

Condensed Consolidated Interim Financial Statements of

MAXIM POWER CORP.

For the First Quarter Ended March 31, 2026

(Unaudited)

MAXIM POWER CORP.

Unaudited Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)

As at	Note	March 31, 2026	December 31, 2025
ASSETS			
Cash and cash equivalents		36,850	56,917
Trade and other receivables		8,434	7,958
Current tax asset		45	45
Risk management asset	10	3,053	1,389
Prepaid expenses and deposits		2,906	4,061
Total current assets		51,288	70,370
Property, plant and equipment, net	3	316,245	298,915
Investments	10	2,250	2,250
Convertible note	10	2,797	2,521
Restricted cash	4	12,234	7,341
Prepaid expenses and deposits		2,510	2,027
Total non-current assets		336,036	313,054
TOTAL ASSETS		387,324	383,424
LIABILITIES			
Trade and other payables		14,140	12,278
Risk management liability	10	3,075	1,785
Total current liabilities		17,215	14,063
Provisions for decommissioning		14,949	14,024
Other long-term liabilities		274	285
Deferred tax liabilities		21,855	21,908
Total non-current liabilities		37,078	36,217
TOTAL LIABILITIES		54,293	50,280
EQUITY			
Share capital		172,483	172,406
Contributed surplus		14,256	14,139
Retained earnings		146,292	146,599
TOTAL EQUITY		333,031	333,144
Commitments	8		
TOTAL LIABILITIES AND EQUITY		387,324	383,424

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board:

M. Bruce Chernoff
Chairman of the Board

Michael Mayder
Director

MAXIM POWER CORP.

Unaudited Condensed Consolidated Interim Statements of Operations and Comprehensive Income

For the three months ended March 31
(in thousands of Canadian dollars, except for per share amounts)

	Note	2026	2025
Revenue and power swaps			
Revenue		15,618	20,253
Realized gain on power swaps	10	4,706	2,321
Unrealized gain on power swaps	10	1,582	420
Total revenue and power swaps		21,906	22,994
Expenses			
Operating		13,665	15,806
Realized loss (gain) on natural gas swaps	10	2,230	(382)
Unrealized loss (gain) on natural gas swaps	10	1,208	(2,438)
General and administrative		2,127	2,168
Depreciation and amortization	3	4,110	3,650
Total expenses		23,340	18,804
Operating (loss) income		(1,434)	4,190
Other income, net	5	901	15
Finance income, net	6	286	106
(Loss) income before income taxes		(247)	4,311
Income tax expense (recovery)			
Deferred income tax (recovery)		(53)	1,045
Total income tax expense (recovery)		(53)	1,045
Net and comprehensive (loss) income		(194)	3,266
Earnings per share			
Basic	7	0.00	0.05
Diluted	7	0.00	0.05

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

(in thousands of Canadian dollars, except common share data)

	Number of common shares (thousands)	Share capital	Contributed surplus	Retained earnings	Total
Equity at December 31, 2025	63,590	172,406	14,139	146,599	333,144
Net income	-	-	-	(194)	(194)
Repurchase of common shares for cancellation	(64)	(189)	-	(113)	(302)
Share-based compensation	-	-	288	-	288
Stock options exercised	25	117	(22)	-	95
Stock options settled in common shares	21	149	(149)	-	-
Equity at March 31, 2026	63,572	172,483	14,256	146,292	333,031
Equity at December 31, 2024	63,693	172,476	13,286	130,258	316,020
Net income	-	-	-	3,266	3,266
Share-based compensation	-	-	254	-	254
Equity at March 31, 2025	63,693	172,476	13,540	133,524	319,540

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31
(in thousands of Canadian dollars)

	Note	2026	2025
Cash flows from operating activities:			
Net (loss) income		(194)	3,266
Adjustments for items not involving cash or operations:			
Depreciation and amortization	3	4,110	3,650
Share-based compensation		288	254
Unrealized gain on power swaps	10	(1,582)	(420)
Unrealized loss (gain) on natural gas swaps	10	1,208	(2,438)
Income tax expense (recovery)		(53)	1,045
Income tax paid		-	(63)
Finance income, net	6	(286)	(106)
Funds generated from operating activities before change in non-cash working capital		3,491	5,188
Change in non-cash working capital	9	2,430	(262)
Net cash generated from operating activities		5,921	4,926
Cash flows from financing activities:			
Repurchase of common shares for cancellation		(302)	-
Interest and bank charges	6	(41)	(49)
Proceeds from exercise of stock options		95	-
Net cash used in financing activities		(248)	(49)
Cash flows from investing activities:			
Property, plant and equipment additions	3	(20,665)	(2,149)
Interest income	6	409	305
Change in non-cash working capital	9	(5,349)	(1,622)
Net cash used in investing activities		(25,605)	(3,466)
Foreign exchange (loss) gain on cash and cash equivalents	6	(135)	7
Increase (decrease) in cash and cash equivalents		(20,067)	1,418
Cash and cash equivalents, beginning of period		56,917	30,068
Cash and cash equivalents, end of period		36,850	31,486

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 1

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

1. Reporting entity

Maxim Power Corp. is incorporated in the province of Alberta, Canada. Maxim Power Corp., together with its subsidiaries ("MAXIM" or the "Corporation") is an independent power producer, which acquires or develops, owns and operates power and power related projects in Alberta. The Corporation's common shares ("Common Shares") trade on the Toronto Stock Exchange under the symbol "MXG". MAXIM's registered office is Suite 1800, 715 – 5 Avenue S.W., Calgary, Alberta, Canada, T2P 2X6.

2. Basis of preparation and statement of compliance

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The unaudited condensed consolidated interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Corporation's December 31, 2025 annual audited consolidated financial statements available at www.sedarplus.ca.

MAXIM's Board of Directors approved these unaudited condensed consolidated interim financial statements on May 7, 2026.

(b) Material accounting policies and use of judgments and estimates

The use of judgments and estimates in the preparation of these unaudited condensed consolidated interim financial statements have been applied consistently for all periods presented and are unchanged from the judgments and estimates disclosed in the notes to the consolidated financial statements for the year ended December 31, 2025.

The material accounting policies used in the preparation of these unaudited condensed consolidated interim financial statements have been applied consistently for all periods presented and are unchanged from the policies disclosed in the notes to the consolidated financial statements for the year ended December 31, 2025.

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 2

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

3. Property, plant and equipment, net

	Generating Facilities and Equipment	Right-of-use Asset	Assets under Construction	Total
Cost				
Balance, December 31, 2024	409,310	202	13,614	423,126
Additions	2,363	-	11,436	13,799
Assets in-service	15,555	-	(15,555)	-
Revisions to decommissioning provisions	2,903	-	-	2,903
Derecognition of fully depreciated asset	(7,615)	-	-	(7,615)
Disposal of development project	(194)	-	(8,192)	(8,386)
Balance, December 31, 2025	422,322	202	1,303	423,827
Additions	916	-	19,749	20,665
Assets in-service	149	-	(149)	-
Revisions to decommissioning provisions	775	-	-	775
Balance, March 31, 2026	424,162	202	20,903	445,267
Accumulated depreciation				
Balance, December 31, 2024	116,976	115	-	117,091
Depreciation	15,575	30	-	15,605
Disposal of development project	(169)	-	-	(169)
Derecognition of fully depreciated asset	(7,615)	-	-	(7,615)
Balance, December 31, 2025	124,767	145	-	124,912
Depreciation	4,102	8	-	4,110
Balance, March 31, 2026	128,869	153	-	129,022
Property, plant and equipment, net				
December 31, 2025	297,555	57	1,303	298,915
March 31, 2026	295,293	49	20,903	316,245

(a) During the first quarter of 2026, MAXIM spent \$20,665, of which \$19,164 related to the advancing the Prairie Lights Power ("PLP") project and \$1,501 relates to sustaining capital spending at Milner 2 ("M2").

