TIDEWATER
Renewables Ltd.

Management's Discussion and Analysis

For the three and six month periods ended June 30, 2026

August 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the condensed interim consolidated financial and operating results of Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Corporation") is dated August 12, 2026, and should be read in conjunction with Tidewater Renewables' condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 2026 and 2025 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, which represent generally accepted accounting principles ("GAAP"). This MD&A contains non-GAAP measures which are used to measure and analyze financial performance, financial position and cash flow and therefore may not be comparable to similar measures presented by other entities. This MD&A also contains forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Tidewater Renewables' disclosure under "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" included at the end of this MD&A. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

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

BUSINESS OVERVIEW

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

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

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

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

SECOND QUARTER HIGHLIGHTS

- During the second quarter of 2026, the Corporation reported net income of $5.1 million, compared to net income of $13.0 million in the second quarter of 2025.

- Adjusted EBITDA[1] was a record $56.0 million during the second quarter of 2026, a $45.2 million increase over the $10.8 million generated in the same period of 2025.

- The HDRD Complex achieved record average daily throughput of 3,315 bbl/d during the second quarter of 2026, representing a 111% utilization rate, compared to 2,164 bbl/d, representing a 72% utilization rate from the second quarter of 2025.

- The Corporation successfully reduced net debt[2] by $12.9 million to $193.3 million from December 31, 2025, achieving a debt to Adjusted EBITDA[1] ratio of 1.47x, supported by strong operational margins and disciplined capital allocation.

- On June 19, 2026, the Corporation executed a new initiative agreement (the "New Initiative Agreement") with the Government of British Columbia to provide additional BC LCFS Credits, further advancing its sustainable aviation fuel ("SAF") project toward a potential final investment decision ("FID").

- Increased full-year Adjusted EBITDA[1] guidance to $130.0 million to $140.0 million (from $100.0 million to $110.0 million). At the midpoint, this represents a 29% increase over the midpoint of the prior guidance, reflecting strong operational performance year-to-date and a constructive outlook for margins for the balance of the year.

SUBSEQUENT EVENT

- On July 7, 2026, the Corporation and Natural Resources Canada executed a contribution agreement (the "Contribution Agreement") for the Biofuel Production Incentive ("BPI"). This represented the final administrative requirement following the conditional approval received on March 30, 2026. The Contribution Agreement secures total funding in line with the full annual production capacity of the HDRD Complex.

- The Corporation has secured gross margin for 2027 by hedging approximately 20% of forecasted renewable diesel sales and associated feedstock purchases to mitigate commodity price volatility.

(1) Non-GAAP financial measure. See the "Non-GAAP and Other Financial Measures" section of this MD&A.
(2) Capital management measure. See the "Non-GAAP and Other Financial Measures" section of this MD&A.

FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars except per share information)	Three months ended June 30, 2026	2025	Six months ended June 30, 2026	2025
Revenue	**$ 160.6**	$ 73.6	**$ 254.2**	$ 131.3
Net income	**$ 5.1**	$ 13.0	**$ 15.1**	$ 18.3
Net income per share - basic	**$ 0.14**	$ 0.36	**$ 0.41**	$ 0.50
Net income per share - diluted	**$ 0.13**	$ 0.35	**$ 0.40**	$ 0.49
Adjusted EBITDA (1)	**$ 56.0**	$ 10.8	**$ 80.1**	$ 13.2
Net cash provided by operating activities	**$ 23.1**	$ 18.1	**$ 24.4**	$ 20.6
Distributable cash flow (1)	**$ 42.8**	$ 0.8	**$ 61.2**	$ (4.0)
Distributable cash flow per share - basic (1)	**$ 1.17**	$ 0.02	**$ 1.68**	$ (0.11)
Distributable cash flow per share - diluted (1)	**$ 1.13**	$ 0.02	**$ 1.62**	$ (0.11)
Total common shares outstanding (millions)	**36.5**	36.4	**36.5**	36.4
Total assets	**$ 468.2**	$ 397.1	**$ 468.2**	$ 397.1
Net debt (2)	**$ 193.3**	$ 198.7	**$ 193.3**	$ 198.7

(1) Non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.
(2) Capital management measure. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

OUTLOOK AND CORPORATE UPDATE

Financial performance review

For the three and six months ended June 30, 2026, the Corporation reported net income of $5.1 million and $15.1 million, respectively, compared to $13.0 million and $18.3 million, respectively, for the same periods in 2025. The decrease was primarily driven by non-cash changes in derivative contracts, non-cash warrant liability revaluations, and the recognition of deferred income tax expense. These impacts were partially offset by higher throughput at the HDRD Complex, which drove increased sales volume, alongside improved realized pricing, the recognition of the BPI, and higher contributions from equity investments.

Tidewater Renewables generated record Adjusted EBITDA(1) of $56.0 million and $80.1 million for the three and six months ended June 30, 2026, respectively, compared to $10.8 million and $13.2 million respectively, generated during the same periods in 2025. This increase was driven by strong facility throughput at the HDRD Complex, which led to a significant increase in production and sales volumes. The Corporation benefited from higher realized margins on these volumes and the recognition of the BPI.

Canadian regulatory developments

As previously disclosed in the Corporation's MD&A for the year ended December 31, 2025, and the three months ended March 31, 2026, Tidewater Renewables formally submitted its application for the BPI in January 2026 and received conditional approval on March 30, 2026.

The Corporation is pleased to report that subsequent to the quarter-end, on July 7, 2026, Tidewater Renewables successfully executed the Contribution Agreement. With this final milestone achieved, total available funds under the program are confirmed to be in line with HDRD Complex's total annual production capacity.

