TIDEWATER

Renewables Ltd.

Management's Discussion and Analysis

For the three month period ended March 31, 2025

May 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the condensed interim consolidated financial and operating results of Tidewater Renewables Ltd. ("Tidewater Renewables" or the "Corporation") is dated May 7, 2025, and should be read in conjunction with Tidewater Renewables' condensed interim consolidated financial statements as at and for the three months ended March 31, 2025, and 2024 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board, which represent generally accepted accounting principles ("GAAP"). This MD&A contains non-GAAP measures which are used to measure and analyze financial performance, financial position and cash flow and therefore may not be comparable to similar measures presented by other entities. This MD&A also contains forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Tidewater Renewables' disclosure under "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" included at the end of this MD&A. Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

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

BUSINESS OVERVIEW

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

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

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

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

HIGHLIGHTS

- On January 10, 2025, Tidewater Renewables completed the sale of its interest in Rimrock Renewables Limited Partnership ("RNG LP") to Biocirc Canada Holdings Inc., an affiliate of Biocirc Group ApS, for total proceeds of $7.8 million. Of this amount, $4.7 million was received upon closing and an additional $3.1 million could be received upon the satisfaction of certain post-closing conditions, on or before December 30, 2025. The proceeds from this transaction were utilized to reduce outstanding debt.

- On February 27, 2025, the Government of British Columbia announced modifications to the *Low Carbon Fuels Act* (the "Amendments"), which increased the renewable fuel requirement for diesel from 4% to 8% for the 2025 compliance period. Effective April 1, 2025, the Amendments also mandate that the renewable fuel content be produced within Canada. Management views these changes as a positive development in addressing trade imbalances and supporting the economic sustainability of Tidewater Renewables, as well as the broader Canadian biofuels sector.

- On March 26, 2025, the Corporation successfully amended its senior credit facility and second lien credit facility (the "Refinancing"). The Refinancing provides over $15.0 million of additional capacity to the Corporation's credit facilities and extends the maturity date of the tranche B and tranche C facilities, under the second lien credit facility, from February 28, 2026, to October 24, 2027. The Refinancing also waived the requirements for the Corporation to comply with the quarterly financial covenants under its credit facilities until March 31, 2026, previously waived until September 30, 2025, at which time the Corporation will be required to maintain certain financial covenants under its credit facilities on an annualized basis.

- During the first quarter of 2025, the Corporation reported net income of $5.2 million, down from $7.7 million in the first quarter of 2024, primarily due to the sale of certain co-processing assets and the termination of take-or-pay contracts in connection with the related party transaction with Tidewater Midstream in the third quarter of 2024 (the "Tidewater Midstream Transaction"), partially offset by unrealized gains on derivatives, higher income from the Equity Investment, and lower depreciation, financing, and deferred tax expenses.

- Tidewater Renewables generated Adjusted EBITDA[1] of $2.4 million during the first quarter of 2025, down from the $25.3 million generated in the first quarter of 2024. The decrease was primarily attributed to the absence of EBITDA generating assets sold to Tidewater Midstream in the third quarter of 2024.

Subsequent events

- On April 1, 2025, a minor fire (the "Incident") occurred in the main renewable diesel process unit at the HDRD Complex. The fire was swiftly extinguished and the impacted area was isolated and stabilized. All personnel were accounted for and no injuries were reported. Following the Incident, the Corporation conducted a thorough investigation, both independently and in cooperation with regulatory authorities. Repairs were completed promptly due to the minimal damage and the extensive inventory of spare parts the Corporation had on hand. Operations at the HDRD Complex resumed on April 14, 2025 and the Incident is not expected to have a material impact on the Corporation's results given the product inventory levels maintained at the HDRD Complex.

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

- On May 5, 2025, Tidewater Renewables was advised that the Canadian International Trade Tribunal (the "Tribunal") had issued a decision to terminate its preliminary injury inquiry related to the Corporation's countervailing (anti-subsidy) and anti-dumping duty complaint concerning imports of renewable diesel from the U.S. which was filed by the Corporation with the Canada Border Services Agency ("CBSA") on December 30, 2024 (the "Complaint"). This decision ends the investigation initiated by the CBSA on March 6, 2025 (the "Investigation"), which originated from the Complaint. In initiating the Investigation, the CBSA determined that the Corporation had provided sufficient evidence to support its allegations that renewable diesel imported from the U.S. was subsidized and dumped, causing material injury to Tidewater Renewables and distorting Canada's renewable fuels market. The Tribunal is expected to release its reasons for the decision on May 23, 2025. Upon receipt of the Tribunal's reasons, the Corporation will assess all available options and legal remedies, including, but not limited to, promptly filing an amended or new complaint with the CBSA.

