

## COMPUTER MODELLING GROUP ANNOUNCES SECOND QUARTER RESULTS

CALGARY, Alberta, November 9, 2022 – Computer Modelling Group Ltd. (“CMG” or the “Company”) announces its financial results for the three and six months ended September 30, 2022.

### Quarterly Performance

(\$ thousands, unless otherwise stated)	Fiscal 2021 <sup>(2)</sup>		Fiscal 2022 <sup>(3)</sup>				Fiscal 2023 <sup>(4)</sup>	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Annuity/maintenance license revenue	13,477	13,790	12,286	13,239	13,575	14,306	13,529	<b>14,825</b>
Perpetual license revenue	660	1,184	125	846	1,497	2,351	386	<b>780</b>
Software license revenue	14,137	14,974	12,411	14,085	15,072	16,657	13,915	<b>15,605</b>
Professional services revenue	1,901	1,827	2,003	1,864	1,973	2,137	2,192	<b>2,477</b>
Total revenue	16,038	16,801	14,414	15,949	17,045	18,794	16,107	<b>18,082</b>
Operating profit	8,437	6,556	5,573	5,440	7,755	7,312	4,961	<b>5,555</b>
Operating profit (%)	53	39	39	34	45	39	31	<b>31</b>
Profit before income and other taxes	7,410	5,747	4,827	5,321	7,310	6,563	5,182	<b>5,989</b>
Income and other taxes	1,535	1,454	1,094	1,175	1,736	1,611	1,369	<b>1,579</b>
Net income for the period	5,875	4,293	3,733	4,146	5,574	4,952	3,813	<b>4,410</b>
EBITDA <sup>(1)</sup>	9,509	7,627	6,596	6,473	8,843	8,366	5,892	<b>6,492</b>
Cash dividends declared and paid	4,015	4,014	4,015	4,016	4,017	4,016	4,017	<b>4,025</b>
Funds flow from operations	7,322	6,267	4,811	4,904	7,022	7,105	4,558	<b>4,974</b>
Free cash flow <sup>(1)</sup>	7,005	5,755	4,478	4,494	6,227	6,584	4,255	<b>4,505</b>
Per share amounts – (\$/share)								
Earnings per share (EPS) – basic and diluted	0.07	0.05	0.05	0.05	0.07	0.06	0.05	<b>0.05</b>
Cash dividends declared and paid	0.05	0.05	0.05	0.05	0.05	0.05	0.05	<b>0.05</b>
Funds flow from operations per share – basic	0.09	0.08	0.06	0.06	0.09	0.09	0.06	<b>0.06</b>
Free cash flow per share – basic <sup>(1)</sup>	0.09	0.07	0.06	0.06	0.08	0.08	0.05	<b>0.06</b>

(1) This is a non-IFRS financial measure. See the “Non-IFRS Financial Measures” section.

(2) Q3 and Q4 of fiscal 2021 include \$nil and \$1.1 million, respectively, in revenue that pertains to usage of CMG’s products in prior quarters.

(3) Q1, Q2 Q3 and Q4 of fiscal 2022 include \$nil, \$0.5 million, \$nil and \$0.8 million, respectively, in revenue that pertains to usage of CMG’s products in prior quarters.

(4) Q1 and Q2 of fiscal 2023 include \$0.2 million and \$0.3 million, respectively, in revenue that pertains to usage of CMG’s products in prior quarters.

