

TIDEWATER RENEWABLES LTD. ANNOUNCES FOURTH QUARTER 2023 RESULTS

CALGARY, March 14, 2024 - Tidewater Renewables Ltd. (“**Tidewater Renewables**” or the “**Corporation**”) (TSX: LCFS) is pleased to announce that it has filed its consolidated financial statements and Management’s Discussion and Analysis (“**MD&A**”) for the year ended December 31, 2023.

FOURTH-QUARTER AND YEAR-END 2023 HIGHLIGHTS

- During the fourth quarter of 2023, Tidewater Renewables generated Adjusted EBITDA⁽¹⁾ of \$10.7 million and a net loss attributable to shareholders of \$12.7 million, inclusive of \$19.6 million of losses on derivative contracts. Net cash provided by operating activities totaled \$17.2 million, with distributable cash flow⁽¹⁾ of \$2.1 million.
- In the fourth quarter of 2023, Tidewater Renewables achieved a transformational milestone with the commencement of commercial operations at Canada’s first standalone renewable diesel facility. The Renewable Diesel & Renewable Hydrogen (the “HDRD”) Complex reached its design capacity in early-December 2023 before encountering some initial operational challenges. The most significant of these challenges related to compressor failures, which the Corporation has since resolved. The HDRD Complex returned to design capacity production in late-February 2024. These operational issues impacted the HDRD Complex’s daily throughput which averaged approximately 1,700 bbl/d, between the commencement of commercial operations and December 31, 2023.

Tidewater Renewables’ primary focus is the maintenance of a high and consistent utilization rate at the HDRD Complex. The Corporation expects the HDRD Complex to run at design capacity (3,000 bbl/d) with industry standard refinery reliability go-forward. Despite the operational challenges the HDRD Complex is expected to achieve a utilization rate of approximately 65% in the first quarter of 2024. Accordingly, the Corporation has secured purchasers for the HDRD Complex’s operating emission credit production through the second quarter of 2024.

- In 2023, Tidewater Renewables completed a feasibility assessment for an expansion of its renewable fuel facilities in British Columbia. In the first quarter of 2024, Tidewater Renewables and Tidewater Midstream and Infrastructure Ltd. (“**Tidewater Midstream**”) entered into a joint development agreement related to a new 6,500 bbl/d renewable diesel and sustainable aviation fuel (“SAF”) project, whereby both parties have the right to participate in up to 50% of the project upon a final investment decision. The SAF facility is expected to leverage many of the same processes used in the operating HDRD Complex.
- The front-end engineering design (“FEED”) and regulatory applications are expected to be completed in 2025 and be fully funded through the sale of capital emissions credits issued under an executed incentive agreement. To manage price exposure on the emissions credits the Corporation has secured a purchase commitment with an investment-grade counterparty for the capital emissions credits it expects to receive.
- The Corporation is pleased to welcome Mr. Jeffery Hamilton to its Board of Directors. Mr. Hamilton brings over 25 years of experience as a business leader and strategic advisor to Tidewater Renewables, with previous roles including senior leadership positions at Bank of America Securities (Head, Investment Banking - Canada) and J.P. Morgan (Head, Energy & Power Investment Banking – Asia Pacific). He is currently the Founder and CEO of Longwing Capital Advisors, where he provides strategic and financial advisory services to businesses focused on energy, clean-tech, and renewables. Mr. Hamilton holds an MBA from Columbia Business School and a Juris Doctor from the University of Toronto, Faculty of Law.
- On March 13, 2024, Jeremy Baines was appointed as Chairman of Tidewater Renewables’ Board of Directors.

“I am thrilled to join the Tidewater Renewables team at a transformative time and see the Corporation as being well positioned to be a leader in the global energy transition. Now that we have stabilized operations at the HDRD Complex, we are in a strong position to optimize returns, maximize free cash flow, as well as to help our customers meet their long term ESG goals,” said CEO Jeremy Baines. “With our expertise acquired on the HDRD Complex, we also are optimistic about the emission reduction opportunities the SAF project will bring to the people of British Columbia and Canadians in general.”

(1) Adjusted EBITDA, distributable cash flow, and net debt used throughout this press release are non-GAAP financial measures or ratios. See the “Non-GAAP and Other Financial Measures” in this press release and the Corporation’s MD&A for information on each non-GAAP financial measure or ratio.

Selected financial and operating information are outlined below and should be read with the Corporation’s consolidated financial statements and related MD&A for the year ended December 31, 2023, which are available under the Corporation’s profile on SEDAR+ at www.sedarplus.ca and on its website at www.tidewater-renewables.com.