Management anticipates receiving both the first and second quarter program payments in the third quarter of 2026, with subsequent BPI contributions expected to be received quarterly in arrears, providing

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

a consistent and meaningful boost to the HDRD Complex's economics, liquidity, and overall profitability throughout the duration of the program's incentive window.

Hedging program

To further protect the Corporation's financial position, management has continued its proactive hedging program. As previously disclosed, the Corporation has approximately 50% renewable diesel (and attached emission credit) sales and associated feedstock purchases hedged for the balance of 2026.

Looking ahead to 2027, subsequent to June 30, 2026, the Corporation has extended this strategy by securing further hedges for approximately 20% of anticipated 2027 renewable diesel (and attached emission credit) sales and associated feedstock purchases, at significantly higher fixed prices relative to the 2026 hedges. By utilizing these derivative instruments, the Corporation has locked in gross margin on a portion of its production, effectively reducing exposure to commodity pricing volatility and ensuring more predictable cash flows.

SAF development update

Tidewater Renewables continues to advance its proposed 6,500 bbl/d SAF project in British Columbia. Optimization work on the project has now been completed, which was partially funded by the emission credits received under the previously disclosed September 2025 amended initiative agreement (the "Amended Initiative Agreement").

On June 19, 2026, the Corporation executed the New Initiative Agreement with the Government of British Columbia, providing for additional BC LCFS Credits. These new BC LCFS Credits are intended to support advancing critical pre-FID activities of the proposed facility and mitigate execution risk. Consequently, the pre-FID activities are expected to represent the main focus of Tidewater Renewables' growth capital expenditures for the remainder of 2026, helping the Corporation advance toward a potential FID, currently targeted for the fourth quarter of 2026. These pre-FID activities are expected to allow Tidewater Renewables to preserve project schedule certainty, maintain vendor and fabrication capacity availability, mature engineering deliverables, support regulatory advancement and position the project for efficient execution following the potential FID approval. The Corporation expects to receive emission credits in connection with completing the first of two milestones outlined in the New Initiative Agreement in the third quarter of 2026, with the remaining credits expected to be received in the fourth quarter of 2026.

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

2026 guidance update

During the second quarter of 2026, the Corporation continued to navigate the market dynamics resulting from ongoing geopolitical tensions in the Middle East. The persistent volatility and elevated renewable diesel benchmarks have sustained an extremely constructive margin environment for the HDRD Complex, as realized pricing continued to outpace feedstock input costs. Additionally, as previously disclosed, the U.S. Environmental Protection Agency finalized the Renewable Volume Obligations regulatory framework on March 27, 2026. This framework underpinned the intrinsic value of D4 RINs and broader market tightness during the second quarter, reinforcing the U.S. import parity benchmark pricing utilized in a significant portion of Tidewater Renewables' offtake agreements.

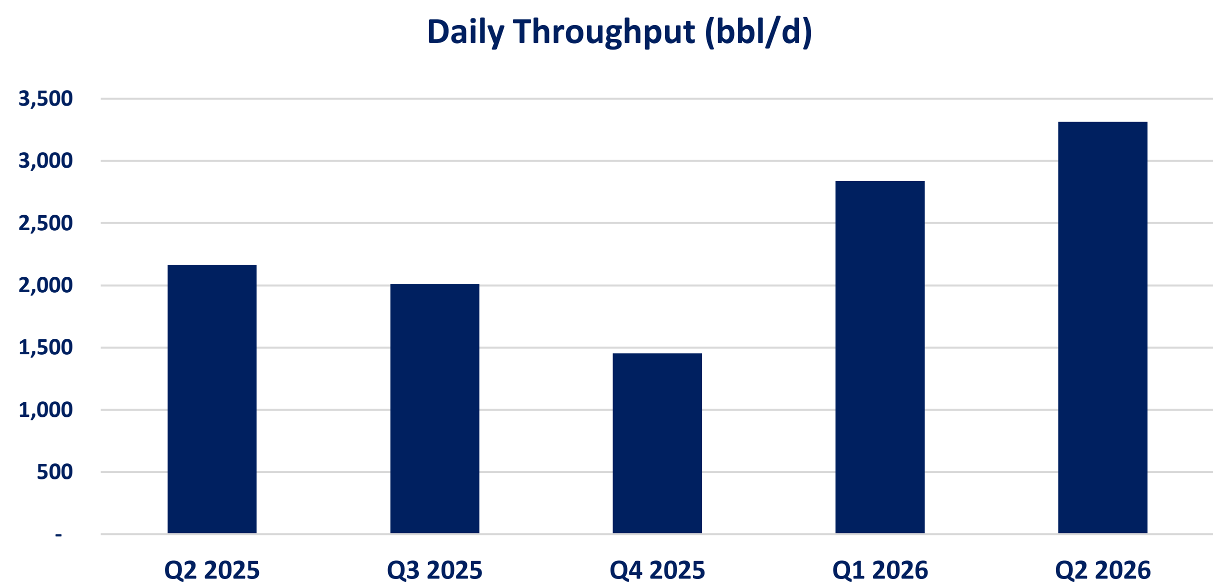
Reflecting these favourable market conditions combined with the Corporation's strong operational execution, Tidewater Renewables is updating its full-year 2026 Adjusted EBITDA[1] guidance to $130.0 million to $140.0 million (from $100.0 million to $110.0 million). All other operational metrics, including sales volumes and 2026 capital expenditure targets, remain unchanged as the Corporation continues to prioritize debt reduction and operational optimization.