### Commentary on Quarterly Performance

#### For the Three Months Ended

September 30, 2022 and compared to the same period of the previous fiscal year, when appropriate:

- Annuity/maintenance license revenue increased by 12%;
- Total revenue increased by 13%;
- Total operating expenses increased by 19%. Adjusted for the restructuring charges, operating expenses increased by 5%, primarily due to higher professional services and travel-related costs, partially offset by lower full-time equivalent staff costs;

#### For the Six Months Ended

September 30, 2022 and compared to the same period of the previous fiscal year, when appropriate:

- Annuity/maintenance license revenue increased by 11%;
- Total revenue increased by 13%;
- Total operating expenses increased by 22%. Adjusted for the restructuring charges and CEWS/CERS benefits, operating expenses increased by 5%, primarily due to higher professional services and travel-related costs, partially offset by lower full-time equivalent staff costs;

- Quarterly operating profit margin was 31%, decreasing from 34% in the comparative quarter. Adjusted for the restructuring charges, operating profit margin was 44%, increasing from 39% in the comparative quarter;
- Basic EPS of \$0.05 was the same as the comparative quarter in the prior fiscal year;
- Achieved free cash flow per share of \$0.06;
- Declared and paid a dividend of \$0.05 per share.
- Year-to-date operating profit margin was 31%, decreasing from 36% in the comparative period. Adjusted for the restructuring charges and the CEWS/CERS benefits, operating profit margin was 42%, increasing from 38%, in the comparative quarter;
- Basic EPS of \$0.10 was the same as the comparative period in the prior fiscal year;
- Achieved free cash flow per share of \$0.11;
- Declared and paid dividends of \$0.10 per share.

## Revenue

Three months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Software license revenue	15,605	14,085	1,520	11%
Professional services revenue	2,477	1,864	613	33%
<b>Total revenue</b>	<b>18,082</b>	<b>15,949</b>	<b>2,133</b>	<b>13%</b>
Software license revenue as a % of total revenue	86%	88%		
Professional services revenue as a % of total revenue	14%	12%		

Six months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Software license revenue	29,520	26,496	3,024	11%
Professional services revenue	4,669	3,867	802	21%
<b>Total revenue</b>	<b>34,189</b>	<b>30,363</b>	<b>3,826</b>	<b>13%</b>
Software license revenue as a % of total revenue	86%	87%		
Professional services revenue as a % of total revenue	14%	13%		

CMG's revenue is comprised of software license sales, which provides the majority of the Company's revenue, and fees for professional services.

Total revenue for the three and six months ended September 30, 2022 both increased by 13%, due to increases in both software license revenue and professional services revenue.

## Software License Revenue

Three months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Annuity/maintenance license revenue	14,825	13,239	1,586	12%
Perpetual license revenue	780	846	(66)	-8%
<b>Total software license revenue</b>	<b>15,605</b>	<b>14,085</b>	<b>1,520</b>	<b>11%</b>
Annuity/maintenance as a % of total software license revenue	95%	94%		
Perpetual as a % of total software license revenue	5%	6%		

Six months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Annuity/maintenance license revenue	28,354	25,525	2,829	11%
Perpetual license revenue	1,166	971	195	20%
<b>Total software license revenue</b>	<b>29,520</b>	<b>26,496</b>	<b>3,024</b>	<b>11%</b>
Annuity/maintenance as a % of total software license revenue	96%	96%		
Perpetual as a % of total software license revenue	4%	4%		

Total software license revenue for the three months ended September 30, 2022 increased by 11%, compared to the same period of the previous fiscal year, due to an increase in annuity/maintenance license revenue, partially offset by a decrease in perpetual license revenue. Total software license revenue for the six months ended September 30, 2022 increased by 11%, compared to the same period of the previous fiscal year, due to increases in both annuity/maintenance license revenue and perpetual license revenue.

Annuity/maintenance license revenue increased by 12% and 11% during the three and six months ended September 30, 2022, respectively, due to increases in all regions, supported by license fee increases, increased license usage by existing customers and the addition of new customers.

Perpetual license revenue decreased by 8% during the three months ended September 30, 2022, compared to the same period of the previous fiscal year. During the six months ended September 30, 2022, compared to the same period of the previous fiscal year, perpetual license revenue increased by 20% due to an increase in sales in the Eastern Hemisphere.

