

CMG Investor Presentation

February 2024

CMG: TSX

CMG is a global software and solutions company that combines science and technology with deep industry expertise to solve complex subsurface and surface challenges for the new energy industry around the world.

Disclaimer

Forward-Looking Information

This presentation contains "forward-looking statements". Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will", and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our evolving technology architecture; integration with third party workflows and data; our ability to generate revenue growth and profitability; the ability of CMG operating segment to maintain Adjusted EBITDA margins in excess of 40%; our ability to capture market share in energy transition; positioning CoFlow as an integrated platform; the financial and operational synergies of acquiring Bluware (BHV); our ability to grow the software revenue and profitability margins of BHV operating segment; and our ability to successfully execute on commercial partnerships and acquisitions.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are detailed in the Company's public filings which can be found on SEDAR at www.sedar.com and on CMG's corporate website at www.cmg.ca

Any forward-looking statement made in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Non-IFRS Financial Measures

Certain financial measures in this presentation – namely, Adjusted EBITDA, Adjusted Operating Profit Margin and Free Cash Flow – do not have a standard meaning prescribed by IFRS and, accordingly, may not be comparable to measures used by other companies. Management believes that these indicators nevertheless provide useful measures in evaluating the Company's performance.

Adjusted EBITDA and Adjusted EBITDA as a % of revenue (Adjusted EBITDA Margin) refers to net income before adjusting for depreciation and amortization expense, interest income, interest expense, and income and other taxes, stock-based compensation, restructuring charges, foreign exchange gains and losses, interest expense on lease liabilities, repayment of lease obligations, asset impairments, acquisition related costs and other expenses directly related to business combinations, including compensation expenses. Adjusted EBITDA should not be construed as an alternative to operating income, net income or liquidity as determined by IFRS. The Company believes that Adjusted EBITDA and Adjusted EBITDA as a % total revenue (Adjusted EBITDA Margin) are useful supplemental measures as they provide an indication of the results generated by the Company's main business activities prior to consideration of how those activities are amortized, financed or taxed. See "Adjusted EBITDA and Adjusted EBITDA as a % of Total Revenue" heading in the Q3 2024 Financial Report at www.cmg.ca/investors or at www.sedarplus.ca for a reconciliation of Adjusted EBITDA to net income.

Adjusted operating profit margin is calculated as operating profit excluding restructuring charges and acquisition-related expenses as a percentage of total revenue. Free cash flow is a non-IFRS financial measure that is calculated as funds flow from operations less capital expenditures and repayment of lease liabilities. Management uses free cash flow to help measure the capacity of the Company to pay dividends and invest in business growth opportunities.

All figures are presented in Canadian dollars unless otherwise indicated.

CMG Group At A Glance – FY 2024 YTD

Total Revenue
\$76.4M (up 43%)

21% organic growth
22% growth from acquisition

Recurring Revenue¹
\$55.8M (up 27%)

15% organic growth
12% growth from acquisition

Free Cash Flow²
\$26.1M (up \$9.8M)

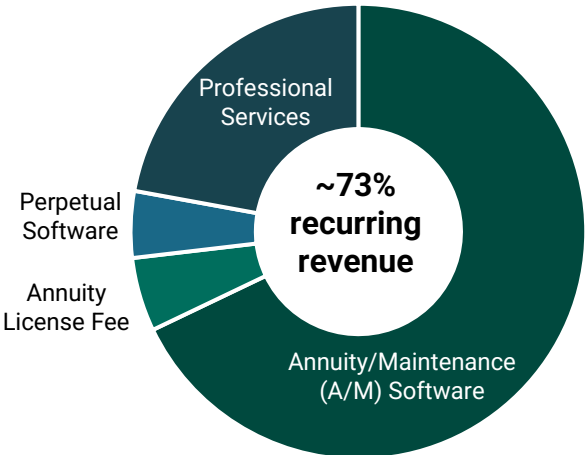
Adj EBITDA² Margin
44% (down from 46%)

47% Adj EBITDA Margin CMG
27% Adj EBITDA Margin BHV

YTD FY24 Software License Revenue



YTD FY24 Revenue Breakdown



As a result of CMG Group’s acquisition of BHV in September 2023, the Company’s operations are now organized into two reportable operating segments represented by CMG; the development and licensing of reservoir simulation software, and BHV; the development and licensing of seismic interpretation software.

Partner to Leading Energy Companies Globally

- 100% of the Super Majors
- 90% of the top-10 National Oil Companies
- 75% of the world’s top-25 largest oil companies
- 70% of the top unconventional producers

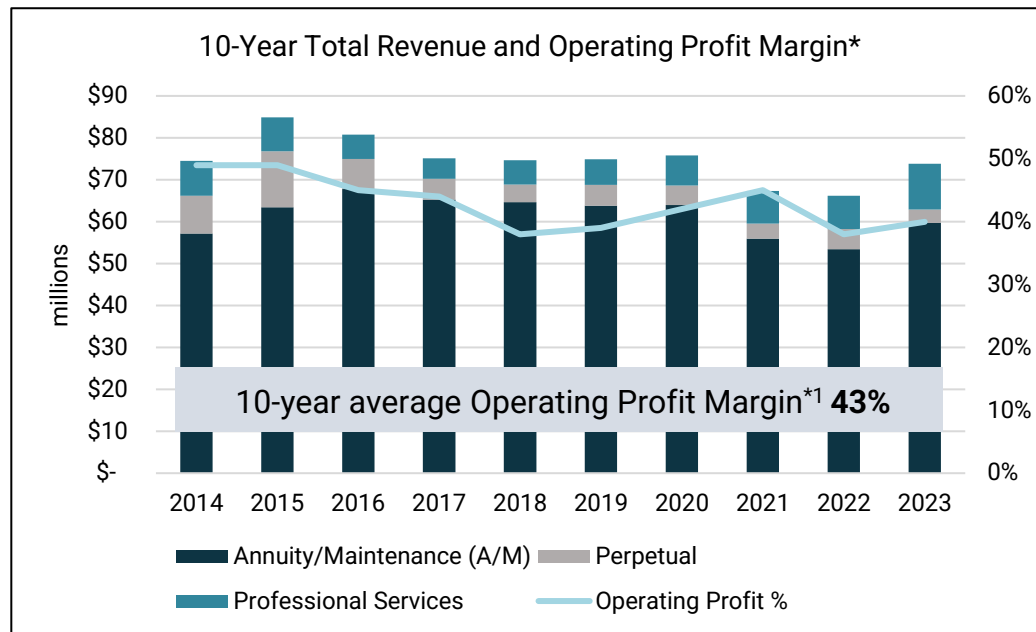


FY24 YTD – 9 months ended December 31, 2023
¹ Recurring revenue defined as Annuity and Maintenance (A/M) and Annuity License Fee
² See Non-IFRS Measures

