



# **TIDEWATER**

Midstream and Infrastructure Ltd.

## Management's Discussion and Analysis

For the three and six month periods ended June 30, 2025

August 13, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the condensed interim consolidated financial and operating results of Tidewater Midstream and Infrastructure Ltd. and its subsidiaries ("Tidewater" or the "Corporation" when referring to the consolidated group, and "Tidewater Midstream" when referring to the legal entity) is dated August 13, 2025, and should be read in conjunction with Tidewater's unaudited condensed interim consolidated financial statements as at and for the three and six month periods ended June 30, 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, representing 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's disclosure under "Non-GAAP 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 for approval by the Audit Committee of Tidewater Midstream's board of directors (the "Board") and approved by the Board.

### BUSINESS OVERVIEW

Tidewater's business objective is to build a diversified midstream and infrastructure company across the North American gas processing, natural gas liquids ("NGL"), petroleum refining, and renewables markets. The Corporation's strategy is to profitably grow and create shareholder value by acquiring and building high quality, strategically located infrastructure. To achieve its business objective, Tidewater is focused on providing customers with a full service, vertically integrated value chain through the acquisition and development of energy infrastructure, including downstream facilities, natural gas processing facilities, natural gas liquids infrastructure, pipelines, storage, and various renewable initiatives. To complement its infrastructure asset base, the Corporation also markets crude oil, refined products, natural gas, NGLs and renewable products and services to customers across North America.

Tidewater's key midstream assets include: the Brazeau River Complex and Fractionation Facility ("BRC"), a full-service natural gas and NGL processing facility with natural gas storage pools, and the Ram River Gas Plant, a sour natural gas processing facility with sulfur handling solutions and rail connections.

Tidewater's downstream assets supply refined products to a niche market and provide an asset base for renewables initiatives. The key downstream assets include the Prince George Refinery ("PGR"), the sole light oil refinery within the interior British Columbia ("BC") market and the renewable diesel & renewable hydrogen complex ("HDRD Complex") owned by Tidewater Renewables Ltd ("Tidewater Renewables"). The PGR refines crude oil feedstock into gasoline and diesel and is where the Corporation's co-processing activities take place. The HDRD Complex is also located in Prince George, adjacent to the PGR.

Tidewater's common shares are publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "TWM".

Additional information relating to Tidewater is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at [www.tidewatermidstream.com](http://www.tidewatermidstream.com).

## SECOND QUARTER HIGHLIGHTS

- Consolidated net loss attributable to shareholders was \$16.3 million in the second quarter of 2025 compared to a net loss attributable to shareholders of \$4.7 million in the same period of 2024.
- Consolidated adjusted EBITDA<sup>(1)</sup> was \$16.0 million in the second quarter of 2025, down from \$45.3 million in the second quarter of 2024.
- Tidewater repaid approximately \$20.0 million of debt on its Senior Credit Facilities during the second quarter, resulting in \$55.0 million of combined available capacity on these facilities at June 30, 2025.
- On May 6, 2025, Tidewater announced that it had entered into definitive agreements with Pembina Pipeline Corporation and certain of its affiliates (collectively “Pembina”), through a wholly owned limited partnership, to acquire the north segment of Pembina’s Western Pipeline System (the “Western Pipeline”), for total cash consideration of approximately \$1.2 million, as well as the assumption of certain future abandonment and reclamation obligations and liabilities estimated at approximately \$30.0 million (undiscounted value) (the “Western Pipeline Transaction”). The Western Pipeline Transaction is expected to close on or before September 1, 2025, subject to customary post-closing adjustments and regulatory approvals. Tidewater expects the Western Pipeline Transaction to yield significant cost improvements compared to historical metrics, while further enhancing Tidewater’s ability to optimize its feedstock procurement at the PGR.
- On May 7, 2025, Tidewater Renewables extended the maturity date of its Senior Credit Facility (as defined herein) from February 28, 2026, to February 28, 2027.

## SUBSEQUENT EVENTS

- On July 3, 2025, Tidewater announced that it had entered into a definitive agreement with Parallax Energy Operating Inc. for the sale of its Sylvan Lake gas plant and associated gathering infrastructure (collectively, the “Sylvan Lake Gas Processing Facility”) for total proceeds of approximately \$5.5 million, subject to customary adjustments. The transaction is expected to close in the third quarter of 2025, subject to customary closing conditions and regulatory approvals.
- As part of ongoing development efforts, Tidewater Renewables has received support from the Government of British Columbia to amend the existing initiative agreement in connection with its sustainable aviation fuel (“SAF”) project. The proposed amendment would deliver increased benefits through an expansion of BC LCFS Credits to be awarded under such agreement.

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<sup>(1)</sup> Non-GAAP financial measures. See the “Non-GAAP Measures” section of this MD&A.

## CONSOLIDATED AND DECONSOLIDATED FINANCIAL HIGHLIGHTS

In addition to reviewing consolidated results, management also reviews net loss attributable to shareholders, net loss attributable to shareholders per share, adjusted EBITDA, distributable cash flow attributed to shareholders, distributable cash flow attributed to shareholders per share, net debt, and capital expenditures, excluding the impact of the Corporation's ownership in Tidewater Renewables (referred to as "Tidewater Deconsolidated") to further evaluate financial results, financial position, leverage, and to calculate debt covenants. Tidewater Deconsolidated measures are non-GAAP measures. Readers should refer to the "Non-GAAP Measures" section of this MD&A for more information on the composition of these values.

<i>(in millions of Canadian dollars except per share information)</i>	Three months ended June 30			
	Tidewater Deconsolidated <sup>(2)</sup>		Tidewater Consolidated	
	2025	2024	2025	2024
Net loss attributable to shareholders	\$ (23.7)	\$ (9.9)	\$ (16.3)	\$ (4.7)
Net loss attributable to shareholders per share - basic	\$ (0.05)	\$ (0.02)	\$ (0.04)	\$ (0.01)
Adjusted EBITDA <sup>(1)</sup>	\$ 5.2	\$ 15.8	\$ 16.0	\$ 45.3
Distributable cash flow attributable to shareholders <sup>(1)</sup>	\$ (9.3)	\$ (9.9)	\$ (8.8)	\$ 4.0
Distributable cash flow per share – basic <sup>(1)</sup>	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ 0.01
Net debt <sup>(3)</sup>	\$ 371.4	\$ 189.4	\$ 570.1	\$ 505.9
Total capital expenditures	\$ 2.5	\$ 13.2	\$ 4.9	\$ 21.7

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

(2) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.

(3) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

<i>(in millions of Canadian dollars except per share information)</i>	Six months ended June 30			
	Tidewater Deconsolidated <sup>(2)</sup>		Tidewater Consolidated	
	2025	2024	2025	2024
Net loss attributable to shareholders	\$ (55.4)	\$ (29.9)	\$ (48.1)	\$ (16.0)
Net loss attributable to shareholders per share - basic	\$ (0.13)	\$ (0.07)	\$ (0.11)	\$ (0.04)
Adjusted EBITDA <sup>(1)</sup>	\$ (0.9)	\$ 30.3	\$ 12.3	\$ 85.1
Distributable cash flow attributable to shareholders <sup>(1)</sup>	\$ (27.0)	\$ (12.9)	\$ (29.6)	\$ 9.8
Distributable cash flow per share – basic <sup>(1)</sup>	\$ (0.06)	\$ (0.03)	\$ (0.07)	\$ 0.02
Net debt <sup>(3)</sup>	\$ 371.4	\$ 189.4	\$ 570.1	\$ 505.9
Total capital expenditures	\$ 4.0	\$ 15.5	\$ 8.5	\$ 29.8

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

(2) Deconsolidated results exclude the results of Tidewater Renewables. See the "Non-GAAP Measures" section of this MD&A for information on deconsolidated measures.

(3) Capital management measure. See the "Non-GAAP Measures" section of this MD&A.

## OUTLOOK AND CORPORATE UPDATE

Tidewater's strategy is supported by three key operational initiatives: maintaining safe and reliable operations, generating return on assets through maximizing facility throughput and optimizing the existing asset base, and achieving synergies through corporate integration.

The first half of the 2025 fiscal year continued to experience weak energy commodity pricing in Western Canada, with very low short term AECO prices leading to production shut-ins for natural gas, and lower margins on conventional diesel. However, Tidewater remains optimistic about the long-term opportunities for natural gas processing, as LNG Canada and other liquified natural gas export terminals start to ramp up during 2025 and beyond, along with higher forward AECO prices as compared to recent spot prices. In addition, the Amendments (as defined herein) made by the BC Government provide a positive first step to improving the demand and margins for Canadian produced renewable diesel. Tidewater expects that market conditions for refined products will continue to improve as these changes filter through the market.

As previously disclosed, Tidewater began marketing diesel and gasoline volumes from the PGR directly to its customers following the expiry of the offtake agreement with Cenovus Energy Inc. (the "Offtake Agreement") in the fourth quarter of 2024. Tidewater intends to sell additional volumes of diesel and gasoline to users in the regional and Western Canadian markets, either under agreements with new purchasers or on the spot diesel and gasoline markets. If Tidewater is unable to sell additional volumes under contracted agreements, the Corporation may be forced to sell considerably higher volumes on the spot diesel and gasoline markets, which would leave the Corporation vulnerable to fluctuations in such markets and potentially result in pressure on operating margins.

Front-end engineering design ("FEED") work for Tidewater Renewables' 6,500 bbl/d SAF project in British Columbia is complete and was funded through the sale of capital emissions credits issued under an executed incentive agreement. As part of this ongoing development, Tidewater Renewables is pleased to report that it has received approval from the Government of British Columbia to amend the existing initiative agreement to provide further support in the form of additional BC LCFS Credits. These additional credits are intended to fund the advancement of optimization work on the project while Tidewater Renewables continues to concurrently advance commercial activities to reach a final investment decision for the project, which is now targeted for 2026.