### Software Revenue by Geographic Region

Three months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
<b><i>Annuity/maintenance license revenue</i></b>				
Canada	3,181	3,088	93	3%
United States	3,704	3,089	615	20%
South America	1,894	1,817	77	4%
Eastern Hemisphere <sup>(1)</sup>	6,046	5,245	801	15%
	<b>14,825</b>	<b>13,239</b>	<b>1,586</b>	<b>12%</b>
<b><i>Perpetual license revenue</i></b>				
Canada	-	-	-	0%
United States	157	96	61	64%
South America	-	-	-	0%
Eastern Hemisphere	623	750	(127)	-17%
	<b>780</b>	<b>846</b>	<b>(66)</b>	<b>-8%</b>
<b><i>Total software license revenue</i></b>				
Canada	3,181	3,088	93	3%
United States	3,861	3,185	676	21%
South America	1,894	1,817	77	4%
Eastern Hemisphere	6,669	5,995	674	11%
	<b>15,605</b>	<b>14,085</b>	<b>1,520</b>	<b>11%</b>

Six months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
<b>Annuity/maintenance license revenue</b>				
Canada	6,131	6,122	9	0%
United States	7,054	6,073	981	16%
South America	3,593	3,311	282	9%
Eastern Hemisphere <sup>(1)</sup>	11,576	10,019	1,557	16%
	<b>28,354</b>	<b>25,525</b>	<b>2,829</b>	<b>11%</b>
<b>Perpetual license revenue</b>				
Canada	-	-	-	0%
United States	157	221	(64)	-29%
South America	-	-	-	0%
Eastern Hemisphere	1,009	750	259	35%
	<b>1,166</b>	<b>971</b>	<b>195</b>	<b>20%</b>
<b>Total software license revenue</b>				
Canada	6,131	6,122	9	0%
United States	7,211	6,294	917	15%
South America	3,593	3,311	282	9%
Eastern Hemisphere	12,585	10,769	1,816	17%
	<b>29,520</b>	<b>26,496</b>	<b>3,024</b>	<b>11%</b>

(1) Includes Europe, Africa, Asia and Australia.

During the three and six months ended September 30, 2022, compared to the same periods of the previous fiscal year, total software license revenue increased in all regions.

The Canadian region (representing 21% of year-to-date total software license revenue) experienced a 3% increase in annuity/maintenance license revenue during the three months ended September 30, 2022, due to license fee increases as well as increased licensing by existing customers. The quarterly results continue to be negatively impacted by consolidation activity that affected the Canadian region's annuity/maintenance revenue in the previous quarter. Annuity/maintenance license revenue was flat in the six months ended September 30, 2022, compared to the same period of the previous fiscal year, due to the aforementioned negative impact from the consolidation activity during the first quarter of the fiscal year.

The United States (representing 24% of year-to-date total software license revenue) experienced increases of 20% and 16% in annuity/maintenance license revenue during the three and six months ended September 30, 2022, respectively, due to new customers, including those within the carbon capture and storage industry, and increased licensing by existing customers.

South America (representing 12% of year-to-date total software license revenue) experienced increases of 4% and 9% in annuity/maintenance license revenue during the three and six months ended September 30, 2022, respectively, primarily due to a multi-year lease that commenced in the second quarter of the previous fiscal year.

The Eastern Hemisphere (representing 43% of year-to-date total software license revenue) experienced increases of 15% and 16% in annuity/maintenance license revenue during the three and six months ended September 30, 2022, respectively, due to increased license fees as well as increased licensing by existing customers, and the addition of new customers, including new customers in the carbon capture and storage industry in Europe. Perpetual revenue decreased by 17% during the three months ended September 30, 2022, relative to the same period of the previous fiscal period, while it increased by 35% during the six months ended September 30, 2022, compared to the same period of the previous fiscal year, as a result of the increases experienced in the previous quarter.