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

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars except per share information)	**Three months ended March 31,**			
		2025		2024
Revenue	**$**	**57,674**	$	111,239
Net income	**$**	**5,247**	$	7,720
Net income per share – basic	**$**	**0.14**	$	0.22
Net income per share – diluted	**$**	**0.14**	$	0.21
Adjusted EBITDA (1)	**$**	**2,446**	$	25,270
Net cash provided by operating activities	**$**	**2,243**	$	40,458
Distributable cash flow (1)	**$**	**(4,787)**	$	12,781
Distributable cash flow per share – basic (1)	**$**	**(0.13)**	$	0.37
Distributable cash flow per share – diluted (1)	**$**	**(0.13)**	$	0.35
Total common shares outstanding (000s)		**36,406**		34,819
Total assets	**$**	**401,694**	$	1,081,322
Net debt (1)	**$**	**200,724**	$	306,874

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

OUTLOOK AND CORPORATE UPDATE

Regulatory engagement

Tidewater Renewables continues to emphasize the ongoing challenges posed by the competitive advantages enjoyed by U.S. renewable diesel producers, who benefit from U.S. subsidies at the point of production and emissions credit generation at the point of sale. Management believes these factors have created an unlevel playing field for Canadian renewable diesel producers.

In response to these concerns, on February 27, 2025, the Government of British Columbia announced changes to the *Low Carbon Fuels Act*, which are seen by management as a positive first step toward addressing these disparities. The Amendments, which increase the renewable fuel requirement for diesel from 4% to 8% for the 2025 compliance period and, effective April 1, 2025, mandate that renewable fuel content be produced in Canada, align with Tidewater Renewables' goals of ensuring a fairer and more competitive environment for Canadian biofuels.

These changes underscore the Government of British Columbia's commitment to strengthening the Canadian biofuels sector. Tidewater Renewables will continue to work with both the Governments of

Canada and British Columbia to advocate for policies that promote the growth and sustainability of the Canadian renewable fuels industry.

Since the announcement of the Amendments, the Corporation has observed notable increases in emissions credit value and the demand for Canadian renewable diesel.

Refinancing and extension of credit facilities

On March 26, 2025, the Corporation successfully executed the Refinancing, securing an additional $15.1 million in capacity for its credit facilities. The Refinancing extended the maturity date of the tranche B and tranche C facilities, under the second lien credit facility, from February 28, 2026, to October 24, 2027. The Refinancing also waived the Corporation's quarterly financial covenant requirements for an additional two quarters.

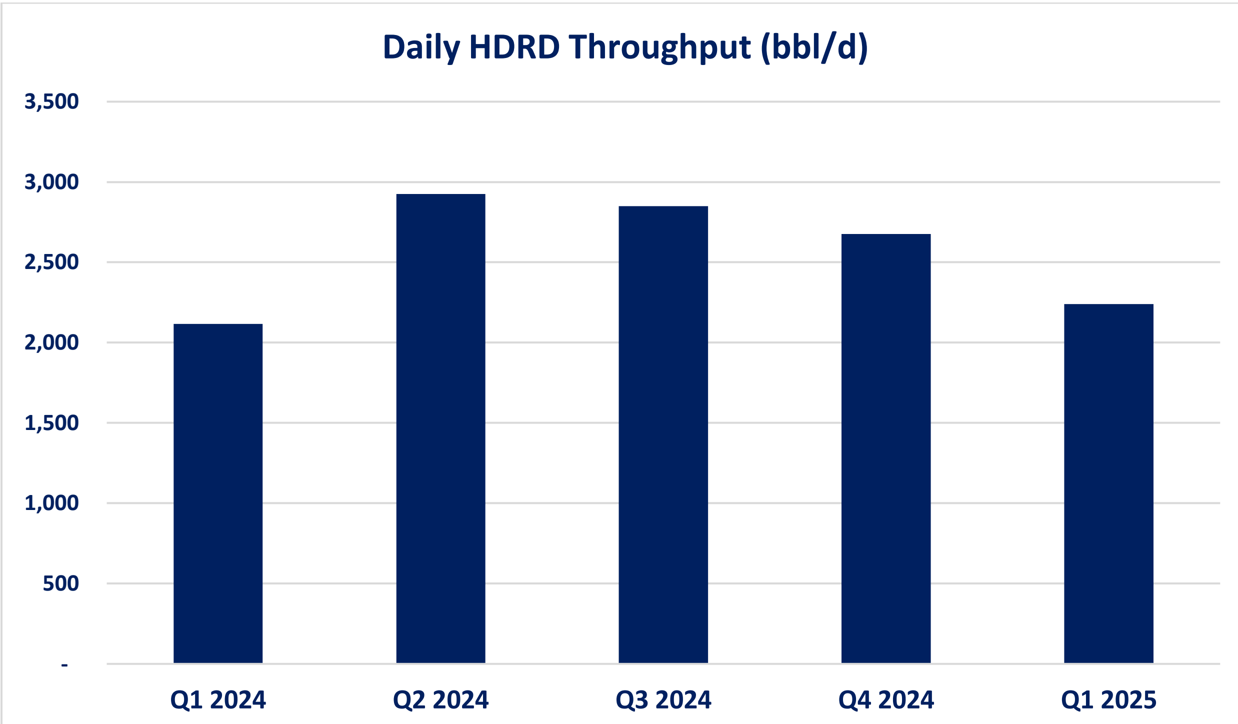
The Refinancing significantly enhances Tidewater Renewables' financial flexibility and provides the additional capacity necessary to support the Corporations' ongoing financial stability. Tidewater Renewables is pleased to acknowledge the continued confidence demonstrated by its lenders, reflecting their strong support for the Corporation's long-term business strategy. Management believes this affirmation underscores the lenders' belief in the Corporation's future prospects and its ability to execute on its strategic vision, further strengthening Tidewater Renewables' financial position while facilitating its future debt reduction initiatives. As part of the Refinancing, the Corporation elected to pay in-kind the interest payment on the tranche A facility under the second lien credit facility that was due on April 24, 2025. This resulted in $5.1 million being added to the principal of the tranche A facility. A $3.8 million amendment fee for the Refinancing was added to the principal of the tranche B facility.

