



Maxim Power Corp. Reports 2024 Financial and Operating Results with Revenue of \$101 million and Record Annual Generation from M2

CALGARY, Alberta (March 21, 2025) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announced today the release of financial and operating results for the fourth quarter ended December 31, 2024. The audited condensed consolidated financial statements, accompanying notes and Management's Discussion and Analysis ("MD&A") will be available on SEDAR+ and on MAXIM's website on March 21, 2025. All figures reported herein are Canadian dollars unless otherwise stated.

FINANCIAL HIGHLIGHTS

(\$ in thousands except per share amounts)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenue	24,048	38,990	101,482	41,458
Net income (loss)	(341)	19,477	21,946	28,295
Earnings (loss) per share – basic	(0.01)	0.39	0.42	0.56
Earnings (loss) per share – diluted	(0.01)	0.32	0.38	0.49
Adjusted EBITDA ⁽¹⁾	5,647	31,512	38,531	50,686
Total generation – (MWh)	425,486	485,222	1,733,267	516,849
Total fuel consumption – (GJ)	3,514,660	3,855,880	14,221,985	4,315,372
Average Alberta market power price (\$ per MWh)	51.52	81.61	62.78	133.63
Average realized power price (\$ per MWh)	56.52	80.35	58.55	80.21
Loans and borrowings	-	81,203	-	81,203
Total net debt (net cash) ⁽¹⁾	(30,068)	48,945	(30,068)	48,945
Total assets	359,098	425,840	359,098	425,840
Free cash flow ⁽¹⁾	(1,016)	33,808	28,763	16,857

(1) Select financial information was derived from the consolidated financial statements and is prepared in accordance with GAAP, except certain non-GAAP measures including: free cash flow ("FCF"), adjusted Earnings before Interest, Income Taxes, Depreciation and Amortization ("Adjusted EBITDA") and total net debt, (see **Non-GAAP Financial Measures** below). Total net debt is included in the notes to the annual consolidated financial statements. Net debt is calculated to include: loans and borrowings (including the convertible loan facility) less unrestricted cash.

OPERATING RESULTS

During 2024, MAXIM recorded net income and Adjusted EBITDA⁽¹⁾ of \$21.9 million and \$38.5 million, respectively, as compared to net income of \$28.3 million and Adjusted EBITDA⁽¹⁾ of \$50.7 million, respectively, in the same period of 2023. Decreases to net income and Adjusted EBITDA⁽¹⁾ in 2024 were primarily due to the cessation of business interruption insurance claims in 2024, partially offset by net impacts of operations of M2 in 2024 as compared to the same period in 2023 when it was offline due to the non-injury fire which occurred on September 30, 2022. In addition, FCF⁽¹⁾ increased due to lower capital spending in 2024 as compared to the same periods in 2023.

Average realized power prices compared to average market power prices were lower in 2024 primarily due to an unplanned outage in January 2024 at M2 coinciding with a period of higher market power prices.

LIQUIDITY AND CAPITAL RESOURCES

On October 17, 2024, the Corporation voluntarily repaid the outstanding principal on both the Fixed Rate Construction Facility and the Bank Term Facility #1, for a total principal repayment of \$49.9 million and as a result there were no further amounts owing under the Senior Credit Facility.

On November 7, 2024, MAXIM received a notice of conversion from the lenders under the Convertible Loan Facility (“Convertible Loan”) to convert amounts owing thereunder, being \$29.4 million, into common shares of MAXIM (“Common Shares”). Under the terms of the Convertible Loan, the lenders under this facility received 13,083,735 Common Shares based on a conversion price of \$2.25 per Common Share. In addition, MAXIM and the lenders under the Convertible Loan mutually agreed to terminate the facility and as a result, the facility was extinguished. As at December 31, 2024 and the date of this MD&A, the Corporation has 63,693,029 Common Shares outstanding.

On November 7, 2024, MAXIM’s Board of Directors approved the declaration and distribution of a special dividend (the “Special Dividend”) of \$0.50 per Common Share. The aggregate amount of the Special Dividend was \$31.8 million, which was payable in cash, and funded from surplus cash. The Special Dividend was paid on November 29, 2024.

In addition, MAXIM amended its Senior Credit Facility on November 7, 2024, to increase and merge the combined availability of Revolver Facility #1 and Letter of Credit Facility #1 from \$19.1 million to \$25.0 million, release \$10.1 million of restricted cash (refer to Note 8a of the December 31, 2024 Consolidated Financial Statements) and to modify other terms of the agreement to provide the Corporation with more flexibility to operate its business and permit a Special Dividend.