4. Loans and borrowings

Senior Credit Facility

The Senior Credit Facility provides senior debt financing to support financing requirements of the existing operations, letters of credit and hedging. The Senior Credit Facility is secured by the assets of the Corporation. The Senior Credit Facility matures on June 30, 2026.

Restricted Cash

During the first quarter of 2026, MAXIM issued \$4,893 of cash collateralized letters of credit necessary for advancing the development of the PLP project. As at March 31, 2026, restricted cash was \$12,234 (December 31, 2025 - \$7,341).

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 3

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

4. Loans and borrowings (continued)

Revolver Facility #1

The \$25,000 Revolver Facility #1 is available for general corporate purposes. The Corporation posted cash collateralized letters of credit of \$12,234 under this facility and deposited cash of the same amount into a restricted bank account maintained by the bank. As at March 31, 2026, the availability under this facility is \$12,766. Letters of credit reduce the availability under this facility, regardless of whether the letters of credit are cash collateralized or not. The Corporation can elect to drawback cash collateral of \$12,234 related to the letters of credit, in exchange for paying a higher margin fee. The Revolver Facility #1 bears interest at the Canadian overnight repo rate average or Canadian prime rate, plus applicable margins.

Financial Debt Covenants

MAXIM is required to maintain a net debt to Adjusted EBITDA ratio of not greater than 3.00:1.00. As at March 31, 2026, MAXIM's net debt to Adjusted EBITDA ratio is (1.41):1.00 and is therefore in compliance.

MAXIM is required to maintain an interest coverage ratio of not less than 5.00:1.00 on a rolling four quarter basis. As at March 31, 2026, MAXIM's interest coverage ratio is 117.34:1.00 and is therefore in compliance.

The asset coverage percentage covenant requires that at the end of each financial quarter, the tangible assets of MAXIM, Milner Power II LP, Milner Power LP, and Prairie Lights Power LP, are not less than 95% of consolidated tangible assets. As at March 31, 2026, MAXIM's asset coverage percentage is 100% and is therefore in compliance.

In addition, MAXIM is subject to customary non-financial covenants. As at March 31, 2026, MAXIM is in compliance with all applicable debt covenants.

5. Other income

	March 31, 2026	March 31, 2025
Lease income (a)	900	-
Other income	1	15
Total other income, net	901	15

(a) On April 29, 2025, the Corporation entered into a ground lease at the Milner site with Mine 14 Operations Inc. to allow for construction and operation of a coal processing facility. The Corporation earns ground lease income of \$300 per month. During the first quarter of 2026, the Corporation earned and collected \$900 of lease income (March 31, 2025 – nil).

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 4

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

6. Finance income, net

	March 31, 2026	March 31, 2025
Interest expense and bank charges	(41)	(49)
Amortization of deferred financing costs	(72)	(72)
Change in fair value of convertible note (note 10c)	103	-
Accretion of provisions	(151)	(85)
Foreign exchange gain (loss)	(135)	7
Finance expense	(296)	(199)
Interest income (a)	582	305
Total finance income, net	286	106

(a) During the first quarter of 2026, the Corporation earned interest income of \$582 (March 31, 2025 - \$305) including \$409 (March 31, 2025 - \$305) of cash interest income and \$173 (March 31, 2025 - \$nil) of non-cash Convertible Note interest income.

7. Earnings per share

	March 31, 2026	March 31, 2025
Weighted average number of common shares - basic	63,590,440	63,693,029
Effect of stock options	106,456	556,188
Weighted average number of common shares - diluted	63,696,896	64,249,217

	March 31, 2026	March 31, 2025
Net (loss) income	(194)	3,266

	March 31, 2026	March 31, 2025
Earnings per share (dollars per share):		
Basic	0.00	0.05
Diluted	0.00	0.05

8. Commitments

The Corporation has entered into capital asset commitments, a natural gas transportation service agreement to have natural gas delivered to Milner 2 and contracts to purchase emission credits. The total remaining commitment from these contracts as at March 31, 2026 is \$30,630 as follows:

2026	22,234
2027	4,891
2028	1,968
2029	1,068
2030	469
	30,630

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 5

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

9. Change in non-cash working capital

	March 31, 2026	March 31, 2025
Operating activities		
Trade and other receivables	(476)	(3,509)
Prepaid expenses and deposits	589	2,335
Trade and other payables	2,317	912
	2,430	(262)
	March 31, 2026	March 31, 2025
Investing activities		
Trade and other payables	(456)	(582)
Restricted cash	(4,893)	(1,040)
	(5,349)	(1,622)

10. Financial risk management and fair value

Financial risk management

The Corporation's risk management process, oversight and techniques are the same as those described in the Corporation's 2025 annual consolidated financial statements.

Fair value

The fair value measurement of a financial instrument or derivative contract is included in one of three levels as follows:

- Level I: unadjusted quoted prices in active markets for identical assets or liabilities
- Level II: inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly
- Level III: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Corporation is required to recognize and disclose the fair value of financial assets and liabilities. The Corporation's financial assets and financial liabilities that are not convertible notes, risk management swaps, investments, options or loans and borrowings are all classified as Level I under the fair value hierarchy as they are based on unadjusted quoted prices in active markets for identical instruments.

(a) Commodity risk management swaps

The fair values of the power and natural gas commodity swaps are classified as Level II under the fair value hierarchy as the fair values are based on observable market data. The Corporation determined the fair value of the swaps by applying the market approach using market settled forward prices as reported by the Natural Gas Exchange for forward contracts of comparable term at the reporting date.

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 6

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

10. Financial risk management and fair value (continued)

Realized gain on commodity swaps

	March 31, 2026	March 31, 2025
Realized gain on power swaps	(4,706)	(2,321)
Realized loss (gain) on natural gas swaps	2,230	(382)
Total realized gain on commodity swaps	(2,476)	(2,703)

Unrealized loss (gain) on commodity swaps

	March 31, 2026	March 31, 2025
Unrealized gain on power swaps	(1,582)	(420)
Unrealized loss (gain) on natural gas swaps	1,208	(2,438)
Total unrealized gain on commodity swaps	(374)	(2,858)

Gain on commodity swaps

Total realized and unrealized gain on commodity swaps	(2,850)	(5,561)
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(b) Carrying amount of risk management asset and liabilities

Current risk management asset

	March 31, 2026	December 31, 2025
Power commodity swaps	3,053	1,389
Total carrying amount of current risk management asset	3,053	1,389

The carrying amount of current risk management asset represents the unrealized asset from the power and natural gas commodity swaps.

Current risk management liability

	March 31, 2026	December 31, 2025
Natural gas commodity swaps	2,983	1,775
Power commodity swaps	92	10
Total carrying amount of current risk management liability	3,075	1,785

The carrying amount of current risk management liability represents the unrealized liability from the power and natural gas commodity swaps.

(c) Convertible Note

The Convertible Note is a \$4,516 Australian dollar equity security in the form of a 15% interest bearing note convertible into Valory common shares. The Convertible Note matures on April 29, 2027, and is convertible at MAXIM's election into common shares of Valory upon a convertible event, being a sale, equity raise or maturity and converts at a 30% discount to the corresponding share valuation at the event. The Convertible Note may be redeemed by Valory at any time.