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

For further information on the refinancing of the Tidewater Renewables credit facilities, please see the "**Liquidity and Capital Resources**" section of this MD&A.

HDRD Complex

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



For the three months ended March 31, 2025, the HDRD Complex achieved an average utilization rate of 2,239 bbl/d, or 75%. This compares to 2,116 bbl/d, or 71% of design capacity, during the same period in the prior year, and 2,677 bbl/d, or 89% of design capacity during the fourth quarter of 2024. While utilization was relatively consistent with the first quarter of 2024, the decrease from the fourth quarter of 2024 reflects softer Canadian renewable diesel demand, and inclement weather affecting rail logistics. Tidewater Renewables expects the HDRD Complex to achieve an average throughput of between 2,200 to 2,400 bbl/d for the full year 2025, inclusive of the period when the HDRD Complex was temporarily not in operation due to the Incident and planned turnaround activity during the third quarter of 2025, supported by ongoing operational optimizations and improving market conditions.

During winter operations, the HDRD Complex produces a high-quality, low cloud point renewable diesel that meets the cold temperature specifications for diesel fuel in Canada. This operating mode requires minor reductions to throughput rates in order to optimize hydrogen production for the enhanced severity operation.

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

Looking forward, the British Columbia Low Carbon Fuel Standard program mandates that marketers of fossil-derived fuels and their alternatives adhere to increasingly stringent CI reduction targets, which will tighten in 2025 compared to 2024. Specifically, the CI reduction target was set at 16% in 2024, with an increase to 18.3% in 2025, ultimately aiming for a 30% reduction by 2030 relative to the 2010 CI levels. The tightening CI reductions targets will require obligated parties to blend more renewable fuel into their existing fuel stream, or acquire additional BC LCFS Credits, both of which are expected to increase the market and demand for Tidewater Renewables' products. This evolving regulatory framework is expected to enhance market conditions and drive a higher demand for emissions credits. Notably, British Columbia remains the only province in Canada with an established LCFS program, positioning it as a leader in clean fuel policy.

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

Capital Program

The main expenditure under Tidewater Renewables' 2025 growth capital program is the front end engineering design ("FEED") work being conducted on the proposed 6,500 bbl/d sustainable aviation fuel ("SAF") project in British Columbia. The SAF project is being developed under a joint development agreement with Tidewater Midstream, whereby both parties have the right to participate in up to 50% of the project upon a final investment decision, which is anticipated in the second half of 2025.

The SAF FEED work is substantially complete and was funded through the sale of capital emissions credits issued under an executed incentive agreement. Tidewater Renewables is actively pursuing long-term offtake agreements for the SAF product expected to be produced. Tidewater Renewables continues to see significant interest in supporting future SAF developments, as well as other renewable fuel and renewable gas initiatives, from various provincial and federal governments.

Tidewater Renewables maintenance capital for the year is estimated to be approximately $8.0 million to $10.0 million, allocated primarily to the planned turnaround activity for the HDRD Complex in the third quarter of 2025. The planned turnaround is expected to last three weeks, with a minimal impact on sales as renewable diesel will continue to be sold from inventory during the turnaround.

