News Release
Acceleware Reports Results for the Three and Nine Months ended September 30, 2017
For Immediate Release

CALGARY, Alberta – November 23, 2017 – Acceleware® Ltd. ("Acceleware" or the "Company") (TSX-V: AXE), a leading developer of high performance seismic imaging applications and RF heating technology, today announced results for the three and nine months ended September 30, 2017 (all figures are in Canadian dollars unless otherwise noted).

During the three months ended September 30, 2017 (Q3 2017), Acceleware continued to invest in RF heating research and development. After a successful 1/20 scale field test, activities were focused on preparation for a commercial-scale test of the RF XL technology. Development activities included filing one new patent application, preparation of five additional potential patent applications, and working with service companies on proprietary well and well pad designs. On November 3, 2017, the Company announced that it had been awarded $10 million in financing for the commercial-scale test from Sustainable Development Technology Canada and Emissions Reduction Alberta. The funding is conditional on securing a suitable oil sands partner and test site. In addition to the funding announcement and technology development activities, the Company also made progress in the identification of an oil sands partner and the selection of a commercial-scale test site. Acceleware has been in discussions with three potential oil sands operating partners, and several simulations were conducted of potential oil sands test sites using the Company's AxHeat software. Acceleware generated revenue in its RF heating segment through the sale of AxHeat in the three months ended September 30, 2017 (Q3 2017). The Company's software and services business experienced a challenging oil and gas market in Q3 2017, with decreased software product revenue compared to the three months ended September 30, 2016 (Q3 2016), however a slight rebound was recorded compared to the three months ended June 30, 2017 (Q2 2017). Software maintenance, particularly seismic imaging software increased in Q3 2017 compared to both Q2 2017 and Q3 2016. Software consulting services revenue decreased significantly in Q3 2017 compared to both Q3 2016, and Q2 2017 due to decreased training revenue. For the nine months ended September 30, 2017, revenue was lower than for the nine months ended September 30, 2016 due to lower product revenue and despite higher maintenance and consulting revenue.

During the three months ended September 30, 2017, Acceleware recognized revenue of $237,576 - 35% lower than the $366,675 recognized during the three months ended September 30, 2016. The decrease is a result of lower software product and software services revenue. Revenue in Q3 2017 also decreased 24% compared to the $312,612 recorded in Q2 2017 due to lower software product and software services revenue including notably lower consulting services for training. On a segmented basis, the Company recorded $20,700 in RF heating revenue in Q3 2017 compared to no revenue in either Q3 2016 or Q2 2017. Software and services revenue was 41% lower at $216,876 in Q3 2017 compared to $366,675 in Q3 2016, due in large part to decreased services revenue including training. Software and services revenue was also 31% lower in Q3 2017 compared to $312,612 in Q2 2017 again due to lower training services revenue. For the nine months ended September 30, 2017 revenue decreased 14% to $1,048,377 from $1,219,530 in the nine months ended September 30, 2016 due to lower seismic imaging product revenue.

The Company had total comprehensive loss for Q3 2017 of $913,738, an increase of 181% compared to a total comprehensive loss of $324,722 for Q3 2016. The higher total comprehensive loss is a result of higher research and development (R&D) investment, higher general and administrative (G&A) expenses in the RF heating business, and lower revenue in the software and services business, combined with a significant loss on derivative instruments associated with the Company's convertible debentures. Total comprehensive loss increased 43% in Q3 2017 to $913,738 compared to $641,197 in Q2 2017, due to lower revenue and the loss on derivatives (the Company recorded a gain on derivative instruments in Q2 2017).

For the nine months ended September 30, 2017 total comprehensive loss was $2,003,794, an increase of 90% compared to a loss of $1,056,272 recorded in the nine months ended September 30, 2016. The increase is a result of greater investment in research and development (R&D) and higher general and administrative (G&A) expenses, and higher finance expense (accrued interest and accretion) associated with convertible debentures.

