ACCELEWARE LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read together with Acceleware Ltd.'s ("Acceleware" or the "Company") unaudited condensed interim financial statements and the accompanying notes for the three months ended March 31, 2025 ("Q1 2025"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the audited annual financial statements, accompanying notes and MD&A for the year ended December 31, 2024. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca under Acceleware Ltd.

This MD&A is presented as of May 22, 2025. All financial information contained herein is expressed in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believes" and similar expressions. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A may contain forward-looking statements, pertaining to the following:

- the expectation of Acceleware's ability to continue operating as a going concern, fund its operations through the sale of its products and services, and access external financing when required;
- the future growth prospects for radio frequency ("RF") heating technology for heavy oil and oil sands based on technical and economic feasibility analyses and field testing performed to date;
- the expectation that RF heating technology can be economically applied to industrial heating and drying applications;
- the patentability of concepts developed through RF heating research and development ("R&D") efforts;
- the expectation that the positive economic and technical analyses and testing to date will be reinforced by future results of subsequent testing of the RF heating technology;
- the successful completion of the pilot of RF heating technology at Marwayne, Alberta (the "RF XL Pilot"), and at any subsequent demonstration sites;
- potential benefits of the Company's software to customers, including cost savings and increases to cash flow and productivity;
- oil and natural gas commodity prices;
- the impact of escalating trade tariffs affecting the Company's products, and input materials, particularly with respect to the United States;
- advantages to using Acceleware's products and technology;
- the demand for new products currently under development at the Company;
- ease and efficiency of implementing Acceleware's products; and
- supply and demand for Acceleware's primary software products.

With respect to forward-looking statements contained in this MD&A, the Company has assumed, among other things:

- that the future revenue and resulting cash flow expected by the Company's management ("Management") and ability to attract new financing will be sufficient to fund future operations - this assumption being subject to the risk and uncertainty that the Company may not generate enough cash flow from operating activities to meet its capital requirements and that the Company may not be able to secure additional capital resources from external sources to fund any shortfall. Operating cash flow may be negatively affected by general economic conditions, increased competition, increased equipment or labour costs, and adverse movements in foreign currencies. Should the Company experience a cash flow shortfall from operating activities, Management's contingency plan may not be sufficient to reverse the shortfall;
- that industry and government environmental interest in reducing greenhouse gas ("GHG") emissions, reducing industrial water use, and minimizing land disturbance remains a priority;
- that the long-term oil and natural gas commodity price trend and its effect on the Company's products, services, and R&D efforts will be manageable;
- that the long-term effect of any sentiment, law or policy regarding future investment in new heavy oil or oil sands projects will be manageable;
- that the analyses coupled with lab and field testing that the Company has performed to date regarding the technical and economic feasibility of RF heating technology for heavy oil and oil sands will be confirmed in future pilot testing and in commercial products;
- that the analyses coupled with lab testing that the Company has performed to date regarding the technical and economic feasibility of RF heating technology for industrial heating and drying applications will be confirmed in future field testing and in commercial products;
- that the Company will maintain all regulatory approvals required to carry out the pilot testing of its RF heating technology at the RF XL Pilot, and at any subsequent demonstration sites;
- that the Company will be able to source additional financing required to further demonstrate RF XL;
- that the impact of escalating trade tariffs will be manageable;
- that the RF heating concepts developed by the Company are unique, novel and non-infringing of intellectual property owned by others;
- that the Company will be able to maintain sales of its software products and services which is subject to the risks that sales in core vertical markets may be negatively affected by general economic conditions, and that the Company's R&D efforts may be unable to develop continuous improvements; and
- that the Company will be able to withstand the impact of increasing competition.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Forward-looking statements include statements with respect to the timing and amount of estimated future revenue and sales and the Company's ability to protect and commercially exploit its intellectual property. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

BUSINESS OVERVIEW

Acceleware is an advanced electromagnetic ("EM") heating company with highly scalable solutions for large industrial applications. The Company's products are branded EM Powered Heat and provide a pathway to economically electrify and decarbonize industrial heating processes previously considered difficult to abate. Acceleware's vision is for EM Powered Heat to have a material impact on energy and economic efficiencies and global GHG emissions. EM Powered Heat technology is powered by the Company's proprietary Clean Tech Inverter ("CTI") for applications including enhanced oil recovery ("RF XL"), mining and mineral processing, carbon capture, cement and concrete, and agri-food. In addition to EM Powered Heat, the Company also provides specialized scientific high-performance ("HPC") software.

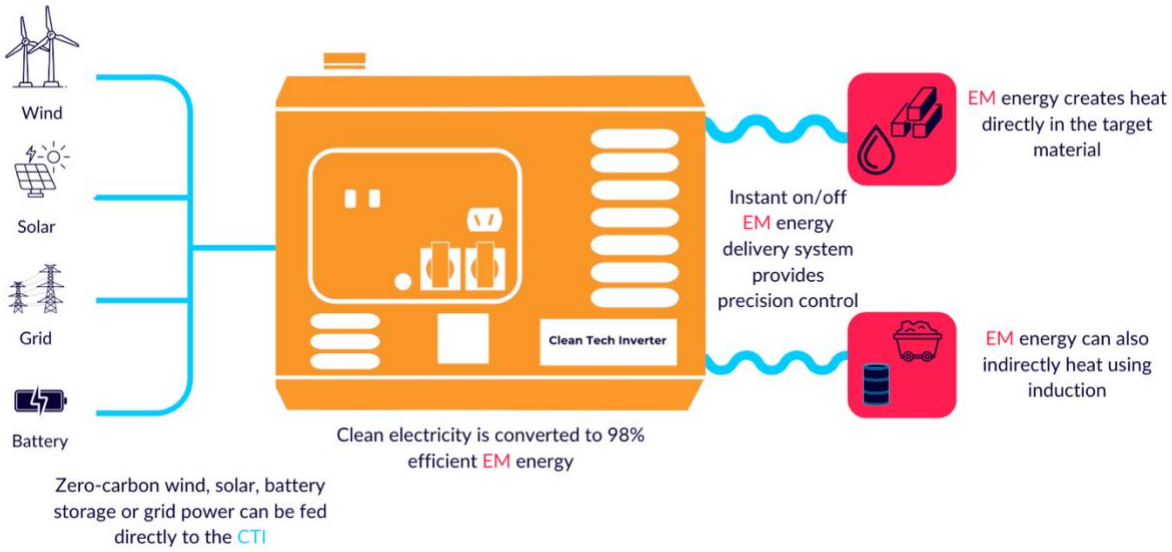
EM Powered Heat:

EM Powered Heat is a unique, step-change improvement from fossil-fuel powered, inherently inefficient, heat transfer methods. EM Powered Heat is a novel EM industrial process heater that functions like a highly efficient Power-to-Heat converter. In the applications where Acceleware is focussed, EM Powered Heat materially reduces energy consumption joule-for-joule compared to either fossil fuel-based heaters or other types of electric heaters. This could mean low-carbon industrial process heat with lower operating cost than the status quo of combustion-based heat.

