



Tidewater Renewables Completes Initial Public Offering, Announces Positive FID on the Renewable Diesel and Renewable Hydrogen Complex, and Successful Start-up of the Canola Co-Processing Project

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CALGARY, AB, Aug. 18, 2021 /CNW/ - Tidewater Renewables Ltd. ("**Tidewater Renewables**" or the "**Company**") (TSX: LCFS), a multi-faceted, energy transition company, is pleased to announce it has completed its initial public offering (the "**Offering**") of 10,000,000 common shares ("**Common Shares**") at a price of C\$15.00 per Common Share, for total gross proceeds of C\$150,000,000.

The Common Shares trade on the Toronto Stock Exchange under the symbol "LCFS".

Project Updates

With the closing of the Offering, Tidewater Renewables is pleased to announce a positive final investment decision ("**FID**") on the 3,000 bbl/d Renewable Diesel and Renewable Hydrogen Complex (as defined and described in the Company's supplemented PREP prospectus dated August 12, 2021 (the "**Prospectus**")), which is expected to enter into service in Q1 2023. Management anticipates the Renewable Diesel & Renewable Hydrogen Complex to generate approximately C\$90 - C\$95 million of EBITDA in 2023 on a full year run-rate basis based on certain operating assumptions fully described in the Prospectus.

The Canola Co-Processing Project achieved successful commissioning and start-up, slightly ahead of its planned schedule and first production of renewable diesel has commenced. Over the next 30 days, management expects renewable diesel production from the Canola Co-Processing Project to ramp-up to its 300 bbl/d nameplate capacity and generate approximately C\$5 million of EBITDA in 2022 on a full year run-rate basis based on certain operating assumptions fully described in the Prospectus.

Offering

CIBC Capital Markets and National Bank Financial acted as co-lead underwriters and joint bookrunners for the Offering with a syndicate that included ATB Capital Markets, RBC Capital Markets, Acumen Capital Partners, Canaccord Genuity, Scotia Capital Inc., Stifel FirstEnergy, Tudor, Pickering, Holt & Co., Echelon Wealth Partners Inc., iA Private Wealth Inc., INFOR Financial Inc., and Paradigm Capital Inc. (collectively, the "**Underwriters**").

The Offering was completed pursuant to the Prospectus, filed with the securities regulators in each of the provinces of Canada, a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

The Company has granted to the Underwriters an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 1,500,000 Common Shares at a price of C\$15.00 per Common Share for additional gross proceeds of up to C\$22,500,000. The Over-Allotment Option can be exercised, in whole or in part, in the sole discretion of the Underwriters, for a period of 30 days from the closing date of the Offering.

Early Warning Reports

Immediately following closing of the Offering and the completion of the transactions contemplated thereby, Tidewater Midstream and Infrastructure Ltd. ("**Tidewater Midstream**"), the Company's majority shareholder, acquired direct ownership of 23,900,000 Common Shares (representing approximately 70.50% of the Common Shares).

Prior to closing of the Offering and the completion of the transactions contemplated thereby, Tidewater Renewables was a wholly-owned subsidiary of Tidewater Midstream. The address for Tidewater Midstream and Tidewater Renewables is Suite 900, 222 - 3rd Avenue SW, Calgary, AB, T2P 0B4. Tidewater Midstream exchanged assets with a fair market value of C\$538,500,000 for such Common Shares (C\$15.00 per share), as described in the Prospectus.

Tidewater Midstream intends to hold its Common Shares for investment purposes. Tidewater Midstream may further purchase, hold, vote, dispose or otherwise deal in the securities of the Company, including through derivative or hedge transactions, in such manner as it deems advisable from time to time, subject to the terms of the lock up agreements, and the investor rights agreement, each as described in the Prospectus.

For further information and to obtain a copy of the early warning report to be filed under applicable Canadian securities laws in connection with the foregoing matters, please see the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Information

This news release contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to Tidewater Renewables' and Tidewater Midstream's current expectations and views of future events. These forward-looking statements relate to future events or the Tidewater Renewables' future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. In particular and without limitation, this news release contains forward-looking statements pertaining to Tidewater Renewables' business as described under the heading "About Tidewater Renewables" below; anticipated in service date of the Renewable Diesel and Renewable Hydrogen Complex and expected EBITDA to be generated therefrom; and, projected production from the Canola Co Processing Project and associated timing. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the Prospectus filed on SEDAR. Neither Tidewater Renewables nor Tidewater Midstream undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise,

except as expressly required by applicable laws.

Non-GAAP Measures

This news release refers to "EBITDA" which does not have any standardized meaning prescribed by generally accepted accounting principles in Canada ("GAAP"). EBITDA is calculated as income or loss before interest, taxes, depreciation, share-based compensation, unrealized gains/losses, non-cash items, transaction costs, items that are considered non-recurring in nature and the Corporation's proportionate share of EBITDA in their equity investments.

Tidewater Renewable's management believes that EBITDA provides useful information to investors as it provides an indication of results generated from the Company's operating activities prior to financing, taxation and non-recurring/non-cash impairment charges occurring outside the normal course of business. 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, the Company also believes EBITDA is a measure widely used by security analysts, investors and others to evaluate the financial performance of the Company. Investors should be cautioned that EBITDA should not be construed as alternatives to earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Company's performance and may not be comparable to companies with similar calculations.

EBITDA on a run-rate basis in this news release means the expected EBITDA to be generated by a specific acquired asset or specific growth project corresponding to a full year of operations at full capacity. EBITDA on a run-rate basis excludes non-cash items including stock-based compensation. The calculation of EBITDA on a run-rate basis is based on certain estimates and assumptions and should not be regarded as a representation by the Company or any other person that the Company will achieve such operating results. Prospective investors should not place undue reliance on the Company's EBITDA on a run-rate basis and should make their own independent assessment of the Company's future results or operations, cash flows and financial condition.

For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "Non-GAAP Measures" section of Tidewater Midstream's most recent MD&A which is available on SEDAR.

U.S. Securities Act


The securities under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. Persons (as defined in the U.S. Securities Act), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted.

About Tidewater Renewables

Tidewater Renewables is a multi-faceted, energy transition company traded on the TSX under the symbol "LCFS". The Company is focused on the production of low carbon fuels, including renewable diesel, renewable hydrogen and renewable natural gas, as well as carbon capture through future initiatives. The Company was created in response to the growing demand for renewable fuels in North America and to capitalize on its potential to efficiently turn a wide variety of renewable feedstocks (such as tallow, used cooking oil, distillers corn oil, soybean oil, canola oil and other biomasses) into low carbon fuels.

Additional information relating to Tidewater Renewables is available on SEDAR at www.sedar.com.

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