Tidewater Renewables schedules regular turnaround activities at the HDRD Complex to ensure operational efficiency, safety, and regulatory compliance. These turnarounds are planned on a recurring two and four-year cycle. The year two turnarounds primarily involve hydrodeoxygenation catalyst replacement of two reactors, along with routine maintenance. The year four turnaround includes a more comprehensive hydrodeoxygenation catalyst replacement of the two reactors, dewax catalyst replacement, internal vessel inspections, general cleaning and preventative maintenance, and targeted equipment upgrades focused on enhancing both safety and performance. Although these activities may temporarily reduce production capacity, they are strategically timed, often during periods of lower demand to minimize revenue impact.

RESULTS OF OPERATIONS

Financial Overview

(in thousands of Canadian dollars except per share information)	Three months ended March 31, 2025		2024	
Revenue	**$**	**57,674**	$	111,239
Operating expenses	**$**	**49,827**	$	79,693
General and administrative	**$**	**1,241**	$	487
Share-based compensation	**$**	**89**	$	1,128
Depreciation	**$**	**3,940**	$	9,564
Finance costs and other	**$**	**5,126**	$	9,351
Realized loss on derivative contracts	**$**	**6,196**	$	8,140
Unrealized gain on derivative contracts	**$**	**(12,085)**	$	(5,551)
Loss (gain) on warrant liability revaluation	**$**	**4,543**	$	(485)
Income from equity investments	**$**	**(6,644)**	$	(1,097)
Transaction costs	**$**	**194**	$	5
Deferred income tax expense	**$**	**-**	$	2,284
Net income	**$**	**5,247**	$	7,720
Net income per share – basic	**$**	**0.14**	$	0.22
Net income per share –diluted	**$**	**0.14**	$	0.21

Revenue

Revenue decreased to $57.7 million in the first quarter of 2025, compared to $111.2 million in the first quarter of 2024. The decrease was primarily attributable to the divestiture of certain revenue-generating co-processing and natural gas storage assets as part of the Tidewater Midstream Transaction. Additionally, the decrease reflects lower volumes of conventional blending fuels sold to third-party customers during the period.

Revenue for the three months ended March 31, 2025, includes approximately $24.5 million of operating emission credit sales, as compared to $29.5 million in operating emission credit sales for the same period in 2024. The year-over-year decrease was primarily attributable to lower average realized prices for operating emission credits, partially offset by an increase in the volume of operating emission credits sold. Of the operating emission credit sales recognized in the quarter, $20.4 million related to sales to Tidewater Midstream.

Operating Expenses

Operating expenses for the first quarter of 2025 were $49.8 million, compared to $79.7 million in the first quarter of 2024. The decrease was primarily driven by lower blending fuel costs, the absence of operating expenses related to assets sold in the Tidewater Midstream Transaction, and reduced HDRD-related operating costs. Operating expenses in the first quarter of 2024 were elevated due to it being the first full quarter of HDRD operations, which experienced initial operational challenges and higher feedstock costs.

General and Administrative

General and administrative ("G&A") expenses for the first quarter of 2025 were $1.2 million, compared to $0.5 million in the first quarter of 2024. The increase was primarily driven by lower compensation expenses in the prior period due to the reversal of previously accrued amounts, as well as non-recurring legal expenses incurred in connection with the trade dispute during the current quarter.

Share-Based Compensation

For the three months ended March 31, 2025, the Corporation's share-based compensation expense was $0.1 million, compared to $1.1 million for the same period in 2024. The decrease was primarily attributable to share award forfeitures and cancellations resulting from reductions in personnel compared to the prior period.

Depreciation

Depreciation for the three months ended March 31, 2025, was $3.9 million, compared to $9.6 million for the same period in 2024. The decline in depreciation during the quarter can be attributed to a reduction in depreciable assets due to the Tidewater Midstream Transaction, and other asset disposals completed during the third quarter of 2024.

Finance Costs and Other

Finance costs and other expenses for the first quarter of 2025 were $5.1 million, compared to $9.4 million for the same period in 2024. The decrease is primarily due to the reduced average net debt outstanding and lower interest rates during the quarter.

Finance costs and other includes interest on the Corporation's bank debt 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 first quarter of 2025, the Corporation recognized a realized loss of $6.2 million on derivative contracts, compared to a loss of $8.1 million for the same period in 2024. The realized losses on derivative contracts relate to lower average commodity prices for soybean oils in 2025, when compared to the fixed derivative price. Generally, realized gains and losses on derivative contracts resulting from fluctuations in feedstock and energy prices are partially offset by an inverse gain or loss on physical product purchases and sales.