CMG Group - Two Reporting Segments

CMG – 40+ years of innovation and profitability

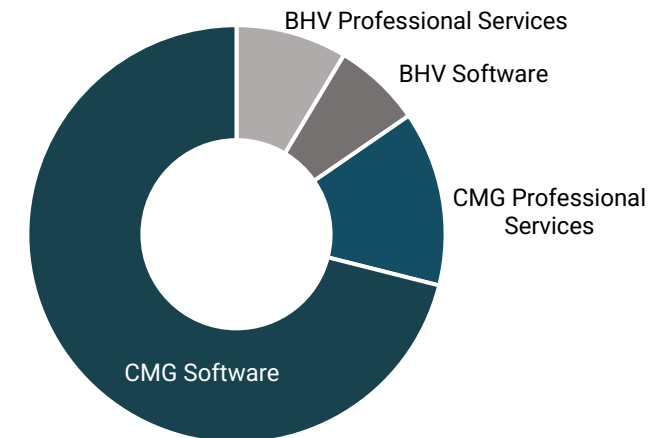
- Strong brand recognition and industry reputation; **40+ years** of reservoir simulation software development and best-in-class training and support
- Complex science and deep technical expertise underpin the technology creating **barriers to entry**



BHV (Bluware) – Acquired September 2023

- First major **acquisition** for CMG
- **AI/machine learning** technology for seismic interpretation
- Expands **product portfolio** and deepens CMG presence within customers' upstream energy workflows

CMG Group
YTD FY24 Revenue Breakdown



CMG Group 4.0 Strategy – Announced in Late 2022

Preserve long-term, per share profitability while driving growth and Free Cash Flow¹ both organically and through acquisitions

Growth

CMG 4.0 Strategy, announced in 2022, is a multi-faceted transformation strategy to drive sustained organic growth in the reservoir simulation business, leveraging the momentum towards digitization in the energy industry and the growing need for complex energy transition solutions. Resurgence of growth demonstrated by the 9th consecutive quarter of year over year revenue increases.

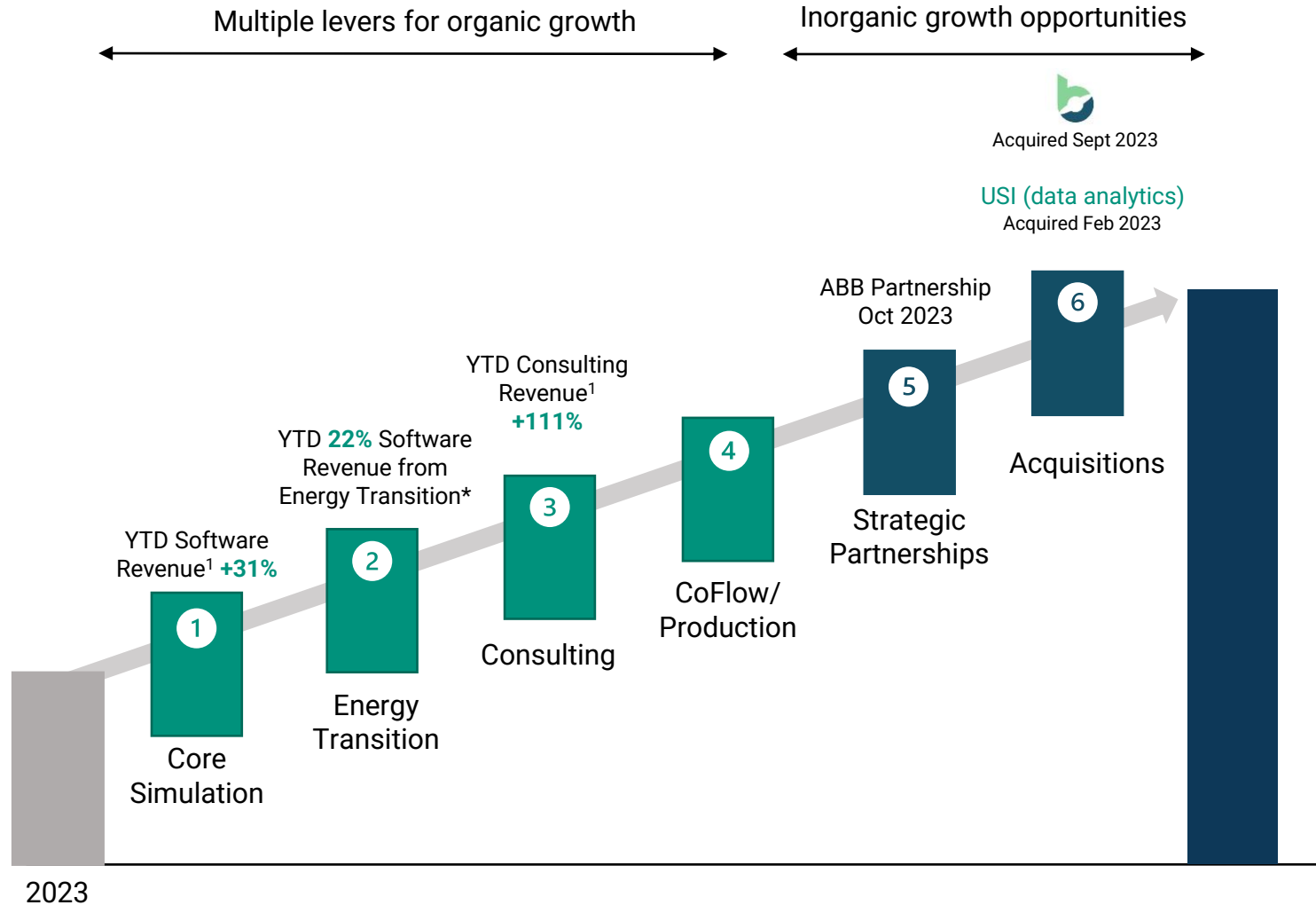
Profitability

With a durable recurring revenue model and a decades-long history of compelling operating margins and strong cash flows, CMG is committed to maintaining strong per-share profitability.

Acquisitions

Prudently invest excess capital, at attractive after-tax rates of return, to build durable, long-term software revenue growth and per-share profitability. Acquire businesses that enhance and diversify product offerings within the energy and adjacent industries.