(in millions of Canadian dollars, unless otherwise stated)	Prior Guidance	Current Guidance
Adjusted EBITDA [1]	100.0 – 110.0	130.0 – 140.0
Sales volume (MM litres)	150.0 – 170.0	150.0 – 170.0
Capital expenditures [2]	2.0 – 3.0	2.0 – 3.0

(1) Non-GAAP financial measure. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.
(2) Capital expenditures are inclusive of growth capital expenditures and maintenance capital expenditures and are presented net of capital emission credits.

HDRD Complex

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



During the second quarter of 2026, the HDRD Complex achieved an average utilization rate of 3,315 bbl/d, or 111% of design capacity. This compares to 2,164 bbl/d, or 72% of design capacity, during the same period in the prior year. During the six months ended June 30, 2026, the HDRD Complex achieved an average utilization rate of 3,076 bbl/d, or 103% of design capacity, compared to 2,201 bbl/d, or 73% of design capacity, in the same period of 2025. The higher throughput across both periods reflects robust facility reliability and targeted facility debottlenecking initiatives, which collectively enabled the HDRD Complex to consistently operate above nameplate capacity. Utilization in the prior year comparative periods was adversely impacted by a minor fire incident on April 1, 2025, severe weather related rail logistics challenges and softer Canadian renewable diesel demand.

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

Capital Program

The main expenditures under Tidewater Renewables' 2026 growth capital program have primarily focused on the optimization work conducted on its proposed 6,500 bbl/d SAF project in British Columbia. For the remainder of 2026, expenditures are expected to pivot toward critical pre-FID activities, which will be partially funded by the new incentive credits. The SAF project is being developed under a joint development agreement with Tidewater Midstream, whereby both parties have the right to participate in up to 50% of the project upon a final FID.

The SAF front-end engineering design work is complete, and the subsequent optimization work on the project has also been completed, which was partially funded through the previously disclosed Amended Initiative Agreement. On June 19, 2026, the Corporation executed the New Initiative Agreement with the Government of British Columbia to provide additional BC LCFS Credits, which are intended to partially fund and support advancing critical pre-FID activities of the proposed facility and help the Corporation advance toward a potential FID. Tidewater Renewables is actively pursuing long-term offtake agreements for the SAF product expected to be produced and continues to see significant interest in supporting future SAF developments, as well as other renewable fuel and renewable gas initiatives, from various provincial and federal governments.

RESULTS OF OPERATIONS

Financial Overview

(in millions of Canadian dollars except per share information)	Three months ended June 30, **2026**	Three months ended June 30, 2025	Six months ended June 30, **2026**	Six months ended June 30, 2025
Revenue	**$ 160.6**	$ 73.6	**$ 254.2**	$ 131.3
Operating expenses	**$ 103.6**	$ 59.3	**$ 170.5**	$ 109.2
General and administrative	**$ 1.2**	$ 1.4	**$ 3.2**	$ 2.6
Share-based compensation	**$ 0.2**	$ 0.5	**$ 0.6**	$ 0.6
Depreciation	**$ 4.7**	$ 3.9	**$ 8.7**	$ 7.8
Finance costs and other	**$ 5.1**	$ 5.5	**$ 10.6**	$ 10.6
Realized loss on derivative contracts	**$ 7.5**	$ 4.3	**$ 8.6**	$ 10.5
Unrealized loss (gain) on derivative contracts	**$ 24.3**	$ (11.1)	**$ 23.9**	$ (23.2)
Loss (gain) on warrant liability revaluation	**$ 14.0**	$ (1.7)	**$ 19.3**	$ 2.8
Income from equity investments	**$ (8.5)**	$ (1.5)	**$ (13.1)**	$ (8.1)
Transaction costs	**$ -**	$ -	**$ -**	$ 0.2
Deferred income tax expense	**$ 3.4**	$ -	**$ 6.8**	$ -
Net income	**$ 5.1**	$ 13.0	**$ 15.1**	$ 18.3
Net income per share – basic	**$ 0.14**	$ 0.36	**$ 0.41**	$ 0.50
Net income per share – diluted	**$ 0.13**	$ 0.35	**$ 0.40**	$ 0.49

Revenue

Revenue increased to $160.6 million in the second quarter of 2026, compared to $73.6 million in the second quarter of 2025. Revenue for the six months ended June 30, 2026 was $254.2 million, compared to $131.3 million for the same period in 2025. This increase was primarily driven by higher throughput at the HDRD Complex, which resulted in increased sales volume of renewable diesel that was sold with the emission credits attached. Also contributing to the favourable variance was higher realized pricing for renewable diesel and the associated emission credits, and increased sales of conventional blending fuels and renewable feedstocks.

Operating Expenses

Operating expenses for the three and six months ended June 30, 2026 were $103.6 million and $170.5 million, respectively, compared to $59.3 million and $109.2 million, respectively, in the corresponding periods in 2025. For both periods, the increase was primarily driven by higher feedstock consumption and pricing, increased blending fuel costs and pricing, directly reflecting higher HDRD Complex utilization rates compared to 2025. These increases were partially offset by the recognition of $7.7 million during the quarter and $13.8 million year to date in funding expected to be received from the Government of Canada's BPI.

The Corporation became eligible for the BPI starting January 1, 2026, following the formal launch and the subsequent conditional approval of the Corporation's application, with the Contribution Agreement subsequently executed on July 7, 2026. The incentive recognized in the three and six month periods ending June 30, 2026 reflects an incentive rate of $0.16 per litre on eligible renewable diesel production and sales from the HDRD Complex. As the BPI program was not in effect during the 2025 year, there was no comparable amount in the prior year period.