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

On January 10, 2025, Tidewater Renewables completed the sale of its interest in the Rimrock Renewables Limited Partnership ("RNG LP") to Biocirc Canada Holdings Inc., an affiliate of Biocirc Group ApS, for total cash proceeds of \$7.8 million, of which \$4.7 million was received on close and the remaining \$3.1 million is expected to be received upon the satisfaction of certain post-closing conditions on or before December 30, 2025. The net proceeds of this transaction received to date were used by Tidewater Renewables to repay outstanding indebtedness.

On March 6, 2025, Tidewater announced that it had entered into a definitive purchase and sale agreement for the sale of its BRC Roadway Network to Canadian Resource Roadways LP ("CRR") for total proceeds of \$24.0 million (the "BRC Roadway Sale"). The BRC Roadway Network is a non-core asset and the disposition of the BRC Roadway Network is expected to have an immaterial impact on Tidewater's 2025 operating

results. The sale closed on March 24, 2025, and the \$22.5 million of proceeds received upon closing of the sale were used on March 26, 2025, to reduce the term facility component of the Tidewater Midstream Senior Credit Facility. The balance of the proceeds are expected to be received on or before December 31, 2025.

On May 6, 2025, Tidewater announced that it had entered into definitive agreements with Pembina, through a wholly owned limited partnership, to acquire the north segment of the Western Pipeline, for total cash consideration of approximately \$1.2 million, as well as the assumption of certain future abandonment and reclamation obligations and liabilities estimated at approximately \$30.0 million (undiscounted value).

The Western Pipeline is an approximately 377 km crude oil pipeline originating in Taylor, BC and terminating in Prince George, BC. The Western Pipeline's connection at Taylor, BC is the key conduit tying the PGR into the northeastern BC crude oil supply region. As part of the Western Pipeline Transaction, Tidewater and Pembina will enter into an interconnection agreement upon closing which will allow Tidewater to continue to access existing crude sources at the terminal located in Taylor, BC for the next 25 years, which is expected to provide the PGR with a reliable and cost-effective source of feedstock. The Western Pipeline Transaction is expected to close on or before September 1, 2025, subject to customary post-closing adjustments and regulatory approvals.

Subsequent to the second quarter, on July 3, 2025, Tidewater announced that it had entered into a definitive agreement with Parallax Energy Operating Inc. for the sale of its Sylvan Lake Gas Processing Facility for total proceeds of approximately \$5.5 million, subject to customary adjustments. The Sylvan Lake Gas Processing Facility is a non-core asset to Tidewater located in central Alberta. The transaction is expected to have an immaterial impact on Tidewater's 2025 operating results, and the proceeds received therefrom are anticipated to be used to repay amounts outstanding on the Tidewater Midstream Senior Credit Facility. The transaction is expected to close in the third quarter of 2025, subject to customary closing conditions and regulatory approvals.

Tidewater's efforts to optimize its asset portfolio and divest of its non-core assets will continue during the second half of 2025. Current market dynamics have spurred an increase in interest around the prospect of using conventional energy sites to support future data center developments. In particular, the Corporation is actively in discussions with multiple parties around various opportunities related to land and assets dispositions of property owned by Tidewater near Edmonton, Alberta.

### **Regulatory engagement and commercial momentum**

Tidewater Renewables continues to advocate for a fair and competitive regulatory framework that supports the growth of Canada's renewable fuels industry. Tidewater Renewables remains highly encouraged by the modifications to the *Low Carbon Fuels Act* the Government of British Columbia announced on February 27, 2025, which increased the renewable fuel requirement for diesel from 4% to 8% for the 2025 compliance period. Effective April 1, 2025, the modification also mandated that the renewable fuel content be produced within Canada (collectively, the "Amendments"). These changes are strongly aligned with Tidewater Renewables' strategic vision and reinforce the government's commitment to strengthening Canadian clean fuel production.

Since the introduction of the Amendments, Tidewater Renewables has experienced a significant increase in commercial activity, reflecting rising demand for Canadian-produced renewable diesel and improved emissions credit economics. As a result of this favourable regulatory shift and ongoing marketing efforts, Tidewater Renewables has successfully secured contracted offtakes for over 70% of forecasted production for the second half of 2025. The majority of these new offtake agreements are priced based on U.S. import

parity benchmarks, aligning contract pricing with prevailing U.S. market values and contributing to enhanced market competitiveness. The remaining production is expected to be sold into the spot market, where pricing remains favourable, providing additional upside potential.

These positive developments validate Tidewater Renewables' commercial strategy and underscore its position as a leading, reliable supplier of renewable diesel in the Canadian market. Management believes Tidewater Renewables is well-positioned to benefit from the ongoing regulatory tailwinds in the low-carbon fuels sector and remains focused on maximizing value creation for shareholders.

### **Trade Action**

On May 5, 2025, the Canadian International Trade Tribunal (the "Tribunal") issued a decision to terminate its preliminary injury inquiry in respect of the Corporation's countervailing (anti-subsidy) and anti-dumping duty complaint relating to imports of renewable diesel from the U.S. (the "Investigation"). The Tribunal subsequently released reasons for its decision on May 23, 2025. The Tribunal's decision ends the Investigation arising from the complaint filed by the Corporation with the Canada Border Services Agency ("CBSA") on December 30, 2024 and initiated by the CBSA on March 6, 2025.

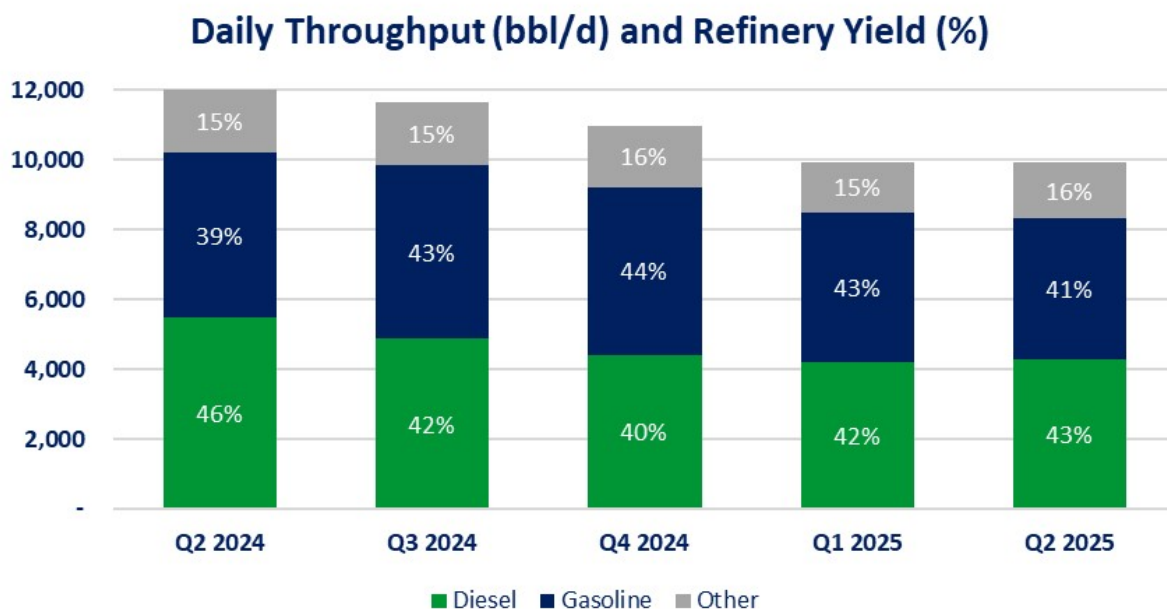
The Corporation has reviewed the Tribunal's reasons for its decision and is currently evaluating its available options and legal remedies. This includes, but is not limited to, the potential for filing a new complaint with the CBSA or considering other actions to address the impact of these U.S. renewable diesel imports on the Canadian renewable fuels market.

### **Prince George Refinery**

The PGR is a 12,000 bbl/day light oil refinery that predominantly produces low sulfur diesel and gasoline to supply interior and northern British Columbia. The PGR has significant onsite storage capacity of more than 1.0 MMbbl and flexible logistics, with pipeline, rail, and truck connectivity.

During the second quarter of 2025, throughput at the PGR was 9,942 bbl/day, consistent with 9,936 bbl/d during the first quarter of 2025, and 17% lower than the second quarter of 2024. The second quarter of 2025 had lower throughput compared to the second quarter of 2024 largely due to operational and feedstock-composition adjustments that were required to process higher-density feedstock. Throughput is expected to return to normal levels following the completion of the semi-annual heat exchanger cleaning that is scheduled for the fourth quarter. The PGR is currently on a four-year turnaround cycle, with the next scheduled turnaround in the second quarter of 2027.

Tidewater's daily throughput and refined product yields at the PGR were as follows:



Tidewater's refining margins are impacted by the difference between the price of refined product and the price of feedstock ("crack spread") as well as wholesale discounts. Refining margins are also subject to seasonal factors as production changes to match seasonal demand.

The Prince George crack spread averaged \$85/bbl during the second quarter of 2025, a 2% increase from the first quarter of 2025 and a 6% increase from the second quarter of 2024. The increase in crack spread in both periods was primarily due to lower feedstock costs partially offset by lower gasoline and diesel pricing.

Gasoline and diesel sales volumes in the second quarter of 2025 increased compared to the first quarter of 2025 due to higher demand going into the summer driving season. Inventories that were built up during the first quarter of 2025 were significantly reduced due to the increase in demand.

