ("CFR") credits that it will receive through the production and sale of fuel produced at the Renewable Diesel & Renewable Hydrogen Complex at Prince George, BC (the "Complex"), adding previously unrecognized value and an incremental revenue stream to the Corporation.

As part of the transaction, Tidewater Renewables has agreed to sell a total of 45,000 CFR credits at \$95 per credit. This multi-year agreement, which extends to June 30, 2025, adds previously unrecognized value for CFR credits and Tidewater Renewables will receive total proceeds of over \$4 million over the term of this agreement. The Corporation's current run-rate EBITDA estimates for the Complex of \$90 – 100 million exclude the impact of the outlined forward sale and any value for the ongoing sale of CFR credits once the program is implemented.

"This is Tidewater Renewables' inaugural CFR credit sale, which we believe is the first of its kind in Canada. This credit sale is significant for Tidewater Renewables as it validates our previous thesis that CFR credits will represent an incremental revenue stream for our suite of clean fuel projects. Furthermore, at similar CFR credit values, Tidewater Renewables' HDRD Complex has the potential of generating an incremental \$30 million of run-rate EBITDA assuming feedstock prices, diesel prices and BC LCFS credit prices remain constant," said Joel MacLeod, Executive Chairman and CEO.

The Corporation continues to work on other potential multi-year agreements to monetize further CFR credits that it will receive from operation of the Complex, from its Canola Co-Processing Facility, and from other projects.

**Forward-Looking Information**

This news release contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to the Corporation current expectations and views of future events. These forward-looking statements relate to future events or the Corporation's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumption or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this new release should not be unduly relied upon. These statements speak only as of the date of this new release. In particular and without limitation, this news release contains forward-looking statements pertaining to Tidewater Renewables' business as described under the heading "About Tidewater Renewables" below; and the potential addition of run rate EBITDA derived from the sale of CFR credits produced at the HDRD Complex. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Corporation's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks

and uncertainties include, but are not limited to, the factors discussed under “Risk Factors” in the Corporation’s supplemented PREP prospectus dated August 12, 2021, filed on SEDAR. Tidewater Renewables’ does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable laws.

## **Non-GAAP Measures**

### **EBITDA**

This press release refers to “EBITDA” which does not have any standardized meaning prescribed by generally accepted accounting principles in Canada (“GAAP”). EBITDA is calculated as income or loss before interest, taxes, depreciation, share-based compensation, unrealized gains/losses, noncash items, transaction costs, items that are considered non-recurring in nature and the Corporation's proportionate share of EBITDA in their equity investments.

Tidewater Renewables’ management believes that EBITDA provides useful information to investors as it provides an indication of results generated from the Corporation's operating activities prior to financing, taxation and non-recurring/non-cash impairment charges occurring outside the normal course of business. EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. In addition to its use by management, Tidewater Renewables also believes EBITDA is a measure widely used by security analysts, investors and others to evaluate the financial performance of the Corporation and other companies in the renewable fuels. Investors should be cautioned that EBITDA should not be construed as alternatives to earnings, cash flow from 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

### **Run Rate EBITDA**

“Run rate EBITDA” is defined as the expected EBITDA to be generated by a specific asset or specific growth project corresponding to a full year of operations at full capacity. Run rate EBITDA excludes non-cash items including stock-based compensation. The calculation of run rate EBITDA is based in certain estimates and assumptions and should not be regarded as a representation by the Corporation or any other person that the Corporation will achieve such operating results. Prospective investors should not place undue reliance on the Corporation's run rate EBITDA and should make their own independent assessment of the Corporation's future results or operations, cash flows and financial condition.

## **ABOUT TIDEWATER RENEWABLES**

Tidewater Renewables is traded on the TSX under the symbol “LCFS”. Tidewater Renewables is a multi-faceted, energy transition company. The Corporation is focused on the production of low carbon fuels, including renewable diesel, renewable hydrogen and renewable natural gas, as well as carbon capture through future initiatives. 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 one of the leading Canadian renewable fuel producers. The Corporation is pursuing this objective through the ownership, development, and operation of clean fuels projects and related infrastructure, utilizing existing proven technologies. Organically, Tidewater Renewables will seek to leverage the existing infrastructure and engineering expertise of Tidewater Midstream and Infrastructure Ltd., its majority shareholder, regarding the development of the Corporation’s portfolio of greenfield and brownfield capital projects as well as the expansion of the Corporation’s product offerings. Additional information relating to Tidewater Renewables is available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.tidewater-renewables.com](http://www.tidewater-renewables.com).

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