General and Administrative

General and administrative ("G&A") expenses for the second quarter of 2026 were $1.2 million, relatively consistent with the $1.4 million recorded in the second quarter of 2025. G&A expenses for the six months ended June 30, 2026, were $3.2 million, compared to $2.6 million for the six months ended June 30, 2025. The year over year increase was primarily driven by a higher allocation of shared service resources from Tidewater Midstream, reflecting increased labour utilization to support the Corporation's ongoing operational and strategic initiatives.

Share-Based Compensation

For the three and six months ended June 30, 2026, the Corporation's share-based compensation expense was $0.2 million and $0.6 million, respectively, compared to share-based compensation expense of $0.5 million and $0.6 million, respectively, for the same periods in 2025. The decrease for the three months ended June 30, 2026 was primarily driven by the timing of certain annual grants under the Corporation's Long-Term Incentive Plan, which were granted during the first quarter of 2026 but were not granted in the comparative period until the second quarter of 2025. Consequently, share-based compensation expense for the six months ended June 30, 2026, remained consistent with the comparative period.

Depreciation

Depreciation expense for the three and six months ended June 30, 2026 was $4.7 million and $8.7 million, respectively, compared to $3.9 million and $7.8 million, respectively, for the same periods in 2025. The increase in both periods was primarily driven by a higher depreciable asset base following the fall 2025 turnaround at the HDRD Complex.

Finance Costs and Other

Finance costs and other expenses for the three months ended June 30, 2026 were $5.1 million, compared to $5.5 million for the same period in 2025. The decrease was primarily driven by higher realized foreign exchange gains. For the six months ended June 30, 2026, finance costs and other expenses remained flat at $10.6 million compared to the same period of 2025, as the second-quarter foreign exchange gains offset non-cash interest expenses.

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

Realized Gains or Losses on Derivative Contracts

During the second quarter of 2026, the Corporation recognized a realized loss of $7.5 million on derivative contracts, compared to a realized loss of $4.3 million for the same period in 2025. Realized losses on derivative contracts for the six months ended June 30, 2026, were $8.6 million, compared to realized losses of $10.5 million for the same period in 2025. For both the three and six month periods, the 2026 realized losses relate to an increase in diesel, D4 RIN, California LCFS Credit prices, and soybean oil futures relative to fixed derivate prices. The realized losses in the comparative prior year periods related to lower average commodity prices for soybean oils, compared to the fixed derivative price. Generally, realized gains and losses on derivative contracts resulting from fluctuations in renewable diesel prices, its associated environmental attributes, and related feedstocks are partially offset by an inverse gain or loss on physical product purchases and sales.

Unrealized Gains or Losses on Derivative Contracts

The Corporation recorded a non-cash unrealized loss of $24.3 million for the three months ended June 30, 2026, compared to an unrealized gain of $11.1 million for the same period in 2025. Unrealized losses on derivative contracts for the six months ended June 30, 2026, were $23.9 million, compared to an unrealized gain of $23.2 million for the same period in 2025.

For both the three and six month periods in 2026, the mark-to-market fluctuations were driven by a broader range of variables, including price volatility in diesel, D4 RIN, California LCFS Credit prices, and soybean oil futures. This compares to the same period in 2025, where unrealized gains and losses were more singularly focused on pricing changes in the Chicago Board of Trade soybean oil futures market. The shift reflects the Corporation's risk management strategy of utilizing derivatives to hedge both the U.S. import parity pricing benchmarks for committed sales, and the associated benchmark pricing for feedstocks, to reduce gross margin volatility and market price risk.

Warrant Liability Revaluation

For the three and six months ended June 30, 2026, the Corporation recognized a non-cash revaluation loss of $14.0 million and $19.3 million, respectively, compared to a non-cash revaluation gain of $1.7 million and a non-cash revaluation loss of $2.8 million, respectively, for the same periods in 2025, from remeasuring the Corporation's outstanding warrants to their fair value. Changes in the fair value are influenced by movements in the Corporation's share price (from $2.60 at June 30, 2025 and $4.25 at December 31, 2025 to $12.51 at June 30, 2026), volatility assumptions, and other market-based inputs.

Income from Equity Investment

For the three and six months ended June 30, 2026, the Equity Investment generated income of $8.5 million and $13.1 million, respectively, compared to income of $1.5 million and $8.1 million, respectively, for the same periods in 2025. The increase for both periods was primarily driven by increased cattle sales volume and a higher non-cash unrealized gain resulting from a mark-to-market revaluation of the cattle inventory, and higher realized gains on derivative contracts, as compared to the same periods in the prior year.

Transaction costs

For the three and six months ended June 30, 2026, the Corporation incurred no transaction costs, compared to nil and $0.2 million, respectively, for the same periods in 2025. The transaction costs for the six months ended June 30, 2025 were incurred to complete the sale of the Corporation's interest in Rimrock Renewables Limited Partnership.

Deferred Tax

For the three and six months ended June 30, 2026, the Corporation recognized a deferred tax expense of $3.4 million and $6.8 million, respectively, compared to no deferred tax expense for the same periods in 2025. For both periods, the increase in deferred tax expense primarily relates to the utilization of available tax pools against taxable income generated.

