Acceleware Ltd.

Condensed Interim Financial Statements (Unaudited)
For the Three Months Ended March 31, 2026 and 2025

(in Canadian dollars)

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Acceleware Ltd.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Acceleware Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Acceleware Ltd.

Condensed Statement of Financial Position (Unaudited)
(in Canadian dollars)

As at:		**March 31, 2026**		December 31, 2025
Assets				
Current				
Cash and cash equivalents	**$**	**42,115**	$	247,876
Trade and other receivables		**43,165**		54,551
Prepaid expenses		**3,274**		6,936
Total current Assets		**88,554**		309,363
Non-current				
Right of use assets		**34,069**		41,931
Total assets	**$**	**122,623**	$	351,294
Liabilities and Equity				
Current				
Accounts payable and accrued liabilities *(note 5)*	**$**	**2,763,059**	$	2,534,139
Notes payable *(note 6)*		**1,222,778**		1,222,778
Deferred revenue		**198,650**		198,650
Convertible debentures *(note 7, 12)*		**2,453,640**		2,032,433
Other current liabilities		**106,211**		289,630
Total current liabilities		**6,744,338**		6,277,630
Non-current				
Other non-current liabilities		**2,709**		11,066
Total liabilities		**6,747,047**		6,288,696
Shareholders' Equity				
Share capital *(note 8(a))*		**25,787,241**		25,787,241
Reserves *(notes 8(b), 8(c))*		**10,522,935**		10,480,102
Deficit		**(42,934,600)**		(42,204,745)
Total shareholders' equity		**(6,624,424)**		(5,937,402)
Total liabilities and shareholders' equity	**$**	**122,623**	$	351,294

Going concern (note 3)
Subsequent event (note 12)

Approved on behalf of the Board of Directors:

"signed"
Pete Sametz, Director

"signed"
Geoff Clark, Director

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

Acceleware Ltd.

Condensed Statement of Income (Loss) and Comprehensive Income (Loss)
(in Canadian dollars)

For the:		**Three months ended March 31, 2026 (unaudited)**		Three months ended March 31, 2025 (unaudited)
Revenue *(note 9)*	**$**	**116,304**	$	431,226
Expenses				
General and administrative		**249,006**		252,753
Research and development *(note 10)*		**340,807**		420,829
		589,813		673,582
(Loss) income from operations		**(473,509)**		(242,356)
Other expense				
Finance expense		**(255,932)**		(181,532)
Other Income		**503**		—
Change in fair value of derivative financial instruments		**—**		42,000
Foreign exchange loss		**(917)**		(307)
Total other expense		**(256,346)**		(139,839)
Total comprehensive loss for the period attributable to shareholders	**$**	**(729,855)**	$	(382,195)
Loss per share				
Basic and diluted	**$**	**(0.01)**	$	(0.00)
Weighted average shares outstanding – basic (note 8(d))		**130,440,260**		118,562,307
Weighted average shares outstanding – diluted (note 8(d))		**130,440,260**		118,588,304

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

Acceleware Ltd.

Statements of Changes in Shareholders' Equity (Unaudited)
(in Canadian dollars)

	Share capital			Reserves				
	Common shares	Amount	Warrants	Contributed surplus	Total Reserves	Deficit	Total shareholders' equity
Balance at December 31, 2024	# 118,448,543	$ 25,266,435	$ 142,551	$ 9,533,014	$ 9,675,565	$ (40,344,361)	$ (5,402,361)
Total loss and comprehensive loss	—	—	—	—	—	(382,195)	(382,195)
Issuance of shares *(note 8(a))*	125,000	12,500	—	—	—	—	12,500
Share-based payments							
Current period expense *(note 8(b))*	—	—	—	72,445	72,445	—	72,445
Stock options exercised *(note 8(b))*	—	11,825	—	(11,825)	(11,825)	—	—
Balance at March 31, 2025	# 118,573,543	$ 25,290,760	$ 142,551	$ 9,593,634	$ 9,736,185	$ (40,726,556)	$ (5,699,611)
Balance at December 31, 2025	# 130,440,260	$ 25,787,241	$ 615,915	$ 9,864,187	$ 10,480,102	$ (42,204,745)	$ (5,937,402)
Tota loss and comprehensive loss	—	—	—	—	—	(729,855)	(729,855)
Share-based payments							
Current period expense *(note 8(c))*	—	—	—	42,833	42,833	—	42,833
Stock options exercised *(note 8(c))*	—	—	—	—	—	—	—
Balance at March 31, 2026	**# 130,440,260**	**$ 25,787,241**	**$ 615,915**	**$ 9,907,020**	**$ 10,522,935**	**$ (42,934,600)**	**$ (6,624,424)**

The accompanying notes are an integral part of these financial statements

Acceleware Ltd.