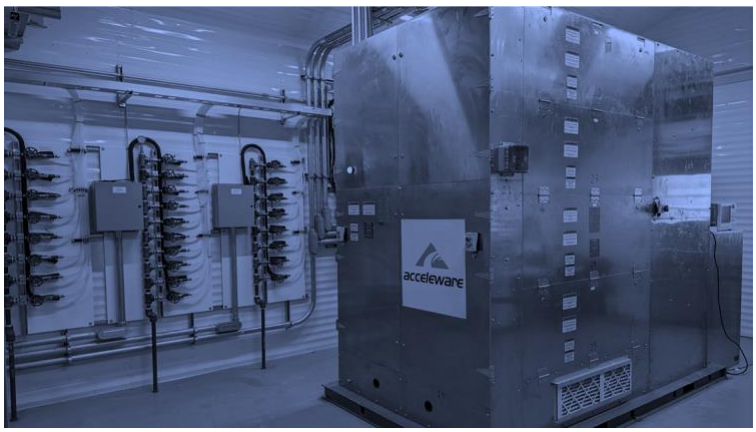
The features of EM Powered Heat include:

- Delivery of EM energy directly to molecules that need heating - eliminating most heat transfer energy losses.
- Conversion of electricity to EM energy with 98% energy efficiency, equating to lower energy consumption and lower costs.
- Ability to heat large volumes of material to temperatures ranging from 40°C to 2000°C.
- A wide 250 kW to 100 MW power range.

EM Powered Heat is driven by the CTI, which pioneers the use of silicon carbide (SiC) power transistor technology, enabling economic and scalable electrified heating. EM Powered Heat is extremely energy efficient, as it couples EM energy delivery directly to a material, heating it at the molecular level rather than relying on heat transfer from a container or other medium. Efficiency is improved, since energy is no longer wasted when transferring heat from one place to another, and then further wasted distributing heat throughout the entire material. The CTI, being an extremely flexible and variable high frequency electromagnetic energy source, can also be used to efficiently heat materials indirectly, for example, using induction heating.



Acceleware's patented CTI heating 'engine' can provide intelligent, reliable, scalable, on-demand, decarbonized heat via EM energy. EM Powered Heat with CTI can be adapted to multiple industrial clean heating applications, displacing fossil heating systems that are GHG intensive and costly to operate.



The CTI has been successfully field tested over many months, including over six months of operation at the RF XL Pilot. The CTI's SiC technology results in over 98 percent efficiency converting AC or DC power to RF energy. By delivering this energy directly (and with minimal losses) to the material being heated, a CTI-powered EM Powered Heat system could reduce energy intensity by an estimated 50-75 percent versus fossil heating in the Company's target applications.* The CTI has been patented, and Acceleware has multiple additional CTI patents pending.

EM Powered Heat - RF XL

RF XL is Acceleware's patented EM Powered Heat technology developed to improve the extraction of heavy oil and bitumen. RF XL features a cost effective and a more environmentally friendly alternative to other thermal enhanced or secondary recovery methods such as steam assisted gravity drainage ("SAGD"). When applied, RF XL has the potential to reduce both capital and operating costs, while offering significant potential environmental benefits when compared to other recovery techniques, including:

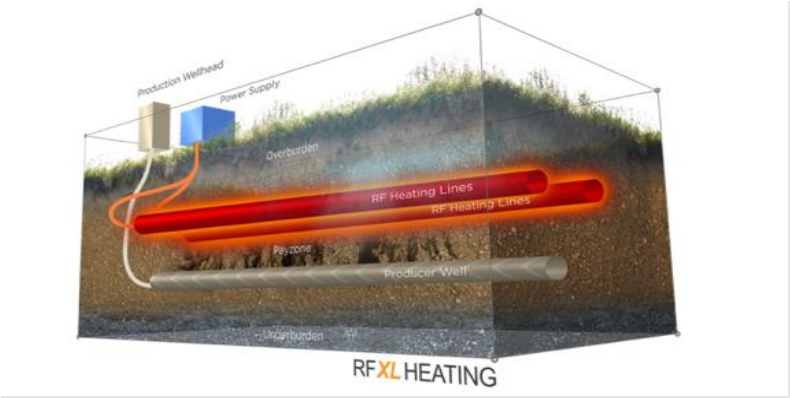
- immediately reducing potential GHG emissions;
- eliminating not only external water use, but also the cost of constructing and operating steam generation and water treatment facilities;
- substantially decreasing land use;
- eliminating any requirement for solvents; and
- eliminating requirement for tailings ponds.

RF XL also offers significant potential to increase heavy oil recovery factors from the current 3-6 percent norm associated with primary production though cold heavy oil production with sand (CHOPS) or through multilateral horizontal wells employing primary production and waterflood. A cost-effective method such as RF XL may enable commercial development of otherwise uneconomic heavy oil reservoirs such as smaller, thinner reservoirs or reservoirs that are highly heterogeneous including fractured reservoirs or reservoirs post-CHOPS. Reservoirs that have been previously produced with CHOPS, where up to 97 percent of the oil is still in the ground, are particularly attractive since "worm holes" created through the CHOPS process prevent production via traditional EOR techniques.

Of note, RF XL can function on either grid power or intermittent renewable power, and significantly reduces GHG emissions either way.

