

Condensed Consolidated Interim Financial Statements of

MAXIM POWER CORP.

For the Three and Nine Months Ended September 30, 2025

(Unaudited)

MAXIM POWER CORP.

Unaudited Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)

As at	Note	September 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		53,032	30,068
Trade and other receivables		12,761	6,244
Risk management asset	11	-	462
Prepaid expenses and deposits		961	4,699
Total current assets		66,754	41,473
Property, plant and equipment, net	3	295,183	306,035
Investments	11	1,488	-
Convertible note	11	2,473	-
Restricted cash		7,341	8,451
Prepaid expenses and deposits		2,039	3,139
Total non-current assets		308,524	317,625
TOTAL ASSETS		375,278	359,098
LIABILITIES			
Trade and other payables		11,531	11,111
Current tax liability		695	-
Deferred lease income	5	536	-
Risk management liability	11	134	396
Total current liabilities		12,896	11,507
Provisions for decommissioning		10,660	11,052
Other long-term liabilities		295	77
Deferred tax liabilities		20,576	20,442
Total non-current liabilities		31,531	31,571
TOTAL LIABILITIES		44,427	43,078
EQUITY			
Share capital		172,440	172,476
Contributed surplus		14,075	13,286
Retained earnings		144,336	130,258
TOTAL EQUITY		330,851	316,020
Commitments	9		
TOTAL LIABILITIES AND EQUITY		375,278	359,098

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

(in thousands of Canadian dollars, except for per share amounts)

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
Revenue and power swaps					
Revenue		27,228	25,659	68,907	77,434
Realized gain on power swaps	11	136	7,289	2,374	13,862
Unrealized gain (loss) on power swaps	11	218	1,164	(569)	620
Total revenue and power swaps		27,582	34,112	70,712	91,916
Expenses					
Operating		12,360	13,911	41,777	44,645
Realized loss on natural gas swaps	11	1,941	4,933	1,809	9,712
Unrealized gain on natural gas swaps	11	(1,179)	(4,420)	(369)	(6,576)
General and administrative		1,998	1,710	5,716	4,857
Depreciation and amortization	3	3,852	3,639	11,689	10,903
Total expenses		18,972	19,773	60,622	63,541
Operating income		8,610	14,339	10,090	28,375
Other income, net	6	2,650	58	4,465	3,037
Finance income (expense), net	7	320	(913)	656	(3,155)
Income before income taxes		11,580	13,484	15,211	28,257
Income tax expense					
Current income tax		805	126	805	448
Deferred income tax		155	2,614	134	5,522
Total income tax expense		960	2,740	939	5,970
Net and comprehensive income		10,620	10,744	14,272	22,287
Earnings per share					
	8				
Basic		0.17	0.21	0.22	0.44
Diluted		0.17	0.18	0.22	0.39

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, 2024	63,693	172,476	13,286	130,258	316,020
Net income	-	-	-	14,272	14,272
Repurchase of common shares for cancellation	(108)	(293)	-	(194)	(487)
Share-based compensation	-	-	827	-	827
Stock options exercised	55	257	(38)	-	219
Equity at September 30, 2025	63,640	172,440	14,075	144,336	330,851
Equity at December 31, 2023	50,593	143,963	13,194	140,588	297,745
Net income	-	-	-	22,287	22,287
Repurchase of common shares for cancellation	(287)	(816)	-	(421)	(1,237)
Share-based compensation	-	-	802	-	802
Stock options settled in common shares	232	105	(375)	-	(270)
Stock options exercised	26	66	(12)	-	54
Equity at September 30, 2024	50,564	143,318	13,609	162,454	319,381

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

(in thousands of Canadian dollars)

		Nine months ended September 30	
	Note	2025	2024
Cash flows from operating activities:			
Net income		14,272	22,287
Adjustments for items not involving cash or operations:			
Depreciation and amortization	3	11,689	10,903
Share-based compensation		827	802
Unrealized loss (gain) on power swaps	11	569	(620)
Unrealized gain on natural gas swaps	11	(369)	(6,576)
Stock option settlement in common shares		-	(270)
Change in fair value of convertible note	11	(577)	-
Change in fair value of investments	11	(1,488)	-
Gain on disposal of development projects	6	(1,480)	(2,810)
Income tax expense		939	5,970
Income tax recovery (paid)		(110)	4,685
Finance (income) expense, net	7	(656)	3,155
Funds generated from operating activities before change in non-cash working capital		23,616	37,526
Change in non-cash working capital	10	(4,537)	38,508
Net cash generated from operating activities		19,079	76,034
Cash flows from financing activities:			
Repayment of loans and borrowings		-	(2,138)
Proceeds from exercise of stock options		219	54
Repurchase of common shares for cancellation		(487)	(1,237)
Interest and bank charges	7	(186)	(5,888)
Net cash used in financing activities		(454)	(9,209)
Cash flows from investing activities:			
Property, plant and equipment additions	3	(9,423)	(3,466)
Proceeds on sale of development project, net of closing costs	6	9,931	2,810
Interest income		1,060	3,745
Change in non-cash working capital	10	2,764	(3,208)
Net cash generated from (used in) investing activities		4,332	(119)
Foreign exchange gain on cash and cash equivalents	7	7	49
Increase in cash and cash equivalents		22,964	66,755
Cash and cash equivalents, beginning of period		30,068	32,258
Cash and cash equivalents, end of period		53,032	99,013

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 and nine months ended September 30, 2025 and 2024
(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, 2024 annual audited consolidated financial statements available at www.sedarplus.ca.

