



# TIDEWATER

Renewables Ltd.

**ANNUAL INFORMATION FORM**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**March 25, 2026**

## TABLE OF CONTENTS

GENERAL MATTERS .....	1
Glossary and Abbreviations.....	1
Forward-Looking Statements .....	4
Non-GAAP Measures.....	9
Use of Industry Specific Terminology .....	9
Market, Independent Third-Party and Industry Data.....	10
CORPORATE STRUCTURE .....	10
GENERAL DEVELOPMENT OF THE BUSINESS.....	10
Overview .....	10
Three Year History.....	11
BUSINESS OF TIDEWATER RENEWABLES .....	13
Business Strategy .....	13
Potential Acquisitions, Issuance of Securities and Financings .....	13
Tidewater Renewables' Operations.....	14
Corporation Feedstocks and Other Inputs .....	16
Seasonality and Cyclicity .....	16
Environmental Regulation and Insurance.....	16
Employees and Labour Relations .....	16
Economic Dependence .....	16
Specialized Skill and Knowledge.....	17
Risk Management.....	17
Distribution.....	17
BC LCFS Credit Market.....	18
CFR Credit Market.....	18
D4 RIN Market.....	18
California LCFS Credit Market.....	19
AGREEMENTS WITH TIDEWATER MIDSTREAM AND OTHER COUNTERPARTIES .....	19
Shared Services Agreement.....	19
Governance Agreement.....	19
Investor Liquidity Agreement .....	21
BC LCFS Credit Purchase Agreement .....	22
INDUSTRY .....	22
Overview of Renewable Energy Industry.....	22
Overview of Renewable Diesel.....	23
Overview of SAF.....	24
REGULATORY FRAMEWORK .....	24
Governmental Regulation.....	24
Canadian Clean Fuel Regulation (CFR).....	25
British Columbia Low Carbon Fuel Standard (BC LCFS).....	26
OTHER INFORMATION RELATING TO TIDEWATER RENEWABLES' BUSINESS.....	27

Borrowings .....	27
Sustainability .....	29
CAPITAL STRUCTURE OF TIDEWATER RENEWABLES .....	30
Authorized Shares .....	30
DIVIDENDS .....	30
MARKET FOR SECURITIES .....	30
Trading Price and Volume.....	30
Prior Sales.....	31
DIRECTORS AND EXECUTIVE OFFICERS.....	31
Directors .....	31
Officers.....	33
Security Holding by Directors and Officers.....	34
Cease Trade Orders .....	35
Bankruptcies.....	35
Penalties or Sanctions.....	35
Conflicts of Interest .....	35
Insurance Coverage and Indemnification .....	35
AUDIT COMMITTEE INFORMATION .....	36
Audit Committee Members and Audit Committee Charter.....	36
Pre-Approval Policies and Procedures .....	37
External Auditor Service Fees.....	38
RISK FACTORS .....	38
Risks Relating to the Tidewater Renewables' Business, Renewable Energy Industry and Operating Environment .....	39
Risks Relating to the Corporation's Relationship with Tidewater Midstream .....	63
LEGAL PROCEEDINGS AND REGULATORY ACTIONS .....	65
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	66
TRANSFER AGENT AND REGISTRAR.....	66
MATERIAL CONTRACTS .....	66
INTERESTS OF EXPERTS.....	66
ADDITIONAL INFORMATION.....	66
SCHEDULE A AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE .....	68

## GENERAL MATTERS

The information in this annual information form (“AIF”) is given as at and for the financial year ended December 31, 2025, unless otherwise indicated. All dollar amounts set forth in this AIF are in Canadian dollars, unless otherwise indicated.

### Glossary and Abbreviations

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms and abbreviations shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include all genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time:

“**Acquisition**” means the acquisition by the Corporation of the Initial Assets from Tidewater Midstream on August 18, 2021;

“**bbl**” or “**bbls**” means barrels;

“**bbls/d**” or “**bbl/d**” means barrels per day;

“**BC**” means the province of British Columbia, Canada;

“**BC LCFS**” means, collectively, prior to January 1, 2024, *BC’s Greenhouse Gas Reduction (Renewable & Low Carbon Fuel Requirements) Act* and the *Renewable & Low Carbon Fuel Requirements Regulation*, introduced to reduce the Carbon Intensity of fuels used in the province, and on and after January 1, 2024, *BC’s Low Carbon Fuels Act*, the *Low Carbon Fuels (General) Regulation* and the *Low Carbon Fuels (Technical) Regulation*;

“**BC LCFS Credits**” means the credits awarded to BC Low Carbon Fuel Suppliers by either (i) supplying a fuel with a Carbon Intensity below the prescribed Carbon Intensity target or (ii) taking actions that would have a reasonable possibility of reducing the Carbon Intensity of a fuel or increasing the use of a fuel with a Carbon Intensity below the prescribed Carbon Intensity, which credits may be transferred upon validation;

“**BC Low Carbon Fuel Supplier**” means, prior to January 1, 2024, a “**part 3 fuel supplier**” under the BC LCFS, and on and after January 1, 2024, a person who markets fuel in BC under Part 2 of the *Low Carbon Fuels Act*;

“**BC Part 3 Agreement**” means, prior to January 1, 2024, an agreement between the director under the BC LCFS and a BC Low Carbon Fuel Supplier, and on and after January 1, 2024, an agreement between the director under Section 15 of the *Low Carbon Fuels Act* and a BC Low Carbon Fuel Supplier;

“**biogas**” means the gas that is produced by anaerobic decomposition or thermochemical conversion of biomass;

“**Board**” means the board of directors of the Corporation;

“**BRC**” means Tidewater Midstream’s Brazeau River Complex located in the West Pembina region in central Alberta, wherein Tidewater Midstream has a 100% interest, and which consists of a 185 MMcf/d deep-cut gas processing facility with approximately 10,000 bbls/d of liquid fractionation capability;

“**California LCFS**” means CARB’s Low Carbon Fuel Standard regulation, established pursuant to the California Assembly Bill No. 32 (Chapter 488) and the Executive Order S-01-07 by the Governor of the State of California, as amended, re-adopted and further amended from time to time, designed to decrease the Carbon Intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable alternatives to reduce petroleum dependency and achieve air quality benefits;

“**California LCFS Credits**” means tradeable compliance credits created under the California LCFS by (i) providing transportation fuel with a Carbon Intensity below the prescribed Carbon Intensity target, (ii) developing approved

projects which include actions to reduce GHG emissions in the petroleum supply chain, including carbon capture and sequestration using direct air capture, or (iii) deploying zero emission vehicle infrastructure, and utilized by transportation fuel providers to meet or offset their annual compliance obligations in California;

“**Canola Co-Processor**” means the 300 bbl/d canola co-processor which blends canola oil as feedstock directly into the unfiner at the PGR to produce Renewable Diesel, as sold to Tidewater Midstream on September 12, 2024;

“**CARB**” means the California Air Resources Board;

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

“**CFR**” means the *Clean Fuel Regulations*, established under the Canadian Environmental Protection Act, 1999 on June 20, 2022, see “*Regulatory Framework — Canadian Clean Fuel Regulation (CFR)*”;

“**CFR Credits**” means credits generated under the CFR, see “*Regulatory Framework — Canadian Clean Fuel Regulation (CFR)*”;

“**CO<sub>2</sub>**” means carbon dioxide;

“**Common Shares**” means the common shares in the capital of Tidewater Renewables;

“**D4 RINS**” means tradeable compliance credits created under the RFS by producing biomass-based diesel from qualifying renewable biomass, including blending such biomass-based diesel into petroleum-based transportation fuels, and meeting a 50% lifecycle GHG reduction, and utilized by obligated parties to meet annual renewable volume obligation targets;

“**Director**” means a member of the Board;

“**Environmental Attributes**” means, collectively, BC LCFS Credits, CFR Credits, carbon credits, rebates, tax credits, grants and other incentives and specific to the jurisdiction the renewable product is sold and environmental attributes available;

“**EPA**” means the U.S. Environmental Protection Agency;

“**ESG**” means environmental, social and governance;

“**FCC**” means fluid catalytic cracking;

“**FCC Co-Processor**” means the FCC co-processor located at the PGR, as sold to Tidewater Midstream on September 12, 2024;

“**feedstock**” means a raw material required for an industrial process;

“**GHG**” means greenhouse gas;

“**Governance Agreement**” means the governance agreement dated as of August 18, 2021, entered into in conjunction with the Initial Public Offering and the Acquisition, between Tidewater Midstream and the Corporation, and further described under “*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*”;

“**HDRD Complex**” means Tidewater Renewables’ 3,000 bbl/d renewable diesel and renewable hydrogen facility located adjacent to the PGR;

“**hydrocarbons**” means solid, liquid or gas made up of compounds of carbon and hydrogen in varying proportions;

“**Initial Assets**” means the assets and projects acquired by the Corporation pursuant to the Acquisition;

“**Initial Public Offering**” means the initial public offering by the Corporation of an aggregate of 10,735,000 Common Shares at a price of \$15.00 per Common Share for gross proceeds of \$161,025,000 pursuant to the Prospectus;

“**Investor Liquidity Agreement**” means the investor liquidity agreement dated August 18, 2021, entered into in conjunction with the Initial Public Offering and the Acquisition, between Tidewater Midstream and the Corporation and as further described under “*Agreements with Tidewater Midstream and Other Counterparties — Investor Liquidity Agreement*”;

“**LCFS**” means low carbon fuel standards;

“**Mbbl/d**” means thousand barrels per day;

“**MMcf/d**” means million cubic feet per day;

“**NGL**” or “**NGLs**” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non- hydrocarbons;

“**petroleum**” means a naturally occurring mixture consisting predominantly of hydrocarbons in the gaseous, liquid or solid phase, and as referenced in this AIF, includes oil and NGL;

“**PGR**” means the 12.0 Mbbl/d light oil refinery located in Prince George, BC, owned by Tidewater Midstream;

“**Preferred Shares**” means the preferred shares in the capital of the Corporation;

“**Prospectus**” means the Corporation’s long-form supplemented post-receipt pricing prospectus dated August 12, 2021 filed with the securities regulators in each of the provinces of Canada;

“**refined products**” includes gasoline and low sulfur diesel from the PGR;

“**Renewable Assets**” means all of the Corporation’s assets and projects;

“**Renewable Diesel**” or “**HDRD**” means a liquid fuel derived solely from biomass through hydrogenation that meets ASTM Standards D975 or D396 or similar, commonly known as “*renewable diesel*” or “*hydrogenation-derived renewable diesel*”;

“**Renewable Fuel Business Unit**” means the revenue stream derived from the Renewable Assets;

“**renewable fuels**” includes Renewable Diesel and RNG;

“**Renewable Natural Gas**” or “**RNG**” means biogas, which is produced by anaerobic decomposition or thermochemical conversion of biomass, that has been refined to remove carbon dioxide, water vapor, and other trace gases so that it meets natural gas industry standards;

“**RFS**” means the EPA’s Renewable Fuel Standard program under the Clean Air Act, 42 U.S.C. §7401 et seq. (1970), created under the Energy Policy Act, 42 USC §13201 et seq. (2005) and further expanded by the Energy Independence and Security Act, Public Law 110-140 (2007), requiring certain volumes of renewable fuel to be used to replace or reduce the quantity of fossil fuel in transportation fuel, home heating oil, or jet fuel;

“**SAF**” means sustainable aviation fuel;

“**Senior Credit Facility**” means the Corporation’s credit facility described under “*Borrowings — Senior Credit Facility*”;

“**Shared Services Agreement**” means the shared services agreement dated as of August 18, 2021, entered into in conjunction with the Initial Public Offering and the Acquisition, between Tidewater Midstream and the Corporation and as further described under “*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*”;

“**Shareholders**” means holders of Common Shares;

“**take-or-pay**” means a form of contract in which the payor is obligated to pay regardless of whether or not the payor uses the services, volumes or capacity available under the contract;

“**throughput**” means with respect to a facility, inlet volumes processed (including any off-load or reprocessed volumes); with respect to a pipeline, the estimated gas or liquid volume transported therein; and with respect to processing facilities, the volume of inlet volumes processed;

“**Tidewater Midstream**” means Tidewater Midstream and Infrastructure Ltd.;

“**Tidewater Renewables**” or the “**Corporation**” means Tidewater Renewables Ltd.; and

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

### **Forward-Looking Statements**

Certain statements contained in this AIF constitute forward-looking statements and forward-looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. These statements relate to future events or the future performance of Tidewater Renewables. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often but not always identified by such words. These statements involve known and unknown risks, 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 AIF should not be unduly relied upon. These forward-looking statements speak only as of the date of this AIF.

In particular, this AIF contains forward-looking statements pertaining to the following:

- the ongoing development of the SAF Facility including the funding of optimization work, the expected timing of a final investment decision and the pursuit of long-term offtake agreements in relation thereto;
- the receipt of additional BC LCFS Credits from the Government of BC pursuant to an amended initiative agreement, including the use thereof;
- the Corporation’s qualification for the BPI, the associated incentive expected to be received by the Corporation under the BPI and the expected effect of the BPI on the Corporation and the Canadian renewable fuels sector;
- the sale of BC LCFS and CFR Credits;
- the Corporation’s objectives and growth strategy;
- the Corporation’s acquisition and divestiture strategy, including the criteria to be considered in connection therewith and potential financing options for future acquisitions;
- the entry into agreements with Tidewater Midstream to facilitate the sale of Renewable Diesel to third parties;
- expectations regarding the demand for Renewable Diesel;

- the execution of the Corporation's business strategy and the effects thereof;
- the sourcing of feedstocks for the Corporation's operations;
- the entry into forward sales contracts for renewable fuels and associated Environmental Attributes;
- requirements to adhere to increasingly stringent Carbon Intensity reduction targets pursuant to regulations put in place by various levels of government in Canada and the U.S. and the expected effect on the renewable fuels market;
- the seasonality and cyclical nature of the Corporation's business;
- expectations regarding the provision of certain services to the Corporation by Tidewater Midstream employees, contractors and consultants pursuant to the Shared Services Agreement, and the effect on the Corporation's business of the Corporation failing to successfully negotiate an extension to the Shared Services Agreement or a new agreement with Tidewater Midstream with respect to the provision of such services;
- the Corporation's view of the Renewable Diesel and SAF market and its competitive position therein;
- the amount of Renewable Diesel revenue and feedstock volume subject to hedges;
- the Corporation's distribution strategy for its products;
- the Corporation's reliance on the BC LCFS Credit, CFR Credit, D4 RIN and California LCFS Credit markets;
- the expected effect of the Amendments on the BC LCFS Credit market and the broader Canadian biofuels industry;
- the expected effect of higher RVOs on the demand for D4 RINs, the biofuels sector and the pricing for the Corporation's low-carbon product offerings;
- the expected effect of the increasing stringency of the California LCFS program on California LCFS Credit pricing and the value of Environmental Attributes embedded in the pricing mechanics of offtake agreements for the Corporation's low-carbon product offerings;
- the demand for the Corporation's products, including BC LCFS Credits and CFR Credits;
- negotiations with Tidewater Midstream regarding an extension to the Shared Services Agreement;
- the Government of Canada's intention to propose targeted amendments to the CFR and the aim of such amendments;
- the Corporation's sustainability programs and efforts;
- the Corporation's expectations regarding future dividends;
- the Corporation's approach to risk management;
- the effect of BC LCFS Credit, CFR Credit, D4 RIN and California LCFS Credit prices on the Corporation's business;
- opportunities to enter into hedges to secure future D4 RIN and California LCFS Credit prices
- the effect of a decrease in the spread between renewable fuel prices and feedstock costs on the Corporation's business;
- the volatility of crude oil prices in the near future;
- expectations regarding the expansion of production of Renewable Diesel for the North American market;
- the requirement for the Corporation to maintain specific financial covenants on an annualized basis under its Senior Credit Facility and Second Lien Credit Facility following the expiry of the waiver of such covenants;
- the sufficiency of the Senior Credit Facility and Second Lien Credit Facility for the Corporation's immediate requirements;

- the ability of the Corporation to renew its existing credit facilities or refinance on commercially reasonable terms;
- the Corporation's responsibility for the costs associated with decommissioning, abandonment and reclamation of the Renewable Assets at the end of their economic life, including the variability of such costs;
- operating risks;
- supply and demand for products and services;
- the Corporation's ability to raise capital;
- the Corporation's treatment under regulatory regimes, tax and other laws, and the effect thereof on the Corporation's business;
- potential conflicts of interest to which some of the Corporation's directors and officers will be subject to in connection with the operations of the Corporation;
- the Corporation's focus on managing its costs and expenses over the long term;
- the joint review of the USMCA and the effect of any changes to, or failure by one or more parties to comply with, the USMCA on the Corporation;
- competitive conditions and Tidewater Renewables' ability to position itself competitively in the industry; and
- the nature and status of contractual arrangements with third parties in respect of the Corporation's business.

Although the forward-looking statements contained in this AIF 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 AIF, the Corporation has made assumptions regarding, but not limited to:

- general economic and industry trends;
- future Renewable Diesel, BC LCFS Credit, CFR Credit, D4 RIN and California LCFS Credit prices;
- Tidewater Renewables' ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the impact of increasing competition;
- operating costs;
- processing and marketing margins;
- future capital expenditures to be made by Tidewater Renewables;
- the ability to obtain additional debt and/or equity financing on satisfactory terms;
- availability of capital to fund future capital requirements relating to existing assets and projects;
- anticipated benefits related to the Corporation's relationship with Tidewater Midstream;
- the ability of the Corporation to successfully negotiate an extension to the Shared Services Agreement;
- the ability of Tidewater Midstream employees, contractors and consultants to provide certain services to the Corporation under the Shared Services Agreement;
- the ability of Tidewater Renewables to successfully market its products;
- Tidewater Renewables' future debt levels and the ability of the Corporation to repay its debt when due;
- foreign currency, exchange and interest rates;
- projected capital investment levels and the successful and timely implementation of future capital projects;

- anticipated timelines and budgets being met in respect of the Corporation's projects and operations;
- that any required commercial agreements can be negotiated and completed;
- the ability of Tidewater Renewables to successfully implement strategic initiatives and that such initiatives will yield the expected benefits;
- the ability of Tidewater Renewables to generate sufficient cash flow from operations to meet its current and future obligations;
- distributable cash flow and net cash provided by operating activities consistent with expectations;
- future operating results and the success of Tidewater Renewables' operations;
- that there are no unforeseen material costs relating to the facilities which are not recoverable from customers;
- the ability of Tidewater Renewables to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its evaluations and activities; and
- the timely receipt of required regulatory approvals.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth herein, including but not limited to:

- changes in supply and demand for, and the pricing of, Renewable Diesel, BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits;
- general economic, political, market and business conditions, including armed hostilities, acts of war, terrorism, cyberattacks, diplomatic developments, fluctuations in interest rates, foreign exchange rates and stock market volatility;
- activities of competitors, customers and others and overall industry activity levels;
- operational matters, including potential hazards inherent in Tidewater Renewables' operations and the effectiveness of health, safety, environmental and integrity programs;
- timely receipt of third party, regulatory, environmental and governmental approvals and consents;
- losses of key customers;
- actions by governmental authorities, including changes in government regulation, tariffs and taxation;
- changes in operating and capital costs, including fluctuations in input costs;
- changes in environmental and other laws and regulations or the interpretations of such laws or regulations;
- cost of compliance with applicable regulatory regimes, including, but not limited to, environmental laws and regulations, including GHG emissions;
- Indigenous and landowner consultation requirements;
- activities of other facility owners, including access to third party facilities;
- the ability to secure land and water, including obtaining and maintaining land access rights;
- competition for, among other things, business, capital, acquisition opportunities, requests for proposals, materials, equipment, labour and skilled personnel;
- legal risks and environmental risks and hazards;
- fluctuations in the supply and demand for the Corporation's feedstocks and products;
- failure of third parties' reviews, reports and projections to be accurate, including those relating to asset acquisitions;

- 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 Tidewater Midstream;
- the Corporation's reliance on key personnel (including personnel providing services to the Corporation pursuant to the Shared Services Agreement);
- the inability for the Corporation to successfully negotiate an extension to the Shared Services Agreement;
- 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;
- the availability of capital on acceptable terms;
- changes in the credit-worthiness of counterparties;
- viability of counterparties;
- adverse claims made in respect of Tidewater Renewables' properties or assets;
- risks and liabilities associated with the transportation of dangerous goods;
- seasonal weather patterns
- technology and security risks, including cybersecurity;
- the ability of Tidewater Renewables to successfully implement strategic initiatives and whether such initiatives yield the expected benefits; and
- other factors, many of which are beyond the control of the Corporation, some of which are discussed under "*Risk Factors*" in this AIF.

Further, because there is interconnectivity between many of the risks Tidewater Renewables faces, it is possible that different constellations of risk could materialize which could result in unanticipated outcomes or consequences.

Forward-looking statements and other information contained herein concerning the renewable fuels industry are based on estimates prepared by management of the Corporation using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any material misstatements regarding any industry data presented herein, the Corporation's business involves numerous risks and uncertainties and is subject to change based on various factors.

The Corporation's actual results, performance or achievements 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 so, what benefits the Corporation will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this AIF. These forward-looking statements are made as of the date of this AIF and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, unless

required by applicable law. The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement.

Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by the Corporation with Canadian provincial securities commissions available on SEDAR+.

### **Non-GAAP Measures**

Certain supplementary measures in this AIF do not have any standardized meaning as prescribed under International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable entities in Canada, and, therefore, are considered non-GAAP measures. Since non-GAAP measures are unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP measures be clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP measures are calculated and disclosed by the Corporation on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP measures is to provide additional useful information with respect to the Corporation's operational and financial performance to investors and analysts though the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate these non-GAAP measures differently.

In particular, in this AIF, the terms "distributable cash flow", "growth capital" and "maintenance capital" are used to describe certain financial information of Tidewater Renewables. Readers should be cautioned that distributable cash flow is not defined by GAAP and is included in this AIF to describe certain financial information of Tidewater Renewables and should not be construed as alternatives to revenue, earnings, gross profit, or other measures of financial results determined in accordance with GAAP as indicators of Tidewater Renewables' performance.

"**distributable cash flow**" is a non-GAAP financial measure and 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 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 of the Corporation believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from 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 supplementary financial measures used herein are "maintenance capital" and "growth capital". The meanings and compositions of, specific rationales for, and information associated with (including a reconciliation to the most directly comparable measure calculated in accordance with GAAP) each of the non-GAAP measures are incorporated by reference and are set out in the "*Non-GAAP and Other Financial Measures — Non-GAAP Financial Measures*" section of the Corporation's most recent management's discussion and analysis, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation's profile.

### **Use of Industry Specific Terminology**

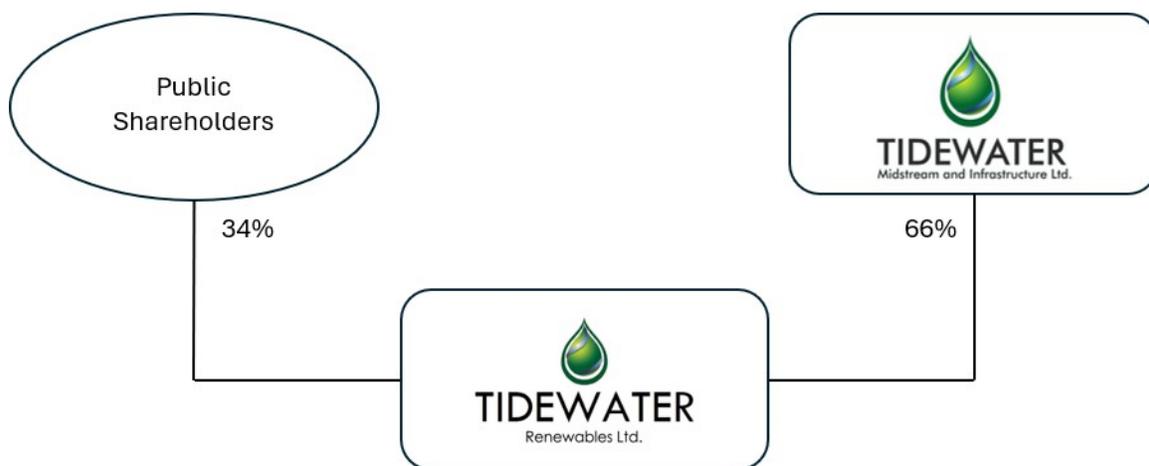
This AIF contains a number of references to industry specific terminology that is commonly used in the renewable energy production and infrastructure businesses and is also used by the Corporation in this AIF. In particular, and without limitation to the terms described or defined elsewhere in this AIF, this AIF contains references to renewable energy and renewable fuels, specifically Renewable Diesel and SAF. See "*Industry*" for further details on renewable energy, Renewable Diesel and SAF.

## Market, Independent Third-Party and Industry Data

Certain market, independent third-party and industry data contained in this AIF is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Corporation has not conducted its own independent verification of such information. This AIF also includes certain data, including production and other operational results, derived from public filings made by independent third parties. While the Corporation believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Corporation has not independently verified any of the data from independent third-party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

## CORPORATE STRUCTURE

The Corporation was incorporated under the *Business Corporations Act* (Alberta) (“ABCA”) on May 11, 2021. The Corporation amended its articles of incorporation to create the Series 1 Preferred Shares on August 17, 2021. The Corporation’s head office is located at Suite 900, 222 3rd Avenue SW, Calgary, Alberta, T2P 0B4 and its registered office is located at Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2. The Corporation is a reporting issuer in each of the provinces of Canada. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the trading symbol “LCFS”. The Corporation has no material subsidiaries



## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Tidewater Renewables is a multi-faceted energy transition company focused on the production of low carbon fuels, including Renewable Diesel. The Corporation’s strategy is to capitalize on the growing demand for renewable fuels in North America by efficiently turning a wide variety of renewable feedstocks (such as canola oil, tallow, used cooking oil, distillers corn oil, soybean oil, and other biomasses) into low carbon fuels. See “*Business of Tidewater Renewables*” for a more detailed description of the business and the business objective of the Corporation.