*This paragraph contains forward looking information. Please refer to "Forward Looking Statements" and "Risk Factors and Uncertainties" for a discussion of the risks and uncertainties related to such information.

Based on modelling, simulations, and field testing conducted to date, the Company believes that electrification through RF XL can provide a clear pathway to low-to-zero GHG emissions associated with the production of heavy oil and oil sands and provide optimal alignment between industry and government to recognize innovation as a meaningful component of the oil and gas industry's overall emission reduction plans.*



RF heating for oil production is not a new concept, as failed trials were conducted in Russia and North America as far back as 1948. Acceleware believes that these early failures were a result of technology limitations imposed by adapting radio communications technology for RF heating. Acceleware believes these limitations can be overcome with an entirely new approach. Acceleware began investigating the use of RF energy for in-situ heating of heavy oil and bitumen in 2010. Since then, Acceleware has vigorously pursued the development of RF heating technology, securing the intellectual property with patents where appropriate. The Company's RF XL R&D efforts have focused on reducing the capital cost of the technology, increasing its efficiency (and therefore reducing its operating cost), and improving its scalability to very long horizontal wells commonly used in Alberta, Saskatchewan, Latin America, Africa, Asia, the Middle East and elsewhere. Acceleware's unique expertise with RF heating technology has resulted in feasibility study revenue and software revenue both locally and abroad.

EM Powered Heat - Drying of Mineral Ores

In 2023, Acceleware began working with the International Minerals Innovation Institute ("IMII") to validate the use of EM energy from the CTI to dry potash ore and other minerals. IMII is a non-profit organization jointly funded by industry and government that is committed to developing and implementing innovative education, training, research and development partnerships for supporting a world-class minerals industry. IMII's minerals industry members include BHP, Cameco Corporation, Fission Uranium Corp., The Mosaic Company and Nutrien Ltd.

The Company has completed Phase 2 of the project – construction and testing of a bench-scale 100 kilogram per hour potash ore drying system. The findings were presented to IMII in 2024. Additional IMII funded testing of the system continued into 2025, with positive results. A proposal for Phase 3 has been presented to IMII and is currently under review. Phase 3 of the project would include the design, construction and testing of a larger shop-scale demonstration dryer.

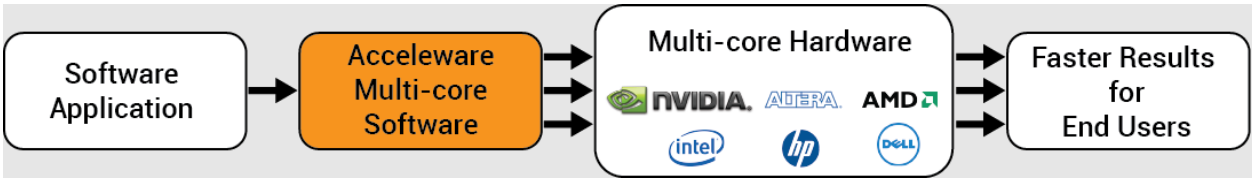
EM Powered Heat - Other Industrial Heating Applications

The Company has R&D projects underway to quantify the potential benefits of using EM Powered Heat in fly ash preparation for use in concrete production; amine-based carbon capture; hydrogen production; agri-food product drying; oil refining; and synthetic low-carbon fuel production. Other applications in drying and industrial heating are also being explored.

High Performance Computing

Acceleware's traditional HPC market has centered around EM simulation software, and the Company continues to provide products to this industry. Its first software commercialized was an accelerated finite difference time domain ("FDTD") solution for the EM simulation industry. AxFDTD™ has been used by many Fortune 500 companies such as GE, Apple, Samsung, LG, Blackberry, Foxconn, Nikon, Renault, Mitsubishi, Merck, Boeing and Lockheed Martin, many of which continue to use the software today. With AxFDTD, Acceleware was a pioneer in the graphics processing unit ("GPU") computing revolution as most of the major mobile phone manufacturers in the world are using

Acceleware's EM design solutions which facilitate more rapid design of their products. Acceleware's fourth-generation software acceleration solutions, which support multi-board GPU systems, can accelerate entire industrial simulation and processing applications by more than 35 times.



The EM solutions developed by Acceleware can be easily integrated by software developers, saving them the expense and time of migrating applications to high performance multi-core platforms. Acceleware improves the overall experience for end users of these applications by providing greater computing speed without the need for end users to learn new skills or change their work processes.

In the EM market, software developers choose to partner with Acceleware to increase the speed of their software. Such partners currently include SPEAG, ZMT Zurich MedTech and Keysight Technologies. Acceleware reaches the EM market through a combination of partner channels and direct sales. Investment in AxFDTD continues for traditional markets because it is an enabling technology for AxHEAT.

In February 2004, Acceleware was founded by a group of graduate students and professors from the University of Calgary's Electrical Engineering department for the purpose of building software solutions that targeted the GPU as a compute platform. Since 2006, Acceleware's common shares have been listed on the TSX Venture Exchange (symbol: AXE). Acceleware is headquartered in Calgary, Alberta.

On March 31, 2025, Acceleware had 14 employees and long-term contractors, including two in administration; two in sales, marketing and product management; and ten in R&D and engineering.

For further information about the Company, please visit www.acceleware.com.

OPERATING SUMMARY

The RF XL Pilot successfully demonstrated the potential of the technology in an operational environment. RF XL is the first application of the Company's patent-protected CTI. Functionality of the CTI has been proven through scaled field tests conducted in 2019 and 2020, and over six months of operation at the RF XL Pilot.

Based on positive results to date, Acceleware remains confident that RF XL will become viable as a critical technology in the effort to reduce production costs and decarbonize heavy oil and oil sands production. In 2024, the Company's operations team continued data analysis, "history-matching" simulations and other analyses of operational data from tests in 2022. The analysis provides evidence that the operation of the RF XL Pilot resulted in sustained heating of the formation around the heating well prior to the pause in operations for maintenance and inspection. In particular, the Company successfully injected RF power into the heating well for over 200 days — a significant milestone and something that has never been achieved before. Also of note is that the CTI successfully operated for seven consecutive months at a variety of power levels and operating conditions during this time.