## Deferred Revenue

(\$ thousands)	Fiscal 2023	Fiscal 2022	Fiscal 2021	\$ change	% change
Deferred revenue at:					
Q1 (June 30)	<b>24,409</b>	23,451		958	4%
Q2 (September 30)	<b>24,164</b>	21,242		2,922	14%
Q3 (December 31)		23,056	15,347	7,709	50%
Q4 (March 31)		30,454	30,461	(7)	0%

CMG's deferred revenue consists primarily of amounts for prepaid licenses. Our annuity/maintenance revenue is deferred and recognized ratably over the license period, which is generally one year or less. Amounts are deferred for licenses that have been provided and revenue recognition reflects the passage of time.

The above table illustrates the normal trend in the deferred revenue balance from the beginning of the calendar year (which corresponds with Q4 of our fiscal year), when most renewals occur, to the end of the calendar year (which corresponds with Q3 of our fiscal year). Our fourth quarter corresponds with the beginning of the fiscal year for most oil and gas companies, representing a time when they enter a new budget year and sign/renew their contracts.

The deferred revenue balance at the end of Q2 of fiscal 2023 was 14% higher than Q2 of fiscal 2022. There were no significant timing differences impacting the balance.

## Expenses

Three months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Sales, marketing and professional services	<b>3,872</b>	3,840	32	1%
Research and development	<b>5,119</b>	4,656	463	10%
General and administrative	<b>3,536</b>	2,013	1,523	76%
Total operating expenses	<b>12,527</b>	10,509	2,018	19%
Direct employee costs <sup>(1)</sup>	<b>9,497</b>	8,579	918	11%
Other corporate costs <sup>(1)</sup>	<b>3,030</b>	1,930	1,100	57%
	<b>12,527</b>	10,509	2,018	19%

Six months ended September 30, (\$ thousands)	2022	2021	\$ change	% change
Sales, marketing and professional services	<b>7,463</b>	7,252	211	3%
Research and development	<b>9,324</b>	8,673	651	8%
General and administrative	<b>6,886</b>	3,425	3,461	101%
Total operating expenses	<b>23,673</b>	19,350	4,323	22%
Direct employee costs <sup>(1)</sup>	<b>18,444</b>	15,649	2,795	18%
Other corporate costs <sup>(1)</sup>	<b>5,229</b>	3,701	1,528	41%
	<b>23,673</b>	19,350	4,323	22%

(1) This is a non-IFRS financial measure. See the "Non-IFRS Financial Measures" section.

Adjusted total operating expenses, adjusted direct employee costs and adjusted other corporate costs are non-IFRS financial measures. They do not have a standard meaning prescribed by IFRS and, accordingly, may not be comparable to measures used by other companies. They are calculated by excluding CEWS subsidies, CERS subsidies and restructuring charges, as

applicable, from the related non-adjusted measures. Management believes that analyzing the Company's expenses exclusive of these items illustrates underlying trends in our costs and provides better comparability between periods.

The following tables provide a reconciliation of total operating expenses to adjusted total operating expenses, direct employee costs to adjusted direct employee costs and other corporate costs to adjusted other corporate costs:

Three months ended September 30 (\$ thousands)	2022	2021
Total operating expenses	12,527	10,509
Restructuring charge	(2,341)	(851)
Adjusted total operating expenses	10,186	9,658
Direct employee costs	9,497	8,579
Restructuring charge	(2,293)	(851)
Adjusted direct employee costs	7,204	7,728
Other corporate costs	3,030	1,930
Restructuring charge	(48)	-
Adjusted other corporate costs	2,982	1,930
Six months ended September 30 (\$ thousands)	2022	2021
Total operating expenses	23,673	19,350
CEWS	-	324
CERS	-	43
Restructuring charge	(3,943)	(851)
Adjusted total operating expenses	19,730	18,866
Direct employee costs	18,444	15,649
CEWS	-	324
Restructuring charge	(3,771)	(851)
Adjusted direct employee costs	14,673	15,122
Other corporate costs	5,229	3,701
CERS	-	43
Restructuring charge	(172)	-
Adjusted other corporate costs	5,057	3,744

In May 2022, Ryan Schneider stepped down as the Company's President and CEO and Pramod Jain was appointed CEO. This change resulted in restructuring costs of \$1.6 million in the first quarter of the current fiscal year. During the second quarter of the current fiscal year, the Company restructured primarily its Calgary office, resulting in additional restructuring costs of \$2.3 million in the current quarter and bringing the total restructuring charges for the fiscal year to \$3.8 million. The restructuring was mainly aimed at streamlining operations to align resources with the Company's priorities. This prioritization will allow the Company to strengthen other business operations that are necessary for the Company to be responsive, resilient and able to adapt more quickly to changing business priorities.