Capital Expenditures

The following table summarizes growth and maintenance capital expenditures for the three and six months ended June 30, 2026, and 2025:

	Three months ended June 30,		Six months ended June 30,	
(in millions of Canadian dollars)	**2026**	2025	**2026**	2025
Growth capital [1]	**$ 1.1**	$ 0.1	**$ 1.9**	$ 2.2
Maintenance capital [1]	**-**	2.3	**-**	2.3
Expenditures on property, plant and equipment as per statement of cash flows	**$ 1.1**	$ 2.4	**$ 1.9**	$ 4.5
Capital emissions credits awarded [2]	**$ -**	$ (1.3)	**$ (1.0)**	$ (2.5)

(1) Supplementary financial measures. See the "Non-GAAP and Other Financial Measures" section of this MD&A.
(2) During the three and six months ended June 30, 2026, the Corporation monetized $nil capital emissions credits (2025 - $nil and $1.3 million, respectively).

Growth Capital

Growth capital expenditures for the second quarter of 2026 totaled $1.1 million, compared to $0.1 million for the second quarter of 2025. During the six months ended June 30, 2026, growth capital expenditures were $1.9 million, compared to $2.2 million for the same period in 2025.

For both the three and six months ended June 30, 2026, Tidewater Renewables' growth capital spending primarily related to optimization work on the SAF project, which is expected to be partially funded through the sale of capital emission credits issued under the Amended Initiative Agreement.

Maintenance Capital

The Corporation did not incur any material maintenance capital expenditures for the three and six months ended June 30, 2026, compared to $2.3 million in the same periods of 2025.

For the three and six months ended June 30, 2025, maintenance capital spending primarily related to the timing of planned maintenance activities in anticipation of the scheduled turnaround and replacement of spare parts in the third quarter of 2025.

SUMMARY OF QUARTERLY RESULTS

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

(in millions of Canadian dollars, except per share information)		**Q2 2026**		Q1 2026		Q4 2025		Q3 2025
Revenue	**$**	**160.6**	$	93.6	$	54.7	$	62.0
Net income (loss)	**$**	**5.1**	$	10.0	$	(13.8)	$	(1.0)
Net income (loss) per share - basic	**$**	**0.14**	$	0.27	$	(0.38)	$	(0.03)
Net income (loss) per share - diluted	**$**	**0.13**	$	0.27	$	(0.38)	$	(0.03)
Adjusted EBITDA (1)	**$**	**56.0**	$	24.1	$	(3.8)	$	16.5

(1) Non-GAAP financial measure. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

(in millions of Canadian dollars, except per share information)		Q2 2025		Q1 2025		Q4 2024		Q3 2024
Revenue	$	73.6	$	57.7	$	76.4	$	91.6
Net income (loss)	$	13.0	$	5.3	$	(3.4)	$	(367.1)
Net income (loss) per share - basic	$	0.36	$	0.14	$	(0.09)	$	(10.46)
Net income (loss) per share - diluted	$	0.35	$	0.14	$	(0.09)	$	(10.46)
Adjusted EBITDA (1)	$	10.8	$	2.4	$	6.1	$	13.6

(1) Non-GAAP financial measure. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A.

During the first half of 2026, Tidewater Renewables' results were impacted by the following factors and trends:

- strong operational performance, highlighted by the HDRD Complex achieving a 103% utilization rate, driven by robust facility reliability, which generated higher sales volume, expanded margins, and recognition of the BPI;
- supportive North American regulatory dynamics following the March 2026 finalization of the U.S. RVO, which established record high blending mandates that provide structural support for the Corporation's realized margins;
- disciplined commercial execution with over 90% of 2026 forecasted renewable diesel production contracted under offtake agreements; and
- proactive margin protection through a 2026 hedging program that covers approximately 50% of renewable diesel sales and feedstock purchases to mitigate commodity price volatility.

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

The Corporation's liquidity position is further supported by a proactive hedging program and disciplined commercial execution. Current hedging activities cover approximately 50% of the Corporation's renewable diesel sales and associated feedstock purchases for the balance of 2026, and 20% for 2027, locking in strong gross margins and reducing exposure to commodity price volatility. Furthermore, over 90% of 2026 forecasted renewable diesel production is committed under offtake agreements. The majority of these contracts utilize U.S. import parity pricing benchmarks, aligning realized prices with North American market values and ensuring consistent cash flow generation.

Liquidity is also expected to be enhanced by the recently confirmed BPI funding. These federal incentive funds are expected to be received quarterly in arrears, providing a meaningful boost to the HDRD Complex's economics and overall profitability throughout the incentive window.

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

Debt Borrowings

The following table summarizes the Corporation's credit facilities outstanding as at June 30, 2026:

(in millions of Canadian dollars)	Maturity Date	Rate	Facility Amount	**Amount Drawn**
Senior Credit Facility	February 28, 2027	variable	$ **40.0**	$ **10.0**
Second Lien Credit Facility	October 24, 2027	variable	**183.9**	**183.9**
Total			$ **223.9**	$ **193.9**

Financial Covenants

The following is a list of Tidewater Renewables financial covenants as at June 30, 2026:

	Ratio	June 30, 2026
Tidewater Renewables debt to Adjusted EBITDA (1)(2)	Maximum 4.00:1	1.47
Adjusted EBITDA to interest coverage (2)	Minimum 2.50:1	9.43

(1) Debt to Adjusted EBITDA ratio for the fiscal quarter ending September 30, 2026, not greater than 3.50:1, for fiscal quarter ending December 31, 2026 and beyond, not greater than 3.00:1.
(2) Adjusted EBITDA for covenant reporting at June 30, 2026, to be calculated based on six months annualized, at September 30, 2026, on nine months annualized, and December 31, 2026, and beyond, on the trailing-twelve months. Interest is to be calculated on a trailing twelve-month basis.