In the three months ended March 31, 2025, the Company continued to work on the next iteration of the RF XL subsurface system to more concretely address technical issues that were illuminated during the first phase of heating at the RF XL Pilot. These iterations are also expected to significantly reduce the complexity of the subsurface structure, while reducing manufacturing and deployment costs once commercialized. This redesign work is now complete and ready for manufacturing and deployment. The Company is seeking funding for a second phase of heating at the RF XL Pilot incorporating the new subsurface design and existing surface facilities including the CTI. During 2024 the Company confirmed that the expected cost to redeploy the upgraded design at Marwayne would be approximately $5 million including contingency. Also in 2024, the Company announced that it had secured a total of up to $1.3 million in non-dilutive funding from the Clean Resource Innovation Network ("CRIN") for the next phase of the RF XL Pilot, contingent on the Company sourcing the remaining $3.7 million. The Company has identified

several industry and government potential funders and has discussed the project with them. The purpose of the second phase of heating at the RF XL Pilot is to enable higher power to be distributed into the reservoir for a sustained period, resulting in higher reservoir temperatures and oil production, to advance the potential commercial viability of RF XL technology.

In addition to development work, and with results gained from RF XL deployment in Marwayne to date, Management has also initiated a strategic review of the commercialization plan for RF XL. The process involved analyzing various heavy oil and bitumen reservoirs in western Canada, with the goal of identifying the optimal resources for the demonstration of commercial viability of RF XL. These reservoirs included not only the vast McMurray oil sands, but also heavy oil plays including the Clearwater in north-central Alberta, the Bluesky in west-central Alberta, and the Mannville Stack in eastern Alberta and western Saskatchewan. The review process has led Management to conclude that heavy oil plays offer the greatest near-term potential for commercializing RF XL, due to lower initial capital per well, ability to scale from one heating well to many, lower operating cost to effectively decrease viscosity, and the potential for significant incremental production and ultimate recovery to make uneconomic resources economic. Once proven in heavy oil, Management believes the oil sands will offer significant market expansion potential.*

In Q1 2025 Acceleware's board of directors approved an initiative proposed by Management to investigate (in parallel with continued effort to progress a second phase of heating at Marwayne) the opportunity for Acceleware, as an operator, to acquire rights to a suitable heavy oil property, and thereafter apply RF XL as a secondary recovery method to improve the property's production, cashflow, ultimate recovery and asset valuation. Under this scenario, Acceleware would benefit from the valuation enhancement brought about by RF XL. Management has commenced its investigation pursuant to this initiative as of the date of this MD&A.* In the three months ended March 31, 2025 the Company's subsurface team refined its reservoir selection criteria and identified several promising locations for a commercial demonstration of RF XL.

As of the date of this MD&A, the Company completed additional IMII-funded testing of a 100kg per hour prototype potash dryer with further promising results. IMII and its participating members had requested additional testing under various scenarios before considering the Company's Phase 3 proposal for the design, construction and testing of a new, larger-scale prototype. Acceleware expects to learn if IMII and its members will sanction a Phase 3 project later this year.

Beyond enhanced recovery of heavy oil and potash drying, Acceleware believes EM Powered Heat and the CTI can economically decarbonize many industrial heating verticals through electrification. Immediate application of electrification in industrial heating is critical in the clean energy transition. Acceleware has established initiatives, and is in discussions to pursue other initiatives, to develop CTI powered prototypes for applications in industries such as mining and mineral processing, concrete, carbon capture, agri-food drying, hydrogen and other clean fuels production.*

Recent highlights include:

- Acceleware spoke at the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Connect in Montreal, May 4 – 7, 2025.
- On April 22, 2025, the Clean Resource Innovation Network (CRIN) published: Acceleware Innovations: Electromagnetic Heating Technology Using Radio Waves to Heat and Mobilize Heavy Oil and Bitumen
- On March 31 to April 4 , 2025, Acceleware attended Hannover Messe as a Team Canada delegate, selected by NGen Canada, and was also selected for the National Research Council Canada / Conseil National de Recherches Canada Industrial Research Assistance Program (NRC IRAP) Co-Innovation Mission on advanced manufacturing, circular economy, and value creation - including the Eureka Global Innovation Summit.
- Acceleware was one of 40 companies selected to pitch at the National Renewable Energy Laboratory (NREL) Industry Growth Forum in Denver, Colorado, March 26 – 28, 2025.

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- On March 2-3, 2025, Acceleware attended the Prospectors & Developers Association of Canada (PDAC) Convention, "The World's Premier Mineral Exploration and Mining Convention."
- On January 30, 2025, Acceleware announced that it has joined the Mining Innovation Commercialization Accelerator (MICA).
- On December 4, 2024 Acceleware announced that it was awarded $1.31 million in non-dilutive funding from the Clean Resource Innovation Network (CRIN).
- On October 22, 2024, Acceleware announced that it was one of ten companies selected by The Mining Innovation Commercialization Accelerator (MICA) and by Chilean mining operators to attend the Chile-Canada Mining Innovation Summit (CCMIS) on October 24, 2024 in Santiago, Chile. In addition, Acceleware participated in the Global Mining Group's (GMG) Santiago Forum, "Igniting Action: Building the Mines of The Future Today" on October 22- 23, 2024.
- In September 2024, Acceleware joined the Renewable Thermal Collaborative (RTC), and attended the RTC Summit in Washington, D.C., on September 30-October 1, 2024. The RTC is the global coalition for companies, institutions, and governments committed to scaling up renewable heating and cooling at their facilities, dramatically cutting carbon emissions.
- On August 20, 2024, Acceleware announced that it is one of 50 companies selected to pitch at the 21st Annual Rice Alliance Energy Tech Venture Forum, an anchor event for the Inaugural Energy and Climate Startup Week in Houston, Texas, September 9-13, 2024.

Acceleware continued to invest in developing and protecting new intellectual property with the number of patents issued, allowed, applied for, or in development totalling 62. The Company has 28 patents granted or allowed to protect various proprietary technologies and 34 patent applications pending or under development. The Company uses an integrated strategy for IP protection involving a combination of patenting and trade secrets, working closely with the patent offices and intellectual property advisors.