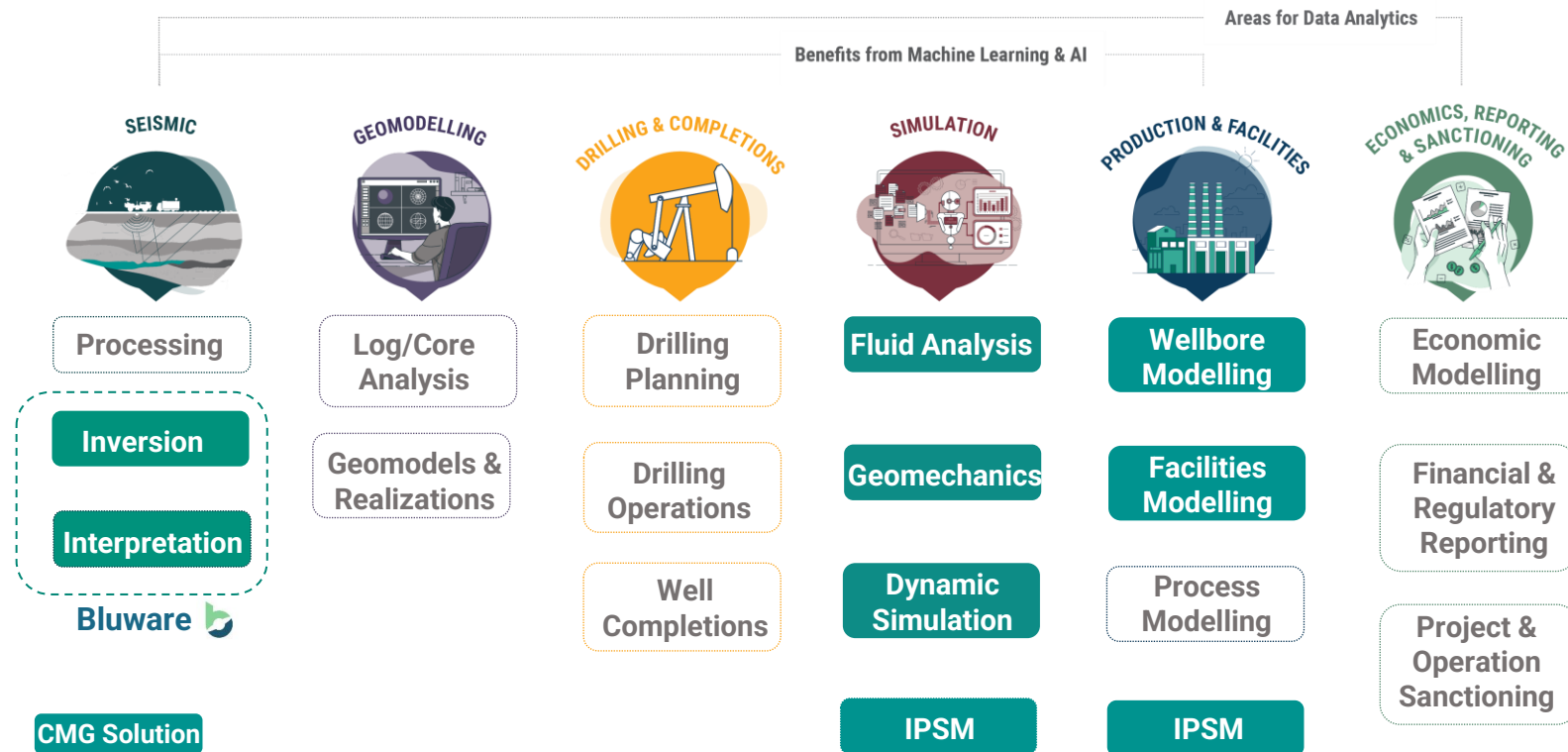
CMG Group 4.0 Strategy – Growth Levers and Progress year-to-date



- 1 **Accelerate software revenue with leading sales organization**
 - Shift to customer segmentation and value-based pricing
 - Solution strategy and market-driven roadmap
 - Broaden geographical reach and market penetration
 - Enhanced marketing and sales training
- 2 **Strengthen leadership in energy transition**
 - Growing demand to explore carbon capture and storage
- 3 **Deep technical expertise in consulting supporting an industry facing a talent crunch**
 - CMG is an established trusted partner
 - Expanded consulting practice to support demand
 - Prioritizing strategic consulting to drive software sales
- 4 **Commercialization of CoFlow**
 - Multi-year development initiative in partnership with Shell
 - Enters CMG into estimated \$300M production simulation market
- 5 **Strategic Partnerships**
 - Hatch/McDaniel
 - Wood LLP
 - ABB
- 6 **M&A Opportunities**
 - Building strong M&A pipeline
 - Diversifying within upstream energy and adjacent industries

CMG Group 4.0 Acquisition Strategy – Focused on upstream energy technologies to diversify and expand revenue

1. The upstream workflow provides strategic opportunities within the energy market



2. Adjacent markets

Strategic opportunities to enter new addressable markets where:

- ✓ Existing CMG expertise complementary
- ✓ Target acquisition has a strong recurring revenue model
- ✓ Software is business critical to customers

CMG – 40+ years of innovation in subsurface simulation

Simulation technology is increasingly important as energy companies seek to maximize the value of existing assets. Simulation also plays a critical role in the growing area of energy transition.

Reservoir Simulation Software

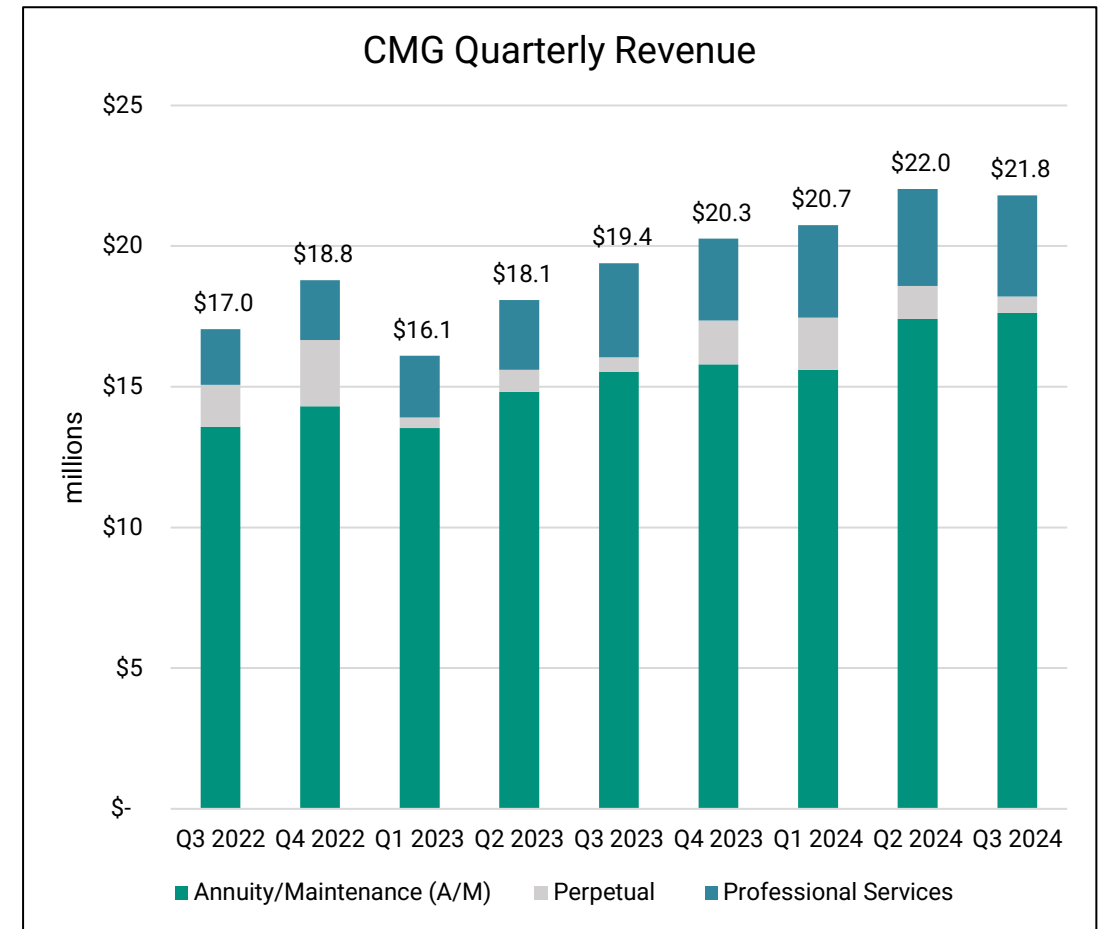
Market-leading reservoir simulation software, recognized as the industry standard in traditional oil and gas including Enhanced Oil Recovery (EOR), Heavy Oil and unconvensionals, and in Energy Transition including Carbon Capture and Storage (CCS), geothermal and hydrogen.

Production Simulation Software

Industry first Integrated Production Systems Modelling (IPSM) software to address production simulation market.