Tidewater Renewables is required to maintain certain financial covenants. The calculations for each of these ratios are based on specific definitions in the agreements governing the Tidewater Renewables' senior credit facility and the second lien credit facility, are not in accordance with GAAP, and cannot be directly calculated by referring to the Financial Statements. At June 30, 2026, Tidewater Renewables was in compliance with its financial covenants.

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds from continuing operations for the three and six months ended June 30, 2026 and 2025:

Cash flows provided by (used in) *(in millions of Canadian dollars)*	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating activities	**$ 23.1**	$ 18.1	**$ 24.4**	$ 20.6
Financing activities	**$ (21.5)**	$ (14.9)	**$ (23.9)**	$ (17.3)
Investing activities	**$ (1.0)**	$ (3.1)	**$ 0.1**	$ (3.1)

Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities was $23.1 million for the three months ended June 30, 2026, compared to net cash provided by operating activities of $18.1 million for the three months ended June 30, 2025. Net cash provided by operating activities was $24.4 million for the six months ended June 30, 2026, compared to net cash provided by operating activities of $20.6 million for the six months ended June 30, 2025.

The increase in net cash provided by operating activities for both periods was primarily driven by higher operating margins resulting from increased throughput at the HDRD Complex and favourable commodity pricing. This increase was partially offset by non-cash working capital changes, largely due to an increase in accounts receivable reflecting the timing of cash receipts, as well as an inventory build of operating emissions credits reflecting higher volumetric generation and an increase in average unit production costs.

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

Net Cash (Used in) Provided by Financing Activities

Net cash used in financing activities was $21.5 million for the three months ended June 30, 2026, compared to net cash used in financing activities of $14.9 million for the three months ended June 30, 2025. Net cash used in financing activities was $23.9 million for the six months ended June 30, 2026, compared to net cash used in financing activities of $17.3 million for the six months ended June 30, 2025. For both periods, financing activities reflects higher debt repayments on the senior credit facility and higher financing charges, as compared to the same periods in the prior year.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities for the three months ended June 30, 2026 was $1.0 million and net cash provided by investing activities for the six months ended June 30, 2026 was $0.1 million, respectively, compared to net cash used in investing activities of $3.1 million in each of the same periods of 2025. For both periods, the improvement primarily relates to favourable changes in non-cash working capital and lower capital expenditures. For the year to date period, these favourable impacts were partially offset by the absence of proceeds from the interest in Rimrock Renewables Limited Partnership and capital emission credit sales.

CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments as at June 30, 2026:

(in millions of Canadian dollars)		Within one year		One to five years		Thereafter		Total
Accounts payables, accrued liabilities and provisions	$	45.0	$	-	$	-	$	45.0
Derivative contracts		23.9		-		-		23.9
Lease liabilities (1)		2.0		0.7		-		2.7
Senior credit facility (2)		10.0		-		-		10.0
Second lien credit facility (2) (3)		-		183.9		-		183.9
Total	**$**	80.9	**$**	184.6	**$**	-	**$**	265.5

(1) Amounts represent the expected undiscounted cash payments related to leases.
(2) Amounts represent undiscounted principal only and exclude accrued interest.
(3) The second lien tranche A and tranche B facilities are due on October 24, 2027.

OUTSTANDING EQUITY

As at August 11, 2026, Tidewater Renewables had the following number of outstanding common shares, restricted share units ("RSUs"), deferred share units ("DSUs"), stock options ("Options") and warrants:

(in thousands)	
Common shares	36,536
RSUs	541
DSUs	158
Options	321
Warrants	4,375

TRANSACTIONS WITH RELATED PARTY

The Corporation has entered into certain agreements and transactions with its controlling shareholder, Tidewater Midstream. Related party transactions included in the consolidated statements of net income and comprehensive income for the three and six months ended June 30, 2026 and 2025, are summarized in the following table:

	Three months ended June 30,				**Six months ended June 30,**			
(in millions of Canadian dollars)		**2026**		2025		**2026**		2025
Revenue from the sale of renewable fuels	**$**	**32.5**	$	5.8	**$**	**48.8**	$	34.7
Revenue from the sale of renewable feedstocks		**5.3**		-		**5.3**	$	-
Purchases of blending fuels		**32.0**		12.2		**49.2**		14.2
Sales of emission credits		**-**		7.9		**-**		28.3
Other operating expenses		**10.3**		7.2		**16.3**		12.5
G&A expenses under the shared services agreement		**1.2**		0.7		**2.0**		1.3
Realized loss on derivative contracts		**-**		0.7		**-**		1.8
Unrealized gain on derivative contracts		**-**		(1.7)		**-**		(3.6)

The related party balances included in the consolidated statement of financial position as at June 30, 2026 and December 31, 2025, are summarized in the following table:

	June 30, 2026		December 31, 2025	
Accounts receivable	**$**	**18.3**	$	1.9
Accounts payable, accrued liabilities and provisions		**(23.9)**		(10.2)

For the three and six months ended June 30, 2026, Tidewater Renewables had no other transactions with related parties, except the remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

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

The majority of the Corporation's accounts receivable are due from investment-grade counterparties subject to normal industry credit risks. This represents a continued improvement in the Corporation's credit profile compared to the prior year. Tidewater Renewables evaluates and monitors the financial strength of its customers in accordance with its credit policy. Financial assurances received to mitigate and reduce risk may include letters of credit and prepayments.