Unrealized Gains or Losses on Derivative Contracts

The Corporation recorded a non-cash unrealized gain of $12.1 million for the three months ended March 31, 2025, compared to an unrealized gain of $5.6 million for the same period in 2024. The changes in unrealized gains and losses are primarily due to pricing changes in the Chicago Board of Trade soybean oil futures market.

Warrant Liability Revaluation

The Corporation recognized non-cash revaluation loss of $4.5 million for the three months ended March 31, 2025, compared to a revaluation gain of $0.5 million for the same period in 2024, from remeasuring the warrants to their fair value. Changes in the fair value are influenced by movements in the Corporation's share price, volatility assumptions, and other market-based inputs.

Income from Equity Investment

For the three months ended March 31, 2025, the Equity Investment generated income of $6.6 million, compared to income of $1.1 million for the same period in 2024. The increase in income was primarily driven by higher unrealized gains resulting from the revaluation of the cattle inventory.

Transaction costs

For the three months ended March 31, 2025, transaction costs of $0.2 million were incurred to complete the sale of the Corporation's interest in RNG LP.

Deferred Tax

For the three months ended March 31, 2025, the Corporation recognized no deferred tax, compared to a deferred tax expense of $2.3 million for the same period in 2024, primarily due to the Corporation's unrecognized deferred tax asset position.

Net Income

The Corporation reported a net income of $5.2 million for the three months ended March 31, 2025, compared to net income of $7.7 million for the same period in 2024. The decrease in net income was primarily attributable to the sale of income-generating assets in the Tidewater Midstream Transaction and the revaluation of the Corporation's warrant liability. These impacts were partially offset by a higher unrealized gain on derivative contracts, increased income from the Equity Investment, as well as lower depreciation, financing, and deferred tax expenses.

Capital Expenditures

The following table summarizes growth and maintenance capital expenditures for the three months ended March 31, 2025, and 2024:

		Three months ended March 31,		
(in thousands of Canadian dollars)		**2025**		2024
Growth capital [1]	**$**	**2,028**	$	5,440
Maintenance capital [1]		**25**		332
Expenditures on property, plant and equipment as per statement of cash flows	**$**	**2,053**	$	5,772
Capital emissions credits awarded [2]	**$**	**(1,225)**	$	(20,650)

(1) Refer to supplementary financial measures. See the "Non-GAAP and Other Financial Measures" section of this MD&A.
(2) During the three months ended March 31, 2025 and 2024, the Corporation monetized $1.3 million and $14.6 million, respectively, of capital emissions credits.

Growth Capital

Growth capital expenditures for the first quarter of 2025 were $2.0 million, compared to $5.4 million for the first quarter of 2024. Tidewater Renewables' 2025 growth capital expenditures relate to advancing FEED work on the SAF project. In the first quarter of 2025, the Corporation received emission credits in connection with completing the fifth of six milestones outlined in an executed incentive agreement for the SAF project.

Maintenance Capital

Maintenance capital expenditures for the first quarter of 2025 were nominal, compared to $0.3 million in the same period of 2024. The decrease primarily reflects the timing of planned maintenance activities. Higher maintenance capital spending is anticipated in the second and third quarters of 2025, driven by the scheduled turnaround and the replacement of spare parts that were utilized to repair the HDRD Complex after the Incident.

SUMMARY OF QUARTERLY RESULTS

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

(In thousands of Canadian dollars, except per share information)		**Q1 2025**		Q4 2024		Q3 2024		Q2 2024
Revenue	**$**	**57,674**	$	76,442	$	91,625	$	147,238
Net income (loss)	**$**	**5,247**	$	(3,385)	$	(367,116)	$	4,935
Net income (loss) per share – basic	**$**	**0.14**	$	(0.09)	$	(10.46)	$	0.14
Net income (loss) per share – diluted	**$**	**0.14**	$	(0.09)	$	(10.46)	$	0.14
Adjusted EBITDA (1)	**$**	**2,446**	$	6,005	$	13,630	$	29,570

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

(In thousands of Canadian dollars, except per share information)		Q1 2024		Q4 2023		Q3 2023		Q2 2023
Revenue	$	111,239	$	40,376	$	24,244	$	13,163
Net (loss) income	$	7,720	$	(12,747)	$	(9,449)	$	2,654
Net (loss) income per share – basic	$	0.22	$	(0.37)	$	(0.27)	$	0.08
Net (loss) income per share – diluted	$	0.21	$	(0.37)	$	(0.27)	$	0.07
Adjusted EBITDA (1)	$	25,270	$	10,708	$	14,531	$	8,067

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

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

- the absence of income contributions and related costs associated with the assets sold in the Tidewater Midstream Transaction;
- continued volatility to gains and losses on derivative contracts as a result of price movements in soybean oil futures;
- lower finance costs resulting from reduced debt balances and more favourable interest rates; and
- the Amendments, which are expected to contribute to long-term market stability for the Corporation's renewable diesel production and associated emission credits.