Acceleware continues to focus on driving external awareness of the Company and on the EM Powered Heat brand while promoting it more prominently within both the oil and gas and clean-tech communities as an industrial process heat solution. Acceleware continues to update its website to reflect the augmentation of its EM Powered Heat industrial process heat portfolio in addition to focusing on RF XL deployment in oil and gas. The Company was featured in an article in IGNITE: A top Canadian energy magazine by Scovan, published in November 2024.

The Company was featured in an August 2024 article by Calgary.tech, and in September 2024 was mentioned in Electric Heating - the Future of Industrial Heat by Paul Martin. An interview with COO Mike Tourigny was posted by The Market Online on October 22, 2024, and another with CEO Geoff Clark was published on October 30, 2024. The Company was also featured in the 2024 edition of Potash Works Magazine (page 40), and in earlier news stories available on the Company website.

Social media updates on our business are made several times weekly and Acceleware has amassed close to 5,000 followers on LinkedIn. New videos are posted regularly, a collection of which is available for viewing here: Acceleware Video Posts. An example of a LinkedIn post can be viewed here and a socials video post here.

Acceleware is also making use of artificial intelligence through a digital advertising campaign that can broaden awareness of EM Powered Heat capabilities. Progress has been monitored over a three-month period, with initial reports showing an increase in awareness and searches on the Company. New dynamic search campaigns that are more specifically targeted to applications and regions are being developed to further grow our audience.

RF XL Pilot Update

Acceleware plans to initiate a second phase of heating after completing a proposed significant subsurface design upgrade to address the moisture ingress issue. Prior to the next phase of heating, all RF XL subsurface components will be removed, and substantially upgraded, and then redeployed. This plan was developed in consultation with industry partners and service providers and among the alternatives examined, it is expected to have the highest probability of achieving higher power injected into the reservoir for a sustained period. The subsurface design was further refined in Q1 2025 to more completely address the moisture ingress issue, to increase simplicity and to reduce costs for the commercial product. The refined design is not expected to materially impact the estimated cost

for the second phase of heating at the RF XL Pilot. An estimated additional $5 million of funding is required to complete the redeployment including contingency, and Acceleware is actively working to raise these funds. Acceleware has secured $1.3 million partial funding for the redeployment conditional on securing the balance of the funds from industry partners or other sources. The final timing and cost of the redeployment and subsequent heating is uncertain and remains primarily dependent on financing, partner investment, the time required to source the remaining financing, and the successful deployment of repairs and components.*

Total direct funding received for the first phase of the RF XL Pilot was $24.4 million and included $5.9 million from Alberta Innovates, $5.5 million from Sustainable Development Technology Canada ("SDTC"), $5.0 million from Emissions Reduction Alberta ("ERA"), $3.0 million from CRIN and $5.0 million in aggregate from three oil sands operators. See discussion below in Financial Summary. In exchange for funding, the oil sands operators received exclusive access to detailed technical data and test results, prioritized rights to host a subsequent test, preferred pricing on pre-commercial products and preferred access to RF XL products. These major oil sands producers represent well over one million barrels of oil sands and heavy oil production per day.

FINANCIAL SUMMARY

Overall spending in Q1 2025 remained conservative as the Company sourced financing alternatives for the next phase of the RF XL Pilot, and prepared for further testing of its 100kg per hour potash drying prototype requested by IMII prior to approval for the next phase. In Q1 2025, the Company completed a consulting and simulation services revenue engagement for a novel application of RF XL.

Total RF XL Pilot expenses as at March 31, 2025 were approximately $30.4 million (December 31, 2024 - $30.4 million). All cash committed from industry and government funders had been received as of December 31, 2024. In 2024, the Company recognized $4.75 million revenue related to Project Funding and Test Data Purchase Agreements with three oil sands producers at the conclusion of the first phase of testing at the RF XL Pilot, and upon delivery of final documentation. No additional deferred revenue remains to be recognized related to the RF XL Pilot.

QUARTER IN REVIEW

Revenue of $431 thousand was recorded in the three months ended March 31, 2025 ("Q1 2025") compared to $44 thousand in the three months ended March 31, 2024 ("Q1 2024") and $1.9 million in the previous quarter ended December 31, 2024 ("Q4 2024"). Revenue in Q4 2024 was substantially associated with deferred revenue recognized relating to a contract with one oil sands producer for the RF XL Pilot.

Total comprehensive loss for Q1 2025 was $383 thousand compared to a comprehensive loss of $1.0 million for Q1 2024 and comprehensive income of $0.9 million for Q4 2024. The reduction in comprehensive loss in Q1 2025 compared to Q1 2024 was due to higher revenue and a significant reduction in R&D and G&A expenses. Comprehensive income in Q4 2024 was higher due to revenue related to the RF XL Pilot. Finance expense include interest expense on convertible debentures and notes payable which are funding the Company's working capital. Comprehensive income in all periods was impacted by changes in value of the derivative financial instruments embedded within the convertible debenture. The changes in derivative value are driven primarily by the fluctuation in the Company's share price.

R&D expenses incurred in Q1 2025 were $421 thousand compared to $501 thousand in Q1 2024 and $581 thousand in Q4 2024. R&D spending in Q1 2025 and Q4 2024 was related to the IMII dryer for potash ore and included lab engineering, designing and testing, data analysis, and partner consultations, and to further engineering on the next iteration of the RF XL Pilot. R&D spending in Q1 2024 was related to the RF XL Pilot. There was $nil government assistance received in Q1 2025, Q4 2024 and Q1 2024.

G&A expenses incurred in Q1 2025 were $253 thousand compared to $452 thousand in Q1 2024 and $315 thousand in Q4 2024. There were lower non-cash payroll related costs incurred in Q1 2025 due to the timing of option grants and lower professional fees as the Company continues to prioritize cost control given uncertain economic conditions.

* this paragraph contains forward looking information. Please refer to "Forward Looking Statements" and "Risk Factors and Uncertainties" for a discussion of the risks and uncertainties related to such information.