## Three Year History

### *Year Ended December 31, 2023*

On April 13, 2023, the Corporation announced initial unit commissioning at the HDRD Complex and that it had entered into firm credit sales agreements expected to result in \$43 million of net proceeds to the Corporation.

On May 10, 2023, the Corporation amended its five-year senior secured second lien credit facility (the “**Second Lien Credit Facility**”) and an additional \$25.0 million was advanced under a tranche B facility. The \$25.0 million of the tranche B facility had a maturity date of August 18, 2024, and could be extended to a maximum of August 18, 2025, in the event of an extension of the Senior Credit Facility. In the third quarter of 2024, the maturity date of the Tranche B Facility was extended from August 18, 2024 to August 30, 2024 and from August 30, 2024 to September 18, 2024 to provide the Corporation with the necessary time to complete the Tidewater Midstream Transaction (as defined herein). The \$25.0 million of the Tranche B Facility is subject to variable quarterly repayments based on a portion of the Corporation’s adjusted cash flows. The calculation of these adjusted cash flows is based on specific definitions in the agreements governing the Second Lien Credit Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to the Corporation’s financial statements. The Second Lien Credit Facility was amended and restated on September 12, 2024, and further amended on March 26, 2025, see “*Other Information Relating to Tidewater Renewables’ Business - Borrowings – Second Lien Credit Facility.*”

On October 1, 2023, the Corporation announced that mechanical construction of the HDRD Complex was complete and that most commissioning milestones were achieved. The HDRD Complex produced its first Renewable Diesel on October 22, 2023.

On November 9, 2023, the Corporation announced that the HDRD Complex had commenced commercial operations, actively producing cold weather diesel, and was slowly and safely progressing production to the facility’s design capacity.

On December 14, 2023, the Corporation announced that Rimrock Renewables Limited Partnership (“**RNG LP**”) received Environmental Protection and Enhancement Act approval from the Government of Alberta’s Ministry of Environment and Protected Areas for the construction and operation of the planned RNG facility located in Foothills County, Alberta. The Corporation’s interests in RNG LP were sold on January 10, 2025.

In December 2023, the Corporation completed a feasibility assessment for an expansion of its renewable fuel facilities in BC.

### *Year Ended December 31, 2024*

On January 22, 2024, the Corporation announced the appointment of Jeremy Baines as Chief Executive Officer and as a Director.

In the first quarter of 2024, the Corporation and Tidewater Midstream entered into a joint development agreement in relation to a new 6,500 bbl/day Renewable Diesel and SAF project in BC (the “**SAF Facility**”), whereby both parties have the right to participate in up to 50% of the project upon a final investment decision being made. The SAF Facility is expected to leverage many of the same processes used in operating the HDRD Complex. Front-end engineering design (“**FEED**”) work on the SAF Facility took place throughout 2024 and was completed during the second quarter of 2025. The SAF Facility FEED was fully funded through the sale of capital emissions credits issued under an initiative agreement with the Government of BC. To manage price exposure on the capital emissions credits generated by the SAF Facility, Tidewater Renewables secured a firm purchase commitment for the capital emissions credits being received under the initiative agreement. On September 3, 2025, the initiative agreement with the Government of BC was amended, see “*General Development of the Business – Three Year History – Year Ended December 31, 2025*”.

On March 13, 2024, Jeffrey Hamilton was appointed as a Director. On April 22, 2024, Ian Quartly was appointed as Chief Financial Officer. On May 7, 2024, Todd Moser was appointed as a Director.

On August 14, 2024, the Corporation entered into a definitive purchase and sale agreement for the sale of its used cooking oil feedstock assets acquired through the acquisition of Eco Dine Ltd., a used cooking oil supplier, for \$10.5 million, subject to certain adjustments. The transaction closed on September 12, 2024.

On September 12, 2024, Tidewater Renewables closed a related party transaction with Tidewater Midstream (the “**Tidewater Midstream Transaction**”) whereby Tidewater Renewables sold to Tidewater Midstream various Initial Assets that were acquired by Tidewater Renewables in conjunction with the Initial Public Offering and the Acquisition, including the Canola Co-Processor, the FCC Co-Processor, working interests in various other PGR units, and a natural gas storage facility located at the BRC (the “**Divested Assets**”) for cash consideration of \$122 million, plus the assumption by Tidewater Midstream of certain liabilities related to the Divested Assets. In addition, as part of the consideration for the Divested Assets, Tidewater Renewables acquired the right to receive certain BC LCFS Credits from Tidewater Midstream with a minimum value of \$7.7 million.

In connection with the Tidewater Midstream Transaction, on September 12, 2024, Tidewater Renewables and Tidewater Midstream entered into an agreement for the purchase and sale of credits (the “**BC LCFS Credit Purchase Agreement**”) pursuant to which Tidewater Renewables sold BC LCFS Credits to Tidewater Midstream for an aggregate purchase price of approximately \$7.2 million. Tidewater Midstream also agreed to purchase additional BC LCFS Credits (subject to certain monthly average limits) from Tidewater Renewables until March 31, 2025 for cash proceeds of approximately \$77.5 million (assuming the HDRD Complex continued to operate at over 90% utilization). A portion of such BC LCFS Credits sold were subject to the exercise of a put option in favour of Tidewater Renewables and/or a call option in favour of Tidewater Midstream, with cash proceeds paid monthly by Tidewater Midstream to Tidewater Renewables as the BC LCFS Credits were purchased by Tidewater Midstream from Tidewater Renewables. Tidewater Midstream exercised its call option granted pursuant to the BC LCFS Credit Purchase Agreement and Tidewater Renewables sold BC LCFS Credits to Tidewater Midstream under the BC LCFS Credit Purchase Agreement until March 31, 2025. From September 12, 2024 to March 31, 2025, Tidewater Renewables sold approximately \$70.1 million of BC LCFS Credits to Tidewater Midstream. Tidewater Renewables used the proceeds from the Tidewater Midstream Transaction and the BC LCFS Credit Purchase Agreement to repay amounts on its Senior Credit Facility.

On September 12, 2024, Tidewater Renewables refinanced its Senior Credit Facility and Second Lien Credit Facility, and the same was further amended on March 26, 2025, see “*Other Information Relating to Tidewater Renewables’ Business – Borrowings.*”

Pursuant to the amended and restated Second Lien Credit Facility, Tidewater Renewables issued to an affiliate of Alberta Investment Management Corporation (“**AIMCo**”) warrants to acquire 1,000,000 Common Shares at an exercise price of \$3.99 per share with an expiry date of September 12, 2029 (the “**2024 Warrants**”). In addition, on September 13, 2024, certain fees payable by Tidewater Renewables to an affiliate of AIMCo in connection with the refinancing of the Second Lien Credit Facility were settled with the issuance of 1,449,239 Common Shares at the then prevailing 10 day volume weighted average trading price on the TSX.

On November 25, 2024, Thomas Dea was appointed as a Director.

#### *Year Ended December 31, 2025*

On January 6, 2025, the Corporation announced that it had filed a countervailing (anti-subsidy) and anti-dumping duty complaint (the “**Complaint**”) with the Canada Border Services Agency (the “**CBSA**”) at the end of the fourth quarter of 2024 targeting the imports of Renewable Diesel from the U.S. On March 6, 2025, the CBSA, in response to the Complaint, formally initiated a countervailing (anti-subsidy) and anti-dumping duty investigation into imports of Renewable Diesel from the U.S. (the “**Investigation**”). On May 5, 2025, the Corporation was advised that the Canadian International Trade Tribunal (the “**Tribunal**”) issued a decision to terminate its preliminary injury inquiry in respect of the Complaint, which ended the Investigation arising from the Complaint. The Tribunal subsequently released reasons for its decision on May 23, 2025.

On January 10, 2025, the Corporation announced that it had sold its interest in RNG LP to Biocirc Canada Holdings Inc., an affiliate of Biocirc Group ApS, for a total purchase price of \$7.8 million in cash, of which \$4.7 million was received on close and a further \$2.1 million was received in February 2026 in satisfaction of the total purchase price

(the “**RNG LP Divestiture**”). The cash proceeds from the RNG LP Divestiture were used to reduce outstanding debt on the Senior Credit Facility. The Corporation retained its joint venture investment in Rimrock Cattle Company Ltd.

On March 26, 2025, the Senior Credit Facility and Second Lien Credit Facility were each amended. The amendments to the Senior Credit Facility provided for a \$10 million increase to the aggregate principal amount to \$40 million and an extension of the waiver of compliance by the Corporation with its quarterly financial covenants from September 30, 2025 to March 31, 2026. The amendments to the Second Lien Credit Facility provided for an increase to the amount available under the tranche C facility by \$10 million to \$43 million, the option for the Corporation to elect that the April 24, 2025 interest payment (of approximately \$5.1M) on the tranche A facility be paid in kind with the balance added to the aggregate principal amount of the tranche A facility, the extension of the maturity of the tranche B Facility and the tranche C facility from February 28, 2026 to October 24, 2027, and the extension of the waiver of compliance by Tidewater Renewables with its quarterly financial covenants from September 30, 2025 to March 31, 2026 (at which time the Corporation will be required to maintain certain financial covenants under its credit facilities on an annualized basis), see “*Other Information Relating to Tidewater Renewables’ Business – Borrowings.*”

On May 7, 2025, the maturity date of the Senior Credit Facility was extended from February 28, 2026, to February 28, 2027.

On September 3, 2025, the Corporation and the Government of BC executed an amended initiative agreement that will provide additional BC LCFS Credits to the Corporation to support optimization efforts and assist the Corporation in advancing the SAF Facility towards a final investment decision targeted for 2026.

On September 5, 2025, the Government of Canada announced its intention to introduce a new \$370 million Biofuels Production Incentive program (the “**BPI**”), 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 year per facility. The HDRD Complex is anticipated to produce between 150 million and 170 million litres annually during the 2026-2027 period, positioning the Corporation to be a beneficiary of the program. 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.

#### *Recent Developments*

Subsequent to year end, on January 16, 2026, the Corporation formally submitted its application to the Government of Canada for the BPI.

## **BUSINESS OF TIDEWATER RENEWABLES**

### **Business Strategy**

Tidewater Renewables’ objective is to be a leading Canadian producer of renewable fuel through the provision of alternative low-carbon and clean-fuel solutions. The Corporation is pursuing this objective through the ownership, development and operation of clean fuels projects and related infrastructure.

Tidewater Renewables’ growth strategy is focused on building out its Renewable Fuel Business Unit, which includes Renewable Diesel and SAF.

### **Potential Acquisitions, Issuance of Securities and Financings**

Tidewater Renewables continues to evaluate potential acquisitions of assets, companies and other strategic transactions. Tidewater Renewables regularly evaluates potential acquisitions and divestitures, which individually or together could be material. Tidewater Renewables may, in the future, divest of certain assets, issue securities in connection with acquisitions or otherwise and complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, Tidewater Renewables’ operations and capital expenditures and repayment of indebtedness. In selecting which capital projects, acquisitions and divestitures to

pursue, Tidewater Renewables pays close attention to both the macro trends that affect its business, as well as the particular needs of customers and potential customers, see “*Risk Factors*.”

### **Tidewater Renewables’ Operations**

In order to create the standalone business of Tidewater Renewables, pursuant to the Acquisition, Tidewater Renewables acquired certain pre-existing operating assets from Tidewater Midstream that provided an initial platform for the Renewable Fuels Business Unit. These Initial Assets included existing logistics (existing loading, unloading and rail assets for feedstock coming in and renewable fuels going out at the PGR), processing activities (existing processing capacity and hydrogen production required for the co-processing projects at the PGR), storage (tankage for storage and blending for Renewable Diesel at the PGR and storage reservoirs for Renewable Natural Gas located at BRC) and utilities that facilitate the operation of the renewable fuels growth projects as they come on line. Certain of these Initial Assets, being the Divested Assets, were sold back to Tidewater Midstream as part of the Tidewater Midstream Transaction, see “*General Development of the Business – Three Year History – Year Ended December 31, 2024*.” Following the Tidewater Midstream Transaction, the Corporation enters into agreements with Tidewater Midstream from time to time to facilitate the sale of Renewable Diesel to third parties.

Management believes that the strategic locations of Tidewater Renewables’ existing and planned production assets provide it with the opportunity to maximize revenue by creating high-value products and selling them in regulatory-incentivized markets. The Corporation expects Renewable Diesel demand to increase as current environmental regulations become more strict and as new regulations and systems are put into place. The majority of Tidewater Renewables’ Renewable Assets, including the HDRD Complex and the planned SAF Facility, are located in BC and in relatively close proximity to California, Oregon and Washington — which are the current jurisdictions in Canada and the U.S. that have LCFS legislation in place.

The Corporation believes its integrated approach, which is comprised of all aspects of the value chain from acquiring renewable feedstock, operating its renewable fuel facilities and managing facility construction and upgrades, positions the Corporation to serve the growing market for low carbon fuels. The Corporation believes that the execution of these strategies will enable it to expand its margins, diversify sources of profitability, manage its business through varying market conditions and increase Shareholder value, see “*Risk Factors — Risks Relating to the Corporation’s Business, Renewable Energy Industry and Operating Environment — Development and Operation of Individual Renewable Energy Projects (Including Cost Overruns)*”, “*Risk Factors — Risks Relating to the Corporation’s Business, Renewable Energy Industry and Operating Environment - Ability to Achieve Investment Objectives*”, and “*Risk Factors — Risks Relating to the Corporation’s Business, Renewable Energy Industry and Operating Environment — Feedstock and Contracting Risk*”.

As at December 31, 2025, the Corporation operated as one operating segment as its executive officers reviewed overall operating results in order to assess financial performance and to make resource allocation decisions, rather than to assess a lower level unit of operations in isolation. Revenue streams associated with such operating segment include:

- Renewable Fuels, Blending Fuels and Natural Gas — The Corporation’s revenue from this stream was \$200.2 million for the year ended December 31, 2025 (\$49.5 million of which was derived from sales to Tidewater Midstream) and \$229.0 million for the year ended December 31, 2024 (\$149.7 million of which was derived from sales to Tidewater Midstream);
- Take-or-Pay — The Corporation’s revenue from this stream was \$Nil for the year ended December 31, 2025 and \$27.4 million for the year ended December 31, 2024 (the entirety of which was derived from sales to Tidewater Midstream); and
- Emissions Credits - The Corporation’s revenue from this stream was \$47.8 million for the year ended December 31, 2025 (\$28.3 million of which was derived from sales to Tidewater Midstream) and \$170.1 million for the year ended December 31, 2024 (\$36.6 was derived from sales to Tidewater Midstream).

## *Overview*

The HDRD Complex is Tidewater Renewables' flagship asset and the main asset comprising the Renewable Fuel Business Unit. The HDRD Complex is a stand-alone renewable fuel complex focused on 100% renewable feedstock and includes a pre-treatment facility to provide Tidewater Renewables significant flexibility on running various renewable feedstocks. Upon commencement of commercial operations on November 7, 2023, the HDRD Complex became Canada's first Renewable Diesel project.

The HDRD Complex generates revenue through the sale of Renewable Diesel as well as BC LCFS Credits and CFR Credits generated from the production and sale of Renewable Diesel.

## *Customers and Contracts*

The Corporation leverages its marketing and logistic services to take advantage of specific location, quality and time-based opportunities when available. The Corporation purchases, transports, stores and sells renewable fuels and feedstocks throughout North America, and continues to engage in commercial negotiations to source feedstocks for the production of such renewable fuels. It is anticipated that the majority of feedstock will be sourced from within Western Canada. Additionally, the Corporation enters into forward sales contracts for renewable fuels and associated Environmental Attributes, both together and separately, to generate further revenue. Certain of the Corporation's forward sales contracts for Renewable Diesel include U.S. import parity pricing benchmarks that include prevailing D4 RIN and California LCFS Credit prices in the pricing mechanics, allowing the Corporation to capture value related to D4 RINs and California LCFS Credits, the cost of which would be payable by customers if such Renewable Diesel was imported from the U.S. market (being the customer's next best alternative).

## *Competition*

Tidewater Renewables' competitors in the renewable fuel business include other refiners, investment banks that have established trading platforms and brokers and marketers of widely varying sizes, financial resources and experience. Management expects the market for renewable fuels to continue to grow over the coming years as a result of federal and provincial government initiatives that incentivize the market to reduce the Carbon Intensity of fuels produced and consumed. Specifically, alternative low carbon fuel sources are set to grow rapidly in BC with the provincial government mandating Carbon Intensity reductions in the gasoline and diesel sold in the province, which must come from renewable sources. Beginning in 2023, the BC provincial government further increased the Carbon Intensity reduction requirements to 30% below the 2010 baseline by 2030. As such, the Corporation expects competition for market share to continue to intensify amongst existing and up-and-coming Renewable Diesel producers, including Imperial Oil Limited as a result of its Renewable Diesel refinery, located in Strathcona, Alberta, which began producing in the third quarter of 2025. With total refined product demand in BC estimated at 150-200 Mbbl/d, a gap exists between supply and demand for Renewable Diesel. The Corporation expects that the BC LCFS and CFR programs' mandated reductions in Carbon Intensity for gasoline and diesel will cause refiners in BC to blend renewable fuels with their products in excess of the minimum requirements to better meet compliance in their gasoline and diesel pools.

Tidewater Renewables expects to remain competitive by having a proven and existing customer base for its Renewable Diesel product due to Tidewater Midstream's existing diesel operations. In addition, the HDRD Complex is strategically located in Prince George, BC and provides optimal logistics to supply many large Renewable Diesel end customers in the forestry, mining and oil and gas sectors. The HDRD Complex is also serviced by CN rail with ease of access to Western Canadian feedstocks, such as canola oil and tallow. The HDRD Complex also includes a pre-treatment unit which allows for flexibility in utilizing various different feedstocks. This flexibility provides for optimization of feedstock costs, while also reducing risk associated with crop-based feedstocks. The HDRD Complex is designed with the flexibility to produce high quality low cloud point diesel for the northern BC market, which is required to meet the challenging Canadian winter diesel specifications.

## **Corporation Feedstocks and Other Inputs**

The Corporation produces low carbon fuels such as Renewable Diesel. The Corporation's Renewable Diesel is primarily produced from canola oil, but retains the ability to produce Renewable Diesel from a wide variety of low-carbon feedstocks, including other vegetable oils (for example, sunflower, soybean and corn), used cooking oil, fish oil and animal fats, some of which tend to be higher in price than others. The Corporation believes its ability to process a wide variety of feedstocks in its HDRD Complex provides the Corporation with a cost advantage over many Renewable Diesel producers because of the flexibility to respond to changes in feedstock pricing.

Management currently maintains commercial relationships with many potential feedstock suppliers, including those with domestic and international operations. The majority of these suppliers are the direct producers of the various feedstocks or global trading entities dealing in such feedstock.

In addition to feedstock, the Corporation also procures various chemicals and catalysts that are utilized in the production processes, which are typically sold under fixed-price contracts and formula-indexed contracts based upon competitive bidding.

## **Seasonality and Cyclicity**

The business of Tidewater Renewables is expected to continue to exhibit seasonality and cyclicity due to overall consumption patterns of refined products, feedstock availability, compliance deadlines, broad macro-economic activity and extenuating events. More specifically, demand for diesel products tends to be higher in the winter months, which the Corporation anticipates will correspond with higher demand for renewable fuel sales during such winter months. In addition, demand for BC LCFS Credits and CFR Credits tends to increase as compliance period deadlines approach, which the Corporation anticipates will correspond with higher demand for BC LCFS Credit sales and CFR Credit sales during such periods.

## **Environmental Regulation and Insurance**

Tidewater Renewables is subject to environmental regulations governing the construction and operation of the Renewable Assets, which require Tidewater Renewables to obtain operating licenses and permits. To ensure compliance with such licenses and permits, Tidewater Renewables works closely with local and regional authorities to address all environmental matters.

Tidewater Renewables maintains insurance that it considers adequate to insure its operations and properties. Its insurance policies are subject to deductibles and retention levels that Tidewater Renewables considers reasonable. Insurance coverage is subject to specific policy provisions which include standard coverages and exclusions typically available in the industry.

## **Employees and Labour Relations**

As at December 31, 2025, Tidewater Renewables employed approximately 5 permanent employees and 6 contractors and consultants in its operations. In addition, approximately 74 permanent employees and certain other contractors and consultants of Tidewater Midstream provide services to Tidewater Renewables pursuant to the Shared Services Agreement, see "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*".

To date, Tidewater Renewables has never experienced a labour-related work stoppage at any of its facilities.

## **Economic Dependence**

Other than the Shared Services Agreement, the Corporation is not a party to any contract for the purchase or sale of services or products or any other agreement upon which its business is substantially dependent, and the Corporation is not party to any contracts or subcontracts which terminate, or which are subject to renegotiation this current financial year, and which would reasonably be expected to materially affect the Corporation's business. Furthermore, the Corporation's credit risk profile is supported by its customer base consisting primarily of investment-grade entities,

ensuring high counterparty reliability. As approximately 32% of the Corporation's revenue in 2025 was earned through the sale of BC LCFS Credits and Renewable Diesel to Tidewater Midstream, the Corporation may be considered economically dependent on Tidewater Midstream, see "*Agreements with Tidewater Midstream and Other Counterparties*".

### **Specialized Skill and Knowledge**

Tidewater Renewables relies on specialized skills and knowledge to design and operate its Renewable Assets. Tidewater Renewables employs a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff and those permanent employees, contractors and consultants of Tidewater Midstream that provide certain services to the Corporation under the terms of the Shared Services Agreement in order to provide the specialized skills and knowledge to effectively undertake its refining, gathering, processing and transportation operations, see "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*".

### **Risk Management**

The prices for feedstocks and renewable fuels as well as the value of associated emissions credits, can be volatile and not always closely correlated. To manage feedstock and clean fuels price risks, the Corporation utilizes fixed price forward contracting, hedging and other risk management strategies, including the use of futures, swaps, options and over-the-counter products as possible. In addition, the Corporation is increasingly selling its Renewable Diesel with all Environmental Attributes included therewith (rather than selling such Renewable Diesel and Environmental Attributes separately) to further mitigate the risk of volatile emissions credit prices. Recent offtake agreements entered into by the Corporation for the sale of Renewable Diesel have also been structured using U.S. import parity pricing benchmarks that include prevailing D4 RIN and California LCFS Credit prices in the pricing mechanics. The inclusion of U.S. import parity pricing benchmarks in such offtake agreements allows the Corporation to capture value related to D4 RINs and California LCFS Credits, the cost of which would be payable by customers if such Renewable Diesel was imported from the U.S. market (being the customer's next best alternative). In addition, the D4 RIN and California LCFS Credit markets are liquid and transparent, which provides the Corporation with opportunities to enter into hedges to secure the future prices for D4 RINs and California LCFS Credits.

To decrease commodity price exposure and protect the HDRD Complex's cash flows, the Corporation has entered into financial forward contracts for certain vegetable oils (primarily canola oil), refined products and environmental attributes, as well as forward sales of BC LCFS Credits and CFR Credits.

In establishing its risk management strategies, the Corporation has drawn from its own in-house risk management expertise and consultation with industry experts. The Corporation also utilizes research conducted by outside firms to provide additional market information and risk management strategies. The Corporation believes combining these sources of knowledge, experience and expertise expands its view of the fluctuating commodity markets for raw materials and energy to improve its risk management strategies, see "*Risk Factors — Risks Relating to the Corporation's Business, Renewable Energy Industry and Operating Environment — Hedging*".

### **Distribution**

The Corporation has an established distribution system to supply renewable fuels throughout North America utilizing existing rail and truck logistics. The Corporation, through its relationship with Tidewater Midstream, has access to the existing rail transloading and truck loading facilities located at the PGR for distribution of Renewable Diesel that it produces. Renewable Diesel produced at the HDRD Complex is sold through the loading rack facilities at the PGR, primarily onto customer nominated trucks or rail cars. Tidewater Renewables also sells some Renewable Diesel produced at the HDRD Complex on a delivered basis using contracted logistics providers. The HDRD Complex also has a natural gas utility connection and a hydrogen connection to the PGR.

## **BC LCFS Credit Market**

The business of Tidewater Renewables depends in part on the state of the BC LCFS Credit market. Tidewater Renewables has been generating and receiving BC LCFS Credits through the production and sale of Renewable Diesel and through the development of the SAF Facility. Tidewater Renewables sells BC LCFS Credits by entering into spot and future sale agreements for BC LCFS Credits or including BC LCFS Credits in the sale of its Renewable Diesel.

Starting in the third quarter of 2024, the BC LCFS Credit market experienced a sharp decline which continued throughout 2025. Management believes that this sharp decline is a function of large volumes of subsidized U.S. Renewable Diesel physically moving out of the oversupplied U.S. renewable fuel market and into the higher value BC market. Aggravating the situation, in management's view, are overlapping U.S. and Canadian low carbon fuel policies which allow U.S. Renewable Diesel producers to take advantage of U.S. subsidies and compliance markets at the point of production and then import their volumes to Canada and generate BC LCFS Credits at the point of sale. In response to the influx of renewable fuels into the BC market, on February 27, 2025 the Government of BC announced changes to the *Low Carbon Fuels Act* (the "**Amendments**") to increase the renewable fuel requirement for diesel from 4% to 8%, together with, effective April 1, 2025, requiring such renewable fuel content to be produced in Canada. Additionally, effective as of January 1, 2026, the minimum 5% renewable fuel requirement for gasoline must be met with eligible renewable fuels produced in Canada. The Corporation views the Amendments as a favourable development for the BC LCFS Credit market. These actions are expected to support both Tidewater Renewables and the broader Canadian biofuels sector in meeting the increasing demand for clean fuels while alleviating pressure on BC LCFS Credit prices. See "*Regulatory Framework – British Columbia Low Carbon Fuel Standard (BC LCFS)*" for more information on the BC LCFS program.

