



**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 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 six months ended June 30, 2025 ("Q2 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 should also be read in conjunction with Acceleware's disclosure under "Forward-Looking Statements" below.

This MD&A is presented as of August 28, 2025. All financial information contained herein is expressed in Canadian dollars unless otherwise indicated.

BUSINESS OVERVIEW

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. For more detail on Acceleware's business overview and strategy please consult the [management's discussion and analysis \("MD&A"\) for the year ended December 31, 2024](#) available on Acceleware's website at www.acceleware.com or on www.sedarplus.ca.

On June 30, 2025, Acceleware had 12 employees and long-term contractors, including two in administration; two in sales, marketing and product management; and eight in R&D and engineering.

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

HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

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

Operational highlights:

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 events:

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 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.

Other recent highlights:

- [A closing of a settlement of debt \(interest, vendor payables and management fees\) for Units in the amount of \\$186 thousand was announced August 13, 2025.](#)

- On July 31, 2025, Acceleware announced [the closing of the first tranche of its non-brokered private placement](#) of Units, for gross proceeds of \$791 thousand.
- On June 26, 2025, Acceleware announced [an agreement for asset and liability transfer and a new farmout opportunity](#)
- On June 25, 2025, Acceleware announced the launch of [RF XL 2.0](#) alongside a new demonstration plan.
- On June 23, 2025, Acceleware announced that it had completed a [strategic collaboration and distribution agreement with Scovan](#).
- On June 12, 2025, Acceleware announced that it had launched [a transformative strategic plan to support growth objectives](#).
- On June 3, 2025, Acceleware announced new board appointments, namely [Pete Sametz as Executive Chair and Merle Johnson as Board Director](#).
- Acceleware spoke at the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Connects 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.
- 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).

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 2.0 deployment in oil and gas.

Social media updates on our business are made several times weekly and Acceleware has amassed over 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.

QUARTER 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 2025 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 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.

As at June 30, 2025, Aceleware 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.

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 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, Aceleware 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 Aceleware.

On August 13, 2025, the Company closed certain shares for debt transactions to settle \$186,337 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.

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.*

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 June 30, 2025.

	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$201,523	\$431,226	\$1,918,077	\$1,259,315	\$2,012,047	\$43,594	\$43,590	\$62,467
Cash generated (used) in operating activities	(117,228)	(88,981)	(476,076)	273,453	131,585	(675,863)	\$620,647	(734,824)
Total comprehensive income/(loss) for the period	(714,148)	(382,195)	851,242	856,500	1,263,914	(969,971)	\$617,748	(1,272,006)
Income (loss) per share basic and diluted	(\$0.01)	(\$0.00)	\$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 Marwayne Pilot. The timing of receipt of government funding and spending levels for the RF XL Marwayne 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 JUNE 30, 2025

Revenue	Three months ended June 30, 2025	Three months ended June 30, 2024	Three months ended March 31, 2025	% change Q2 2025 over Q2 2024	% change Q2 2025 over Q1 2025
Software	\$ 57,195	\$ 26,513	\$ 18,092	54%	216%
Maintenance	24,328	35,534	17,442	-46%	39%
Services	120,000	1,950,000	395,692	-1,525	-70%
	\$ 201,523	\$ 2,012,047	\$ 431,226	-614%	-35%

Revenue was \$202 thousand in Q2 2025, significantly lower compared to \$2.0 million in Q2 2024. The decrease is a result of deferred revenue recognized in Q2 2024 relating to the RF XL Marwayne Pilot. Services revenue in Q2 2025 was related to the IMII-sponsored 100kg per hour potash dryer testing. 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 \$431 thousand in Q1 2025 primarily

* 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.

relating to simulation services associated with RF XL. Software and maintenance revenue higher in Q2 2025 compared to both Q1 2025 and Q2 2024 as demand tends to fluctuate with global conditions in the electronic and medical equipment markets.