MAXIM's Board of Directors approved these unaudited condensed consolidated interim financial statements on November 6, 2025.

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

Except as noted below, 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, 2024.

During the first nine months of 2025, the Corporation revised the useful life of certain components of property, plant and equipment as a result of the accelerated timing of major overhauls at Milner Power Limited Partnership ("Milner") necessary for future operations which gave rise to additional depreciation of \$538.

Except as noted below, 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, 2024.

Leases - Lessor

The Corporation assesses contracts at their inception to determine if they contain a lease. The assessment includes whether the contract conveys the control of an identifiable asset for a specific term in exchange for compensation. The Corporation further determines if the contract substantially transfers ownership or the useful life of the identified asset through the term of the lease. If ownership is substantially transferred, a lease is recorded as a finance lease and otherwise is recorded as an operating lease. The Corporation records any prepaid lease payments from an operating lease as deferred lease income in its Statements of Financial Position and recognizes lease income as other income on a straight-line basis over the term of the lease.

MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(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, 2023	406,977	202	8,810	415,989
Additions	2,018	-	5,174	7,192
Assets in-service	370	-	(370)	-
Revisions to decommissioning provisions	(55)	-	-	(55)
Balance, December 31, 2024	409,310	202	13,614	423,126
Additions	2,843	-	6,580	9,423
Assets in-service	3,838	-	(3,838)	-
Revisions to decommissioning provisions	(369)	-	-	(369)
Disposal of development project (note 6)	(194)	-	(8,192)	(8,386)
Balance, September 30, 2025	415,428	202	8,164	423,794
Accumulated depreciation				
Balance, December 31, 2023	102,443	85	-	102,528
Depreciation	14,533	30	-	14,563
Balance, December 31, 2024	116,976	115	-	117,091
Depreciation	11,666	23	-	11,689
Disposal of development project (note 6)	(169)	-	-	(169)
Balance, September 30, 2025	128,473	138	-	128,611
Property, plant and equipment, net				
December 31, 2024	292,334	87	13,614	306,035
September 30, 2025	286,955	64	8,164	295,183

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.

(a) Revolver Facility #1

The \$25,000 Revolver Facility #1 is available for general corporate purposes. The Corporation posted cash collateralized letters of credit of \$7,341 under this facility and deposited cash of the same amount into a restricted bank account maintained by the bank. As at September 30, 2025, the availability of this facility is \$17,659 as it is fully undrawn. The Corporation can elect to draw back the \$7,341 cash collateral related to the letters of credit, in exchange for a higher margin fee, however the availability of the facility is reduced by this amount regardless of whether the letters of credit are cash collateralized or not. The Revolver Facility #1 bears interest at the Canadian overnight repo rate average or Canadian prime rate, plus applicable margins.

MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

4. Loans and borrowings (continued)

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 September 30, 2025, MAXIM's net debt to Adjusted EBITDA ratio is (1.86):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 September 30, 2025, MAXIM's interest coverage ratio is 114.36:1.00 and is therefore in compliance.

The interest coverage ratio will be annualized beginning in the first quarter of 2025 utilizing the rolling four quarter Adjusted EBITDA and annualized interest expense starting January 1, 2025. Once four full fiscal financial quarters have occurred, the annualized interest expense will be replaced with the rolling four quarter interest expense.

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 September 30, 2025, MAXIM's asset coverage percentage is 100% and is therefore in compliance.

In addition, MAXIM is subject to customary non-financial covenants. As at September 30, 2025, MAXIM is in compliance with all applicable debt covenants.

5. Deferred lease income

On April 29, 2025, MAXIM, through its wholly-owned subsidiary, Milner, 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 ground lease is accounted for as an operating lease, as substantially all of the risk and rewards incidental to ownership of the underlying asset have not been transferred to the lessee. The term of the ground lease is twelve years commencing on April 29, 2025, however, it is subject to automatic termination if the coal processing facility has not been substantially completed on April 29, 2027. In addition, Mine 14 Operations Inc. can terminate the lease with 60 days notice, however payments in the year of termination are non-refundable. At expiration of the term, an option for an eight year extension of the lease exists under the same terms and conditions. Lease payments to Milner consist of both a prorated annual \$2,126 fixed payment, and a variable throughput payment subject to coal being processed on the leased lands. The first year of the 2025 calendar lease payment of \$1,433 was received on April 29, 2025. For the three and nine months ended September 30, 2025, the Corporation recognized lease income of \$536 and \$897, respectively. As at September 30, 2025, the Corporation has \$536 of deferred lease income.

The minimum future lease payments to be received on the operating lease are:

2026	2,126
2027	2,126
2028	2,126
2029	2,126
2030	2,126
Thereafter	13,465
	<u>24,095</u>

MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

6. Other income

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Change in fair value of convertible note (note 11c)	622	-	577	-
Change in fair value of investment (note 11d)	1,488	-	1,488	-
Gain on sale of development projects, net of closing costs (a)	-	-	1,480	2,810
Lease income (note 5)	536	-	897	-
Other income	4	58	23	227
Total other income, net	2,650	58	4,465	3,037

(a) Gain on sale of development projects

- (i) On April 29, 2025, MAXIM closed the sale of its wholly-owned subsidiaries Summit Coal Inc. and Summit Coal Limited Partnership (collectively "Summit") to Valory Resources Inc. ("Valory") for \$14,150, consisting of \$10,150 of cash and a \$4,516 Australian dollar (Canadian dollar equivalent \$4,000) equity security in the form of a 15% interest bearing note convertible into Valory common shares (the "Convertible Note"). The Convertible Note is a level III financial instrument and as such was valued at \$1,636 (note 11c) on April 29, 2025. The following table summarizes the net assets sold and gain on disposal of Summit for the nine months ended September 30, 2025.

