



Maxim Power Corp. Announces 2021 First Quarter Financial and Operating Results

CALGARY, Alberta (May 11, 2021) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the first quarter ended March 31, 2021. 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 May 11, 2021. All figures reported herein are Canadian dollars unless otherwise stated.

FINANCIAL HIGHLIGHTS

<i>(\$ in thousands except per share amounts)</i>	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 30,030	\$ 7,258
Adjusted EBITDA ⁽¹⁾	9,423	2,205
Net income	26,426	1,006
Net income per share – diluted	0.53	0.02
Total generation – (MWh) ⁽²⁾	324,490	42,301
Average Alberta market power price (\$ per MWh)	95.45	67.06
Average realized power price (\$ per MWh) ⁽²⁾	92.54	171.45
Total net debt ⁽³⁾	33,991	59,598
Total assets	\$ 266,681	\$ 227,392

(1) Select financial information was derived from the consolidated financial statements and is prepared in accordance with GAAP, except adjusted Earnings before Interest, Income Taxes, Depreciation and Amortization ("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 non-recurring income and expenses.

(2) Total generation and average realized power prices for 2021 relate to Milner 2 ("M2") and 2020 relate to HR Milner ("Milner")

(3) Total net debt was derived from the consolidated financial statements to include: loans and borrowings, trade and other payables, less total current assets.

OPERATING RESULTS

During the first quarter of 2021, Adjusted EBITDA increased as compared to 2020. The increase is the result of the operation of 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 associated with M2. These favourable variances were partially offset by higher fuel costs due to higher generation volumes, higher per unit natural gas costs in the first quarter of 2021 as compared to the same period in 2020 and temporary output restrictions due to local transmission maintenance work which was completed by the end of February 2021.

Net income increased in the first quarter of 2021, primarily due to the receipt of the second of three scheduled Line Loss Proceeding payments and the same factors impacting Adjusted EBITDA. These favourable variances were partially offset by the recognition of a deferred tax expense, depreciation of M2, financing costs incurred in relation to the M2 project and unrealized losses on commodity swaps.

AUC LOSS FACTOR DECISION

The Corporation has received the first two of three Line Loss Proceeding payments in the sum of \$34.3 million from the Alberta Electric System Operator ("AESO") relating to the years 2010 to 2016, of which \$27.9 million was received in March 2021 and \$6.4 million was received in December 2020. The Corporation has also received a final statement from the AESO for the third payment relating to the years 2006 to 2009 in the amount of \$18.6 million which is expected to be paid on May 31, 2021. Assuming all payments are made and received as currently expected the total recovery of overpayments will total \$52.9 million, inclusive of interest.

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:

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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: 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.

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.