For the three and six months ended September 30, 2022, adjusted direct employee costs decreased by 7% and 3%, respectively, compared to the same periods of the previous fiscal year, primarily as a result of a reduction in full-time equivalent staff.

Adjusted other corporate costs increased by \$1.1 million and \$1.3 million for the three and six months ended September 30, 2022, respectively, compared to the same periods of the previous fiscal year, primarily due to higher professional services costs and travel-related costs.

## Quarterly Summary

Fiscal 2023 continues to be positive, with the strengthening fundamentals across the oil and gas sector, and new opportunities created by demand for energy transition projects.

During the three and six months ended September 30, 2022, CMG's annuity/maintenance revenue increased by 12% and 11%, respectively, compared to the same periods of the previous fiscal year, continuing the trend of comparative quarterly increases that started in the third quarter of the previous fiscal year. Similar to the previous quarters, this increase was supported by improved industry conditions and a multi-year license lease in South America that commenced in September of 2021.

Geographically, all regions saw increases in annuity/maintenance revenue due to the addition of new customers, including carbon capture and storage companies, increased license fees and increased licensing by some existing customers.

While perpetual license revenue decreased by 8% in the three months ended September 30, 2022, it increased by 20% during the six months ended September 30, 2022, compared to the same period of the prior fiscal year, supported by sales in the Eastern Hemisphere predominantly during the first quarter of the current fiscal year.

During the three and six months ended September 30, 2022, CMG's expenses were impacted by restructuring charges of \$2.3 million and \$3.9 million, respectively. The second quarter restructuring reduced our full-time equivalent staff from 173 at June 30, 2022 to 159 at September 30, 2022. The Company made these changes to concentrate the focus of our research and development activities into the areas with the potential to deliver the greatest value to our customers and have the greatest commercial impact on the business. This allows the Company to reinvest to strengthen other business operations that are necessary to support our growth strategy without materially altering the current cost structure. When adjusted for the restructuring charges, as well as CEWS and CERS subsidies in the comparative periods of the previous year, total operating expenses increased by 5% in the three and six months ended September 30, 2022, due to increases in professional services and travel costs as COVID-19 related travel restrictions eased.

Adjusted operating profit margins were 44% and 42% during the three and six months ending September 30, 2022, respectively, compared to 39% and 38% during the same periods in the previous fiscal period, which is in line with the pre-COVID fiscal 2019 and fiscal 2020 historic average of 40% and reflective of CMG's continuous cost management. Basic earnings per share was \$0.05 and \$0.10, consistent with the comparative periods of the prior fiscal year.

CMG maintains a strong financial position and closed the period with \$56.9 million of cash and no debt. Despite the restructuring charges and the increase in professional fees in the current quarter, CMG generated \$0.06 and \$0.11 per share of free cash flow for the three and six months ended September 30, 2022, which was consistent with the same periods of fiscal 2022.

## Additional IFRS Measure

Funds flow from operations is an additional IFRS measure that the Company presents in its consolidated statements of cash flows. Funds flow from operations is calculated as cash flows provided by operating activities adjusted for changes in non-cash working capital. Management believes that this measure provides useful supplemental information about operating performance and liquidity, as it represents cash generated during the period, regardless of the timing of collection of receivables and payment of payables, which may reduce comparability between periods.

## Non-IFRS Financial Measures

Certain financial measures in this press release – namely, EBITDA, free cash flow, free cash flow per share, direct employee costs, other corporate costs, adjusted total operating expenses, adjusted direct employee costs and adjusted other corporate costs – do not have a standard meaning prescribed by IFRS and, accordingly, may not be comparable to measures used by other companies.