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 7

For the three months ended March 31, 2026 and 2025
(Amounts in thousands of Canadian dollars, except as otherwise noted)

10. Financial risk management and fair value (continued)

The Convertible Note is classified as a financial asset measured at fair value through profit or loss at the end of each reporting period, through the use of an internal model which incorporates significant unobservable inputs. Due to the unobservable nature of the inputs used in determining the fair value, the Convertible Note is considered a level III financial instrument. Management's best estimate of the fair value of the Convertible Note is based on a probability weighted approach considering the discounted cash flows associated with the collection of the principal amount through the maturity of the Convertible Note and the conversion into Valory common shares.

The internal model includes assumptions about the credit risk of the counterparty in the determination of the discount rate and contract duration. The following table summarizes the change in fair value of the Convertible Note as at March 31, 2026.

Balance, December 31, 2025	2,521
Interest income	173
Change in fair value of Convertible Note	103
Balance, March 31, 2026	2,797

(d) Investments

MAXIM holds common shares in a non-public investment. This non-public investment is classified as a financial asset measured at fair value through profit or loss at the end of each reporting period. Fair value is determined using a market approach which incorporates unobservable inputs. Due to the unobservable nature of the inputs used in determining fair value, the non-public investment is considered a level III financial instrument. Fair value is based on the common share price from the most recent arm's length issuance of common shares of the non-public investment multiplied by the number of shares held by MAXIM. The following table summarizes the carrying amount of the Investment as at March 31, 2026.

	March 31, 2026	December 31, 2025
Investment	2,250	2,250

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated May 7, 2026 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of Maxim Power Corp. ("MAXIM" or the "Corporation") for the three months ended March 31, 2026 and the audited consolidated financial statements and MD&A for the year ended December 31, 2025. MAXIM prepares its unaudited condensed consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting, under IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS"). MAXIM occasionally refers to non-GAAP and other financial measures in the MD&A which are not standardized measures and may not be comparable to other reporting issuers. See the Non-GAAP and other financial measures section for more information. The MD&A contains Forward-Looking Information ("FLI"). This information is based on certain estimates and assumptions and involve risks and uncertainties. Actual results may differ materially. See the FLI section of this MD&A for additional information.

Capitalized and abbreviated terms that are used but not otherwise defined herein are defined in the Glossary of Terms. Throughout this MD&A, dollar amounts within tables are in thousands of Canadian dollars unless otherwise noted.

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BUSINESS OF MAXIM

MAXIM is an independent power producer engaged in the acquisition, development, ownership and operation of power generation facilities and the resultant sale of generating capacity and electricity. As at the date of this MD&A, MAXIM has one power generating facility, Milner 2 (“M2”), a natural gas-fired power plant with 300 MW of maximum electric generating capacity in Canada. The M2 power plant is a 300 MW state-of-the-art combined cycle gas-fired power plant that was commissioned in the fourth quarter of 2023 and is situated at the HR Milner (“Milner”) generating station site near Grande Cache, Alberta.

OVERALL PERFORMANCE

Highlights

Financial Performance and Operations

During the first quarter of 2026, MAXIM recorded net loss and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”⁽¹⁾) of \$0.2 million and \$2.6 million, respectively, as compared to net income and Adjusted EBITDA⁽¹⁾ of \$3.3 million and \$5.2 million, respectively, in the same period of 2025. Net income and Adjusted EBITDA⁽¹⁾ decreased in 2026 primarily due to lower generation volumes resulting from lower average Alberta market power prices in the first quarter of 2026. Net income further decreased due to lower unrealized gains on commodity swaps, partially offset by lease income.

(1) Adjusted EBITDA is a non-GAAP measure. See Non-GAAP and Other Financial Measures.

The average Alberta market power price during the first quarter of 2026 was \$32.15 per MWh as compared to \$39.78 per MWh in the same period of 2025, representing a 19% decrease. As a result of lower average Alberta market power pricing in the first quarter of 2026, M2 spent more time offline, or at lower output levels, to avoid uneconomic dispatch hours. M2 demonstrated significant operational flexibility throughout the quarter, the result of which helped to minimize the negative financial impact from prolonged uneconomic periods.

Quarterly Financial and Operational Highlights

Three months ended March 31 (\$000's, unless otherwise noted)	2026	2025
Revenue	15,618	20,253
Net income (loss)	(194)	3,266
Basic net income per share (\$ per share)	0.00	0.05
Diluted net income per share (\$ per share)	0.00	0.05
Adjusted EBITDA ⁽¹⁾	2,590	5,236
Free cash flow ⁽¹⁾	(16,806)	3,295
Total generation (MWh)	306,764	413,031
Total fuel consumption (GJ)	2,592,603	3,489,423
Heat rate (GJ/MWh)	8.5	8.4
Facility availability rate (%)	92.2%	92.3%
Facility utilization rate (%)	47.3%	63.7%
Average Alberta market power price (\$ per MWh)	32.15	39.78
Average realized power price (\$ per MWh)	50.91	49.04
Non-current liabilities	37,078	32,715
Total assets	387,324	364,000

(1) Adjusted EBITDA and Free Cash Flow (“FCF”) are non-GAAP measures. See Non-GAAP and Other Financial Measures.

Financial Results

During the first quarter of 2026, revenue, net income, and Adjusted EBITDA⁽¹⁾ decreased as compared to 2025 primarily due to lower generation volumes, partially offset by higher realized power prices. Net income further decreased primarily due to the same factors impacting revenues, partially offset by lower unrealized gains on commodity swaps in 2026.

(1) Adjusted EBITDA is a non-GAAP measure. See Non-GAAP and Other Financial Measures.

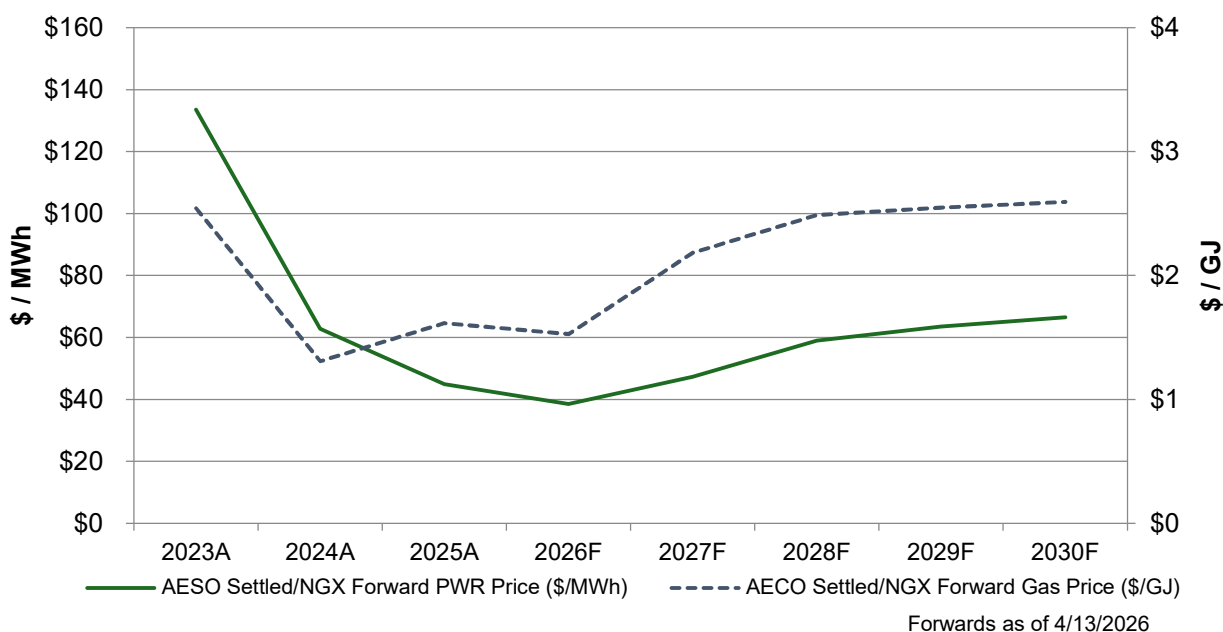
OUTLOOK

Alberta Power Price

The following commentary represents FLI and users are cautioned that actual results may vary. Refer to the discussion of FLI on page 4 for further details.