Financial Highlights

	Three months ended December 31,		Year ended December 31,	
<i>(in thousands of Canadian dollars except per share information)</i>	2023	2022	2023	2022
Revenue	\$ 40,376	\$ 19,422	\$ 97,679	\$ 76,099
Net income (loss) attributable to shareholders	\$ (12,747)	\$ 14,132	\$ (41,019)	\$ 25,942
Net income (loss) attributable to shareholders per share – basic	\$ (0.37)	\$ 0.41	\$ (1.18)	\$ 0.75
Net income (loss) attributable to shareholders per share – diluted	\$ (0.37)	\$ 0.40	\$ (1.18)	\$ 0.74
Adjusted EBITDA ⁽¹⁾	\$ 10,708	\$ 16,717	\$ 45,941	\$ 62,440
Net cash provided by operating activities	\$ 17,161	\$ 29,095	\$ 22,784	\$ 67,444
Distributable cash flow ⁽¹⁾	\$ 2,142	\$ 9,433	\$ 2,747	\$ 38,060
Distributable cash flow per share – basic ⁽¹⁾	\$ 0.06	\$ 0.27	\$ 0.08	\$ 1.10
Distributable cash flow per share – diluted ⁽¹⁾	\$ 0.06	\$ 0.27	\$ 0.08	\$ 1.09
Total common shares outstanding (000s)	34,763	34,719	34,763	34,719
Total assets	\$ 1,086,698	\$ 993,321	\$ 1,086,698	\$ 993,321
Net debt ⁽¹⁾	\$ 346,644	\$ 211,232	\$ 346,644	\$ 211,232

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

OUTLOOK AND CORPORATE UPDATE

Tidewater Renewables’ primary focus is the maintenance of a high and consistent utilization rate at the HDRD Complex. The Corporation expects the HDRD Complex to achieve an average 2024 throughput of 2,400 – 2,600 bbl/d, inclusive of an expected average throughput of 1,800 – 2,000 bbl/d in the first quarter of 2024. During 2024, the Corporation also expects to optimize the HDRD Complex’s operating costs, extend or replace its senior credit facility and progress engineering design on its announced SAF project.

In line with its objectives, Tidewater Renewables expects to execute a restrained 2024 capital program. Expenditures for the announced SAF facility FEED are expected to be fully funded through the sale of capital emissions credits issued under an executed incentive agreement. The Corporation’s 2024 maintenance capital expenditures are expected to be approximately \$7.0 million.

The Corporation continues to see strong industry fundamentals in North America, including strong demand for renewable fuels and emissions credits. This demand is supported by escalating compliance requirements and voluntary environmental commitments.

CONFERENCE CALL

In conjunction with the earnings release, investors will have the opportunity to listen to Tidewater Renewables' senior management review its fourth quarter 2023 results via conference call on Thursday, March 14, 2024, at 10:00 am MDT (12:00 pm EDT).

To access the conference call by telephone, dial 416-764-8659 (local / international participant dial in) or 1-888-664-6392 (North American toll free participant dial in). A question and answer session for analysts will follow management's presentation. A live audio webcast of the conference call will be available by following this link: <https://app.webinar.net/m6M0E40EJ2V> will also be archived there for 90 days.

For those accessing the call via Cision's investor website, we suggest logging in at least 15 minutes prior to the start of the live event. For those dialing in, participants should ask to be joined into the Tidewater Renewables Ltd. earnings call.

ABOUT TIDEWATER RENEWABLES

Tidewater Renewables is a multi-faceted, energy transition company. The Corporation is focused on the production of low carbon fuels, including renewable diesel. The Corporation was created in response to the growing demand for renewable fuels in North America and to capitalize on its potential to efficiently turn a wide variety of renewable feedstocks (such as tallow, used cooking oil, distillers corn oil, soybean oil, canola oil and other biomasses) into low carbon fuels. Tidewater Renewables' objective is to become one of the leading Canadian renewable fuel producers. Organically, Tidewater Renewables seeks to leverage the existing infrastructure and engineering expertise of Tidewater Midstream and Infrastructure Ltd., regarding the development of the Corporation's portfolio of greenfield and brownfield capital projects as well as the expansion of the Corporation's product offerings. Additional information relating to Tidewater Renewables is available on SEDAR+ at www.sedarplus.ca and at www.tidewater-renewables.com.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this press release and in other materials disclosed by the Corporation, Tidewater Renewables uses a number of financial measures and financial ratios when assessing its results and measuring overall performance which do not have standardized meanings as prescribed under International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principals ("GAAP") for publicly accountable entities in Canada. Such measures and ratios are considered non-GAAP financial measures ("non-GAAP measures") and non-GAAP financial ratios ("non-GAAP ratios"), respectively. The intent of non-GAAP measures and non-GAAP ratios is to provide additional useful information to investors and analysts as further described below. These non-GAAP measures and non-GAAP ratios are 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. 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 and Other Financial Measures" section of Tidewater Renewables' MD&A which is available on SEDAR+.

