

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)

	Note	Three months ended September 30		Nine months ended September 30	
		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
	<hr/> 24,095

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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.