Acceleware Ltd. Reports First Quarter 2025 Financial and Operating Results

CALGARY, ALBERTA – May 22, 2025 – Acceleware® Ltd. ("Acceleware" or the "Company") (TSX-V: AXE), an advanced electromagnetic ("EM") heating company with highly scalable solutions for large industrial applications, today announced its financial and operating results for the three months ended March 31, 2025 (all figures are in Canadian dollars unless otherwise noted). 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. 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. This news release should be read in conjunction with the Company's unaudited interim condensed financial statements and the accompanying notes for the three months ended March 31, 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.

HIGHLIGHTS

Financial highlights:

	Three Months Ended		
	March 31, 2025		March 31, 2024
Revenue	**$ 431,226**	$	43,594
Comprehensive loss	**$ (382,195)**	$	(969,971)
R&D expenditures	**$ 420,829**	$	501,115

Acceleware is piloting RF XL at its commercial-scale RF XL pilot project at Marwayne, Alberta (the "RF XL Pilot"). 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. Please refer to the *RF XL PILOT UPDATE* section below for more information, and to the MD&A for a complete RF XL Pilot update.

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 news release. 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 news release, 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. IMII's minerals industry members include BHP, Cameco Corporation, Fission Uranium Corp., The Mosaic Company and Nutrien Ltd.

During the three months ended March 31, 2025, 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.

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.

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 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 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.

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.

****

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, the anticipated economic and societal benefits of the RF XL technology, and the future development plans related to potash ore drying 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.

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.

DISCLAIMER

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information:
Geoff Clark
Tel: +1 (403) 249-9099
geoff.clark@acceleware.com

Acceleware Ltd.
435 10th Avenue SE
Calgary, AB, T2G 0W3
Canada
Tel: +1 (403) 249-9099
www.acceleware.com