Acceleware Ltd. Reports Fourth Quarter 2024 Financial and Operating Results

CALGARY, ALBERTA – April 2, 2025 – Acceleware® Ltd. ("Acceleware" or the "Company") (TSX-V: AXE), a leading innovator of transformative technologies targeting the decarbonization of industrial process heat, today announced its financial and operating results for the year ended December 31, 2024 (all figures are in Canadian dollars unless otherwise noted). Acceleware's results reflect contributions from the Company's two business units, radio frequency ("RF") heating for industrial applications using the Company's proprietary Clean Tech Inverter ("CTI") including enhanced oil recovery ("RF XL"), and scientific high-performance computing ("HPC"). This news release should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended December 31, 2024 and management's discussion and analysis ("MDA") with respect thereto, all of which are available on Acceleware's website at www.acceleware.com or on www.sedarplus.ca.

HIGHLIGHTS

Financial highlights for the three and twelve months ended December 31, 2024:

		Three Months Ended		Twelve Months Ended	
		Dec 31, 2024	Dec 31, 2023	**Dec 31, 2024**	Dec 31, 2023
Revenue	**$**	**1,918,077**	43,590	**5,233,033**	279,011
Comprehensive income/ (loss)		**851,242**	617,748	**2,001,685**	(2,045,373)
Gross R&D expenditures		**581,071**	684,437	**2,872,982**	2,872,982
Government assistance		**–**	2,064,434	**1,227,929**	2,618,242

Acceleware is piloting RF XL at its commercial-scale RF XL pilot project at Marwayne, Alberta (the "RF XL Pilot"). During 2024, the RF XL Pilot was shut down awaiting redeployment of upgraded subsurface components designed to address limitations encountered in the first phase of heating. Please refer to the *RF XL PILOT UPDATE* section below for more information, and to the MDA for a complete RF XL Pilot update.

Based on results to date, Acceleware remains confident that RF XL will become viable as a differentiated 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 year ended December 31, 2024, the Company worked closely with industry partners to refine the next iteration of the RF XL subsurface system to address technical issues that were illuminated during the first phase of heating at the RF XL Pilot. This redesign work is now complete and ready for manufacturing and deployment. During 2024 the Company confirmed that the expected cost to redeploy the upgraded design at Marwayne would be approximately $5 million including contingency. In December 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. To this end,

the Company also secured an RF XL consulting contract from an oil and gas operator (whose identity remains confidential), the net proceeds of which will be applied to RF XL development. The Company has identified several additional industry and government potential funders and is in discussions with them. The purpose of the next phase of the RF XL Pilot is to enable higher power to be distributed in 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, considering RF XL test results and analyses conducted to date, with the goal of determining 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 cost per well, ability to scale from one-to-many heating wells, 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 a Management proposal 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 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. Should this investigation ultimately lead to a decision to "green light" an undertaking of this nature based on its economic merits, Acceleware would benefit from the valuation enhancement brought about by RF XL. Management has commenced its investigation as of the date of this news release.

Beyond enhanced recovery of heavy oil, 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.

Acceleware continues to work toward securing a contract to complete Phase 3 of a potash ore drying project from the International Minerals Innovation Institute ("IMII"). The findings of Phase 2 were presented to IMII in July 2024, and the Company continues to conduct paid testing with the system. Phase 3 of the project would include the design, construction and testing of a larger shop-scale demonstration dryer. IMII, a non-profit organization jointly funded by industry and government, is committed to developing and implementing innovative education, training, research and development partnerships to support 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 28 patents granted or allowed to protect various proprietary technologies and 32 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.

RF XL PILOT UPDATE

Consistent with the last update, Acceleware plans to continue 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, refurbished, or 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. During 2024 the engineering team worked to solidify plans and estimate costs. 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. Planned upgrades have been specifically designed to eliminate the moisture ingress issue. In addition, measures will be taken to add resilience to the system to ensure long-term operation if moisture does return. Upgrades will also be made to enhance the performance of the CTI function, including providing more accurate monitoring of broadband voltage, current and power.

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.

QUARTER IN REVIEW

Revenue of $1.9 million was recorded in the three months ended December 31, 2024 (“Q4 2024”) compared to $44 thousand in the three months ended December 31, 2023 (“Q4 2023”) and $3.3 million in the previous quarter ended September 30, 2024 (“Q3 2024”). Revenue in Q4 2024 included $1.9 million related to the RF XL Pilot. Deferred revenue related to a contract with one oil sands producer was recognized when all deliverables were provided.

Total comprehensive income for Q4 2024 was $0.9 million compared to a comprehensive income of $0.8 million for Q4 2023 and comprehensive income of $1.2 million for Q3 2024. Comprehensive income in Q4 2024 and Q3 2024 was higher due to revenue related to the RF XL Pilot, while positive comprehensive income in Q4 2023 was due to higher government assistance for R&D. Finance expenses in Q4 2024 and Q4 2023 include interest expense on 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.