Certain additional disclosures for these non-IFRS financial measures have been incorporated by reference and can be found on page 2 in the Company's MD&A for the three and six months ended September 30, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website under the Investors section at [www.cmgl.ca/investors](http://www.cmgl.ca/investors).

Reconciliations of the non-IFRS financial measures to the most directly comparable IFRS financial measure are presented below:

### Free Cash Flow Reconciliation to Funds Flow from Operations

(\$ thousands, unless otherwise stated)	Fiscal 2021		Fiscal 2022			Fiscal 2023		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Funds flow from operations	7,322	6,267	4,811	4,904	7,022	7,105	4,558	<b>4,974</b>
Capital expenditures	(7)	(41)	(27)	(133)	(481)	(62)	-	<b>(130)</b>
Repayment of lease liabilities	(310)	(471)	(306)	(277)	(314)	(459)	(303)	<b>(339)</b>
Free cash flow	7,005	5,755	4,478	4,494	6,227	6,584	4,255	<b>4,505</b>
Weighted average shares – basic (thousands)	80,286	80,286	80,286	80,307	80,335	80,335	80,335	<b>80,412</b>
Free cash flow per share – basic	0.09	0.07	0.06	0.06	0.08	0.08	0.05	<b>0.06</b>

## Forward-Looking Information

Certain information included in this press release is forward-looking. Forward-looking information includes statements that are not statements of historical fact and which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as investment objectives and strategy, the development plans and status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures (including the amount, nature and sources of funding thereof), business prospects and opportunities, research and development timetable, and future growth and performance. When used in this press release, statements to the effect that the Company or its management "believes", "expects", "expected", "plans", "may", "will", "projects", "anticipates", "estimates", "would", "could", "should", "endeavours", "seeks", "predicts" or "intends" or similar statements, including "potential", "opportunity", "target" or other variations thereof that are not statements of historical fact should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management of the Company. The Company believes that the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

## Corporate Profile

CMG is a computer software technology company serving the energy industry. The Company is a leading supplier of advanced process reservoir modelling software, with a diverse customer base of international oil companies and technology centers in approximately 60 countries. CMG's existing technology has differentiating capabilities built into its software products that can also be directly applied to the energy transition needs of its customers. The Company also provides professional services consisting of highly specialized support, consulting, training, and contract research activities. CMG has sales and technical support services based in Calgary, Houston, London, Dubai, Bogota and Kuala Lumpur. CMG's Common Shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "CMG".



## Condensed Consolidated Statements of Financial Position

UNAUDITED (thousands of Canadian \$)	September 30, 2022	March 31, 2022
<b>Assets</b>		
Current assets:		
Cash	56,859	59,660
Trade and other receivables	13,683	17,507
Prepaid expenses	1,214	792
Prepaid income taxes	1,370	959
	73,126	78,918
Property and equipment	10,360	10,908
Right-of-use assets	31,923	33,113
Deferred tax asset	2,128	2,209
<b>Total assets</b>	<b>117,537</b>	<b>125,148</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Trade payables and accrued liabilities	5,418	6,819
Income taxes payable	-	13
Deferred revenue	24,164	30,454
Lease liabilities	1,787	1,626
	31,369	38,912
Long-term stock-based compensation liability	1,089	1,556
Long-term lease liabilities	37,159	37,962
<b>Total liabilities</b>	<b>69,617</b>	<b>78,430</b>
Shareholders' equity:		
Share capital	81,055	80,248
Contributed surplus	15,223	15,009
Deficit	(48,358)	(48,539)
<b>Total shareholders' equity</b>	<b>47,920</b>	<b>46,718</b>
<b>Total liabilities and shareholders' equity</b>	<b>117,537</b>	<b>125,148</b>