## **CFR Credit Market**

The business of Tidewater Renewables depends in part on the state of the CFR Credit market. Tidewater Renewables has been generating and receiving CFR Credits by way of producing Renewable Diesel and undertaking other CFR Credit generating activities. Tidewater Renewables generated and received its first CFR Credits in September 2023 by importing Renewable Diesel for the start-up of the HDRD Complex. Tidewater Renewables sells CFR Credits by entering into spot and future sale agreements for CFR Credits or including CFR Credits in the sale of its Renewable Diesel.

The price of CFR Credits peaked during the first year of the CFR coming into force and saw a decline in the second half of 2024 and beginning of 2025. During the second and third quarters of 2025, the price of CFR Credits substantially increased, and such prices stabilized during the fourth quarter of 2025. Management believes the increase in the price of CFR Credits is a function of the liquidity of CFR Credits in the marketplace that are available to meet compliance obligations as the CFR emissions reductions requirements continue to increase. Tidewater Renewables' ability to monetize CFR Credits is dependent on the supply and demand of the CFR Credit market. The CFR emission reduction requirements increase each year until 2030, culminating with a 15% emission reduction requirement compared to fossil fuels. In addition, the CFR program is a Federal program, resulting in more obligated parties and a significantly larger fuel pool that requires CFR Credits to meet compliance obligations. As a result, management expects there to be more demand for CFR Credits each year until 2030 as CFR Credits are used to meet these emission reduction requirements. See "*Regulatory Framework – Canadian Clean Fuel Regulation (CFR)*" for more information on the CFR program.

## **D4 RIN Market**

The business of Tidewater Renewables depends in part on the state of the D4 RIN market. When the Corporation sells Renewable Diesel with all Environmental Attributes included therewith, the U.S. import parity pricing benchmarks include the value of D4 RINs, which are essential components for compliance under the RFS.

The price of D4 RINs is influenced by various factors, including the annual renewable volume obligations ("**RVOs**") set by the EPA, supply of biomass-based diesel, feedstock costs, and overall fuel demand. The price of D4 RINs experienced a period of compression in early 2025 but has largely recovered entering 2026. Management believes this improvement is supported in part by stronger supply-demand fundamentals and increased regulatory clarity regarding the RFS. In particular, the EPA has proposed higher RVOs for 2026 and 2027 relative to 2025 levels for biomass-

based diesel, signaling continued support for the biofuels sector and increasing compliance demand for D4 RINs. Management believes these developments reinforce the role of Renewable Diesel and SAF in meeting decarbonization objectives and are expected to be supportive of pricing for the Corporation's low-carbon product offerings.

### **California LCFS Credit Market**

The business of Tidewater Renewables depends in part on the state of the California LCFS Credit market. The California LCFS program is administered by the CARB and requires a reduction in the Carbon Intensity of transportation fuels used in California, with California LCFS Credits being generated by the supply of low carbon fuels and deficits being incurred by the supply of higher carbon fuels. When the Corporation sells Renewable Diesel with all Environmental Attributes included therewith, the U.S. import parity pricing benchmarks include the value of California LCFS Credits.

California LCFS Credit prices are primarily influenced by supply and demand dynamics, including the availability of renewable fuels and the stringency of Carbon Intensity reduction targets. The price of California LCFS Credits experienced a decline in early 2025 due to an oversupply of California LCFS Credits in the marketplace, but such prices have recovered and stabilized in the fourth quarter of 2025. Management believes this improvement reflects evolving market conditions and regulatory developments. Notably, the CARB adopted amendments to the California LCFS program that included, among other things, a one-time Carbon Intensity adjustment of 9% on July 1, 2025, which immediately increased the stringency of the California LCFS program, and an increase to the Carbon Intensity reduction target from 20% to 30% below the 2010 baseline by 2030 (with the goal for a 90% Carbon Intensity reduction by 2045). These amendments, together with the introduction of other mechanisms intended to adjust stringency over time, are designed to tighten the California LCFS Credit market and support the long-term effectiveness of the California LCFS program. Management believes these developments signal California's continued commitment to transportation decarbonization and are expected to be supportive of the Environmental Attribute value embedded in the Corporation's low-carbon product offerings.

## **AGREEMENTS WITH TIDEWATER MIDSTREAM AND OTHER COUNTERPARTIES**

### **Shared Services Agreement**

In conjunction with the Acquisition, the Corporation and Tidewater Midstream entered into the Shared Services Agreement. Under the Shared Services Agreement, Tidewater Midstream agreed to provide certain management and administrative services to the Corporation for an aggregate monthly fee initially set at cost plus 5%, and reimbursement of associated out-of-pocket costs and expenses. The Shared Services Agreement will remain in effect until the fifth anniversary of the Acquisition, subject to earlier termination or extension upon mutual agreement by the parties. The Shared Services Agreement is set to expire on August 18, 2026 and the Corporation expects to engage in negotiations with Tidewater Midstream in early 2026 regarding an extension of the Shared Services Agreement. Employees of Tidewater Midstream that are providing services to Tidewater Renewables pursuant to the Shared Services Agreement perform similar services for Tidewater Midstream.

The full text of the Shared Services Agreement is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

### **Governance Agreement**

In conjunction with the Acquisition, the Corporation and Tidewater Midstream entered into the Governance Agreement.

Under the Governance Agreement, for so long as Tidewater Midstream beneficially owns, directly or indirectly and on a non-diluted basis, not less than 40% of the issued and outstanding Common Shares (the "**TWM Ownership Requirement**"), Tidewater Midstream is entitled to nominate a number of members of the Board (each a "**TWM Board Member**") equal to either (i) two members of the Board, or (ii) 40% of the members of the Board (rounded up or down to the nearest whole number, if applicable), whichever is greater. The TWM Board Members may be directors, officers or employees of Tidewater Midstream or its affiliates. Subject to the ABCA, Tidewater Midstream is entitled to nominate replacement directors for any vacancy on the Board left following the departure of a TWM

Board Member, provided that Tidewater Midstream remains, at that time, entitled to appoint such director. The Governance Agreement provides that the number of directors on the Board shall be fixed at five, unless otherwise determined by resolution of the Board, and shall not, unless unanimously agreed upon by the Board, be fixed at six. Under the Governance Agreement, if Tidewater Midstream does not meet the TWM Ownership Requirement but does beneficially own, directly or indirectly, greater than or equal to 10% of the outstanding Common Shares, then Tidewater Midstream shall be entitled to nominate its proportionate share of the members of the Board (rounded up to the next whole number) based on such percentage.

If an individual nominated by Tidewater Midstream fails to be elected by the Shareholders as a director of the Board, Tidewater Midstream shall have the right to designate such individual as an observer of the Board (a “**Board Observer**”). The Board Observer shall be entitled to: (i) receive notice of and to attend meetings of the Board and any committee of the Board; (ii) take part in discussions and deliberations of matters brought before the Board; (iii) receive notices, consents, minutes, documents and other information and materials that are sent to members of the Board or any committee of the Board; and (iv) receive copies of any written consent resolutions proposed to be adopted by the Board or any committee of the Board, including any resolution as approved. The Board Observer shall be entitled to receive such materials at substantially the same time and in substantially the same manner as the members of the Board, but the Board Observer shall not be entitled to vote on any matters brought before the Board. The Board Observer will also not be entitled to any compensation from the Corporation, except that reasonable out-of-pocket expenses of the Board Observer shall be reimbursed by the Corporation.

Under the Governance Agreement, the Corporation also provides Tidewater Midstream with certain rights to participate in future offerings of securities by the Corporation. Provided that Tidewater Midstream meets the TWM Ownership Requirement, and subject to limited exceptions, if the Corporation proposes to, or reasonably anticipates that it will, issue any Common Shares, debt securities or securities convertible into or exchangeable for such Common Shares or debt securities (the “**Offered Securities**”), the Corporation will first offer Tidewater Midstream the opportunity to subscribe for and acquire that number of Offered Securities equal in amount to Tidewater Midstream’s then outstanding proportionate equity interest in the Corporation or any such lesser amount as Tidewater Midstream may elect to subscribe for at a subscription price as determined by the Board (the “**TWM Participation Rights**”). If the TWM Participation Rights are not exercised within the applicable periods provided for in the Governance Agreement, the Corporation may proceed to offer such unsubscribed Offered Securities within the period of 60 days after the expiration of such applicable period to any person provided that the terms of such offering shall not be more favourable than those offered to Tidewater Midstream.

The TWM Participation Rights will apply to any Offered Securities issued by the Corporation for proceeds other than cash, including in connection with any acquisition, business combination or similar transaction. In addition to the TWM Participation Rights, Tidewater Midstream will also be entitled to subscribe for, no more than once per fiscal quarter and at a market-based price or price as determined by mutual agreement between Tidewater Midstream and the Board, such number of additional Common Shares to allow Tidewater Midstream to maintain its proportionate ownership of Common Shares, or such lesser amount as Tidewater Midstream may determine, after giving effect to issuances of Common Shares by the Corporation pursuant to compensation plans or similar plans.

For so long as Tidewater Midstream is required to consolidate the results of operations and financial position of, or account for its investment in, the Corporation, the Corporation will provide Tidewater Midstream with certain financial information and data with respect to the Corporation and its business, properties, financial positions, results of operations and prospects, as may reasonably be required by Tidewater Midstream to meet its reporting obligations. In addition, the Corporation is obligated to, among other things: (i) maintain effective disclosure controls and procedures and to comply with applicable securities laws; (ii) provide financial reports to Tidewater Midstream in connection with each meeting of the Board and the Corporation’s audit committee; (iii) prepare all financial and other information to be provided by the Corporation to Tidewater Midstream or filed with any securities regulatory authority in accordance with applicable securities laws; (iv) give Tidewater Midstream the opportunity to review and comment on the timing of any financial guidance in respect of the Corporation for a current or future period that the Corporation intends to publish or otherwise make public; (v) provide Tidewater Midstream with an opportunity to review and comment on drafts of all reports, notices and proxy and information statements to be filed with any securities regulatory authorities and changes thereto, particularly with respect to changes that would affect the financial statements or related disclosure of Tidewater Midstream; (vi) propose Deloitte LLP for appointment as the Corporation’s auditor, unless Tidewater Midstream provides its prior written consent to the appointment of any other

party as the Corporation's auditors; and (vii) cooperate fully, and use commercially reasonable efforts to cause the auditors of the Corporation to reasonably cooperate, with Tidewater Midstream in the preparation of any filings made by Tidewater Midstream with any securities regulator pursuant to applicable securities laws.

The Governance Agreement shall continue in force until the earlier of (i) the date on which the Governance Agreement is terminated; or (ii) the date on which Tidewater Midstream beneficially owns, directly or indirectly, less than 10% of the Corporation's issued and outstanding Common Shares (on a non-diluted basis). Certain rights and obligations under the Governance Agreement, other than the requirements for the Corporation to provide information to Tidewater Midstream as described in the foregoing paragraph and certain tax-related provisions, may be assignable to a transferee of Common Shares upon notice to the Corporation, other than in respect of transfers made pursuant to a public prospectus offering, see "*Risk Factors — Risks Relating to the Corporation's Relationship with Tidewater Midstream — Future Changes in Relationship with Tidewater Midstream*".

The full text of the Governance Agreement is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Investor Liquidity Agreement**

In conjunction with the Acquisition, Tidewater Midstream and the Corporation entered into the Investor Liquidity Agreement. The Investor Liquidity Agreement provides that Tidewater Midstream and any direct or indirect transferee of Tidewater Midstream who shall become party to the Investor Liquidity Agreement (each a "**Holder**") may, at any time, request that the Corporation file a prospectus in any jurisdiction or jurisdictions of Canada (a "**Demand Registration**") in respect of the distribution of all or part of the Common Shares then held by the Holder ("**Registrable Securities**"). Upon receipt of a Demand Registration, the Corporation will be required to use its reasonable commercial efforts to file a prospectus to permit the offer and sale or other distribution of all or any portion of the Registrable Securities. The Corporation may satisfy its obligations through the use of a shelf prospectus and applicable shelf prospectus supplements or, in the case of a private placement, a private placement memorandum. Each Holder agrees to reasonably cooperate with the Corporation in connection with any required filings.

The Demand Registration rights are subject to certain limitations, including that: (i) other than in respect of a shelf prospectus, the Corporation is not obligated to file a prospectus in respect of a Demand Registration within 60 days after the effective date of a previously filed prospectus; and (ii) the Corporation shall not be obligated to file a prospectus in respect of a Demand Registration unless the Registrable Securities thereunder have a market value equal to at least \$50 million as of the date of such request for Demand Registration. If the Corporation declines to effect a Demand Registration pursuant to (i) or (ii) above, and if the Holder then determines to withdraw the request for a Demand Registration, then such Demand Registration and the request therefor will be deemed to be withdrawn and such request will be deemed not to have been given.

In the event that a majority of the members of the Board who are not TWM Board Members (the "**Independent Directors**") determine that any Demand Registration would materially adversely affect a pending or proposed material transaction, or would require the disclosure of material non-public information that would have a material adverse effect on the Corporation and its subsidiaries (a "**Valid Business Reason**") then the Corporation may postpone the filing of a prospectus (or prospectus supplement, as applicable), or withdraw any such document that has already been filed, until such Valid Business Reason no longer exists, provided that such postponement or withdrawal shall not extend for a period of more than 90 days after receipt of the request for such Demand Registration ("**Postponement Rights**").

The Corporation may not exercise its Postponement Rights more than once in any 12-month period, and the Corporation will give written notice to Tidewater Midstream of its exercise of such Postponement Rights or of the fact that the Valid Business Reason for such deferral, postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof.

The Holder may revoke or withdraw a request for a Demand Registration, in whole or in part. If the Holder determines that the distribution of Common Shares pursuant to a Demand Registration would not be able to be sold in an orderly manner within a price range acceptable to the Holder ("**Demand Registration Orderly Sale Number**"), then the Corporation shall not qualify any such shares for distribution. In such case, the Corporation shall include in the distribution: (i) first, the number of Registrable Securities requested to be included in the Demand Registration; and

(ii) second, such Common Shares equal to (X) the Demand Registration Orderly Sale Number less (Y) the number of Registrable Securities requested to be included in the Demand Registration.

If the Corporation proposes to distribute Common Shares through a preliminary prospectus, it will give notice of the proposed distribution to each Holder. Each Holder shall have the opportunity to qualify Registrable Securities for distribution thereunder. The Corporation will then use commercially reasonable efforts to include such Registrable Securities in the prospectus (a “**Piggy-Back Registration**”) unless it determines that doing so would cause it to exceed the number of Common Shares that can be sold in an orderly manner within an acceptable price range (“**Piggy-Back Registration Orderly Sale Number**”). In such case, the Corporation shall include in the distribution: (i) first, the number of Common Shares proposed to be qualified for distribution by the Holder; and (ii) second, such Registrable Securities equal to (X) the Piggy-Back Registration Orderly Sale Number less (Y) the number of Common Shares proposed to be qualified for distribution by the Holder.

In the case of a prospectus or a supplement thereto filed in connection with a Demand Registration, the Holder will pay all applicable fees and expenses customarily paid by issuers or sellers of securities that are connected to the Corporation’s performance of the Demand Registration. In the case of a Piggy-Back Registration or the Corporation’s participation in a Demand Registration, such fees and expenses will be allocated between Holders and the Corporation in accordance with the proportionate number of Common Shares sold by each entity. All underwriting discounts, fees, expenses and transfer taxes in connection with the foregoing shall be paid by participating sellers under the distribution in accordance with the proportionate number of Common Shares sold by each entity.

The Investor Liquidity Agreement will continue in force until the earlier of the date on which: (i) there are no longer any outstanding Registrable Securities; (ii) the Holders, collectively, beneficially own, directly or indirectly, 10% or less of the issued and outstanding Common Shares; or (iii) the Investor Liquidity Agreement is terminated. Tidewater Midstream or its assignees may assign its rights and obligations under the Investor Liquidity Agreement to a transferee of Registrable Securities, upon notice to all parties to the Investor Liquidity Agreement, other than in respect of transfers made pursuant to a public prospectus offering.

The full text of the Investor Liquidity Agreement is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **BC LCFS Credit Purchase Agreement**

In conjunction with the Tidewater Midstream Transaction, the Corporation entered into the BC LCFS Credit Purchase Agreement, pursuant to which the Corporation sold BC LCFS Credits to Tidewater Midstream for an aggregate purchase price of approximately \$7.2 million and agreed to sell additional BC LCFS Credits to Tidewater Midstream until March 31, 2025. A portion of such additional BC LCFS Credits sold under the BC LCFS Credit Purchase Agreement were subject to the exercise of a put option in favour of Tidewater Renewables and/or a call option in favour of Tidewater Midstream. Tidewater Midstream exercised its call option granted pursuant to the BC LCFS Credit Purchase Agreement and purchased BC LCFS Credits from Tidewater Renewables under the BC LCFS Credit Purchase Agreement until March 31, 2025. From September 12, 2024 to March 31, 2025, Tidewater Renewables sold approximately \$70.1 million of BC LCFS Credits to Tidewater Midstream pursuant to the BC LCFS Credit Purchase Agreement.

The full text of the BC LCFS Credit Purchase Agreement is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **INDUSTRY**

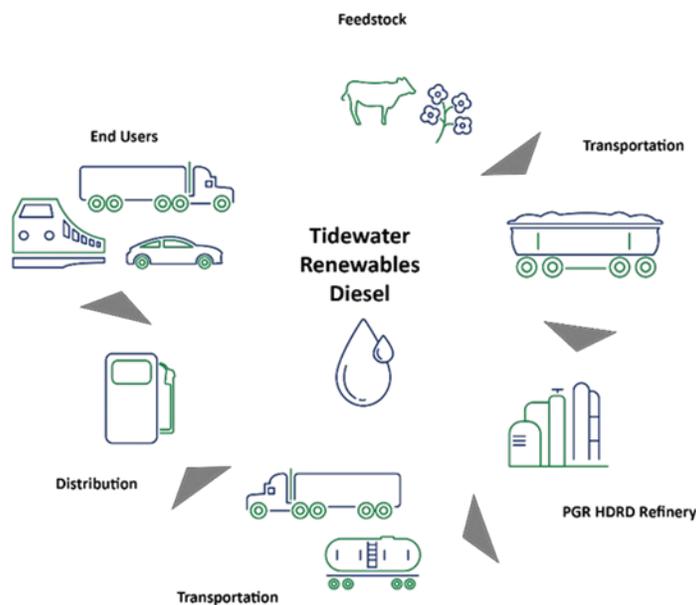
### **Overview of Renewable Energy Industry**

Renewable energy is energy derived from natural resources that are replenished at a low environmental cost. There are various forms of renewable energy including solar, wind, geothermal, hydropower, solid biomass, biogas and liquid biofuels. Renewable energy has gained momentous support in recent years in an attempt to stabilize global temperatures.

In an attempt to address GHG emissions from high Carbon Intensity energy sources, interest and funding for renewables beyond conventional power alternatives, such as wind or solar power, is gaining momentum. Some non-conventional renewable sources include renewable fuels, such as Renewable Diesel, SAF and other types of organic fuel sources, used to displace fossil fuels and reduce GHG emissions. Clean fuels standards in North America and Europe reinforce the movement by governments to support low Carbon Intensity fuels as an important step towards a low carbon economy.

## Overview of Renewable Diesel

Renewable Diesel is a low GHG transportation fuel with a lower full lifecycle Carbon Intensity than petroleum diesel. While the composition of Renewable Diesel is different from petroleum diesel, it is a “drop-in” replacement for petroleum diesel and is suitable for use in diesel engines. Therefore, it is an ideal fuel substitute without any blending limitations. Renewable Diesel is produced from biomass and organic sources, including various forms of lipids-rich feedstocks such as vegetable oils (for example, canola, sunflower, soybean and corn), used cooking oil, fish oil and animal fats, using a hydrotreating process which introduces hydrogen to the feedstock under elevated temperatures and pressures in the presence of a catalyst to remove oxygen and develop suitable molecular chains.



North American demand growth for Renewable Diesel is driven by the U.S. and Canadian federal and state/provincial programs, as well as by independent end users to reduce GHG emissions.

Renewable Diesel is often confused with biodiesel given that the two products have similar feedstock; however, the production process and properties between the two products are different. Renewable Diesel holds a number of competitive advantages over conventional biodiesel:

- **No Blend Wall** — Renewable Diesel can be put directly into diesel engines, while biodiesel must typically be blended with petroleum diesel for final consumption and is subject to a blending limit of 5%. This means that Renewable Diesel is a drop-in substitute for petroleum diesel while biodiesel may only be blended up to a certain point before the resultant product is no longer able to be utilized as a substitute for petroleum diesel. There are very few applications in which pure biodiesel can be used as a fuel for an extended period of time;
- **Cold Weather Reliability** — Renewable Diesel will remain usable at lower temperatures than biodiesel as biodiesel will begin to freeze/congeal and form visible crystals at a higher temperature than Renewable

Diesel. As biodiesel contains oxygen, biodiesel is prone to separation and unsuitability in colder temperatures commonly found in Canada; and

- **Storage Capabilities** – Renewable Diesel has better storage properties than biodiesel. Biodiesel’s chemical composition makes it more susceptible to microbial fouling when poor storage tank management is present, which may result in the corrosion of storage tanks and clogging of fuel lines. In addition, the oxygen content of biodiesel can limit the length of time it can be stored due to oxidation that causes corrosion.

Management believes that the ability to fully substitute Renewable Diesel for conventional diesel creates a significant market for Renewable Diesel in central and northern BC as demand in such region is in excess of current locally-produced supply. As a result, this area has one of the highest diesel prices in North America. Accordingly, management expects significant demand for the Renewable Diesel produced by Tidewater Renewables both locally and broadly. The substitution of Renewable Diesel for regular diesel produces a reduction in Carbon Intensity in the range of 80-90%, making the use of Renewable Diesel an effective way to meet increasing carbon reduction requirements. Management also believes that the outlook for demand and pricing for Renewable Diesel is favourable because it expects: (i) regulations related to carbon production (and the associated penalties/incentives) to continue to become more stringent; and (ii) voluntary carbon reduction initiatives to increase.

## **Overview of SAF**

SAF is an alternative transportation fuel derived from non-petroleum lipid-based feedstocks, such as various vegetable oils, used cooking oil and tallow, is used as a direct substitute for jet fuel and is compatible for combustion in aircraft engines. There are various technological processes available to create SAF, including Fischer-Tropsch, Synthesized Iso-Paraffins, Alcohol to Jet, Catalytic Hydrothermolysis, Hydrotreated Estes and Fatty Acids (“**HEFA**”), and Co-Processing. HEFA is the most widely commercialized technological process to create SAF and accounts for the majority of SAF production worldwide. HEFA uses hydrogen to remove oxygen from lipid molecules and subsequently isomerizes the molecules to create SAF. As a nascent industry, at present, SAF must be blended with conventional jet fuel due to the aromatics in traditional jet fuel and compatibility for aircraft seals, as well as other properties.

Demand for SAF is primarily driven by mandates in the European Union and Japan, as well as voluntary initiatives of airlines seeking to reduce CO<sub>2</sub> emissions and participation in the International Civil Aviation Organization’s (ICAO) proactive plan to reduce CO<sub>2</sub> emissions in international aviation by 5% by 2030. North America supports SAF development through various policies and incentive programs such as the BC LCFS and the CFR, as well as Federal and state driven low carbon fuel programs in the United States.

At present, there are no Canadian SAF producers outside of limited co-processing production. Tidewater Renewables undertook FEED work on the SAF Facility throughout 2024 and such FEED work was completed during the second quarter of 2025. Proximity to the Vancouver, BC airport, as well as Tidewater Midstream’s ability to produce conventional jet fuel required for blending at the PGR, places Tidewater Renewables in a unique position to compete with SAF imported from other North American and international jurisdictions. Tidewater Renewables is progressing the commercialization strategy for the SAF Facility, including feedstock supply, SAF offtake agreements, and government engagement, as well as capital financing options, see “*General Development of the Business — Three Year History — Year Ended December 31, 2024*”.

## **REGULATORY FRAMEWORK**

### **Governmental Regulation**

The assets and projects of the Corporation are subject to federal, provincial and local air environmental regulations and permitting requirements, including construction and environmental permits. The Corporation’s assets and projects must also maintain compliance with relevant federal, provincial, and local environmental, health and safety requirements. Regulatory and legislative factors also influence the price of renewable fuels and depend on the jurisdiction where the end product is sold. For greater clarity, the Corporation’s assets and projects are in Canada and therefore subject to the Canadian laws and clean energy regulatory incentives.

## **Canadian Clean Fuel Regulation (CFR)**

The CFR was established under the *Canadian Environmental Protection Act, 1999* on June 20, 2022. The CFR includes mandatory Carbon Intensity reductions for gasoline and diesel.

The CFR is an important part of Canada’s approach to growing a cleaner and more competitive economy and one of the main regulations providing potential future incentives for the Corporation’s business. The CFR replaced the former *Renewables Fuels Regulation* and aims to discourage the use of fossil fuels by increasing the price of those fuels when compared to lower-carbon alternatives. The CFR requires fossil fuel refiners and importers to make their supply cleaner and less polluting overall. The Government of Canada is generally following similar regulatory approaches that already exist in BC, California, Oregon, Washington and other jurisdictions.

