



TIDEWATER
Midstream and Infrastructure Ltd.

Management's Discussion and Analysis

For the year ended December 31, 2025

March 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the annual audited 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 March 25, 2026, and should be read in conjunction with Tidewater's audited consolidated financial statements as at and for the years ended December 31, 2025 and 2024 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS[®] Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), 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 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 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 natural gas processing plants gather and process raw natural gas before it is injected into long-distance pipeline systems for transportation to end-use markets. Tidewater's fractionation and straddle plants process, store and transport the by-products of natural gas processing, including NGLs such as ethane, propane, butane and condensate.

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

Additional information relating to Tidewater is available on SEDAR+ at www.sedarplus.ca and at www.tidewatermidstream.com.

HIGHLIGHTS

Fourth Quarter

- Consolidated net loss attributable to shareholders was \$30.0 million in the fourth quarter of 2025 compared to a net loss attributable to shareholders of \$3.3 million during the fourth quarter of 2024.
- Consolidated adjusted EBITDA⁽¹⁾ was \$3.0 million for the fourth quarter of 2025 compared to \$20.0 million in the fourth quarter of 2024.
- On October 21, 2025, Tidewater completed the sale of its Sylvan Lake gas plant and associated gathering infrastructure (collectively, the "Sylvan Lake Gas Processing Facility") to Parallax Energy Operating Inc. for total proceeds of approximately \$5.5 million, subject to customary adjustments. Proceeds from the transaction were used to repay amounts outstanding on the Tidewater Midstream Senior Credit Facility (as defined herein).
- On November 10, 2025, and December 4, 2025, Tidewater Midstream and the Government of BC executed initiative agreements that will provide Tidewater Midstream with BC LCFS Credits to support the production of low-carbon renewable diesel and renewable gasoline from the hydrotreater co-processing unit and fluid catalytic cracking ("FCC") co-processing infrastructure at the PGR. The BC LCFS Credits awarded under the initiative agreements are expected to fund a significant portion of the cost of the renewable feedstocks required to operate the hydrotreater co-processing unit during 2026 and 2027, and the FCC co-processing infrastructure between May 2026 and April 2028, at rates of 300 bbl/d for each of the respective units. In addition, the sale of low-carbon transportation fuels into the BC market will generate CFR Emission Credits and additional BC LCFS Credits for Tidewater Midstream.
- Tidewater Renewables successfully completed its scheduled turnaround at the HDRD Complex, including the identification and repair of an equipment failure. Following these repairs, the facility has demonstrated improved operational reliability, with utilization averaging near nameplate capacity to date in 2026.

Year End 2025

- Consolidated net loss attributable to shareholders was \$112.2 million during 2025 compared to a net loss attributable to shareholders of \$26.6 million during 2024.
- Consolidated adjusted EBITDA⁽¹⁾ was \$31.5 million during 2025 compared to \$134.3 million during 2024.
- On September 25, 2025, Tidewater completed the previously announced transaction with Pembina Pipeline Corporation and certain of its affiliates (collectively "Pembina") to acquire the north segment

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

of Pembina's Western Pipeline System (the "Western Pipeline"), through a wholly owned limited partnership for total cash consideration of approximately \$1.2 million, as well as the assumption of certain future abandonment and reclamation obligations and liabilities now estimated at approximately \$15.5 million (undiscounted value) (the "Western Pipeline Transaction"). 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.

- The 2025 year benefited from improved regulatory clarity following the Government of BC's February 27, 2025, announcement regarding amendments to the Low Carbon Fuels Act. These updates, which increased mandated renewable fuel content for diesel to 8% and requires such renewable fuel content to be produced in Canada, represents, in management's view, a significant step toward a fairer and more competitive trade environment for the Canadian renewable fuel industry.
- Execution of Tidewater Renewables' 6,500 bbl/d sustainable aviation fuel ("SAF") project reached significant milestones during the year, highlighted by the completion of front-end engineering design ("FEED") work in the second quarter of 2025 and the execution of an amended initiative agreement with the Government of BC in September 2025 (the "Amended Initiative Agreement"). The Amended Initiative Agreement provides additional BC LCFS Credits to support optimization efforts ahead of a targeted 2026 final investment decision.
- Tidewater's efforts to optimize its asset portfolio through the divestiture of non-core assets included the January 10, 2025 sale of Tidewater Renewables investment in the Rimrock Renewables Limited Partnership ("RNG LP") for a total purchase price of \$7.8 million, the March 24, 2025 sale of the BRC roadway network (the "BRC Roadway Network") for total proceeds of \$24.0 million, and the October 21, 2025 sale of the Sylvan Lake Gas Processing Facility for total proceeds of \$5.5 million. Proceeds from the transactions were used to repay indebtedness on the Senior Credit Facilities (as defined herein).

2026 GUIDANCE

- Tidewater is pleased to release its 2026 guidance, which is characterized by improved financial performance and accelerated deleveraging. The Corporation expects to deliver annual adjusted EBITDA⁽¹⁾ of between \$150.0 million and \$170.0 million, driven largely by optimized operational performance at the PGR, the BRC, and the HDRD Complex. The cash flow generated is expected to be prioritized towards consolidated debt reduction, reflecting management's commitment to strengthening the balance sheet and enhancing long-term shareholder value.

SUBSEQUENT EVENTS

- In January 2026, Tidewater Renewables formally submitted its application for the BioFuels Production Incentive (the "BPI"), a new \$370.0 million program announced by the Government of Canada in 2025 aimed at strengthening domestic production of biodiesel and renewable diesel. With expected renewable diesel production of between 150 million to 170 million litres per year, Tidewater Renewables anticipates that 100% of its production will qualify for the incentive. Management believes Tidewater Renewables is well-positioned to benefit from the BPI, supporting improved cash flow and returns over the eligible period. Under the terms of the program, Tidewater Renewables

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

expects to receive an incentive of \$0.16 per litre. This is projected to generate between \$24.0 million to \$27.2 million in annual cash proceeds for each of 2026 and 2027.

- On March 9, 2026, Ian Quartly was appointed Chief Financial Officer (“CFO”) of Tidewater. Mr. Quartly had been serving as Tidewater’s Interim CFO since May 7, 2025. In addition to his position as CFO of Tidewater, Mr. Quartly also continues to serve as CFO of Tidewater Renewables, a position he has held since May 2024.
- On March 23, 2026, Tidewater Midstream made several amendments to its Senior Credit Facility. The amendments extend the maturity dates of the syndicated and operating components of the facility from September 12, 2026 to August 30, 2027, and revise the Tidewater Midstream financial covenant requirements beginning March 31, 2026.

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 December 31			
	Tidewater Deconsolidated ⁽²⁾		Tidewater Consolidated	
	2025	2024	2025	2024
Net loss attributable to shareholders	\$ (21.6)	\$ (2.4)	\$ (30.0)	\$ (3.3)
Net loss attributable to shareholders per share - basic	\$ (1.00)	\$ (0.11)	\$ (1.39)	\$ (0.15)
Adjusted EBITDA ⁽¹⁾	\$ 6.8	\$ 14.0	\$ 3.0	\$ 20.0
Distributable cash flow attributable to shareholders ⁽¹⁾	\$ (8.3)	\$ (6.6)	\$ (15.3)	\$ (11.7)
Distributable cash flow per share – basic ⁽¹⁾	\$ (0.38)	\$ (0.31)	\$ (0.71)	\$ (0.54)
Net debt ⁽³⁾	\$ 373.3	\$ 381.8	\$ 579.5	\$ 577.6
Total capital expenditures	\$ 3.7	\$ 5.5	\$ 6.7	\$ 11.2

(1) Non-GAAP financial measure. 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>	Year ended December 31			
	Tidewater Deconsolidated ⁽²⁾		Tidewater Consolidated	
	2025	2024	2025	2024
Net loss attributable to shareholders	\$ (110.6)	\$ (40.7)	\$ (112.2)	\$ (26.6)
Net loss attributable to shareholders per share - basic	\$ (5.12)	\$ (1.89)	\$ (5.19)	\$ (1.24)
Adjusted EBITDA ⁽¹⁾	\$ 5.7	\$ 59.8	\$ 31.5	\$ 134.3
Distributable cash flow attributable to shareholders ⁽¹⁾	\$ (48.9)	\$ (22.7)	\$ (59.7)	\$ (3.1)
Distributable cash flow per share – basic ⁽¹⁾	\$ (2.26)	\$ (1.06)	\$ (2.76)	\$ 0.14
Net debt ⁽³⁾	\$ 373.3	\$ 381.8	\$ 579.5	\$ 577.6
Total capital expenditures	\$ 9.5	\$ 23.4	\$ 22.6	\$ 44.9

(1) Non-GAAP financial measure. 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.

Consolidated net loss attributable to shareholders was \$30.0 million in the fourth quarter of 2025 compared to a net loss attributable to shareholders of \$3.3 million during the fourth quarter of 2024. The larger net loss in the fourth quarter of 2025 was primarily due to lower operating income, the absence of an impairment reversal in the current quarter, and lower income from equity investments, offset in part by favorable changes in the fair value of derivative contracts and lower interest rates in the current period.