Expenses	Three months ended June 30 , 2025	Three months ended June 30, 2024	Three months ended March 31, 2025	% change Q2 2025 over Q2 2024	% change Q2 2025 over Q1 2025
General & administrative	\$ 326,961	\$ 418,061	\$ 252,753	-28%	29%
Research & development	266,595	140,205	420,829	47%	-37%
	\$ 593,556	\$ 558,266	\$ 673,582	6%	-12%

Expenses were \$594 thousand in Q2 2025, 6% higher compared to \$558 thousand in Q2 2024 and \$673 thousand in Q1 2025. The lower amount in Q2 2024 was primarily as a result of higher government assistance for R&D. The decrease in expenses for Q2 2025 compared to Q1 2025 is due to a reduction in R&D associated with salaries and cost recovery related to payments received for RF XL Marwayne Pilot assets as noted above.

G&A expenses incurred in Q2 2025 were \$327 thousand 28% lower than \$418 thousand in Q2 2024 and 29% higher than \$253 thousand in Q1 2025. The decrease in Q2 2025 compared to Q2 2024 is primarily a result of lower professional fees for legal and accounting services. G&A increased in Q2 2025 compared to Q1 2025 also due to higher professional fees. The Company continues to prioritize cost control given uncertain economic conditions.

R&D expenses incurred in Q2 2025 were \$267 thousand, a 47% increase compared to \$140 thousand in Q2 2024, and a 37% reduction compared to \$421 thousand in Q1 2025. The increase in Q2 2025 R&D compared to Q2 2024 was primarily due to \$578 thousand in government assistance received in Q2 2024, compared to \$nil in Q2 2025. There was also \$nil government assistance received 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 to further the design of RF XL 2.0 and the planned RF XL 2.0 Pilot. R&D spending in Q2 2024 was related to RF XL 2.0.

RESULTS OF OPERATIONS – SIX MONTHS ENDED JUNE 30, 2025

Revenue	Six months ended June 30, 2025	Six months ended June 30, 2024	% change 2025 over 2024
Software	\$ 110,362	\$ 39,554	179%
Maintenance	41,770	66,087	-37%
Services	480,617	1,950,000	-75%
	\$ 632,749	\$ 2,055,641	-69%

The Company recognized revenue of \$633 thousand in the six months ended June 30, 2025, a significant decrease over \$2.1 million recognized for the six months ended June 30, 2024. Software and maintenance revenue of \$152 thousand combined in the six months ended June 30, 2025, was higher than the \$106 thousand recognized in the six months ended June 30, 2024, due to higher demand. Services revenue in the six months ended June 30, 2025, related to IMII-sponsored testing of the 100kg per hour potash ore prototype, and to RF XL simulation services. Deferred services revenue of \$2.0 million was recognized when the RF XL Marwayne pilot concluded in the six months ended June 30, 2024

Expenses	Six months ended June 30, 2025	Six months ended June 30, 2024	% change 2025 over 2024
General & administrative	579,714	870,543	-33%
Research & development	687,424	641,320	7%
	\$ 1,267,138	\$ 1,511,863	-16%

Expenses were \$1.3 million in the six months ended June 30, 2025, a decrease of 16% compared to \$1.5 million in the six months ended June 30, 2024, due to lower G&A and lower gross R&D spending despite higher government assistance for R&D in the six months ended June 30, 2024. In the six months ended June 30, 2025, R&D spending was related to testing and development of the potash ore drying prototype and on the new RF XL 2.0 design. Spending on R&D in the six months ended June 30, 2024, was related to completing the RF XL Marwayne Pilot. G&A expenses were 33% lower in the six months ended June 30, 2025, compared to the six months ended June 30, 2024, due to lower corporate costs including legal and other professional fees.

LIQUIDITY AND CAPITAL RESOURCES

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.

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 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 \$186,337 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.

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 \$117 thousand for the three months ended June 30, 2025 a significant reduction from the cash flow provided in operations of \$132 thousand for the three months ended June 30, 2024. The decrease is due to the reduction in government assistance for R&D.