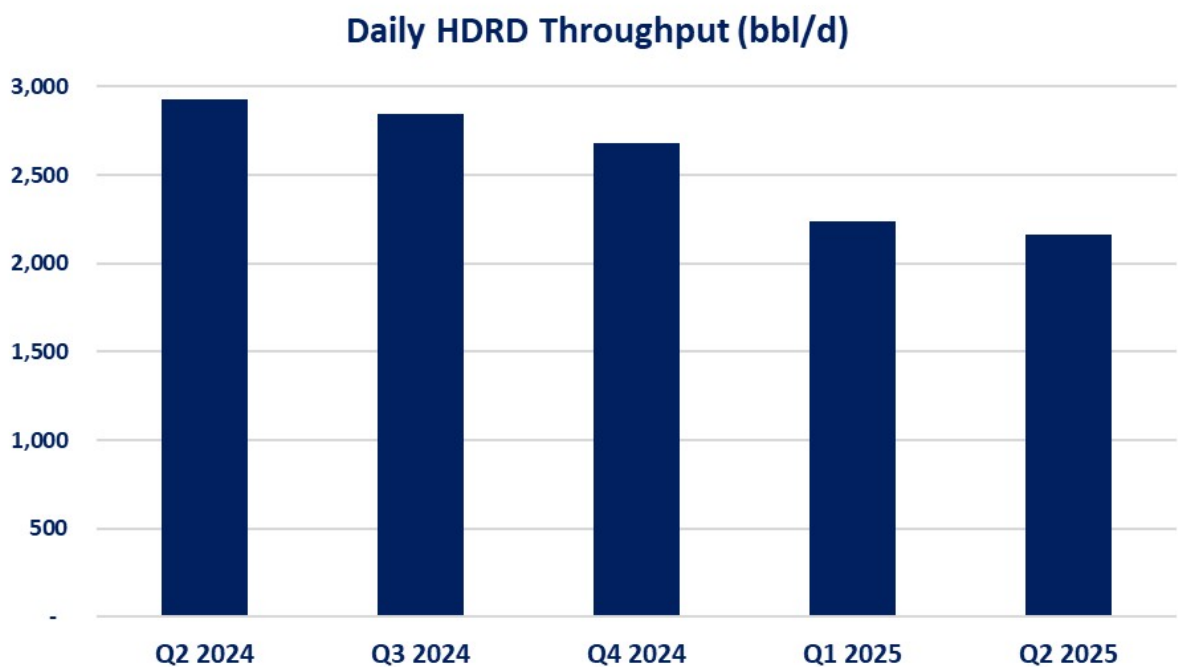
Gasoline and diesel sales volumes decreased compared to the second quarter of 2024, largely due to reduced throughput in the second quarter of 2025. The reduced throughput limited the quantity of refined products produced at the PGR during the period.

As previously disclosed, the Offtake Agreement expired on November 1, 2024, following which Tidewater began marketing diesel and gasoline volumes from the PGR directly to its customers. Current wholesale discounts are wider than those at the time the Offtake Agreement was entered into, largely stemming from the oversupply of diesel in Western Canada as well as North American supply and demand fundamentals. Tidewater is working to optimize its netbacks on its diesel and gasoline. While Tidewater is focused on Western Canadian markets, in the event the Corporation is unable to place all its products in Western Canada, it may be required to export the balance to potentially lower margin markets.

**HDRD Complex**

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

Daily throughput at the HDRD Complex was as follows:



For the three months ended June 30, 2025, the HDRD Complex achieved an average utilization rate of 2,164 bbl/d, or 72% of design capacity. This compares to 2,925 bbl/d, or 98% of design capacity, during the same period in the prior year. During the six months ended June 30, 2025, the HDRD Complex achieved an average utilization rate of 2,201 bbl/d, or 73% of design capacity, compared to 2,520 bbl/d, or 84% of design capacity, in the same period of 2024.

Utilization during the second quarter of 2025 remained relatively consistent with the first quarter of 2025. The decrease during the three and six months ended June 30, 2025, compared to the same periods in 2024 was primarily attributable to a minor fire incident on April 1, 2025, at the main renewable diesel process unit within the HDRD Complex. The fire was promptly contained, with the affected area safely isolated and stabilized. As a result, operations at the HDRD Complex were temporarily suspended, but successfully resumed on April 14, 2025. Following the restart, utilization rates steadily improved, supported by disciplined ramp-up procedures and robust operational oversight.

Tidewater Renewables continues to expect 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 planned turnaround activity during the third quarter of 2025, supported by ongoing operational optimizations and improving market conditions.

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.

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 low carbon fuel standard programs, including those in British Columbia, California, Oregon, and Washington. To comply with these mandates, fuel suppliers must either lower the CI of their fuel, undertake approved capital projects to reduce emissions, or acquire emission 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 tightened 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 Clean Fuel Regulations ("CFR"), a federally mandated program that requires liquid fuel suppliers in Canada to reduce the CI of gasoline and diesel, with annual emission reduction targets increasing through 2030. The CFR is aligned with similar programs in jurisdictions such as British Columbia, California, and Oregon. The regulations aim to drive investment in clean fuels by establishing a credit market, where each CFR Emission Credit represents a one-tonne CO<sub>2</sub>e lifecycle emission reduction. Renewable diesel qualifies as a low-CI fuel that can generate CFR Emission Credits, which the Corporation may monetize either through embedded pricing in fuel sales or via the open market. As federal emission reduction requirements rise and the obligated fuel pool expands, management expects growing demand for CFR Emission Credits through 2030.

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

## **Brazeau River Complex and Fractionation Facility**

The BRC offers a full suite of services to producers, including 180 MMcf/day of deep cut natural gas processing capacity, NGL and condensate pipeline connections, NGL fractionation capacity, truck loading and offloading facilities, physical natural gas storage facilities, and two natural gas transportation connections.

The BRC gas processing facility had throughput of 95 MMcf/day in the second quarter of 2025, relatively consistent with 94 MMcf/day during the first quarter of 2025, and 5 MMcf/day higher than the second quarter of 2024. As previously disclosed, Plant 3 of the BRC facility ("Plant 3") was temporarily shut down for maintenance and repairs. The repair work was completed during the second quarter of 2025 and Plant 3 was restarted as expected in late June. As a result of the maintenance, straddle volumes coming through the facility were lower during this period. During the second quarter of 2024, a scheduled three-week turnaround at the BRC was completed and gas processing and liquids fractionation activities were limited during this maintenance period and resulted in lower volumes coming through the facility.

The BRC fractionation facility utilization averaged 85% in the second quarter of 2025, compared to 82% in the first quarter of 2025 and 68% in the second quarter of 2024. Utilization was higher in the second quarter of 2025 compared to the first quarter of 2025 primarily due to higher trucked in volumes. The lower fractionation facility utilization during the second quarter of 2024 was due to the scheduled turnaround discussed above. Utilization of the BRC fractionation facility may vary as it is dependent on a combination of natural gas processing rates and associated NGL recoveries, in addition to truck-in supply volumes.

Margins on gas storage activities at the BRC during the second quarter of 2025 were higher compared to both the first quarter of 2025 and the second quarter of 2024. Near-term natural gas pricing weakness led to strong spread capture during the current quarter through additional park and loan transactions.

## **Ram River Gas Plant**

Tidewater has a 95% operated working interest in the Ram River Gas Plant, a rail-connected sour natural gas processing facility with sulfur handling facilities located in the Strachan region in west central Alberta.

On January 7, 2025, management made the decision to temporarily lay-up the Ram River Gas Plant, including sulfur handling activities, in order to manage ongoing operating costs and to allow for gas prices to recover and gas flow from producers to resume. Management's intent is to restart the facility when commodity prices strengthen and gas flow from producers restarts. Natural gas prices are forecasted to recover in late 2025 from the lows in 2024, and gas processing operations are expected to resume when producer activity restarts. Sulfur handling activities resumed at the end of March.

## **CAPITAL PROGRAM**

Tidewater's consolidated full-year 2025 capital program is focused on maintaining safe and reliable operations and is expected to range between \$15 million - \$20 million, exclusive of maintenance capital in relation to the Western Pipeline, consistent with previous guidance.

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.

## RESULTS OF OPERATIONS

### Results overview

(in millions of Canadian dollars except per share and percentage information)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 340.6	\$ 461.3	\$ 650.5	\$ 900.8
Operating expenses	\$ 325.0	\$ 393.9	\$ 631.3	\$ 780.9
General and administrative	\$ 3.1	\$ 14.9	\$ 9.9	\$ 22.5
Share-based compensation	\$ 1.5	\$ -	\$ 2.8	\$ 2.8
Depreciation	\$ 15.3	\$ 21.3	\$ 30.3	\$ 44.5
Finance costs and other	\$ 19.5	\$ 18.3	\$ 36.2	\$ 39.9
Realized loss on derivative contracts	\$ 5.0	\$ 11.2	\$ 11.5	\$ 21.6
Unrealized (gain) loss on derivative contracts	\$ (15.1)	\$ 1.5	\$ (19.6)	\$ 2.9
Realized gain on marketable securities	\$ -	\$ -	\$ -	\$ (5.0)
Loss on sale of assets	\$ -	\$ -	\$ 0.1	\$ -
(Income) loss from equity investments	\$ (1.5)	\$ 0.5	\$ (8.1)	\$ (0.6)
Transaction costs	\$ 0.1	\$ -	\$ 0.3	\$ 1.3
Net loss attributable to shareholders	\$ (16.3)	\$ (4.7)	\$ (48.1)	\$ (16.0)
Basic and diluted net loss attributable to shareholders per share	\$ (0.04)	\$ (0.01)	\$ (0.11)	\$ (0.04)
Net cash provided by (used in) operating activities	\$ 47.8	\$ 27.8	\$ 33.1	\$ (1.5)
Total common shares outstanding (millions)	431.9	429.4	431.9	429.4
Total consolidated assets	\$ 1,111.7	\$ 1,281.5	\$ 1,111.7	\$ 1,281.5

### Revenue

Revenue for the three and six months ended June 30, 2025, was \$340.6 million and \$650.5 million, respectively, compared to \$461.3 million and \$900.8 million for the three and six months ended June 30, 2024, respectively. The decrease in both periods was primarily due to an oversupply of conventional and renewable diesel in the market leading to decreased sales and unfavorable pricing, lower third-party sales for BC LCFS Credits, and larger wholesale discounts at the PGR. In addition, lower throughput at the PGR and HDRD Complex resulted in lower sales volumes of refined products from the facilities. Revenue was also impacted by lower crude oil marketing activities, and the temporary shut-in of gas processing activities at the Ram River Gas Plant. These decreases were partially offset by higher revenue from NGL marketing and gas storage activities at the BRC.