Cash and cash equivalents	7
Restricted cash	2,150
Property plant and equipment, net	8,217
Provisions for decommissioning	(287)
Total net assets sold	10,087
Cash consideration, net of closing costs	9,931
Convertible note fair value	1,636
Gain on sale of Summit	(1,480)

- (ii) The Corporation closed the sale of a wind development project on June 20, 2018. Under the sales agreement, the Corporation is entitled to further compensation upon the date of commercial operation. On June 28, 2024, the wind development project achieved commercial operations and the Corporation recognized \$2,810 of other income.

7. Finance income (expense), net

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Interest expense and bank charges	(126)	(1,921)	(186)	(5,888)
Amortization of deferred financing costs	(74)	(244)	(220)	(803)
Accretion of provisions	(87)	(82)	(265)	(258)
Foreign exchange gain (loss)	53	(4)	7	49
Finance expense	(234)	(2,251)	(664)	(6,900)
Interest income	554	1,338	1,320	3,745
Total finance income (expense), net	320	(913)	656	(3,155)

MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

8. Earnings per share

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Weighted average number of common shares - basic	63,698,794	50,617,057	63,681,043	50,605,065
Effect of convertible loan facility	-	13,083,735	-	13,083,735
Effect of stock options	248,682	141,120	348,822	252,430
Weighted average number of common shares - diluted	63,947,476	63,841,912	64,029,865	63,941,230
	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net income - basic	10,620	10,744	14,272	22,287
Finance expense on the convertible loan facility, net of tax	-	748	-	2,389
Net income - diluted	10,620	11,492	14,272	24,676
	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Earnings per share:				
Basic	0.17	0.21	0.22	0.44
Diluted	0.17	0.18	0.22	0.39

9. Commitments

The Corporation has entered into 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 September 30, 2025 is \$13,849 as follows:

2025	1,230
2026	5,718
2027	3,312
2028	2,024
2029	1,104
Thereafter	461
	13,849

10. Change in non-cash working capital

	Nine months ended September 30	
	2025	2024
Operating activities		
Trade and other receivables	(6,517)	31,608
Deferred lease income	536	-
Prepaid expenses and deposits	4,838	5,800
Trade and other payables	(3,394)	1,100
	(4,537)	38,508
	Nine months ended September 30	
	2025	2024
Investing activities		
Trade and other payables	3,804	(1,208)
Restricted cash	(1,040)	(2,000)
	2,764	(3,208)

MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

11. 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 2024 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.

Realized loss (gain) on commodity swaps

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Realized gain on power swaps	(136)	(7,289)	(2,374)	(13,862)
Realized loss on natural gas swaps	1,941	4,933	1,809	9,712
Total realized loss (gain) on commodity swaps	1,805	(2,356)	(565)	(4,150)

Unrealized loss (gain) on commodity swaps

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Unrealized loss (gain) on power swaps	(218)	(1,164)	569	(620)
Unrealized gain on natural gas swaps	(1,179)	(4,420)	(369)	(6,576)
Total unrealized loss (gain) on commodity swaps	(1,397)	(5,584)	200	(7,196)

Loss (gain) on commodity swaps

Total realized and unrealized loss (gain) on commodity swaps	408	(7,940)	(365)	(11,346)
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MAXIM POWER CORP.

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

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

11. Financial risk management and fair value (continued)

(b) Carrying amount of risk management asset and liabilities

Current risk management asset

	September 30, 2025	December 31, 2024
Power commodity swaps	-	462
Total carrying amount of current risk management asset	-	462

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

Current risk management liability

	September 30, 2025	December 31, 2024
Natural gas commodity swaps	-	367
Power commodity swaps	134	29
Total carrying amount of current risk management liability	134	396

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.

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 September 30, 2025.

Balance, April 29, 2025	1,636
Interest income	260
Change in fair value of Convertible Note	577
Balance, September 30, 2025	2,473

The fair value of the Convertible Note would increase or decrease by \$531 if the probability of each outcome, either through the collection of the principal at maturity or conversion into common shares, were to be adjusted by plus or minus 10%.

MAXIM POWER CORP.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements, Page 8

For the three and nine months ended September 30, 2025 and 2024
(Amounts in thousands of Canadian dollars, except as otherwise noted)

11. Financial risk management and fair value (continued)

(d) Investments

From prior years, MAXIM holds common shares in a non-public investment. During the third quarter of 2025, market conditions surrounding this non-public investment improved significantly and as a result, management assessed the fair value to increase from nil to \$1,488.

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.

Fair value increases or decreases by \$75 if the per common share fluctuates by \$0.10.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated November 6, 2025 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 and nine months ended September 30, 2025 and the audited consolidated financial statements and MD&A for the year ended December 31, 2024. 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

During the third quarter of 2025, MAXIM recorded net income and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"⁽¹⁾) of \$10.6 million and \$11.4 million, respectively, as compared to net income of \$10.7 million and Adjusted EBITDA⁽¹⁾ of \$12.7 million, respectively, in the same period of 2024. Decreases to Adjusted EBITDA⁽¹⁾ in the third quarter of 2025 were primarily due to lower net realized gains on commodity swaps, partially offset by higher revenues as a result of greater realized power prices as compared to 2024. Net income is comparable to the same period in 2024.

