



Maxim Power Corp. Reports Continued Strong Earnings with Revenue of \$141 million and Net Income of \$49 million in the First Nine Months of 2022

CALGARY, Alberta (November 8, 2022) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the third quarter and nine months ended September 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 November 8, 2022. 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,	
	2022	2021	2022	2021
Revenue	57,088	44,224	141,260	118,596
Net income	23,970	18,092	49,433	74,107
Earnings per share – basic	0.48	0.36	0.99	1.49
Earnings per share – diluted	0.39	0.30	0.82	1.21
Adjusted EBITDA⁽¹⁾	39,739	20,639	74,413	51,503
Total generation – (MWh)	280,290	418,511	1,064,693	1,132,102
Total fuel consumption – (GJ)	2,943,544	4,390,800	11,242,662	12,125,234
Average Alberta market power price (\$ per MWh)	221.41	100.33	145.11	100.12
Average realized power price (\$ per MWh)	203.68	105.67	132.68	104.76
Total net debt⁽¹⁾	18,673	14,201	18,673	14,201
Total assets	390,014	296,604	390,014	296,604

(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 3,309,725 MWh of electricity, earned \$337 million of revenue and \$154 million of Adjusted EBITDA⁽¹⁾. In the first nine months of 2022, M2 generated 1,064,693 MWh of electricity, earned \$141 million of revenue and \$74 million of Adjusted EBITDA⁽¹⁾.

During the third quarter of 2022, revenues increased as compared to 2021 primarily due to higher realized prices, partially offset by lower generation volumes of M2 as a result of cold commissioning activities related to the CCGT expansion of M2. Adjusted EBITDA⁽¹⁾ increased due to increased revenues and lower net realized losses from power and natural gas commodity swaps, partially offset by higher per unit natural gas costs in 2022.

Net income increased in the third quarter of 2022 as compared to 2021, primarily due to the same factors impacting Adjusted EBITDA⁽¹⁾ and non-recurrence of impairment charges in 2021, partially offset by unrealized losses from power and natural gas commodity swaps.

M2 CCGT EXPANSION PROJECT UPDATE

On September 30, 2022, there was a non-injury fire incident at the M2 facility. MAXIM reports that the damage was contained to the air inlet filter house of M2. The incident has not resulted in any damage to the M2 gas turbine, generator, heat recovery steam generator, balance of plant and their associated ancillary systems. Damage from the non-injury fire incident currently prevents performance of the hot commissioning activities related to the Combined Cycle Gas Turbine (“CCGT”) expansion of M2 and prevents M2 from operating as a simple cycle facility.

MAXIM is in the process of disassembling the damaged air inlet filter house of M2, as well as procuring a replacement air inlet filter house and expediting the construction process to restore M2 to operational service as soon as possible. As previously reported, MAXIM does not expect to be generating electricity from the HR Milner (“Milner”) site for the remainder of 2022. MAXIM is committed to providing an update to the return to service date as it becomes known. MAXIM can confirm coverage for the non-injury fire event subject to the terms and conditions of the Corporation’s property insurance policy, including business interruption provisions. The Corporation continues to progress an insurance claim for damages and future lost earnings.

In 2022, MAXIM continued progress on the engineering and construction of the CCGT expansion of M2 and is pleased to report that construction is greater than 97% complete. Recent milestones included the completion of cold commissioning activities which included taking the M2 gas turbine offline in September 2022 to allow for the connection of the heat recovery steam generator, steam turbine and related components. Hot commissioning activities were expected to commence in the early part of October 2022, however are delayed as a result of the non-injury fire incident.

The estimated project cost, excluding borrowing costs and the net effect of \$20 million of grant proceeds, is currently \$155 million as of the date of this press release, subject to inclusion of incremental costs anticipated to be incurred as a result of the delay in commissioning due to the non-injury fire incident. As of September 30, 2022, MAXIM has incurred \$141 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, debt and grant proceeds.

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.

At this time, MAXIM forecasts it has sufficient liquidity to complete the CCGT expansion of M2 and replacement to the air inlet filter house and will fund these costs using cash on hand, and available funds through the existing senior and subordinated credit facilities, as required.

NORMAL COURSE ISSUER BID

MAXIM continues its current Normal Course Issuer Bid (“NCIB”) program for the August 29, 2022 to August 28, 2023 period. Under this NCIB, the Corporation may purchase for cancellation up to 2,500,000 common shares of the Corporation. Collectively under this program and as of the date of this press release, the Corporation has repurchased and cancelled 38,302 common shares for \$0.2 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. 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 timing of resuming simple cycle operations and repairs, the timing of hot commissioning activities and damages to the M2 facility, procurement of a replacement air inlet filter house, current expectation on MAXIM's inability to generate electricity (and related revenue) from its Milner operations and MAXIM's insurance claim related to the same.

Forward-looking information is based on certain assumptions and analysis made by MAXIM in light of our experience and MAXIM's perception of historical trends, current conditions, expected future developments and other factors MAXIM believes appropriate under the circumstances. These include, among other things, assumptions regarding the timing of resuming simple cycle operations and repairs, the timing of hot commissioning activities, MAXIM's current assessment of damages to the M2 facility and MAXIM's current expectations on its inability to generate electricity (and related revenue) from its Milner operations.

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. Risk factors include MAXIM's inability to repair the damage caused by the fire incident in a timely manner, or at all, that MAXIM will not continue to have access to its credit facilities or that it will be in default thereunder, that MAXIM may not be able to resume electricity generating (and associated revenue generating) activities in the timelines described herein, that MAXIM will not have access to the necessary labour, equipment and materials to conduct all necessary repairs and that MAXIM may not be covered by insurance for the subject damages. Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect MAXIM's business, operations or financial results are included in the reports on file with applicable securities regulatory authorities, including but not limited to MAXIM's Annual Information Form for the year ended December 31, 2021, which may be accessed on MAXIM's SEDAR profile at www.sedar.com. 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.