Net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 173 MMcf/day during the second quarter of 2025, a 32% decrease compared with 253 MMcf/day in the same period of 2024. The decrease was primarily due to the temporary shut-in of gas processing activities at the Ram River Gas Plant.

Net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 175 MMcf/day during the six months ended June 30, 2025, a 37% decrease compared with 277 MMcf/day in the same period of 2024, primarily due to the temporary shut-in of gas processing activities at the Ram River Gas Plant, and lower straddle volumes and no gas processed at Plant 3 of the BRC between February and June due to the maintenance outage at the facility, partially offset by lower volumes coming through the BRC during the scheduled three-week turnaround that took place in the second quarter of 2024.

### *Operating expenses*

Operating expenses for the three months ended June 30, 2025 decreased by \$68.9 million to \$325.0 million, from \$393.9 million in the second quarter of 2024. For the six months ended June 30, 2025, operating expenses were \$631.3 million, a decrease of \$149.6 million from \$780.9 million in the comparative period of 2024. The decrease in both periods was primarily due to the lower volume of feedstock processed at both the PGR and HDRD Complex, lower crude oil feedstock costs due to the decline in market prices, lower crude oil marketing activities, and the temporary shut-in of gas processing activities at the Ram River Gas Plant starting in the third quarter of 2024, offset in part by higher costs for NGL marketing activities at the BRC.

### *General and administrative*

General and administrative expenses for the three and six months ended June 30, 2025, were \$3.1 million and \$9.9 million, respectively, compared to \$14.9 million and \$22.5 million for the three and six months ended June 30, 2024, respectively. The decrease in both periods was primarily due to lower non-recurring management-related costs, as the comparative periods included expenses related to executive leadership changes made during the first half of 2024, and lower employee compensation costs in the current year.

### *Share-based compensation*

For the three months ended June 30, 2025, share-based compensation costs were \$1.5 million compared to \$nil for the three months ended June 30, 2024. The increase was primarily attributable to share award forfeitures and cancellations in the prior year resulting from reductions in personnel. Share-based compensation costs of \$2.8 million for the six months ended June 30, 2025 were consistent with the six months ended June 30, 2024.

### *Depreciation*

Depreciation expense for the three and six months ended June 30, 2025, was \$15.3 million and \$30.3 million, respectively, compared to \$21.3 million and \$44.5 million for the three and six months ended June 30, 2024, respectively. The change in both periods is primarily due to lower depreciation on right-of-use assets resulting from the maturity of certain pipeline and railcar leases at the end of 2024.

### *Finance costs and other*

Finance costs and other for the three months ended June 30, 2025 were \$19.5 million, compared to \$18.3 million in the same period of 2024. The increase was primarily due to higher foreign exchange losses and other interest costs incurred in the current quarter. During the six months ended June 30, 2025 finance costs and other were \$36.2 million compared to \$39.9 million in the comparative period of 2024, largely due to lower average rates on the Senior Credit Facilities in the first quarter of 2025 and lower foreign exchange losses and other interest costs than in the first half of 2024.

Finance costs and other includes interest on the Senior Credit Facilities, second lien debt, convertible debentures, as well as other bank fees and financing costs, interest on cash balances, and non-cash interest expenses. Non-cash interest expenses include unrealized foreign exchange gains or losses, and accretion expenses on the Corporation's decommissioning obligations, lease liabilities and long-term debt.

#### *Realized loss on derivative contracts*

The realized loss on derivative contracts for the three months ended June 30, 2025 was \$5.0 million compared to a realized loss of \$11.2 million in the same period of 2024. The realized loss during the three months ended June 30, 2025 was primarily related to the settlement of vegetable oil derivative contracts. The realized loss during the three months ended June 30, 2024 largely related to the settlement of vegetable oil, power, and crack spread derivative contracts.

During the six months ended June 30, 2025, the realized loss on derivative contracts was \$11.5 million compared to a realized loss of \$21.6 million in the same period of 2024. The realized loss during the six months ended June 30, 2025, largely related to the settlement of vegetable oil derivative contracts. The realized loss during the six months ended June 30, 2024 largely related to the settlement of vegetable oil and crack spread derivative contracts.

#### *Unrealized (gain) loss on derivative contracts*

The unrealized non-cash gain on derivative contracts for the three months ended June 30, 2025 was \$15.1 million compared to an unrealized non-cash loss of \$1.5 million for the three months ended June 30, 2024. During the six months ended June 30, 2025, Tidewater recorded an unrealized non-cash gain on derivative contracts of \$19.6 million, compared to an unrealized non-cash loss of \$2.9 million during the same period in 2024. The change in both periods was primarily due to fluctuations in vegetable oil, power, crack spread, and refined product derivative contracts. In addition, an unrealized non-cash gain of \$1.8 million and an unrealized non-cash loss \$2.8 million for the three and six months ended June 30, 2025, respectively, was recognized on the revaluation of the warrant liability to fair value. Changes in the fair value of the warrants are influenced by movements in Tidewater Renewables' share price, volatility assumptions, and other market-based inputs.

The fair value of a derivative contract is the estimated value to settle the outstanding contracts at a point in time. The unrealized gains or losses on these financial instruments are recorded in the statement of net income and comprehensive income and may fluctuate quarter-over-quarter with price volatility. Unrealized gains and losses on derivative contracts do not impact net cash provided by operating activities or distributable cash flow. Actual gains or losses realized on the eventual cash settlement can vary due to subsequent fluctuations in commodity prices as compared to the valuation assumptions.

#### *Realized gain on marketable securities*

During the first quarter of 2024, a gain of \$5.0 million was recognized on the sale of the AltaGas Ltd. ("AltaGas") common shares that were received on December 22, 2023, as partial consideration for the sale of the Pipestone gas plant and associated facilities in the fourth quarter of 2023.

#### *(Income) loss from equity investments*

During the three and six months ended June 30, 2025, income from equity investments was \$1.5 million and \$8.1 million, respectively, compared to a loss from equity investments of \$0.5 million during the three months ended June 30, 2024 and income from equity investments of \$0.6 million for the six months ended June 30, 2024. The increase was primarily driven by Tidewater Renewables' investment in Rimrock Cattle Company Ltd., which had higher unrealized gains from the revaluation of the cattle inventory in the current year.

### *Net loss attributable to shareholders*

During the three and six months ended June 30, 2025, Tidewater generated a net loss attributable to shareholders of \$16.3 million and \$48.1 million, respectively, compared to a net loss attributable to shareholders of \$4.7 million and \$16.0 million for the three and six months ended June 30, 2024, respectively. The larger net loss in both periods was primarily due to lower sales volumes at the PGR and HDRD Complex, offset in part by favorable changes in the fair value of derivative contracts, lower executive and employee compensation costs, lower depreciation, and higher income from equity investments.

### **Capital Expenditures**

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

<i>(in millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Growth capital <sup>(1)</sup>	\$ 0.2	\$ 7.6	\$ 2.2	\$ 13.5
Maintenance capital <sup>(1)</sup>	4.7	14.1	6.3	16.3
Total capital expenditures	\$ 4.9	\$ 21.7	\$ 8.5	\$ 29.8
Capital emission credits awarded <sup>(2)</sup>	\$ (1.3)	\$ (12.9)	\$ (2.5)	\$ (33.6)

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

(2) During the three and six months ended June 30, 2025, \$NIL and \$1.3 million of capital emission credits were monetized, respectively. (Three and six months ended June 30, 2024 - \$18.9 million and \$21.2 million, respectively.)

### *Growth capital*

Consolidated growth capital expenditures for the three months ended June 30, 2025 were \$0.2 million compared to \$7.6 million in the same period of 2024. During the six months ended June 30, 2025, growth capital expenditures were \$2.2 million, compared to \$13.5 million in the same period of 2024. Growth capital expenditures for both current periods were primarily for FEED work on Tidewater Renewables' SAF project. Growth capital expenditures during the comparative periods were primarily related to optimizing the HDRD Complex and advancing FEED work on Tidewater Renewables' SAF project.

Expenditures for the HDRD Complex and SAF project have been offset by funds received from the sale of capital emission credits awarded by government entities for achieving certain milestones under executed incentive agreements. In the second quarter of 2025, Tidewater Renewables received emission credits in connection with completing the sixth milestone outlined in an executed incentive agreement for the SAF project.

### *Maintenance capital*

Tidewater places a high priority on the maintenance of its assets to provide a safe operating environment for employees and reliable services to its customers. Maintenance capital expenditures of \$4.7 million and \$6.3 million for the three and six months ended June 30, 2025, respectively, were largely related maintenance work at the BRC and pre-turnaround work at the HDRD Complex in preparation for the third quarter scheduled maintenance. Maintenance capital expenditures for the three and six months ended June 30, 2024 were \$14.1 million and \$16.3 million, respectively, and primarily related to work on the second quarter BRC turnaround and maintenance work on the sulfur recovery unit at the Ram River Gas Plant.