Consulting

Multi-disciplinary upstream consulting practice providing software proficiency and technical competency to build and optimize reservoir development plans.







CMG – Why We Win; leading technical expertise and exceptional customer service drive loyalty from a global customer base



Net Promoter Score (NPS) 68

B2B Software Average 41%

<div></div> <p>We have observed a significant improvement over the time we have used CMG technology. Our model, being a giant model, initially took a considerable time to load, but now, we have observed greater than 10x speedup in load times due to the helpful collaboration from CMG’s customer support and R&D departments.</p> <p>Zulhendra Zulhendra, Pertamina</p>	<div></div> <p>IRS ONGC has been using CMG software for reservoir simulation since 1992. We are highly satisfied with CMG software and the high level of support provided by CMG over the nearly 30 years of our relationship and looks forward to many more successful years of association in the future.</p> <p>K.P. Singh ONGC, India</p>
<div></div> <p>CMG GEM is the de-facto standard platform for CCS simulation. According to our extensive investigation through benchmarking, hearing, and several actual field and lab studies, GEM is the best commercial simulator that can accurately model the underlying physics in CCS.</p> <p>Dr. Shimamoto, INPEX, Japan</p>	<div></div> <p>CMG’s visualization capabilities, commitment to research, and easy-to-use interface make it the reservoir simulation tool for all our energy transition projects. It enables our clients and partners to meet rigorous permission requirements and ensure regulatory guidelines are met and exceeded.</p> <p>Charles Gorecki CEO, EERC</p>

CMG – Why Simulate? An investment that can yield substantial returns

Consider an unconventional Montney gas asset...

using IPSM to optimize facilities for reservoir performance and remove bottlenecks in the pipeline network, a \$150,000 investment in a simulation study generated incremental production resulting in **additional profit of \$3 million in one year**

Consider a heavy oil project producing 200,000 bbls/day...

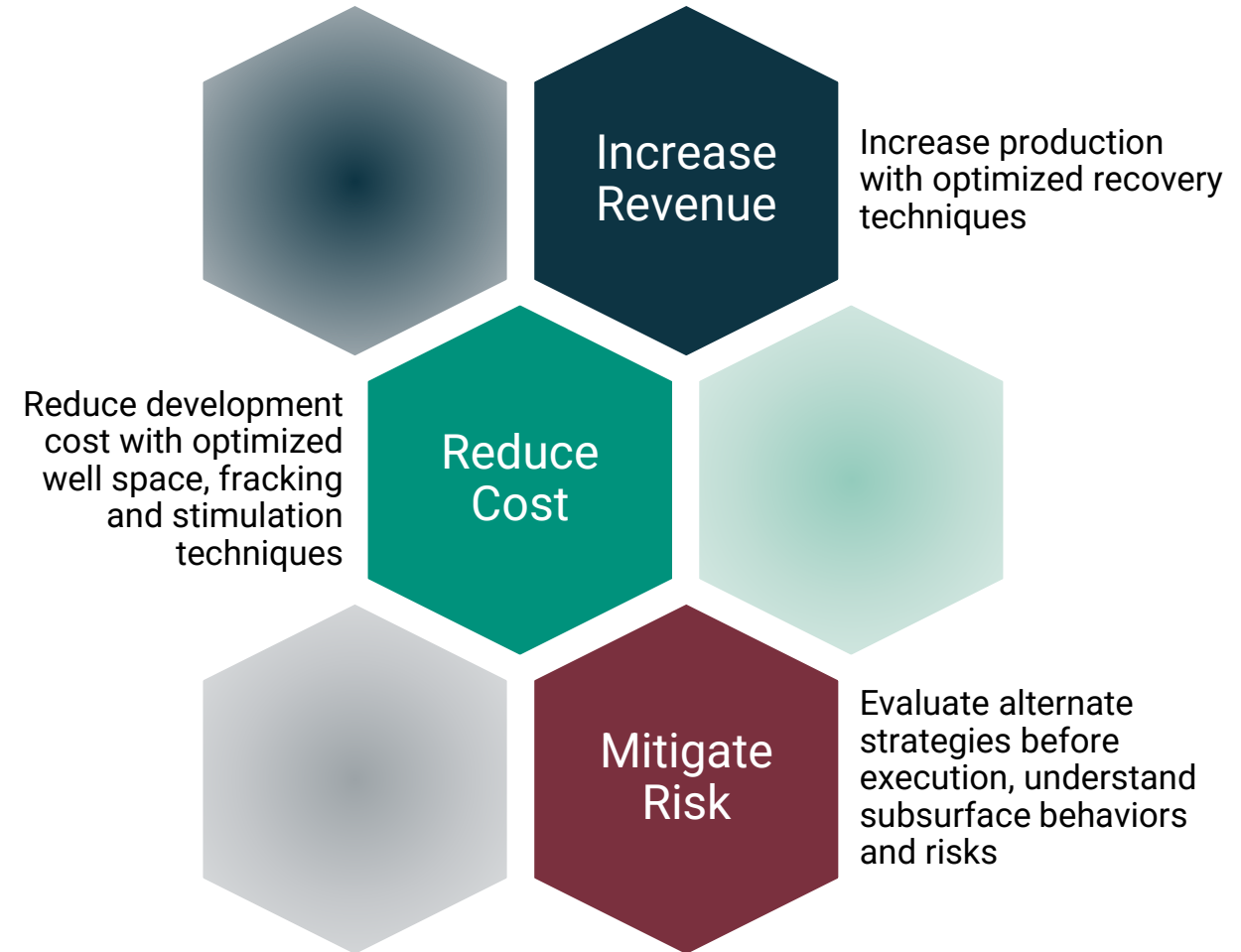
reducing operating costs by just \$1/bbl generates **savings of \$73 million per year** by spending \$300,000 on simulation tools

Consider a 50 MW geothermal power plant...

a 1% increase in productivity at the average price in Europe of \$500 per MW/hr is **worth \$2 million per year for 30 years**. That's a \$60 million return on a \$300,000 investment in 1 engineer and software

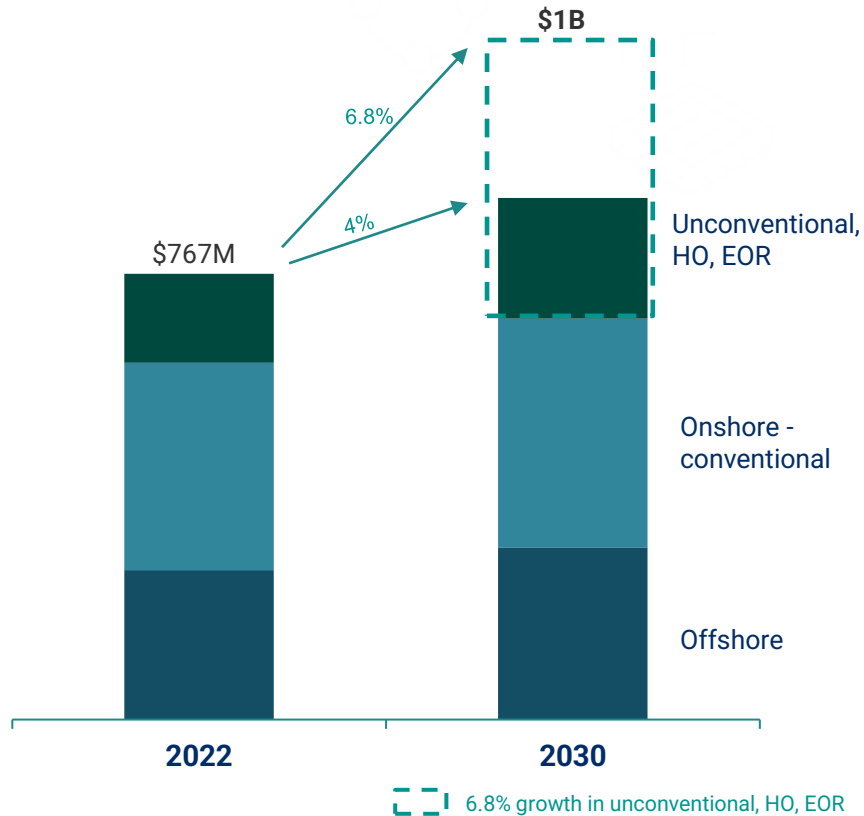
Consider an unconventional field in the Permian basin...