Condensed Statement of Cash Flows (Unaudited)
(in Canadian dollars)

For the:		**Three months ended March 31, 2026 (unaudited)**		Three months ended March 31, 2025 (unaudited)
Cash flows used for operating activities				
Total loss and comprehensive loss income	**$**	**(729,855)**	$	(382,195)
Adjustments for:				
Depreciation expense		**7,862**		7,101
Accretion on decommissioning expense		**—**		2,600
Share-based payments expense *(note 8(b))*		**42,833**		72,445
Change in fair value of derivative financial instruments		**—**		(42,000)
Interest expense *note (6, 7)*		**202,285**		179,135
Changes in non-cash working capital items				
Trade and other receivables		**11,386**		(27,337)
Prepaid expenses		**3,662**		6,350
Accounts payable and accrued liabilities		**228,920**		17,712
Contract liabilities		**34,712**		77,208
Deferred revenue		**—**		—
Net cash flows used for operating activities		**(198,195)**		(88,981)
Cash flows from (used for) financing activities				
Net proceeds from issuance of common shares *(note 8(a))*		**—**		12,500
Payments on notes payable *(note 6)*		**—**		25,000
Payments on lease obligations		**(7,565)**		(8,587)
Net cash flows from (used for) financing activities		**(7,565)**		28,913
Decrease in cash and cash equivalents		**(205,760)**		(60,068)
Cash and cash equivalents, beginning of period		**247,876**		271,777
Cash and cash equivalents, end of period	**$**	**42,116**	$	211,709
Comprised of:				
Cash on deposit	**$**	**22,323**	$	191,917
Cash equivalents		**19,792**		19,792
	$	**42,115**	$	211,709

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

1. General information

Acceleware Ltd. (the "Company" or "Acceleware") is a clean-tech company based in Calgary, Alberta. The Company is developing an enhanced heavy oil and oil sands production technology based on radio frequency ("RF") heating that is designed to increase oil production, while reducing cost and environmental impact. That same RF heating technology is also being applied to the decarbonization of certain other industrial heating applications currently in development. Acceleware also specializes in the development and marketing of special purpose computational software products for the oil and gas and other markets. The Company is incorporated under the Alberta Business Corporations Act, has its registered offices at 1900, 520 - 3rd Avenue SW, Calgary, Alberta, Canada, and trades on the TSX Venture Exchange under the symbol AXE.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of condensed interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and have been prepared following the same accounting policies and method of computation as the annual financial statements for the year ended December 31, 2025. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors on May 29, 2026.

(b) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts may differ from these estimates.

Estimates, judgments and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which such estimates are revised if the revision affects only that period or in the period of the revision and future periods if the review affects both the current and future periods.

3. Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of March 31, 2026 the Company has a deficit balance of $42,934,600 (December 31, 2025 - $42,204,745).

This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company actively manages its cash flow and investment in new products to match its cash generated from operations including government assistance. The Company is also evaluating other sources of financing. In maximizing cash generated from operations, the Company plans to focus on high gross margin revenue streams such as software and RF heating services; focus on selected core vertical markets; minimize operating expenses where possible; and limit capital expenditure. As the Company continues to develop its RF heating technology, operations will be financed through a combination of government assistance, industry partners, external financing, and internal cash flow from the sale of high-performance computing software and maintenance and consulting services. Management believes that successful execution of its business plan will result in sufficient new financing and cash flow to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company's operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, the Company is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional product development initiatives, and reducing sales, marketing and general and administrative expenses, while seeking outside financing. The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company's financial position, results of financial performance and cash flows.

The ability of the Company to continue as a going concern is dependent upon successful execution of its plans noted above. The outcome of these initiatives cannot be predicted at this time. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern for a reasonable period of time.

4. Significant accounting policies

The significant accounting policies used in the preparation of these condensed interim financial statements are unchanged from those disclosed in the Company's financial statements for the year ended December 31, 2025.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are deferred compensation amounts owing to management of $1,589,243 as at March 31, 2026 (December 31, 2025 - $1,530,290).