## SUMMARY OF QUARTERLY RESULTS

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

<i>(In millions of Canadian dollars, except per share information)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Revenue	\$ 340.6	\$ 309.9	\$ 362.0	\$ 377.7
Net loss attributable to shareholders	(16.3)	(31.8)	(3.3)	(7.3)
Net loss per share attributable to shareholders – basic and diluted	(0.04)	(0.07)	(0.01)	(0.02)
Consolidated adjusted EBITDA <sup>(1)</sup>	\$ 16.0	\$ (3.7)	\$ 20.0	\$ 29.2

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

<i>(In millions of Canadian dollars, except per share information)</i>	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue	\$ 461.3	\$ 439.5	\$ 503.0	\$ 582.1
Net loss attributable to shareholders	(4.7)	(11.3)	(331.8)	(22.9)
Net loss per share attributable to shareholders – basic and diluted	(0.01)	(0.03)	(0.78)	(0.05)
Consolidated adjusted EBITDA <sup>(1)</sup>	\$ 45.3	\$ 39.8	\$ 21.4	\$ 48.6

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

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity Sources

The Corporation's primary liquidity and capital resource needs are to fund ongoing capital expenditures, future growth opportunities, interest payments, and working capital requirements. Tidewater anticipates that net cash provided by operating activities, cash available from its Senior Credit Facilities, proceeds from the sale of BC LCFS Credits, proceeds from the sale of non-core assets, and other sources of financing will be sufficient to meet its obligations and financial commitments and provide sufficient funding for anticipated capital expenditures.

The Corporation's actual expenditures may vary depending on a variety of factors, including the availability of equipment and personnel, unexpected expenses, delays in the receipt of necessary regulatory approvals, permits and licenses, and the success of the Corporation's business development activities, among other variables.

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

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, effective April 1, 2025, mandate that renewable fuel content be produced within Canada. Since the announcement of the Amendments Tidewater Renewables has observed increased demand for renewable diesel and an increase in 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.

On March 24, 2025, Tidewater closed the BRC Roadway Sale to CRR for total proceeds of \$24.0 million. Upon closing of the sale, Tidewater received \$22.5 million of the proceeds, with the balance expected to

be received on or before December 31, 2025. On March 26, 2025, Tidewater used the \$22.5 million of initial proceeds to reduce the term facility component of the Tidewater Midstream Senior Credit Facility.

Additionally, on March 26, 2025, Tidewater Renewables successfully amended its Senior Credit Facility and second lien credit facility (the “Second Lien Credit Facility”), details of which are discussed further on. This refinancing significantly strengthens Tidewater Renewables’ leverage profile, positioning Tidewater Renewables for enhanced financial stability while facilitating its future deleveraging initiative.

During 2025, the Corporation continues to experience wider wholesale discounts resulting from increased North American refining production, imports of renewable diesel into BC by competitors that take advantage of both U.S. and Canadian government incentives, the possibility of tariffs on the Canadian market and slowing demand due to adverse economic pressures in Canada. These conditions have had a negative impact on the Corporation’s profitability and liquidity. Additionally, the oversupply of renewable diesel into the BC market has also decreased the sales and price for BC LCFS Credits, which adversely impacts the Corporation. Despite these market pressures, Tidewater has observed increased demand for Canadian produced renewable diesel following the Amendments.

Tidewater continues to engage with prospective purchasers of diesel and gasoline volumes from the PGR. However, as previously disclosed, current wholesale discounts are wider than those at the time the Offtake Agreement was entered into. Tidewater is working to optimize its netbacks on its diesel and gasoline. While Tidewater is focused on Western Canadian markets, in the event the Corporation is unable to place all of its product in Western Canada, it could be required to export the balance to potentially lower margin markets.

The operations of the Corporation depend upon its ability to meet its financing and liquidity requirements. Management continues to make efforts to improve the liquidity and profitability of the existing business by increasing sales and reducing costs.

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 Tidewater’s equity accounted investees are non-recourse to both Tidewater Midstream and Tidewater Renewables.

On occasion, the Corporation issues letters of credit in connection with transactions in which the counterparty requires such security. As at June 30, 2025, the Corporation had \$40.7 million in letters of credit issued to facilitate commercial transactions with third parties and to support regulatory requirements. The letters of credit are issued under separate facilities from the Senior Credit Facilities.

The following table summarizes Tidewater's credit facilities and debt outstanding as at June 30, 2025:

<i>(in millions of Canadian dollars)</i>	Maturity Date	Rate	Facility Amount	Amount Drawn
Tidewater Midstream Senior Credit Facility	September 12, 2026	variable	\$ 301.5	\$ 271.5
Convertible debentures	June 30, 2029	fixed	100.0	100.0
<b>Tidewater Midstream Total</b>			\$ 401.5	\$ 371.5
Tidewater Renewables Senior Credit Facility	February 28, 2027	variable	40.0	15.0
Tidewater Renewables Second Lien Credit Facility	October 24, 2027	variable	183.9	183.9
<b>Tidewater Renewables Total</b>			\$ 223.9	\$ 198.9
<b>Tidewater Consolidated</b>			\$ 625.4	\$ 570.4

Tidewater Midstream and Tidewater Renewables each have a revolving credit facility (each a "Senior Credit Facility" and together, the "Senior Credit Facilities") with a syndicate of banks. The Corporation's Senior Credit Facilities are used to provide financing for working capital, to fund capital expenditures and acquisitions, and for other general corporate purposes. The Senior Credit Facilities and the Second Lien Credit Facility are not cross-collateralized, are not subject to cross defaults, nor are Tidewater Midstream and Tidewater Renewables consolidated for the purposes of covenant testing or availability.

#### *Tidewater Midstream*

The following facilities are available to Tidewater Midstream under its Senior Credit Facility:

<i>(in millions of Canadian dollars)</i>	Facility Amount	Maturity Date	Amount Drawn June 30, 2025
Syndicated facility	\$ 125.0	September 12, 2026	\$ 125.0
Operating facility	50.0	September 12, 2026	20.0
Term facility	126.5	August 30, 2027	126.5
<b>Tidewater Midstream Senior Credit Facility</b>	\$ 301.5		\$ 271.5

On March 26, 2025, with the support of its lenders, Tidewater Midstream made several amendments to its Senior Credit Facility. The amendments revised the Tidewater Midstream financial covenant requirements until March 31, 2026, details of which are discussed further in the **Financial Covenants** section of this MD&A. Additionally, in conjunction with the closing of BRC Roadway Sale and the permanent repayment of a portion of the term facility using the proceeds from the sale, the Senior Credit Facility was amended to defer the first mandatory quarterly repayment of \$5.0 million on the term facility until April 30, 2026.

For further details on the Tidewater Midstream Senior Credit Facility, readers should refer to the Fifth Amended and Restated Credit Agreement between Tidewater Midstream and National Bank of Canada available on Tidewater Midstream's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### *Tidewater Renewables*

The Tidewater Renewables Senior Credit Facility consists of a \$5.0 million syndicated facility and a \$35.0 million revolving operating facility. The Senior Credit Facility is subject to a number of customary covenants and restrictions, however, compliance by Tidewater Renewables with its quarterly financial covenants has been waived until March 31, 2026.

The Tidewater Renewables Senior Credit Facility can be drawn in Canadian funds and bears interest at the agent bank's prime lending rate or adjusted CORRA or SOFR lending rates, plus applicable margins and stamping fees.

On March 26, 2025, the Senior Credit Facility was amended to increase the total aggregate availability from \$30.0 million to \$40.0 million. 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 Tidewater Renewables Senior Credit Facility was extended from February 28, 2026 to February 28, 2027.

In addition to the Senior Credit Facility, Tidewater Renewables has a Second Lien Credit Facility consisting of a tranche A facility in the aggregate principal amount of \$155.1 million (the "Tranche A Facility"), a tranche B facility in the aggregate principal amount of \$28.8 million (the "Tranche B Facility"), and a tranche C facility in the aggregate principal amount of \$43.0 million (the "Tranche C Facility") which may only be drawn in certain circumstances to refinance the Senior Credit Facility.

The Tidewater Renewables Second Lien Credit Facility is subordinate to the Senior Credit Facility and is subject to a number of customary covenants and restrictions, however, compliance by Tidewater Renewables with its quarterly financial covenants has been waived until March 31, 2026.

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 Facility and Tranche C Facility was extended to October 24, 2027 (with the Tranche A Facility maturity date remaining unchanged at October 24, 2027).

As part of the amendments, Tidewater Renewables 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.

## Financial Covenants

Tidewater Midstream's deconsolidated financial covenants as at June 30, 2025 and March 31, 2025, were as follows:

	Ratio	June 30, 2025	March 31, 2025
Deconsolidated debt to adjusted EBITDA	Maximum 4.50:1	4.14	3.64
Deconsolidated first lien senior debt to adjusted EBITDA	Maximum 4.50:1	4.14	3.64
Adjusted EBITDA to interest coverage	Minimum 1.50:1	2.54	3.35

At June 30, 2025, Tidewater Midstream was in compliance with its financial covenants. However, the deconsolidated debt to adjusted EBITDA ratios were close to the maximum thresholds. Tidewater Midstream is actively monitoring performance and is implementing measures to improve these covenants.

Tidewater Midstream is required to maintain certain deconsolidated financial covenants on a trailing twelve-month basis. The calculations for each of these ratios are based on specific definitions in the

agreements governing the Tidewater Midstream Senior Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to the Corporation's consolidated financial statements. For purposes of the covenant calculation, Tidewater Midstream's convertible debentures are excluded from the calculations.

