
Acceleware Ltd. Reports Second Quarter 2025 Financial and Operating Results

CALGARY, ALBERTA – August 29, 2025 – Acceleware® Ltd. (“Acceleware” or the “Company”) (TSX-V: AXE), Acceleware is a leading innovator of cutting-edge radio frequency (“RF”) power-to-heat technologies targeting process heat for critical minerals, amine regeneration (for CO₂ and H₂S removal and other applications), and enhanced oil production. Acceleware’s vision is for its EM Powered Heat technology to have a material impact on increasing overall production, improving energy efficiency and economics, and reducing GHG emissions. This news release should be read in conjunction with the Company’s unaudited interim condensed financial statements and the accompanying notes for the six months ended June 30, 2025 and management’s discussion and analysis (“MD&A”) thereto, together with the audited financial statements for the year ended December 31, 2024, notes and MD&A thereto, all of which are available on Acceleware’s website at www.acceleware.com or on www.sedarplus.ca.

Q2 2025 HIGHLIGHTS

Financial highlights:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue	\$ 201,523	2,012,047	\$ 632,749	2,055,641
Comprehensive (loss) income	\$ (714,148)	1,263,914	\$ (1,096,343)	293,943
R&D expenditures	\$ 266,595	140,205	\$ 687,424	641,320

During Q2, 2025 the Acceleware engineering team confirmed industry support for a ground-up redesign of the sub-surface energy delivery system. In the three months ended June 30, 2025, the Company continued to work on the next iteration of the RF XL subsurface system to address technical issues identified during the RF XL Marwayne Pilot. The next iteration of RF XL, (“RF XL 2.0”) includes a new, fully sealed, continuous tubing based sub-surface design developed by Acceleware. RF XL 2.0 eliminates the possibility of water ingress through a robust leak-proof design, dramatically simplifies deployment, and reduces per well capital costs by an estimated 30% compared to RF XL as deployed at the Marwayne pilot. Further details regarding RF XL 2.0 benefits include reduced manufacturing costs; reduced well design and well completion costs; quicker well completion time; simpler and less costly wellhead design; and safer wellhead operating environment.

The RF XL 2.0 design is complete and ready for manufacturing and deployment. The Company is working to secure funding for a second phase of heating (the “RF XL 2.0 Pilot”) incorporating the new subsurface design and reusing existing RF XL Marwayne Pilot surface facilities including the CTI. Accordingly, the Company is in discussion with several industry and government potential funders. During Q2 2025 the Company re-confirmed that the expected cost to complete the RF XL 2.0 Pilot would be approximately \$5 - \$6 million including contingency, depending on location.

The purpose of the RF XL 2.0 Pilot is to enable higher power to be distributed into the reservoir for a sustained period, resulting in higher reservoir temperatures and increased oil production, to advance the potential commercial viability of RF XL technology.



Following on the Company's investigation into the opportunity for Acceleware, as an operator, to acquire rights to a suitable heavy oil property, and deploy RF XL 2.0 as a secondary recovery method to improve the property's production, cashflow, ultimate recovery and asset valuation, in Q2, 2025, the Company's subsurface team refined its reservoir selection criteria and has been investigating several locations for the RF XL 2.0 Pilot. In addition, Acceleware has entered into an [agreement](#) that will result in the transfer of certain wells and other assets used in the RF XL Marwayne Pilot, related liabilities, licenses and leases to a third party. In exchange for the above noted transfers, Acceleware will receive cash payments and a gross overriding royalty on future production. The agreement includes a commitment to establish a new farmout agreement at Marwayne.

To drive shareholder value, the Company [announced on June 12, 2025](#) that it has developed a focused investment strategy that includes critical minerals heating and drying and amine regeneration in addition to RF XL 2.0.

In Q2 2025, the Company completed additional IMII-funded testing of a 100kg per hour prototype potash dryer with further promising results. IMII and its participating members are now considering the Company's Phase 3 proposal for the design, construction and testing of a new, larger-scale prototype. Sanctioning could occur later this year. IMII's minerals industry members include BHP, Cameco Corporation, Mosaic Company, Nutrien Ltd., Fission Uranium Corp., and The Uranium Corp.

SUBSEQUENT TO Q2 2025

On July 31, 2025, the Company closed the first tranche of a non-brokered private placement of units (the "Units") and distributed a total of 7,913,342 Units, at a price of \$0.10 per Unit, for total gross proceeds of \$791,334.20. It is anticipated that one or more subsequent tranches of the private placement will be closed in due course. Each Unit consists of one common share of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder of the warrant to acquire one common share, at an exercise price of \$0.20, which will expire 24 months from the date of issuance. If the common shares trade at a closing price at or greater than \$0.30 per common share for a period of 30 consecutive trading days, Acceleware 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 by Acceleware.

On August 13, 2025, the Company closed certain shares for debt transactions to settle \$186 thousand in certain trades payable, management fees and interest payable on convertible debentures of the Company by issuing up to 1,863,375 Units at a deemed price of \$0.10 per Unit.

Q2 2025 IN REVIEW

Revenue of \$202 thousand was recorded in the three months ended June 30, 2025 ("Q2 2025") compared to \$2.0 million in the three months ended June 30, 2024 ("Q2 2024") and \$431 thousand in the previous quarter ended March 31, 2025 ("Q1 2025"). Higher revenue in Q2 2024 was substantially associated with deferred revenue recognized relating to a contract with one oil sands producer for the RF XL Marwayne Pilot.