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

MAXIM's current normal course issuer bid ("NCIB") program is for the September 16, 2025 to September 15, 2026 period. Under the current NCIB, the Corporation may purchase for cancellation up to 3,182,528 Common Shares of the Corporation. Collectively under this program and as of the date of this MD&A, the Corporation has repurchased and cancelled 15,412 Common Shares at a weighted average price of \$4.61 per share.

The current NCIB follows the expiration of MAXIM's previous NCIB which was effective from September 16, 2024 and expired on September 15, 2025. Under MAXIM's previous NCIB, MAXIM completed the purchase of 129,628 Common Shares at a weighted average price of \$4.48 per share.

As previously reported, MAXIM submitted an additional insurance claim for a delay in start up related to the Non-Injury Fire under its course of construction insurance policy, which includes a provision for delay in start up coverage relating to the Combined Cycle Gas Turbine ("CCGT") expansion of M2. The insurer denied coverage under this policy, which the Corporation is disputing by way of arbitration. The amount of the dispute was previously \$25.0 million and has increased to \$32.0 million. The outcome of any arbitration, including the time thereof and any reward therefrom is uncertain and has not been recognized by the Corporation in the financial statements.

Quarterly Financial and Operational Highlights

	Three months ended September 30		Nine months ended September 30	
(\$000's, unless otherwise noted)	2025	2024	2025	2024
Revenue	27,228	25,659	68,907	77,434
Net income	10,620	10,744	14,272	22,287
Basic earnings per share (\$ per share)	0.17	0.21	0.22	0.44
Diluted earnings per share (\$ per share)	0.17	0.18	0.22	0.39
Adjusted EBITDA ⁽¹⁾	11,387	12,675	22,806	32,884
Free cash flow ⁽¹⁾	6,609	15,062	15,067	29,779
Total generation (MWh)	454,253	465,584	1,283,772	1,307,781
Total fuel consumption (GJ)	3,640,634	3,756,808	10,530,988	10,707,325
Heat rate (GJ/MWh)	8.01	8.07	8.20	8.19
Facility availability rate (%)	86.2%	99.1%	91.6%	89.5%
Facility utilization rate (%)	80.5%	75.3%	69.2%	68.3%
Average Alberta market power price (\$ per MWh)	51.29	55.36	43.90	66.56
Average realized power price (\$ per MWh)	59.94	55.11	53.68	59.21
Non-current liabilities	31,531	102,679	31,531	102,679
Total assets	375,278	445,663	375,278	445,663

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

Financial Results

During the third quarter of 2025, revenues increased as compared to 2024 primarily due to higher realized power prices, partially offset by lower generation volumes. Adjusted EBITDA⁽¹⁾ decreased as compared to 2024 primarily due to lower net realized gains on commodity swaps partially offset by the same factors impacting revenues. Net income was comparable to the same period in 2024.

During the first nine months of 2025, revenues decreased as compared to 2024 primarily due to lower realized power prices and lower generation volumes. Adjusted EBITDA⁽¹⁾ decreased as compared to 2024 primarily due to the same factors impacting revenues and lower net realized gains on commodity swaps. Net income decreased as a result of the same factors impacting Adjusted EBITDA⁽¹⁾ and unrealized losses on commodity swaps.

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

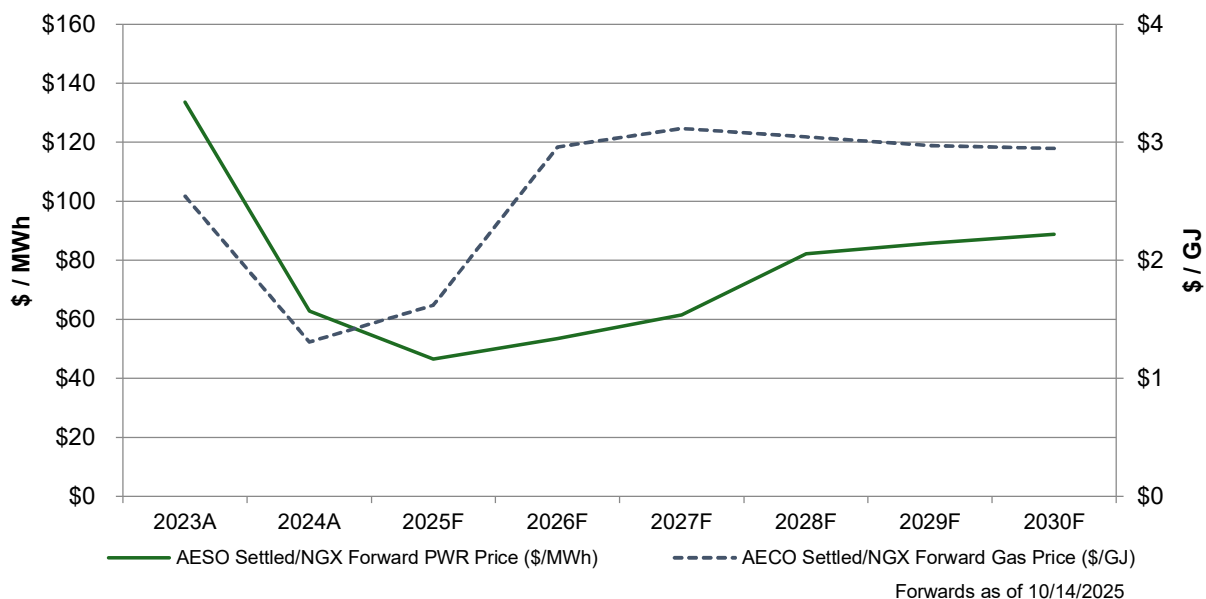
OUTLOOK

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 5 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 are forecasted to be lower than 2024 due to further generating capacity additions coming online earlier in the year, along with low natural gas prices. Forward power prices are expected to begin rising in 2026+ due to higher forecast natural gas prices and a rebalancing of supply/demand fundamentals.