On March 26, 2025, with the support of its lenders, Tidewater Midstream amended the financial covenant requirements within the Senior Credit Facility effective January 1, 2025 until March 31, 2026 to increase the first lien senior debt to adjusted EBITDA covenant up to 4.50:1 (from 3.50:1), and decrease the adjusted EBITDA to interest coverage ratio to 1.50:1 (from 2.50:1) during the period.

On March 26, 2025, Tidewater Renewables' quarterly financial covenants as applicable to both the Tidewater Renewables Senior Credit Facility and Tidewater Renewables Second Lien Credit Facility were waived until March 31, 2026, at which time Tidewater Renewables 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 for the three and six months ended June 30, 2025 and 2024:

<i>(in millions of Canadian dollars)</i>	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
<b>Cash flows provided by (used in)</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Operating activities	\$ 47.8	\$ 27.8	\$ 33.1	\$ (1.5)
Financing activities	\$ (39.6)	\$ (27.2)	\$ (46.7)	\$ (282.7)
Investing activities	\$ (8.0)	\$ (11.0)	\$ 13.8	\$ 286.0

### *Net cash provided by (used in) operating activities*

Net cash provided by operating activities was \$47.8 million for the three months ended June 30, 2025, compared to net cash provided by operating activities of \$27.8 million for the three months ended June 30, 2024. For the six months ended June 30, 2025, net cash provided by operating activities was \$33.1 million, compared to net cash used in operating activities of \$1.5 million for the six months ended June 30, 2024.

The change in both periods was primarily due to changes in working capital, the absence of non-recurring expenses for executive and leadership changes in 2025, lower compensation costs, and lower realized losses on derivative contracts, offset in part by lower gross margin in 2025. Additionally, net cash used in operating activities for the six months ended June 30, 2024 included the use of a portion of the cash proceeds from the January 9, 2024 sale of the AltaGas common shares to pay down working capital during the first quarter of 2024.

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

### *Net cash used in financing activities*

Net cash used in financing activities was \$39.6 million for the three months ended June 30, 2025, compared to net cash used in financing activities of \$27.2 million for the three months ended June 30,

2024. The net cash used in financing activities for the current period was largely related to repayments on the Senior Credit Facilities and payments for interest and lease obligations. The net cash used in financing activities in the comparative period was largely due to the repayment of the \$75.0 million convertible debentures and repayments on the Tidewater Midstream Senior Credit Facility using proceeds from the June 4, 2024 issuance of the \$100.0 million convertible debentures.

Net cash used in financing activities was \$46.7 million for the six months ended June 30, 2025, compared to net cash used in financing activities of \$282.7 million for the six months ended June 30, 2024. The net cash used in financing activities for the current six-month period was primarily related to payments for interest and lease obligations and repayments on the Senior Credit Facilities. The net cash used in financing activities in the comparative period was largely due to repayments on the Corporation's debt facilities using the proceeds received from the January 9, 2024 sale of the AltaGas common shares, operating cash flow generated by the HDRD Complex, and the repayment of the \$75.0 million principal amount convertible debentures. The cash used was offset in part by proceeds from the June 4, 2024 issuance of convertible debentures.

*Net cash (used in) provided by investing activities*

Net cash used in investing activities was \$8.0 million for the three months ended June 30, 2025, compared to net cash used in investing activities of \$11.0 million for the three months ended June 30, 2024. The net cash used in investing activities in the current period was largely related to maintenance projects at the BRC, pre-turnaround costs at the HDRD Complex, and changes in non-cash working capital. Net cash used in investing activities in the comparative period was primarily related to expenditures on the scheduled second quarter BRC turnaround, optimization work on the HDRD Complex, and changes in non-cash working capital.

Net cash provided by investing activities was \$13.8 million for the six months ended June 30, 2025, compared to net cash provided by investing activities of \$286.0 million for the six months ended June 30, 2024. The net cash provided by investing activities in the current period was largely related to the proceeds from the BRC Roadway Sale and the divestiture of Tidewater Renewables' investment in RNG LP, offset in part by changes in non-cash working capital, and expenditures for maintenance projects at the BRC and pre-turnaround work at the HDRD Complex. Net cash provided by investing activities in the comparative period was primarily related to proceeds received from the sale of AltaGas common shares.

## CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments, including those recognized as leases, as at June 30, 2025:

<i>(in millions of Canadian dollars)</i>	Less than one year	One to five years	More than five years	Total
Accounts payable, accrued liabilities and provisions	\$ 170.0	\$ -	\$ -	\$ 170.0
Derivative contracts	9.7	2.6	-	12.3
Warrant liability	3.0	-	-	3.0
Lease liabilities and other <sup>(1)</sup>	11.2	9.4	0.6	21.2
Bank debt <sup>(2)</sup>	5.0	281.5	-	286.5
Second lien debt <sup>(2)</sup>	-	183.9	-	183.9
Convertible debentures interest <sup>(3)</sup>	8.0	24.0	-	32.0
Convertible debentures repayment <sup>(2)</sup>	-	100.0	-	100.0
Firm transportation contracts <sup>(4)</sup>	26.1	71.7	21.6	119.4
<b>Total</b>	<b>\$ 233.0</b>	<b>\$ 673.1</b>	<b>\$ 22.2</b>	<b>\$ 928.3</b>

(1) Amounts represent the expected undiscounted cash payments related to lease liabilities and other.

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

(3) Fixed interest payments on the convertible debentures. The convertible debentures mature on June 30, 2029.

(4) Fixed transportation contracts are presented gross of flow-through operating cost recoveries from customers.

## OUTSTANDING EQUITY

As at August 11, 2025, Tidewater Midstream had the following outstanding common shares, restricted share units (“RSUs”), deferred share units (“DSUs”) and options:

<i>(in millions)</i>	
Common shares	431.9
RSUs	19.2
DSUs	1.3
Options	19.0

## TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are in the normal course of business and are recorded at market rates.

For the three and six months ended June 30, 2025, Tidewater had no other transactions with related parties, except those pertaining to contributions to Tidewater’s long-term incentive plans and remuneration of key management personnel in the ordinary course of their employment.

## FINANCIAL INSTRUMENTS

Tidewater’s financial instruments consist of cash and cash equivalents, accounts receivable, derivative contracts, investments, accounts payable and accrued liabilities, bank debt, second lien debt, and convertible debenture liability. Tidewater employs risk management strategies and policies to ensure that any exposure to market risks are in compliance with the Corporation’s business objectives and risk tolerance levels.

The majority of Tidewater's accounts receivable are due from entities in the oil and gas industry and are subject to normal industry credit risks. Tidewater 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.

With respect to counterparties for financial instruments used for hedging purposes, the Corporation limits its credit risk through dealing with recognized futures exchanges or investment-grade financial institutions and by maintaining credit policies which minimize overall counterparty credit risk.

The Corporation enters into certain financial derivative contracts to manage commodity price, power, interest and foreign exchange risk. These instruments are not used for speculative purposes. The Corporation has not designated its financial derivative contracts as effective accounting hedges.

Derivative contracts are recorded on the consolidated statement of financial position at fair value, with changes in the fair value being recognized as an unrealized gain or loss on the consolidated statement of net 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 are described within the Corporation's Annual Information Form ("AIF"), an electronic copy of which is available on Tidewater's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Corporation's financial risks are discussed in the Financial Statements.

Additionally, the Corporation faces certain risks as the majority shareholder of Tidewater Renewables including, without limitation, liquidity risk, commodity price risk (including in respect of the markets for BC LCFS Credits, CFR Emission Credits, and other carbon credits, rebates, tax credits, grants and other incentives), equity risk, credit risk and risks related to changes in environmental regulations, economic, political or market conditions and the regulatory environment. Although the Corporation is able to exert some influence on Tidewater Renewables through its voting rights and a shared services agreement whereby the Corporation provides certain management and administrative services to Tidewater Renewables, the ability to mitigate these risks is not fully within the Corporation's control.

## **CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES**

Certain accounting policies require that management make 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 that differ materially from these estimates. The Corporation's use of estimates and judgments is discussed in note 2 of the audited consolidated financial statements for the year ended December 31, 2024.

## **CONTROL ENVIRONMENT**

Management, including the Corporation's Chief Executive Officer and Chief Financial Officer, have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. The control framework used to design the Corporation's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission Framework in Internal Control – Integrated Framework (2013). These controls and procedures are

designed to provide reasonable assurance that material information relating to Tidewater's business is made known to them, is reported on a timely basis, that financial reporting is reliable, and the preparation of financial statements for external purposes is in accordance with IFRS.

There were no changes in the six months ended June 30, 2025, that had, or are likely to have, a material impact on the Corporation's DC&P or ICFR and management has evaluated the Corporation's DC&P and ICFR as at June 30, 2025 and concluded that both ICFR and DC&P were effective, in all material respects, as at such date.

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 MEASURES**

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater uses a number of 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. Certain of these financial measures do not have a standardized meaning 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 Corporation's non-GAAP financial measures, non-GAAP ratios, capital management measures, and supplementary financial measures.

### **Non-GAAP Financial Measures**

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

#### *Consolidated and deconsolidated adjusted EBITDA*

Consolidated adjusted EBITDA is calculated as net (loss) income before finance costs, taxes, depreciation, share-based compensation, unrealized gains and losses on derivative contracts, transaction costs, gains and losses on the sale of assets, and other items considered non-recurring in nature, plus the Corporation's proportionate share of EBITDA in its equity investments. Deconsolidated adjusted EBITDA is calculated as consolidated adjusted EBITDA less the portion of consolidated adjusted EBITDA attributable to Tidewater Renewables.