As at December 31, 2024, Acceleware had negative working capital of $3.6 million (December 31, 2024 – negative working capital of $3.4 million) including cash and cash equivalents of $211 thousand (December 31, 2024 – $272 thousand). The increase in negative working capital is attributable to the decrease in cash as well as an increase in short term notes payable, and an increase in deferred management compensation.

In the interests of matching cash requirements with a combination of cash generated from operations, external funding, and capital raising activities, the Company actively manages its cash flow and investments in new products. Acceleware intends to maximize cash generated from operations through several initiatives which include continuing to focus on higher gross margin software products that are marketed through a combination of direct and reseller models; minimizing operating expenses where possible; and limiting capital expenditures. As the Company continues to develop its RF Heating technology, new R&D investments will be financed through a combination of internal cash flow from the HPC business, project funding agreements, government assistance and external financing, when available.*

STRATEGIC UPDATE

In 2025, Acceleware will continue to focus on commercializing RF XL, while pursuing EM Powered Heat applications to decarbonize industrial heating across a wide range of heavy emitting industries, outside of heavy oil recovery. Acceleware continues to investigate the viability of commercializing RF XL through an alternative strategy of acquiring the production rights to a heavy oil property for deployment of RF XL to enhance production, cashflow, ultimate recovery and asset value. In parallel, Acceleware may also complete a second phase of heating at its Marwayne heavy oil property if significant industry and non-dilutive grant funding can be sourced.

Outside of RF XL, work has advanced in the mining sector for the drying of potash ore and other minerals. The Company has identified a range of other drying and heating processes in mining, carbon capture, concrete, agriculture, and other industries that would be well suited to EM Powered Heat. Acceleware has a proven track record for successful development and commercialization of revolutionary technologies.

The Company believes that its RF XL technology presents significant potential increased production opportunity for heavy oil recovery, coupled with economic, and environmental benefits. EM Powered Heat offers increased energy efficiency, and reduced emissions to a range of sectors currently reliant on fossil fuel combustion to generate heat. Historically, Acceleware has been able to finance the development of RF XL through non-dilutive government funding and industry contributions, supplemented when required by capital raises in the public equity markets. However, recent changes in investor sentiment, decreased appetite among Canadian oil companies to fund clean-tech innovation, and uncertainty regarding the recent Canadian federal election and resulting regulations pertaining to the oil and gas industry, have negatively impacted the Company's ability to raise additional funding for the second phase of heating at the RF XL Pilot. The Company's strategy is to deal with this negative impact in two ways. First, the Company continues to maintain strict cost containment efforts. Second, Management has conducted a strategic review of its commercialization plans for both RF XL and EM Powered Heat.

The Company believes that the best path forward for the commercialization of RF XL is to explore the potential of acquiring production rights to heavy oil assets in Canada, and producing them using RF XL for enhanced recovery, while pursuing a second phase of heating at the RF XL Pilot in parallel. Acceleware will also continue to prioritize EM Powered Heat in global industrial markets. Development of new EM Powered Heat applications will be supported by a combination of grant funding, client revenues, and external investment targeted specifically on these projects.

RF XL

The first phase of heating at the RF XL Pilot, along with the design improvements made to address performance issues shows the promise of RF XL as an enhanced recovery method for Canadian heavy oil. However, current

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investor sentiment does not motivate heavy oil producers to adopt new enhanced recovery methods. Therefore, Acceleware is investigating the opportunity to commercialize RF XL by demonstrating a significant increase in production and ultimate recovery from an existing heavy oil asset. If this opportunity is viable, and is implemented successfully, the increased recovery could benefit Acceleware directly through increased revenue, cash flow and asset valuation. *

Key issues that have become more important recently are driving this potential change in strategy:

1. Strong and consistent technology pull must exceed perceived technology risk for oil companies to adopt new technology; therefore, emphasis must be on reducing risk through demonstration;
2. Decision timelines for technology development at large oil companies are extending;
3. Current oil demand in North America and globally is favourable;
4. Heavy oil investment in Canada has increased significantly in the last five years with a focus on multi-laterals;
5. Changing governments policies result in not only a reluctance for oil companies to invest in clean tech R&D but also uncertainty in the availability of grant funding; and
6. Given recent transactions, ideal assets or farm-in opportunities for RF XL demonstration may be available at favourable prices.

Acceleware's objective is to move forward quickly to expedite decision making, ensure timely project completion, and to mitigate delays resulting from impacts of changing governmental policies, and investment decisions of large operators.

The Acceleware team has identified a short list of ideal properties to acquire or farm-in. Selection criteria include, current production, significant remaining oil in place, reservoir properties that indicate a significant increase in recovery factor can be achieved with RF XL, and price.

The Company will also identify additional properties for future expansion. As noted above, we are investigating this alternative strategy while actively pursuing a second phase of heating at the RF XL Pilot in parallel.

RF XL Background:

In 2010, Acceleware began investigating technology that would use RF energy for in-situ heating of heavy oil and bitumen. In each of the four years immediately prior to 2017, the Company received funding from NRC-IRAP to partially finance its RF heating technology development. In 2018, the Company began preparing for the RF XL Pilot.

Since 2017, Acceleware has been awarded grants totaling $19.4 million, including a $5.5 million non-repayable contribution from SDTC, a $5 million non-repayable contribution from ERA, a $5.9 million non-repayable contribution from Alberta Innovates and a $3 million non-repayable contribution from CRIN. Acceleware raised a further $5 million for its RF XL Pilot from three major oil sands producers.

Acceleware, with partner GE, completed the design, manufacturing, and factory testing of the prototype CTI which is the electronic platform for RF XL. In late 2019, the prototype CTI was field tested at the Company's simulated "ditch" reservoir in Alberta with record-level results and has now been deployed in the RF XL Pilot. Acceleware retains all intellectual property rights to the CTI design.

In early 2020, Acceleware received approval from its core funders for the partnership with Broadview to host the RF XL Pilot on its site near Marwayne, Alberta. In October 2020, the Company received approval from the AER of its Experimental Recovery Scheme Application under the Oil Sands Conservation Act for the RF XL Pilot, and in December 2020 received approval for its application under the Environmental Protection and Enhancement Act. Upon receipt of these regulatory approvals, Acceleware commenced RF XL Pilot activity in earnest in 2021 and completed the drilling and completions program before the end of 2021. Facilities were installed beginning in late 2021 and completed in Q1 2022. Heating operations commenced in early March 2022, with oil production

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commencing in early April 2022.The RF XL Pilot continued heating for eight months and was paused to review progress. Subsequent improvements to the subsurface design were made to address performance issues, principally related to the ingress of water into the EM system.