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

RISK FACTORS

The Corporation continually works to mitigate the impact of risks to its business by identifying all significant risks so that they can be appropriately managed. The risks that may affect the business and operations of Tidewater Renewables are described herein and within the Corporation's most recent annual information form, a copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca. The Corporation's financial risks are discussed in note 12 of the Financial Statements.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimates that differ materially from current estimates. The Corporation's use of estimates and judgments in preparing the Financial Statements is discussed in note 2 of the consolidated financial statements for the year ended December 31, 2025, a copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca. There have been no material changes to the Corporation's critical accounting estimates and judgments during the three and six months ended June 30, 2026.

CONTROL ENVIRONMENT

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, assessed the design and effectiveness of internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") as at June 30, 2026. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013) to evaluate the design and effectiveness of ICFR. Based on that evaluation, management has concluded that both ICFR and DC&P were effective as at June 30, 2026, in all material respects.

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

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

Non-GAAP Financial Measures

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

Adjusted EBITDA

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

Adjusted EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. Tidewater Renewables also believes Adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions and others to evaluate the financial performance of the Corporation. From time to time, the Corporation issues guidance on this key measure. As a result, Adjusted EBITDA is presented as a relevant measure in this

MD&A to assist analysts and readers in assessing the performance of the Corporation as seen from management's perspective. Investors should be cautioned that Adjusted EBITDA should not be construed as an alternative to net income, net cash provided by operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Corporation's performance and may not be comparable to companies with similar calculations.

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

	Three months ended June 30,		Six months ended June 30,	
(in millions of Canadian dollars)	**2026**	2025	**2026**	2025
Net income	**$ 5.1**	$ 13.0	**$ 15.1**	$ 18.3
Deferred income tax expense	**3.4**	-	**6.8**	-
Depreciation	**4.7**	3.9	**8.7**	7.8
Finance costs and other	**5.1**	5.5	**10.6**	10.6
Share-based compensation	**0.2**	0.5	**0.6**	0.6
Unrealized loss (gain) on derivative contracts	**24.3**	(11.1)	**23.9**	(23.2)
Loss (gain) on warrant liability revaluation	**14.0**	(1.7)	**19.3**	2.8
Transaction costs	**-**	-	**-**	0.2
Non-recurring expenses	**-**	0.2	**0.1**	0.5
Adjustment to share of profit from equity accounted investments	**(0.8)**	0.5	**(5.0)**	(4.4)
Adjusted EBITDA	**$ 56.0**	$ 10.8	**$ 80.1**	$ 13.2

Distributable Cash Flow

Distributable cash flow is calculated as net cash provided by (used in) operating activities before changes in non-cash working capital plus transaction costs, non-recurring expenses, and after any expenditures that use cash from operations. Changes in non-cash working capital are excluded from the determination of distributable cash flow because they are primarily the result of seasonal fluctuations or other temporary changes, and are generally funded with short-term debt or cash flows from operating activities. Maintenance capital expenditures, including turnarounds, are deducted from distributable cash flow as they are ongoing recurring expenditures which are funded from operating cash flows. Transaction costs are added back as they vary significantly quarter to quarter based on the Corporation's acquisition and disposition activity. Distributable cash flow also excludes non-recurring transactions that do not reflect Tidewater Renewables' ongoing operations.

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

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

(in millions of Canadian dollars)	Three months ended June 30, **2026**	Three months ended June 30, 2025	Six months ended June 30, **2026**	Six months ended June 30, 2025
Net cash (used in) provided by operating activities	**$ 23.1**	$ 18.1	**$ 24.4**	$ 20.6
Add (deduct):				
Changes in non-cash working capital	**25.6**	(9.9)	**48.3**	(12.0)
Transaction costs	**-**	-	**-**	0.2
Non-recurring expenses	**-**	0.2	**0.1**	0.5
Interest and financing charges	**(4.2)**	(3.6)	**(8.2)**	(7.5)
Payment of lease liabilities	**(1.7)**	(1.7)	**(3.4)**	(3.5)
Maintenance capital	**-**	(2.3)	**-**	(2.3)
Distributable cash flow	**$ 42.8**	$ 0.8	**$ 61.2**	$ (4.0)

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

Non-GAAP Financial Ratios

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

Distributable cash flow per common share (basic and diluted)

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

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

(in millions of Canadian dollars except per share information)	Three months ended June 30, **2026**	Three months ended June 30, 2025	Six months ended June 30, **2026**	Six months ended June 30, 2025
Distributable cash flow	**$ 42.8**	$ 0.8	**$ 61.2**	$ (4.0)
Weighted average shares outstanding - basic	**36.5**	36.4	**36.5**	36.4
Weighted average shares outstanding - diluted	**37.9**	37.2	**37.8**	37.0
Distributable cash flow per share - basic	**$ 1.17**	$ 0.02	**$ 1.68**	$ (0.11)
Distributable cash flow per share - diluted	**$ 1.13**	$ 0.02	**$ 1.62**	$ (0.11)

Capital Management Measures

The Corporation has its own methods for managing capital and liquidity as further described in the "Liquidity and Capital Resources" section of this MD&A and within note 22 of the consolidated financial statements for the year ended December 31, 2025, a copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca.

Net Debt

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

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

The following table reconciles net debt:

(in millions of Canadian dollars)	**June 30, 2026**	December 31, 2025
Senior Credit Facility	**$ 10.0**	$ 22.3
Senior Lien Credit Facility	**183.9**	183.9
Cash	**(0.6)**	-
Net debt	**$ 193.3**	$ 206.2

Supplementary Financial Measures

Growth Capital

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

Maintenance Capital

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

ABBREVIATIONS AND DEFINITIONS

"bbl/d" means barrels per day.

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

"California LCFS Credits" means California Air Resources Board'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.

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

"CFR Emission Credits" means credits generated under the Canadian Clean Fuel Regulations.

