



Maxim Power Corp. Reports Continued Strong Earnings with \$36 million of Revenue and \$17 million of Net Income in the First Quarter of 2022

CALGARY, Alberta (May 10, 2022) – 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, 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 May 10, 2022. 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, | |
|--|---------------------------------|-----------|
| | 2022 | 2021 |
| Revenue | 36,147 | 30,030 |
| Net income | 16,868 | 26,426 |
| Earnings per share – basic | 0.34 | 0.53 |
| Earnings per share – diluted | 0.28 | 0.43 |
| Adjusted EBITDA ⁽¹⁾ | 15,893 | 9,423 |
| Total generation – (MWh) | 393,591 | 324,490 |
| Total fuel consumption – (GJ) | 4,179,531 | 3,597,341 |
| Average Alberta market power price (\$ per MWh) | 89.80 | 95.45 |
| Average realized power price (\$ per MWh) | 91.84 | 92.54 |
| Total net debt ⁽¹⁾ | 41,236 | 37,242 |
| Total assets | 364,569 | 262,384 |

⁽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

During the first quarter of 2022, revenues and Adjusted EBITDA increased as compared to 2021 primarily due to higher generation, realized gains on power and natural gas commodity swaps and increased availability of Milner 2 ("M2"). These favourable variances were partially offset by higher fuel costs due to higher generation volumes and higher per unit natural gas costs in 2022 as compared to the same period in 2021.

Net income decreased in 2022 as compared to 2021, with a significant portion due to the recognition of the second payment from the Line loss Proceedings in 2021, partially offset by unrealized gains from natural gas swaps in 2022 and the same factors impacting Adjusted EBITDA.

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 45% of expected construction labour hours expended and significant advancement of piping and welding of the heat recovery steam generator components, near completion of natural gas pipeline construction and associated balance of plant. Additional milestones during the first quarter of 2022 included near completion of the main stack. The estimated project cost is currently \$142 million as of the date of this MD&A. Estimated costs have increased from the \$136 million previously reported due to increased expenditures related to the natural gas pipeline, construction support, procurement and control systems integration. As of March 31, 2022, MAXIM has incurred \$104 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 will commence the commissioning process in the third quarter of 2022 and anticipates that the plant will commence commercial operations late in the fourth quarter of 2022. MAXIM believes strongly that this asset will be a top performing facility in the Alberta 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 and available funds through the existing senior and subordinated credit facilities, as required.

Completion of the CCGT expansion of M2 will allow capture of waste heat that would otherwise exhaust into the atmosphere and turn it into useful low carbon electricity for the Alberta power grid. The CCGT expansion of M2 will reduce the intensity of carbon emissions by more than 60% compared to the legacy coal-fired H.R. Milner facility.

NORMAL COURSE ISSUER BID

MAXIM continues its fourth normal course issuer bid ("NCIB") program for August 25, 2021 to August 24, 2022 period. Under this NCIB, the Corporation may purchase for cancellation up to 2,400,000 common shares of the Corporation. Collectively under this program the Corporation has repurchased and cancelled 277,285 common shares for \$1.1 million, of which 259,965 common shares were repurchased and cancelled in 2022 for \$1.0 million.

MAXIM's NCIB program is limited to \$1.0 million per calendar year under the senior credit facility and as of the date of this press release, MAXIM has reached this limit. Any excess purchases under the NCIB program are subject to approval from the lenders under the senior credit facility.

FORKED RIVER LAND SALE

On April 5, 2022, the Corporation closed the sale of the 31 acre Forked River land parcel for US\$3 million net of customary closing costs.

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, 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.