



Maxim Power Corp. Announces 2024 First Quarter Financial and Operating Results with Revenue of \$35 million and Net Income of \$10 million

CALGARY, Alberta (May 7, 2024) – 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, 2024. 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 7, 2024. All figures reported herein are Canadian dollars unless otherwise stated.

FINANCIAL HIGHLIGHTS

(\$ in thousands except per share amounts)	Three Months Ended March 31,	
	2024	2023
Revenue	34,768	-
Net income	10,487	7,751
Earnings per share – basic	0.21	0.15
Earnings per share – diluted	0.18	0.14
Adjusted EBITDA ⁽¹⁾	15,922	11,731
Total generation – (MWh)	476,531	-
Total fuel consumption – (GJ)	3,918,186	21,546
Average Alberta market power price (\$ per MWh)	99.30	142.00
Average realized power price (\$ per MWh)	72.96	-
Total net debt (net cash)⁽¹⁾	(4,425)	30,961
Total assets	435,438	382,622

⁽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"), which is a non-GAAP measure (see **Non-GAAP Financial Measures** below). Net debt is included in the notes to the consolidated financial statements. Net debt is calculated to include: loans and borrowings (including the convertible loan facility) less unrestricted cash.

OPERATING RESULTS

During the first quarter of 2024, MAXIM recorded net income and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"⁽¹⁾) of \$10.5 million and \$15.9 million, respectively, as compared to net income of \$7.8 million and Adjusted EBITDA⁽¹⁾ of \$11.7 million, respectively, in the same period of 2023. Net income and Adjusted EBITDA⁽¹⁾ in 2024 increased as compared to the same period in 2023 primarily due to Milner 2 ("M2") continuing operations in the first quarter of 2024, while it was offline in the first quarter of 2023 due to the non-injury fire which occurred on September 30, 2022, partially offset by business interruption insurance claims in the first quarter of 2023. Average realized power prices compared to average market power prices were lower in the first quarter of 2024 due to an unplanned outage in January 2024 at M2 coinciding with higher market power prices.

M2 CCGT OPERATIONS

M2 is currently experiencing a temporary capability derate due to recently identified fouling of the fill media within the legacy cooling tower system that was reused from the original Milner facility. MAXIM is actively expediting cleaning and, where required, replacement, of the legacy cooling tower fill system. MAXIM anticipates that the capability of M2 will continue to be derated until this work is completed within the next several weeks, at which point M2 is anticipated to resume normal operations.

NORMAL COURSE ISSUER BID UPDATE

MAXIM's current normal course issuer bid ("NCIB") program is for the August 31, 2023 to August 30, 2024 period. Under this NCIB, the Corporation may purchase for cancellation up to 2,526,477 common shares of the Corporation. Collectively under this program and as of the date of this MD&A, the Corporation has repurchased and cancelled 137,624 common shares for \$0.6 million at a weighted average price of \$4.47 per share. MAXIM's NCIB program is limited to \$2.0 million for the 2024 calendar year under the senior credit facility. Any excess is subject to approval from the lenders under the senior credit facility.

NON-GAAP FINANCIAL MEASURES

Management evaluates MAXIM's performance using a variety of measures. The non-GAAP measure discussed below should not be considered as an alternative to or to be more meaningful than net income of the Corporation, as determined in accordance with GAAP, when assessing MAXIM's financial performance or liquidity. This measure does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies.

Adjusted EBITDA

Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flow before interest, income taxes, and depreciation and amortization and certain other non-recurring income and expenses.

Three months ended March 31 (\$000's)	2024	2023
GAAP Measures from Condensed Consolidated Interim Statement of Operations		
Net income	10,487	7,751
Income tax expense	3,215	2,280
Finance expense, net	1,344	1,356
Depreciation and amortization	3,629	2,009
	18,675	13,396
Adjustments:		
Other income	(32)	(19,963)
Unrealized gain on commodity swaps	(2,985)	-
Business interruption insurance claim	-	18,150
Share-based compensation	264	148
Adjusted EBITDA	15,922	11,731

Adjusted EBITDA is calculated as described above from its most directly comparable GAAP measure, net income, and adjusts for specific items that are not reflective of the Corporation's underlying operations and excludes other non-cash items.

Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows attributable to shareholders before finance expense, income taxes, depreciation and amortization, and certain other non-recurring or non-cash income and expenses. Financing expense, income taxes, depreciation and amortization, loss on write-off of asset and impairment charges are excluded from the Adjusted EBITDA calculation, as they do not represent cash expenditures that are directly affected by operations. Management believes that presentation of this non-GAAP measure provides useful information to investors and shareholders as it assists in the evaluation of performance trends. Management uses Adjusted EBITDA to compare financial results among reporting periods and to evaluate MAXIM's operating performance and ability to generate funds from operating activities.

In calculating Adjusted EBITDA for the quarter ended March 31, 2024 and March 31, 2023 management excluded certain non-cash and non-recurring transactions. In both 2024 and 2023, Adjusted EBITDA excluded unrealized gains or losses on commodity swaps, share-based compensation and all items of other income and expense except for business interruption insurance as it reflects a portion of earnings that would have been earned if M2 was operational.

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 300 MW H.R. Milner Plant, M2, in Grande Cache, AB – is a state-of-the-art combined cycle gas-fired power plant that commissioned in Q4, 2023. 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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Forward-looking statements

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 concerning, among other things, expected timing of repairs to M2 cooling tower system and related impact to operations.

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.

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 that MAXIM may not generate full MW capacity from the CCGT expansion of M2. 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, 2023, which may be accessed on MAXIM's SEDAR+ profile at www.sedarplus.ca. 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.