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

"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 greenhouse gas reduction, and utilized by obligated parties to meet annual renewable volume obligation targets.

"environmental attributes" means, collectively, BC LCFS Credits, CFR Emission Credits, carbon credits, rebates, tax credits, grants and other incentives specific to the jurisdiction the renewable product is sold and environmental attributes available.

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

"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.

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

"Tidewater Midstream Transaction" refers to an Assets Sales Agreement that the Corporation and Tidewater Midstream entered into on September 12, 2024, pursuant to which the Corporation sold its canola co-processing infrastructure, the fluid catalytic cracking co-processing infrastructure, working interests in various other PGR units, and a natural gas storage facility co-located at Tidewater Midstream's Brazeau River Complex (collectively the "Divested Assets") to Tidewater Midstream for cash proceeds of

$122.0 million, plus the assumption by Tidewater Midstream of certain of our liabilities relating to the Divested Assets. In addition, as part of the consideration, Tidewater Midstream assigned the right to receive certain BC LCFS Credits to the Corporation with a minimum value of $7.7 million.

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

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

FORWARD-LOOKING INFORMATION

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

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

- the Corporation's ability to become a leading renewable fuel producer;
- full-year 2026 Adjusted EBITDA, sales volume and capital expenditures guidance;
- the Corporation's priority of debt reduction and operational optimization;
- the requirement for the Corporation to maintain specified debt to Adjusted EBITDA and interest coverage ratios under its senior credit facility and second lien credit facility for future fiscal quarters, and the methodology for calculating Adjusted EBITDA for covenant reporting purposes;
- the receipt of additional BC LCFS Credits from the Government of British Columbia pursuant to the New Initiative Agreement, including the expected timing of such receipt and the anticipated use thereof to advance pre-FID activities and mitigate execution risk on the proposed SAF project;
- the development of the proposed SAF project, 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 anticipated benefits of pre-FID activities on the proposed SAF project, including preserving project schedule certainty, maintaining vendor and fabrication capacity availability, maturing engineering deliverables, supporting regulatory advancement, and positioning the project for efficient execution following FID approval;
- the contingencies to the Corporation's decision to proceed with the SAF project, including the execution of long-term offtake agreements and the receipt of provincial and federal government support to facilitate obtaining committed financing;
- the continued interest of provincial and federal governments in supporting future SAF developments and other renewable fuel and renewable gas initiatives;
- Tidewater Midstream's right to participate in up to 50% of the SAF project following a final investment decision;
- management's focus on maximizing realized pricing;
- the use of cash flow for debt reduction;
- the expected effect of the BPI on the Corporation;
- the percentage of forecasted production subject to offtake agreements;
- the percentage of forecasted production expected to be sold inclusive of associated emission credits;
- expected production volumes and management's view of the renewable diesel pricing environment;

- the Corporation’s view of the renewable diesel and emissions credit markets;
- the Corporation’s view of regulatory developments in the low-carbon fuels sector;
- the expected effect of finalized U.S. regulatory developments on the Corporation’s realized margins, benchmark pricing, and competitive position in Canada;
- management’s expectations regarding the HDRD Complex;
- expectations for the Corporation’s capital program for 2026;
- the anticipated funding sources for the Corporation’s growth capital expenditures, including net cash provided by operating activities, proceeds from the sale of capital emission credits, and proceeds from additional debt or equity financing, as required;
- the effect of fluctuations in feedstock and energy prices on the Corporation’s derivative contracts;
- the Corporation’s primary liquidity and capital resource needs and the Corporation’s expectations regarding its ability to satisfy such needs;
- the fluctuation of net cash (used in) provided by operating activities quarter to quarter;
- the fluctuation of working capital requirements;
- the Corporation’s use of risk management strategies and policies;
- the use of financial assurances such as letters of credit and prepayments to mitigate and reduce credit risk;
- the Corporation’s use of financial derivative contracts to manage commodity price risk; and
- the Corporation’s business plans and strategies.

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

- Tidewater Renewables’ ability to execute on its business plan;
- the timely receipt of all third party, governmental and regulatory approvals and consents sought by the Corporation;
- general economic and industry trends;
- operating assumptions relating to the Corporation’s projects;
- expectations around level of output from the Corporation’s projects, including assumptions relating to feedstock supply levels;
- the ownership and operation of Tidewater Renewables’ business;
- regulatory risks;
- the expansion of production of renewable fuels by competitors;
- future commodity and renewable energy prices;
- sustained or growing demand for renewable fuels;
- the ability for the Corporation to successfully turn a wide variety of renewable feedstocks into low carbon fuels;
- the continued alignment of U.S. import parity benchmark pricing with the Corporation’s revenue generation;
- the ability of the Corporation to successfully execute offtake agreements with respect to expected production;
- the effect of increasingly stringent CI reduction targets on obligated parties’ operations and the emission credit market;
- the credit-worthiness of counterparties;
- the Corporation’s future debt levels, financial stability, future debt reduction initiatives, and its ability to repay its debt when due;
- the Corporation’s ability to continue to satisfy the terms and conditions of its credit facilities;
- the continued availability of the Corporation’s credit facilities;
- the Corporation’s ability to obtain additional debt and/or equity financing on satisfactory terms;

- the Corporation's ability to manage liquidity by working with its current capital providers and other sources and through the sale of emissions credits and renewable diesel;
- the market, demand and pricing for emissions credits;
- foreign currency, exchange, inflation and interest rate risks;
- the continued support of governments of various levels for current policy initiatives; and
- the other assumptions set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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

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

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

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

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

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