Consolidated adjusted EBITDA⁽¹⁾ was \$3.0 million in the fourth quarter of 2025 compared to \$20.0 million in the same period of 2024. The decrease was primarily due to a lower gross margin in the current period and lower contributions from equity investments, partially offset by lower losses on realized derivative contracts.

The 2025 fiscal year experienced weak energy commodity pricing in Western Canada, with lower realized prices for conventional and renewable diesel largely attributed to the influx of subsidized U.S. renewable diesel into the BC market, and very low AECO prices leading to production shut-ins for natural gas. However, Tidewater remains optimistic about the long-term opportunities for natural gas processing, as LNG Canada and other liquified natural gas export terminals started to ramp up during the second half of 2025 and into 2026, along with higher forward AECO prices as compared to recent spot prices. Tidewater expects that market conditions for refined products will continue to improve as the impact of the various provincial and federal initiatives announced in 2025 filter through the market, and from the closure of several North American refineries which is expected to structurally shift the local supply of refined product.

On January 10, 2025, Tidewater Renewables completed the sale of its interest in RNG LP to Biocirc Canada Holdings Inc., an affiliate of Biocirc Group ApS, for a total purchase price of \$7.8 million, of which \$4.7 million was received on close and a further \$2.1 million was received in February of 2026 in satisfaction of the total purchase price. The proceeds of this transaction were used by Tidewater Renewables to repay outstanding indebtedness.

On March 24, 2025, Tidewater completed the sale of its BRC Roadway Network to Canadian Resource Roadways LP for total proceeds of \$24.0 million (the "BRC Roadway Sale"). The BRC Roadway Network was a non-core asset and the disposition of the BRC Roadway Network had an immaterial impact on Tidewater's 2025 operating results. Tidewater received \$22.5 million of proceeds upon closing of the transaction which were used on March 26, 2025, to reduce the term facility component of the Tidewater Midstream Senior Credit Facility. The balance of the proceeds were received on December 29, 2025, and were used on January 6, 2026, to reduce the term facility component of the Tidewater Midstream Senior Credit Facility.

On August 28, 2025, further to the special resolution approved by Tidewater Midstream shareholders at the annual general and special meeting held on May 27, 2025, Tidewater Midstream completed a share consolidation on the basis of one post-consolidation common share for every twenty pre-consolidation common shares. As a result of the consolidation, the number of outstanding common shares was reduced from 431,924,662 pre-consolidation common shares to 21,596,232 post-consolidation common shares.

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

Proportionate adjustments have been made to the conversion price of Tidewater Midstream’s outstanding convertible unsecured subordinated debentures in accordance with the trust indenture dated June 4, 2024, as well as Tidewater Midstream’s stock options (and exercise prices), restricted share units (“RSU’s”), performance share units and deferred share units (“DSU’s”) in accordance with the terms and conditions of the respective plans under which they are issued. All information related to the aforementioned stock option and share plans, convertible debentures, earnings per share, issued and outstanding common shares, basic and diluted common shares, and per share amounts in this MD&A have been adjusted retrospectively to reflect the share consolidation.

On September 25, 2025, Tidewater completed the previously announced Western Pipeline Transaction.

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 entered into an interconnection agreement which will allow Tidewater to continue to access existing crude oil 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 cost of the acquisition was allocated to the assets and liabilities based on their relative fair values on the acquisition date.

Property, plant and equipment	\$	8.6
Decommissioning obligations		(7.4)
Consideration paid	\$	1.2

During the fourth quarter of 2025, an independent site-specific liability assessment was completed for the Western Pipeline. Undiscounted remediation costs for the asset have been revised from approximately \$30.0 million to approximately \$15.5 million based on the updated liability assessment.

Closing adjustments for the acquisition of the Western Pipeline were finalized in January 2026 and included an \$11.8 million reimbursement of net tolls that Tidewater had paid to Pembina between the transaction effective date of January 1, 2025 and the transaction close date of September 25, 2025. The \$11.8 million closing adjustment was received by Tidewater on January 20, 2026, and used to pay down amounts on the Tidewater Midstream Senior Credit Facility.

On October 21, 2025, Tidewater completed the sale of its Sylvan Lake Gas Processing Facility to Parallax Energy Operating Inc. for total proceeds of approximately \$5.5 million, subject to customary adjustments. The Sylvan Lake Gas Processing Facility was a non-core asset to Tidewater located in central Alberta. Tidewater used \$2.8 million of the proceeds to permanently reduce the term facility component of the Tidewater Midstream Senior Credit Facility. The balance of the proceeds were used to pay down amounts on the operating facility component of the Tidewater Midstream Senior Credit Facility.

On November 10, 2025 and December 4, 2025, Tidewater Midstream and the Government of BC executed initiative agreements that will provide Tidewater Midstream with BC LCFS Credits to support the production of low-carbon renewable diesel and renewable gasoline from the hydrotreater co-processing unit and FCC co-processing infrastructure at the PGR. The BC LCFS Credits awarded under the initiative agreements are expected to fund a significant portion of the cost of the renewable feedstocks required to operate the hydrotreater co-processing unit during 2026 and 2027, and the FCC co-processing infrastructure between May 2026 and April 2028, at rates of 300 bbl/d for each of the respective units. In addition, the sale of low-carbon transportation fuels into the BC market will generate CFR Emission Credits and additional BC LCFS Credits for Tidewater Midstream.

Tidewater's efforts to optimize its asset portfolio and divest of its non-core assets are ongoing. Current market dynamics have spurred increased interest in leveraging conventional energy sites to support the development of high value infrastructure, which can enable a broad range of energy and industrial system opportunities. In particular, the Corporation is exploring and in discussions with multiple parties regarding potential transactions related to certain non-core Tidewater assets.

Regulatory developments

Following the Government of Canada's September 5, 2025, announcement of the BPI, Tidewater Renewables formally submitted its program application in January 2026. This time-limited program is, in management's view, a pivotal development for the Canadian renewable fuels sector, specifically designed to strengthen domestic production and competitiveness.

The BPI framework provides substantial, non-repayable financial support from January 2026 through December 2027 at the following incentive rates:

- \$0.16 per litre for the first 170 million litres produced annually; and
- \$0.10 per litre for the next 130 million litres produced annually.

With the HDRD Complex anticipated to produce between 150 million and 170 million litres annually, Tidewater Renewables is ideally positioned to receive between \$24.0 million and \$27.2 million in both 2026 and 2027. These payments are expected to be received quarterly in arrears, providing a consistent and meaningful boost to the HDRD Complex's economics, liquidity, and overall profitability throughout the incentive window.

In addition to the BPI, on September 5, 2025, the Government of Canada announced its intent to make targeted amendments to the Clean Fuel Regulations (the "CFR") to strengthen the resiliency and support the development of Canada's low-carbon fuel sector. While the BPI offers immediate short-term financial support, the proposed amendments seek to establish a structural, long-term market mechanism to ensure the sustained viability of domestic production. The Government of Canada is currently evaluating two primary regulatory pathways:

- Minimum Domestic Content Approach - This mechanism would require a defined share of the renewable content blended into gasoline and diesel to originate from Canadian production. This approach aligns with the policy announced by the Government of BC on February 27, 2025, which increased renewable fuel requirements for diesel from 4% to 8% and requires such renewable fuel content to be produced in Canada; and
- Credit Multiplier Approach - Under this mechanism, domestic low-carbon fuels would receive a higher ratio of CFR Emission Credits per litre than imported fuels. The Government of Canada estimates that a multiplier of approximately 1.4 for biomass-based diesel would be required to achieve parity with the production tax incentive currently received by U.S. producers.

Management supports both proposed pathways and believes Tidewater is well-positioned to benefit from either, or a combination of both, if implemented. These developments represent a critical step in leveling the competitive landscape against, what management believes to be, unfair international trade practices. By aligning federal support with the efforts of Canadian producers and agricultural partners, including canola growers, Tidewater Renewables remains at the forefront of delivering long-term value in Canada's low-carbon economy.

CAPITAL PROGRAM

Tidewater's 2025 consolidated maintenance capital program was focused on maintaining safe and reliable operations. Full-year consolidated maintenance capital spending was \$18.9 million, within the range of the previously disclosed guidance of between \$15.0 million and \$20.0 million, inclusive of maintenance capital in relation to the Western Pipeline following the completion of the acquisition on September 25, 2025.

Tidewater Renewables' 2025 maintenance capital spending was \$9.2 million, within the range of the previously disclosed maintenance capital guidance of between \$8.0 million to \$10.0 million, and primarily related to the planned turnaround activities at the HDRD Complex in the third quarter of 2025.

The main expenditure under Tidewater Renewables' 2025 growth capital program was the FEED work conducted on the proposed 6,500 bbl/d SAF project in BC. The SAF project is being developed under a joint development agreement with Tidewater Midstream, whereby both parties have the right to participate in up to 50% of the project upon a final investment decision, which is targeted for 2026.