DEVELOPMENT AND BUSINESS INITIATIVES

On February 18, 2025, MAXIM entered into a Purchase and Sale Agreement (“PSA”) to sell the Corporation’s wholly-owned subsidiaries Summit Coal Limited Partnership and Summit Coal Inc. (collectively “Summit”) to Valory Resources Inc. (“Valory”). Under the terms of the PSA, Valory will pay a total purchase price of \$14.2 million, consisting of \$10.2 million cash and \$4.0 million of equity securities in the form of either (i) common shares of Valory, or (ii) an interest-bearing note convertible into Valory common shares, at MAXIM’s election, prior to Closing of the PSA (“Closing”). Summit will be sold with \$2.2 million of restricted cash, resulting in net cash proceeds on Closing to MAXIM of \$8.0 million.

Prior to Closing, MAXIM and Summit will enter into an agreement such that MAXIM will receive a 3% royalty on any raw coal volume produced from the coal leases currently owned by Summit, including any volumes from Summit’s Mine 14 project. The royalty will be calculated using a Premium Low Vol Hard Coking Coal benchmark and will be paid in United States dollars. The amount and timing of any royalty payments is contingent on the commencement of production and there is no certainty as to if, or when, production may begin.

MAXIM, has agreed, commensurate with Closing, to enter into a ground lease at the Milner site, with a nominee of Valory, to allow for construction and operation of a coal processing facility, the form and terms of which are appended to the PSA, which is available on SEDAR+. MAXIM anticipates the Closing to occur in the first half of 2025.

NORMAL COURSE ISSUER BID

MAXIM's current normal course issuer bid ("NCIB") program is for the September 16, 2024 to September 15, 2025 period. Under the current NCIB, the Corporation may purchase for cancellation up to 2,529,885 Common Shares of the Corporation. Collectively under this program and as of the date of this MD&A, the Corporation has repurchased and cancelled 9,710 Common Shares at a weighted average price of \$3.93 per share.

NON-GAAP FINANCIAL MEASURES

Management evaluates MAXIM's performance using a variety of measures. Adjusted EBITDA and FCF, as discussed below are non-GAAP measures and 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. These measures do 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.

(\$000's)	Three months ended		Twelve months ended	
	December 31		December 31	
	2024	2023	2024	2023
GAAP Measures from Consolidated Statement of Operations				
Net income (loss)	(341)	19,477	21,946	28,295
Income tax expense	205	6,427	6,175	9,107
Finance expense, net	737	1,512	3,892	5,421
Asset impairment charge	-	2,002	-	2,002
Depreciation and amortization	3,660	4,093	14,563	9,695
	4,261	33,511	46,576	54,520
Adjustments:				
Other expense (income)	76	(20,771)	(2,961)	(64,528)
Business interruption insurance claim	-	13,159	-	53,181
Unrealized loss (gain) on commodity swaps	309	5,409	(6,887)	6,821
Share-based compensation	1,001	204	1,803	692
Adjusted EBITDA	5,647	31,512	38,531	50,686

Adjusted EBITDA is calculated as described above from its most directly comparable GAAP measure, net income (loss), 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 three and twelve months ended December 31, 2024 and December 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.

Free Cash Flow

(\$000's)	Three months ended December 31		Twelve months ended December 31	
	2024	2023	2024	2023
Funds generated from operating activities before change in non-cash working capital	4,265	37,661	41,791	52,310
Property, plant and equipment additions	(3,726)	(1,937)	(7,192)	(27,421)
Repayment of loans and borrowings ⁽¹⁾	(1,500)	(712)	(3,638)	(2,850)
Issuance of loans and borrowings	-	-	-	-
Interest expense and bank charges	(746)	(1,946)	(6,634)	(8,114)
Interest income	691	742	4,436	2,932
Free cash flow	(1,016)	33,808	28,763	16,857

(1) Excludes non-routine repayments to loans and borrowings for \$49.9 million in the fourth quarter of 2024.

FCF is calculated as described above from its most directly comparable GAAP measure from the Statement of Cash Flows, the funds generated from operating activities before change in non-cash working capital, and adjusts for specific items that are reflective of the Corporation's underlying FCF. FCF is an important metric as it represents the amount of cash that is available to potentially invest in growth initiatives, pay dividends and repurchase shares. In calculating FCF for the three and twelve months ended December 31, 2024 and December 31, 2023, management uses the funds generated from operating activities before change in non-cash working capital for the period and deducts property, plant and equipment additions, repayment of loans and borrowings, interest expense and bank charges and adds interest income.

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, the royalty agreement and ground lease, the timing of closing the transactions referenced herein, construction and completion of a coal beneficiation facility, the amount and receipt of sale proceeds and royalties.

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 close the PSA and therefore not enter into the royalty agreement and ground lease and that the coal beneficiation facility is not constructed and no coal is produced, may not generate full MW capacity from the CCGT expansion of M2 and will retain sufficient liquidity to maintain operations and continue to invest in its development portfolio. 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, 2024, 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.