one well pad with 8 wells contains 480 frac stages, each costing \$50,000. Reducing the number of frac stages by 5 per well to optimize spacing can **lower the total well costs** by \$2 million



CMG operates in a market that continues to grow; Global Reservoir Simulation opportunity estimated at \$1B by 2030

Global Reservoir Simulation Market



Source: U.S. IEA, EIA, Company reports, ADI Analytics

Market Opportunity

Estimated \$1B Global Reservoir Simulation Market Through 2030

CMG FY 2023 Revenue \$73.8M

Reservoir Simulation expected to grow 2% - 3% annually

Unconventional, Heavy Oil and EOR expected to grow between 4% - 6.8%

Estimated \$300M Production Simulation Market

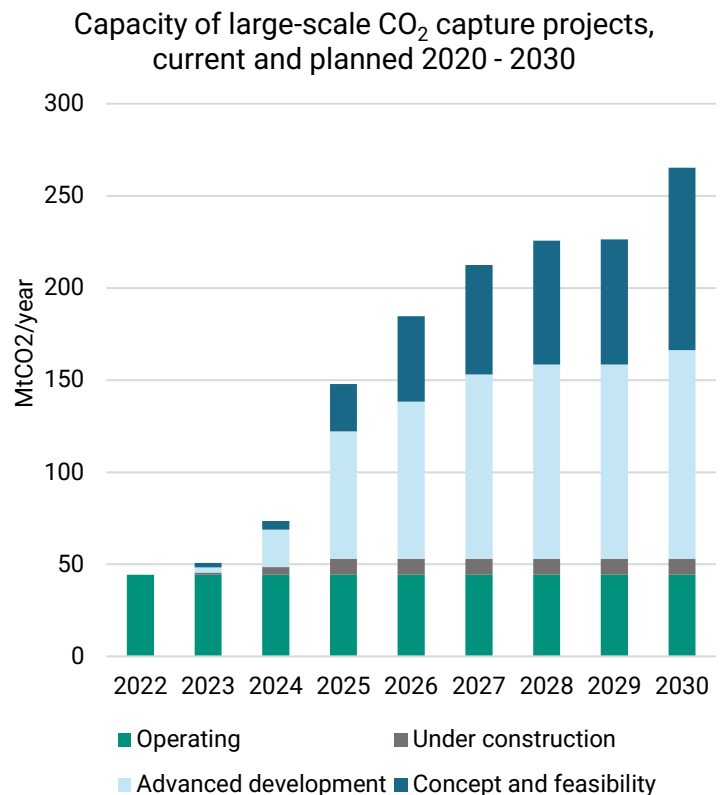
Potential to be addressed with CoFlow (IPSM) and production modules
Expands current market opportunity

Digital Transformation

Increasing volumes of data, rapid progress in computing power and advanced analytics are driving an acceleration towards digital solutions

CMG has a 20+ year history in CCS and is collaborating with innovative partners globally to deliver leading edge solutions

Strong Growth Anticipated in CO₂ Capture Projects



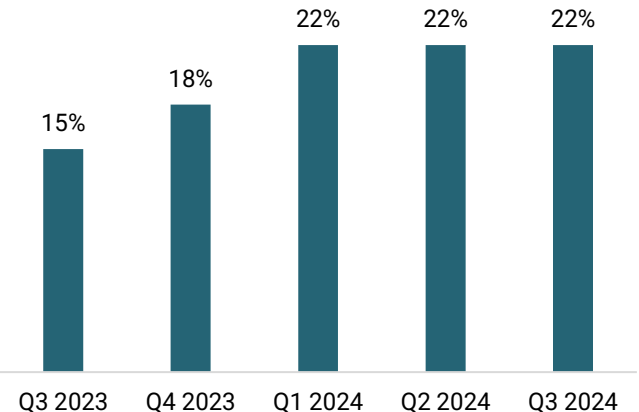
Source: www.iea.org/data-and-statistics/charts/capacity-of-large-scale-co2-capture-projects-current-and-planned-vs-the-net-zero-scenario-2020-2030

Energy Transition is Driving Revenue

CCS has significant need for simulation to comply with regulatory requirements and ensure safety. Government incentives have accelerated activity in the planning of CO₂ capture projects.

CMGs **existing software suite is currently the market leader for carbon sequestration simulation** and has strong applications in geothermal and hydrogen projects.

% of CMG Software Revenue Attributable to Energy Transition










Strategic Partnerships with Global Leaders in Energy Transition Innovation



CMG platform – scalable and extendable; simulator engines solve multiple problems

Features and Benefits

APPLICATIONS	 Conventional  Unconventional  Heavy Oil  EOR  CCUS  Geothermal  Hydrogen	Flexible and reusable capabilities for a variety of industry applications
SOLUTIONS	Reservoir Simulation <div>CoFlow IPSM Production</div> Data Analytics/ Machine Learning - CMOST	Physics-based simulation, integrated reservoir & production modeling, data analytics and optimization
USER EXPERIENCE	Desktop Applications Web Applications	Fit-for-purpose workflows to create powerful, easy-to-use tools
CORE SERVICES	Workflow Services <div>Public API Extensibility</div> Data Integration	Offer extensibility to integrate with third-party workflows and data
SIMULATOR PLATFORM	IMEX GEM STARS	Predictive and comparative analysis through CMG Simulation Engines
INFRASTRUCTURE	On-Premise Private Cloud Public Cloud Custom Hybrid	Flexible deployment models to meet the unique needs of each client



BHV (Bluware) – acquired September 2023

Bluware technology has a proven market fit and is future focused. Companies can improve geoscience workflows through cloud solutions and AI, resulting in faster and smarter decisions about the subsurface.