The SAF FEED work is complete and was funded through the sale of capital emissions credits issued under an executed initiative agreement with the Government of BC. Tidewater Renewables is now advancing optimization work on the project, which is partially funded through the Amended Initiative Agreement. Tidewater Renewables is actively pursuing long-term offtake agreements for the SAF product expected to be produced. Tidewater Renewables continues to see significant interest in supporting future SAF developments, as well as other renewable fuel initiatives, from various provincial and federal governments.

2026 GUIDANCE

Tidewater is pleased to release its 2026 guidance, which is characterized by higher facility performance, costs savings, and accelerated deleveraging.

Tidewater's 2026 consolidated adjusted EBITDA⁽¹⁾ is expected to range between \$150.0 million and \$170.0 million, a projected increase of between \$118.5 million to \$138.5 million compared to 2025. Tidewater's 2026 full-year consolidated capital program is expected to range between \$20.0 million and \$25.0 million.

<i>(in millions of Canadian dollars)</i>	2026 Tidewater Consolidated Guidance
Adjusted EBITDA ⁽¹⁾	\$150.0 - \$170.0
Capital expenditures ⁽²⁾	\$20.0 - \$25.0

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

(2) Capital expenditures are presented net of capital emission credits.

Tidewater's 2026 guidance is driven by expected increases in facility utilization at the PGR, the BRC, and Tidewater Renewables' HDRD Complex. Scheduled equipment cleaning and maintenance will take place at the PGR during April and October of 2026. The PGR will take a short facility outage in April and will operate on reduced rates for part of October for this work. Outside of these periods, PGR facility utilization is expected to remain high, and includes a full year of production from the hydrotreater co-processing unit and six months of production from the FCC co-processing unit. Additionally, operating cost efficiencies are expected to be generated through the 2025 acquisition of the Western Pipeline. The long-term gas handling and NGL supply agreements entered into in January of 2026 are expected to result in

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

higher throughput at the BRC. The resulting expansion in cash flow is expected to be primarily directed toward debt reduction.

Commercial activities at the PGR are focused on stabilizing product margins to provide cash flow certainty. The Corporation has hedged approximately 50% of crack spread exposure between April and December of 2026 to manage commodity price volatility.

The Corporation's 2026 consolidated capital program prioritizes maintaining safe and reliable operations in addition to focusing on the long-term integrity and efficiency of the Corporation's asset base. Capital spending in 2026 will be largely directed towards maintenance projects at the various facilities.

Tidewater Renewables

Tidewater Renewables 2026 guidance is highlighted by accelerated debt reduction and a projected increase in adjusted EBITDA⁽¹⁾ of between \$54.2 million to \$64.2 million compared to 2025. This significant year over year growth is expected to be driven by increased production volumes and market assumptions that anticipates a more favourable pricing environment compared to 2025. Tidewater Renewables 2026 strategy prioritizes maximizing throughput at the HDRD Complex and capturing stable cash flows to aggressively strengthen the balance sheet. The resulting expansion in cash flow is expected to be primarily directed toward debt reduction.

To further protect the Tidewater Renewables' financial position, management has implemented a proactive hedging program for 2026. As of the date of this MD&A, Tidewater Renewables has hedged approximately 50% of April through December 2026 renewable diesel (and attached emission credits) sales and associated feedstock purchases. By utilizing these derivative instruments, Tidewater Renewables has locked in a strong gross margin on a significant portion of its 2026 production, effectively reducing exposure to commodity pricing volatility and ensuring more predictable cash flows.

<i>(in millions of Canadian dollars, unless otherwise stated)</i>	2026 Tidewater Renewables Guidance
Adjusted EBITDA ⁽¹⁾	\$80.0 - \$90.0
Sales volume (MM litres)	150.0 – 170.0
Capital expenditures ⁽²⁾	\$2.0 - \$3.0

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

(2) Capital expenditures are presented net of capital emission credits.

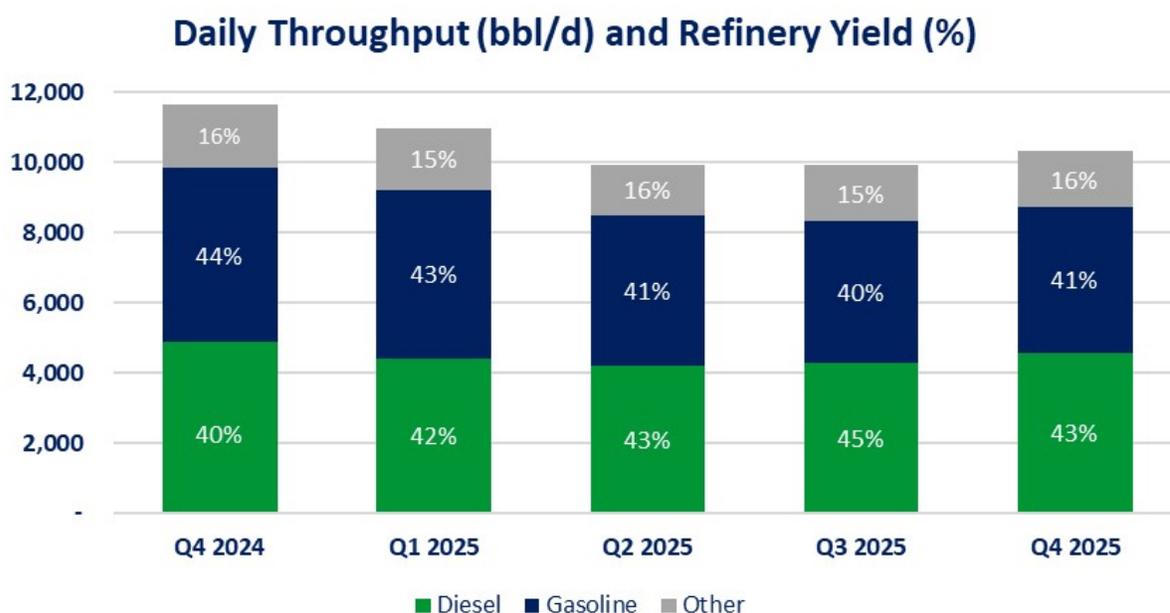
While Tidewater Renewables remains focused on deleveraging, it will continue to advance its assets through a disciplined capital program. Growth expenditures remain focused on the optimization of the SAF project. Expenditures on SAF optimization are expected to be largely funded through the monetization of capital emission credits issued under the Amended Initiative Agreement, preserving operating cash flow for debt repayment. Maintenance capital expenditures are directed strictly toward sustaining asset integrity, operational reliability, and process safety across the HDRD Complex to support long-term production targets.

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 BC. The PGR has significant onsite storage capacity of more than 1.0 MMbbl and flexible logistics, with pipeline, rail, and truck connectivity.

During the fourth quarter of 2025, utilization at the PGR was 10,809 bbl/day, or 90% of design capacity, compared to 10,313 bbl/d, or 86% of design capacity, during the third quarter of 2025. Facility utilization in the fourth quarter of 2025 remained relatively consistent with the fourth quarter of 2024. Utilization levels have increased from the third quarter of 2025 as throughput increased following the completion of the semi-annual heat exchanger cleaning in early October. As previously disclosed, the PGR will be moving to a five-year turnaround cycle, with the next scheduled turnaround in the second quarter of 2028. Information from the 2023 turnaround and operating performance of the refinery over the past two years allows extending the turnaround cycle to five years with continued safe, reliable, and high throughput operations. A five-year turnaround cycle is well within industry norms across North American refineries.

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 \$94/bbl during the fourth quarter of 2025, a 4% increase from the third quarter of 2025 and a 25% increase from the fourth quarter of 2024. The increase from both the third quarter of 2025 and the fourth quarter of 2024 was primarily due to lower feedstock costs and higher diesel pricing, offset in part by lower gasoline pricing.

Gasoline sales volumes increased from third quarter of 2025 and were relatively consistent with the fourth quarter of 2024.

