



Maxim Power Corp. Announces 2021 Third Quarter Financial and Operating Results, and Reports Significant Earnings with \$52 million of Adjusted EBITDA in the First Nine Months of 2021

CALGARY, Alberta (November 9, 2021) – 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, 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 November 9, 2021. All figures reported herein are Canadian dollars unless otherwise stated.

FINANCIAL HIGHLIGHTS

(\$ in thousands except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	44,224	17,726	118,596	29,444
Adjusted EBITDA ⁽¹⁾	20,639	5,698	51,503	6,304
Net income	18,092	498	74,107	337
Earnings per share – basic	0.36	0.01	1.49	0.01
Earnings per share – diluted	0.30	0.01	1.21	0.01
Total generation – (MWh) ⁽²⁾	418,511	349,756	1,132,102	499,558
Average Alberta market power price (\$ per MWh)	100.33	43.83	100.12	46.91
Average realized power price (\$ per MWh) ⁽²⁾	105.67	50.68	104.76	58.94
Total net debt ⁽³⁾	14,201	67,269	14,201	67,269
Total assets	296,604	235,915	296,604	235,915

(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 both M2 and HR Milner ("Milner")

(3) Total net debt was derived from the consolidated financial statements to include: loans and borrowings (including the convertible loan facility), current liabilities, other long-term liability, less total current assets.

OPERATING RESULTS

During the third quarter and first nine months of 2021, revenues increased to \$44 million and \$119 million, as compared to \$18 million and \$29 million, respectively, in the same periods in 2020. The increase is the direct result of the operations of M2, which was commissioned in the second quarter of 2020. Realized power prices in the third quarter and first nine months of 2021 were \$105.67 per MWh and \$104.76 per MWh, respectively, as compared to \$50.68 per MWh and \$58.94 per MWh, respectively, in the same periods in 2020.

During the third quarter and first nine months of 2021, Adjusted EBITDA increased to \$21 million and \$52 million, respectively, as compared to \$6 million and \$6 million, respectively, in the same periods in 2020. As expected, the capacity and high reliability of M2 increased revenues and reduced operations and maintenance costs on a per MW basis. Additionally, the Government of Alberta Technology Innovation and Emissions Reduction program benefits accrue to earnings through 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 and net realized losses on commodity swaps in 2021 as compared to the same periods in 2020. In addition, there were temporary output restrictions due to local transmission maintenance work which was completed by the end of February 2021.

Net income increased in the third quarter and first nine months of 2021, primarily due to the same factors impacting Adjusted EBITDA and the receipt of Line Loss Proceeding payments. These favourable variances were partially offset by the recognition of a deferred tax expense, depreciation of M2 and impairment of the Deerland project.

M2 CCGT PROJECT UPDATE

During the third quarter of 2021, MAXIM continued progress on the engineering and construction of the combined cycle gas turbine ("CCGT") expansion of M2 and is pleased to report that the project remains on schedule. Recent milestones include completion of pilings, successful foundation pour for the heat recovery boiler and the commencement of the heat recovery system installation. The estimated project costs have increased from \$125 million to \$135 million. The increase is primarily due to additional costs in relation to global supply chain constraints for offshore procurement required to maintain a scheduled commercial operation date in December 2022. These additional costs also include engineering and expenditures to repurpose existing Milner components and expand winterization of the CCGT unit. On November 9, 2021, M2 initiated a routine planned maintenance outage and will also be performing work to integrate certain components of the CCGT expansion of M2 during the outage. M2 will return to service later this month.

At this time, MAXIM forecasts it has sufficient liquidity to complete the CCGT expansion of M2, including the increase in estimated project costs, and will fund the project using cash on hand, cash flow from operating revenues and available funds through the existing senior and subordinated credit facilities, as required.

NORMAL COURSE ISSUER BID

On August 20, 2021, MAXIM announced that it has received approval from the Toronto Stock Exchange to proceed with a normal course issuer bid ("NCIB") for 2021/2022. Under this NCIB, the Corporation may purchase for cancellation up to 2,400,000 common shares of the Corporation. As of the date of this press release, the Corporation has repurchased and cancelled 10,915 common shares under the 2021/2022 program.

About MAXIM

Based in Calgary, Alberta, MAXIM is one of Canada's largest truly independent power producers. MAXIM is now focused 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 is currently increasing the capacity of M2 to approximately 300 MW and concurrently will 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 projects 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 information concerning, among other things, the expected completion date of the CCGT expansion of M2, the current cost estimates for the CCGT expansion of M2 and MAXIM's financing plans with respect to the CCGT expansion.

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.