



Maxim Power Corp. Announces 2020 Third Quarter Financial and Operating Results

CALGARY, Alberta (November 10, 2020) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the third quarter ended September 30, 2020. The unaudited condensed consolidated interim financial statements, accompanying notes and Management's Discussion and Analysis ("MD&A") will be available on SEDAR and on MAXIM's website on November 10, 2020. All figures reported herein are Canadian dollars unless otherwise stated.

OPERATING RESULTS

During the third quarter and first nine months of 2020, adjusted Earnings before Interest, Income Taxes, Depreciation and Amortization ("EBITDA") increased as compared to 2019. A significant proportion of the increase is primarily the result of the operation of MAXIM's state-of-the-art 204 MW simple-cycle gas turbine facility Milner 2 ("M2"), which was commissioned in the second quarter of 2020. As expected, the capacity and high reliability of M2 increased revenues and reduced operations and maintenance costs. Additionally, the Government of Alberta Technology Innovation and Emissions Reduction program benefits accrue to earnings through the impacts of reduced carbon tax. These favourable variances were partially offset by lower realized power prices, higher fuel costs due to higher generation volumes and higher per unit natural gas costs in 2020 as compared to 2019.

Net income decreased in the third quarter of 2020, primarily due to the depreciation of M2 and financing costs incurred in relation to the M2 project, partially offset by the same factors impacting adjusted EBITDA. Net income increased in the first nine months of 2020, primarily due to the same factors impacting adjusted EBITDA and the recognition of a future tax benefit, partially offset by the depreciation of M2 and financing costs incurred in relation to the M2 project.

FINANCIAL HIGHLIGHTS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| <i>(\$ in thousands except per share amounts)</i> | | | | |
| Revenue | \$ 17,726 | \$ 8,488 | \$ 29,444 | \$ 23,363 |
| Adjusted EBITDA ⁽¹⁾ | 5,698 | 2,601 | 6,304 | 782 |
| Net income (loss) | 498 | 2,204 | 337 | (3,677) |
| Net income (loss) per share – basic and diluted | \$ 0.01 | \$ 0.04 | \$ 0.01 | \$ (0.07) |
| Total generation – Milner (MWh) | - | 150,443 | 42,301 | 368,736 |
| Total generation – M2 (MWh) ⁽²⁾ | 349,756 | - | 457,257 | - |
| Average Alberta market power price (\$ per MWh) | 43.83 | 46.95 | 46.91 | 58.02 |
| Average Milner realized power price (\$ per MWh) | - | 56.35 | 171.45 | 63.29 |
| Average M2 realized power price (\$ per MWh) ⁽²⁾ | 50.68 | - | 48.52 | - |
| Total gross debt | 68,688 | - | 68,688 | - |
| Total assets | \$ 235,915 | \$ 189,939 | \$ 235,915 | \$ 189,939 |

- (1) Select financial information was derived from the unaudited condensed consolidated interim financial statements and is prepared in accordance with GAAP, except adjusted EBITDA. Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows before interest, income taxes, and depreciation and amortization and certain other income and expenses.
- (2) Generation and realized power prices for M2 relate to June to September 2020 only as the asset was commissioned on June 1.

AUC LOSS FACTOR DECISION

MAXIM continues to expect to receive Line Loss Proceeding payments from the Alberta Electric System Operator ("AESO") totaling an estimated \$53 million over the next twelve months. These payments are refunds of overpayments and interest from 2006 to 2016 and are estimated based on information currently available on the public record. On October 22, 2020, the AESO issued a final statement for the first Line Loss Proceeding payment. This payment relating to years 2014, 2015 and 2016, is for \$6.4 million, and is to be paid on December 30, 2020.

About MAXIM

Based in Calgary, Alberta, MAXIM is one of Canada's largest truly independent power producers. MAXIM is now focussed entirely on power projects in Alberta. Its core asset – the 204 MW H.R. Milner Plant, M2, in Grande Cache, AB – is a state-of-the-art natural gas-fired power plant that commissioned in Q2, 2020. MAXIM has the option to increase the capacity of M2 to approximately 300 MW and concurrently realize an improvement in the efficiency of the plant by investing in heat recovery combined cycle technology. In addition, MAXIM continues to explore additional development options in Alberta including its currently permitted gas-fired generation project and the permitting of its wind power generation project. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at www.maximpowercorp.com. For further information please contact:

Bob Emmott, President and COO, (403) 263-3021.

This press release contains forward-looking statements and forward-looking information (collectively "forward looking information") within the meaning of applicable securities laws relating to MAXIM's plans and other aspects of MAXIM's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement. Specifically, this press release contains forward-looking statements relating to: anticipated profitable earnings from development of generation capacity at the Milner site, the anticipated time periods of continued generation of electricity from Milner, the Corporation's current estimate of the proceeds payable to the Corporation from the outstanding compliant relating to the AESO Line Loss Proceeding and the timeline to potentially receive any proceeds therefrom.

Forward-looking statements regarding MAXIM are based on certain key expectations and assumptions of MAXIM concerning, among other things, construction timelines and costs, regulatory decisions (including with respect to the AESO Line Loss Proceeding), the ability of MAXIM to reliably generate electricity from its projects in the timelines and manners currently contemplated, current and future commodity and electricity prices, the price of MAXIM's common shares, regulatory developments, tax laws, future operating costs, the performance of existing and new facilities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, conditions in general economic and financial markets, , effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions, and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond MAXIM's control. Such risks and uncertainties include, without limitation: construction delays, cost overruns, adverse regulatory decisions, the impact of general economic conditions; pandemics, volatility in market prices electricity and other commodities such as natural gas; industry conditions; currency fluctuations; environmental risks; incorrect assessments of the value of acquisitions; competition from other producers; the lack of availability of qualified personnel, changes in income tax laws, environmental laws or changes programs relating to the electricity industry in Alberta; hazards such as fire, explosion, and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on MAXIM's future plans and operations and such information may not be appropriate for other purposes.

MAXIM'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 so, what benefits that MAXIM will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward looking statements are made as of the date of this press release and MAXIM disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.