In 2023, management observed elevated electricity prices as a result of higher carbon pricing, higher natural gas pricing, and tight supply/demand fundamentals. Power prices declined in 2024 as a result of a significant increase in new generating capacity additions during the period compounded by low natural gas prices. 2025 power prices were lower than 2024 due to further generating capacity additions coming online early in the year, along with low natural gas prices. 2026 power prices are anticipated to be similar to 2025 however forward power prices are expected to begin rising in 2027+ due to higher forecast natural gas prices and a re-balancing of supply/demand fundamentals.

Current (2026) Alberta natural gas forward prices have dropped into a range consistent with 2025 prices. The persistent low natural gas pricing is a result of continued local Alberta supply/demand fundamentals and limited pipeline capacity to get Alberta natural gas to external markets. The result of this has caused local Alberta natural gas prices to be significantly discounted relative to broader North American natural gas prices. Longer-term (2027+) Alberta natural gas forward prices are consistent with the range of historical prices and in line with management's expectations.



DEVELOPMENT AND BUSINESS INITIATIVES

The Corporation maintains optionality for all of its development and business initiatives in order to maximize shareholder value, including outright sale, joint venture, build and operate or development process to maintain certain initiatives as future opportunities.

Future Business Initiatives

All future growth initiatives are at various stages of development and subject to, among other things, financing, development and permitting of necessary electrical transmission and fuel supply infrastructure, equipment procurement and various other commercial contracts. As at the date of this MD&A, no definitive final investment commitments or decisions on these future business initiatives have been made.

MAXIM maintains the flexibility to manage the timing of its business initiatives. MAXIM accounts for its development projects as assets under construction included in property, plant and equipment once technical and economic feasibility is established. If a project has not yet met, or no longer meets these criteria, any capitalized costs for the project are expensed in the period.

MAXIM owns the 400 MW Prairie Lights natural gas-fired power generation development project ("Prairie Lights") located near Grande Prairie, Alberta, which is in the early stages of development. On February 9, 2026, MAXIM entered into a gas turbine and generator reservation agreement (the "Reservation Agreement") with GE Vernova. The Reservation Agreement allows MAXIM to hold a manufacturing slot for a 7HA.02 gas turbine and generator package (the "Gas Turbine") with a target delivery by 2030. To hold this manufacturing slot, MAXIM is required to provide a non-refundable deposit which is payable in 2026. Under the Reservation Agreement, the parties agree to negotiate in good faith to reach a definitive sales agreement for the purchase of the Gas Turbine. The purchase price for the Gas Turbine will be agreed to in the definitive agreement, and the deposit will be credited towards the final purchase price.

MAXIM is securing this unit manufacturing slot for Prairie Lights. An amendment to the Prairie Lights regulatory permits will be required based on the Gas Turbine selected and its corresponding delivery schedule. The 7HA.02 gas turbine is an updated model of the currently approved gas turbine within the Prairie Lights regulatory permits and, as such, the amendment is anticipated to be routine in nature. The Corporation continues to advance all aspects of project development for Prairie Lights and anticipates total project spending during 2026 of up to \$60 million, of which \$19.2 million has been spent as of March 31, 2026.

MAXIM also owns a wind development project ("Buffalo Atlee") which has the potential for up to 200 MW of power generation capacity. MAXIM has installed a new meteorological tower on the site lands to further expand and improve the quality of the project's wind resource data. The Corporation continues to monitor changes to provincial and federal government regulations as they relate to opportunities to develop and construct natural gas and wind power projects.

MAXIM continues to conduct its review of commercialization of the Milner landfill fly ash beneficiation project ("LFAB") which will process and repurpose land-filled fly ash previously produced by the legacy coal-fired power facility at the Milner site. Fly ash is a byproduct of burning coal and can be used as a low carbon intensity alternative for cement mix. Through advancement of project development, the LFAB has been approved for funding through the Emissions Reduction Alberta ("ERA") Advanced Materials Challenge for up to \$5.0 million. Funding can be used for directly attributable costs in relation to all project-related activities of the LFAB. The Corporation has entered into the funding contribution agreement with the ERA and continues to refine project details to inform a final investment decision. As at the date of this MD&A, the Corporation has not made a final investment decision to proceed with the LFAB.

FORWARD-LOOKING INFORMATION

FLI and forward looking statements included in this MD&A are provided to inform the Corporation's shareholders and potential investors about management's assessment of the Corporation's future plans and operations. This information may not be appropriate for other purposes.

Readers are cautioned that management's expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “approximate”, “plan”, “estimate”, “intend”, “believe”, “expect”, “will”, “may”, “project”, “predict”, “potential”, “could”, “might”, “should”, and other similar expressions. The Corporation believes the expectations reflected in forward-looking statements and FLI are reasonable, but no assurance can be given that these expectations will prove to be correct. These forward-looking statements speak only to the date of this MD&A and are expressly qualified by this cautionary statement. Specifically, this MD&A contains forward-looking statements concerning, among other things, anticipated spending and development of the Prairie Lights, outlook for commodity and power prices and changes in market rules. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or FLI, whether as a result of new information, future events or otherwise except as required pursuant to applicable securities laws. Certain information in this MD&A is FLI and is subject to important risks and uncertainties. The results or events predicted in this information may differ from actual results or events.

Factors which could cause actual results or events to differ materially from current expectations include the ability of the Corporation to implement its strategic initiatives, operational risks related to the Corporation’s generation facilities, the availability of capital and contractors to execute its development initiatives, the availability and price of energy commodities, government and regulatory decisions including carbon pricing, power plant availability and capacity under simple cycle or combined cycle, counterparty credit risk of non-performance, tariffs, trade disputes, supply chain constraints, competitive factors in the power industry, foreign exchange and tax rates, the impact of pandemics, prevailing economic conditions in the regions that the Corporation operates, operational efficiency and planned or unplanned plant outages and the other risks described herein and under the heading “Risk Factors” in the Corporation’s most recently filed annual information form filed on SEDAR+ at www.sedarplus.ca.

These factors should not be construed as exhaustive. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. MAXIM does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law. With respect to forward-looking statements contained within this MD&A, MAXIM has made the following assumptions as at the date of this MD&A:

- MAXIM’s operating cashflow is largely dependent on electric power and natural gas prices. Management forecasts that cash flows for operating and general and administrative expenses will be funded by positive cashflows from revenues and existing cash on hand. MAXIM estimates total capital expenditures to be incurred in 2026 of approximately \$66.0 million. These expenditures primarily relate to Prairie Lights spending and sustaining capital spending related to M2. Management forecasts that cash flows for capital expenditures will be funded with existing cash on hand, operating cashflows and financing.
- The Corporation will continue to have access to its credit facility and not be in default.
- The Corporation will retain sufficient liquidity to maintain operations and continue to invest in its development portfolio.
- MAXIM’s continued compliance with all necessary provincial and federal regulations for environmental and climate change legislation and all necessary requirements of operating permits. Further changes to environmental legislation and operational issues may affect the ability of MAXIM to comply with regulations and may result in unplanned costs and plant outages.
- Other matters and factors described under the Outlook section on page 3.