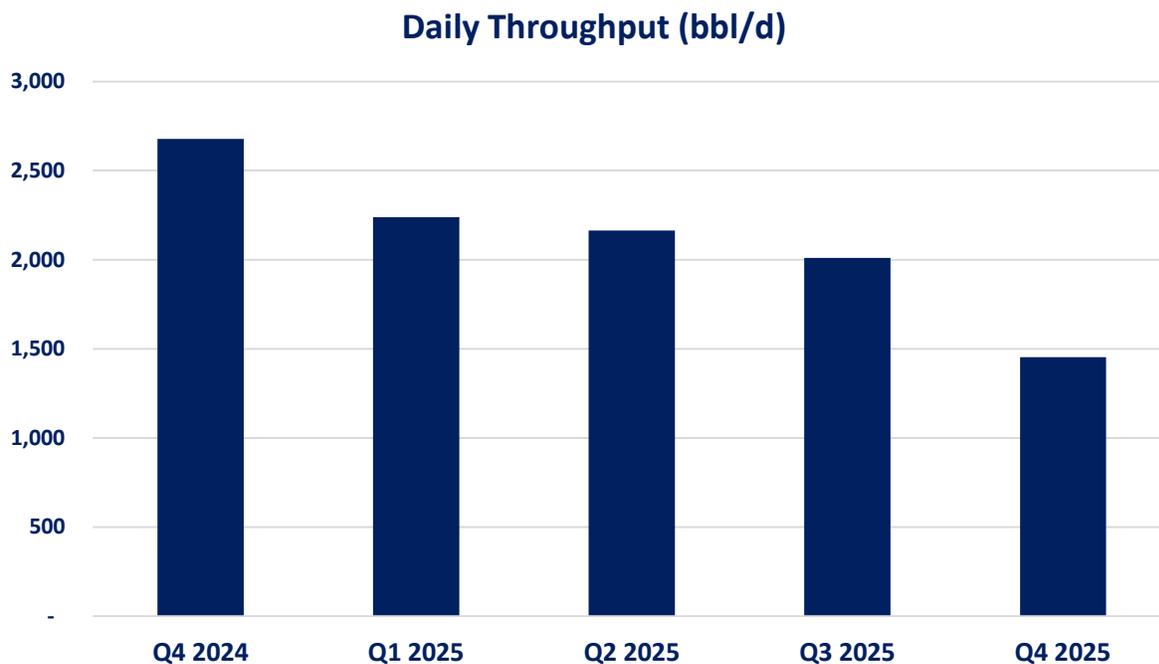
Diesel sales volumes in the fourth quarter of 2025 declined compared to both the third quarter of 2025 and the fourth quarter of 2024 due to seasonal blending requirements and distillate component constraints. As previously disclosed, feedstock density and operational constraints reduced facility utilization at the PGR during the second and third quarters of 2025, and the reduced effective diesel yield resulted in lower light distillate inventory levels entering the winter season.

Wholesale discounts were wider in 2025, largely stemming from the oversupply of diesel in Western Canada as well as North American supply and demand fundamentals. Tidewater is continually working to optimize its netbacks on its diesel and gasoline.

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 December 31, 2025, the HDRD Complex achieved an average utilization rate of 1,453 bbl/d, or 48% of design capacity. This compares to 2,677 bbl/d, or 89% of design capacity, during the same period in the prior year. During the year ended December 31, 2025, the HDRD Complex achieved an average utilization rate of 1,967 bbl/d, or 66% of design capacity, in line with previously announced 2025 guidance, compared to 2,643 bbl/d, or 88% of design capacity, during the same period in 2024.

The decrease in utilization during the three months and year ended December 31, 2025, was primarily due to planned turnaround activities carried out in September 2025 through October 2025. The turnaround was originally expected to last approximately three weeks but was extended by an additional two weeks due to greater than anticipated fouling in the hydrodeoxygenation reactor beds. Despite the delay, the turnaround was completed safely, with operations resuming on October 14, 2025.

Shortly after operations resumed, an equipment failure was identified which required the HDRD Complex to take an unplanned outage. The issue was temporarily repaired, resulting in a delay of approximately two weeks, and operations resumed on October 29, 2025. Following the restart, the facility underwent a controlled ramp-up period, during which utilization improved steadily. The temporary repair was subsequently removed, and the rebuilt component was safely installed during a planned seven-day outage that was completed on December 12, 2025. A disciplined ramp-up process followed, supported by strong operational oversight. The HDRD Complex exited the year with throughput at full capacity of 3,000 bbl/d.

In addition, utilization during the year ended December 31, 2025 was impacted by the previously disclosed minor fire incident that occurred on April 1, 2025, at the main renewable diesel process unit within the HDRD Complex. The incident was promptly contained, with the affected area safely isolated and stabilized. Operations resumed on April 14, 2025, and utilization improved in the weeks that followed as part of a safe and controlled restart.

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 minor and major cycle. The minor turnarounds primarily involve hydrodeoxygenation catalyst replacement of two reactors, along with routine maintenance. Leveraging operational insights gained during the first two years of operations, including the insights gained from the most recent turnaround, Tidewater Renewables plans to extend the turnaround schedule for the hydrodeoxygenation catalyst life to approximately two and half years, to align with the first major turnaround planned for spring of 2028. The major turnarounds include activities performed during a minor turnaround, in addition to a 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 CFR and the U.S. Renewable Fuel Standard Program, as well as provincial and state-level low-carbon fuel standard programs, including those in BC, 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. The renewable fuel produced by Tidewater Renewables has a CI low enough to generate environmental credits in these 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.

Looking forward, the BC Low Carbon Fuel Standard program mandates that marketers of fossil-derived fuels and their alternatives adhere to increasingly stringent CI reduction targets. Specifically, the diesel CI reduction target was set at 18.3% in 2025, with an increase to 20.6% in 2026, 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, BC remains the only province in Canada with an established low-carbon fuel standard program, positioning it as a leader in clean fuel policy.

The CFR, a federally mandated program, 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 BC, 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_{2e} lifecycle emission reduction. Tidewater Renewables' 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, a trend that would be further supported by the implementation of either of the two targeted amendments currently being evaluated by the Government of Canada.

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 102 MMcf/day in the fourth quarter of 2025, 22 MMcf/day lower than 124 MMcf/day during the third quarter of 2025, and 30 MMcf/d lower than 132 MMcf/d during the fourth quarter of 2024. The decrease in throughput from both the third quarter of 2025 and fourth quarter of 2024 is largely due to lower straddle volumes coming through the facility. The decrease from the third quarter of 2025 was partially offset by higher producer volumes in the current quarter.

The BRC fractionation facility utilization averaged 82% in the fourth quarter of 2025, compared to 85% in the third quarter of 2025 and 94% in the fourth quarter of 2024. The decrease in utilization from both the third quarter of 2025 and fourth quarter of 2024 was primarily due to lower trucked-in volumes. 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.

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 producer gas flow to resume. Despite sulfur handling operations returning to service late in the first quarter of 2025, the gas plant remained offline throughout the year. Management's intent is to restart the facility when commodity prices strengthen and gas flow from producers restarts.

RESULTS OF OPERATIONS

Results overview

<i>(in millions of Canadian dollars except per share and percentage information)</i>	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Revenue	\$ 314.1	\$ 362.0	\$ 1,318.5	\$ 1,640.5
Operating expenses	\$ 303.4	\$ 334.0	\$ 1,275.8	\$ 1,442.6
General and administrative	\$ 6.0	\$ 6.5	\$ 22.8	\$ 39.5
Share-based compensation	\$ 1.0	\$ 0.4	\$ 5.2	\$ 5.0
Depreciation	\$ 16.4	\$ 24.8	\$ 63.6	\$ 90.5
Finance costs and other	\$ 16.9	\$ 21.5	\$ 71.6	\$ 81.5
Realized loss on derivative contracts	\$ 4.2	\$ 7.6	\$ 19.2	\$ 42.4
Unrealized gain on derivative contracts	\$ (5.7)	\$ (1.9)	\$ (25.2)	\$ (17.9)
Realized gain on marketable securities	\$ -	\$ -	\$ -	\$ (5.0)
Impairment reversal	\$ -	\$ (24.3)	\$ -	\$ (19.7)
Loss on sale of assets	\$ 2.8	\$ 1.9	\$ 5.7	\$ 1.0
Loss (income) from equity investments	\$ 7.4	\$ (3.8)	\$ (3.6)	\$ (3.7)
Transaction costs	\$ 0.5	\$ 0.4	\$ 0.9	\$ 4.7
Deferred income tax recovery	\$ (4.2)	\$ (1.6)	\$ (4.2)	\$ (1.6)
Net loss attributable to shareholders	\$ (30.0)	\$ (3.3)	\$ (112.2)	\$ (26.6)
Basic and diluted net loss attributable to shareholders per share	\$ (1.39)	\$ (0.15)	\$ (5.19)	\$ (1.24)
Net cash provided by (used in) operating activities	\$ 27.7	\$ 16.9	\$ 57.2	\$ (33.5)
Total common shares outstanding (millions)	21.7	21.6	21.7	21.6
Total consolidated assets	\$ 1,105.3	\$ 1,241.0	\$ 1,105.3	\$ 1,241.0

Revenue

Revenue for the three months ended December 31, 2025, was \$314.1 million compared to \$362.0 million for the three months ended December 31, 2024. The decrease was primarily due to unfavorable market prices and lower sales volumes for crude oil and NGLs, lower sales volumes of diesel and emission credits, and lower sales prices for gasoline. These decreases were partially offset by higher revenue from gas storage activities at the BRC and a higher average diesel sales price during the fourth quarter of 2025.