On a segmented basis, loss from operations attributed to the RF heating segment was 39% higher in Q3 2017 at $537,838 compared to $385,802 in Q3 2016, due to higher investment in R&D and higher G&A expense. Operating loss for RF heating was 26% lower in Q3 2017 compared to the loss of $753,686 recorded in Q2 2017 due to lower R&D and G&A expenses. Operating income attributed to software and services decreased to a loss of $136,436 in Q3 2017, compared to income of $79,434 in Q3 2016 due to lower revenue, higher investment in R&D, and higher G&A expense. Software and services operating loss was also lower in Q3 2017 compared to the loss of $23,107 recorded in Q2 2017 due to lower revenue.

For the nine months ended September 30, 2017, RF heating operating loss increased 43% to $1,684,016 from $1,176,754 for the nine months ended September 30, 2016 due to higher R&D investment, higher G&A expense related to stock based compensation, and despite higher revenue. For the nine months ended September 30, 2017 software and services operating loss was $145,930 compared to operating income of $192,282 for the nine months ended September 30, 2016 due to lower seismic product revenue.

Cash flow used in operating activities increased 502% to $721,543 in Q3 2017 compared to $256,971 in Q3 2016 due to the loss and a higher investment in working capital. Cash flow used in operations was also significantly higher in Q3 2017 compared to Q2 2017, rising 623% from $99,769 due to increased investment in working capital. During the nine months ended September 30, 2017 cash used in operations was significantly higher at $1,684,306 compared to $491,825 used in the nine months ended September 30, 2016. The increase is a result of increased loss and higher investment in working capital.

At September 30, 2017, Acceleware had $1,058,126 (December 31, 2016 - $1,616,415) in working capital, including $1,094,132 (December 31, 2016 - $1,922,318) in cash and cash equivalents, and $61,046 (December 31, 2016 - $58,095) in combined short-term and long-term debt in the form of finance leases. On September 26, 2017, the Company closed a non-brokered private placement consisting of 4,651,066 units at a price of $0.18 per unit for gross proceeds of $837,192, and proceeds net of issue costs of $823,486. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at a price of $0.27 per common share for a period of two years. At September 30, 2017, the Company had $998,175 (December 31, 2016 - $928,800) (principal plus accrued interest) in convertible debentures that accrue interest at 10% per year. The decrease in cash (and consequently working capital) is a result of the comprehensive loss incurred in the nine months ended September 30, 2017, and an increased investment in working capital, offset by the proceeds from the private placement. The increase in working capital other than cash is a result of the decrease in accounts payable and accrued liabilities such as deferred salaries and other payroll liabilities. On November 17, 2017, the Company forced conversion of the convertible debentures, exercising the option to convert all outstanding principal and accrued interest into 6,762,014 units of one common share of the Company plus ½ common share purchase warrant.

Additional information, including the unaudited financial statements for the three months ended September 30, 2017, the management's discussion and analysis relating thereto, the audited financial statements for the year ended December 31, 2016, and management's discussion and analysis relating thereto, are available on SEDAR at www.sedar.com.

About Acceleware:

Acceleware (www.acceleware.com) develops high performance seismic imaging and modeling software products and provides innovative technology for radio frequency (RF) heating, an emerging thermal enhanced oil recovery method. As experts in programming for multi-core CPUs and massively parallel GPUs, Acceleware's professional services team specializes in accelerating computationally intense applications for clients to speed up product design, analyze data and help make better business decisions. Acceleware's products and services are used by some of the world's largest energy and engineering companies.

Acceleware is a public company on Canada's TSX Venture Exchange under the trading symbol AXE.

Disclaimers

This press 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 is prospective in nature, and includes disclosure about the issuer's prospective financial performance or financial position.

The forward-looking information in this press release includes information about the technical and economic feasibility of Acceleware's RF heating technology. Acceleware assumes that the results of simulations, testing and economic modelling conducted to date are indicative of future performance of the technology.

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.

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.

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