Near-term (2025) Alberta natural gas forward prices have fallen significantly, primarily as a result of 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 (2026+) 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 commitments 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 Power natural gas-fired power generation development project located near Grande Prairie, Alberta, which is in the early stages of development. 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, capital expenditures, outlook for commodity 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, 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, 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 2025 of approximately \$13.0 million. These expenditures primarily relate to sustaining capital spending related to M2, including expenditures for a planned maintenance outage in the fall of 2025.
- 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)	30-Sep 2025	30-Jun 2025	31-Mar 2025	31-Dec 2024
Revenue	27,228	21,426	20,253	24,048
Net income (loss)	10,620	386	3,266	(341)
Basic earnings (loss) per share (\$ per share)	0.17	0.01	0.05	(0.01)
Diluted earnings (loss) per share (\$ per share)	0.17	0.01	0.05	(0.01)
Adjusted EBITDA ⁽¹⁾	11,387	6,183	5,236	5,647
Average realized power price (\$ per MWh)	59.94	51.44	49.04	56.52
Total fuel consumption (GJ)	3,640,634	3,400,931	3,489,423	3,514,660
Total generation (MWh)	454,253	416,488	413,031	425,486

Quarter ended: (unaudited) (\$000's unless otherwise noted)	30-Sep 2024	30-Jun 2024	31-Mar 2024	31-Dec 2023
Revenue	25,659	17,007	34,768	38,990
Net income	10,744	1,056	10,487	19,477
Basic earnings per share (\$ per share)	0.21	0.02	0.21	0.39
Diluted earnings per share (\$ per share)	0.18	0.02	0.18	0.32
Adjusted EBITDA ⁽¹⁾	12,675	4,287	15,922	31,512
Average realized power price (\$ per MWh)	55.11	46.51	72.96	81.61
Total fuel consumption (GJ)	3,756,808	3,034,857	3,915,660	3,855,880
Total generation (MWh)	465,584	365,666	476,531	485,222

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 2023, 2024 and 2025 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 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 and \$0.4 million of net commodity swap losses.
- 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. ("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.
- The first quarter of 2024 included \$3.2 million of net commodity swap gains and \$3.2 million of income tax expense.
- The fourth quarter of 2023 included other income of \$20.7 million in relation to insurance proceeds arising from the air inlet filter house fire, net of air inlet filter house expenses, \$2.0 million of asset impairment charge, \$6.4 million of income tax expense and \$5.0 million of net commodity swap losses.

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

QUARTERLY FINANCIAL RESULTS OF OPERATIONS

Revenue

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Revenue ⁽¹⁾	27,228	25,659	68,907	77,434

(1) Includes \$2.3 million in the first nine months of 2025 of Unforeseeable Transmission Must-Run ("TMR") services provided to the Alberta Electricity System Operator ("AESO") in January 2025. 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.

Revenue in the third quarter of 2025 increased by \$1.5 million, or 6%, to \$27.2 million from \$25.7 million in 2024 primarily due to higher realized prices of \$59.94 per MWh in the third quarter of 2025 as compared to \$55.11 per MWh in 2024. Partially offsetting higher realized prices were lower generation volumes as a result of less generation during low priced periods where M2 generated 454,253 MWh in the third quarter of 2025 as compared to 465,584 in 2024.

Revenue in the first nine months of 2025 decreased by \$8.5 million, or 11%, to \$68.9 million from \$77.4 million in 2024 primarily due to lower realized prices of \$53.68 per MWh in the first nine months of 2025 as compared to \$59.21 per MWh in 2024. In addition, revenues decreased due to lower generation volumes as a result of less generation during low priced periods where M2 generated 1,283,772 MWh in the first nine months of 2025 as compared to 1,307,781 in 2024.

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 September 30 (\$000's)	2025				2024			
	Fuel	Carbon Costs	O&M	Total	Fuel	Carbon Costs	O&M	Total
Total	4,101	1,642	6,617	12,360	3,784	1,908	8,219	13,911
Percent	33%	13%	54%	100%	27%	14%	59%	100%
\$ Per MWh ⁽¹⁾	9.03	3.61	14.57	27.21	8.13	4.10	17.65	29.88
\$ Per GJ ⁽¹⁾	1.13	0.45	1.82	3.40	1.01	0.51	2.19	3.71

Nine months ended September 30 (\$000's)	2025				2024			
	Fuel	Carbon Costs	O&M	Total	Fuel	Carbon Costs	O&M	Total
Total	19,288	5,100	17,389	41,777	17,571	4,822	22,252	44,645
Percent	46%	12%	42%	100%	39%	11%	50%	100%
\$ Per MWh ⁽¹⁾	15.02	3.97	13.55	32.54	13.44	3.69	17.02	34.15
\$ Per GJ ⁽¹⁾	1.83	0.48	1.65	3.96	1.64	0.45	2.08	4.17

Fuel expenses in the third quarter of 2025 increased by \$0.3 million, or 8%, to \$4.1 million from \$3.8 million in 2024, primarily due to higher natural gas prices, partially offset by lower generation volumes in third quarter of 2025.