SELECTED QUARTERLY FINANCIAL INFORMATION

Financial Highlights

Quarter ended: (unaudited) (\$000's unless otherwise noted)	31-Mar 2026	31-Dec 2025	30-Sep 2025	30-Jun 2025
Revenue	15,618	17,966	27,228	21,426
Net income (loss)	(194)	2,422	10,620	386
Basic earnings per share (\$ per share)	0.00	0.04	0.17	0.01
Diluted earnings per share (\$ per share)	0.00	0.04	0.17	0.01
Adjusted EBITDA ⁽¹⁾	2,590	6,007	11,387	6,183
Average realized power price (\$ per MWh)	50.91	57.44	59.94	51.44
Total fuel consumption (GJ)	2,592,603	2,731,215	3,640,634	3,400,931
Total generation (MWh)	306,764	312,769	454,253	416,488

Quarter ended: (unaudited) (\$000's unless otherwise noted)	31-Mar 2025	31-Dec 2024	30-Sep 2024	30-Jun 2024
Revenue	20,253	24,048	25,659	17,007
Net income (loss)	3,266	(341)	10,744	1,056
Basic earnings (loss) per share (\$ per share)	0.05	(0.01)	0.21	0.02
Diluted earnings (loss) per share (\$ per share)	0.05	(0.01)	0.18	0.02
Adjusted EBITDA ⁽¹⁾	5,236	5,647	12,675	4,287
Average realized power price (\$ per MWh)	49.04	56.52	55.11	46.51
Total fuel consumption (GJ)	3,489,423	3,514,660	3,756,808	3,034,857
Total generation (MWh)	413,031	425,486	465,584	365,666

Quarter over quarter revenue, Adjusted EBITDA⁽¹⁾ and net income are affected by planned and unplanned outages, market demand, weather conditions and the seasonal nature of Alberta power and natural gas prices. Alberta power prices tend to be higher during winter and summer peak load months and are further affected by supply constraints such as outages at other Alberta generation facilities. Reported revenue, Adjusted EBITDA⁽¹⁾ and net income fluctuated in 2024, 2025 and 2026 due to variations in generation volumes of M2 and realized power prices.

In addition to the factors noted above, net income is affected by certain non-cash and non-recurring transactions as follows:

- The first quarter of 2026 included lease income of \$0.9 million, \$0.1 million change in fair value of convertible note and \$2.9 million of commodity swap gains.
- The fourth quarter of 2025 included \$6.5 million of settlement proceeds relating to the claims against third-parties in relation to the non-injury fire at M2, lease income of \$0.5 million, \$0.1 million change in fair value of convertible note, \$0.8 million change in fair value of investment, \$0.5 million of net commodity swap gains and \$0.6 million of income tax expense.
- The third quarter of 2025 included \$1.5 million of change in fair value of investment, \$0.6 million change in fair value of convertible note, lease income of \$0.5 million, \$0.4 million of net commodity swap losses and income tax expense of \$1.0 million.
- The second quarter of 2025 included \$4.8 million of net commodity swap losses, a gain on sale of Summit Coal Limited Partnership and Summit Coal Inc. (collectively "Summit") of \$1.5 million, lease income of \$0.4 million and income tax recovery of \$1.1 million.
- The first quarter of 2025 included \$5.6 million of net commodity swap gains and \$1.0 million of income tax expense.
- The fourth quarter of 2024 included \$3.0 million of net commodity swap losses and \$0.3 million of income tax expense.
- The third quarter of 2024 included \$7.9 million of net commodity swap gains and \$2.7 million of income tax expense.
- The second quarter of 2024 included \$0.2 million of net commodity swap gains.

(1) Adjusted EBITDA is a non-GAAP measure. See Non-GAAP and Other Financial Measures.

QUARTERLY FINANCIAL RESULTS OF OPERATIONS

Revenue

Three months ended March 31 (\$000's)	2026	2025
Revenue	15,618	20,253

Revenue in the first quarter of 2026 decreased by \$4.7 million, or 23%, to \$15.6 million from \$20.3 million in 2025, due to lower generation volumes resulting from lower average Alberta market power prices in the first quarter of 2026, partially offset by higher realized power prices in 2026.

Revenue in the first quarter of 2026, included \$0.7 million (March 31, 2025 - \$2.3 million) of Unforeseeable Transmission Must-Run ("TMR") services provided to the Alberta Electricity System Operator ("AESO"). Unforeseeable TMR revenues, of this kind, are infrequent and earned only when the AESO requires power generation from power producers to compensate for insufficient local transmission infrastructure relative to local power demand.

Operating Expense

Operating expenses are grouped into three major categories, fuel, Greenhouse Gas Emission Compliance Costs ("Carbon Costs") and Operations and Maintenance ("O&M").

Three months ended March 31 (\$000's) unless otherwise noted	2026				2025			
	Fuel	Carbon Costs	O&M	Total	Fuel	Carbon Costs	O&M	Total
Total	6,532	1,267	5,866	13,665	8,515	1,896	5,395	15,806
Percent ⁽¹⁾	48%	9%	43%	100%	54%	12%	34%	100%
\$ Per MWh ⁽¹⁾	21.29	4.13	19.12	44.54	20.62	4.59	13.06	38.27
\$ Per GJ ⁽¹⁾	2.52	0.49	2.26	5.27	2.44	0.54	1.55	4.53

Fuel expenses in the first quarter of 2026 decreased by \$2.0 million, or 24%, to \$6.5 million from \$8.5 million in 2025, primarily due to lower generation volumes in 2026.

Carbon Costs in the first quarter of 2026 decreased \$0.6 million to \$1.3 million, or 32%, from \$1.9 million in 2025 due to lower generation volumes in 2026.

O&M expenses in the first quarter of 2026 increased by \$0.5 million, or 9%, to \$5.9 million from \$5.4 million in 2025, primarily due to higher maintenance and compensation costs, partially offset by lower insurance premiums.

(1) Supplementary financial measures. See Non-GAAP and Other Financial Measures

General and Administrative Expense

Three months ended March 31 (\$000's)	2026	2025
Total general and administrative expense	2,127	2,168

General and administration expense in the first quarter of 2026 was \$2.1 million, which is comparable to the same period in 2025.

Depreciation and Amortization Expense

Three months ended March 31 (\$000's)	2026	2025
Total depreciation and amortization expense	4,110	3,650

Depreciation and amortization expense in the first quarter of 2026 increased by \$0.4 million, or 11%, to \$4.1 million from \$3.7 million in 2025, primarily due to an increase in assets in service.

Other Income, Net

Three months ended March 31 (\$000's)	2026	2025
Other income, net	(901)	(15)

Other income in the first quarter of 2026 was \$0.9 million as compared to nil in 2025. The increase is primarily due to earnings from ground lease income.

Gain on Commodity Swaps

Three months ended March 31 (\$000's)	2026	2025
Realized gain on power swaps	(4,706)	(2,321)
Realized loss (gain) on natural gas swaps	2,230	(382)
Total realized gain on commodity swaps	(2,476)	(2,703)

Three months ended March 31 (\$000's)	2026	2025
Unrealized gain on power swaps	(1,582)	(420)
Unrealized loss (gain) on natural gas swaps	1,208	(2,438)
Total unrealized gain on commodity swaps	(374)	(2,858)

Total realized and unrealized gain on commodity swaps	(2,850)	(5,561)
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In the first quarter of 2026, MAXIM realized net gains of \$2.5 million on Alberta power and natural gas price risk management swaps, as compared to the same period of 2025 which realized gains of \$2.7 million. These net gains are due to settled Alberta power and natural gas prices deviating from the fixed swap price.