Services

Tailored software and application development services

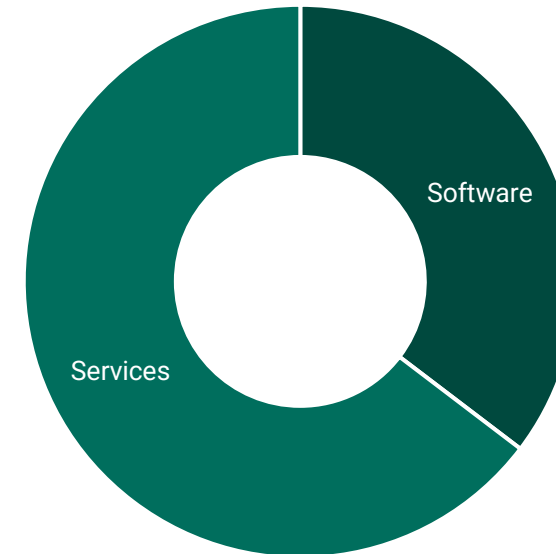
- **Consistent, profitable performance**

Software

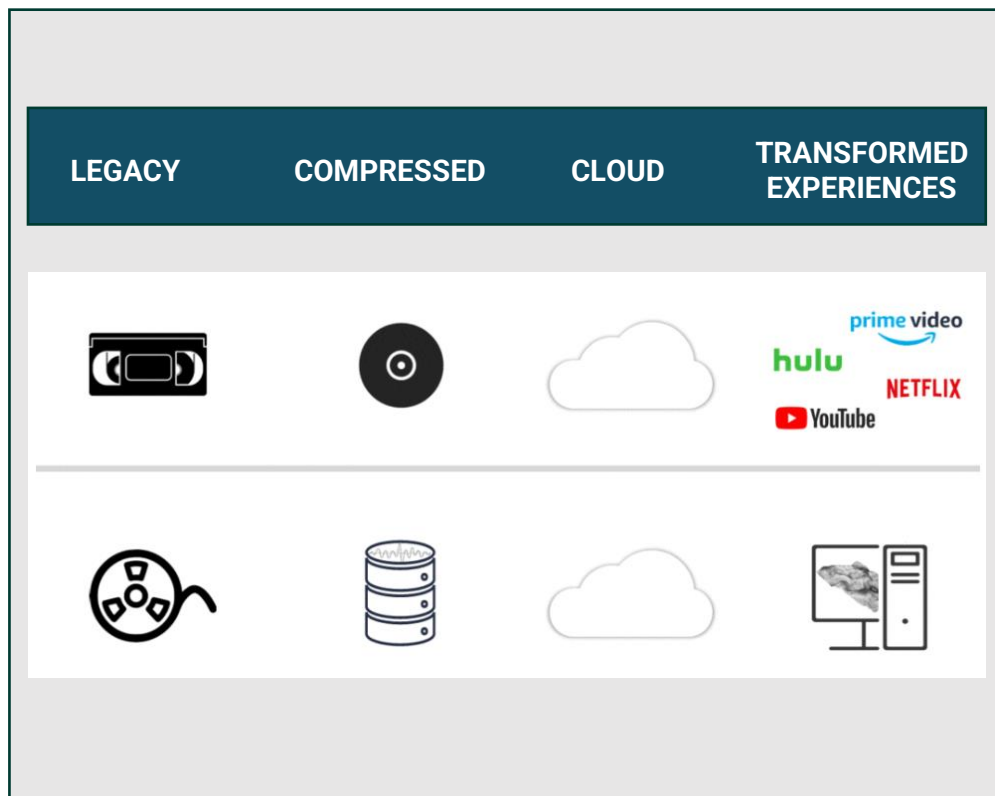
Enabling digital transformation

- **High quality, recurring revenue**
- **3-year* CAGR of software revenue 40%+**

Pro-forma YTD FY24 BHV Revenue



BHV (Bluware platform) - 3 key software transforming seismic interpretation workflows in the cloud



VDS™ (Volume Data Storage)

- Compress seismic data making it adaptable and scalable
- Fast access; cost-effective cloud storage; supports compute-intensive workflows
- OpenVDS™ available in OSDU creating new industry standard and format
- Bluware retains a commercialized version with enhanced capabilities

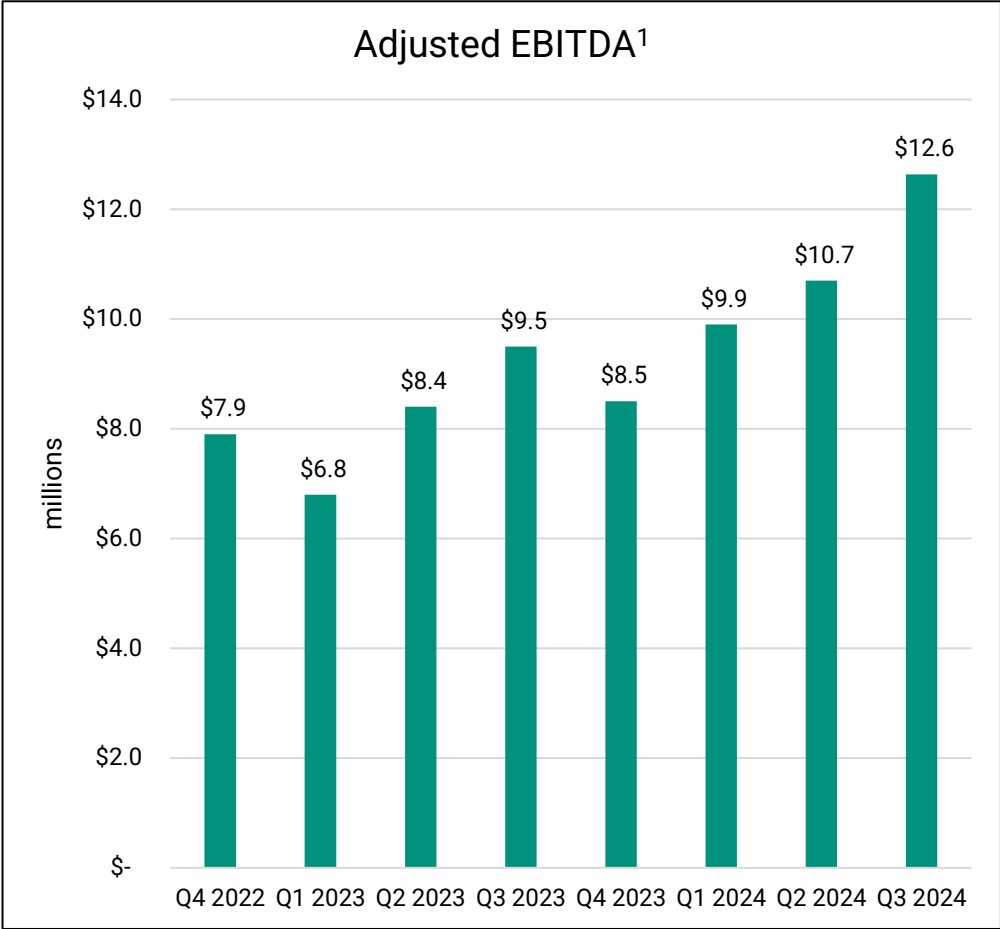
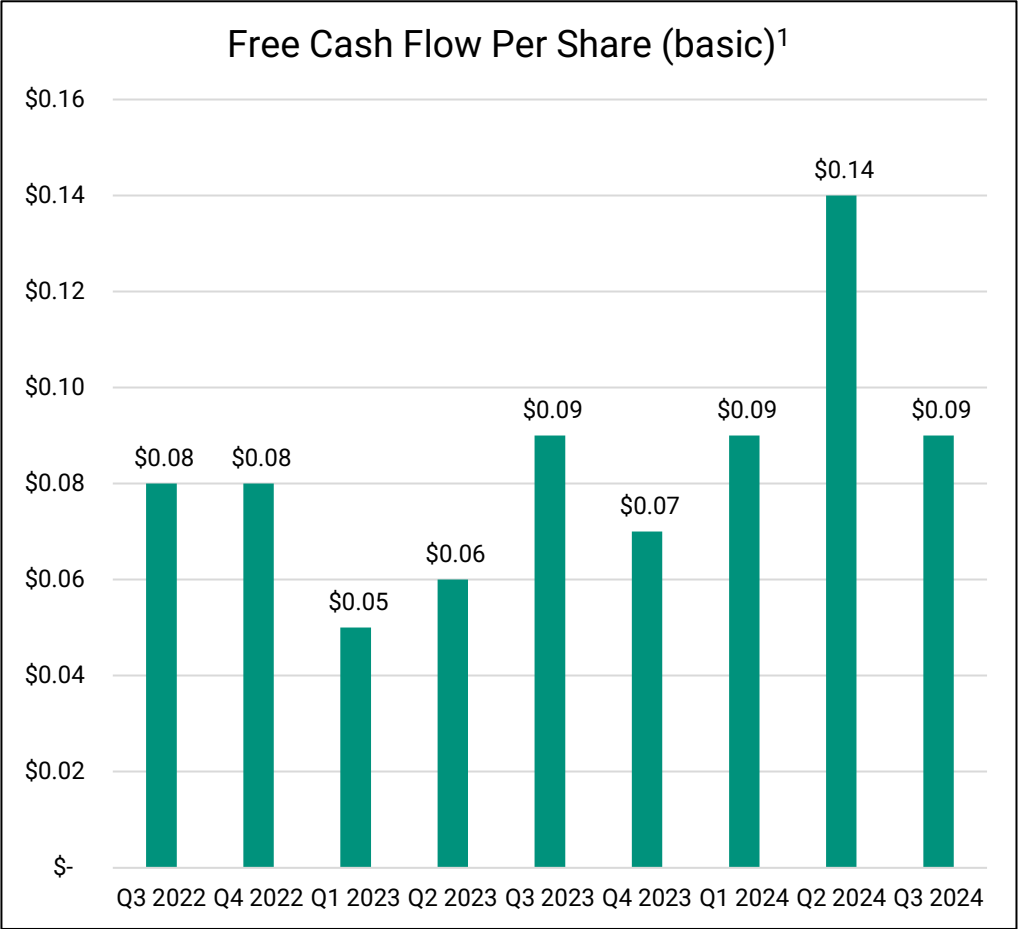
FAST™