Non-GAAP Financial Measures

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

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is calculated as income (or loss) before finance costs, taxes, depreciation, share-based compensation, unrealized gains/losses on derivative contracts, non-cash items, transaction costs, lease payments under IFRS 16 *Leases* and other items considered non-recurring in nature plus the Corporation's proportionate share of Adjusted EBITDA in its equity investment.

Adjusted EBITDA is used by management to set objectives, make operating and capital investment decisions, monitor debt covenants and assess performance. The Corporation issues guidance on Adjusted EBITDA and believes that it is useful for analysts and investors to assess the performance of the Corporation as seen from management's perspective. Investors should be cautioned that Adjusted EBITDA should not be construed as an alternative to net income, net cash provided by operating activities or other measures of financial results determined in accordance with GAAP. Investors should also be cautioned that Adjusted EBITDA as used by the Corporation may not be comparable to financial measures used by other companies with similar calculations.

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

(in thousands of Canadian dollars)	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net income (loss)	\$ (12,747)	\$ 14,132	\$ (41,019)	\$ 25,942
Deferred income tax expense (recovery)	(12,782)	5,982	(22,834)	9,966
Depreciation	9,454	5,062	25,587	19,443
Finance costs	4,440	2,666	21,009	7,547
Share-based compensation	903	740	4,811	3,217
Unrealized loss (gain) on derivative contracts	12,952	(17,203)	53,350	(9,071)
Loss (gain) on warrant liability revaluation	(1,090)	1,995	(9,250)	1,995
Transaction costs	-	304	111	964
Non-recurring transactions ⁽¹⁾	3,428	-	7,971	-
Adjustment to share of profit from equity accounted investments	6,150	3,039	6,205	2,437
Adjusted EBITDA	\$ 10,708	\$ 16,717	\$ 45,941	\$ 62,440

(1) Non-recurring transactions for the year ended December 31, 2023, includes \$6.3 million of feedstock rescheduling costs.

Distributable Cash Flow

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

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

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

<i>(in thousands of Canadian dollars)</i>	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 17,161	\$ 29,095	\$ 22,784	\$ 67,444
Add (deduct):				
Changes in non-cash working capital	(12,992)	(13,537)	7,834	(8,713)
Transaction costs	-	304	111	964
Non-recurring transactions ⁽¹⁾	3,428	-	7,971	-
Interest and financing charges	(3,447)	(1,487)	(13,931)	(3,650)
Payment of lease liabilities	(1,757)	(1,588)	(6,710)	(5,982)
Maintenance capital	(251)	(3,354)	(15,312)	(12,003)
Distributable cash flow	\$ 2,142	\$ 9,433	\$ 2,747	\$ 38,060

(1) Non-recurring transactions for the year ended December 31, 2023, includes \$6.3 million of feedstock rescheduling costs.

Non-GAAP Financial Ratios

Distributable cash flow per common share (basic and diluted)

Distributable cash flow per common share is calculated as distributable cash flow over the weighted average number of common shares outstanding for the three months and year ended December 31, 2023.

Distributable cash flow is a non-GAAP financial measure. Management believes that distributable cash flow per common share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

<i>(in thousands of Canadian dollars except per share information)</i>	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Distributable cash flow	\$ 2,142	\$ 9,433	\$ 2,747	\$ 38,060
Weighted average shares outstanding— basic	34,754	34,713	34,731	34,712
Weighted average shares outstanding— diluted	34,754	34,972	34,731	34,888
Distributable cash flow per share— basic	\$ 0.06	\$ 0.27	\$ 0.08	\$ 1.10
Distributable cash flow per share— diluted	\$ 0.06	\$ 0.27	\$ 0.08	\$ 1.09

Capital Management Measures

Net Debt

Net debt is defined as bank debt, less cash. 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.