In accordance with IFRS, Tidewater's jointly controlled investments are accounted for using equity accounting. Under equity accounting, net earnings from investments in equity accounted investees are recognized in a single line item in the consolidated statement of net (loss) income and comprehensive

(loss) income. The adjustments made to net (loss) income, as described above, are also made to share of profit from investments in equity accounted investees.

Consolidated adjusted EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. In addition to its use by management, Tidewater also believes consolidated adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions, and others to evaluate the financial performance of the Corporation and other companies in the midstream industry. From time to time, the Corporation issues guidance on this key measure. As a result, consolidated adjusted EBITDA is presented as a relevant measure in the MD&A to assist analysts and readers in assessing the performance of the Corporation as seen from management's perspective. In addition to reviewing consolidated adjusted EBITDA, management reviews deconsolidated adjusted EBITDA to highlight the Corporation's performance, excluding the portion of consolidated adjusted EBITDA attributable to Tidewater Renewables. Investors should be cautioned that consolidated adjusted EBITDA and deconsolidated adjusted EBITDA should not be construed as alternatives to net (loss) 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 loss, the nearest GAAP measure, to adjusted EBITDA:

<i>(in millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (12.3)	\$ (0.3)	\$ (44.2)	\$ (10.0)
Depreciation	15.3	21.3	30.3	44.5
Finance costs and other	19.5	18.3	36.2	39.9
Share-based compensation	1.5	-	2.8	2.8
Loss on sale of assets	-	-	0.1	-
Unrealized (gain) loss on derivative contracts	(15.1)	1.5	(19.6)	2.9
Realized gain on marketable securities	-	-	-	(5.0)
Transaction costs	0.1	-	0.3	1.3
Non-recurring expenses	6.6	4.8	10.9	9.3
Adjustment to share of profit from equity accounted investments	0.4	(0.3)	(4.5)	(0.6)
<b>Consolidated adjusted EBITDA</b>	<b>\$ 16.0</b>	<b>\$ 45.3</b>	<b>\$ 12.3</b>	<b>\$ 85.1</b>
Less: Consolidated adjusted EBITDA attributable to Tidewater Renewables	(10.8)	(29.5)	(13.2)	(54.8)
<b>Deconsolidated adjusted EBITDA</b>	<b>\$ 5.2</b>	<b>\$ 15.8</b>	<b>\$ (0.9)</b>	<b>\$ 30.3</b>

#### *Distributable cash flow and deconsolidated distributable cash flow attributable to shareholders*

Distributable cash flow is calculated as net cash provided by (used in) operating activities before changes in non-cash working capital, plus cash distributions from investments, transaction costs, non-recurring transactions, and less other expenditures that use cash from operations. Also deducted is the distributable cash flow of Tidewater Renewables that is attributed to non-controlling interest shareholders. Management believes distributable cash flow is a useful metric for investors when assessing the amount of cash flow generated from normal 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. Transaction costs are added back as they can vary significantly based on the Corporation's acquisition and disposition activity. Non-

recurring transactions that do not reflect Tidewater's ongoing operations are also excluded. Lease payments, interest and financing charges, and maintenance capital expenditures, including turnarounds, are deducted as they are ongoing recurring expenditures which are funded from operating cash flows.

Deconsolidated distributable cash flow is calculated by subtracting the portion of Tidewater Renewables' distributable cash flow that is attributed to shareholders of Tidewater from distributable cash flow attributable to shareholders.

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

<i>(in millions of Canadian dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net cash provided by (used in) operating activities	\$ 47.8	\$ 27.8	\$ 33.1	\$ (1.5)
Add (deduct):				
Changes in non-cash operating working capital	(43.4)	12.3	(39.6)	72.3
Transaction costs	0.1	-	0.3	1.3
Non-recurring expenses	6.6	4.8	10.9	9.3
Interest and financing charges	(12.2)	(11.6)	(23.7)	(25.7)
Payment of lease liabilities and other, net of sublease payments	(2.7)	(8.8)	(5.7)	(19.2)
Maintenance capital	(4.7)	(14.1)	(6.3)	(16.3)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	(0.3)	(6.4)	1.4	(10.4)
<b>Distributable cash flow attributable to shareholders</b>	<b>\$ (8.8)</b>	<b>\$ 4.0</b>	<b>\$ (29.6)</b>	<b>\$ 9.8</b>
Tidewater Renewables' distributable cash flow attributed to shareholders of Tidewater	\$ (0.5)	\$ (13.9)	\$ 2.6	\$ (22.7)
<b>Deconsolidated distributable cash flow attributable to shareholders</b>	<b>\$ (9.3)</b>	<b>\$ (9.9)</b>	<b>\$ (27.0)</b>	<b>\$ (12.9)</b>

## Non-GAAP Financial Ratios

Tidewater uses non-GAAP financial ratios to present aspects of its financial performance or financial position, primarily distributable cash flow per share.

### *Distributable cash flow and deconsolidated distributable cash flow per share*

Distributable cash flow per share is calculated as distributable cash flow attributable to shareholders divided by the basic or diluted weighted average number of common shares outstanding for the period. Deconsolidated distributable cash flow per share is calculated as deconsolidated distributable cash flow attributable to shareholders divided by the basic or diluted weighted average number of common shares outstanding for the period. Management believes that these measures provide investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

<i>(in millions of Canadian dollars except share and per share information)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Distributable cash flow attributable to shareholders	\$ (8.8)	\$ 4.0	\$ (29.6)	\$ 9.8
Deconsolidated distributable cash flow attributable to shareholders	\$ (9.3)	\$ (9.9)	\$ (27.0)	\$ (12.9)
Weighted average common shares outstanding – basic and diluted (millions)	431.3	429.1	431.2	428.7
Distributable cash flow per share – basic and diluted	\$ (0.02)	\$ 0.01	\$ (0.07)	\$ 0.02
Deconsolidated distributable cash flow per share – basic and diluted	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.03)

## Capital Management Measures

Tidewater's methods for managing capital and liquidity are discussed in the **LIQUIDITY AND CAPITAL RESOURCES** section of this MD&A and within note 25 of the consolidated audited financial statements for the year ended December 31, 2024.

### *Consolidated and deconsolidated net debt*

Consolidated net debt is defined as bank debt, second lien debt, and convertible debentures, less cash. Consolidated 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.

In addition to reviewing consolidated net debt, management reviews deconsolidated net debt to highlight Tidewater Midstream's financial flexibility, balance sheet strength and leverage. Deconsolidated net debt is calculated as consolidated net debt less the portion attributable to Tidewater Renewables.

Consolidated and deconsolidated net debt exclude working capital, lease liabilities and derivative contracts as the Corporation monitors its capital structure based on deconsolidated net debt to deconsolidated adjusted EBITDA, consistent with its credit facility covenants as described in the **LIQUIDITY AND CAPITAL RESOURCES** section.

The following table reconciles consolidated and deconsolidated net debt:

<i>(in millions of Canadian dollars)</i>	June 30, 2025	June 30, 2024
Tidewater Midstream Senior Credit Facility	\$ 271.5	\$ 89.4
Tidewater Renewables Senior Credit Facility	15.0	143.4
Tidewater Renewables Second Lien Credit Facility	183.9	175.0
Convertible debentures - principal	100.0	100.0
Cash	(0.3)	(1.9)
<b>Consolidated net debt</b>	<b>\$ 570.1</b>	<b>\$ 505.9</b>
Less: Tidewater Renewables Senior Credit Facility	(15.0)	(143.4)
Less: Tidewater Renewables Second Lien Credit Facility	(183.9)	(175.0)
Add: Tidewater Renewables cash	0.2	1.9
<b>Deconsolidated net debt</b>	<b>\$ 371.4</b>	<b>\$ 189.4</b>

## Supplementary Financial Measures

“Growth capital” expenditures are generally defined as expenditures which are recoverable or incrementally increase cash flow or earnings potential of assets, expand the capacity of current operations or significantly extend the life of existing assets. This measure is used by the investment community to assess the extent of discretionary capital spending.

“Maintenance capital” expenditures are generally defined as expenditures which support and/or maintain the current capacity, cash flow or earnings potential of existing assets without the associated benefits characteristic of growth capital expenditures. These expenditures include major inspections and overhaul costs that are required on a periodic basis. This measure is used by the investment community to assess the extent of non-discretionary capital spending. Maintenance capital is included in the calculation of distributable cash flow.

Deconsolidated “net (loss) income attributable to shareholders” is comprised of net income or loss attributable to shareholders, as determined in accordance with IFRS, less the net income or loss of Tidewater Renewables attributed to the shareholders of Tidewater.

Deconsolidated “net (loss) income attributable to shareholders – per share” is calculated by dividing deconsolidated “net income or loss attributable to shareholders” by the basic weighted average number of Tidewater Midstream common shares outstanding for the period.

Deconsolidated “Total capital expenditures” is comprised of consolidated capital expenditures, as disclosed in Tidewater’s statement of cash flows, less the capital expenditures of Tidewater Renewables.

## OPERATIONAL DEFINITIONS

“bbl/d” means barrels per day; “MMcf/d” means million cubic feet per day.

“BC LCFS Credits” are tradable certificates awarded to fuel producers, importers, or users who produce or use fuels with a carbon intensity 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.

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

“crack spread” refers to the general price differential between crude oil and the petroleum products refined from it.

“refinery yield” (expressed as a percentage) represents the percentage of finished product produced from inputs of crude oil and renewable feedstock as well as intermediates. Refinery yields are an important measure of refinery performance indicating the outputs that running a particular feedstock and intermediates through a refinery configuration will produce.