The CFR mandates liquid fuel distributors to lower the Carbon Intensity of their products, with the aim of reducing pollution and GHG emissions. To drive the production and consumption of clean fuels, the CFR intends to accelerate investment and growth in clean fuel projects through the use of incentives for the development and adoption of clean fuels and clean fuel technologies and processes.

The CFR established a CFR Credit market, where each credit represents a lifecycle emission reduction of one tonne of carbon dioxide equivalent. For each compliance period, a primary supplier must demonstrate compliance with their reduction requirement by creating credits or acquiring credits from other creators, and then using the required number of credits for compliance. CFR Credits can be created by various low carbon fuel types, including Renewable Diesel.

Renewable Diesel can generate CFR Credits as a low Carbon Intensity liquid fuel. Low Carbon Intensity fuels are fuels, other than the fossil fuels subject to the Carbon Intensity reduction requirements, that have a Carbon Intensity equal to or less than 90% of the credit reference Carbon Intensity value for the fuel. CFR Credit quantification methodology for low Carbon Intensity fuels increasingly awards credits for further reductions to the Carbon Intensity of fuels, beyond the 90% reduction benchmark criteria.

On September 5, 2025, the Government of Canada announced its intention to propose targeted amendments to the CFR to strengthen the resiliency and support the development of Canada’s low-carbon fuel sector, while maintaining the CFR’s primary focus on lowering GHG emissions and transitioning to a low carbon economy. On December 3, 2025, the Government of Canada published a discussion paper (the “**CFR Discussion Paper**”) to invite views and information related to the proposed targeted amendments to the CFR. The comment period for the CFR Discussion Paper closed on January 15, 2026. The amendment options provided in the CFR Discussion Paper aim to increase demand for low-carbon fuels and increase the competitiveness of the Canadian low-carbon fuel sector.

### *Earning CFR Credits*

CFR Credits, which may be transferred upon receipt, may be earned by a registered creator by either involvement in a CO<sub>2</sub> emission reduction project, production of a low Carbon Intensity fuel, or providing a low carbon energy source for vehicles.

Tidewater Renewables has been generating, receiving, and selling CFR Credits by way of producing Renewable Diesel and undertaking other CFR Credit generating activities. Tidewater Renewables generated and received its first CFR Credits in September 2023 by importing Renewable Diesel for the start-up of the HDRD Complex.

### *Monetization of CFR Credits*

Tidewater Renewables can choose to capture the value of the CFR Credits by selling Renewable Diesel to a consumer with the CFR Credits embedded in the purchase price or through monetizing the credits separately in the open market, see “*Risk Factors — Risks Relating to the Tidewater Renewables’ Business, Renewable Energy Industry and Operating Environment — Price of Emissions Credits*”.

## British Columbia Low Carbon Fuel Standard (BC LCFS)

In January 2010, the Government of BC instituted the BC LCFS program. The BC LCFS requires reductions in the lifecycle Carbon Intensity of transportation fuels supplied in BC, initially outlining that 5% of gasoline and 4% of diesel volumes must contain renewable fuel and annual BC LCFS compliance standards are met. Initially, fuel suppliers were required to progressively decrease the average Carbon Intensity of their fuels to achieve a 10% reduction in 2020 from a 2010 Carbon Intensity baseline. In December 2018, the Government of BC released the CleanBC Plan, announcing an increase of the Carbon Intensity reduction target to 20% by 2030 relative to 2010 Carbon Intensity levels. In July 2020, these amendments to the BC LCFS came into effect. In 2022, BC increased the Carbon Intensity target to 30% by 2030, relative to 2010 Carbon Intensity levels.

Complementing its CleanBC Plan, on March 26, 2021, the Government of BC announced a number of sector- specific emissions reduction targets, established with reference to 2007 emissions levels, that it aims to achieve by 2030, including reduction targets of 27–32% for the transportation sector, 33–38% for oil and gas, and 38–43% for other industry.

Fuel suppliers can comply with the BC LCFS by reducing the overall Carbon Intensity of the fuels they supply, blending renewable fuels into their existing fuel stream, acquiring credits from other fuel suppliers, or by entering into BC initiative agreements (formerly BC Part 3 Agreements) with the Director under the BC LCFS that provide BC LCFS Credits for the construction of clean fuels projects.

Under the BC LCFS, BC Low Carbon Fuel Suppliers generate credits by supplying a fuel with a Carbon Intensity below the prescribed Carbon Intensity limit, and incur debits when supplying a fuel with a Carbon Intensity above the limit (e.g. petroleum-based gasoline, diesel and jet fuel). In addition, BC Low Carbon Fuel Suppliers may also enter into BC initiative agreements with the Director under the BC LCFS to take actions that would have a reasonable possibility of reducing GHG emissions through the use of eligible fuels sooner than would occur without the agreed-upon action.

The number of BC LCFS Credits received for the use of a certain pathway is calculated by taking the difference between the pathway's Carbon Intensity score and BC annual Carbon Intensity compliance standard/benchmark for gasoline or diesel (depending on the end use of the fuel). Revenue from the BC LCFS program is based on the number of credits received for the use of a certain pathway as a low-carbon transportation fuel and the then current BC LCFS trading price.

As of January 1, 2024, there have been significant changes to the legislation underlying the BC LCFS scheme. The *Greenhouse Gas Reduction (Renewable & Low Carbon Fuel Requirements) Act* (“old Act”) and regulations under that enactment have been repealed and replaced by the *Low Carbon Fuels Act* (“new Act”) and new regulations. BC LCFS Credits and BC Part 3 Agreements created and recognized under the old Act continue to be valid under the new Act. Defined terms from the old Act (such as “Part 3 Fuel Supplier” and “Part 3 Agreement”) are used in this AIF, and also refer to the equivalent defined terms in the new Act. If no new defined term has been proposed in the new Act, the definition under the old Act prevails.

The changes made pursuant to the new Act aimed to make the legislation governing the BC LCFS scheme easier to administer and enforce. The new Act also included changes to broaden the scope of the BC LCFS scheme to include fuel supplied for aviation and marine use and to enable those who are not fuel suppliers to earn BC LCFS Credits and engage in credit trading.

On February 27, 2025, the Government of BC announced the Amendments. In addition to increasing the renewable fuel requirement for diesel from 4% to 8% for the 2025 compliance period and, effective April 1, 2025, requiring such renewable fuel content to be produced in Canada, the announced changes require that, effective as of January 1, 2026, the minimum 5% renewable fuel requirement for gasoline must be met with eligible renewable fuels produced in Canada.

### *Earning BC LCFS Credits*

BC LCFS Credits, which credits may be transferred upon validation, may be earned by a BC Low Carbon Fuel Supplier by either (i) supplying a fuel with a Carbon Intensity below the prescribed Carbon Intensity limit, or (ii) taking actions that would have a reasonable possibility of reducing GHG emissions through the use of eligible fuels sooner than would occur without the agreed-upon action (e.g. the construction of the HDRD Complex).

### *Monetization of BC LCFS Credits*

Tidewater Renewables can choose to capture the value of the BC LCFS Credits by selling Renewable Diesel to a fuel producer with the BC LCFS Credits embedded in the purchase price or through monetizing the credits separately in the open market, see “*Risk Factors — Risks Relating to the Tidewater Renewables’ Business, Renewable Energy Industry and Operating Environment — Price of Emissions Credits*”.

See “*General Development of the Business — Three Year History*” for details regarding the BC LCFS Credit Purchase Agreement and the BC LCFS Credits that have been received and monetized by the Corporation.

## **OTHER INFORMATION RELATING TO TIDEWATER RENEWABLES’ BUSINESS**

### **Borrowings**

#### *Senior Credit Facility*

Tidewater Renewables has a Senior Credit Facility with a syndicate of lenders. Pursuant to an intercreditor agreement between, among others, Tidewater Renewables, the lenders (or agent thereof) under the Senior Credit Facility, and the lenders (or agent thereof) under Tidewater Midstream’s secured credit facility (the “**Tidewater Midstream Credit Facilities**”), Tidewater Renewables has agreed that the lenders under the Senior Credit Facility and the lenders under the Tidewater Midstream Credit Facilities may treat Tidewater Renewables and Tidewater Midstream (and their respective guarantors) as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of Tidewater Renewables and Tidewater Midstream (and their respective guarantors). Notwithstanding the foregoing, (i) the Senior Credit Facility and the Tidewater Midstream Credit Facilities are not cross guaranteed, (ii) a default under the Tidewater Midstream Credit Facilities does not cause a cross default under the Senior Credit Facility and (iii) Tidewater Renewables and Tidewater Midstream are not consolidated for the purposes of financial covenant testing or availability of drawdowns under the Senior Credit Facility.

The Senior Credit Facility consists of a syndicated facility and an operating facility. On September 12, 2024, Tidewater Renewables amended and restated its Senior Credit Facility, reducing the aggregate principal amount from \$175 million to \$30 million, and extending the maturity date from September 18, 2024 to February 28, 2026. This followed previous extensions of the maturity date from August 18, 2024 to August 30, 2024 and from August 30, 2024 to September 18, 2024 to provide the Corporation with the necessary time to complete the Tidewater Midstream Transaction. Additionally, compliance by the Corporation with its quarterly financial covenants was waived until September 30, 2025. The Senior Credit Facility bears interest at the agent’s or prime lending rates, the secured overnight financing rate or bankers’ acceptance rates, in each case plus applicable margins. An issuance fee equal to the applicable margin is payable in the case of letters of credit. Bankers’ acceptances bear effective interest at the applicable Canadian dollar offered rate plus a stamping fee based upon the Corporation’s debt to EBITDA ratio. The Senior Credit Facility is subject to a number of customary covenants and restrictions. The Senior Credit Facility has been made available for general corporate purposes, including financing ongoing working capital requirements, and providing financing for other growth opportunities.

On March 26, 2025, the Corporation further amended its Senior Credit Facility to increase the aggregate principal amount by \$10 million to \$40 million. The Senior Credit Facility consists of a \$5 million revolving syndicated facility and a \$35 million revolving operating facility. The Senior Credit Facility is subject to a number of customary covenants and restrictions. Pursuant to the amendments to the Senior Credit Facility, the waiver of compliance by

Tidewater Renewables with its quarterly financial covenants has been extended from September 30, 2025 to 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.

### *Second Lien Credit Facility*

On October 24, 2022, the Corporation entered into the Second Lien Credit Facility with an affiliate of AIMCo. The Second Lien Credit Facility was amended and restated on September 12, 2024. As of September 12, 2024, the Second Lien Credit Facility consisted of a tranche A facility in the aggregate principal amount of \$150 million, the Tranche B Facility in the aggregate principal amount of \$25 million, and a new tranche C facility in the aggregate principal amount of \$33 million. The new tranche C facility of the Second Lien Credit Facility may only be drawn under certain circumstances to refinance the Senior Credit Facility. On September 12, 2024, the maturity date of the Tranche B Facility was extended from September 18, 2024 to February 28, 2026, while the maturity date of the tranche A facility remained unchanged at October 24, 2027. This followed previous extensions of the maturity date for the Tranche B Facility from August 18, 2024 to August 30, 2024 and from August 30, 2024 to September 18, 2024 to provide the Corporation with the necessary time to complete the Tidewater Midstream Transaction. The tranche C facility, if drawn, is due and payable on demand by the lender under the Second Lien Credit Facility. Interest on the tranche A facility is payable semi-annually in arrears, while interest on the Tranche B Facility and the tranche C facility (if drawn) is payable quarterly in arrears. The tranche B Facility is subject to variable quarterly repayments which are based on a portion of the Corporation's adjusted cash flows. The calculation of these adjusted cash flows is based on specific definitions in the agreements governing the Second Lien Credit Facility, are not in accordance with GAAP, and cannot be easily calculated by referring to the Corporation's financial statements. The interest rate payable on the Second Lien Credit Facility is subject to a yearly escalator and also fluctuates directly with inflation through an annual adjustment based on changes to the Canadian Consumer Price Index ("CPI"). The Second Lien Credit Facility is subject to a number of customary covenants and restrictions. In conjunction with the amendment and restatement of the Second Lien Credit Facility, compliance by the Corporation with its quarterly financial covenants was waived until September 30, 2025.

On March 26, 2025, the Second Lien Credit Facility was further amended to increase the amount available under the tranche C facility by \$10 million to \$43 million, providing the Corporation the option, which it exercised, to elect that the April 24, 2025 interest payment (of approximately \$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, extend the maturity of the tranche B Facility and the tranche C facility from February 28, 2026 to October 24, 2027, and to extend the waiver of compliance by Tidewater Renewables with its quarterly financial covenants from September 30, 2025 to March 31, 2026, at which time the Corporation will be required to maintain certain financial covenants on an annualized basis.

As part of the original Second Lien Credit Facility, Tidewater Renewables issued approximately 3.4 million common share purchase warrants (the "**2022 TWR Warrants**") to AIMCo. Each 2022 TWR Warrant entitles AIMCo to purchase one Common Share at a price per Common Share of \$14.84, subject to certain adjustments, for a term of five years – until October 24, 2027. The 2022 TWR Warrants have a cashless exercise feature, which, if elected, can limit future dilution as in such circumstances only Common Shares for the in-the-money value of the 2022 TWR Warrants are issued. The 2022 TWR Warrants also have two unique features: (1) If the CPI is greater than 4% per annum prior to a repayment of all or part of the Second Lien Credit Facility, then the exercise price of the 2022 TWR Warrants will be reduced by \$2.00 per share go forward for that number of 2022 TWR Warrants proportional to the amount of principal repaid; and (2) AIMCo has the option to elect to be paid in cash (versus Common Shares) in connection with a cashless exercise, with the amount of cash payable per Common Share otherwise issuable equal to the weighted average price per Common Share for the 20 consecutive trading days ending before the applicable exercise date. If the Corporation is contractually restricted from making, or otherwise unable to make, some or all of such cash payment, then the Corporation will issue AIMCo the Common Shares to which it is entitled and will assist AIMCo in the sale of such Common Shares, with such sales to take place within 10 business days. The Corporation will be obligated to pay AIMCo certain market slippage costs (i.e. the difference between the trading price at the commencement of such sale process (the "**Market Price**") and the sale price actually received by AIMCo) of up to 15% of the Market Price (with unsold Common Shares being deemed to have such maximum slippage) plus broker fees and related costs in respect of Common Shares sold. If the Corporation is not permitted to make some or all of such cash payments in connection with such sale process, then the Corporation is obligated to issue AIMCo Common

Shares on a private placement basis having a value equal to such unpaid amounts and applying the maximum pricing discounts permitted by the TSX.

In connection with the amendment and restatement of the Second Lien Credit Facility on September 12, 2024, Tidewater Renewables issued the 2024 Warrants to AIMCo.

#### *Decommissioning, Abandonment and Reclamation Costs*

Tidewater Renewables is responsible for the costs associated with decommissioning, abandonment and reclamation of the Renewable Assets at the end of their economic life, the costs of which may be substantial. The Corporation must comply with all laws and regulations which are or may be in place regarding such obligations, and a breach of any such legislation or regulation may result in the imposition of fines or penalties, including an order for the cessation of operations. It is not possible to predict these costs with certainty since they are a function of regulatory requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates that are the basis of the asset retirement obligation shown in Tidewater Renewables' financial statements, see "*Risk Factors – Risks Relating to the Tidewater Renewables' Business, Renewable Energy Industry and Operating Environment – Environmental*" and "*Risk Factors – Risks Relating to the Tidewater Renewables' Business, Renewable Energy Industry and Operating Environment – Health and Safety*".

End-of-life costs or asset retirement obligations are accounted for through Tidewater Renewables' financial obligations and are reflected in its financial statements. Tidewater Renewables makes full provision for the future cost of its asset retirement obligations measured at the present value of Tidewater Renewables' best estimate of the cost to settle such obligations, using a credit adjusted risk-free rate as prescribed by IFRS. For further information, refer to Tidewater Renewables' audited consolidated financial statements for the year ended December 31, 2025 (the "**Annual Financial Statements**") which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Long term asset retirement obligation costs are variable, as they are a function of regulatory requirements and other factors in force and effect at the time of decommissioning, abandonment, remediation and/or reclamation. In determining its asset retirement obligation cost estimates, Tidewater Renewables considers: (i) the cost of facility abandonment, including suspension and demolition costs; and (ii) environmental restoration, remediation, and reclamation costs, in order to meet applicable reclamation certificate criteria. Tidewater Renewables engages reputable third-party environmental consultants and experienced employees to collect, review and assess the relevant data in preparation of the estimates. To support its liability estimates, Tidewater Renewables has performed end-of-life reviews for its large facility assets utilizing Tidewater Renewables' historical expenditures for liability reduction services and industry costs for similar projects.

#### **Sustainability**

Tidewater Renewables is focused on producing clean, renewable fuels for the North American markets. The Corporation focuses on renewable fuels to deliver Carbon Intensity reduction alternatives. Our key sustainability attributes include:

1. producing renewable fuels that have significantly reduced Carbon Intensity relative to conventional fossil fuels by more than 80%, and over 100% in the case of some organic waste products (which would have otherwise escaped into the environment, and are instead captured, processed and converted into energy, thus receiving a credit for having not been released into the environment);
2. sharing resources and expenses through the Shared Services Agreement with Tidewater Midstream that provides Tidewater Renewables with experience and knowledge regarding health and safety practices and human capital management;
3. having all employees, including senior management, participate in diversity, equity and inclusion training; and

4. focusing on socially conscious commerce, community engagement with all local stakeholders and deepening of community relations through various events.

## CAPITAL STRUCTURE OF TIDEWATER RENEWABLES

### Authorized Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, without nominal or par value, of which, as at the date hereof, 36,435,067 Common Shares are outstanding (36,419,495 Common Shares as at December 31, 2025). As of the date hereof there are no outstanding Preferred Shares.

#### *Common Shares*

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any Preferred Shares, to dividends if, as and when declared by the Board, to one vote per share at meetings of the holders of Common Shares and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

#### *Preferred Shares*

The Preferred Shares may be issued in one or more series. The Board is authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation.

The first series of Preferred Shares was created pursuant to the Articles of Amendment filed on August 17, 2021 (the “**Series 1 Preferred Shares**”). The Series 1 Preferred Shares may be issued in exchange for property, other than a promissory note, or in exchange for Common Shares. The redemption amount of such shares shall be the value of the consideration paid therefor, and the Corporation may redeem such shares with notice and on payment of such redemption amount. The holders of Series 1 Preferred Shares may retract such shares with written demand to the Corporation for the value of the consideration paid therefor. There are currently no outstanding Series 1 Preferred Shares.

## DIVIDENDS

The Corporation does not currently anticipate paying any dividends on its securities in the near future. It may pay dividends in the future if and when operational circumstances permit. The amount of dividends to be paid on the Corporation’s securities, if any, is subject to the discretion of the Board and may vary depending on a variety of factors. In addition to the standard legislated solvency and liquidity tests that must be met, Tidewater Renewables’ ability to declare and pay dividends is also dependent on its compliance with the covenants under the Senior Credit Facility and the Second Lien Credit Facility, see “*Risk Factors — Risks Relating to the Corporation’s Business, Renewable Energy Industry and Operating Environment — Dividends*”.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol “LCFS”. The following table sets out the price range (monthly high and low sales prices) of the Common Shares and volumes traded for the periods indicated for the year ended December 31, 2025 (as reported by the TSX).

Period	High (\$)	Low (\$)	Volume
January	0.90	0.66	582,336
February	1.80	0.58	1,310,386
March	3.58	1.78	1,649,046
April	3.40	2.79	244,217
May	3.15	2.13	239,716
June	2.81	2.14	156,870
July	2.86	2.43	57,923
August	3.60	2.42	191,537
September	4.90	3.27	214,188
October	4.60	3.75	176,077
November	4.43	3.84	188,977
December	4.39	3.39	170,632

### Prior Sales

The following table summarizes the issuances of unlisted securities for the year ended December 31, 2025:

Description of Security	Date Issued	Number/Aggregate Value of Securities Issued	Issuance/Exercise Price Per Security (\$)
Restricted Share Units	January 27, 2025	491,100 <sup>(1)</sup>	N/A
Options	January 27, 2025	263,157 <sup>(3)</sup>	\$0.78
Restricted Share Units	February 7, 2025	35,000 <sup>(1)</sup>	N/A
Deferred Share Units	April 8, 2025	108,333 <sup>(2)</sup>	N/A

### Notes:

- (1) Refers to a restricted share unit granted pursuant to the restricted share unit plan of the Corporation.
- (2) Refers to a deferred share unit granted pursuant to the deferred share unit plan of the Corporation.
- (3) Refers to a stock option granted pursuant to the stock option plan of the Corporation, as amended and restated.

## DIRECTORS AND EXECUTIVE OFFICERS

### Directors

The name, municipality of residence, principal occupation during the five preceding years, period of service as a director and committee membership for each of the directors of Tidewater Renewables are set out below:

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<b>Jeremy Baines</b> <i>Calgary, Alberta, Canada</i>	Chair of the Board

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<p>Mr. Baines has been a director and the Chief Executive Officer of Tidewater Renewables since January 21, 2024. He is also a director and the Chief Executive Officer of Tidewater Midstream.</p> <p>Prior to his time at Tidewater Renewables, Mr. Baines was the President and Chief Executive Officer of Campus Energy Partners, an energy infrastructure and supply company, from 2019 to 2024. In 2018, Mr. Baines was the Senior Vice President, Strategic Projects, at AltaGas Ltd., an energy infrastructure company. Prior thereto, Mr. Baines was the Chief Financial Officer of Torq Energy Logistics, a midstream logistics company, from January 2015 to 2017.</p> <p>In addition to serving as a director and Chief Executive Officer of both Tidewater Renewables and Tidewater Midstream, Mr. Baines currently serves as a director of Campus Energy Partners and has served as a director of various other companies, including Petrogas Energy Corp., Wakeboard and Waterski Alberta, and Parkland Agri Services Corporation.</p> <p>Mr. Baines holds a Master of Business Administration from the University of Alberta and a Bachelor of Science from the University of Lethbridge, as well as a Canadian Institute of Chartered Business Valuators (CBV) designation and a Chartered Professional Accountant (CPA) designation.</p>	
<p><b>Thomas Dea</b> <i>Toronto, Ontario, Canada</i></p> <p>Mr. Dea has been a director of Tidewater Renewables since November 25, 2024.</p> <p>Mr. Dea is the President and Chief Executive Officer of Kicking Horse Capital Inc., an alternative asset manager, which he founded in 2020. Prior to Kicking Horse Capital Inc., Mr. Dea was a Partner of West Face Capital Inc., an alternative asset manager, and Co-Head of the West Face Alternative Credit Fund. Prior thereto, Mr. Dea was a Managing Director of Onex Corporation, a private equity firm.</p> <p>Mr. Dea has experience serving on boards and committees of public and private companies and on creditor committees of companies emerging from insolvency protection through his work as an investor in distressed debt securities. In addition to</p> <p>serving as a director of Tidewater Renewables, Mr. Dea currently serves as a director and Chair of the board of directors of Tidewater Midstream, and a director and member of the audit committee of the board of directors of Premium Brands Holdings Corp.</p> <p>Mr. Dea holds a Master of Business Administration from Harvard Business School and a Bachelor of Arts (Economics) from Yale College.</p>	<p>Member of the Audit Committee</p> <p>Member of the Governance, Compensation, Safety and Sustainability Committee</p>
<p><b>Jeffrey Hamilton</b> <i>Calgary, Alberta, Canada</i></p> <p>Mr. Hamilton has been a director of Tidewater Renewables since March 13, 2024.</p> <p>Mr. Hamilton is the founder and Chief Executive Officer of Longwing Capital Advisors, an independent advisory service firm. Prior to his time with Longwing Capital Advisors, he was the Managing Director, Head of Canada, Investment Banking, with Bank of America Securities from 2019 to 2021, and the Managing</p>	<p>Lead Independent Director</p> <p>Member of the Audit Committee (Chair)</p> <p>Member of the Governance, Compensation, Safety and Sustainability Committee (Chair)</p>

Name, Residence, Principal Occupation During the Five Preceding Years and Period of Service as a Director	Position on Committees of the Board
<p>Director, Head of Energy &amp; Power, Investment Banking, with Bank of America Securities from 2015 to 2018.</p> <p>Mr. Hamilton holds a Master of Business Administration from Columbia Business School and a Juris Doctor from the University of Toronto.</p>	<p>Member of the Independence Committee<sup>(1)</sup></p>
<p><b>Todd Moser</b> <i>Campbellville, Ontario, Canada</i></p> <p>Mr. Moser has been a director of Tidewater Renewables since May 7, 2024.</p> <p>Mr. Moser is a retired business professional with a career spanning over 35 years in various public and private companies, including Terrapure BR Ltd., Maple Leaf Foods Inc. and Petro-Canada (Suncor Energy Inc.). Prior to his retirement, he was the President and Chief Executive Officer of Terrapure BR Ltd., an environmental services company, from 2015 to 2022.</p> <p>In addition to serving as a director of Tidewater Renewables, Mr. Moser currently serves as a director of Walker Industries, a privately held aggregate and environmental services company with operations across Canada and the U.S.</p> <p>Mr. Moser holds a Bachelor of Arts (Economics) from the University of Western Ontario, Executive Leadership Training from the Johnson School of Management (Cornell University) and Ivey Business School (University of Western Ontario), and Oil Spill &amp; Emergency Response Training from Lambton College.</p>	<p>Member of the Audit Committee</p> <p>Member of the Governance, Compensation, Safety and Sustainability Committee</p> <p>Member of the Independence Committee<sup>(1)</sup></p>

**Note:**

(1) The Independence Committee is comprised of the directors of the Corporation that do not hold director or officer positions with Tidewater Midstream. The Independence Committee is required pursuant to the Governance Agreement between Tidewater Renewables and Tidewater Midstream and meets to determine material matters related to Tidewater Midstream.