Fuel expenses in the first nine months of 2025 increased by \$1.7 million, or 10%, to \$19.3 million from \$17.6 million in 2024, primarily due to the same factors impacting the third quarter.

Carbon Costs in the third quarter of 2025 decreased \$0.3 million, or 16%, to \$1.6 million from \$1.9 million in 2024 due to favourable external carbon pricing market conditions and lower generation volumes.

Carbon Costs in the first nine months of 2025 increased \$0.3 million, or 6%, to \$5.1 million from \$4.8 million in 2024 due to favourable external carbon pricing market conditions which resulted in a true up of Carbon Costs in the second quarter of 2024, partially offset by lower generation volumes in the first nine months of 2025.

O&M in the third quarter of 2025 decreased \$1.6 million, or 20%, to \$6.6 million from \$8.2 million in 2024 due to lower repairs and maintenance and insurance premiums in 2025.

O&M in the first nine months of 2025 decreased \$4.9 million, or 22%, to \$17.4 million from \$22.3 million in 2024 due to the same factors impacting the third quarter.

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

General and Administrative Expense

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Total general and administrative expense	1,998	1,710	5,716	4,857

General and administration expense in the third quarter of 2025 increased by \$0.3 million, or 18%, to \$2.0 million from \$1.7 million in 2024, primarily due to increased legal costs.

General and administration expense in the first nine months of 2025 increased by \$0.8 million, or 16%, to \$5.7 million from \$4.9 million in 2024, primarily due to the same factor impacting the third quarter and increased employee compensation costs.

Depreciation and Amortization Expense

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Total depreciation and amortization	3,852	3,639	11,689	10,903

Depreciation and amortization expense in the third quarter of 2025 increased by \$0.3 million, or 8%, to \$3.9 million from \$3.6 million in 2024, primarily due to the advancement of depreciation of certain components of Milner PP&E.

Depreciation and amortization expense in the first nine months of 2025 increased by \$0.8 million, or 7%, to \$11.7 million from \$10.9 million in 2024, primarily due to the same factor impacting the third quarter.

Other Income, Net

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Other income, net	2,650	58	4,465	3,037

Other income in the third quarter of 2025 was \$2.7 million as compared to \$0.1 million in 2024. The increase is primarily due to changes in the fair value of investment, changes in fair value of the convertible note and earnings from lease income.

Other income in the first nine months of 2025 was \$4.5 million as compared to \$3.0 million in 2024. The increase is primarily due to changes in the fair value of investment, gain on the sale of Summit, changes in fair value of the convertible note and earnings from lease income, partially offset by realizing a \$2.8 million contingent gain in the second quarter of 2024 relating to the sale of a wind development project sold in 2018.

Loss (Gain) on Commodity Swaps

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Realized gain on power swaps	(136)	(7,289)	(2,374)	(13,862)
Realized loss on natural gas swaps	1,941	4,933	1,809	9,712
Total realized loss (gain) on commodity swaps	1,805	(2,356)	(565)	(4,150)

	Three months ended September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Unrealized loss (gain) on power swaps	(218)	(1,164)	569	(620)
Unrealized gain on natural gas swaps	(1,179)	(4,420)	(369)	(6,576)
Total unrealized loss (gain) on commodity swaps	(1,397)	(5,584)	200	(7,196)

Total realized and unrealized loss (gain) on commodity swaps	408	(7,940)	(365)	(11,346)
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In the third quarter and first nine months of 2025, MAXIM realized losses of \$1.8 million and gains of \$0.6 million, respectively, on Alberta power and natural gas price risk management swaps, as compared to the same period of 2024 which realized gains of \$2.4 million and \$4.2 million, respectively. These net gains and losses are due to settled Alberta power and natural gas prices deviating from the fixed swap price.

In the third quarter and first nine months of 2025, MAXIM had unrealized net gains of \$1.4 million and losses of \$0.2 million, respectively, on Alberta power and natural gas price risk management swaps, as compared to the same period of 2024 which had unrealized gains of \$5.6 million and \$7.2 million respectively. These gains and losses are due to Alberta power and natural gas forward prices deviating from the fixed swap price.

Finance (Income) Expense, Net

	Three months ended		Nine months ended	
	September 30		September 30	
(\$000's)	2025	2024	2025	2024
Interest expense and bank charges	126	1,921	186	5,888
Amortization of deferred financing costs	74	244	220	803
Accretion of provisions	87	82	265	258
Foreign exchange loss (gain)	(53)	4	(7)	(49)
Finance expense	234	2,251	664	6,900
Interest income	(554)	(1,338)	(1,320)	(3,745)
Total finance expense (income), net	(320)	913	(656)	3,155

Net finance income in the third quarter of 2025 increased by \$1.2 million to \$0.3 million from an expense of \$0.9 million in 2024, primarily due to lower interest expense on loans and borrowings as a result of repaying and converting all of MAXIM's outstanding loans and borrowings in the fourth quarter of 2024, partially offset by lower interest income.

Net finance income in the first nine months of 2025 increased by \$3.9 million to \$0.7 million from an expense of \$3.2 million in 2024, primarily due to the same factors impacting the third quarter.