Revenue for the year ended December 31, 2025, was \$1,318.5 million compared to \$1,640.5 million for the year ended December 31, 2024. The decrease was primarily due to an oversupply of conventional and renewable diesel in the market leading to decreased sales and unfavorable pricing, larger wholesale discounts at the PGR, and lower sales volumes and realized prices for emission credits. Emission credits sold in the third quarter of 2024 were under forward contracts that were priced during the first half of 2024, when emission credit prices were significantly higher. BC LCFS Credit prices declined sharply during the third quarter of 2024 and have remained at depressed levels. Additionally, lower year-to-date throughput at the PGR and the HDRD Complex resulted in lower sales volumes of refined products from the facilities. Revenue was also impacted by lower crude oil marketing activities and prices, and the temporary shut-in of gas processing activities at the Ram River Gas Plant. These decreases were offset in part by higher revenue from gas storage activities at the BRC.

Net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 169 MMcf/day during the fourth quarter of 2025, a 22% decrease compared with 218 MMcf/day in the same

period of 2024. The decrease was primarily due to lower straddle volumes coming through Tidewater's extraction facilities.

Net throughput volumes at Tidewater's natural gas processing and extraction facilities averaged 179 MMcf/day during the year ended December 31, 2025, a 28% decrease compared with 248 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, capacity constraints at Plant 3 of the BRC between February and June due to the maintenance outage at the facility, and lower straddle volumes coming through the BRC during the fourth quarter, 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 decreased by \$30.6 million to \$303.4 million for the three months ended December 31, 2025, from \$334.0 million for the three months ended December 31, 2024. The decrease was primarily due to lower commodity prices for crude oil, NGL mix supply, and shrinkage gas related to the Corporation's extraction facilities, and a lower volume of feedstock processed at the HDRD Complex due to scheduled turnaround activities extending into the fourth quarter.

For the year ended December 31, 2025, operating expenses were \$1,275.8 million, a decrease of \$166.8 million from \$1,442.6 million in the comparative period of 2024. The decrease in the period 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, and the temporary shut-in of gas processing activities at the Ram River Gas Plant starting in the third quarter of 2024.

General and administrative

General and administrative expenses for the three months ended December 31, 2025, were \$6.0 million, relatively consistent with \$6.5 million for the three months ended December 31, 2024. General and administrative expenses for the year ended December 31, 2025, were \$22.8 million compared to \$39.5 million for the year ended December 31, 2024. The decrease was primarily due to lower employee compensation costs and non-recurring management-related costs, as the comparative period included expenses related to executive leadership changes made during the first half of 2024.

Share-based compensation

For the three months and year ended December 31, 2025, share-based compensation costs were \$1.0 million and \$5.2 million, respectively, compared to \$0.4 million and \$5.0 million for the three months and year ended December 31, 2024, respectively. The increase in share-based compensation expense for both periods was primarily attributable to the absence of share award forfeitures and cancellations arising from workforce reductions, as well as performance factor adjustments for certain restricted share units, which had resulted in recoveries in the comparable periods of 2024.

Depreciation

Depreciation expense for the three months and year ended December 31, 2025, was \$16.4 million and \$63.6 million, respectively, compared to \$24.8 million and \$90.5 million for the three months and year ended December 31, 2024, respectively. The change in both periods was 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 December 31, 2025, were \$16.9 million, compared to \$21.5 million in the same period of 2024. The decrease was largely due to lower average interest rates on the Senior Credit Facilities and lower foreign exchange losses and other interest costs. During the year ended December 31, 2025, finance costs and other were \$71.6 million compared to \$81.5 million in the comparative period of 2024, primarily due to lower average interest rates on the Senior Credit Facilities and lower average debt drawn on the Tidewater Renewables Senior Credit Facility, offset in part by higher average debt drawn on the Tidewater Midstream Senior Credit Facility.

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 expense 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 December 31, 2025, was \$4.2 million compared to a realized loss of \$7.6 million in the same period of 2024. The realized loss during the three months ended December 31, 2025, was primarily related to the settlement of vegetable oil and power derivative contracts. The realized loss during the three months ended December 31, 2024, largely related to the settlement of vegetable oil derivative contracts, offset in part by realized gains on the settlement of refined product derivative contracts.

During the year ended December 31, 2025, the realized loss on derivative contracts was \$19.2 million, compared to a realized loss of \$42.4 million in the same period of 2024. The realized losses during the years ended December 31, 2025 and 2024, largely related to the settlement of vegetable oil derivative contracts.

Unrealized gain on derivative contracts

The unrealized non-cash gain on derivative contracts for the three months ended December 31, 2025, was \$5.7 million compared to an unrealized non-cash gain of \$1.9 million for the three months ended December 31, 2024. During the year ended December 31, 2025, Tidewater recorded an unrealized non-cash gain on derivative contracts of \$25.2 million, compared to an unrealized non-cash gain of \$17.9 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 \$1.3 million and an unrealized non-cash loss of \$4.9 million for the three months and year ended December 31, 2025, respectively, were recognized on the revaluation of Tidewater Renewables' 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.

Impairment reversal

In the fourth quarter of 2024, Tidewater recorded \$24.3 million of net reversals of previously recorded impairment charges to the Deep Basin cash generating unit (“CGU”). The impairment reversal resulted from a net increase in the estimated recoverable amount of certain assets within the Deep Basin CGU compared to the prior impairment assessment performed at December 31, 2023. The increase in the net estimated recoverable amount was primarily due to the elimination of take-or-pay fees paid to Tidewater Renewables as a result of the Tidewater Renewables Transaction, and the review of the recoverable amount of the BRC Roadway Network as a result of its sale. The recoverable amounts were calculated based on fair value less costs to dispose or value in use, which represents the estimated net present value of the cash flows expected to be derived from the asset.

During the third quarter of 2024, the Corporation decided to cease further contributions to the NGIF Cleantech Ventures Fund, and other smaller non-core investments, leading to a reassessment of the recoverable amounts. Consequently, the Corporation recognized an impairment charge of \$3.9 million to derecognize the investment values to \$NIL. Additionally, a \$0.7 million impairment charge was recognized on certain non-core renewable natural gas assets which were reclassified as held for sale during the third quarter of 2024.

Loss on sale of assets

During the fourth quarter of 2025, Tidewater recognized a loss on sale of assets of \$2.8 million. Included in this amount was a \$1.4 million gain on sale related to the October 21, 2025 disposition of the Sylvan Lake Gas Processing Facility and a \$1.0 million loss on Tidewater Renewables’ sale of RNG LP. The remainder of the loss related to certain other non-core assets disposed of in the quarter.

During the fourth quarter of 2024, the Corporation disposed of certain non-core assets for a loss of \$1.9 million.

Loss (income) from equity investments

During the three months ended December 31, 2025, Tidewater Renewables’ equity investment in Rimrock Cattle Company Ltd. generated a loss of \$7.4 million compared to income of \$3.8 million during the three months ended December 31, 2024. The decrease in the fourth quarter of 2025 was primarily driven by lower cattle sales and higher unrealized losses from the revaluation of the cattle inventory. Income from equity investments for the year ended December 31, 2025, was \$3.6 million, relatively consistent with \$3.7 million in the same period of 2024.

Deferred income tax recovery

During the three months and year ended December 31, 2025, the Corporation recognized a deferred income tax recovery of \$4.2 million compared to a deferred income tax recovery of \$1.6 million during the same periods of 2024. The deferred tax recovery in 2025 primarily related to the recognition of non-capital loss pools in Tidewater Renewables. The Corporation recognizes deferred tax assets only when it

is probable that future taxable profits will be available to utilize underlying deductible temporary differences.

Net loss attributable to shareholders

During the three months ended December 31, 2025, Tidewater generated a net loss attributable to shareholders of \$30.0 million compared to a net loss attributable to shareholders of \$3.3 million for the three months ended December 31, 2024. The larger net loss was primarily due to lower operating income, the absence of an impairment reversal in the current quarter, and lower income from equity investments, offset in part by favorable changes in the fair value of derivative contracts and lower interest rates in the current period.

During the year ended December 31, 2025, Tidewater generated a net loss attributable to shareholders of \$112.2 million compared to a net loss attributable to shareholders of \$26.6 million for the year ended December 31, 2024. The larger net loss was primarily due to lower operating income and the absence of impairment reversals in 2025, offset in part by favorable changes in the fair value of derivative contracts and lower financing costs in the current year.

Capital Expenditures

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

<i>(in millions of Canadian dollars)</i>	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Growth capital ⁽¹⁾	\$ 1.4	\$ 7.2	\$ 3.7	\$ 22.1
Maintenance capital ⁽¹⁾	5.3	4.0	18.9	23.8
Total capital expenditures	\$ 6.7	\$ 11.2	\$ 22.6	\$ 44.9
Capital emission credits awarded ⁽²⁾	\$ -	\$ (3.6)	\$ (2.6)	\$ (46.5)

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

(2) During the three months and year ended December 31, 2025, \$NIL and \$1.3 million of capital emission credits were monetized, respectively. (Three months and year ended December 31, 2024 - \$NIL and \$23.6 million, respectively.)

Growth capital

Consolidated growth capital expenditures for the three months ended December 31, 2025, were \$1.4 million compared to \$7.2 million in the same period of 2024 and primarily related to optimization work on the SAF project, which is expected to be partially funded through the sale of capital emission credits issued under the Amended Initiative Agreement.