Gross R&D expenses incurred in Q4 2024 were $0.6 million compared to $0.7 million in Q4 2023 and $0.5 million in Q3 2024. R&D spending in Q4 2024 was principally related to the IMII dryer for potash ore and included lab

engineering, designing and testing, data analysis, and partner consultations. R&D spending in Q4 2023 was related to the RF XL Pilot. There was $nil government assistance received in Q4 2024 and $2.1 million in Q4 2023 and $0.7 million in Q3 2024. The Company received the final CRIN payment of $0.3 million in Q3 2024 and the final ERA holdback payment of $0.2 million. The Government of Alberta's Innovation Employment Grant ("IEG") to support research and development was effective January 1, 2021 and provides a grant of up to 20% of eligible R&D expenses incurred in Alberta. This new grant effectively replaced Alberta's 10% scientific research and experimental development refundable tax credit that was eliminated as at December 31, 2019. The Company met the eligibility criteria, claimed eligible R&D expenditures and received $0.3 million in Q3 2024 related to 2023 eligible expenditures, received $0.1 million in the three months ended September 30, 2023 related to 2022 eligible expenditures, and $0.4 million in the three months ended March 31, 2023 related to 2021 eligible expenditures. Government assistance is recorded as a reduction of R&D expenses.

G&A expenses incurred in Q4 2024 were $315 thousand compared to $579 thousand in Q4 2023 and $446 thousand in Q3 2024. There were lower non-cash payroll related costs incurred in Q4 2024 due to the timing of option grants and lower salaries as the Company continues to prioritize cost control given uncertain economic conditions.

YEAR IN REVIEW

Revenue of $5.2 million was recorded for the year ended December 31, 2024 compared to $279 thousand for the year ended December 31, 2023. Revenue for the year ended December 31, 2024 included $4.75 million services revenue related to the RF XL Pilot and $322 thousand in services revenue related to the potash drying project. Revenue was recognized for the RF XL Pilot as all milestones were completed under Project Funding Agreements for two oil sands producers while a third oil sands producer terminated its Project Funding Agreement triggering revenue recognition of previously received milestone payments.

Total comprehensive income for the year ended December 31, 2024 was $2.0 million compared to comprehensive loss of $2.0 million for the year ended December 31, 2023. The increase was due to higher revenue as noted above, despite lower government assistance for R&D. There were fluctuations in both periods related to changes in fair value of the derivative financial instruments embedded in convertible debentures.

Gross R&D expenses for the year ended December 31, 2024 were $2.3 million compared to $2.9 million incurred during the year ended December 31, 2023 due to higher R&D activity in the first half of 2023 related to the final on site activities associated with the RF XL Pilot. Federal and provincial government assistance of $1.2 million was recognized in the year ended December 31, 2024. This was lower than the $2.6 million for the year ended December 31, 2023 when the RF XL Pilot on-site activities wrapped up. R&D net of government assistance was $1.0 million in the year ended December 31, 2024 compared to $255 thousand in the year ended December 31, 2023.

General and administrative ("G&A") expenses incurred during the year ended December 31, 2024 were $1.6 million compared to $2.0 million for the year ended December 31, 2023, due to lower salaries and professional fees. The Company continues to prioritize cost management, while it works on sourcing financing alternatives.

As at December 31, 2024, Acceleware had negative working capital of $3.4 million (December 31, 2023 – negative working capital of $2.0 million) including cash and cash equivalents of $272 thousand (December 31, 2023 – $1.0

million). 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.

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ABOUT ACCELEWARE:

Acceleware is an innovator of clean-tech decarbonization technologies comprised of two business units: Radio Frequency Heating Technology and Seismic Imaging Software.

Acceleware is piloting RF XL, its patented low-cost, low-carbon production technology for heavy oil and oil sands that is materially different from any heavy oil recovery technique used today. Acceleware's vision is that electrification of heavy oil and oil sands production can be made possible through RF XL, supporting a transition to much cleaner energy production that can quickly bend the emissions curve downward. With clean electricity, Acceleware's RF XL technology could eliminate greenhouse gas (GHG) emissions associated with heavy oil and oil sands production. RF XL uses no water, requires no solvent, has a small physical footprint, can be redeployed from site to site, and can be applied to a multitude of reservoir types. Acceleware is also actively developing partnerships for RF heating of other industrial applications using the Company's proprietary CTI.

Acceleware and Saa Dene Group (co-founded by Jim Boucher) have created Acceleware | Kisâstwêw to raise the profile, adoption, and value of Acceleware technologies. The shared vision of the partnership is to improve the environmental and economic performance of the energy sector by supporting ideals that are important to Indigenous peoples, including respect for land, water, and clean air.

The Company's seismic imaging software solutions are state-of-the-art for high fidelity imaging, providing the most accurate and advanced imaging available for oil exploration in complex geologies. Acceleware is a public company listed on Canada's TSX Venture Exchange 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", "estimates", "plans", "potential", and "will", and includes information about, the expected commercialization of RF XL, the expected cost of the RF XL Pilot, the timing of the execution of the RF XL Pilot and the redeployment, expected financing required for the RF XL Pilot redeployment, and the anticipated economic and societal benefits of the RF XL technology. 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this release 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.

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