Income Tax Expense

	Three months ended		Nine months ended	
	September 30		September 30	
(\$000's)	2025	2024	2025	2024
Current tax expense	805	126	805	448
Deferred tax expense	155	2,614	134	5,522
Total income tax expense	960	2,740	939	5,970

In the third quarter of 2025, income tax expense decreased \$1.7 million to \$1.0 million from \$2.7 million in 2024 due to MAXIM having lower income before taxes in 2025.

In the first nine months of 2025, income tax expense decreased \$5.1 million to \$0.9 million from \$6.0 million in 2024 due to the same factor impacting the third quarter.

Financial Position

The following highlights the changes in the Corporation's Consolidated Statement of Financial Position at September 30, 2025, as compared to December 31, 2024.

As at (\$000's)	September 30, 2025	December 31, 2024	Increase (Decrease)	Primary factors explaining change
Assets				
Cash and cash equivalents	53,032	30,068	22,964	Increased as a result of operating and investing activities, partially offset by financing activities
Trade and other receivables	12,761	6,244	6,517	Increased as a result of higher revenues
Property, plant and equipment	295,183	306,035	(10,852)	Decreased as a result of the sale of Summit and depreciation, partially offset by asset additions
Other assets ⁽¹⁾	14,302	16,751	(2,449)	Decreased as a result of lower prepaid expenses and restricted cash, partially offset by the convertible note and investment
Liabilities & Equity				
Trade and other payables	11,531	11,111	420	Increased due to the timing of settlement of accounts payable
Other liabilities ⁽¹⁾	32,896	31,967	929	Increased due to current tax liability and higher deferred lease income
Equity	330,851	316,020	14,831	Increased primarily due to net income 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 and operating revenues from the operation of M2. As at September 30, 2025, MAXIM has unrestricted cash of \$53.0 million, no outstanding debt and available borrowing capacity of up to \$17.7 million.

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 purposes and is undrawn, however availability of \$7.3 million was used to issue cash collateralized letters of credit which reduced availability to \$17.7 million. The Corporation can elect to draw back the \$7.3 million cash collateral related to the letters of credit, in exchange for a higher margin fee, however the availability of the facility is reduced by this amount regardless of whether the letters of credit are cash collateralized or not. Removing the restriction on the \$7.3 million of cash would further increase net liquidity available⁽¹⁾ to \$78.0 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. The interest coverage ratio is annualized beginning in the first quarter of 2025 utilizing the rolling four quarter Adjusted EBITDA⁽¹⁾ and annualized interest expense starting January 1, 2025. Once four full fiscal financial quarters have occurred the annualized interest expense will be replaced with the rolling four quarter interest expense. 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 September 30, 2025.

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

Cash flow summary:

At September 30, 2025, the Corporation had unrestricted cash of \$53.0 million included in the working capital⁽¹⁾ surplus of \$53.9 million (see working capital on page 13). 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 of the Corporation:

Nine months ended September 30 (\$'000's)	2025	2024
Cash on hand, unrestricted, January 1	30,068	32,258
Cash flow generated from operations	19,079	76,034
Cash flow used in financing	(454)	(9,209)
Available for investments	48,693	99,083
Cash flow generated from (used in) investing	4,332	(119)
Effect of foreign exchange rates on cash	7	49
Unrestricted cash	53,032	99,013
Convertible loan availability	-	45,562
Senior Credit Facility availability	17,659	12,854
Net liquidity available, September 30 ⁽¹⁾	70,691	157,429

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

Cash flow generated from operating activities in the first nine months of 2025 decreased to \$19.1 million from \$76.0 million in 2024, which is a decrease of \$56.9 million. The decrease is primarily due to changes in non-cash working capital as a result of collecting business interruption insurance proceeds in the first quarter of 2024 and lower earnings from the operations of M2. See working capital section below for further discussion.

During the first nine months of 2025, MAXIM's cash flow used in financing activities decreased \$8.7 million to \$0.5 million in 2025 from \$9.2 million in 2024, primarily due to lower interest and debt repayments in the first nine months of 2025 as a result of repaying and converting all of MAXIM's outstanding loans and borrowings in the fourth quarter of 2024.

MAXIM's investing activities in the first nine months of 2025 represented a cash inflow of \$4.3 million, increasing from an outflow of \$0.1 million in 2024. During 2025, MAXIM had \$9.9 million of net proceeds from the sale of Summit, changes in non-cash working capital of \$2.7 million and interest income of \$1.1 million, partially offset by \$9.4 million of spending on sustaining capital projects at M2.

MAXIM's investing activities in the first nine months of 2024 represented a cash outflow of \$0.1 million. During 2024, MAXIM spent \$3.5 million primarily on sustaining capital projects at M2 and changes in non-cash working capital of \$3.2 million, partially offset by interest income of \$3.8 million and proceeds on sale of wind development project of \$2.8 million.

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

As at (\$000's)	September 30, 2025	December 31, 2024
Loans and borrowings	-	-
Less: Unrestricted cash	(53,032)	(30,068)
Net debt (net cash) ⁽¹⁾	(53,032)	(30,068)
Shareholders' equity	330,851	316,020
Capital	277,819	285,952
Net debt to capital ⁽¹⁾	-19.1%	-10.5%

The Corporation uses the percent of net debt (net cash) to capital to monitor leverage. The decrease in net debt (net cash) to capital from December 31, 2024 to September 30, 2025 is primarily due to net income.