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

“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 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 business objective;
- the expected timing of closing of the Western Pipeline Transaction;
- the expected effect of the Western Pipeline Transaction on the Corporation’s business;
- the sale of the Sylvan Lake Gas Processing Facility, including the expected timing of closing, the expected total proceeds to be received, the expected effect of the sale on the Corporation’s 2025 operating results, and the use of proceeds received from the sale;
- expectations regarding future opportunities for natural gas processing;
- the expected effect of the Amendments on the emissions credit market and the broader Canadian biofuels sector;
- the ongoing development of the SAF project including the expected timing of and requirements for a final investment decision with respect thereto;

- the receipt of the balance of the total proceeds from the sale of Tidewater Renewables' interest in RNG LP;
- the receipt of the balance of the proceeds from the BRC Roadway Sale;
- the entering into of an interconnection agreement with Pembina with respect to the terminal located at Taylor, BC;
- Tidewater's efforts to optimize its asset portfolio and divest certain non-core assets;
- potential interest in using conventional energy sites to support future data center developments;
- ongoing discussions regarding potential land and asset dispositions of property owned by Tidewater near Edmonton, Alberta; the Corporation's view of the of the renewable diesel and emissions credit markets, including the effect of the Amendments in relation thereto;
- Tidewater Renewables' contracted offtake at the HDRD Complex and the Tidewater Renewables' expectations regarding the sale of remaining production on the spot market;
- the Corporation's assessment of its options and legal remedies following the Tribunal's decision;
- the challenges faced by Tidewater Renewables due to competitive advantages enjoyed by U.S. renewable diesel producers;
- Tidewater's view of the refined product market, including the renewable diesel market;
- the Corporation's pursuit of competitive fairness in the renewable diesel industry;
- marketing efforts regarding the Corporation's products;
- Tidewater's business strategy and operational initiatives;
- throughput expectations at the PGR following the scheduled semi-annual heat exchanger cleaning;
- the PGR turnaround cycle and the next scheduled outage;
- the Corporation's efforts to optimize its netback on its diesel and gasoline;
- revenue expectations for gasoline and diesel volumes sold at the PGR and HDRD Complex under new offtake agreements as compared to the Offtake Agreement;
- supply and demand for products and services;
- the Corporation's plans for the sale of additional gasoline and diesel volumes on the spot gasoline and diesel markets and geographic markets other than Western Canada and the effect thereof;
- Tidewater Renewables' expectations of average throughput at the HDRD Complex for 2025;
- the turnaround cycle at the HDRD Complex and the next scheduled outage;
- expected throughput and utilization, including causes of variances thereof;
- 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;
- the Corporation's expectations of the demand for CFR Emission Credits;
- natural gas pricing expectations;
- expectations regarding producer activity;
- the resumption of operations at the Ram River Gas Plant;
- expectations for the Corporation's and Tidewater Renewables' capital program for 2025;
- planned turnaround activity at the HDRD Complex including the timing and impact thereof;
- the effect of movements in Tidewater Renewables' share price, volatility assumptions and other market-based inputs on the fair value of Tidewater Renewables' warrants;
- Tidewater's primary liquidity and capital resource needs;
- expectations regarding the sufficiency of net cash provided by operating activities, cash available from Senior Credit Facilities, proceeds from the sale of BC LCFS Credits, proceeds from the sale of non-core

assets and other sources of financing to meet the Corporation's obligations and financial commitments and fund anticipated capital expenditures;

- the Corporation's efforts to improve the liquidity and profitability of its existing business;
- the causes of variances to the Corporation's actual expenditures;
- the Corporation's use of letters of credit;
- the fluctuation in the fair value of derivative contracts;
- requirements for the Corporation and Tidewater Renewables to maintain certain financial covenants, including the Corporation's effort to improve these covenants and the Corporation's monitoring thereof;
- the fluctuation of cash provided by operating activities due to changes in inventory, commodity prices and seasonal demand;
- the fluctuation of working capital requirements due to fluctuations in commodity prices and demand;
- the Corporation's use of risk management strategies and policies, including the evaluation of counterparty credit risk;
- the ability of the Corporation to limit its credit risk through dealing with recognized futures exchanges or investment-grade financial institutions and by maintaining credit policies which minimize overall counterparty credit risk; and
- the Corporation's use of financial derivative contracts to manage commodity price, power, interest and foreign exchange risk.

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 assumptions regarding, but not limited to:

- Tidewater's ability to execute on its business plan;
- the effect of Tidewater Renewables' business operations on Tidewater Midstream;
- the timely receipt of all governmental and regulatory approvals sought by the Corporation;
- the ability of the Corporation and Tidewater Renewables to refinance existing credit facilities when due and/or obtain additional financing on satisfactory terms;
- the ability of the Corporation to satisfy the conditions to closing of the Western Pipeline Transaction;
- the ability of the Corporation to satisfy the conditions to closing of the sale of the Sylvan Lake Gas Processing Facility;
- the ability of Tidewater Renewables to satisfy the conditions necessary for the receipt of the balance of the proceeds from the sale of its interest in RNG LP;
- the ability of the Corporation to satisfy the conditions necessary for the receipt of the balance of the proceeds from the BRC Roadway Sale;
- the availability of options and legal remedies following the Tribunal's decision;
- the effect of countervailing (anti-subsidy) and anti-dumping duties on the renewable diesel market and the related emission credit market;
- the market for BC LCFS Credits and CFR Emission Credits;
- the effect of increasingly stringent CI reduction targets on obligated parties' operations and the emission credit market;
- general economic and industry trends;
- the effect of the semi-annual heat exchanger cleaning on throughput at the PGR;
- future commodity prices, including natural gas, crude oil, NGL and renewable energy prices;
- impacts of commodity prices and demand on the Corporation's working capital requirements;

- continuing government support for existing policy initiatives;
- processing and marketing margins;
- impacts of seasonality and climate disruptions;
- future capital expenditures to be made by the Corporation;
- foreign currency, exchange and interest rates, and expectations relating to inflation;
- that there are no unforeseen events preventing the performance of contracts;
- the availability of equipment and personnel required for Tidewater to execute its business plan;
- the amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under the Corporation's insurance policies;
- volume demands from the PGR and HDRD Complex are consistent with forecasts;
- successful negotiation and execution of agreements with counterparties;
- oil and gas industry exploration and development activity and the geographic region of such activity;
- the Corporation's ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the amount of operating costs to be incurred;
- that there are no unforeseen costs relating to the facilities, not recoverable from customers;
- that distributable cash flow and net cash provided by operating activities are consistent with expectations;
- the availability of capital to fund operations and future capital requirements relating to existing assets and projects;
- the ability of Tidewater to successfully market its products;
- the successful integration of acquisitions and projects into the Corporation's existing business;
- the Corporation's future debt levels and the ability of the Corporation to repay its debt when due; 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](http://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 demand for refined and renewable products;
- 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, stock market volatility, BC LCFS Credit market volatility, supply/demand trends, armed hostilities, acts of war, terrorism, cyberattacks, trade disruptions, diplomatic developments and inflationary pressures;
- the potential insufficiency of liquidity sources for Tidewater Renewables and the Corporation;
- activities of producers and customers and overall industry activity levels;
- failure to negotiate and conclude any required commercial agreements;
- the potential inability to refinance its existing debts;
- non-performance of agreements in accordance with their terms;
- failure to execute formal agreements with counterparties in circumstances where letters of intent or similar agreements have been executed and announced by Tidewater;

- the imposition of tariffs and the corresponding impact on producer activity and the supply and demand for Tidewater's products;
- the conflict in Ukraine and the Middle East and the corresponding impact on supply chains and the global economy;
- risks of health epidemics, pandemics, public health emergencies, quarantines, and similar outbreaks, including COVID-19, which may have sustained material adverse effects on the Corporation's business financial position results of operations and/or cash flows;
- changes in environmental and other laws and regulations or the interpretations of such laws or regulations;
- cost of compliance with applicable regulatory regimes, including, but not limited to, environmental laws and regulations, including greenhouse gas emissions;
- Indigenous and landowner consultation requirements;
- climate change initiatives or policies or increased environmental regulation;
- receipt of third party, regulatory, environmental and governmental approvals and consents relating to Tidewater's capital projects can be obtained on the necessary terms and in a timely manner;
- that the resolution of any particular legal proceedings could have an adverse effect on the Corporation's operating results or financial performance;
- competition for, among other things, business capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel;
- the ability to secure land and water, including obtaining and maintaining land access rights;
- operational matters, including potential hazards inherent in the Corporation's operations and the effectiveness of health, safety, environmental and integrity programs;
- actions by governmental authorities, including changes in regulation, tariffs and taxation;
- changes in operating and capital costs, including fluctuations in input costs;
- legal risks and environmental risks and hazards, including risks inherent in the transportation of NGLs and refining of light crude oils which may create liabilities to the Corporation in excess of the Corporation's insurance coverage, if any;
- 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;
- the availability of capital on acceptable terms;
- changes in the credit-worthiness of counterparties;
- adverse claims made in respect of the Corporation's properties or assets;
- risks and liabilities associated with the transportation of dangerous goods and derailments;
- 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;
- changes in gas composition; and
- failure to realize the anticipated benefits of acquisitions, dispositions and capital projects.

The foregoing lists are not exhaustive. Additional information on these and other factors which could affect the Corporation's operations or financial results are included in the Corporation's most recent AIF and in other documents on file with the Canadian securities regulatory authorities. Additionally, the Corporation faces certain risks as the majority shareholder of Tidewater Renewables including, without limitation, liquidity risk, commodity price risk (including in respect of the markets for BC LCFS Credits, CFR Emission Credits and other carbon credits, rebates, tax credits, grants and other incentives), equity risk, credit risk and risks related to changes in environmental regulations, economic, political or market conditions and the regulatory environment.

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 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 filings made by the Corporation with Canadian provincial securities commissions available 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's current expectations and plans for the future.