During the year ended December 31, 2025, growth capital expenditures were \$3.7 million, compared to \$22.1 million in the same period of 2024 and were focused on completing FEED work for the SAF project, which was finalized during the second quarter of 2025.

Growth capital expenditures during both comparative periods were primarily related to advancing FEED work on Tidewater Renewables' SAF project and optimizing the HDRD Complex.

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 \$5.3 million for the three months ended December 31, 2025, were primarily related to the completion of planned maintenance activities on the hydrodeoxygenation reactor bed at the HDRD Complex which extended into the fourth quarter due to higher than anticipated fouling, and an equipment failure that was identified and repaired during the fourth quarter at the HDRD Complex. Other maintenance capital expenditures during the period related to engine and compression equipment maintenance at the BRC, tank inspections at the PGR, and various other smaller maintenance and optimization projects.

For the year ended December 31, 2025, maintenance capital expenditures of \$18.9 million were largely related to the scheduled maintenance turnaround at the HDRD Complex during the third and fourth quarters, engine, compression, and other maintenance work at the BRC, and tank inspections at the PGR.

Maintenance capital expenditures for the three months and year ended December 31, 2024, were \$4.0 million and \$23.8 million, respectively, and were largely related to tank maintenance and work on the steam methane reformer at the PGR, and bridge and boiler pump maintenance and post-turnaround related work at the BRC.

SELECTED ANNUAL INFORMATION

The following table presents selected annual financial information for Tidewater:

<i>(In millions of Canadian dollars, except per share information)</i>	Year ended December 31,		
	2025	2024	2023
Revenue	\$ 1,318.5	\$ 1,640.5	\$ 2,208.3
Net loss attributable to shareholders	(112.2)	(26.6)	(385.9)
Net loss per share attributable to shareholders			
– basic and diluted	(5.19)	(1.24)	(18.12)
Dividends declared	-	-	12.8
Dividends declared per common share	-	-	0.60
Total assets	1,105.3	1,241.0	1,603.6
Total non-current liabilities	491.1	636.7	338.4

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>	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenue	\$ 314.1	\$ 353.9	\$ 340.6	\$ 309.9
Net loss attributable to shareholders	(30.0)	(34.1)	(16.3)	(31.8)
Net loss per share attributable to shareholders – basic and diluted	(1.39)	(1.58)	(0.75)	(1.48)
Consolidated adjusted EBITDA ⁽¹⁾	\$ 3.0	\$ 16.2	\$ 16.0	\$ (3.7)

(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>	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	\$ 362.0	\$ 377.7	\$ 461.3	\$ 439.5
Net loss attributable to shareholders	(3.3)	(7.3)	(4.7)	(11.3)
Net loss per share attributable to shareholders – basic and diluted	(0.15)	(0.34)	(0.22)	(0.53)
Consolidated adjusted EBITDA ⁽¹⁾	\$ 20.0	\$ 29.2	\$ 45.3	\$ 39.8

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

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

- lower year-to-date throughput at the PGR and the HDRD Complex resulting in lower sales volumes of refined products from the facilities;
- the continued effects of the influx of subsidized U.S. renewable diesel into the BC market creating pressure on diesel pricing, widening wholesale discounts, and reducing the demand for BC LCFS Credits;
- a continuation of depressed natural gas prices during the year, resulting in the continued temporary shut-in of gas processing activities at the Ram River Gas Plant, offset slightly by higher gas storage activity at the BRC due to contango gas pricing;
- strong commercial momentum in Tidewater Renewables, reflected by increased contracted offtakes and growing demand for Canadian-produced renewable diesel;
- lower losses on derivative contracts as a result of price movements in the underlying commodities; and
- lower finance costs resulting from favorable interest rates.

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

- a full year of commercial operations at the HDRD Complex;
- a net reversal of \$24.3 million of impairment charges previously recorded on the Deep Basin CGU;
- a high influx of subsidized U.S. renewable diesel into the BC market creating pressure on diesel pricing, widening wholesale discounts, and reducing the demand for BC LCFS Credits;
- a scheduled three-week turnaround at the BRC in the second quarter, limiting gas processing activities during this period;
- volatility in unrealized gains and losses on derivative contracts as a result of price movement in the derivative contracts entered into by the Corporation;
- a decrease in natural gas prices during the second half of the year, adversely impacting producer volumes coming into the Ram River Gas Plant and resulting in the temporary shut-in of gas processing activities at the facility; and
- lower average power prices compared to 2023.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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.

Tidewater Midstream

Tidewater has completed a number of non-core asset sales throughout 2025 to optimize its asset portfolio and pay down debt including the BRC Roadway Sale and the sale of the Sylvan Lake Gas Processing Facility. For additional information on these non-core assets sales, readers should refer to the **OUTLOOK AND CORPORATE UPDATE** section of this MD&A.

During 2025, the Corporation experienced 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 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.

Tidewater continues to engage with prospective purchasers of diesel and gasoline volumes from the PGR. Current wholesale discounts continue to be wide, however, as of the date of this MD&A, the Corporation has hedged approximately 50% of crack spread exposure between April and December of 2026 to manage commodity price volatility. Tidewater is continually working to optimize its netbacks on its diesel and gasoline.

Tidewater Renewables

Further to Tidewater Renewables' deleveraging strategy, on January 10, 2025, Tidewater Renewables completed the sale of its interest in RNG LP. For additional information on this sale, readers should refer to the **OUTLOOK AND CORPORATE UPDATE** section of this MD&A.

Strong commercial and marketing initiatives have enabled Tidewater Renewables to successfully secure contracted offtake agreements, the majority of which are indexed to U.S. import parity benchmarks. This structure aligns contract pricing with prevailing U.S. market values, enhancing revenue stability and supporting consistent cash flow generation. These agreements are expected to support the liquidity and financial sustainability of Tidewater Renewables.

Debt Financing

The following table summarizes Tidewater’s credit facilities and debt outstanding as at December 31, 2025:

<i>(in millions of Canadian dollars)</i>	Maturity Date	Rate	Facility Amount	Amount Drawn
Tidewater Midstream Senior Credit Facility	September 12, 2026	variable	\$ 298.6	\$ 274.4
Convertible debentures	June 30, 2029	fixed	100.0	100.0
Tidewater Midstream Total			\$ 398.6	\$ 374.4
Tidewater Renewables Senior Credit Facility	February 28, 2027	variable	40.0	22.3
Tidewater Renewables Second Lien Credit Facility	October 24, 2027	variable	183.9	183.9
Tidewater Renewables Total			\$ 223.9	\$ 206.2
Tidewater Consolidated			\$ 622.5	\$ 580.6

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 Tidewater Renewables’ second lien credit facility (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.

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.

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 December 31, 2025
Syndicated facility	\$ 125.0	September 12, 2026	\$ 125.0
Operating facility	50.0	September 12, 2026	25.8
Term facility	123.6	August 30, 2027	123.6
Tidewater Midstream Senior Credit Facility	\$ 298.6		\$ 274.4

The Tidewater Midstream Senior Credit Facility can be drawn in either Canadian or U.S. funds and bears interest at the agent bank’s prime lending rate or adjusted Canadian Overnight Repo Rate Average (“CORRA”) or Secured Overnight Financing Rate (“SOFR”), plus applicable margins and stamping fees. 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.

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. On September 30, 2025, the Tidewater Midstream Senior Credit Facility was amended to waive the requirements to comply with the quarterly financial covenants until March 31, 2026.

Subsequent to the year, on March 23, 2026, Tidewater Midstream made several amendments to the Fifth Amended and Restated Credit Agreement. The amendments revise the Tidewater Midstream financial covenant requirements beginning March 31, 2026, details of which are discussed further in the **Financial Covenants** section of this MD&A. Additionally, the March 23, 2026 amendments extend the maturity dates of the syndicated and operating components of the Tidewater Midstream Senior Credit Facility from September 12, 2026 to August 30, 2027. The maturity dates of the various facilities available under the Tidewater Midstream Senior Credit Facility as a result of the amendments are as follows:

<i>(in millions of Canadian dollars)</i>	Facility Amount	Maturity Date
Syndicated facility	\$ 125.0	August 30, 2027
Operating facility	50.0	August 30, 2027
Term facility	122.2	August 30, 2027
Tidewater Midstream Senior Credit Facility	\$ 297.2	

On occasion, Tidewater Midstream issues letters of credit in connection with transactions in which the counterparty requires such security. As at December 31, 2025, the Corporation had \$38.0 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.

Tidewater Renewables

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

<i>(in millions of Canadian dollars)</i>	Facility Amount	Maturity Date	Amount Drawn December 31, 2025
Syndicated facility	\$ 5.0	February 28, 2027	\$ 5.0
Operating facility	35.0	February 28, 2027	17.3
Tidewater Renewables Senior Credit Facility	\$ 40.0		\$ 22.3

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. For further details on the Tidewater Renewables Senior Credit Facility, readers should refer to the Fourth Amended and Restated Credit Agreement between Tidewater Renewables and National Bank of Canada available on Tidewater Renewables' profile on SEDAR+ at www.sedarplus.ca.