6. Notes payable

As at March 31, 2026, the Company has promissory notes outstanding totaling $1,222,778 (year ended December 31, 2025) - $1,222,778) bearing interest at an annual effective rate of 18% (year ended December 31, 2025 – 18%). Repayment terms range from 180 days to 365 days from the date of the promissory note and are due from May 12, 2026 to August 28, 2026.

7. Convertible debentures

Subsequent to March 31, 2026, the Company settled outstanding convertible debentures with principal amount $2,215,000 and associated accrued and unpaid interest of $288,640 (total amount $2,453,640) – see note 12. As at December 31, 2025, interest accrued on the convertible debentures of $218,799 is included in other current liabilities on the statement of financial position.

8. Share capital and other components of shareholders' equity

(a) Share capital

The authorized share capital of the Company consists of an unlimited number of common shares, and unlimited number of first preferred shares, of which conditions are to be determined; and an unlimited number of second preferred shares, of which conditions are to be determined.

During the three months ended March 31, 2026, nil stock options were exercised (three months ended March 31, 2025 – 125,000) for cash proceeds of $nil (three months ended March 31, 2025 - $12,500). Non-cash compensation charges of $nil (December 31,2025 - $11,825) were reclassified from contributed surplus to share capital on the exercise of these options.

(b) Share-based payments

At March 31, 2026, the Company had one equity-settled share-based compensation plan. The Company accounts for options granted under this plan in accordance with the fair value method of accounting for share-based compensation. The estimated fair value of the options that are ultimately expected to vest is recorded over the option's vesting period and charged to share-based compensation expense.

The following options were granted in the three-month period ended:

	March 31, 2026	March 31, 2025
Standard options granted	—	1,184,000
Performance options granted	—	450,000
Weighted average exercise price per common share	—	$0.09
Term to expiry	—	5 years

8. Share capital and other components of shareholders' equity (cont'd)

(b) Share-based payments (cont'd)

The changes to the number of options outstanding and their weighted average exercise price are as follows:

	Number	Weighted Average Exercise Price
Balance, December 31, 2025	10,767,466	$ 0.18
Granted	—	—
Exercised	—	—
Expired	—	—
Forfeited	—	—
Balance, March 31, 2026	10,767,466	$ 0.18

	Number	Weighted Average Exercise Price
Balance, December 31, 2024	10,983,932	$ 0.21
Granted	1,634,000	0.09
Exercised	(125,000)	0.10
Forfeited	(1,162,716)	0.13
Expired	(214,250)	0.20
Balance, March 31, 2025	11,115,966	$ 0.20

Summary of options outstanding and exercisable as at March 31, 2026 is as follows:

Exercise price outstanding	Grant Date	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$0.09 - $0.135	Feb 2024 to May 2024; Feb 2025, Sep 2025	4,897,000	3.51	$0.11	2,752,500
$0.20 - $0.23	April 2023	4,225,000	2.04	0.23	4,225,000
$0.29 - $0.30	May 2021 to Sept 2021	1,645,466	0.40	0.29	1,645,466
		10,767,466	2.51	$0.18	8,622,966

Summary of options outstanding and exercisable as at March 31, 2025 is as follows:

Exercise price outstanding	Grant Date	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$0.10 - $0.135	Jan 2020 to Jun 2020; Feb 2024 to May 2024	3,964,500	4.23	$0.12	1,175,250
$0.20 - $0.21	April 2023	5,065,000	3.04	0.23	2,670,000
$0.29 – $0.30	May 2021 to Sept 2021	2,086,466	1.40	0.29	2,086,466
		11,115,966	3.16	$0.20	5,931,716

(c) Warrants

As of March 31, 2026, a total of 11,866,717 warrants are outstanding (December 31, 2025, – 11,866,717) at a weighted average exercise price of $0.20 (December 31, 2025, – $0.20). The weighted average number of years remaining on the outstanding warrants is 1.4 (December 31, 2025 – 1.6).

(d) Earnings per share

The calculation of weighted average shares outstanding for the diluted loss per share calculation excludes the impact of the options outstanding as at March 31, 2026 and 2025 as the effect is anti-dilutive.

9. Revenue

The Company sub-classifies revenue within the following components: software revenue, maintenance revenue, and services revenue which includes data revenue. The following table shows the breakdown of revenue:

		Three months ended March 31, 2026		Three months ended March 31, 2025
Software	**$**	**10,222**	$	18,092
Maintenance		**23,050**		17,442
Services		**83,032**		395,692
	$	**116,304**	$	431,226

The Company derived significant revenues from two major customers each of which exceeded 10% of total revenues for the three months ended March 31, 2026. Revenue from these customers was $116,304 at March 31, 2026 (March 31, 2025 – one major customer for a total revenue of $360,617).