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

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

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's primary liquidity and capital resource needs include funding the HDRD Complex's operations, future interest payments, working capital requirements and funding growth opportunities, including the SAF project. The Corporation anticipates that its net cash from operating activities, funds from its senior credit facility and second lien credit facility, proceeds from the sale of emissions credits, and other financing sources (including equity financing if necessary) will be sufficient to fulfill its financial commitments, obligations, and anticipated capital expenditures as they become due; however, economic uncertainties, operational issues with the HDRD Complex, or other unexpected operational difficulties could pose liquidity and financial obligations risks to the Corporation.

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

On February 27, 2025, the Government of British Columbia announced the Amendments which increase the renewable fuel requirement for diesel from 4% to 8%, for the 2025 compliance period, and mandate that renewable fuel content be produced in Canada, effective April 1, 2025. Since the announcement of the Amendments, the Corporation has observed increased demand for renewable diesel and emissions credit value, and the Amendments are expected to support the long-term financial viability of the Corporation.

For further information on the Amendments, readers should refer to the "**Outlook and Corporate Update**" section of this MD&A.

Additionally, on March 26, 2025, the Corporation successfully executed the Refinancing, readers should refer to the "**Outlook and Corporate Update**" and "**Debt Borrowings**" sections of this MD&A. The Refinancing significantly strengthens Tidewater Renewables' leverage profile, positioning the Corporation for enhanced financial stability while facilitating its future deleveraging initiatives.

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

Senior credit facility

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

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

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

Second lien credit facility

On March 26, 2025, the second lien credit facility was amended. Total aggregate availability under the tranche C facility increased from $33.0 million to $43.0 million, for the purpose of refinancing the senior credit facility under certain circumstances. The maturity date for both the tranche B and tranche C facilities was extended to October 24, 2027 (with the $150.0 million tranche A facility maturity date remaining unchanged at October 24, 2027). The Corporation was provided the option, which it subsequently exercised, to elect that the April 24, 2025 interest payment of $5.1 million on the tranche A facility, be paid in kind, with the balance added to the aggregate principal amount of the tranche A facility. An amendment fee of $3.8 million was added to the principal amount of the tranche B facility.

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

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds from continuing operations for the three months ended March 31, 2025, and 2024:

Cash flows provided by (used in) *(in thousands of Canadian dollars)*	**Three months ended March 31,**			
		2025		2024
Operating activities	**$**	**2,243**	$	40,458
Financing activities	**$**	**(2,283)**	$	(38,298)
Investing activities	**$**	**119**	$	9,861

Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities was $2.2 million for the three months ended March 31, 2025, compared to net cash provided by operating activities of $40.5 million for the three months ended March 31, 2024. The decrease in net cash provided by operating activities was primarily driven by a lower gross margin resulting from the absence of the income generating assets that were sold pursuant to the Tidewater Midstream Transaction. Additionally, the cash flow for the comparative period was favourably impacted by non-cash working capital changes, largely due to an increase in accounts payable and deferred revenue, which was influenced by the timing of payments.

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

Net Cash (Used in) Provided by Financing Activities

Net cash used in financing activities for the three months ended March 31, 2025 was $2.3 million, compared to net cash used in financing activities of $38.3 million, for the same period in 2024. The decrease from the prior period was largely due to lower interest and financing charges paid in the current period, as well as debt repayments made in the same period in the prior year.

Net Cash Provided by (Used in) Investing Activities

For the three months ended March 31, 2025, net cash provided by investing activities was $0.1 million, compared to net cash provided by investing activities of $9.9 million for the same period of 2024. The variance between the comparative period primarily relates to lower proceeds received from capital emission credits compared to the same period in the prior year.

CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments as at March 31, 2025:

(in thousands of Canadian dollars)	Within one year	One to five years	Thereafter	Total
Accounts payables, accrued liabilities and provisions	$ 28,356	$ -	$ -	$ 28,356
Derivative contracts	17,056	-	-	17,056
Lease liabilities [1]	7,185	4,515	-	11,700
Senior credit facility [2] [4]	22,032	-	-	22,032
Second lien credit facility [3] [4]	-	178,815	-	178,815
Total	**$ 74,629**	**$ 183,330**	**$ -**	**$ 257,959**

(1) Amounts represent the expected undiscounted cash payments related to leases.
(2) The Corporation's senior credit facility was due on February 28, 2026. Subsequent to quarter end, on May 7, 2025, the maturity date of the senior credit facility was extended to February 28, 2027.
(3) The second lien tranche A and tranche B facilities are due on October 24, 2027.
(4) Amounts represent undiscounted principal only and exclude accrued interest.