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.

Minimum interest on the Tranche A Facility was 6.5% for periods up to and including October 24, 2025. Beginning October 25, 2025, the Tranche A Facility bears minimum interest of 6.875% for periods between October 25, 2025 and October 24, 2026, and minimum interest of 7.25% from October 25, 2026 up to but excluding the maturity date of October 24, 2027. The rates are subject to an annual Canadian Consumer Price Index adjustment factor with a maximum cumulative increase of 4.0% per annum.

The Tranche B Facility continues to bear interest at 9.5% and is subject to variable quarterly repayments. The variable repayments are based on a portion of Tidewater Renewables' adjusted cash flows. The calculation of these adjusted cash flows is based on specific definitions in the agreements governing the Second Lien Credit Facility, are not in accordance with GAAP, and cannot be directly calculated by referring to Tidewater Renewables' financial statements. The Tranche B Facility can be repaid at Tidewater Renewables' option without penalty. As at December 31, 2025, no portion of the Second Lien Credit Facility was classified as current on the Financial Statements, as Tidewater Renewables was not required to make minimum repayments based on the adjust cash flow calculation.

The Tranche C Facility, if drawn, bears interest at an adjusted CORRA rate, plus 8% payable quarterly in arrears.

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

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.

On March 26, 2025, with the support of its lenders, Tidewater Midstream amended the financial covenant requirements within its Senior Credit Facility 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) for each fiscal quarter ending on or prior to March 31, 2026.

On September 30, 2025, Tidewater Midstream's quarterly financial covenants applicable to its Senior Credit Facility were waived until March 31, 2026. Subsequent to the year, on March 23, 2026, the Tidewater Midstream Senior Credit Facility was further amended to modify the financial covenant requirements for March 31, 2026, reverting back to the original financial covenant ratios applicable to its Senior Credit Facility for periods beginning June 30, 2026.

The upcoming covenant modifications are as follows:

Fiscal quarter ending	Adjusted EBITDA to interest coverage ratio	Deconsolidated debt to adjusted EBITDA ratio	Deconsolidated first lien senior debt to adjusted EBITDA ratio
March 31, 2026 ⁽¹⁾	Minimum 2.00:1	Maximum 4.50:1	Maximum 4.50:1
June 30, 2026, and beyond ⁽¹⁾	Minimum 2.50:1	Maximum 4.00:1	Maximum 3.50:1

(1) Covenant reporting at March 31, 2026, to be calculated based on three months annualized, at June 30, 2026, on six months annualized, at September 30, 2026, on nine months annualized, and December 31, 2026, and beyond, on the trailing-twelve months.

Cash Flow Summary

The following table summarizes the Corporation's sources and uses of funds for the three months and years ended December 31, 2025 and 2024:

<i>(in millions of Canadian dollars)</i> Cash flows provided by (used in)	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Operating activities	\$ 27.7	\$ 16.9	\$ 57.2	\$ (33.5)
Financing activities	\$ (25.0)	\$ (17.2)	\$ (61.9)	\$ (259.9)
Investing activities	\$ (3.7)	\$ 0.3	\$ 5.7	\$ 293.4

Net cash provided by (used in) operating activities

Net cash provided by operating activities was \$27.7 million for the three months ended December 31, 2025, compared to net cash provided by operating activities of \$16.9 million for the three months ended December 31, 2024. The change in both periods was primarily due to changes in working capital, offset in part by a lower gross margin in the current period.

For the year ended December 31, 2025, net cash provided by operating activities was \$57.2 million, compared to net cash used in operating activities of \$33.5 million for the year ended December 31, 2024. The change was primarily due to changes in working capital, lower realized losses on derivative contracts, lower employee compensation costs, and the absence of non-recurring expenses for executive and leadership changes in 2025, offset in part by a lower gross margin in 2025. Additionally, net cash used in operating activities for the year ended December 31, 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 \$25.0 million for the three months ended December 31, 2025, compared to net cash used in financing activities of \$17.2 million for the three months ended December 31, 2024. The net cash used in financing activities for the current period was largely due to payments for lease obligations and interest, and repayments on the Tidewater Midstream Senior Credit Facility. The net cash used in financing activities in the comparative period was largely due to payments for interest and lease obligations, offset in part by advances on the Tidewater Midstream Senior Credit Facility to finance emission credit purchases under the Tidewater Renewables Transaction in the fourth quarter of 2024.

Net cash used in financing activities was \$61.9 million for the year ended December 31, 2025, compared to net cash used in financing activities of \$259.9 million for the year ended December 31, 2024. The net cash used in financing activities for the current year was primarily related to payments for interest and lease obligations, and the repayments on the Tidewater Midstream Senior Credit Facility. 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, the positive cash flow generated by the HDRD Complex in the first half of 2024, and the repayment of the \$75.0 million convertible debentures. The cash used was offset in part by proceeds from the June 4, 2024 issuance of the \$100.0 million convertible debentures.

Net cash (used in) provided by investing activities

Net cash used in investing activities was \$3.7 million for the three months ended December 31, 2025, compared to net cash provided by investing activities of \$0.3 million for the three months ended December 31, 2024. The net cash used in investing activities in the current period was largely related to turnaround work on the hydrodeoxygenation reactor bed and the repair of an equipment failure at the HDRD Complex, maintenance projects at the BRC, tank inspections at the PGR, and changes in non-cash working capital, offset in part by the receipt of proceeds from the sale of the Sylvan Lake Gas Processing Facility.

Net cash provided by investing activities was \$5.7 million for the year ended December 31, 2025, compared to net cash provided by investing activities of \$293.4 million for the year ended December 31, 2024. The net cash provided by investing activities in the current period was largely related to the proceeds from the BRC Roadway Sale, the divestiture of Tidewater Renewables' investment in RNG LP, and proceeds from the sale of the Sylvan Lake Gas Processing Facility, offset in part by expenditures for turnaround work at the HDRD Complex, maintenance projects at the BRC and the PGR, and changes in non-cash working capital. Net cash provided by investing activities in the comparative period was primarily related to proceeds received from the sale of AltaGas common shares and capital emission credits, partially offset by expenditures on capital projects and changes in investing working capital.

CONTRACTUAL LIABILITIES AND COMMITMENTS

The Corporation had the following contractual obligations and commitments, including those recognized as leases, as at December 31, 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	\$ 216.8	\$ -	\$ -	\$ 216.8
Derivative contracts	1.6	1.6	-	3.2
Lease liabilities and other ⁽¹⁾	9.5	8.7	0.6	18.8
Bank debt ⁽²⁾	165.8	130.9	-	296.7
Second lien debt ⁽²⁾	-	183.9	-	183.9
Convertible debentures interest ⁽³⁾	8.0	20.0	-	28.0
Convertible debentures repayment ⁽²⁾	-	100.0	-	100.0
Firm transportation contracts ⁽⁴⁾	21.4	40.9	4.8	67.1
Total	\$ 423.1	\$ 486.0	\$ 5.4	\$ 914.5

(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 March 23, 2026, Tidewater Midstream had the following outstanding common shares, RSU's, DSU's and options:

<i>(In thousands)</i>	
Common shares	21,702
RSUs	842
DSUs	52
Options	890

TRANSACTIONS WITH RELATED PARTIES

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

For the three months and year ended December 31, 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 debentures. 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"), a copy of which is available on Tidewater's SEDAR+ profile at 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 in preparing the Financial Statements is discussed in note 2 of the Financial Statements.

FUTURE ACCOUNTING PRONOUNCEMENTS

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments became effective on January 1, 2026, but are not expected to have a material impact on Tidewater's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") was issued by the IASB on April 9, 2024. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and will be applied to annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 establishes a revised

structure for the consolidated statements of net earnings, required disclosures for certain management-defined performance measures, and enhanced requirements for grouping of information in the financial statements. Tidewater is currently assessing the impact of adopting IFRS 18 on the consolidated financial statements.

CONTROL ENVIRONMENT

Disclosure controls and procedures

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"), as defined by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), to provide reasonable assurance that material information relating to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The Corporation's management, including the Chief Executive Officer and Chief Financial Officer, evaluate the effectiveness of the Corporation's DC&P annually.

Internal controls over financial reporting

Tidewater's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"), as defined by NI 52-109. They have as at the year ended December 31, 2025, designed ICFR or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS. The control framework used by the officers to design the Corporation's ICFR is the Internal Control – *Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations.

Management of the Corporation, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Corporation's DC&P and ICFR as at December 31, 2025. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Corporation's DC&P and ICFR are effective as of the end of the year, in all material respects.

The Corporation's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during the most recent period that has materially affected or is reasonably likely to materially affect the Corporation's ICFR. No material changes in the ICFR were identified during the period ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the Corporation's design of DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, does not provide absolute assurance, but rather is designed to provide reasonable assurance that the objective of the control system is met. The Corporation's ICFR and DC&P may not prevent or detect all misstatements because of inherent limitations. Additionally, 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 and procedures.

