



## Maxim Power Corp. Reports Continued Strong Earnings with \$84 million of Revenue and \$25 million of Net Income in the First Six Months of 2022

**CALGARY, Alberta (August 11, 2022)** – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the second quarter ended June 30, 2022. 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 August 11, 2022. All figures reported herein are Canadian dollars unless otherwise stated.

### FINANCIAL HIGHLIGHTS

(\$ in thousands except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Revenue</b>	<b>48,380</b>	44,342	<b>84,172</b>	74,372
<b>Net income</b>	<b>8,565</b>	29,589	<b>25,463</b>	56,015
<b>Earnings per share – basic</b>	<b>0.17</b>	0.59	<b>0.51</b>	1.12
<b>Earnings per share – diluted</b>	<b>0.15</b>	0.48	<b>0.42</b>	0.91
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>18,781</b>	21,441	<b>34,674</b>	30,864
<b>Total generation – (MWh)</b>	<b>390,813</b>	389,101	<b>784,404</b>	713,591
<b>Total fuel consumption – (GJ)</b>	<b>4,119,567</b>	4,137,093	<b>8,303,475</b>	7,734,434
<b>Average Alberta market power price (\$ per MWh)</b>	<b>122.47</b>	104.51	<b>106.32</b>	100.01
<b>Average realized power price (\$ per MWh)</b>	<b>123.79</b>	113.96	<b>107.31</b>	104.22
<b>Total net debt <sup>(1)</sup></b>	<b>55,639</b>	14,997	<b>55,639</b>	14,997
<b>Total assets</b>	<b>365,459</b>	295,366	<b>365,459</b>	295,366

(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. 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

Since commissioning Milner 2 ("M2") in June 2020, M2 has generated 3,029,435 MWh of electricity, earned \$280 million of revenue and \$114 million of Adjusted EBITDA<sup>(1)</sup>. In the first six months of 2022, M2 generated 784,404 MWh of electricity, earned \$84 million of revenue and \$35 million of Adjusted EBITDA<sup>(1)</sup>.

During the second quarter of 2022, revenues increased as compared to 2021 primarily due to higher realized prices and higher generation volumes of M2. Adjusted EBITDA<sup>(1)</sup> decreased due to higher per unit natural gas costs in 2022, partially offset by net realized gains on power and natural gas commodity swaps and increased revenues.

Net income decreased in 2022 as compared to 2021, primarily due to the recognition of the third (final) payment from the Line loss Proceedings in 2021 and the same factors impacting Adjusted EBITDA<sup>(1)</sup>, partially offset by unrealized gains from natural gas swaps in 2022.

## **M2 CCGT PROJECT UPDATE**

In 2022, 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 to commission in December 2022. Recent milestones include greater than 80% construction complete and the commencement of cold commissioning activities. The estimated project cost, excluding borrowing costs, is currently \$152 million as of the date of this MD&A. Estimated costs have increased from the \$142 million previously reported due to increased expenditures related to integration of the existing steam turbine, overages for mechanical work, expanded project management and construction of the associated natural gas pipeline. As of June 30, 2022, MAXIM has incurred \$128 million of capital investment in relation to the CCGT expansion of M2 and has funded this spending with existing cash on hand, cash flow from operating activities and debt.

MAXIM has commenced the commissioning process in the third quarter of 2022 and anticipates that the plant will commence commercial operations in December of 2022. MAXIM believes strongly that this asset will be a top performing facility in the Alberta power market.

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

## **\$20 MILLION GRANT FUNDING**

On July 14, 2022, the Corporation, through a wholly-owned subsidiary, entered into an agreement to receive grant funding in the amount of \$20 million. The Corporation’s CCGT expansion of M2 captures waste heat that would otherwise exhaust into the atmosphere and will turn it into useful low carbon electricity for the Alberta power grid. As of this date, all of the proceeds from the grant have been received and will be used as funding for the CCGT expansion of M2, which is anticipated to be operational by December 2022.

## **AMENDMENT TO SENIOR CREDIT FACILITY**

In June 2022, MAXIM amended the terms of its senior credit facility to allow for an increase to its normal course issuer bid (“NCIB”) limitations from \$1.0 million to \$2.5 million for the 2022 calendar year. Additionally, MAXIM recommenced repayments of its \$28.5 million Bank Term Facility #1, under the senior credit facility, in the amount of \$0.7 million quarterly. The first quarterly payment occurred on August 2, 2022, followed by regular quarterly payments commencing at the end of the third quarter 2022.

## **NORMAL COURSE ISSUER BID**

MAXIM continues its NCIB program for the August 25, 2021 to August 24, 2022 period. Under this NCIB, MAXIM may purchase for cancellation up to 2,400,000 common shares of the Corporation. Collectively under this program and as of June 30, 2022, the Corporation has repurchased and cancelled 277,285 common shares for \$1.1 million, of which 266,370 common shares were repurchased and cancelled in 2022 for \$1.0 million. MAXIM’s NCIB program is limited to \$2.5 million for the 2022 calendar year under the senior credit facility. Any excess is subject to approval from the lenders under the senior credit facility.

## **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](http://www.maximpowercorp.com). For further information please contact:

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

Kyle Mitton, CFO and Vice President, Corporate Development, (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 information concerning, among other things, the expected completion date of the CCGT expansion of M2, emissions intensity, 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.