The Acceleware team has made additional improvements to the subsurface design over the past year to reduce risk and increase reliability. In 2025 the Company will look to deploy the enhanced design at Marwayne or a new test site with a higher quality reservoir and more barrels in place to provide significantly more value to shareholders while allowing the Company to take control of the commercialization timeline for RF XL.

Conducting the proposed RF XL deployment is the final step in getting this new EOR technology to market, improving heavy oil recovery, increasing value-added processing capacity, and addressing associated adverse environmental impacts.

EM Powered Heat Applications via the CTI

In addition to the RF XL application of the CTI, Acceleware sees significant potential to apply this technology to decarbonize a wide range of heavy emitting industrial heating applications including product drying applications such as the potash drying project with IMII mentioned above. Initial focus markets for Acceleware will include mining, carbon capture, concrete, agriculture, and food. While Acceleware intends to pursue a direct sales model augmented with distribution partners where appropriate for the RF XL solution in the heavy oil and oil sands sector, the Company may pursue partnerships and licensing agreements to drive sales of CTI units across these new vertical markets.

HPC

Acceleware will continue to focus on the energy and electronics design markets, with AxFDTD as the primary strategic revenue-generator and investment. Innovations and improvements to AxFDTD will continue for the electronics design market and will extend its utility as an enabling technology for AxHEAT in the RF heating markets.

While the Company is focusing on energy markets, it continues to develop and sell its EM FDTD solution to end users primarily through independent software vendors ("ISV") that have integrated Acceleware's solution into their software architecture. Acceleware has worked with some of the world's largest companies in the electronics market, which consists of mobile phone manufacturers, industrial electronics firms, and government organizations. Acceleware's key ISV partners include SPEAG, ZMT Zurich MedTech AG, Keysight Technologies, Synopsis, Inc., and Crosslight Software Inc.

SUMMARY OF QUARTERLY RESULTS

The following table highlights revenue, cash generated (used) in operating activities, total comprehensive income(loss) and income/(loss) per share for the eight most recently completed quarters ended March 31, 2025.

	2025	2024				2023		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	$431,226	$1,918,077	$1,259,315	$2,012,047	$43,594	$43,590	$62,467	$69,407
Cash generated (used) in operating activities	(88,981)	(476,076)	273,453	131,585	(675,863)	$620,647	(734,824)	(963,794)
Total comprehensive income/(loss) for the period	(382,195)	851,242	856,500	1,263,914	(969,971)	$617,748	(1,272,006)	(1,135,498)
Income (loss) per share basic and diluted	($0.00)	$0.01	$0.01	$0.01	($0.01)	$0.01	($0.01)	($0.01)

Revenue was recognized in Q4 2024, Q3 2024 and Q2 2024 for previously received payments related to contracts supporting the RF XL Pilot. The timing of receipt of government funding and spending levels for the RF XL Pilot

throughout all eight quarters contributed to the fluctuations in cash flows from operating activities and total comprehensive income/(loss) and income/(loss) per share.

RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31,2025

Revenue	**Three months ended March 31, 2025**	Three months ended March 31, 2024	Three months ended December 31, 2024	% change Q1 2025 over Q1 2024	% change Q1 2025 over Q4 2024
Software	**$ 18,092**	$ 13,041	$ 3,617	39%	400%
Maintenance	**17,442**	30,553	14,460	-43%	23%
Services	**395,692**	-	1,900,000	N/A	-81%
	$ 431,226	$ 43,594	$ 1,918,077	889%	-78%

Revenue was $431 thousand in Q1 2025, significantly higher compared to $44 thousand in Q1 2024. The increase is a result of higher RF heating services revenue, in particular simulation and consulting services related to a novel application of RF XL. Acceleware actively markets EM heating simulation and engineering services to industrial users of heat who are motivated to reduce costs and lower environmental impact. These projects can vary in size and timing. Revenue was $1.9 million in Q4 2024 due to $1.9 million revenue that was recognized for previously received non-refundable payments related to contracts supporting the RF XL Pilot. Software and related maintenance revenue was $33 thousand in Q1 2025 25% lower than the $44 thousand in Q1 2024. Software and maintenance revenue was 80% higher in Q1 2025 compared to $18 thousand in Q4. Software and maintenance demand tends to fluctuate with global conditions in the electronic and medical equipment markets.

Expenses	**Three months ended March 31, 2025**	Three months ended March 31, 2024	Three months ended December 31, 2024	% change Q1 2025 over Q1 2024	% change Q1 2025 over Q4 2024
General & administrative	**$ 252,753**	$ 452,482	$ 315,427	-44%	-19%
Research & development	**420,829**	501,115	581,072	-16%	-28%
	$ 673,582	$ 953,597	$ 896,499	-29%	-25%

Expenses were $0.7 million in Q1 2025, 29% lower compared to $1.0 million in Q1 2024 and 25% lower than $0.9 million in Q4 2024. G&A expenses incurred in Q1 2025 were $253 thousand 44% lower than $452 thousand in Q1 2024 and 19% lower than $315 thousand in Q4 2024. The reduction in both comparisons is due to lower share-based compensation expenses related to the timing of option grants and lower professional fees as the Company continues to prioritize cost control given uncertain economic conditions.

R&D expenses incurred in Q1 2025 were $421 thousand, a 16% reduction compared to $501 thousand in Q1 2024, and a 28% reduction compared to $581 thousand in Q4 2024. R&D spending in Q1 2025 and Q4 2024 was related to the IMII dryer for potash ore and included lab engineering, designing and testing, data analysis, and partner consultations, and to further engineering on the next iteration of the RF XL Pilot. R&D spending in Q1 2024 was related to the RF XL Pilot. There was $nil government assistance received in Q1 2025, Q4 2024 and Q1 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2025, Acceleware had negative working capital of $3.6 million (December 31, 2024 – negative working capital of $3.4 million) including cash and cash equivalents of $211 thousand (December 31, 2024 – $272 thousand). The increase in negative working capital is attributable to the decrease in cash as well as an increase in short term notes payable, and an increase in deferred management compensation.