NON-GAAP MEASURES

Throughout this MD&A and in other materials disclosed by the Corporation, Tidewater uses a number of non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures when assessing its results and measuring overall performance. The intent of non-GAAP measures and ratios is to provide additional useful information to investors and analysts. These non-GAAP financial measures and ratios do not have 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 non-GAAP financial measures and ratios will be calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The following are the 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 the 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		Year ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Net loss	\$ (34.6)	\$ (3.5)	\$ (113.3)	\$ (18.8)
Deferred income tax recovery	(4.2)	(1.6)	(4.2)	(1.6)
Depreciation	16.4	24.8	63.6	90.5
Finance costs and other	16.9	21.5	71.6	81.5
Share-based compensation	1.0	0.4	5.2	5.0
Impairment recovery	-	(24.3)	-	(19.7)
Loss on sale of assets	2.8	1.9	5.7	1.0
Unrealized gain on derivative contracts	(5.7)	(1.9)	(25.2)	(17.9)
Realized gain on marketable securities	-	-	-	(5.0)
Transaction costs	0.5	0.4	0.9	4.7
Non-recurring expenses	3.1	3.2	19.9	14.8
Adjustment to share of profit from equity accounted investments	6.8	(0.9)	7.3	(0.2)
Consolidated adjusted EBITDA	\$ 3.0	\$ 20.0	\$ 31.5	\$ 134.3
Less: Consolidated adjusted EBITDA attributable to Tidewater Renewables	3.8	(6.0)	(25.8)	(74.5)
Deconsolidated adjusted EBITDA	\$ 6.8	\$ 14.0	\$ 5.7	\$ 59.8

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 December 31,		Year ended December 31,	
	2025	2024	2025	2024
Net cash provided by (used in) operating activities	\$ 27.7	\$ 16.9	\$ 57.2	\$ (33.5)
Add (deduct):				
Changes in non-cash operating working capital	(31.4)	(8.5)	(68.7)	134.0
Transaction costs	0.5	0.4	0.9	4.7
Non-recurring expenses	3.1	3.2	19.9	14.8
Interest and financing charges	(11.3)	(13.9)	(45.4)	(52.8)
Payment of lease liabilities and other, net of sublease payments	(2.3)	(8.6)	(10.4)	(36.4)
Maintenance capital	(5.3)	(4.0)	(18.9)	(23.8)
Tidewater Renewables' distributable cash flow to non-controlling interest shareholders	3.7	2.8	5.7	(10.1)
Distributable cash flow attributable to shareholders	\$ (15.3)	\$ (11.7)	\$ (59.7)	\$ (3.1)
Tidewater Renewables' distributable cash flow attributed to shareholders of Tidewater	\$ 7.0	\$ 5.1	\$ 10.8	\$ (19.6)
Deconsolidated distributable cash flow attributable to shareholders	\$ (8.3)	\$ (6.6)	\$ (48.9)	\$ (22.7)

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 December 31,		Year ended December 31,	
	2025	2024	2025	2024
Distributable cash flow attributable to shareholders	\$ (15.3)	\$ (11.7)	\$ (59.7)	\$ (3.1)
Deconsolidated distributable cash flow attributable to shareholders	\$ (8.3)	\$ (6.6)	\$ (48.9)	\$ (22.7)
Weighted average common shares outstanding – basic and diluted (millions)	21.6	21.5	21.6	21.5
Distributable cash flow per share – basic and diluted	\$ (0.71)	\$ (0.54)	\$ (2.76)	\$ (0.14)
Deconsolidated distributable cash flow per share – basic and diluted	\$ (0.38)	\$ (0.31)	\$ (2.26)	\$ (1.06)

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 Financial Statements for the year ended December 31, 2025.

Consolidated and deconsolidated net debt

Consolidated net debt is defined as bank debt, second lien debt, and convertible debentures, less cash and cash equivalents. 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>	December 31, 2025	December 31, 2024
Tidewater Midstream Senior Credit Facility	\$ 274.4	\$ 281.8
Tidewater Renewables Senior Credit Facility	22.3	20.9
Tidewater Renewables Second Lien Credit Facility	183.9	175.0
Convertible debentures - principal	100.0	100.0
Cash	(1.1)	(0.1)
Consolidated net debt	\$ 579.5	\$ 577.6
Less: Tidewater Renewables Senior Credit Facility	(22.3)	(20.9)
Less: Tidewater Renewables Second Lien Credit Facility	(183.9)	(175.0)
Add: Tidewater Renewables cash	-	0.1
Deconsolidated net debt	\$ 373.3	\$ 381.8

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 Government of BC. 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.

“Tidewater Renewables Transaction” refers to an Assets Sales Agreement that Tidewater Midstream and Tidewater Renewables entered into on September 12, 2024, pursuant to which Tidewater Renewables sold its canola co-processing infrastructure, the FCC co-processing infrastructure, working interests in various other PGR units, and a natural gas storage facility co-located at Tidewater Midstream’s Brazeau River Complex (collectively the “Divested Assets”) to Tidewater Midstream for cash proceeds of \$122.0 million, plus the assumption by Tidewater Midstream of certain liabilities relating to the Divested Assets. In addition, as part of the consideration, Tidewater Midstream assigned the right to receive certain BC LCFS Credits to the Corporation with a minimum value of \$7.7 million.

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

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

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively “forward-looking statements”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events, conditions or future financial performance of Tidewater 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 receipt of BC LCFS Credits pursuant to initiative agreements entered into with the Government of BC, and the anticipated use thereof;
- the generation of CFR Emission Credits and BC LCFS Credits through the sale of low-carbon transportation fuels;
- expected cost improvements and feedstock procurement optimization from the Western Pipeline Transaction;
- the effect of the Government of BC’s amendments to the Low Carbon Fuels Act on the Corporation and the Canadian renewable fuel industry;
- the development of the proposed SAF project, including the funding of optimization work, the expected timing of a final investment decision and the pursuit of long-term offtake agreements in relation thereto;
- the amount of annual adjusted EBITDA expected to be generated by the Corporation in 2026;
- the use of cash flow for debt reduction;
- Tidewater Renewables’ qualification for the BPI, the associated incentive expected to be received by Tidewater Renewables under the BPI and the expected effect of the BPI on Tidewater Renewables and the Canadian renewable fuels sector;
- the percentage of forecasted diesel, gasoline and renewable diesel production subject to offtake agreements;
- the percentage of forecasted renewable diesel production expected to be sold inclusive of associated emission credits;
- the expected sale of volumes not sold under offtake agreements on the spot market;
- the amount of crack spread exposure hedged under derivative contracts and the expected effect of such hedging strategy;
- the amount of renewable diesel revenue and associated feedstock purchases hedged under derivative contracts and the expected effect of such hedging strategy;
- expectations regarding future opportunities for natural gas processing;
- Tidewater’s view of the refined product market, including the renewable diesel market;

- marketing efforts regarding the Corporation's products;
- Tidewater's efforts to optimize its asset portfolio and divest certain non-core assets;
- ongoing discussions regarding potential transactions related to non-core Tidewater assets;
- the Government of Canada's intention to make targeted amendments to the CFR and the expected effect on the Corporation and the Canadian renewable fuels sector;
- the effect of contracted offtake agreements on Tidewater Renewables' liquidity and financial sustainability;
- the sale of remaining production from the HDRD Complex on the spot market;
- the Corporation's view of the of the renewable diesel and emissions credit markets;
- facility utilization at the PGR, BRC, and the HDRD Complex;
- Tidewater's business strategy and operational initiatives;
- the PGR and HDRD Complex maintenance schedule and turnaround cycle, including the next scheduled outages;
- the effect of the long-term gas handling and NGL supply agreements entered into in January 2026 on throughput at the BRC;
- the Corporation's efforts to optimize its netback on its diesel and gasoline;
- supply and demand for products and services;
- Tidewater Renewables' expectations of average throughput at the HDRD Complex for 2025;
- 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 renewable diesel and emissions credits;
- the Corporation's expectations of the demand for emission credits;
- natural gas pricing expectations;
- the resumption of operations at the Ram River Gas Plant;
- expectations for the Corporation's and Tidewater Renewables' capital program for 2026;
- 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;
- requirements for the Corporation to refinance existing credit facilities, including changes in the terms thereof and the potential dilution of shareholders;
- the Corporation's use of letters of credit;
- requirements for the Corporation and Tidewater Renewables to maintain certain financial covenants, including upcoming changes to the Corporations financial covenants;
- 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 continued support of governments of various levels for existing and proposed policy initiatives;
- the market for BC LCFS Credits, CFR Emission Credits, D4 RINs and California LCFS Credits;
- the effect of increasingly stringent CI reduction targets on obligated parties' operations and the emission credit market;
- general economic and industry trends;
- 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;
- 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

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;
- 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.

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.