In accordance with the articles of Tidewater Renewables, directors are to be elected annually by the Shareholders. Between annual meetings, the Board has the authority to appoint one or more additional directors to serve until the next annual meeting provided that the number of directors so appointed does not exceed one-third of the number of directors holding office at the expiration of the last annual meeting. Tidewater Midstream also has certain board nomination rights pursuant to the Governance Agreement, see “*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*”.

**Officers**

The name, municipality of residence, position held and principal occupations during the five preceding years for each of the officers of Tidewater Renewables are set out below:

Name and Municipality of Residence	Position with Tidewater Renewables	Principal Occupation
<p><b>Jeremy Baines</b> <i>Calgary, Alberta, Canada</i></p>	<p>Chief Executive Officer</p>	<p>Mr. Baines has been a director and the Chief Executive Officer of Tidewater Renewables since January 21, 2024. He is also a director and the Chief Executive Officer of Tidewater Midstream.<sup>(1)</sup></p> <p>Prior to his time at Tidewater Renewables, Mr. Baines was the President and Chief Executive Officer of Campus Energy Partners, an energy infrastructure and supply company, from 2019 to 2024. In 2018, Mr.</p>

Name and Municipality of Residence	Position with Tidewater Renewables	Principal Occupation
		<p>Baines was the Senior Vice President, Strategic Projects, at AltaGas Ltd., an energy infrastructure company. Prior thereto, Mr. Baines was the Chief Financial Officer of Torq Energy Logistics, a midstream logistics company, from January 2015 to 2017.</p> <p>In addition to serving as a director and Chief Executive Officer of both Tidewater Renewables and Tidewater Midstream, Mr. Baines currently serves as a director of Campus Energy Partners and has served as a director of various other companies, including Petrogas Energy Corp., Wakeboard and Waterski Alberta, and Parkland Agri Services Corporation.</p> <p>Mr. Baines holds a Master of Business Administration from the University of Alberta and a Bachelor of Science from the University of Lethbridge, as well as a Canadian Institute of Chartered Business Valuators (CBV) designation and a Chartered Professional Accountant (CPA) designation.</p>
<p><b>Ian Quartly</b> <i>Calgary, Alberta, Canada</i></p>	<p>Chief Financial Officer</p>	<p>Mr. Quartly has been the Chief Financial Officer of Tidewater Renewables since April 22, 2024. He was also appointed the Chief Financial Officer of Tidewater Midstream on March 9, 2026 (following his role as interim Chief Financial Officer of Tidewater Midstream since May 18, 2025).<sup>(2)</sup></p> <p>Prior to his roles at Tidewater Renewables and Tidewater Midstream, Mr. Quartly was Director, Accounting and Reporting at Inter Pipeline Ltd., an energy infrastructure company, where he worked from June 2013 to June 2022 in roles with progressively increasing responsibility. Prior to joining Inter Pipeline Ltd. Mr. Quartly worked for KPMG Australia from 2005 to 2013, during which time he earned his Chartered Accountant (CA) designation.</p> <p>Mr. Quartly holds a Bachelor of Business from the University of Technology, Sydney, Australia.</p>

**Notes:**

- (1) From January 1, 2025 to December 31, 2025, Mr. Baines provided forty percent (40%) of his time towards the Corporation, and the remaining sixty percent (60%) towards Tidewater Midstream.
- (2) From January 1, 2025 to May 17, 2025, Mr. Quartly provided seventy percent (70%) of his time towards the Corporation, and the remaining thirty percent (30%) towards Tidewater Midstream. From May 18, 2025 to December 31, 2025, Mr. Quartly provided fifty percent (50%) of his time towards the Corporation, and the remaining fifty percent (50%) towards Tidewater Midstream.

**Security Holding by Directors and Officers**

As at the date hereof, none of the directors or executive officers beneficially own, directly or indirectly, or exercise control or direction over, any Common Shares. Certain of the directors of the Corporation are also directors or executive officers of Tidewater Midstream, which owns 66% of the issued and outstanding Common Shares as at the date hereof.

## **Cease Trade Orders**

To the knowledge of management, no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

## **Bankruptcies**

To the knowledge of management, no director, executive officer of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

## **Penalties or Sanctions**

To the knowledge of management, no director, executive officer or Shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) has incurred any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject to in connection with the operations of the Corporation. In particular, certain directors and officers of the Corporation are associated with other reporting issuers or other corporations, including Tidewater Midstream, which may give rise to conflicts of interest with the Corporation.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, all directors are required to act honestly and in good faith with a view to the best interests of the Corporation. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate and securities legislation.

## **Insurance Coverage and Indemnification**

The Corporation maintains liability insurance for its directors and officers with coverage and terms that are customary for a corporation of its size and industry. In addition, the Corporation has entered into indemnification agreements with its directors and officers. The indemnification agreements generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, so long as the indemnitees acted honestly and in good faith with

a view to the best interests of the Corporation and, with respect to criminal or administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation.

## AUDIT COMMITTEE INFORMATION

### Audit Committee Members and Audit Committee Charter

The Audit Committee is appointed annually by the Board. The responsibilities and duties of the Audit Committee are set forth in the Audit Committee Charter, a copy of which is attached hereto as Schedule A. The Audit Committee consists of three members, each of whom is independent and financially literate as defined by National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators (“NI 52-110”).

The following table sets out the relevant education and experience of the members of the Audit Committee:

Name	Relevant Education and Experience
<p><b>Jeffrey Hamilton (Chair)</b></p> <ul style="list-style-type: none"> <li>• Independent</li> <li>• Financially Literate</li> </ul>	<p>Mr. Hamilton has been a member of the Audit Committee since March 13, 2024.</p> <p>Mr. Hamilton is the founder and Chief Executive Officer of Longwing Capital Advisors, an independent advisory service firm. Prior to his time with Longwing Capital Advisors, he was the Managing Director, Head of Canada, Investment Banking, with Bank of America Securities from 2019 to 2021, and the Managing Director, Head of Energy &amp; Power, Investment Banking, with Bank of America Securities from 2015 to 2018.</p> <p>Mr. Hamilton has over 30 years of experience in the investment banking industry having been head of major businesses at blue-chip financial institutions, including J.P. Morgan and Bank of America. He advised on a significant number of M&amp;A transactions over his career, often involving highly complex, cross-border issues. He has also advised on capital raising for both equity and debt in the public and private sectors. Over the course of his career, his transaction and due diligence experience includes overseeing rigorous financial due diligence, ensuring proper and adequate disclosure of financial information, evaluating internal financial controls and accounting systems and reviewing the performance of and relationship with auditors.</p> <p>Mr. Hamilton holds a Master of Business Administration from Columbia Business School and a Juris Doctor from the University of Toronto.</p>
<p><b>Thomas Dea</b></p> <ul style="list-style-type: none"> <li>• Independent</li> <li>• Financially Literate</li> </ul>	<p>Mr. Dea has been a member of the Audit Committee since November 25, 2024.</p> <p>Mr. Dea is the President and Chief Executive Officer of Kicking Horse Capital Inc., an alternative asset manager, which he founded in 2020. Prior to Kicking Horse Capital Inc., Mr. Dea was a Partner of West Face Capital Inc., alternative asset manager, and Co-Head of the West Face Alternative Credit Fund. Prior thereto, Mr. Dea was a Managing Director of Onex Corporation, private equity firm.</p> <p>Mr. Dea has experience serving on boards and committees of public and private companies and on creditor committees of companies emerging from insolvency protection through his work as an investor in distressed debt securities. In addition to serving as a director and a member of the Audit Committee of Tidewater Renewables, Mr. Dea currently serves as a director and Chair of the board of directors of Tidewater Midstream, and a director and member of the audit committee of the board of directors of Premium Brands Holdings Corp.</p> <p>Mr. Dea has direct experience overseeing the preparation of annual and interim financial statements, the nature and scope of annual audits, supervising the company’s</p>

Name	Relevant Education and Experience
	<p>auditors, overseeing management’s reporting on internal accounting standard, practices, controls and procedures, reviewing and evaluating financial information and accounting systems and procedures, financial reporting and statements and recommending, for board approval, the financial reports and other mandatory disclosure releases containing financial information. Mr. Dea also has extensive M&amp;A experience which has included conducting rigorous financial due diligence and overseeing the identification and establishment of new finance teams, internal financial controls and hiring of auditors.</p> <p>Mr. Dea holds a Master of Business Administration from Harvard Business School and a Bachelor of Arts (Economics) from Yale College.</p>
<p><b>Todd Moser</b></p> <ul style="list-style-type: none"> <li>• Independent</li> <li>• Financially Literate</li> </ul>	<p>Mr. Moser has been a member of the Audit Committee since May 7, 2024.</p> <p>Mr. Moser is a retired business professional with a career spanning over 35 years in various public and private companies, including Terrapure BR Ltd., Maple Leaf Foods Inc. and Petro-Canada (Suncor Energy Inc.). Prior to his retirement, he was the President and Chief Executive Officer of Terrapure BR Ltd., an environmental services company, from 2015 to 2022.</p> <p>In addition to serving as a director and member of the Audit Committee of Tidewater Renewables, Mr. Moser currently serves as a director of Walker Industries, a privately held aggregate and environmental services company with operations across Canada and the U.S.</p> <p>Mr. Moser’s career has exposed him to multiple functions inside some of Canada’s largest companies giving him strong practical experience across many areas of a business. With experiences in sales, marketing, risk management, finance, business development and operations, he has a very strong understanding of business and the requisite performance and accounting required in large and complex businesses. As a Senior Vice President of Maple Leaf Foods Inc. and President and Chief Executive Officer of Terrapure BR Ltd., Mr. Moser has extensive M&amp;A experience on both the buy and sell side of a transaction. Mr. Moser was instrumental in the corporate carve-out of Rothsay from Maple Leaf Foods Inc., the sale of the Industrial Division of Newalta Corporation to Private Equity interest holders, as well as the sale of Terrapure BR Ltd.’s Industrial business to a strategic buyer in 2021.</p> <p>Mr. Moser’s experiences include direct P&amp;L, cash flow and balance sheet management with businesses of close to \$1 billion in revenue operating in multiple jurisdictions with complex accounting requirements. Mr. Moser’s most senior business roles and board experiences, including serving on the Audit Committee of Terrapure BR Ltd. and the Environmental committee of Walker Industries, have exposed him to all degrees of financial diligence, risk management and corporate governance.</p> <p>Mr. Moser holds a Bachelor of Arts (Economics) from the University of Western Ontario, Executive Leadership Training from the Johnson School of Management (Cornell University) and Ivey Business School (University of Western Ontario), and Oil Spill &amp; Emergency Response Training from Lambton College.</p>

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as described in the Audit Committee Charter.

## External Auditor Service Fees

The aggregate fees billed to the Corporation and its subsidiaries by external auditors in each of the two fiscal years noted below for audit and other fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(1)</sup>	All Other Fees <sup>(1)</sup>
2024	\$327,000	\$105,000	\$0	\$0
2025	\$235,000	\$30,000	\$0	\$0

### Notes:

- (1) “**Audit Fees**” are the aggregate fees necessary to perform the annual audit and quarterly reviews of the Corporation and its subsidiaries financial statements billed by the Corporation’s external auditor. “**Audit-Related Fees**” are the aggregate fees billed by the Corporation’s external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported as audit fees. During 2025, this category included fees for review of interim financial statements. “**Tax Fees**” are the aggregate fees billed by the Corporation’s external auditor for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. “**All Other Fees**” are the aggregate fees billed by the Corporation’s external auditor for products and services other than those described as “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

## RISK FACTORS

**Readers should carefully consider all of the information set out in this AIF before making an investment decision. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Corporation’s control and, in spite of the Corporation’s active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.**

**An investment in the Common Shares is highly speculative due to the high risk nature and stage of development of the Corporation’s business.**

Tidewater Renewables faces a number of risks in its normal course of business which can be categorized into two principal categories: (i) risks relating to the Corporation’s business, industry and operating environment including financial, legal, regulatory and strategic risks; and (ii) risks relating to the Corporation’s relationship with Tidewater Midstream. In some instances, risks may fall into both categories. In such cases the Corporation has classified risks based on the primary category in terms of how they affect it. The most significant risks in each category are listed first, based on the Corporation’s current assessment of each risk.

The Corporation continually works to identify and evaluate significant risks and to develop and maintain appropriate strategies to mitigate the impact of potential risks to its business. The Corporation’s approach to risk management is integrated into its overall approach to decision making (both formal and informal) and also includes formal risk reviews with respect to certain matters.

All statements regarding the Corporation’s business should be viewed in light of these risk factors. Investors should consider carefully whether an investment in the Common Shares is suitable for them in light of the information in this AIF and their personal circumstances. If any of the identified risks were to materialize, the Corporation’s business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation and the Common Shares.

## **Risks Relating to the Tidewater Renewables' Business, Renewable Energy Industry and Operating Environment**

### *Price of Emissions Credits*

The financial performance of Tidewater Renewables depends in part on the future trading price of BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits and the Corporation's ability to generate revenue from the sale of Renewable Diesel with all Environmental Attributes included therewith or such credits generated alone, as applicable. The Corporation cannot predict with any certainty the future trading price of the BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits. The profitability of the Corporation's operations will be seriously affected by changes in prices of such BC LCFS Credits, CFR Credits, D4 RINs or California LCFS Credits. The price of such BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits may be subject to significant volatility.

The Corporation earns BC LCFS Credits and CFR Credits, as applicable, by (i) supplying a fuel with a Carbon Intensity below the prescribed Carbon Intensity limit and (ii) taking actions that would have a reasonable possibility of reducing GHG emissions through the use of eligible fuels sooner than would occur without the agreed-upon action (such as building the HDRD Complex and producing Renewable Diesel therefrom, or developing the SAF Facility). Upon earning such BC LCFS Credits and CFR Credits, under the BC LCFS and the CFR, other obligated parties may purchase validated credits in order to achieve compliance with the low carbon fuel requirements. The Corporation uses the price of D4 RINs and California LCFS Credits in determining the pricing formula when selling Renewable Diesel with all Environmental Attributes included therewith.

BC LCFS Credit, CFR Credit, D4 RIN and California LCFS Credit market prices are determined primarily by the supply and demand of BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits, respectively, as well as any future expectations thereof. Such prices are affected by numerous factors beyond Tidewater Renewables' control, including, but not limited to, the number of pathways that can generate BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits, the number of BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits available in the marketplace, the supply of renewable fuels entering BC and sold in BC, the number of competing projects currently operational or planned to enter service that will supply the BC LCFS Credit, CFR Credit, D4 RIN and California LCFS Credit markets with renewable fuels, and the demand for BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits.

If BC LCFS Credit, CFR Credit, D4 RIN or California LCFS Credit prices remain at low market levels for a sustained period, or decline further, Tidewater Renewables could determine that it is not economically feasible to continue activities. Volatility or decreases in the price of BC LCFS Credits, CFR Credits, D4 RINs and California LCFS Credits may have a significant and negative impact on the value of Tidewater Renewables' assets and the financial condition of Tidewater Renewables.

### *Spread Between Renewable Fuel Prices and Feedstock Costs*

The Corporation's gross margins are dependent on the spread between renewable fuel prices and feedstock costs, each of which are volatile and can cause the Corporation's results of operations to fluctuate substantially. Renewable fuel has traditionally been marketed primarily as an additive or alternative to petroleum-based diesel fuel, and, as a result, renewable fuel prices are heavily influenced by the price of petroleum-based diesel fuel, more so than renewable fuel production costs. The absence of a close correlation between production costs and renewable fuel prices means that the Corporation may be unable to pass increased production costs on to the Corporation's customers in the form of higher prices. If there is a decrease in the spread between renewable fuel prices and feedstock costs, whether as a result of an increase in feedstock prices or as a result of a reduction in renewable fuel and credit prices, gross margins, cash flow and operations would be adversely affected. A decrease in the availability or an increase in the price of feedstocks may have a material adverse effect on the Corporation's financial condition and operating results. The price and availability of feedstocks and other raw materials may be influenced by general economic, market, environmental and regulatory factors.

### *Prices, Markets and Demand for Crude Oil, Diesel and Renewable Fuels*

Numerous factors beyond the Corporation's control affect the marketability and price of crude oil, diesel and renewable fuels.

Prices for crude oil, diesel and renewable fuels are subject to large fluctuations in response to relatively minor changes in the supply of and demand for petroleum, market uncertainty and a variety of factors beyond the control of the Corporation. These factors include economic conditions in the United States, Canada, Asia and Europe, the actions of Organization of the Petroleum Exporting Countries, governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply of petroleum, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for crude oil, diesel, and renewable fuels are also subject to the availability of foreign markets and the Corporation's (and other industry participants') ability to access such markets.

The level of activity in the Canadian renewable fuels industry is influenced by seasonal weather patterns. Seasonal factors may cause volatility in commodity prices, as demand typically varies during the year depending on the weather. There can be no assurance that these seasonal factors will not adversely affect the Corporation.

All of these factors could result in a material decrease in the Corporation's expected revenue and a reduction in future renewable fuel development and acquisition activities.

Crude oil prices are expected to remain volatile in the near future. Volatile crude oil prices make it difficult to estimate the value of renewable fuels. Price volatility also makes it difficult to budget for and project the return on potential acquisitions and divestitures.

The future growth prospects of the Corporation's renewable energy business is based in large part on assumptions about the future availability and price of petroleum products and renewable feedstock.

Fuel conservation measures, alternative fuel requirements, advancements in energy efficient products, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil, liquid hydrocarbons, and ultimately the renewable fuels. The implementation of policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives and other alternative technologies may lessen the demand for renewable fuels. The Corporation cannot predict the impact of changing demand for oil products, and any major changes may have a material adverse effect on the Corporation's business.

Sales of the Corporation's renewable fuels largely depend upon the increased use and widespread adoption and demand of Renewable Diesel. The timeline for when such widespread adoption will take place is uncertain and may necessitate the Corporation to markedly change its financial projections.

### *Increasing Supply of Renewable Fuels*

Tidewater Renewables' business is subject to competition from other producers of renewable fuels which operate in the same markets as Tidewater Renewables. Plant expansions of Renewable Diesel, and potential co-processing of Renewable Diesel by petroleum refiners, could reduce prices for the Corporation's fuel and increase costs of feedstocks, which would seriously harm the Corporation's revenues and operations. Renewable fuel companies are expected to expand production of Renewable Diesel for the North American market. Traditional petroleum refiners are also expected to enter the Renewable Diesel market whether by new biorefineries or the conversion of existing refineries to Renewable Diesel production facilities. The Corporation may experience competition for transportation and storage infrastructure as a result of any such expansions from its competitors.

If production of competitive advanced biofuels increases significantly as a result of utilization of existing excess production capacity or new capacity as described above, competition for feedstocks would increase significantly, harming the Corporation's margins. Furthermore, if supply of advanced biofuels exceeds demand, prices for Renewable Diesel and the associated credits may decrease significantly, harming profitability and potentially forcing the Corporation to idle facilities.

### *Competition for Opportunities*

The Corporation competes with other renewable fuel companies for supply of feedstock and sales of end products and with traditional downstream companies, which may have greater financial and other resources. The Corporation competes with other energy companies for the limited pool of personnel with requisite industry knowledge and experience. Any failures to successfully prevail in such competition will negatively affect the Corporation's long term growth prospects.

The Corporation cannot provide any assurance that the competitive pressures it faces will not have a material adverse effect on the Corporation's business, financial condition and results of operations or that management will be able to identify and execute further activities that are consistent with the Corporation's objectives or that generate attractive returns for Shareholders. The Corporation may lose opportunities if it does not match prices, structures and terms offered by competitors, if it is unable to access sources of equity or obtain indebtedness at attractive rates or if the Corporation becomes subject to antitrust or competition laws. Alternatively, the Corporation may experience decreased rates of return and increased risks of loss if it matches prices, structures and terms offered by competitors.

Further, if additional volumes of fuels similar to the renewable fuel produced by the Corporation come online the volume of similar renewable fuels generated could add additional supply to the Corporation's intended market.

If production of competitive renewable fuels increases significantly, competition for feedstocks would increase significantly, harming margins. Furthermore, if supply of advanced renewable fuels exceeds demand, prices for the renewable fuel and other credits may decrease significantly, harming profitability. Several leading renewable fuel companies have announced their intention to expand production of Renewable Diesel for the U.S. market. Competitors may use the same or related feedstocks to produce products similar to the renewable fuel and may produce products similar to the renewable fuels in a more cost-effective manner. Additionally, the Corporation has experienced an increase in such competitors selling their renewable fuel products in the BC market in order to obtain BC LCFS Credits. This has resulted in the price of BC LCFS Credits substantially decreasing. Such competitors continuing to supply their products to the BC market may continue to suppress the price of BC LCFS Credits and accordingly may have a material adverse effect on the Corporation's business.

### *Change in Laws*

The Corporation's business is subject to and affected by numerous regulations on the international, federal, provincial, state and local levels, including energy, environmental, conservation, tax and other regulations relating to the Corporation's industry. In particular, the Corporation's business depends in part on the BC LCFS, CFR, California LCFS and RFS. There is no guarantee that laws and administrative policies relating to the Corporation's industry, including the BC LCFS, CFR, California LCFS and RFS, will not be changed in a manner which could adversely affect the Corporation. Failure to comply with any laws and regulations may result in the assessment of administrative, civil and criminal penalties, the suspension or revocation of operating and environmental permits, the imposition of injunctive relief or both. Moreover, changes in any of these regulations could have a material adverse effect on the Corporation's business. Changes in government regulations have the potential to significantly increase compliance costs or alter certain aspects of its business plan and thus reduce profitability of current or future operations. The Corporation cannot predict the nature of any future laws or renewable energy policies, nor can it determine what effect additional governmental regulations or administrative policies and procedures could have on the Corporation's business. Compliance with any such legislation may have a material adverse effect on the Corporation's business, financial condition and results of operations.

### *Climate Change Regulation*

The Corporation may be affected by federal, provincial and state legislation, regulations, and initiatives designed to reduce GHG emissions. There are international agreements (e.g. the Paris Climate Agreement), national agreements and federal legislation (e.g. carbon tax, CFR or efficiency standards) and provincial legislation (e.g. BC's CleanBC climate policy and Alberta's Technology Innovation and Emissions Reduction system) that aim to reduce GHG emissions. These policies continue to evolve, in some cases overlap one another and may become more stringent over time.

These developments may affect the Corporation's operations by imposing reporting and other regulatory obligations on Tidewater Renewables.

In 2016 the Government of Canada announced a national carbon pricing regime, which came into force in 2018 under the *Greenhouse Gas Pollution Pricing Act* (the "GGPPA"). The pricing regime is intended to support the objectives of the Paris Climate Agreement signed by Canada and over 160 other countries. The GGPPA sets a federal backstop carbon price Canada-wide (\$95 per tonne CO<sub>2</sub>e emissions in 2025 and increasing by \$15 per tonne annually to \$170 per tonne in 2030) through a federal fuel charge on the distribution of fossil fuels, and an output-based pricing system ("OBPS") for large industrial emitters. Under the GGPPA, provinces are required to either adopt the GGPPA, or implement provincial regimes equivalent to the federal fuel charge and the OBPS (with carbon pricing in such regimes equivalent to the federal backstop carbon price). As of April 1, 2025, the Government of Canada amended regulations under the GGPA to cease the application of the federal fuel charge and to remove requirements for provinces and territories to have a consumer-facing carbon price.

The ultimate effect of climate change legislation, regulations, and initiatives on the operations of Tidewater Renewables and the timing of these effects, will depend on several factors. Such factors include, among others, the GHG emission reductions required for industrial sectors, the extent to which the Corporation can take advantage of incentive programs including through the sale of compliance units (such as BC LCFS Credits and CFR Credits) on the open market, the price of compliance units, and the extent to which the Corporation is able to recover the costs incurred through the pricing of its products in the competitive marketplace. Additionally, government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward motor fuel, thus affecting the public's attitude toward Renewable Diesel, as opposed to other forms of non-petroleum-based fuel dependent modes of transportation such as those based on electricity, and affect the Corporation's ability to market and sell such product. Any changes to climate change regulations and initiatives could materially and adversely affect the Corporation's business, prospects, results of operations or financial condition.

Existing and proposed environmental legislation developed by governments requiring lower Carbon Intensity fuels is likely to result in increased costs to consumers. These regulations may negatively affect the marketing of refined products, and in turn the marketing of renewable fuel products, and may require the Corporation to alter its products or adapt operations to allow the Corporation to sell in such jurisdiction.

#### *Operating Risk, Maintenance Risk and Infrastructure Service Interruptions*

Tidewater Renewables' businesses are subject to the risks normally associated with the production of renewable fuels, including, mechanical failure, logistics problems, physical degradation, operator error, activist activity, sabotage, terrorism, extreme weather, natural disasters, fires, floods, explosions, earthquakes and other similar events. These types of events could result in injuries to personnel, damage to property and the environment, unplanned outages, prolonged downtime for maintenance and repair, increased operation and maintenance expenses and reduced revenues. The occurrence or continuation of any of these events could reduce the ability of the Corporation to produce, process, store, transport and distribute renewable fuels and result in significant losses for which insurance may not be sufficient or available. Environmental damage could also result in increased costs to operate and insure Tidewater Renewables' assets and have a negative impact on Tidewater Renewables' reputation.

The Corporation derives a substantial portion of its profitability from the production of renewable fuels from the Corporation's assets located adjacent to the PGR and any interruption in these operations would have a material adverse effect on operations and financial conditions. Risks related to such assets include access to feedstock at cost-effective prices, failure to adequately contract with third parties for offtake of products from such assets, power shortages, labour and material shortages, market access, direct and indirect risks related to regulatory requirements including the discharge and management of storm water and processed water and risks related to local opposition to the assets. If production at the HDRD Complex were interrupted due to any reason, it would have an adverse impact on the Corporation's operations and financial conditions. The operation and maintenance of the Corporation's facilities involves risks that may materially and adversely affect the Corporation's business. There can be no assurance that the Corporation's maintenance program will be able to detect potential failures in its facilities prior to occurrence or eliminate all adverse consequences in the event of failure. In addition, weather related interference, work stoppages and other unforeseen problems may disrupt the operation and maintenance of the Corporation's facilities and may materially and adversely affect the Corporation.