(1) Net capital, net debt (net cash) and net debt to 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)	September 30, 2025	December 31, 2024	Change
Total current assets	66,754	41,473	25,281
Total current liabilities	12,896	11,507	1,389
Working capital surplus ⁽¹⁾	53,858	29,966	23,892

The Corporation has a working capital surplus of \$53.9 million at September 30, 2025, which represents a \$23.9 million increase from the working capital surplus of \$30.0 million at December 31, 2024. The net increase is comprised of a \$25.3 million increase in current assets and a \$1.4 million increase in current liabilities.

The increase in current assets was due to an increase in cash and cash equivalents of \$23.0 million and trade and other receivables of \$6.5 million, partially offset by prepaid expenses and deposits of \$3.7 million and risk management asset of \$0.5 million.

The increase in current liabilities was due to an increase in current tax liability of \$0.7 million, deferred income of \$0.5 million and accounts payable of \$0.4 million, partially offset by risk management liabilities of \$0.2 million.

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

Capital Resources

This following commentary represents FLI and users are cautioned that actual results may vary. The Corporation is currently anticipating capital expenditures of approximately \$13.0 million for the full year of 2025. These expenditures primarily relate to sustaining capital spending of M2, including expenditures for a planned maintenance outage in the fall of 2025.

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 September 30, 2025	Total	2025	2026-2027	2028-2029	Thereafter
Long-term contracts	13,849	1,230	9,030	3,128	461
Total	13,849	1,230	9,030	3,128	461

Long-term contracts are comprised of 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

The Government of Canada released the draft Clean Electricity Regulation (“CER”) on August 19, 2023 that would establish the performance standard framework applicable to existing and new natural gas generation facilities to achieve the federal government’s objectives. On December 18, 2024, the final CER regulations were 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 timing of the decision is not yet known.

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. To date, the GoA has demonstrated implementation through initiatives such as ERA project funding and the carbon price freeze.

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 mid-2027. 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 implement the REM by mid-2027. Management is actively monitoring the development of the rules to better understand the impact this may have on the Corporation.

TIER regulations

Since January 1, 2023, M2 has been exposed to Carbon Costs on emissions via the TIER Regulations. For 2025, emissions greater than the electricity benchmark of 0.3478 tonnes of CO₂ equivalent (“tCO₂e”) per MWh are priced at \$95/tCO₂e. The benchmark was expected to tighten by 2% annually to match federal regulations, however 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. 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 Corporations overall compliance, which for 2025 is up to 80% of its compliance requirements. The remainder of compliance costs must be paid for at the prevailing GoA carbon price, which for 2025 is \$95/tCO₂e.

On September 16, 2025, the GoA announced additional changes to the TIER program. The changes include a direct investment compliance pathway, 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.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management evaluates MAXIM's performance using a variety of measures. The non-GAAP measures 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 September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
GAAP Measures from Condensed Consolidated Statements of Operations				
Net income	10,620	10,744	14,272	22,287
Income tax expense	960	2,740	939	5,970
Finance expense (income), net	(320)	913	(656)	3,155
Depreciation and amortization	3,852	3,639	11,689	10,903
	15,112	18,036	26,244	42,315
Adjustments:				
Other income	(2,650)	(58)	(4,465)	(3,037)
Unrealized loss (gain) on commodity swaps	(1,397)	(5,584)	200	(7,196)
Share-based compensation	322	281	827	802
Adjusted EBITDA	11,387	12,675	22,806	32,884

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 and nine months ended September 30, 2025 and September 30, 2024 management excluded certain non-cash and non-recurring transactions. In both 2025 and 2024, 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 September 30		Nine months ended September 30	
(\$000's)	2025	2024	2025	2024
Funds generated from operating activities before change in non-cash working capital	11,877	17,858	23,616	37,526
Property, plant and equipment additions	(5,539)	(1,500)	(9,423)	(3,466)
Repayment of loans and borrowings	-	(713)	-	(2,138)
Interest expense and bank charges	(126)	(1,921)	(186)	(5,888)
Interest income	397	1,338	1,060	3,745
Free cash flow	6,609	15,062	15,067	29,779

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 and nine months ended September 30, 2025 and September 30, 2024, 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 13.

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 12.

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 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

Except as noted below, 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 consolidated financial statements for the year ended December 31, 2024.

During the second quarter of 2025, the Corporation revised the useful life of certain components of property, plant and equipment as a result of the accelerated timing of major overhauls at Milner necessary for future operations which gave rise to additional depreciation of \$0.5 million.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS Standards Issued Not Yet Effective and Amendments

On April 9, 2024, the International Accounting Standards Board issued IFRS 18 – Presentation and Disclosure in Financial Statements which introduces new requirements for comparability in the statement of profit or loss, performance measures and grouping 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. Management is currently assessing the impact 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 nine months of 2025, 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 2024 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 September 30, 2025.

OTHER INFORMATION

Outstanding share data:

Issued common shares at September 30, 2025	63,640,467
Outstanding share options at September 30, 2025	3,369,399
Total diluted common shares at September 30, 2025	67,009,866
Shares purchased and cancelled under NCIB in October 2025	(27,768)
Total diluted common shares at November 6, 2025	66,982,098

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
tCO₂e	Tonnes of Carbon Dioxide Equivalent
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
GJ	Gigajoule
GoA	Government of Alberta
ICFR	Internal Controls Over Financial Reporting
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, Alberta since 1972 and was acquired by MAXIM on March 31, 2005
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
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
NCIB	Normal Course Issuer Bid
O&M	Operations and Maintenance
Summit	Summit Coal LP and Summit Coal Inc.
TIER	Technology Innovation and Emissions Reduction Regulation

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