In the first quarter of 2026, MAXIM had unrealized net gains of \$0.4 million on Alberta power and natural gas price risk management swaps, as compared to the same period of 2025 which had unrealized gains of \$2.9 million. These net gains and losses are due to Alberta power and natural gas forward prices deviating from the fixed swap price.

Finance Income, Net

Three months ended March 31 (\$000's)	2026	2025
Interest expense and bank charges	41	49
Amortization of deferred financing costs	72	72
Change in fair value of convertible note	(103)	-
Accretion of provisions	151	85
Foreign exchange loss (gain)	135	(7)
Finance expense	296	199
Interest income	(582)	(305)
Total finance income, net	(286)	(106)

Net finance income in the first quarter of 2026 increased by \$0.2 million to \$0.3 million from \$0.1 million in 2025, primarily due to higher interest income.

Income Tax Expense (Recovery)

Three months ended March 31 (\$000's)	2026	2025
Deferred tax expense (recovery)	(53)	1,045
Total income tax expense (recovery)	(53)	1,045

Income tax recovery in the first quarter of 2026 increased \$1.1 million to \$0.1 million from an expense of \$1.0 million in 2025 due to MAXIM having lower income before taxes in 2026.

Financial Position

The following highlights the changes in the Corporation's Consolidated Statement of Financial Position at March 31, 2026, as compared to December 31, 2025.

As at (\$000's)	March 31, 2026	December 31, 2025	Increase (Decrease)	Primary factors explaining change
Assets				
Cash and cash equivalents	36,850	56,917	(20,067)	Decreased as a result of investing and financing activities, partially offset by operating activities
Trade and other receivables	8,434	7,958	476	Increased as a result of realized commodity swaps, partially offset by lower revenues
Property, plant and equipment	316,245	298,915	17,330	Increased as a result of asset additions, partially offset by depreciation
Other assets ⁽¹⁾	25,795	19,634	6,161	Increased as a result of higher restricted cash and risk management assets, partially offset by lower prepaids
Liabilities & Equity				
Trade and other payables	14,140	12,278	1,862	Increased due to the timing of settlement of accounts payable
Other liabilities ⁽¹⁾	40,153	38,002	2,151	Increased due to higher risk management liabilities and provisions for decommissioning
Equity	333,031	333,144	(113)	Decreased primarily due to net loss for the period

(1) Other assets and other liabilities are non-GAAP measures. See Non-GAAP and Other Financial Measures.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management is anticipating that cash flows for capital spending, operating and general and administrative expenses will be funded by MAXIM's existing cash on hand, operating revenues from the operation of M2 and financing from the Senior Credit Facility. As at March 31, 2026, MAXIM has net liquidity available⁽¹⁾ of \$49.6 million, which includes \$36.8 million of unrestricted cash and \$12.8 million of available borrowing capacity.

(1) Net liquidity available is a non-GAAP measure. See Non-GAAP Measures.

Senior Credit Facility

The Senior Credit Facility matures on June 30, 2026 and amounts available under the facility are as follows:

- Revolver Facility #1 is a \$25.0 million revolver, is available for general corporate. The Corporation posted cash collateralized letters of credit of \$12.2 million under this facility and deposited cash of the same amount into a restricted bank account maintained by the bank. As at March 31, 2026, the availability under this facility is \$12.8 million. Letters of credit reduce the availability under this facility, regardless of whether the letters of credit are cash collateralized or not. The Corporation can elect to drawback cash collateral of \$12.2 million related to the letters of credit, in exchange for paying a higher margin fee. Removing the restriction on the \$12.2 million of cash would further increase net liquidity available⁽¹⁾ to \$61.8 million.

(1) Net liquidity available is a non-GAAP measure. See Non-GAAP Measures.

The Senior Credit Facility is secured by the assets of the Corporation, bears interest at Canadian prime rate or Canadian overnight repo rate, plus applicable margins. MAXIM is required to maintain a net debt⁽¹⁾ to Adjusted EBITDA⁽¹⁾ ratio of not greater than 3.00:1.00 and an interest coverage ratio of not less than 5.00:1.00 on a rolling four quarter basis. MAXIM is also required to comply with the minimum tangible assets of 95% of the consolidated tangible assets held within select entities named under the agreement. The Corporation is compliant with these covenants as at March 31, 2026.

(1) Adjusted EBITDA and net debt are a non-GAAP measures. See Non-GAAP and Other Financial Measures.

Cash flow summary:

At March 31, 2026, the Corporation had unrestricted cash of \$36.9 million included in the working capital⁽¹⁾ surplus of \$34.1 million (see working capital on page 11). Unrestricted cash balances are on deposit with two Canadian financial institutions.

(1) Working capital is a non-GAAP measure. See Non-GAAP Measures.

The following table represents the changes in cash flows and net liquidity available⁽¹⁾ of the Corporation:

Three months ended March 31 (\$000's)	2026	2025
Cash on hand, unrestricted, January 1	56,917	30,068
Cash flow generated from operations	5,921	4,926
Cash flow used in financing	(248)	(49)
Available for investments	62,590	34,945
Cash flow used in investing	(25,605)	(3,466)
Effect of foreign exchange rates on cash	(135)	7
Unrestricted cash	36,850	31,486
Senior Credit Facility availability	12,766	17,659
Net liquidity available, March 31 ⁽¹⁾	49,616	49,145

(1) Net liquidity available is a non-GAAP measure. See Non-GAAP Measures.

Cash flow generated from operating activities in the first quarter of 2026 increased to \$5.9 million from \$4.9 million in 2025, which is an increase of \$1.0 million. The increase is primarily due to changes in non-cash working capital as a result of a difference in timing of accounts payable and lower earnings from the operations of M2. See working capital section below for further discussion.

During the first quarter of 2026, MAXIM's cash flow used in financing activities increased \$0.1 million to \$0.2 million in 2026 from \$0.1 million in 2025, primarily due to the repurchase of shares through the Normal Course Issuer Bid ("NCIB") program in 2026, partially offset by proceeds from stock option exercises.

MAXIM's investing activities in the first quarter of 2026 represented a cash outflow of \$25.6 million, increasing from \$3.5 million in 2025. During the first quarter of 2026, MAXIM had \$20.7 million of spending primarily on the advancement of Prairie Lights and sustaining capital at M2 and changes in non-capital working capital of \$5.3 million, partially offset by interest income of \$0.4 million.

MAXIM's investing activities in the first quarter of 2025 represented a cash outflow of \$3.5 million. During 2025, MAXIM had \$2.2 million of spending on sustaining capital projects at M2 and changes in non-cash working capital of \$1.6 million, partially offset by interest income of \$0.3 million.

The following table represents the net capital⁽¹⁾ of the Corporation:

As at (\$000's)	March 31, 2026	December 31, 2025
Loans and borrowings	-	-
Less: Unrestricted cash	(36,850)	(56,917)
Net debt ⁽¹⁾	(36,850)	(56,917)
Shareholders' equity	333,031	333,144
Net capital ⁽¹⁾	296,181	276,227
Net debt to capital ⁽¹⁾	-12.4%	-20.6%

The Corporation uses the percent of net debt to capital to monitor leverage. The Corporation does not currently have any loans and borrowings and as such, net debt and net debt to capital are both negative. The decrease of net debt to capital from December 31, 2025 to March 31, 2026 is primarily due to lower cash as a result of spending on the Prairie Lights and sustaining capital spending at M2.