While the Corporation maintains an inventory of, or otherwise makes arrangements to obtain, spare parts to replace critical equipment and maintains insurance for property damage to protect against certain operating risks, these protections may not be adequate to cover lost revenues or increased expenses and penalties which could result if the Corporation is unable to operate its facilities at a level necessary to comply with sales contracts. Operating and capital costs associated with the Corporation's business may vary considerably from current and forecast values and rates and represent significant components of the cost of providing service. In general, as equipment ages, maintenance capital expenditures and maintenance expenses with respect to such equipment may increase over time.

As the Corporation continues to grow and diversify its energy transition focused renewable fuel and energy infrastructure businesses, the risk profile of Tidewater Renewables may change.

#### *Force Majeure Events*

The Corporation's operations, information systems and demand for its products and services may be vulnerable to substantial loss or damage as a result of certain disruptions and events, including national emergencies, acts of war, acts of terrorism, armed hostilities, terrorism, cyberattacks, diplomatic developments, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, natural disasters, labour strikes and lock-outs, pandemics and the outbreak of disease or similar events, any of which may have a material adverse effect on Tidewater Renewables' business.

#### *Dependence on Key Personnel*

The success of Tidewater Renewables largely depends on the skills and expertise of its key personnel, including those providing certain services to Tidewater Renewables pursuant to the Shared Services Agreement, to manage the overall business and achieve positive margins. The Shared Services Agreement expires on August 18, 2026 and there is no guarantee that the term of the Shared Services Agreement will be extended or that a new agreement providing for certain management and administrative services to the Corporation by Tidewater Midstream will be successfully negotiated and executed. The failure of the Corporation to extend the Shared Services Agreement or successfully negotiate a new agreement providing for certain management and administrative services to the Corporation by Tidewater Midstream could materially adversely affect the Corporation's business and financial condition.

The continued success of Tidewater Renewables will be dependent on its ability to retain or continue to utilize such personnel. Costs associated with retaining key personnel or the loss of services of such key personnel could adversely affect Tidewater Renewables' business operations and financial results. The novelty of some aspects of the Corporation's business (such as the production of Renewable Diesel) could leave the Corporation exposed to risks associated with lack of experienced personnel. In addition, the competition for qualified personnel in Alberta and BC, and, in particular, the energy industry, is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Tidewater Renewables tries to mitigate the risk of losing key personnel for economic reasons by obtaining expert advice with respect to compensation matters (including salary as well as long and short term incentive plans). Tidewater Renewables also participates in industry compensation surveys in order to measure its compensation package against prevailing market rates. Tidewater Renewables also places significant emphasis on employee engagement and maintaining a positive corporate culture.

#### *Feedstock and Contracting Risk*

The Corporation relies on obtaining contracts for the supply of feedstock materials such as canola oil and other vegetable oils (for example, sunflower, soybean and corn), used cooking oil, fish oil and animal fats.

The Corporation has executed and is engaged in commercial negotiations to source feedstocks for the production of renewable fuels. It is anticipated that the majority of feedstock will be sourced from within Western Canada and opportunistically from other global sources. There can be no assurance that the Corporation will be able to secure the full amount of feedstocks required to run its operations, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flow.

Canadian jurisdictions have policies to increase the renewable content in transportation fuels and/or reduce GHG emissions associated with such fuels. The Corporation expects to derive a significant portion of its revenue and profit from sales into these markets. If the value of renewable fuels in these markets were to materially decrease, as a result of reduced demand or increased supply by competitors, if the fuel the Corporation produces is deemed not to qualify for compliance in those markets or those policies are otherwise changed in a manner adverse to the Corporation, its revenues and profits could be seriously harmed.

Laws and regulations governing existing or proposed renewable fuel programs, including the BC LCFS, CFR, California LCFS and RFS, could be repealed, curtailed or otherwise changed, including without notice, which would have a material adverse effect on the Corporation's revenues, operating margins and financial condition. Changes to how BC LCFS Credits and CFR Credits are calculated may result in fewer BC LCFS Credits and CFR Credits generated by the Corporation's operations. Changes to how California LCFS Credits and D4 RINs are calculated may result in lower California LCFS Credit and D4 RIN prices, which would adversely effect the Corporation's revenues, operating margins and financial condition.

### *Debt Matters*

The Corporation relies on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Corporation will be able to refinance any or all of its borrowings at their maturity. In addition, there are no assurances that the Corporation will be able to comply at all times with the covenants applicable under its current borrowings; nor are there assurances that the Corporation will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Corporation to secure refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Corporation's financial results. Further, any inability of the Corporation to obtain new financing may limit its ability to support future growth.

The Corporation believes that its existing Senior Credit Facility and Second Lien Credit Facility will be sufficient for its immediate requirements and has no reason to believe that it will not be able to renew its existing credit facilities or refinance on commercially reasonable terms. However, continued uncertainty in the global economic situation means the Corporation, along with other energy companies, may have restricted access to capital and increased borrowing costs. The Corporation's ability to raise debt is dependent upon, among other factors, the overall state of the capital markets and investor appetite for investments in the energy industry generally and in the Corporation's securities in particular. The ability to make scheduled payments on or to refinance debt obligations depends on the financial condition and operating performance of the Corporation, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As a result, the Corporation may be unable to maintain a level of cash flow from operating activities sufficient to permit it to pay the principal and interest on its indebtedness. These conditions could have an adverse effect on the industry in which the Corporation operates and its business, including future operating and financial results. There can be no assurance that the Corporation's cash flow from operating activities will be adequate for future financial obligations or that additional funds will be able to be obtained. Under the amended and restated Second Lien Credit Facility, entered into on September 12, 2024, the Corporation secured a new tranche C facility in the aggregate principal amount of \$33 million that may only be drawn under certain circumstances to refinance the Senior Credit Facility. The tranche C facility operates to provide a backstop for the Corporation's Senior Credit Facility, reducing lenders potential exposure and potentially reducing the risk that the Corporation would not be able to refinance its credit facilities if required.

Pursuant to an intercreditor agreement between, among others, the Corporation, the lenders (or agent thereof) under the Senior Credit Facility and the lenders (or agent thereof) under the Tidewater Midstream Credit Facilities, the Corporation has agreed that the lenders under the Senior Credit Facility and the lenders under the Tidewater Midstream Credit Facilities may treat the Corporation and Tidewater Midstream (and their respective guarantors) as affiliated and consolidated entities in considering their total exposure, risk rating and capital allocation, or for any other purpose, and may have regard to such considerations with respect to any extension, consent or waiver request or in taking any other discretionary action in respect of the Corporation and Tidewater Midstream (and their respective guarantors). Notwithstanding the foregoing, (i) the Senior Credit Facility and the Tidewater Midstream Credit Facilities are not cross guaranteed, (ii) a default under the Tidewater Midstream Credit Facilities does not cause a cross default under the Senior Credit Facility and (iii) the Corporation and Tidewater Midstream are not consolidated for the purposes of financial covenant testing or availability of drawdowns under the Senior Credit Facility. Accordingly, the long-term

availability of credit under the Senior Credit Facility is, to a certain extent, outside of the Corporation's control and dependent on Tidewater Midstream's financial position, as the lenders under the Senior Credit Facility are expected to treat the Corporation and Tidewater Midstream as affiliates and consolidated entities for purposes of any discretionary action under the Senior Credit Facility for so long as there is a significant degree of connection between the Corporation and Tidewater Midstream, including in respect of the management, administration, strategy and growth of the Corporation by Tidewater Midstream, whether through ownership of Common Shares, co-ownership of assets, by contract, including pursuant to the Governance Agreement or Shared Services Agreement, or otherwise.

### *Debt Agreements*

Collectively, the Senior Credit Facility and Second Lien Credit Facility limit, among other things, Tidewater Renewables', and certain of its subsidiaries', ability to:

- incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions other than in limited circumstances;
- in certain circumstances, pay dividends on shares or repurchase shares, redeem subordinated debt or make other restricted payments;
- in certain circumstances, hold cash in excess of set amounts;
- issue equity securities of subsidiaries;
- grant certain guarantees or other forms of financial assistance;
- change the nature of their business or operations in any material respect;
- make certain investments or acquisitions over a certain limit;
- create liens on their assets;
- change their fiscal year;
- enter into transactions with affiliates;
- liquidate, dissolve or wind up;
- consolidate, merge or transfer all or substantially all of their assets; and
- transfer or sell assets, including shares of subsidiaries.

The Senior Credit Facility and Second Lien Credit Facility also require Tidewater Renewables to maintain specified financial ratios and satisfy specified financial tests, which have been waived until March 31, 2026. Tidewater Renewables' ability to meet these financial ratios and tests can be affected by events beyond Tidewater Renewables' control, and Tidewater Renewables may be unable to meet those tests. As a result of these covenants, Tidewater Renewables' ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and the Corporation may be prevented from engaging in transactions that might otherwise be considered beneficial to Tidewater Renewables. The breach of any of these covenants could result in an event of default under the Senior Credit Facility, the Second Lien Credit Facility or any future credit agreements.

A failure to comply with the obligations in the Senior Credit Facility or the Second Lien Credit Facility, including financial ratios and specified financial tests, could result in a default. If not cured or waived, such default would permit acceleration of the repayment of the relevant indebtedness as the respective lenders could elect to declare all amounts outstanding under the Senior Credit Facility or Second Lien Credit Facility, as applicable, to be immediately due and payable and terminate all commitments to extend further credit. If such lenders were to accelerate the repayment of outstanding borrowings, Tidewater Renewables may not have sufficient cash to repay balances owing on the Senior Credit Facility or Second Lien Credit Facility. The lenders under the Senior Credit Facility or the lender under the Second Lien Credit Facility could proceed to realize upon the collateral granted to them to secure that indebtedness, which could have a material adverse effect on Tidewater Renewables' business and financial results. Even if Tidewater Renewables is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to Tidewater Renewables. Such additional funding may also impose financial restrictions and other

covenants on it that may be more restrictive than under the Senior Credit Facility and Second Lien Credit Facility. Additionally, if amounts outstanding under the Senior Credit Facility or Second Lien Credit Facility, as applicable, were to be accelerated, or if Tidewater Renewables were not able to borrow under the Senior Credit Facility or Second Lien Credit Facility, it could become insolvent or be forced into bankruptcy or insolvency proceedings. Notwithstanding an event of default, there is also no assurance that Tidewater Renewables will be able to refinance any or all of its Senior Credit Facility and/or Second Lien Credit Facility at their maturity dates on acceptable terms, or on any basis.

#### *Debt Service*

Tidewater Renewables requires sufficient cash flow in the future in order to service and repay its indebtedness. Tidewater Renewables ability to generate sufficient cash flow to meet these obligations depends on its financial condition which is, to a certain extent, subject to global economic, financial, competitive and other factors that may be beyond its control. If the Corporation is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, the Corporation could default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. The Corporation may from time to time have restricted access to capital and increased borrowing costs. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on Tidewater Renewables' business, financial condition, results of operations and cash flows. Furthermore, amounts paid in respect of interest on long-term debt will reduce the Corporation's net income.

Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

#### *Overall Level of Indebtedness*

From time to time, the Corporation may have a significant amount of indebtedness and the Corporation's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Corporation to conduct its operations;
- increase the Corporation's vulnerability to general adverse economic and industry conditions;
- require the Corporation to dedicate a portion of its cash flow from operating activities to service payments on its indebtedness, thereby reducing the availability of the Corporation's cash flow from operating activities to fund working capital, capital expenditures and other general corporate purposes;
- limit the Corporation's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

#### *Ability to Obtain Sufficient Funding*

The Corporation's ongoing activities may not generate sufficient cash flow from operating activities of the business. The Corporation may require additional external financing and the amount of such financing may be significant. While there are various financing options available to the Corporation, including the sale of new equity, debt or joint ventures, sale of working interests or other alternatives, the Corporation's ability to arrange such financing in the future may depend in part upon the prevailing capital market conditions, as well as the Corporation's business performance. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation or at all. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit interests in certain properties, miss certain acquisition opportunities and reduce or terminate operations. This may have an adverse effect on its financial position. In addition, if the Corporation obtains additional financing by the issuance of shares from treasury, control of the Corporation may change and existing Shareholders may suffer additional dilution.

In addition, the future development and operation of the Corporation's assets may require additional financing from the Corporation's counterparties and there are no assurances that such financing will be available, or, if available, will be available upon acceptable terms to the counterparties.

#### *Currency Risk*

Currency risk arises on financial instruments and feedstock purchases that are denominated in a foreign currency. The Corporation's functional currency is the Canadian dollar. Material increases in the value of the Canadian dollar may indirectly affect the Corporation's revenues and expenses, as revenues received by Corporation could decrease and expenses could increase. Future variations in exchange rates may accordingly affect the future value of the Corporation's products as determined by independent evaluators.

#### *Hedging*

From time to time, the Corporation may enter into hedging arrangements to fix interest rates applicable to the Corporation's debt. However, if interest rates decrease as compared to the interest rate fixed by the Corporation, the Corporation will not benefit from the lower interest rate. Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of feedstock purchase costs increasing if the Canadian dollar decreases in value compared to the United States dollar. However, if the Canadian dollar declines in value compared to the United States dollar, the Corporation will not benefit from the lower exchange rate in all instances, see "*Business of Tidewater Renewables — Risk Management*".

To the extent the Corporation is able to hedge its renewable fuel revenues and feedstock costs, the Corporation's hedging transactions expose the Corporation to the risk that a counterparty fails to perform under a derivative contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty's liquidity, which could make them unable to perform under the terms of the derivative contract and the Corporation may not be able to realize the benefit of the derivative contract. Any default by the counterparty to these derivative contracts when they become due would adversely affect the Corporation's business.

#### *Market Price*

The trading price of the Common Shares has been and may continue to be subject to significant fluctuations, which may be based on factors unrelated to the Corporation's financial performance or prospects. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares may also be significantly affected by changes in commodity prices, BC LCFS Credit prices, CFR Credit prices, D4 RIN prices, California LCFS Credit prices, currency exchange fluctuations or in the Corporation's financial condition or results of operations. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage by securities research analysts, recommendations by securities research analysts, changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation, the loss or resignation of members of management or the Board and other key personnel of the Corporation, sales of additional Common Shares, significant acquisitions or business combinations, partnerships, joint ventures or capital commitments by or involving the Corporation, Tidewater Midstream or its competitors where the Corporation does not realize its anticipated benefits from such transaction, trends, concerns, technological or competitive developments, regulatory changes and other related issues in the oil and natural gas industry, lessening in trading volume and general market interest in the Common Shares and actual or anticipated fluctuations in interest rates.

#### *Dependence on the Operations of Counterparties and Contractual Arrangements*

Certain of the Corporation's assets are jointly owned with, or operated by, third parties. The Corporation is dependent on such counterparties to operate the applicable assets and, in certain instances, has limited ability to exercise influence over certain of the operations of such assets and the associated operating and capital costs. This could adversely affect the Corporation's financial performance.

In addition, the Corporation's operations rely on revenue from its counterparties described elsewhere in this AIF. Tidewater Renewables cannot provide assurance that one or more counterparties will not default on their obligations to the Corporation or that such a default or defaults will not have a material adverse effect on the Corporation's operations, financial position, future results of operations or future cash flows. Furthermore, the insolvency of one or more of Tidewater Renewables' counterparties might make it unlikely that Tidewater Renewables would be able to collect all or a significant portion of amounts owed by a distressed counterparty. Such events might force such counterparties to curtail their future business operations, which could have a material adverse effect on the Corporation's business.

The Corporation endeavors to minimize risk wherever possible by structuring its contracts in a way that minimizes volume risk (e.g. minimum guaranteed volumes and "take-or-pay" arrangements), however, it is possible that such arrangements may not be fully effective. In addition, the contract terms are finite and in some cases the agreements contain termination or suspension rights for the benefit of the counterparty.

Certain of the Corporation's assets with revenues under contracts will be subject to re-contracting risk in the future. The Corporation cannot provide assurance that it will be able to renegotiate these contracts once their terms expire or, even if the Corporation is able to do so, that it will be able to obtain the same prices or terms the Corporation currently receives. If the Corporation is unable to renegotiate these contracts, or unable to receive prices at least equal to the current prices it receives, the Corporation's business, financial condition, results of operation and prospects could be adversely affected.

The Corporation is dependent on its counterparties for the cash flow it receives, and this cash flow is primarily derived from the performance of the underlying businesses of such counterparties. The amount of funds received from the Corporation's counterparties depends upon the amount of cash they in turn generate from their operations, which will fluctuate from time to time based on, among other things, production levels, prevailing commodity prices, the levels of operating, capital and maintenance expenses, general and administrative expenses and prevailing economic conditions.

#### *Reliance on Counterparty Activity*

There is risk associated with Tidewater Renewables' customers being able to perform their contracted obligations. For example, counterparties may not comply with their contracted obligations (counterparty risk) or may not deliver volumes consistent with their production profile (volume risk), all of which could adversely affect Tidewater Renewables' financial results, including the returns on capital investments.

#### *Counterparty Credit Risk*

The Corporation is exposed to counterparty credit risk through its ownership of the Renewable Assets. In particular, the Corporation is exposed to credit-related losses in the event that counterparties to contracts become insolvent or otherwise fail to fulfill their present or future financial obligations to the Corporation. If any counterparty fails to meet their contractual or financial obligations to the Corporation, such failures could materially adversely affect the Corporation's business and financial condition. Further, poor credit conditions may impact a counterparty's ability to fund the capital programs conducted with respect to the Renewable Assets or fulfill its contractual or financial obligations with respect to the Renewable Assets, which in turn could result in a reduction of the Corporation's revenues.

With respect to counterparties for financial instruments used for economic hedging purposes, the Corporation attempts to limit its credit risk by dealing with recognized futures exchanges, or investment grade financial institutions, or by adherence to credit policies that significantly reduce overall counterparty credit risk. Management believes these measures reduce the Corporation's overall credit risk; however, there can be no assurance that these processes will protect against all losses from non-performance.

The credit worthiness assessment of a counterparty considers the available qualitative and quantitative information about the counterparty including financial status and external credit ratings. Depending on the outcome of each assessment, the Corporation, in accordance with its credit policy, may: (i) set and adjust limits on exposure to its

counterparties, (ii) request collateral/security (i.e. letters of credit, guarantees or other credit enhancements), where appropriate; (iii) require customers to prepay for products or services; and (iv) use contractual arrangements that permit the netting of exposures associated with a single counterparty as well as other remedies. While the Corporation takes active steps to monitor and manage its credit risk, it is possible that credit exposure to counterparties (or any one of them), may result in the Corporation suffering losses, in which case its operations and financial results may be adversely affected.

Tidewater Midstream is a counterparty to a significant number of contracts with exposure for counterparty credit risk for Tidewater Renewables. See also, “*Risk Factors — Risks Relating to the Corporation’s Relationship with Tidewater Midstream*”.

#### *Financial Expectations*

The Corporation’s quarterly revenue and results of operations are difficult to predict and fluctuate from quarter to quarter. The Corporation’s quarterly results of operations are influenced by a number of factors, including the risks described in this AIF, many of which are outside of the Corporation’s control, which may cause such results to fall below market expectations.

Although the Corporation bases its planned operating expenses in part on the Corporation’s expectations of future revenue, a significant portion of the Corporation’s expenses are relatively fixed in the short-term. If revenue for a particular quarter is lower than expected the Corporation may be unable to proportionately reduce its operating expenses for that quarter. This will adversely affect the Corporation’s results of operations for that quarter. If the Corporation fails to meet or exceed analyst or investor expectations, the price of the Common Shares may significantly decline.

#### *Interest Rates*

The Corporation takes on interest rate risk in association with its debt financing. Interest rates are influenced by Canadian and global economic conditions beyond the Corporation’s control. Floating rate debt obligations expose the Corporation to changes in interest payments, which could have an adverse effect on the Corporation’s financial results, as variations in interest rates could result in changes in the amount required to service debt.

#### *Inflation*

The general rate of inflation impacts the economic and business environment in which the Corporation operates. In response to sustained, elevated global inflationary pressures resulting from, among other things, spending in relation to the COVID-19 pandemic and the conflict between Ukraine and Russia, major central banks, including the Bank of Canada, increased benchmark interest rates multiple times throughout 2022 and the first three quarters of 2023. While benchmark interest rates began to decrease in 2024 and continued to decrease through 2025 there is no guarantee that they will not be raised again in the future. Increased inflation and economic conditions resulting from governmental attempts to reduce inflation, including the imposition of higher interest rates or wage and price controls, may negatively impact the demand for Tidewater Renewables’ products and services, increase the cost of inputs, and could, accordingly have a negative effect on the Corporation’s business. The imposition of higher interest rates as a result of inflation could negatively impact the Corporation’s borrowing costs, which could, in turn, have a negative effect on Tidewater Renewables’ cash flow and ability to service its debt obligations.

#### *General Economic, Market Risks and Political Conditions*

The Corporation’s operations are affected by the condition and overall strength of the global economy and, in particular, the economies of Canada and the U.S.

During economic downturns, the demand for the renewable fuel that Tidewater Renewables provides and the supply of or demand for diesel, natural gas and hydrogen may be adversely affected. The occurrence of periods of poor economic conditions or low or negative economic growth could have an adverse impact on Tidewater Renewables’ results. The Corporation’s business is, in part, dependent upon, and also correlated to, market risks and political

conditions; in particular, adverse events in financial markets, which may have a profound effect on global or local economies. Some key impacts of general financial market turmoil include contraction in credit markets resulting in a widening of credit spreads, devaluations and enhanced volatility in global equity, commodity and foreign exchange markets and a general lack of market liquidity. A slowdown in the financial markets or other key measures of the global economy or the local economies of the regions in which the Corporation operates may adversely affect the Corporation's growth and profitability. For instance, a credit/liquidity crisis could materially impact the cost and availability of financing and overall liquidity; the volatility of commodity output prices and currency exchange markets could materially impact revenues, profits and cash flow; volatile energy, commodity input and consumables prices and currency exchange rates could materially impact production costs; and the devaluation and volatility of global stock markets could materially impact the valuation of the Common Shares.

In addition, conflicts, or, conversely, peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of oil and natural gas. It is unclear exactly what actions the current or future U.S. administration will implement, and if implemented, how these actions may impact Canada and, in particular, the renewable energy industry. Any actions taken by the current or any future U.S. administration may have a negative impact on the Canadian economy and on the businesses, financial conditions, results of operations and the valuation of Canadian energy companies, including Tidewater Renewables. A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the energy industry including the balance between economic development and environmental policy.

The reduction, elimination or expiration of government subsidies and economic incentives could adversely affect the Corporation. The Corporation seeks to take full advantage of government policies that promote renewable fuels and the reduction of Carbon Intensity of fuels. Renewable fuels currently benefit from various incentives in the markets in which the Corporation participates or intends to participate in. The removal or phasing-out of any such incentives could adversely affect the Corporation.

#### *Weather Conditions and Climate Change*

Changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of natural disasters in certain parts of the world, including the markets in which the Corporation operates and intends to operate, and have created additional uncertainty as to future trends. There is a growing consensus today that climate change increases the frequency and severity of extreme weather events. The Corporation cannot predict whether or to what extent damage that may be caused by natural events, such as severe storms, flooding, fires, extreme heat and extreme cold, will affect the Corporation's operations or the economies in its current or future market areas. The increased frequency and severity of such weather events could cause negative impacts to economic conditions in these regions and result in a decline in the value or the destruction of the Corporation's Renewable Assets. In particular, if one of the regions in which the Corporation's Renewable Assets are operating is impacted by such a natural catastrophe in the future, it could have a material adverse effect on the Corporation's business. Further, the economies of such impacted areas may require significant time to recover and there is no assurance that a full recovery will occur. Even the threat of a severe weather event could impact the Corporation's business, financial condition or the price of the Common Shares.

#### *Environmental*

All phases of Tidewater Renewables' business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations.

As a working interest owner in the Renewable Assets, the Corporation is exposed to environmental claims and regulation and the associated costs in connection with such assets. Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties on the working interest owners or on the Corporation and its co-owners in respect of the Renewable Assets, some of which may be material. Environmental legislation is evolving and provincial and federal governments may take steps to impose stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The Corporation relies on the operators of the Renewable Assets to be in material compliance with current applicable environmental regulations; however, no assurance can be given that environmental

laws will not result in a curtailment of production or processing or a material increase in the costs of production, development or exploration activities associated with the Renewable Assets or otherwise have a material adverse effect on the Corporation's business and financial condition. Overall, there is some uncertainty surrounding the impact of environmental laws and regulations on the Corporation's operations, and it is difficult to predict how these laws and regulations may evolve.

#### *Health and Safety*

The Corporation's business is subject to hazards of producing, gathering and processing renewable fuel products, including, blowouts, fires, explosions, gaseous leaks, releases and migration of harmful substances and acts of vandalism and terrorism. Any of these hazards can interrupt operations, impact the Corporation's reputation, cause loss of life or personal injury, result in loss of or damage to equipment, property, information technology systems, related data and control systems and cause environmental damage.

Some of the tasks undertaken by employees and contractors (including those employees and contractors of Tidewater Midstream providing certain services pursuant to the Shared Services Agreement) are inherently dangerous and have the potential to result in serious injury or death.