In the interests of matching cash requirements with a combination of cash generated from operations, external funding, and capital raising activities, the Company actively manages its cash flow and investments in new products. Acceleware intends to maximize cash generated from operations through several initiatives which include continuing

to focus on higher gross margin software products that are marketed through a combination of direct and reseller models; minimizing operating expenses where possible; and limiting capital expenditures. As the Company continues to develop its RF Heating technology, new R&D investments will be financed through a combination of internal cash flow from the HPC business, project funding agreements, government assistance and external financing, when available.*

Cash flow used by operations totaled $88 thousand for the three months ended March 31, 2025 a significant reduction from the cash flow used in operations of $676 thousand for the three months ended March 31, 2024. The decrease is due to the reduction in total comprehensive loss.

The Company continues to prioritize payments to vendors and works collaboratively with each one to ensure payments are timely or payment plans are established to result in the best outcome for both parties.

Trade and Other Receivables

Trade and other receivables as at March 31, 2025 increased to $45 thousand compared to $18 thousand as at December 31, 2024. The Company maintains close contact with its customers to mitigate risk in the collection of receivables.

Current Liabilities

As at March 31, 2025, the Company had current liabilities of $3.9 million compared to current liabilities of $3.7 million as at December 31, 2024. The change in current liabilities is due to an increase in accounts payable and accrued liabilities and in notes payable. Included in accounts payable and accrued liabilities as at March 31, 2025 is $1.6 million of deferred compensation and other amounts owing to management (December 31, 2024 – $1.6 million).

Non-current Liabilities

As at March 31, 2025, the Company had non-current liabilities of $2.1 million compared to $2.0 million as at December 31, 2024.

Income Tax

The Company follows the liability method with respect to accounting for income taxes. Deferred tax assets and liabilities are determined based on differences between the carrying amount and the tax basis of assets and liabilities (temporary differences). Deferred tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect when these differences are expected to reverse. Deferred tax assets, if any, are recognized only to the extent that, in the opinion of the Company's Management, it is probable that the assets will be realized.

As at March 31, 2025, the potential tax benefits of Acceleware's available tax pools have not been recognized in the Company's account due to uncertainty surrounding the realization of such benefits.

RISKS FACTORS AND UNCERTAINTIES

Management defines risk as the probability of a future event that could negatively affect the financial condition and/or results of operations of the Company. There have been no material changes in any risks or uncertainties facing the Company since December 31, 2024. A discussion of risks affecting the Company and its business is set forth under the heading Risk Factors and Uncertainties in Management's Discussion and Analysis for the year ended December 31, 2024.

TRANSACTIONS WITH RELATED PARTIES

For the three months ended March 31, 2025, the Company incurred expenses in the amount of $45,938 (Three months ended March 31, 2024 - $45,938) with a company controlled by an officer and director of the Company as fees for duties performed in managing operations, and this amount is included in research and development

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expense. As at March 31, 2025, $434,777 was included in accounts payable and accrued liabilities (December 31, 2024 - $410,660). These fees were incurred in the normal course of operations and represent fair value for services rendered.

For the three months ended March 31, 2025, the Company incurred expenses in the amount of $11,438 (three months ended March 31, 2024 - $6,000) 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, 2025, $3,425 was included in accounts payable and accrued liabilities (December 31, 2024 - $nil). These fees were incurred in the normal course of operations and represent fair value for services rendered.

For the three months ended March 31, 2025, the Company incurred expenses in the amount of $36,000 (three months ended March 31, 2024 - $36,000) with a company controlled by the spouse of an officer of the Company for marketing, communications, management and strategy development and this amount is included in general and administrative expense. As at March 31, 2025, $188,373 was included in accounts payable and accrued liabilities (December 31, 2024 - $169,473). These fees were incurred in the normal course of operations and represent fair value for services rendered.

As at March 31, 2025, the Company had notes payable outstanding of $209,130 bearing interest at an annual effective rate of 18% repayable within six months of issuance to officers and directors of the Company in the normal course of operations (December 31, 2024 - $209,130, annual effective interest rate of 18%). These notes payable were issued in the normal course of operations and represent fair value.

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, 2025		Three months ended March 31, 2024
Salaries and short-term employee benefits	**$**	**187,851**	$	217,460
Share-based expenses		**44,462**		111,326
	$	**232,313**	$	328,786

CRITICAL ACCOUNTING ESTIMATES

The Management's Discussion and Analysis for the year ended December 31, 2024 outlined critical accounting estimates and significant accounting policies including key estimates and assumptions that Management has made under these estimates and policies and how they affect the amounts reported in the financial statements. During the quarter, there have been no material changes in methodologies or assumptions for key estimates or changes in significant accounting policies used in the preparation of the condensed interim financial statements from those disclosed in the Company's financial statements for the year ended December 31, 2024.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, Acceleware had the following common shares, options and warrants outstanding:

Common Shares	118,573,543
Stock Options	11,190,216
Warrants	1,949,036

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's research and development expenses and general and administrative expenses is provided in the audited financial statements for the year ended December 31, 2024 that are available on www.sedarplus.ca and as noted below.

Research and Development	**Three Months Ended March 31, 2025**	Three Months Ended March 31, 2024
Salaries	**244,226**	$ 252,701
Consulting	**68,698**	80,608
R&D supplies and materials	**44,648**	74,000
Share-based payments	**46,223**	76,128
Depreciation	**3,550**	4,193
Rent and overhead Allocation	**13,485**	13,485
Total	**420,829**	$ 501,115

General and Administration	**Three Months Ended March 31, 2025**	Three Months Ended March 31, 2024
Salaries	**79,249**	$ 78,112
Professional Fees	**1,569**	100,417
Share Based Payments	**26,223**	121,522
Rent, Office and Public Company Fees	**83,233**	100,826
Marketing	**57,025**	47,037
Depreciation	**3,550**	4,193
Travel	**1,904**	375
Total	**252,753**	$ 452,482