## Condensed Consolidated Statements of Operations and Comprehensive Income

UNAUDITED (thousands of Canadian \$ except per share amounts)	Three months ended September 30		Six months ended September 30	
	2022	2021	2022	2021
<b>Revenue</b>	<b>18,082</b>	15,949	<b>34,189</b>	30,363
<b>Operating expenses</b>				
Sales, marketing and professional services	3,872	3,840	7,463	7,252
Research and development	5,119	4,656	9,324	8,673
General and administrative	3,536	2,013	6,886	3,425
	<b>12,527</b>	10,509	<b>23,673</b>	19,350
<b>Operating profit</b>	<b>5,555</b>	5,440	<b>10,516</b>	11,013
Finance income	920	384	1,631	224
Finance costs	(486)	(503)	(976)	(1,089)
<b>Profit before income and other taxes</b>	<b>5,989</b>	5,321	<b>11,171</b>	10,148
Income and other taxes	1,579	1,175	2,948	2,269
<b>Net and total comprehensive income</b>	<b>4,410</b>	4,146	<b>8,223</b>	7,879
Earnings per share – basic and diluted	<b>0.05</b>	0.05	<b>0.10</b>	0.10
Dividend per share	<b>0.05</b>	0.05	<b>0.10</b>	0.10

# Condensed Consolidated Statements of Cash Flows

UNAUDITED (thousands of Canadian \$)	Three months ended		Six months ended	
	2022	2021	2022	2021
		September 30		September 30
<b>Operating activities</b>				
Net income	4,410	4,146	8,223	7,879
Adjustments for:				
Depreciation	937	1,033	1,868	2,056
Deferred income tax expense (recovery)	235	157	81	(55)
Stock-based compensation	(608)	(432)	(640)	(165)
Funds flow from operations	4,974	4,904	9,532	9,715
Movement in non-cash working capital:				
Trade and other receivables	1,428	(5,264)	3,824	9,158
Trade payables and accrued liabilities	323	1,582	(622)	(209)
Prepaid expenses	(360)	(153)	(422)	(200)
Income taxes receivable (payable)	(264)	(867)	(424)	(1,527)
Deferred revenue	(245)	(2,209)	(6,290)	(9,219)
Decrease (increase) in non-cash working capital	882	(6,911)	(3,934)	(1,997)
<b>Net cash provided by (used in) operating activities</b>	<b>5,856</b>	<b>(2,007)</b>	<b>5,598</b>	<b>7,718</b>
<b>Financing activities</b>				
Proceeds from issuance of common shares	415	-	415	-
Repayment of lease liabilities	(339)	(277)	(642)	(583)
Dividends paid	(4,025)	(4,016)	(8,042)	(8,031)
<b>Net cash used in financing activities</b>	<b>(3,949)</b>	<b>(4,293)</b>	<b>(8,269)</b>	<b>(8,614)</b>
<b>Investing activities</b>				
Property and equipment additions	(130)	(133)	(130)	(160)
<b>Increase (decrease) in cash</b>	<b>1,777</b>	<b>(6,433)</b>	<b>(2,801)</b>	<b>(1,056)</b>
Cash, beginning of period	55,082	54,445	59,660	49,068
<b>Cash, end of period</b>	<b>56,859</b>	<b>48,012</b>	<b>56,859</b>	<b>48,012</b>
<b>Supplementary cash flow information</b>				
Interest received	377	126	557	224
Interest paid	486	503	976	1,010
Income taxes paid	1,387	1,782	2,883	3,510

See accompanying notes to consolidated financial statements, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) or on CMG's website at [www.cmgl.ca](http://www.cmgl.ca).

For further information, contact:

Pramod Jain  
Chief Executive Officer  
(403) 531-1300  
[pramod.jain@cmgl.ca](mailto:pramod.jain@cmgl.ca)  
[www.cmgl.ca](http://www.cmgl.ca)

or Sandra Balic  
Vice President, Finance & CFO  
(403) 531-1300  
[sandra.balic@cmgl.ca](mailto:sandra.balic@cmgl.ca)