OUTSTANDING EQUITY

As at May 5, 2025, 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	36,410
RSUs	544
DSUs	128
Options	442
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 months ended March 31, 2025 and 2024, are summarized in the following table:

	Three months ended March 31,	
(in thousands of Canadian dollars)	**2025**	2024
Revenue from take-or-pay agreements	**$ -**	$ 11,957
Revenue from the sale of renewable fuels	**28,907**	29,699
Purchases of blending fuels	**2,035**	27,756
Sales of emission credits	**20,420**	-
Other operating expenses	**5,265**	8,153
G&A expenses under the shared services agreement	**619**	500
Realized loss on derivative contracts	**1,051**	811
Unrealized gain on derivative contracts	**(1,891)**	(566)

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

	March 31, 2025	December 31, 2024
Accounts receivable	**$ 13,914**	$ 10,516
Accounts payable, accrued liabilities and provisions	**(5,603)**	(7,138)
Derivative contracts	**(2,926)**	(4,812)

For the three months ended March 31, 2025, Tidewater Renewables had no other transactions with related parties, except the remuneration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

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

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

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

RISK FACTORS

The Corporation continually works to mitigate the impact of risks to its business by identifying all significant risks so that they can be appropriately managed. The risks that may affect the business and operations of Tidewater Renewables are described herein and within the Corporation's Annual Information Form, an electronic copy of which is available on Tidewater Renewables' SEDAR+ profile at www.sedarplus.ca. The Corporation's financial risks are discussed in note 9 of the Financial Statements.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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

CONTROL ENVIRONMENT

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, assessed the design and effectiveness of internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") as at March 31, 2025. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013) to evaluate the design and effectiveness of ICFR. Based on that evaluation, management has concluded that both ICFR and DC&P were effective as at March 31, 2025, in all material respects.

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

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater Renewables uses a number of non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures when assessing its results and measuring overall performance. The intent of non-GAAP measures and ratios is to provide additional useful information to investors and analysts. These 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 financial measures 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, the non-GAAP financial ratio, 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 relevant measure in the 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 March 31,	
(in thousands of Canadian dollars)	**2025**	2024
Net income	**$ 5,247**	$ 7,720
Deferred income tax expense	**-**	2,284
Depreciation	**3,940**	9,564
Finance costs and other	**5,126**	9,351
Share-based compensation	**89**	1,128
Unrealized gain on derivative contracts	**(12,085)**	(5,551)
Loss (gain) on warrant liability revaluation	**4,543**	(485)
Transaction costs	**194**	5
Non-recurring expenses	**306**	1,515
Adjustment to share of profit from equity accounted investments	**(4,914)**	(261)
Adjusted EBITDA	**$ 2,446**	$ 25,270

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 thousands of Canadian dollars)	Three months ended March 31, **2025**	2024
Net cash provided by operating activities	**$ 2,243**	$ 40,458
Add (deduct):		
Changes in non-cash working capital	**(1,845)**	(18,323)
Transaction costs	**194**	5
Non-recurring expenses	**306**	1,515
Interest and financing charges	**(3,866)**	(8,803)
Payment of lease liabilities	**(1,794)**	(1,739)
Maintenance capital	**(25)**	(332)
Distributable cash flow	**$ (4,787)**	$ 12,781

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 thousands of Canadian dollars except per share information)	Three months ended March 31, **2025**	2024
Distributable cash flow	**$ (4,787)**	$ 12,781
Weighted average shares outstanding – basic	**36,390**	34,777
Weighted average shares outstanding – diluted	**36,809**	36,008
Distributable cash flow per share – basic	**$ (0.13)**	$ 0.37
Distributable cash flow per share – diluted	**$ (0.13)**	$ 0.35

Capital Management Measures

The Corporation has its own methods for managing capital and liquidity as further described in "**Liquidity and Capital Resources**" section of this MD&A and within note 22 of the consolidated financial statements for the year ended December 31, 2024, an electronic 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 thousands of Canadian dollars)		**March 31, 2025**		December 31, 2024
Senior Credit Facility	**$**	**22,032**	$	20,896
Senior Lien Credit Facility		**178,815**		175,000
Cash		**(123)**		(44)
Net debt	**$**	**200,724**	$	195,852

Supplementary Financial Measures

Growth Capital

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

Maintenance Capital

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

OPERATIONAL 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.

“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.