Stream subsurface data from the cloud to your existing interpretation applications

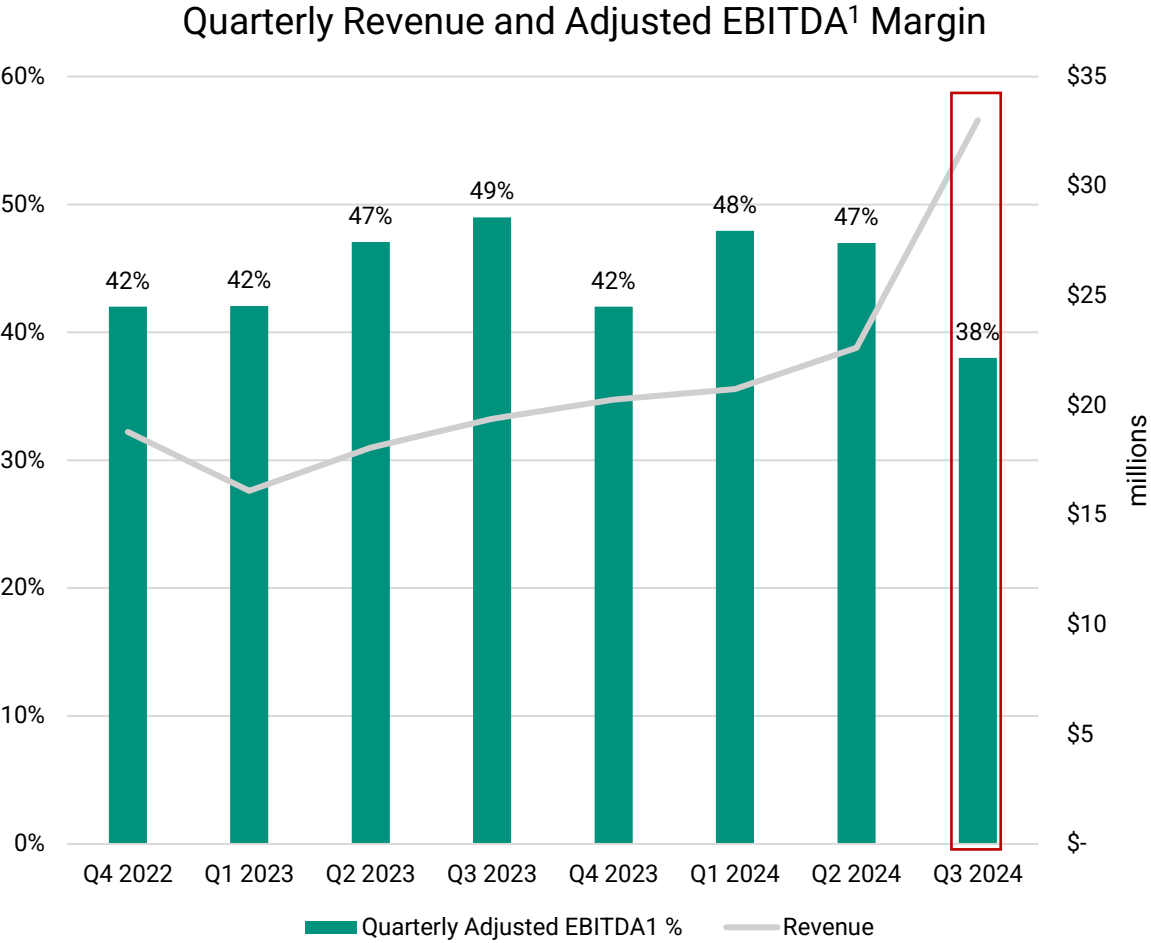
InteractivAI™

- Deep learning seismic interpretation tool
- Interactive training; learning from expert user
- Leverages benefits of VDS format
- Interpret seismic data in hours instead of days or weeks
- Estimated addressable market ~US\$100M

CMG Group is profitable and generates strong Free Cash Flow¹



CMG Group Adjusted EBITDA* margins expected to compress in the short term until BHV software sales accelerate



Q3 2024 represents the first full quarter consolidating BHV

As expected, revenue increase was accompanied by a dilution to Adjusted EBITDA¹ margin

CMG Group Adjusted EBITDA¹ margins expected to improve over time as BHV software revenue increases

CMG Operating Segment targeted to maintain Annual Adjusted EBITDA¹ margins at 40% or greater, consistent with historical averages

CMG – Strong, experienced and diversified leadership

Senior Management



Pramod Jain, Chief Executive Officer
Joined 2022

15+ years international leadership experience focused on corporate growth & innovation. Proven track record of successful turnarounds/transformations & building global B2B product organizations.



Sandra Balic, Chief Financial Officer
Joined 2009

15+ years experience in accounting and financial reporting, assuming the role of CMG CFO in 2013.



Long Nghiem, VP Innovation Lab
Joined 1978

45+ years experience as a leading developer of dynamic reservoir technologies. Dr. Nghiem was awarded the international SPE Reservoir Description and Dynamics Award in 2015.



John Mortimer, Chief Technology Officer
Joined 2022

20+ years experience in software development, leading several software and technology companies through high growth periods including Benevity, Blackline Safety, and Pason Systems.