Total comprehensive loss for Q2 2025 was \$714 thousand compared to a comprehensive income of \$1.3 million for Q2 2024 and comprehensive loss of \$383 thousand for Q1 2025. The increase in comprehensive loss in Q2 2025 compared to Q2 2024 was due to the recognition of deferred revenue noted above, and higher government assistance for R&D. Comprehensive loss in Q1 2025 was lower due to higher services revenue and lower finance expense. Finance expense includes 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 Q2 2025 were \$267 thousand compared to \$140 thousand in Q2 2024 and \$421 thousand in Q1 2025. R&D spending in Q2 2025 and Q1 2025 was related to the IMII dryer for potash ore and included lab engineering, designing and testing, data analysis, and partner consultations, and engineering on the next iteration of RF XL 2.0 and the RF XL 2.0 Pilot. R&D spending in Q2 2024 was related to the RF XL 2.0. There was \$nil government assistance received in Q2 2025 and Q1 2025 and \$577 thousand in Q2 2024.

G&A expenses incurred in Q2 2025 were \$327 thousand compared to \$418 thousand in Q2 2024 and \$253 thousand in Q1 2025. There were lower non-cash payroll related costs incurred in Q2 2025 due to the timing of option grants and lower office and corporate expenses as the Company continues to prioritize cost control given uncertain economic conditions.

YEAR TO DATE 2025 IN REVIEW

Revenue of \$633 thousand was generated in the six months ended June 30, 2025, compared to \$2.0 million for the six months ended June 30, 2024. Revenue for the six months ended June 30, 2024, included \$1.95 million in deferred revenue recognized related to the RF XL Marwayne Pilot. Revenue for the six months ended June 30, 2025 was primarily services revenue related to the potash dryer and RF XL simulations and software and maintenance revenue.

Total comprehensive loss for the six months ended June 30, 2025, was \$1.1 million compared to comprehensive income of \$294 thousand for the six months ended June 30, 2024. Comprehensive income was higher in the six months ended June 30, 2024, due to higher revenue as noted above and higher government assistance. There are fluctuations in both periods related to changes in fair value of the derivative financial instruments embedded in the convertible debentures.

Gross R&D expenses for the six months ended June 30, 2025 were \$687 thousand compared to \$641 thousand incurred during the six months ended June 30, 2024. Government assistance of \$nil was recognized in the six months ended June 30, 2024 compared to \$578 thousand for the six months ended June 30, 2024, as the RF XL Marwayne Pilot neared completion.

G&A expenses incurred during the six months ended June 30, 2025, were \$580 thousand compared to \$871 thousand for the six months ended June 30, 2024. The Company continues to prioritize cost management. 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 includes 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.

As at June 30, 2025, Acceleware had negative working capital of \$4.2 million (December 31, 2024 – negative working capital of \$3.4 million) including cash and cash equivalents of \$88 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.

About Acceleware

Acceleware is an advanced electromagnetic heating company with cutting-edge RF power-to-heat solutions for large industrial applications. The Company's technologies provide an opportunity to electrify and decarbonize industrial process heat applications while reducing costs.

The Company is working to use its patented and field proven Clean Tech Inverter to materially improve the efficiency of amine regeneration and has partnered with a consortium of world-class potash partners seeking to decarbonize drying of potash ore and other critical minerals. Acceleware is actively developing other process heat applications and partnerships for RF heating.

Acceleware's RF XL is a patented low-cost, low-carbon RF thermal enhanced oil production technology for heavy oil that is materially different from any enhanced recovery technique used today.

Acceleware is a public company listed on the TSXV under the trading symbol "AXE".

NOTE REGARDING FORWARD-LOOKING INFORMATION AND OTHER ADVISORIES

This news release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking information generally means information about an issuer's business, capital, or operations that are prospective in nature, and includes disclosure about the issuer's prospective financial performance or financial position.

The forward-looking information in this press release can be identified by terms such as "believes", "could", "estimates", "plans", "potential", and "will", and includes information about, the expected commercialization of RF XL and other EM Powered Heat technology, the expected cost of the RF XL 2.0 Pilot, the timing of the execution of the RF XL 2.0, expected financing required for the RF XL 2.0 Pilot redeployment, the anticipated economic and societal benefits of the RF XL and RF heating technology, and the future development plans related to potash ore drying and amine regeneration prototypes. Acceleware assumes that current cost estimates are accurate, current timelines will not be delayed by either internal or external causes, that research and development effort including the commercial-scale test plans will result in commercial-ready products, and that future capital raising efforts will be successful.



Actual results may vary from the forward-looking information in this press release due to certain material risk factors. These risk factors are described in detail in Acceleware's continuous disclosure documents, which are filed on SEDAR at www.sedar.com.

Acceleware assumes no obligation to update or revise the forward-looking information in this press release, unless it is required to do so under Canadian securities legislation.

DISCLAIMER

This press release is intended for distribution in Canada only and is not intended for distribution to United States newswire services or dissemination in the United States.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

For more information:

Geoff Clark

Tel: +1 (403) 249-9099

geoff.clark@acceleware.com