The Corporation is subject to laws and regulations governing health and safety matters, protecting both members of the public and personnel. Occupational health and safety regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving the Corporation's personnel or the public could expose the Corporation to material adverse regulatory consequences, including the forfeit or suspension of operating permits, litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the Corporation's financial results. Furthermore, as the Corporation is not the operator of the HDRD Complex, the Corporation may have a limited ability to influence health and safety practices and outcomes.

The Corporation stores fuels in above ground storage tanks and transports fuel by trucks and railcars, and such operations are subject to significant hazards and risks inherent in transporting and storing fuel which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims and other damage to life or property. The Corporation generally maintains insurance to mitigate costs associated with such events, but there can be no assurance that its insurance would be sufficient to cover liabilities it may suffer upon the occurrence of such events. Any such event not covered by the Corporation's insurance could have a material adverse effect on the Corporation's business, financial condition and results of operations.

No assurances can be given that the occurrence of any of such events or workers' health and safety issues relating thereto will not require unanticipated expenditures, or result in fines, penalties or other consequences material to the Corporation's business and operations.

#### *Regulatory Compliance, Approvals and Interventions*

The Corporation is subject to extensive local, provincial, and federal laws and regulations that require it to obtain registrations, licenses, permits, inspections and other approvals in order to operate, including but not limited to, those relating to emissions to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites. There is no guarantee that these, or any other, approvals can be obtained on a timely basis, or at all. Delays in processing applications may impact the schedule for capital projects. In some instances, regulatory delays, whether as a result of actions by a regulator or intervention by third parties, may result in project delays, project economics becoming less favourable or, in some cases, projects not proceeding at all. The cost to comply with regulatory requirements can be significant. As well, changes to federal and provincial environmental laws may adversely affect the ability of Tidewater Renewables and others to advance projects which could adversely affect Tidewater Renewables' growth opportunities. Regulatory uncertainty makes it challenging for industry, including Tidewater Renewables, to make investment decisions and forecast compliance obligations (including costs) which compounds the challenges with the investment climate.

The regulations that are applicable to the Corporation's existing assets and capital projects vary according to the type of energy being produced and the jurisdiction of the facility. As part of the Corporation's growth strategy, the Corporation is looking to grow by pursuing development and acquisition opportunities. Such opportunities may exist in jurisdictions where the Corporation has no current operations and, as such, the Corporation may become exposed to different regulations for which the Corporation has no experience.

#### *Potential Acquisition and Investment Opportunities*

The Corporation regularly evaluates and considers, and may be engaged in discussions and negotiations with respect to, potential acquisition and investment opportunities that it believes may assist it in achieving its business and growth plans, and it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition or investment, and, if they do, what the terms or timing of such would be or that such acquisition or investment will be completed by the Corporation. If the Corporation does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen Tidewater Renewables' financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Corporation's financial and other resources, including the completion of additional financings of equity or debt. Any such activity may not be successful in generating revenue, income or other returns to the Corporation and the resources committed to such activities will not be available to the Corporation for other purposes.

The acquisition, financing, construction and development of new projects involves numerous risks, including:

- difficulties in identifying, obtaining and permitting suitable sites for new projects;
- assumptions with respect to the cost and schedule for completing construction;
- assumptions with respect to renewable fuels, including quality, volume and asset life for new projects;
- the ability to obtain financing for a project on acceptable terms or at all;
- delays in deliveries or increases in the prices of equipment;
- permitting, other regulatory issues and changes in legal requirements;
- increases in the cost of labour, labour disputes and work stoppages;
- failure to receive quality and timely performance of third-party services;
- unforeseen engineering and environmental problems;
- cost overruns;
- the Corporation's ability to successfully and efficiently integrate acquired assets or companies into its operations;
- unknown liabilities from acquisitions;
- accidents involving personal injury or loss of life; and
- weather conditions, global health crises, catastrophic events including fires, explosions, earthquakes, droughts and acts of terrorism and other force majeure events.

In addition, new projects have no operating history and may employ recently developed technology and equipment. A new project may be unable to fund principal and interest payments under its debt service obligations or may operate at a loss, which may adversely affect the Corporation's business, financial condition or results of operations.

There can be no assurance that the Corporation will locate attractive acquisition candidates, that the Corporation will be able to acquire such candidates on economically acceptable terms, if at all, or that the Corporation will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with

third parties, such as the Corporation's creditors. Future acquisitions may require the Corporation to expend significant amounts of cash, resulting in the Corporation's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Corporation's business by diverting management and employees' attention away from day-to-day operations.

Any future acquisitions involve potential risks, including, among other things, the possibility that the Corporation, as a successor owner, may be legally and financially responsible for liabilities of prior owners, the possibility that the Corporation may pay more than the acquired Corporation or assets are worth, the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets, an inability to successfully integrate any operation the Corporation acquires, an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired, the potential disruption of the ongoing business and the distraction of management from its day-to-day operations and the loss of key employees and/or key relationships at the acquired business. In addition, the Corporation competes with other renewable fuel companies as well as traditional energy companies, which may have greater financial and other resources for new business. Future acquisition candidates may have liabilities or adverse operating issues that the Corporation failed or fails to discover through due diligence prior to the acquisition. If the Corporation consummates any future acquisitions with unanticipated liabilities or adverse operating issues, or if acquisition-related expectations are not met, the Corporation's business, results of operations, cash flows, financial condition or prospects may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Corporation's overall earnings and could negatively affect the Corporation's balance sheet.

#### *Development and Operation of Individual Renewable Energy Projects (Including Cost Overruns)*

The Corporation's focus on renewable energy exposes the Corporation to risks related to the supply and demand of commodities, the cost of capital expenditures, government regulation, world and regional events, economic conditions and the acceptance of alternative energy sources. As a renewable energy producer, the Corporation may be negatively affected by lower energy output resulting from the scarcity of inputs, mechanical breakdowns, faulty technology, competitive electricity markets or changes to the laws that mandate the use of renewable energy sources by refiners and importers of gasoline and diesel fuel and utilities.

A number of other factors related to the development and operation of individual renewable energy projects could adversely affect the Corporation's business, including:

- regulatory changes that affect the demand for or supply of Environmental Attributes and the prices thereof, which could have a significant effect on the financial performance of the Corporation's projects and the number of potential projects with attractive economics. The Corporation depends, in part, on Environmental Attributes that promote the use of renewable energy;
- regulatory changes that negatively affect the Carbon Intensity scoring methodology for the Corporation's renewable products which could result in significantly less revenue associated with Environmental Attributes;
- changes in energy commodity prices, such as crude oil, refined products and wholesale electricity prices, which could have a significant effect on the Corporation's revenues;
- substantial construction risks, including the risk of cost overruns and delays, including those that may arise as a result of material pricing, inclement weather, labour disruptions and/or extenuating events;
- operating risks and the effect of disruptions on the Corporation's business;
- entering into markets and/or jurisdictions where the Corporation has less experience;
- the need for substantially more capital to complete projects than initially budgeted and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications;
- failure to obtain necessary capital and financing on acceptable terms, or at all;

- a decrease in the feedstock availability, an increase in competition for feedstocks or feedstock pricing, and/or timeliness of delivery of feedstocks and components necessary for the projects to function;
- the ability of competitors, who may have more capital resources, experience and expertise than the Corporation, to develop, construct and operate assets that produce renewable fuels;
- the future development of a hydrogen market, and the Corporation's ability to access such market;
- obtaining and keeping in good standing permits, authorizations and consents from local city, county, province/state and federal governments;
- changes in law and corresponding regulatory discretion that may affect the Corporation's ability to operate or transact;
- failure to obtain all necessary rights to land access and use;
- delays in deliveries or increases in the prices of equipment;
- increases in the cost of labour, labour disputes and work stoppages;
- failure to receive timely performance of third-party services;
- unforeseen engineering and environmental problems; and
- accidents involving personal injury or the loss of life.

Any of these factors could prevent the Corporation from completing or operating the Corporation's projects, or otherwise adversely affect the Corporation's business, financial condition and results of operations.

#### *Capital Projects May Not Generate Expected Levels of Output*

The capital projects that the Corporation is currently undertaking remain subject to various operating risks that may cause them to generate less than expected amounts of renewable fuels. These risks include operational failures, an inability to find suitable replacement equipment or parts, less than expected supply or quality of the project's renewable fuel or volume disruption in the Corporation's renewable feedstock supply. Any extended interruption and or volume disruption in a project's operation, or a failure of the project for any reason to generate the expected amount of output of applicable renewable fuel, could adversely affect the Corporation's business and operating results. Furthermore, the Corporation may in the future incur material asset impairment charges if any of its renewable energy projects incur operational issues.

#### *Ability to Achieve Investment Objectives*

If there is not sufficient demand for renewable energy, or if renewable energy projects do not develop or take longer to develop than the Corporation anticipates, the Corporation may not achieve the Corporation's investment objectives. In addition, demand for renewable energy projects in the markets and geographic regions that the Corporation targets may not develop or may develop more slowly than the Corporation anticipates. Many factors influence the widespread adoption of renewable energy and demand for renewable energy projects, including:

- the cost-effectiveness, performance and reliability of renewable energy technologies and products as compared with conventional and competitive technologies;
- fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources;
- changes in the prices of oil, coal, natural gas and electricity;
- continued deregulation of the power industry and broader energy industry; and
- availability or effectiveness of government subsidies and incentives.

### *Abandonment and Decommissioning*

Tidewater Renewables is responsible for compliance with all laws and regulations regarding abandonment and decommissioning of the Renewable Assets at the end of their economic life, which abandonment costs may be substantial. A breach of such legislation and/or regulations may result in the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made. It is not possible to estimate reliably the abandonment and reclamation costs since they will be a function of regulatory requirements at the time and the value of the salvaged equipment may be more or less than the abandonment and reclamation costs. Accordingly, the actual costs may exceed current estimates that are the basis of the asset retirement obligation shown in the Annual Financial Statements. In the future, the Corporation may determine it prudent or be required by applicable laws or regulations to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs.

### *Geopolitical Risk*

Geopolitical risk and conflict globally may have a significant and unpredictable impact on the Corporation's business. The ongoing conflicts between Ukraine and Russia and the U.S-Israel and Iran, as well as the global response to these conflicts as it relates to sanctions, trade embargos and military support has resulted in significant uncertainty as well as economic and supply chain disruptions. Should these conflicts go on for an extended period of time, expand beyond its current geographical areas, or should other geopolitical disputes and conflicts emerge in other regions, this could result in material adverse effects to the Corporation.

### *Risks Arising from Co-ownership*

Certain Renewable Assets are jointly owned. Approvals must be obtained from such co-owners for certain proposals with respect to the assets – for example, to make capital expenditures regarding such assets. It is accordingly not always possible for the Corporation to pursue proposals for capital expenditures without the approval of co-owners which may exist from time to time. This may adversely affect the Corporation's ability to expand or improve the Renewable Assets.

As part of the Corporation's effort to minimize the risks associated with co-ownership, the Corporation maintains communication with its co-owners through operating committees and formal decision-making processes such as mail ballots and expenditure approvals. The Corporation also utilizes its knowledge of industry activity and relationships with other owners to mitigate the risk of uncooperative behavior. However, there is no guarantee that the Corporation will be able to execute its preferred business or operational strategy at facilities which are jointly owned.

### *Indigenous Peoples Consultation and Claims*

Some of the Corporation's facilities are located near reserve lands or other lands that have been traditionally used by Indigenous peoples. Indigenous peoples have claimed Aboriginal title and rights to a substantial portion of lands in Western Canada. Aboriginal rights and treaty rights are constitutionally protected rights and continue to be interpreted and affirmed by Canadian courts. Government policy relating to consultation and engagement with Indigenous communities (including the requirements that are imposed on industry) continues to evolve. The consultation processes and expectations of parties involved can vary considerably from project to project and between Indigenous communities, which can contribute to process uncertainty, increased costs, delays in receiving required approvals, and potentially, an inability to secure required approvals for some projects.

In Canada, the Crown (federal, provincial and territorial governments) has a duty to consult and, when appropriate, accommodate Indigenous peoples where it contemplates conduct that may adversely impact asserted or established Aboriginal or treaty rights, as confirmed in the Supreme Court of Canada's decision in *Haida Nation v British Columbia (Minister of Forests)*, 2004 SCC 73. Crown actions include, among others, decisions to issue regulatory project approvals, licenses and permits that may adversely impact Aboriginal rights and treaty rights. The Crown may delegate the procedural aspects of the duty to consult and accommodate, where appropriate, to industry proponents, however, the Crown is responsible for ensuring the duty is met. The processes established by regulatory bodies, such as the Alberta Energy Regulator, the British Columbia Energy Regulator, the British Columbia Environmental

Assessments Office and the Canada Energy Regulator, often include an assessment of Aboriginal rights and consultation obligations. This is often a major aspect of regulatory permitting processes. If the Crown's duty to consult has not been appropriately discharged relative to the issuance of regulatory approvals required by Tidewater Renewables, the issuance of such approvals may be delayed or denied, thereby impacting Tidewater Renewables' operations. Additionally, some types of claims may affect or limit the Corporation's ability to secure locations for capital projects.

On June 29, 2021, the Supreme Court of British Columbia in its decision in *Yahey v British Columbia*, 2021 BCSC 1287 ("**Yahey**"), ruled that the Province of BC breached its obligation under Treaty 8 because it authorized the cumulative impacts of activities "associated with oil and gas, forestry, mining, hydroelectric infrastructure, agricultural clearing and other activities" over many years on the traditional territory of the Blueberry River First Nation (the "**BRFN**"). The court found that the actions of the Province diminished the ability of the BRFN to exercise their treaty rights. *Yahey* is the first decision in Canada to recognize that cumulative impacts arising from industrial development can justify a treaty infringement. The decision in *Yahey* called for the Province of British Columbia to pause some development in the area subject to the BRFN's claim pending the results of an investigation into the cumulative impacts in the BRFN's claim area and how to manage and mitigate these impacts. The implications of *Yahey* have also permeated provincial borders. In July of 2022, the Duncan First Nation (the "**DFN**"), a Treaty 8 First Nation in northern Alberta, commenced legal action against the Province of Alberta alleging that the Province unjustifiably infringed on its treaty rights by permitting industrial development on treaty territory. The DFN's arguments mirror the successful arguments presented by the BRFN in *Yahey*.

In response to *Yahey*, on January 19, 2023, the Province of BC announced that it entered into consensus agreements with four Treaty 8 First Nations in northeastern BC. The agreements establish initiatives to protect the Aboriginal and treaty rights of the First Nation signatories, establish how the cumulative impacts of industrial development in this region will be addressed and how to facilitate responsible resource development and economic activity in the northeast of BC. The consensus agreement under which the BRFN is signatory, establishes the joint management of land-use planning between the BRFN and the Province. The agreement, among other things, establishes limits on new oil and gas activities. Specifically, the agreement protects over 650,000 hectares of BRFN lands that are considered high-value from new petroleum and natural gas and forestry activities. This presents additional risk for the Corporation as it may adversely affect or limit the Corporation's ability to secure locations for projects in the northeastern region of BC that are subject to Treaty 8.

The Blueberry River decision has potentially significant implications on regulatory and operational requirements for industrial development activities in northeast BC and could extend to other areas in Canada where similar claims may be made. The specific impact of the Blueberry River decision on Tidewater Renewables' operations in the Treaty 8 area are currently unknown.

To further reconciliation with Indigenous peoples in Canada, the federal government enacted the United Nations Declaration on the Rights of Indigenous Peoples Act ("**UNDRIP Act**") on June 21, 2021. The legislation affirms the application of the United Nations Declaration on the Rights of Indigenous Peoples ("**UNDRIP**") in Canadian law and provides a framework for the federal government to develop an action plan to implement UNDRIP, in consultation with Indigenous peoples. On June 21, 2023, the UN Declaration Act Action Plan (the "**UNDRIP Action Plan**"), developed in consultation and cooperation with First Nations, Inuit and Metis from across Canada, was released by the Government of Canada. The UNDRIP Action Plan contains 181 measures aimed at furthering the objectives of UNDRIP with a particular focus at advancing Indigenous self-determination through self-governance. In November 2023, the Superior Court of Quebec in *R. c. Montour*, 2023 QCCS 4154 held that UNDRIP is a binding international instrument and that Section 35(1) of the *Constitution Act*, which recognizes and affirms Aboriginal and treaty rights, "should offer a protection at least as great as that afforded by the UNDRIP." While the Province has since appealed the Superior Court's decision, it demonstrates how the interpretation and application of UNDRIP by Canadian courts will continue to evolve.

In 2019, the Province of BC enacted the Declaration on the Rights of Indigenous Peoples Act ("**DRIPA**"), which is intended to harmonize provincial laws with UNDRIP. In March of 2022, the Province released its first action plan under DRIPA, which outlines steps that the Province must take over the next five years, in consultation with Indigenous peoples. On September 27, 2023, the British Columbia Supreme Court released its decision in *Gitxaala v British Columbia (Chief Gold Commissioner)*, 2023 BCSC 1680, which is the first case to consider the application

and interpretation of DRIPA. The Court clarified that “DRIPA does not implement UNDRIP” into provincial law and further, “does not create justiciable rights.” The Court also concluded that UNDRIP is not presently binding under provincial law in British Columbia as it remains “a non-binding international instrument.” The *Gitxaala* decision may be indicative of how similar legislation may be interpreted by the courts in other Canadian jurisdictions. On June 6, 2022, the Province entered into a historic consent-based agreement under DRIPA with the Tahltan Nation, a First Nation in Northern BC. The agreement governs the Eskay Creek Revitalization Project and provides that the project cannot proceed without consent from the Tahltan Nation. Although this agreement is specific to a particular First Nation and project, it can potentially set a precedent for future engagement among Canadian governments, industry and Indigenous groups with respect to the project approval process.

There have also been differing judicial decisions regarding how Aboriginal title interacts with privately held lands, highlighting the unsettled nature of the law governing this relationship. On August 7, 2025, the British Columbia Supreme Court determined, in *Cowichan Tribes v Canada (Attorney General)*, 2025 BCSC 1490 that Aboriginal title and fee simple interests can co-exist, and proceeded to issue a declaration of Aboriginal title over an area that included private lands. This decision is currently under appeal. On December 11, 2025, the New Brunswick Court of Appeal held, in *J.D. Irving, Limited et al. v Wolastoqey Nation*, 2025 NBCA 129, that a declaration of Aboriginal title is not possible in respect of lands held in fee simple. As this area of law continues to develop, there may be implications for the Corporation’s existing assets and for project development in areas subject to Aboriginal title and Aboriginal title claims.

The Corporation is not aware of any claims that have been made by Indigenous peoples in respect of its assets or operations, however, if any such claims arise and are successful, this could have an adverse impact on the Corporation. Such claims may create an expectation of compensation or consideration associated with the Corporation’s projects which go beyond historical levels.

To help mitigate these risks, the Corporation monitors developments that may affect activities around its facilities and changes in government policy. When appropriate, the Corporation works with Indigenous communities that have reserves or traditional lands where its facilities are located or that may be affected by the Corporation’s ongoing operations and for construction or expansion projects.

#### *Effective Internal Controls*

Effective internal controls are necessary for the Corporation to provide reliable financial reports, manage the Corporation’s risk exposure and to help prevent fraud. Although the Corporation undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. If the Corporation or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Corporation’s financial statements and reduce the trading price of the Common Shares.

#### *Information Technology Systems and Cyber Security*

The Corporation utilizes a number of information technology systems for the management of its business and the operation of its facilities. The reliability and security of these systems is critical. If the functionality of these systems is interrupted or fails and cannot be restored quickly, or if the technologies are no longer supported, the Corporation’s ability to operate its facilities and conduct its business could be compromised. Further, although the technology systems the Corporation utilizes are intended to be secure, there is a risk that an unauthorized third party could access the systems. Such a security breach could lead to a number of adverse consequences, including but not limited to, the unavailability, disruption or loss of key functionalities within the Corporation’s control systems, the inability to safely operate the Corporation’s assets and the unauthorized disclosure, modification, corruption or loss of sensitive Corporation information, including trade secrets and confidential business information, customer, supplier or personal information relating to its personnel. The loss or misuse of this information could cause business disruptions, reputational damage, extensive personal injury and third party claims which could negatively impact Tidewater Renewables’ operations and financial performance.

As a result of the critical nature of energy infrastructure, the industry has experienced an increasing cyber security risk. This risk is especially heightened as a result of Russia's invasion of Ukraine on February 24, 2022 and the continued conflict. The Corporation's business operations could be targeted by individuals or groups seeking to sabotage or disrupt its information technology systems and networks or to steal data. Security breaches of the Corporation's information technology infrastructure, including, cyber-attacks and cyber-terrorism or other failures of the Corporation's information technology infrastructure could result in disruptions to operations, the ability to operate safely, delays, damage to assets, the environment or to the Corporation's reputation, diminished counterparty confidence, lost profits, lost data including, without limitation, the unauthorized release of customer, employee or Corporation data that is crucial to the Corporation's operational security or could adversely affect the ability to deliver and collect on customer bills, increased regulation and other adverse outcomes, including, without limitation, material legal claims and liability or fines or penalties under applicable laws and could adversely affect its business operations and financial results.

The Corporation attempts to prevent such breaches through the implementation of various technology security measures, segregation of control systems from its general business network, engaging skilled consultants and employees to manage the Corporation's technology applications, conducting periodic audits and adopting policies and procedures as appropriate. Additional measures that the Corporation uses to attempt to prevent such breaches include the implementation of various technology security measures, the use of enterprise level security platforms, keeping critical physical systems in a secure/offsite location, the segregation of control systems from its general business network, engaging skilled consultants and employees to manage the Corporation's technology applications, conducting periodic audits, and adopting policies and procedures as appropriate. There is no guarantee that these measures will be effective and the occurrence of a cyber event could adversely affect the Corporation's business.

At the operational level, Tidewater Renewables relies on electronic systems for recording of sales and accumulation of financial data and analytical information. A major failure of computer systems would disrupt the flow of information and could cause loss of data records or corruption of data, which could impact the accuracy of financial reporting and management information and Tidewater Renewables' ability to operate its business. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of Tidewater Renewables' business operations.

The Corporation is subject to regulations relating to the collection, use, retention, disclosure, security and transfer of personal data. These regulations, and their interpretation and enforcement, continue to evolve and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing privacy and data protection requirements may cause the Corporation to incur substantial costs or require the Corporation to change its business practices. Noncompliance with the Corporation's legal obligations relating to privacy and data protection could result in penalties, fines, legal proceedings by governmental entities or others, loss of reputation, and significant legal and financial exposure and could affect the Corporation's ability to retain and attract counterparties.

Changes in the nature of cyber-threats and/or changes to industry standards and regulations might require the Corporation to adopt additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is hard to predict at this time. There is significant change, disruption and growth in technology in the current environment. In such an environment, Tidewater Renewables may experience an inability to clearly define and prioritize technology requirements and infrastructure design, resulting in ineffective implementation of new technologies and, an inability to effectively operate and maintain existing infrastructure. The Corporation may not be able to innovate new digital solutions and scalable data infrastructure for digital offerings at the same pace as the larger market solutions that are based on digital design and advanced analytics; and establish organic growth platforms to better understand, target and engage Tidewater Renewables' customers. These risks could materially adversely affect Tidewater Renewables' operations and its ability to compete in the market.

#### *Conflicts of Interest*

There are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of Tidewater Renewables. Some of the directors and officers are engaged and will

continue to be engaged in the Corporation's industry on their own behalf and on behalf of other corporations, including on behalf of Tidewater Midstream, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose their interest in and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

#### *Reputational Risks*

The Corporation's business, operations and financial condition may be negatively impacted because of any negative public opinion towards the Corporation or as a result of any negative sentiment toward the Corporation or in respect of its reputation with stakeholders, special interest groups, political leadership, the media or other entities. The Corporation's reputation may be adversely impacted by the actions and activities that it undertakes, as well as the actions and activities of its employees. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Corporation operates as well as their opposition to certain projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in obtaining or challenges to permits and increased costs and/or cost overruns. The Corporation's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the energy industry, particularly other producers, over which the Corporation has no control. In particular, the Corporation's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property caused by the Corporation's operations or due to opposition from special interest groups opposed to energy development. In addition, if the Corporation develops a reputation of having an unsafe work site, it may impact the ability of the Corporation to attract and retain the necessary skilled personnel to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against governments and energy companies may impact the Corporation's reputation.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Corporation's reputation. Damage to the Corporation's reputation could result in negative investor sentiment towards the Corporation, which may result in limiting the Corporation's access to capital, increasing the cost of capital and decreasing the price and liquidity of the Corporation's securities.

#### *Non-Governmental Organizations and Eco-Terrorism Risks*

The activities conducted by the Corporation may, at times, be subject to public opposition that could expose the Corporation to the risk of higher project costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups, including Indigenous and climate change groups, landowners, environmental interest groups and other non-governmental organizations. The Corporation could also face blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of federal, provincial or municipal governments and delays obtaining or challenges to regulatory permits. There is no guarantee that the Corporation will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require the Corporation to incur significant and unanticipated capital and operating expenditures.

In addition, the Corporation's and its counterparties' properties or facilities could be the subject of a terrorist attack. If any of the Corporation's or its counterparties' properties or facilities are the subject of terrorist attack it may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. The Corporation does not have insurance to protect against the risk from terrorism.

#### *Concentration of Assets in Alberta and British Columbia*

All of the Corporation's assets are currently concentrated in Alberta and BC, which leaves the Corporation exposed to the economic conditions of such provinces.