David Hicks, VP Eastern Hemisphere
Joined 1998

25+ years sales and leadership experience in global O&G including Europe, Africa and the Middle East.



Anjani Kumar, VP Customer Success & Consulting
Joined 2005

25+ years experience in reservoir engineering and simulation, author of several research papers and serves on various committees for the SPE.



Sheldon Harbinson, VP Western Hemisphere
Joined 2022

20+ years experience leading teams in sales and business development in O&G industry; Landmark Graphics, Tervita Corp.

Core Leadership and Operating Team



Rahul Jain, Head of Business Operations
Joined 2022

14+ years of experience in Operations, Client Management, Product & Program Management, and SaaS implementation.



Daniel Edelshaim, Head of Legal
Joined 2022

15+ years experience leading national and international legal and legal operations teams, in technology and enterprise software.



Kristina Mysev, Head of People & Culture
Joined 2022

16+ years experience in financial services, construction, and professional services, covering client groups ranging from 300 to 3,000 staff.



Mohammad Khalaf, Head of Corporate Development
Joined 2022

15+ years experience in business development. Executed over 80 transactions globally with a deal value of over C\$1.5 billion.



Kim MacEachern, Manager Investor Relations
Joined 2022

16+ years capital market experience and 6+ years investor relations experience with small-cap TSX and Nasdaq listed growth companies.

Appendix

Quarterly Financial Highlights

(\$ thousands, unless otherwise stated)	Fiscal 2022 ⁽²⁾		Fiscal 2023 ⁽³⁾			Fiscal 2024 ⁽⁴⁾		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Annuity/maintenance license	14,306	13,529	14,825	15,533	15,803	15,607	17,610	18,814
Annuity license fee	-	-	-	-	-	-	-	3,846
Perpetual license	2,351	386	780	518	1,556	1,849	1,176	584
Total software license revenue	16,657	13,915	15,605	16,051	17,359	17,456	18,786	23,244
Professional services revenue	2,137	2,192	2,477	3,341	2,906	3,292	3,847	9,763
Total revenue	18,794	16,107	18,082	19,392	20,265	20,748	22,633	33,007
Operating profit	7,312	4,961	5,555	8,435	6,909	9,764	7,726	8,217
Operating profit (%)	39%	31%	31%	43%	34%	47%	34%	25%
Profit before income and other taxes	6,563	5,182	5,989	8,350	7,127	9,148	8,793	8,117
Income and other taxes	1,611	1,369	1,579	2,002	1,901	2,244	2,277	2,507
Net income for the period	4,952	3,813	4,410	6,348	5,226	6,904	6,516	5,610
Adjusted EBITDA ⁽¹⁾	7,879	6,775	8,435	9,498	8,520	9,948	10,718	12,634
Cash dividends declared and paid	4,016	4,017	4,025	4,025	4,032	4,039	4,043	4,059
Funds flow from operations	7,105	4,558	4,974	8,169	7,656	7,920	11,491	8,477
Free cash flow ⁽¹⁾	6,584	4,255	4,505	7,545	5,396	7,463	11,028	7,654
Per share amounts – (\$/share)								
Earnings per share (EPS) – basic	0.06	0.05	0.05	0.08	0.07	0.09	0.08	0.07
Earnings per share (EPS) – diluted	0.06	0.05	0.05	0.08	0.06	0.08	0.08	0.07
Cash dividends declared and paid	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Funds flow from operations per share – basic	0.09	0.06	0.06	0.10	0.09	0.10	0.14	0.10
Free cash flow per share – basic ⁽¹⁾	0.08	0.05	0.06	0.09	0.07	0.09	0.14	0.09

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

(2) Q4 of fiscal 2022 includes \$0.8 million of annuity/maintenance revenue that pertains to usage of CMG’s products in prior quarters.

(3) Q1, Q2, Q3, and Q4 of fiscal 2023 include \$0.2 million, \$0.3 million, \$0.3 million, and \$0.4 million, respectively, of annuity/maintenance revenue that pertains to usage of CMG’s products in prior quarters.

(4) Q1, Q2, and Q3 of fiscal 2024 include \$0.1 million, \$0.4 million, and \$0.2 million, respectively, of annuity/maintenance revenue that pertains to usage of CMG’s products in prior quarters.

Reconciliations

Free Cash Flow Reconciliation to Funds Flow from Operations

	Fiscal 2022		Fiscal 2023		Fiscal 2024			
(\$ thousands, unless otherwise stated)	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Funds flow from operations	7,105	4,558	4,974	8,169	7,656	7,920	11,491	8,477
Capital expenditures	(62)	-	(130)	(211)	(1,707)	(45)	(51)	(459)
Repayment of lease liabilities	(459)	(303)	(339)	(413)	(553)	(412)	(412)	(364)
Free cash flow	6,584	4,255	4,505	7,545	5,396	7,463	11,028	7,654
Weighted average shares – basic (thousands)	80,335	80,335	80,412	80,511	80,603	80,685	80,384	81,067
Free cash flow per share – basic	0.08	0.05	0.06	0.09	0.07	0.09	0.14	0.09

Reconciliation of Operating Profit to Adjusted Operating Profit¹

	Fiscal 2022		Fiscal 2023		Fiscal 2024			
(\$ thousands)	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Profit	7,312	4,965	5,557	8,499	6,931	9,799	7,695	8,217
CEWS	(916)	-	-	-	-	-	-	-
CERS	-	-	-	-	-	-	-	-
Acquisition related costs	-	-	-	-	-	-	573	696
Restructuring Charge	-	1,602	2341	-	-	-	-	-
Adjusted Operating Profit	6,396	6,567	7,898	8,499	6,931	9,799	8,268	8,913
Adjusted Operating Profit as a % of Revenue	34%	41%	44%	44%	34%	47%	37%	27%

¹ See Non-IFRS Measures

Reconciliations

Reconciliation of Adjusted EBITDA¹ to Net Income

(\$ thousands)	Fiscal 2022		Fiscal 2023		Fiscal 2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Income	4,952	3,813	4,410	6,348	5,226	6,904	6,516	5,610
Add (deduct):								
Depreciation and amortization	1,054	931	937	865	916	961	1,021	1,555
Stock-based compensation	1,382	74	427	1,093	1,722	104	2,291	2,974
Acquisition related costs	-	-	-	-	-	-	573	696
Restructuring charges	-	1,602	2,341	-	-	-	-	-
Income and other tax expense	1,611	1,369	1,579	2,002	1,901	2,244	2,277	2,507
Interest income	(101)	(180)	(377)	(548)	(705)	(760)	(692)	(986)
FX loss (gain)	356	(531)	(543)	151	13	907	(856)	642
Repayment of lease liabilities	(459)	(303)	(339)	(413)	(553)	(412)	(412)	(364)
CEWS	(916)	-	-	-	-	-	-	-
CERS	-	-	-	-	-	-	-	-
Adjusted EBITDA	7,879	6,775	8,435	9,498	8,520	9,948	10,718	12,634
Adj EBITDA as a % of total revenue	42%	42%	47%	49%	42%	48%	47%	38%

¹ See Non-IFRS Measures

OFFICES



Global Head Office

Calgary, Canada

Regional Offices

Houston, United States

Bogota, Colombia

Rio de Janeiro, Brazil

Bengaluru, India

Dubai, UAE

Oxford, UK

Kuala Lumpur, Malaysia

Oslo, Norway