The following table reconciles net debt:

<i>(in thousands of Canadian dollars)</i>		December 31, 2023
Senior credit facility	\$	171,749
Term debt		175,000
Cash		(105)
Net debt	\$	346,644

Supplementary Financial Measures

Maintenance Capital

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

FORWARD-LOOKING INFORMATION

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to herein as, "forward-looking statements") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events, conditions or future financial performance of Tidewater Renewables based on future economic conditions and courses of action. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of any words such as "seek", "anticipate", "budget", "plan", "expect" 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 press release should not be unduly relied upon.

In particular, this press release contains forward-looking statements pertaining to, but not limited to, the following: the expected financial performance of the Corporation's capital projects and assets, including the Renewable Assets; the Corporation's continued ability to convert feedstock into low carbon fuels; the Corporation's ability to negotiate and enter into offtake agreements with investment grade counterparties; the expectation that the Corporation will be able to grow its revenue, actively maintain and manage its capital projects and assets, including the Renewable Assets, and achieve growth by selectively pursuing strategic business development opportunities; the Corporation's business plans and strategies, including the underlying existing assets and capital projects, and the success and timing of the projects and related milestones and capital costs; expectations related to the SAF facility including costs and regulatory approval thereof, timing of construction thereof and anticipated production therefrom; the Corporation's operational and financial performance, including expectations regarding generating revenue, revenues and

operating expenses; the expectation that the HDRD Complex will maintain a design capacity of 3,000 bbl/d with a consistently utilization rate; the ability to leverage existing infrastructure and engineering expertise of Tidewater Midstream regarding development of the Corporation's projects and product offerings; the future price and volatility of commodities; the Corporation's ability to execute its maintenance capital program; and the Corporation's ability to negotiate and refinance its senior credit facility. ;

Although the forward-looking statements contained in this press release 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 press release, the Corporation has made assumptions regarding, but not limited to: Tidewater Renewables' ability to execute on its business plan; the timely receipt of all third party, governmental and regulatory approvals and consents sought by the Corporation; general economic and industry trends, including continuing effects of the COVID-19 pandemic; operating assumptions relating to the Corporation's projects; expectations around level of output from the Corporation's projects, including assumptions relating to feedstock supply levels; the ownership and operation of Tidewater Renewables' business; regulatory risks; the expansion of production of renewable fuels by competitors; the future pricing of environmental credits; future commodity and renewable energy prices; sustained or growing demand for renewable fuels; the ability for the Corporation to successfully turn a wide variety of renewable feedstocks into low carbon fuels; changes in the credit-worthiness of counterparties; the Corporation's future debt levels and its ability to repay its debt when due; the Corporation's ability to continue to satisfy the terms and conditions of its credit facilities; the continued availability of the Corporation's credit facilities; the Corporation's ability to obtain additional debt and/or equity financing on satisfactory terms; the Corporation's ability to manage liquidity by working with its current capital providers and other sources and through the sale of environmental credits; foreign currency, exchange, inflation and interest rate risks; and the other assumptions set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements, as a result of numerous known and unknown risks and uncertainties and other factors including, but not limited to: changes in supply and demand for low carbon products; general economic, political, market and business conditions, including fluctuations in interest rates, foreign exchange rates, supply chain pressures, inflation, stock market volatility and supply/demand trends; risks of health epidemics, pandemics 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; risks and liabilities inherent in the operations related to renewable energy production and storage infrastructure assets, including the lack of operating history and risks associated with forecasting future performance; competition for, among other things, third-party capital, acquisition opportunities, requests for proposals, materials, equipment, labour, and skilled personnel; risks related to the Corporation's ability to refinance its senior credit facility on acceptable terms; the risk that the Corporation's senior credit facility may not be renewed or extended beyond the August 18, 2024, or may not be renewed or extended at the same level; risks related to the environment and changing environmental laws in relation to the operations conducted with the Renewable Assets and the Corporation's other capital projects; risks related to and the other risks set forth in the Corporation's most recent annual information form available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this press release 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 from them. 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 press release. Tidewater Renewables does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable securities law. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Further information about factors affecting forward-looking statements and management's assumptions and analysis thereof is available in the Corporation's most recent annual information form and other filings made by the Corporation with Canadian provincial securities commissions available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Financial Outlook

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about expectations regarding financial results for 2024 which are subject to the same assumptions, risk factors, limitations and qualifications as set out under the heading "Forward-Looking Information". The actual financial results of the Corporation may vary from the amounts set out herein and such variation may be material. The Corporation and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments and the FOFI contained in this press release was approved by management as of the date hereof. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date hereof and was provided for the purpose of providing further information about the Corporation's anticipated future business operations on an annual basis. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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