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

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

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

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

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

FORWARD-LOOKING INFORMATION

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

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

- the Corporation's ability to become a leading renewable fuel producer;
- the development of the SAF project, including the timing of a final investment decision and the pursuit of long-term offtake agreements in relation thereto;
- the receipt of the balance of the total proceeds from the sale of the Corporation's interest in RNG LP;
- the expected effect of the Amendments on the emissions credit markets and the broader Canadian renewable fuels industry;
- expectations regarding the timing of release of the Tribunal's reasons for its decision regarding the Complaint;
- the Corporation's assessment of its options and legal remedies upon receipt of the Tribunal's reasons for its decision;
- the Corporation's requirement to comply with its quarterly financial covenants under the senior credit facility and the second lien credit facility;
- the effect of the Incident on the Corporation's results;
- ongoing discussions with the Governments of Canada and British Columbia regarding the regulation of the renewable fuels industry;
- the Corporation's pursuit of competitive fairness in the renewable diesel industry;
- the effect of the Refinancing on the Corporation's future prospects, its ability to execute on its strategic vision, its financial position and its ability to facilitate its future debt reduction initiatives;
- the Corporation's expectations of average throughput at the HDRD Complex for 2025;
- the Corporation's throughput rate expectations during winter operations;
- requirements to adhere to increasingly stringent CI reduction targets pursuant to regulations put in place by various levels of government in Canada and the U.S. and the effect on obligated parties' operations and the market conditions for emissions credits;
- expectations for the Corporation's capital program for 2025;
- the timing of turnaround activities at the HDRD Complex and the effect of turnaround activities on production capacity;
- the effect of fluctuations in feedstock and energy prices on the Corporation's derivative contracts;
- the Corporation's primary liquidity and capital resource needs and the Corporation's expectations regarding its ability to satisfy such needs;

- the Corporation's receipt of the remaining proceeds from the sale of its interest in RNG LP;
- expectations regarding the Corporation's ability to generate capital emissions credits;
- the Corporation's view of the renewable diesel and emissions credit markets;
- 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 management commodity price risk; and
- the Corporation's business plans and strategies.

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

- Tidewater Renewables' ability to execute on its business plan;
- general economic and industry trends;
- operating assumptions relating to the Corporation's projects;
- the ownership and operation of Tidewater Renewables' business;
- regulatory risks;
- future commodity and renewable energy prices;
- sustained or growing demand for renewable fuels;
- the ability for the Corporation to successfully turn a wide variety of renewable feedstocks into low carbon fuels;
- the availability of options and legal remedies following the release of the Tribunal's reasons for its decision;
- the effect of countervailing (anti-subsidy) and anti-dumping duties on the renewable diesel market and the related emission credit market;
- the ability of existing product inventory levels maintained at the HDRD Complex to satisfy existing demand for the Corporation's products during the period which the HDRD Complex was not in operation as a result of the Incident;
- 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 belief that the Refinancing underscores the lenders' belief in its future prospects and its ability to execute on its strategic vision;
- the Corporation's ability to obtain additional debt and/or equity financing on satisfactory terms;
- the Corporation's ability to manage liquidity by working with its current capital providers and other sources and through the sale of emissions credits and renewable diesel;
- the market, demand and pricing for emissions credits;
- foreign currency, exchange, inflation and interest rate risks;
- and the other assumptions set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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

- changes in supply and demand for, and the pricing of, low carbon products and emissions credits;
- risks in relation to no duties being imposed or other actions taken by the CBSA and/or the Tribunal as a result of an amended or new complaint by the Corporation in connection with the importation of renewable diesel from the U.S., or such duties or actions are not imposed or taken on a timely basis;
- general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, supply chain pressures, inflation, stock market volatility and supply/demand trends;
- risks and liabilities inherent in the operations related to renewable energy production, including the lack of operating history and risks associated with forecasting future performance;
- competition for, among other things, third-party capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel;
- risks related to the environment and changing environmental laws and regulations in relation to the operations conducted with the Renewable Assets and the Corporation's other future capital projects;
- actions by joint venture partners or other partners which hold interests in certain of the Corporation's assets;
- reliance on key relationships and agreements;
- losses of key customers;
- construction and engineering variables associated with capital projects, including the availability of contractors, engineering and construction services, accuracy of estimates and schedules, and the performance of contractors;
- effects of weather conditions (such severe weather or catastrophic events including, but not limited to, fires, floods, lightning, earthquakes, extreme cold weather, storms or explosions);
- reputational risks;
- the Corporation's reliance on key personnel;
- technology and security risks, including cybersecurity;
- potential losses stemming from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Corporation is reliant;
- technical and processing problems, including the availability of equipment and access to properties;
- failure to realize the anticipated benefits of dispositions and capital projects; and
- the other risks set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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

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

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