* 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.

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 June 30, 2025, increased to \$39 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 June 30, 2025, the Company had current liabilities of \$4.4 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 June 30, 2025, is \$1.8 million in deferred compensation and other amounts owing to management (December 31, 2024 – \$1.6 million).

Non-current Liabilities

As at June 30, 2025, the Company had non-current liabilities of \$2.2 million compared to \$2.0 million as at December 31, 2024, primarily related to convertible debentures and oil and gas asset retirement obligations.

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 June 30, 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 June 30, 2025, the Company incurred expenses in the amount of \$45,938 (Three months ended June 30, 2024 - \$45,938) and \$91,875 for the six months ended June 30, 2025 (six months ended June 30, 2024 - \$91,875) 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 expense. As at June 30, 2025, \$480,714 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 June 30, 2025, the Company incurred expenses in the amount of \$6,338 (three months ended June 30, 2024 - \$8,580) and \$17,775 for the six months ended June 30, 2025 (six months ended June 30, 2024 - \$14,580) 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 June 30, 2025, \$1,775 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 June 30, 2025, the Company incurred expenses in the amount of \$36,000 (three months ended June 30, 2024 - \$36,000) and \$72,000 for the six months ended June 30, 2025 (six months ended June 30, 2024 - \$72,000) 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 June 30, 2025, \$270,273 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 June 30, 2025, the Company had notes payable outstanding of \$247,361 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 June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Salaries and short-term employee benefits	\$ 87,166	\$ 213,477	\$ 279,019	430,937
Share-based expenses	13,782	80,934	58,244	192,260
	\$ 100,948	\$ 294,411	\$ 337,263	623,197

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	128,350,260
Stock Options	10,854,216
Warrants	9,776,717

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 June 30, 2025	Three Months Ended June 30, 2024
Salaries	206,359	\$ 437,591
Consulting	63,187	91,397
R&D supplies and materials	(33,718)	115,220
Share-based payments	13,731	56,725
Depreciation	3,551	3,550
Rent and overhead Allocation	13,485	13,485
Non-refundable government assistance	-	(577,763)
Total	266,595	\$ 140,205

General and Administration	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Salaries	92,124	\$ 73,701
Professional Fees	85,364	90,601
Share Based Payments	23,247	75,276
Rent, Office and Public Company Fees	74,030	121,348
Marketing	48,645	51,874
Depreciation	3,551	3,550
Travel	-	1,711
Total	326,961	\$ 418,061

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 a pilot of RF XL 2.0 ("RF XL 2.0 Pilot");

- 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 RF XL 2.0 at the RF XL 2.0 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.

Corporate Information

Board of Directors

PETE SAMETZ P. Eng. ICD.D.

Executive Chairman of the Board of Directors
Calgary, Alberta

CARALYN BENNETT P. Eng., B.A.Sc.(Eng.), ICD.D

Independent Director
Calgary, Alberta

JIM BOUCHER

Independent Director
Fort MacKay, Alberta

MERLE JOHNSON P. Eng. MBA, ICD.D

Independent Director
Calgary, Alberta

GEOFF CLARK, MBA, B.Sc.

Chief Executive Officer Acceleware Ltd.
Calgary, Alberta

DR. MICHAL OKONIEWSKI Ph.D.(Eng)

Chief Scientific Officer & Co-Founder Acceleware Ltd.
Calgary, Alberta

Officers

GEOFF CLARK, MBA, B.Sc.

Chief Executive Officer

DR. MICHAL OKONIEWSKI Ph.D.(Eng)

Chief Scientific Officer & Co-Founder

MIKE TOURIGNY, MBA, B.Comm

Chief Operations Officer

CAMERON MACCARTHY

Corporate Secretary

Head Office

Suite 102 – 1822 2nd Street SW
Calgary, Alberta
T2S 1R9