(1) Net debt, net debt to capital and net capital are non-GAAP measures. See Non-GAAP Measures.

Working Capital⁽¹⁾

The following table represents the working capital surplus of the Corporation:

As at (\$000's)	March 31, 2026	December 31, 2025	Change
Total current assets	51,288	70,370	(19,082)
Total current liabilities	17,215	14,063	3,152
Working capital surplus ⁽¹⁾	34,073	56,307	(22,234)

The Corporation has a working capital surplus of \$34.1 million at March 31, 2026, which represents a \$22.2 million decrease from the working capital surplus of \$56.3 million at December 31, 2025. The net decrease is comprised of a \$19.1 million decrease in current assets and a \$3.2 million increase in current liabilities.

The decrease in current assets was due to a decrease in cash and cash equivalents of \$20.1 million and prepaid expenses and deposits of \$1.2 million, partially offset by risk management asset of \$1.7 million and trade and other receivables of \$0.5 million.

The increase in current liabilities was due to an increase in trade and accounts payable of \$1.9 million and risk management liabilities of \$1.3 million.

(1) Working capital is a non-GAAP measure. See Non-GAAP Measures.

Contractual Obligations and Contingencies

In the normal course of operations, MAXIM assumes various contractual obligations and commitments. MAXIM considers these obligations and commitments in its assessment of liquidity.

As at March 31, 2026	Total	2026	2027-2028	2029-2030
Long-term contracts	30,630	22,234	6,859	1,537
Total	30,630	22,234	6,859	1,537

Long-term contracts are comprised of capital asset commitments, natural gas transportation agreements and contracts to purchase emission credits.

ENVIRONMENTAL AND CLIMATE CHANGE LEGISLATION

MAXIM continues to monitor regulatory initiatives that may impact its existing business. As a result, MAXIM continues to assess these regulations and explore low emission power generation projects, including its Buffalo Atlee wind development project and other wind power opportunities.

Risks

MAXIM is exposed to risks of potential legislation that has yet to be enacted. Management has assessed that the most significant risks in potential future legislation are greenhouse gas stringency and legislation that could seek to phase out natural gas-fired generation entirely, similar to the regulatory actions taken in recent years surrounding coal-fired generation.

Canada

On December 18, 2024, the final Clean Electricity Regulation (“CER”) was released which beginning in 2035 will set limits on carbon dioxide from electricity generation units that use fossil fuels and by 2050, will ensure a net-zero electricity system. The final standards are not anticipated to have a significant effect on the operations of M2 but could potentially have an impact on natural gas-fired generation development projects not yet built. On May 1, 2025, the Government of Alberta (“GoA”) announced that it is referring the constitutionality of the federal governments net-zero electricity regulation to the Court of Appeal of Alberta. The hearing is expected in Fall 2026. On November 27, 2025, as part of the signing of the Alberta and Canada Memorandum of Understanding (“MOU”), the federal government and the Alberta provincial government jointly announced that the CER would be suspended, and, upon completion of a new carbon pricing agreement between the two governments as described in the TIER section below, the CER would be placed in abeyance.

Alberta

On April 19, 2023, the GoA released their Emissions Reduction and Energy Development (“ERED”) plan which “includes an aspiration to achieve a carbon neutral economy by 2050, and to do so without compromising affordable, reliable and secure energy for Albertans, Canadians and the world.” Generally, as it applies to the electricity sector, the plan is supportive of new technology and a continued price on carbon via the Technology Innovation and Emission Reduction Regulation (“TIER”). Most notable is that while the provincial carbon neutral goal of 2050 aligns with the federal goal of 2050, there is not a short-term goal nor a specific electricity sector target for Alberta. MAXIM management continues to monitor the provincial approach to net carbon neutrality.

In the second half of 2023, the GoA announced its intention to consider potential electricity market reforms to help ensure reliable, affordable and low carbon electricity for Albertans. Multiple government agencies, including the AESO, Market Surveillance Administrator (“MSA”) and the Alberta Utilities Commission were tasked with providing specific recommendations in their area of expertise to inform the path forward for the GoA. On March 11, 2024, following recommendations from the MSA and the AESO, the GoA announced temporary market rules changes that took effect July 1, 2024. These temporary rules are related to the exercise of market power and will be in place until a new Restructured Energy Market (“REM”) can be designed and implemented by early 2028. Management is monitoring the impacts of the temporary market rules and has observed that they resulted in lower market prices during the month of July 2024, during which the new secondary offer cap rule was triggered due to high clearing prices corresponding with a prolonged heat wave. The offer cap reset in August 2024 and the secondary offer cap has not been triggered since. On August 27, 2025, the AESO unveiled the final design for the REM. The AESO is now drafting rules with a goal to finalize the rules in 2026 and to implement the REM by early 2028. Management is actively monitoring the development of the rules to better understand the impact this may have on the Corporation.

TIER

Since January 1, 2023, M2 has been exposed to Carbon Costs on emissions via the TIER. For 2026, emissions greater than the electricity benchmark of 0.3404 tonnes of CO₂ equivalent (“tCO₂e ”) per MWh are priced at \$95/tCO₂e . On May 12, 2025, the GoA announced that the carbon price would be frozen at \$95/tCO₂e indefinitely. There is concern that this could mean that the provincial program would no longer meet federal equivalency and that the carbon price will continue to increase by \$15/tCO₂e annually until reaching \$170/tCO₂e in 2030 under the federal output based pricing system.

On September 16, 2025, the GoA announced additional changes to the TIER program. The changes include the ability to directly invest in certain carbon reduction measures at eligible facilities as an alternative to utilizing credits, in addition to current options, and allowing smaller facilities to opt out for 2025. The GoA also reaffirmed its decision to freeze the TIER fund price at \$95/tCO₂e . The MOU signed on November 27, 2025, introduces a “minimum effective carbon credit price” of \$130 per tonne as a shared policy benchmark for industrial emitters, signaling a federal and provincial expectation that Alberta’s system must deliver a materially stronger carbon-price signal than the currently frozen \$95/tCO₂e TIER fund price. The MOU does not immediately raise prices, but it creates a clear upward policy reference point that both governments have agreed is necessary. However, Alberta’s September 2025 regulatory changes to the TIER program and the current oversupply of third-party carbon credits have been flagged by analysts as moving the Alberta TIER program further away from the MOU’s intended tightening of carbon policy, potentially weakening the price signal and making the \$130 per tonne (MOU minimum effective carbon price) benchmark harder to reach. Further policy announcements related to carbon pricing are expected in the first half of 2026.

Under TIER, the Corporation is able to purchase and utilize industry generated carbon credits and offsets from third parties at prevailing market prices. These carbon credits and offsets can be utilized for a portion of the Corporation’s overall compliance, which for 2026 is up to 90% of its compliance requirements. The remainder of compliance costs must be paid for at the prevailing GoA carbon price, which for 2026 is \$95/tCO₂e, pending any further adjustments as discussed above.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management evaluates MAXIM’s performance using a variety of measures. The non-GAAP measures and non-GAAP ratios discussed below should not be considered as an alternative to or to be more meaningful than revenue, net income of the Corporation or net cash generated from operating activities, 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

Three months ended March 31 (\$000's)	2026	2025
GAAP Measures from Condensed Consolidated Interim Statement of Operations		
Net income (loss)	(194)	3,266
Income tax expense (recovery)	(53)	1,045
Finance income, net	(286)	(106)
Depreciation and amortization	4,110	3,650
	3,577	7,855
Adjustments:		
Other income	(901)	(15)
Share-based compensation	288	254
Unrealized gain on commodity swaps	(374)	(2,858)
Adjusted EBITDA	2,590	5,236

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 and as a basis for loan covenant calculations. Financing expense (income), income taxes and depreciation and amortization 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 months ended March 31, 2026 and March 31, 2025 management excluded certain non-cash and non-recurring transactions. In both 2026 and 2025, Adjusted EBITDA excluded unrealized gains or losses on commodity swaps, share-based compensation and all items of other income and expense.