### *Limited Operating History and Track Record*

Upon commencement of commercial operations at the HDRD Complex on November 7, 2023, the HDRD Complex became Canada's first Renewable Diesel project. Given the novelty of this project, Tidewater Renewables has limited operating history with respect to the ownership and operation of the HDRD Complex and other Renewable Assets before that time. Accordingly, there may not be a reliable basis for evaluating the Corporation's business prospects or the future value of the Common Shares. In addition, the Corporation's business strategy may not be successful, and, if unsuccessful, the Corporation may be unable to modify it in a timely and successful manner. The Corporation cannot give a prospective investor any assurance that it will be able to continue to implement its strategy on a timely basis, if at all. The Corporation may also be subject to both transition and growth-related risks, including capacity constraints and pressure on its internal systems and controls. Accordingly, an investment in the Common Shares is speculative and subject to a higher degree of risk.

Many of the technologies, processes and companies engaged in renewable energy production, transportation and marketing are new to the business and industry. With renewable energy being an emerging industry there is risk associated with forecasting the Corporation's future performance. To mitigate this risk, Tidewater Renewables has engaged Tidewater Midstream to operate the Renewable Assets (Tidewater Midstream has extensive experience operating assets similar in nature to the Renewable Assets).

Employees of Tidewater Renewables have access to Tidewater Midstream's resources, including the systems, business contacts, financial resources and expertise of senior management. Other than for the purposes and times specified in the Shared Services Agreement, the Corporation does not have the same access to Tidewater Midstream's expertise and resources. There can be no assurance that the Corporation will have similar expertise or resources through internal sources or contractors. If such expertise or resources can be obtained on the same basis, there can be no assurance that it will be at the same or lesser cost, as provided historically by Tidewater Midstream, see "*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*".

### *Litigation Risk*

The Corporation is, in the course of its business, subject to lawsuits and other claims. In recent years, there has been an increase in climate and disclosure-related litigation against governments as well as companies involved in the energy industry and there is no assurance the Corporation will not be impacted by such litigation, or by other legal proceedings. The Corporation evaluates its exposure to these legal and regulatory proceedings and may establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The results of these legal proceedings cannot be predicted with certainty. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. The Corporation has insurance which may mitigate the impact of a claim upon the financial condition of Tidewater Renewables however there is no assurance that the insurance proceeds will be sufficient to cover the costs of the claim or will be available to the Corporation. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have an adverse effect on the Corporation's Business, reputation, operating results or financial performance.

### *Future Sales or Issuances of Securities*

Tidewater Renewables may sell additional Common Shares or other securities in subsequent offerings, including pursuant to the Investor Liquidity Agreement. Tidewater Midstream holds 66% of the issued and outstanding Common Shares. The Investor Liquidity Agreement provides for Demand Registration rights in favour of Tidewater Midstream that enable Tidewater Midstream to require the Corporation to qualify by prospectus or register, as applicable, all or a portion of the Common Shares held, directly and indirectly, by Tidewater Midstream for a distribution to the public in Canada. The Investor Liquidity Agreement also provides Tidewater Midstream with Piggy-Back Registration rights. Where the Corporation proposes to make a distribution, for its own account or for the account of any other holder of securities of the Corporation, Tidewater Midstream will have the right to include a specified number of its Common Shares in the distribution, subject to certain limitations. Sales of Common Shares owned, directly and indirectly, by Tidewater Midstream through the Investor Liquidity Agreement or otherwise could exert downwards pressure on the trading price of the Common Shares and could impair the future ability of the Corporation to raise capital through the sale of its equity securities.

Additionally, the Board may issue an unlimited number of Common Shares without any vote or action by the Shareholders, subject to the rules of any stock exchange on which the Corporation's securities may be listed from time to time. The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities. Sales or issuances of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect the prevailing market price of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

### *Dividends*

The Corporation does not currently anticipate paying any dividends on its securities in the near future. It may pay dividends in the future if and when operational circumstances permit. The payment of future dividends is not guaranteed and is subject to the performance of the Corporation. The Board has the discretion to determine if a dividend will be declared and paid to Shareholders and the amount of such dividend. In determining whether to pay dividends, the Board will take into consideration numerous factors, including current and expected future levels of earnings; cash flow from operating activities; income taxes; maintenance capital expenditures; growth capital expenditures; debt repayments; working capital requirements; current and potential future environmental liabilities; the impact of interest rates and/or foreign exchange rates; commodity prices; and other factors. The Corporation's short and long term borrowings prohibit the Corporation from paying dividends at any time at which a default or event of default would exist under such debt, or if a default or event of default would exist as a result of paying the dividend. In addition, any dividends to be paid are subject to consent of the Corporation's lenders under the applicable credit agreements.

If external sources of capital, including borrowings and the issuance of additional Common Shares, become limited or unavailable on commercially reasonable terms, the Corporation's ability to make the necessary capital investments to maintain or expand its business may be impaired. The extent to which the Corporation is required to use cash flow from operating activities to finance capital expenditures or acquisitions may reduce the distributable cash flow available to declare and pay dividends to Shareholders. Dividends may be increased, reduced, suspended or eliminated entirely depending on the Corporation's operations and the performance of its assets and businesses.

### *Managing Growth*

In order to manage growth and changes in strategy effectively, the Corporation must maintain adequate facilities to meet customer demand and comply with contractual obligations, expand sales and marketing capabilities, develop a strategy to build, acquire or supply renewable fuels, expand the skills and capabilities of its current management team and attract and retain qualified employees. The Corporation's expected growth depends on its ability to leverage its industry experience and relationships with customers and vendors to ensure the economic viability of pursued opportunities. While the Corporation intends to focus on managing its costs and expenses over the long term, it expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

In addition, the Corporation may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to properly manage growth may have a material adverse effect on the Corporation's business.

### *Adequacy of Insurance*

The Corporation currently maintains customary insurance of the types and amounts consistent with prudent industry practice. The Corporation may also purchase additional insurance coverage to cover potential losses during the construction of new infrastructure. In addition, the Corporation maintains director and officer liability coverage consistent with industry practice. The Corporation is not obligated to maintain insurance if it is not available to the Corporation on commercially reasonable terms. Further, there can be no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. The insurance coverage obtained with respect to the Corporation's business and facilities will be subject to limits and exclusions or

limitations on coverage that are considered to be reasonable, given the cost of procuring insurance and current operating conditions. There can be no assurance that the insurance proceeds received by the Corporation in respect of a claim will be sufficient in any particular situation to satisfy the indebtedness of the Corporation or fully protect against catastrophic events or prolonged shutdowns. Losses beyond the scope of the Corporation's insurance coverage could have a material adverse effect on its business, operations and financial performance.

#### *Changing Investor Sentiment*

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage relating to spills of petroleum products, Indigenous rights, and the profitability of renewable energy operations, have affected certain investors' sentiments towards investing in the energy industry. As a result of these concerns, some investors have announced that they no longer are willing to invest in energy companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust ESG policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board, management and employees of the Corporation. Failing to implement such policies and practices, as requested by institutional investors, may result in such investors reducing their investment in the Corporation, or not investing in the Corporation at all. Any reduction in the investor base interested or willing to invest in the energy industry and more specifically, the Corporation, may result in limiting the Corporation's access to capital, increasing the cost of capital and decreasing the price and liquidity of the Corporation's securities even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of the Corporation's assets, which may result in an impairment change.

#### *Changes in Tax Legislation*

Tax laws may be amended (or its interpretation may change), retroactively or prospectively, resulting in tax consequences that materially differ from those contemplated by the Corporation across the jurisdictions in which the Corporation has operations or sales which may create a risk of non-compliance and re-assessment. While the Corporation believes that its tax filing positions are appropriate and supportable, it is possible that tax authorities may: (a) amend tax legislation (or its interpretation may change), or (b) successfully challenge the Corporation's interpretation of tax legislation which may affect the Corporation's estimate of current and future income taxes affecting the financial condition, prospects, and distributable cash flow available to pay dividends to the Corporation's Shareholders.

To help mitigate this risk, the Corporation retains knowledgeable, competent employees and consultants who are responsible for preparation of tax compliance filings, Canada Revenue Agency audits, quarterly provisions and tax forecasts to aid in predicting timing and the amount of cash taxability. In addition, the Corporation engages external tax counsel and accountants who assist with the review of its tax filings and tax provisions to help the Corporation to comply with applicable legislation.

#### *Breach of Confidentiality*

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to the business, operations or affairs of the Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

## *Tariffs and Trade Relations*

Recent developments in Canada-U.S. trade relations, including the threat and, in some cases the imposition of tariffs on certain Canadian goods, highlight the uncertainty associated with international trade policy. In addition, the United States Mexico Canada Agreement (the “USMCA”), which requires the three signatory countries to hold a joint review of the agreement every six years, is scheduled for July 1, 2026. As the U.S. remains Canada’s primary trading partner, any changes to, or failure by one or more parties to comply with, the USMCA could have a material adverse impact on the Canadian economy, the Canadian oil and natural gas industry and the Corporation. Potential measures could include increased tariffs on Canadian energy exports, restrictions on cross-border supply chains, or additional regulatory barriers to trade.

The continuation or implementation of any tariffs, surtaxes or other restrictive trade measures or countermeasures, including the introduction of regulatory barriers to trade, could have a significant impact on the market for oil and natural gas products, including cost and price volatility, a relative weakening of the Canadian dollar, and increased costs for equipment, infrastructure and maintenance. Any such measures may have a material adverse effect on the Corporation’s business, financial condition, results of operations and prospects.

Developments in Canada-U.S. trade relations may also have implications on many of the other risks to which the Corporation is exposed. The extent to which the Corporation’s business, financial condition, results of operations and prospects will be affected depends largely on the nature and duration of uncertain and unpredictable events, such as the duration or escalation of the tariffs, the evolution of retaliatory measures, possible fiscal or monetary policy responses, and reactions to ongoing changes by global financial markets.

### **Risks Relating to the Corporation’s Relationship with Tidewater Midstream**

#### *Tidewater Midstream’s Shareholdings and Provision of Shared Services*

Tidewater Midstream is the majority Shareholder of the Corporation and, as such, is able to exert significant influence on the Corporation through its voting rights, including the right to vote for the election of directors to the Board. In addition, pursuant to the Governance Agreement, Tidewater Midstream has the right, in certain circumstances, to nominate directors for election to the Board and has certain consent rights. As a result, Tidewater Midstream will be able to exercise influence over the management, administration, strategy and growth of the Corporation.

The Corporation currently depends on Tidewater Midstream to provide certain management and administrative services to the Corporation pursuant to the Shared Services Agreement. Tidewater Midstream personnel that provide services to the Corporation under the Shared Services Agreement are not required to have as their primary responsibility the administration of the Corporation or to act exclusively for the Corporation. The Shared Services Agreement does not require any specific individuals to be provided by Tidewater Midstream. If the Corporation is not satisfied with the manner in which Tidewater Midstream performs its services under the Shared Services Agreement, it is only entitled to terminate such services by mutual agreement of the parties in writing. The failure of Tidewater Midstream to exercise its influence or provide its services in a manner consistent with the views of the directors or management could materially adversely affect the Corporation’s business and financial condition. The Shared Services Agreement expires on August 18, 2026 and there is no guarantee that the term of the Shared Services Agreement will be extended or that a new agreement providing for certain management and administrative services to the Corporation by Tidewater Midstream will be successfully negotiated and executed. The failure of the Corporation to extend the Shared Services Agreement or successfully negotiate a new agreement providing for certain management and administrative services to the Corporation by Tidewater Midstream could materially adversely affect the Corporation’s business and financial condition.

Furthermore, Tidewater Midstream has experienced departures of key employees in the past and this could also happen in the future, and the Corporation cannot predict the impact that any such departures will have on the Corporation’s ability to achieve its objectives, particularly during the term of the Shared Services Agreement, see “*Risk Factors — Risks Relating to the Tidewater Renewables’ Business, Renewable Energy Industry and Operating Environment — Reliance on Key Personnel*” and see “*Agreements with Tidewater Midstream and Other Counterparties*”.

### *Departure of Tidewater Midstream's Professionals*

The Corporation relies on the diligence, skill and business contacts of Tidewater Midstream's professionals and the information and opportunities they generate during the normal course of their activities. Tidewater Midstream's and Tidewater Renewables' future success will depend on the continued service of these individuals, who are not obligated to remain employed with Tidewater Midstream. The departure of a significant number of Tidewater Midstream's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Corporation's ability to achieve its objectives. The Shared Services Agreement does not require Tidewater Midstream to maintain the employment of any of its professionals or to cause any particular professionals to provide services to the Corporation or on its behalf.

### *Anticipated Benefits from Relationship with Tidewater Midstream*

There are no assurances that the Corporation will be able to maintain its relationship with Tidewater Midstream or realize the benefits it anticipates from its relationship with Tidewater Midstream. The Corporation relies on Tidewater Midstream for a substantial portion of its revenue and relies on Tidewater Midstream's distribution facilities to distribute its products. If the Corporation is unable to successfully execute on this strategic relationship, the Corporation's overall growth could be impaired, and the Corporation's operational and financial performance could be adversely affected.

### *Future Changes in Relationship with Tidewater Midstream*

The arrangements between the Corporation and Tidewater Midstream do not require Tidewater Midstream to maintain any ownership level in the Corporation. Accordingly, Tidewater Midstream may transfer all or a substantial portion of its interest in the Corporation to the public through secondary offerings (including pursuant to its rights under the Investor Liquidity Agreement), or to a third-party, including in a merger or consolidation or sale of Common Shares (without the consent of the Corporation or its Shareholders) subject to market conditions, Tidewater Midstream's requirements for capital or other circumstances that may arise in the future. Certain of the rights and obligations under the Governance Agreement, may also be assignable to a transferee of the Common Shares (other than in respect of transfers made pursuant to a public offering), upon notice to the Corporation. Accordingly, there can be no assurance as to who, or what entity, may hold and exercise such rights in the future. The interests of a transferee of the Common Shares may be different from Tidewater Midstream's and may not align with those of other Shareholders. The Corporation cannot predict with any certainty the effect that any such transfer would have on the trading price of the Common Shares or the Corporation's ability to raise capital in the future. As a result, the future of the Corporation would be uncertain and the Corporation's business and financial condition may suffer.

### *Competition from Tidewater Midstream*

Tidewater Midstream is not prohibited from engaging in other businesses or activities, including those that might be in direct competition with those of the Corporation. Tidewater Midstream also has a right to participate in certain renewable opportunities pursuant to the Governance Agreement. In addition, Tidewater Midstream may compete with the Corporation for investment opportunities and may own an interest in entities that compete with Tidewater Midstream. This may create actual and potential conflicts of interest between the Corporation and Tidewater Midstream and result in less than favorable treatment of the Corporation and its Shareholders, see "*Risk Factors — Conflicts of Interest with Tidewater Midstream*", below.

### *Conflicts of Interest with Tidewater Midstream*

The Shared Services Agreement, the Governance Agreement and the Corporation's other arrangements with Tidewater Midstream do not impose any duty on Tidewater Midstream to act in the best interest of the Corporation, and, as mentioned above, Tidewater Midstream is not prohibited from engaging in other business activities that may compete with those of the Corporation. The Corporation's ownership and management structure involves a number of relationships that may give rise to conflicts of interest between the Corporation and the Shareholders, on the one hand, and Tidewater Midstream, on the other hand. In certain instances, the interests of Tidewater Midstream may differ from the interests of the Corporation and its Shareholders, including the reinvestment of returns generated by

the Corporation's activities, future acquisitions or strategic decisions, and the appointment of outside advisors and service providers. It is possible that conflicts of interest may arise between the Corporation and Tidewater Midstream and that such conflicts may not be resolved in a manner that is in the best interests of the Corporation or its Shareholders, see "*Agreements with Tidewater Midstream and Other Counterparties*".

Under the Shared Services Agreement, Tidewater Midstream has not assumed any responsibility other than to perform its obligations and discharge its duties in the provision of the services under the Shared Services Agreement as a reasonable and prudent manager (as defined in the Shared Services Agreement). In addition, under the Shared Services Agreement, the liability of Tidewater Midstream is limited to liability arising directly from the gross negligence or willful misconduct of Tidewater Midstream or its affiliates and representatives, subject to certain exceptions. In addition, the Corporation has agreed to indemnify Tidewater Midstream and its affiliates and representatives from and against any claims, liabilities, losses, damages, costs or expenses incurred arising out of, or attributable to, any act or omission of Tidewater Midstream or the Corporation in connection with the provisions of the services described in the Shared Services Agreement by Tidewater Midstream, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from gross negligence or willful misconduct of Tidewater Midstream or its affiliates or representatives. The indemnification arrangements with the Corporation to which Tidewater Midstream is a party may also give rise to legal claims for indemnification that would be adverse to the Corporation and its Shareholders.

In addition, pursuant to the Governance Agreement, for so long as the percentage of outstanding Common Shares (on a non-diluted basis) beneficially owned directly or indirectly by Tidewater Midstream is not less than 40% of the issued and outstanding Common Shares, Tidewater Midstream is entitled to nominate such number of TWM Board Members that is equal to the greater of two and 40% of the members of the Board (rounded up or down to the nearest whole number, if applicable). Tidewater Midstream holds approximately 66% of the issued and outstanding Common Shares, which entitles Tidewater Midstream to nominate two members of the Board. The directors of the Corporation are required to act honestly and in good faith with a view to the best interests of the Corporation. However, directors nominated and subsequently appointed by a particular Shareholder are entitled, under the ABCA, to give special, if not exclusive, consideration to the interests of the Shareholder that appointed them. The interests of Tidewater Midstream may conflict with those of other Shareholders, see "*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*".

#### *Ability to Recover Indemnification from Tidewater Midstream*

Tidewater Midstream has provided certain representations, warranties and indemnities under various agreements entered into between the parties. If the Corporation suffers any loss as a result of a breach of the representations, warranties or any other term thereof by Tidewater Midstream, or as a result of the occurrence of an event for which Tidewater Midstream agreed to indemnify the Corporation under the terms thereof, the Corporation may not be able to recover the amount of its loss from Tidewater Midstream. Shareholders will not have a direct right of action against Tidewater Midstream for a breach of such agreements. The sole remedy of the Shareholders against Tidewater Midstream will be through the Corporation exercising its rights under such agreements to claim for indemnification in respect of a breach by Tidewater Midstream of the representations and warranties or agreements contained therein, subject to the limitations specified therein.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings that the Corporation is or was a party to, or that any of the Corporation's property is or was the subject of, since January 1, 2025 that were or are material to the Corporation, and there are no such material legal proceedings that the Corporation knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Corporation if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Corporation's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Corporation has included the amount involved in the other proceedings in computing the percentage. See "*Risk Factors*."

No penalties or sanctions material to Tidewater Renewables have been imposed by a court or regulatory body, nor has Tidewater Renewables entered into a settlement agreement in relation to any securities legislation.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as described elsewhere in this AIF, to the knowledge of Tidewater Renewables, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Corporation; (ii) any person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or affiliate (each, as defined in the *Securities Act* (Alberta)) of any persons or companies referred to in (i) or (ii), in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Corporation, see “*Agreements with Tidewater Midstream and Other Counterparties*”.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares is TSX Trust Company, at its principal office in Calgary, Alberta located at 2110 – 685 Centre Street SW, Calgary, Alberta, Canada T2G 1S5.

### **MATERIAL CONTRACTS**

Other than as set out below, there are no material contracts entered into by Tidewater Renewables within the most recently completed financial year, or before the most recently completed financial year but which are still in effect, other than contracts entered into in the ordinary course of business:

1. the Shared Services Agreement, see “*Agreements with Tidewater Midstream and Other Counterparties — Shared Services Agreement*”;
2. the Governance Agreement, see “*Agreements with Tidewater Midstream and Other Counterparties — Governance Agreement*”;
3. the Investor Liquidity Agreement, see “*Agreements with Tidewater Midstream and Other Counterparties — Investor Liquidity Agreement*”;
4. the Fourth Amended and Restated Credit Agreement dated September 12, 2024 among Tidewater Renewables and the syndicate of lenders relating to the Senior Credit Facility, see “*Borrowings — Senior Credit Facility*”; and
5. the Second Amended and Restated Credit Agreement among Tidewater Renewables and PIP7 Metaverse S.A.R.L. dated September 12, 2024, see “*Borrowings – Second Lien Credit Facility*.”

### **INTERESTS OF EXPERTS**

Deloitte LLP is the Corporation’s independent auditors. Deloitte LLP has advised they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation’s profile.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Tidewater Renewables’ securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in Tidewater Renewables’ information circular for the next annual meeting of

Shareholders that involves the election of directors and additional information as provided in Tidewater Renewables' comparative financial statements for its most recently completed financial year. Tidewater Renewables will provide this information to any person, upon request made to the Chief Financial Officer of Tidewater Renewables at Suite 900, 222 – 3rd Avenue S.W., Calgary, Alberta, T2P 0B4. The documents will also be located on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional financial information is provided in the Corporation's Annual Financial Statements and MD&A for the year ended December 31, 2025, which are also available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## SCHEDULE A

### AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

#### **Role and Objective**

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Tidewater Renewables Ltd. (“**Tidewater Renewables**” or the “**Corporation**”) to which the Board has delegated its responsibility for the oversight of the following:

1. nature and scope of the annual audit;
2. the oversight of management’s reporting on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures;
4. financial reporting and financial statements,
5. and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. To assist directors of Tidewater Renewables (“**Directors**”) in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters, including compliance with legal and regulatory requirements;
2. To provide better communication between Directors and external auditors;
3. To enhance the external auditor’s independence;
4. To increase the credibility and objectivity of financial reports, the financial reporting process and internal controls over financial reporting;
5. To strengthen the role of the independent Directors by facilitating in depth discussions between Directors on the Committee, management of Tidewater Renewables (“**Management**”) and external auditors;
6. To maintain oversight of risk identification, assessment and management programs; and
7. To establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters.

#### **Membership of Committee**

1. The Board, on recommendation of the Governance, Compensation, Safety and Sustainability Committee, will appoint members to the Committee. The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be “independent” (as such term is used in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)) unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.

2. The Board, on recommendation of the Governance, Compensation, Safety and Sustainability Committee, may from time to time designate one of the members of the Committee to be the Chair of the Committee.
3. All of the members of the Committee must be “financially literate” (as defined in NI 52 110) unless the Board determines that an exemption under NI 52 110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52 110.

### **Mandate and Responsibilities of Committee**

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors, including the resolution of any disagreements between Management and the external auditors regarding financial reporting.
2. Satisfy itself on behalf of the Board with respect to Tidewater Renewables’ internal control systems, including financial and non-financial elements; identify, monitor and mitigate business risks; and ensuring compliance with legal, ethical and regulatory requirements.
3. Review the annual and interim financial statements of the Corporation and related management’s discussion and analysis (“**MD&A**”) prior to their submission to the Board for approval. The process should include but not be limited to:
  - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years’ financial statements;
  - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
  - reviewing accounting treatment of unusual or non-recurring transactions;
  - ascertaining compliance with covenants under loan agreements;
  - reviewing disclosure requirements for commitments and contingencies;
  - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - reviewing unresolved differences between Management and the external auditors;
  - obtaining explanations of significant variances with comparative reporting periods; and
  - determining through inquiry if there are any related party transactions and ensuring that the nature and extent of such transactions are properly disclosed.
4. In addition to the review of financial statements and MD&A described above, review public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results, prospectuses, and if applicable, the annual information form) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Tidewater Renewables’ disclosure of all other financial information and will periodically assess the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board:
  - recommend to the Board the external auditors to be nominated;

- recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
  - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
  - monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinions between management and the external auditor;
  - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
  - review and pre approve any non-audit services to be provided to Tidewater Renewables or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
6. Review with external auditors (and internal auditor if one is appointed by Tidewater Renewables) their assessment of the internal controls of Tidewater Renewables, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Tidewater Renewables and its subsidiaries.
7. Review risk management policies and procedures of the Corporation (i.e., hedging, litigation, third-party credit risk, insurance and cybersecurity). In this regard, the Committee shall:
- Regularly identify and review the principal business risks, including potential emerging risks, of the Corporation and the actions taken by the Corporation to mitigate the risks;
  - Regularly identify and review the principal financial risks and exposures of the Corporation, together with mitigating strategies, including physical and financial positions in commodities markets, derivatives strategies, capital commitments, foreign exchange exposures, and exposure to interest rate fluctuations, as well as non-financial risks and exposures including, but not limited to, risks relating to climate change, environmental and social elements;
  - Regularly review the policies and activities of the Corporation's treasury and marketing groups and the financial risks arising from those activities, including any proposed authorities of Management from the Board for the hedging of the exposures;
  - Review, and if desirable, recommend changes to the insurance program including coverage for property damage, business interruption and liabilities; and
  - Regularly review and identify information technology, information systems and cybersecurity risks of the Corporation.
8. Establish a procedure for:
- the receipt, retention and treatment of complaints received by Tidewater Renewables regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees of Tidewater Renewables of concerns regarding questionable accounting or auditing matters.

9. Review and approve Tidewater Renewables' hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of the Corporation.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The Committee will also have the authority to investigate any financial activity of Tidewater Renewables. All employees of Tidewater Renewables are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Tidewater Renewables without any further approval of the Board.

#### **Meetings and Administrative Matters**

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote and in such cases, the undecided matter should be referred to the Board as a whole.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer of Tidewater Renewables will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
5. The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries and related corporate entities as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee. At each meeting, the Committee will meet, including with the external auditors, in camera without management present.
8. Minutes of the Committee will be recorded and maintained and circulated to Directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation as determined by the Committee.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a

quorum remains. Subject to the foregoing, following appointment as a member of the Committee each member will hold such office until the Committee is reconstituted.

11. Any issues arising from these meetings that bear on the relationship between the Board and Management should be communicated to the Chair of the Board by the Committee Chair.
12. In discharging its duties under this Mandate, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities and personnel, may conduct meetings or interview any officer or employee, the Corporation's legal counsel, external auditors and consultants and may invite any such persons to attend any part of any meeting of the Committee.