10. Research and development

		March 31, 2026		March 31, 2025
Salaries	**$**	**187,311**	$	244,226
Consulting		**80,658**		68,698
R&D supplies and materials		**48,458**		44,648
Share-based payments		**10,103**		46,223
Depreciation		**3,931**		3,550
Rent and overhead allocation		**10,346**		13,485
	$	**340,807**	$	420,829

11. Related Party Transactions

(a) For the three months ended March 31, 2026, the Company incurred expenses in the amount of $45,938 (three months ended March 31, 2025 - $45,938) with a company controlled by an officer and director of the Company as fees for duties performed in managing research and development operations and these expenses are included in research and development. As at March 31, 2026, $535,265 was included in accounts payable and accrued liabilities (December 31, 2025 - $507,128) which is inclusive of prior year amounts. These fees were incurred in the normal course of operations and represent fair value for services rendered.

(b) For the three months ended March 31, 2026, the Company incurred expenses in the amount of $30,900 (three months ended March 31, 2025 - $36,000) with a company controlled by the spouse of an officer of the Company for marketing, communication, management and strategy development, and these expenses are included in general and administrative. As at March 31, 2026 $255,468 was included in accounts payable and accrued liabilities (December 31, 2025 - $238,773) which is inclusive of prior year amounts. These fees were incurred in the normal course of operations and represent fair value for services rendered.

(c) For the three months ended March 31, 2026, the Company incurred expenses in the amount of $15,000 (three months ended March 31, 2025 - $nil) with a company controlled by a director of the Company as fees for duties performed in management, and these expenses are included in general and administrative. As at March 31, 2026 $5,000 was included in accounts payable and accrued liabilities (December 31, 2025 - $nil). These fees were incurred in the normal course of operations and represent fair value for services rendered.

(d) For the three months ended March 31, 2026, the Company incurred expenses in the amount of $11,795 (three months ended March 31, 2025 - $11,438) with a close family member of an officer and director of the Company for marketing communications and other services, and this amount is included in general and administrative expense. As at March 31, 2026 $4,284 was included in accounts payable and accrued liabilities (December 31, 2025 - $nil). These fees were incurred in the normal course of operations and represent fair value for services rendered.

(e) As at March 31, 2026, the Company issued promissory notes totaling $276,451 (December 31, 2025 – 276,451) bearing interest at an annual effective rate of 18% (December 31, 2024 – 18%) repayable within six months of issuance to officers and directors of the Company in the normal course of operations. In the opinion of management, these transactions represent fair value. The promissory notes, including accrued interest, are included in other current liabilities on the statement of financial position.

(f) Key management includes the Company's directors and members of the executive management team. Compensation awarded to key management included:

		Three months ended March 31, 2026		Three months ended March 31, 2025
Salaries and short-term employee benefits	**$**	**127,969**	$	187,851
Share-based expenses		**17,246**		44,462
	$	**145,215**	$	232,313

12. Subsequent Event

On April 7, 2026, the Company settled the outstanding debt owed to the 10% unsecured convertible debenture holders (the "2022 Debentures") in the aggregate amount of $2,453,640, which amount represents the total principal outstanding plus accrued and unpaid interest. A portion of the debt was settled with units of the Company), through a shares-for-debt transaction, at a price of $0.10 per unit, and the remainder with new convertible debentures with substantially the same terms as the expiring.

Acceleware issued a total of 12,688,589 units. Each unit issued consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one Common Share at $0.20 for a period of two years from the date of issuance of the warrant. In the event that the common shares trade at a closing price at or greater than $0.30 per common share for a period of thirty consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given.

Acceleware issued replacement convertible debentures in the principal amount of $1,184,781. Each replacement convertible debenture has a maturity date of April 7, 2030, and a conversion price of $0.15, subject to certain adjustments. Each replacement convertible debenture will be convertible into units consisting of one common share and one-half of one warrant. Each whole warrant will entitle the holder thereof to one common share at an exercise price of $0.30 per common share for a period of two years from the date of issuance, subject to certain adjustments. In addition, Acceleware has the right, at its sole discretion, to require the conversion of the replacement debentures into units if, at any time, the 30-day volume weighted-average trading price of the common shares equals or exceeds $0.195.