Free Cash Flow

Three months ended March 31 (\$000's)	2026	2025
Funds generated from operating activities before change in non-cash working	3,491	5,188
Property, plant and equipment additions	(20,665)	(2,149)
Interest expense and bank charges	(41)	(49)
Interest income	409	305
Free cash flow	(16,806)	3,295

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 generated to potentially invest in growth initiatives, repay loans and borrowings outside of standard amortization payments, pay dividends and repurchase shares. In calculating FCF for the three months ended March 31, 2026 and March 31, 2025, 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, issuance or repayment of loans and borrowings, interest expense and bank charges and adds interest income.

Working Capital Surplus

MAXIM defines working capital surplus or deficit as the current assets less current liabilities. Working capital surplus is used to assist management and investors in measuring liquidity. The calculation of working capital surplus is provided on page 11.

Net Liquidity Available

MAXIM defines net liquidity available as its cash and cash equivalents plus undrawn amounts on the Senior Credit Facility. Net liquidity is used to assist management and investors in measuring the Corporation's access to available capital. The calculation of net liquidity availability is included on page 10.

Net Debt, Net Capital and Net Debt to Capital

MAXIM defines net debt as loans and borrowings less unrestricted cash.

MAXIM defines net capital as net debt plus shareholders' equity.

MAXIM defines net debt to capital as net debt divided by net capital.

Net debt, net capital and net debt to capital are used to monitor liquidity.

Other Assets and Other Liabilities

MAXIM defines other assets as current tax assets, risk management asset, prepaid expenses and deposits, convertible note, investments and restricted cash.

MAXIM defines other liabilities as risk management liability, lease obligation, provision for decommissioning, deferred lease income and deferred tax liabilities.

Other assets and other liabilities are used to summarize primary factors explaining change in the financial position in the Quarterly Financial Results of Operations section of the MD&A.

Supplementary Financial Measures

Set forth below is a summary of supplementary financial measures used herein. A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Corporation, (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio.

Fuel expense, carbon costs and O&M expense, as part of operating expenses (\$ per MWh) is fuel expense, carbon costs or O&M expense divided by MWh generated during the period.

Fuel expense, carbon costs and O&M expense, as part of operating expenses (\$ per GJ) is fuel expense, carbon costs or O&M divided by GJ of fuel consumed during the period.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The judgements and estimates used in the preparation of the condensed consolidated interim financial statements have been applied consistently for all periods presented and are unchanged from the judgements and estimates disclosed in the notes to the annual audited consolidated financial statements for the year ended December 31, 2025.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS Standards Issued Not Yet Effective and Amendments

On April 9, 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which introduces a defined structure to the statement of operations and comprehensive income, including new totals, subtotals, and categories for income and expenses. In addition, management defined performance measures will require disclosure within the notes to the financial statements, as well as requiring additional aggregation and disaggregation of information in the financial statements. IFRS 18 will replace IAS 1 - Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 is required to be adopted retrospectively. Management is currently assessing the impacts of IFRS 18 on the Corporation's consolidated financial statements.

The Corporation analyzes the impact of issued standards and there are no standards, other than noted above, that have been issued, but not yet effective, that the Corporation anticipates having a material effect on the consolidated financial statements once adopted.

TRANSACTIONS WITH RELATED PARTIES

The Corporation did not enter into any new related party transactions during the first three months of 2026, with the exception of transactions with the Corporation's Directors and members of the Executive Committee in the normal course of business. These transactions in the normal course of business are detailed in note 22 of the 2025 Annual Audited Consolidated Financial Statements.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design of internal controls over financial reporting ("ICFR") and disclosure controls of the Corporation. In accordance with National Instrument NI 52-109, the CEO and CFO have filed certifications that ICFR and disclosure controls have been adequately designed, and that there have been no changes in ICFR that materially affected, or are reasonably likely to materially affect ICFR, during the quarter ended March 31, 2026.

OTHER INFORMATION

Outstanding share data:

Issued common shares at March 31, 2026	63,572,363
Outstanding share options at March 31, 2026	3,290,131
Total diluted common shares at March 31, 2026 and May 7, 2026	66,862,494
Shares purchased and cancelled under NCIB in April and May 2026	(38,701)
Share options cancelled in April 2026	(43,415)
Issuance of common shares in April 2026	4,584
Total diluted common shares at May 7, 2026	66,784,962

Additional information relating to MAXIM including the Annual Information Form is posted on SEDAR+ at www.sedarplus.ca under Maxim Power Corp. and at the Corporation's website www.maximpowercorp.com.

GLOSSARY OF TERMS

The following listing includes definitions of certain terms used throughout this MD&A:

AESO	Alberta Electric System Operator
Buffalo Atlee	Buffalo Atlee is a development project for up to 200 MW of wind generation situated near Brooks, Alberta
Capacity	The rated continuous load-carrying ability, expressed in megawatts, of generation equipment, (throughout the MD&A references to capacity are stated in nameplate capacity, unless otherwise noted)
Carbon Cost	Greenhouse Gas Emission Compliance Cost
CCGT	Combined Cycle Gas Turbine
CEO	Chief Executive Officer
CER	Clean Electricity Regulation
CFO	Chief Financial Officer
Adjusted EBITDA	Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization
ERA	Emissions Reduction Alberta
ERED	Emissions Reduction and Energy Development
FCF	Free Cash Flow
FLI	Forward-looking information
GAAP	IFRS, as set out in Part 1 of the CPA Canada Handbook of the CPAs of Canada
Gas Turbine	7HA.02 gas turbine and generator package
GHG	Greenhouse Gas
GJ	Gigajoule
GoA	Government of Alberta
IFRS	International Financial Reporting Standards
LFAB	Landfill Fly Ash Beneficiation Project
Milner	HR Milner, a 150 MW (nameplate capacity) generating facility located near the town of Grande Cache,
M2	M2 is a CCGT facility located at the Milner site near Grande Cache, Alberta, with a maximum capability of 300 MW
MAXIM or the Corporation	Maxim Power Corp.
MD&A	Management's Discussion and Analysis
MOU	Memorandum of Understanding
MSA	Market Surveillance Administrator
MW	Megawatt, a measure of electrical generating capacity that is equivalent to one million watts
MWh	Megawatt-hour, a measure of electricity consumption equivalent to the use of 1,000,000 watts of power over a period of one hour
REM	Restructured Energy Market
Reservation Agreement	Generator reservation agreement with GE Vernova
NCIB	Normal Course Issuer Bid
O&M	Operations and Maintenance
Prairie Lights	400 MW Prairie Lights Power project natural gas-fired power generation development project
PP&E	Property Plant & Equipment
Summit	Summit Coal Limited Partnership and Summit Coal Inc.
tCO₂e	Tonnes of carbon dioxide equivalent
TIER	Technology Innovation and Emissions Reduction Regulation
TMR	Transmission Must-Run

Words importing the singular number, where the context requires, include the plural, and vice versa, and words importing any gender include all genders.