CEO Letter to Shareholders

May 22, 2025

Dear Fellow Shareholders,

CMG is steadily evolving into a performance-driven culture – an essential foundation for our future success. Just as our employees and executives undergo year-end reviews, so too should CMG. If we were to conduct a performance review for the organization, I believe two key themes would emerge:

1. How do we think about growth in the context of our performance this year?
2. Acquisition Strategy: Is it working and what's next?

Fiscal 2025 Performance: Organic Growth Challenged Short-Term

After two strong years of growth in our reservoir and production solutions, this year we experienced a setback. The question is why and how enduring is the impact.

Over the past two years, growth in our reservoir and production solutions has been driven by new customer acquisitions, increased share of wallet from existing clients, and expansion in Energy Transition —particularly in Carbon Capture & Storage (CCS).

Two things changed. Oil prices have declined, and while I firmly believe that during times of uncertainty the industry should lean more heavily on technology, we are not immune to the impact. Customers, especially the medium and smaller size operators, are reducing budgets leading to more scrutiny on technology spend. Add to that, many companies are reevaluating their energy transition and renewable strategies. Carbon capture and storage (CCS), which gained momentum as a result of U.S. Inflation Reduction Act (IRA) related tax incentives, has now taken a back seat and activity in the US has meaningfully pulled back.

The obvious question in investors' minds: how will we perform in a downturn? While it is impossible to say how long these cyclical and macro impacts may continue, I believe there are some fundamental differences in the market and in our organization that support a different outcome for CMG than in prior downturns.

Easy oil is gone - incremental global production is coming from areas that are harder and harder to recover. CMG has focused decades of research and developed differentiation in the market based on complex recovery. Ultimately, increased reliance on enhanced oil recovery (EOR) and unconventional methods aligns with our expertise and offering. This is CMG's specialization.

CCS has not gone away - US activity has slowed, and particularly hard hit were the new projects in early design and feasibility stage that made up a good portion of revenue growth for us in the US market. Still, other regions including Europe and Southeast Asia are steadily moving forward. We are seeing a number of approved projects moving into the build phase. As these projects are expected to be in operations for decades, so too is the need for simulation which is an integral part of ongoing monitoring. In fact, our strategic partner ABB recently secured an automation contract for a major long term CCS project in the UK, underscoring both the global relevance of CCS and the importance of strategic partnerships to CMG's long-term success.

Commercially led organization - The work we started three years ago to shift to a more commercially agile organization resulted in a more disciplined approach to sales and marketing. CMG has shifted from mainly passive order-takers to a company with a holistic view of the market and the white space in front of us. For example, we are targeting new geographies and have already increased our strategic business development focus and sales presence in the Eastern Hemisphere where National Oil Companies (NOCs) are putting a premium on superior technology to optimize increasingly complex assets.

Power of 3 - With the completion of two acquisitions, we are more diversified, and this will be a valuable driver of growth. We have evolved from a single-product company into a multi-product, best-in-class organization that not only spans the subsurface workflow - from seismic to reservoir to production simulation - but also benefits from each product bringing its own unique opportunity set to drive value and innovation.

All of this does not mean that we may not have some challenging quarters ahead of us. It does mean we are better positioned than in the past to tackle them

Outlook for Fiscal 2026: Stable Profitability Amid Shifting Revenue Dynamics

Beginning this quarter, we have consolidated our financial reporting into one segment. Going forward, we will report on organic growth and growth from acquisitions. Recurring revenue, Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow per share growth will be the key indicators of the successful execution of our strategy.
We will no longer report energy transition as a percentage of software revenue as that metric was calculated on the previously reported reservoir and production solutions segment only, but we will provide qualitative commentary when it is a material driver of performance.

Excluding the impact of future acquisitions, our outlook for fiscal 2026 reflects a mix of growth opportunities and near-term headwinds. While the Sharp acquisition will contribute to overall revenue growth, we remain cautious on organic growth. Seismic solutions is well positioned for expansion, benefiting from early market adoption, strong product differentiation, and increased sales execution. Conversely, our reservoir and production solutions may remain under pressure from the same macro factors that affected recent performance.

We also expect a \$6–\$7 million year-over-year decline in professional services revenue - driven by the wind-down of funded CoFlow development, a reduction in non-core services at Bluware, net of increased contributions from Sharp. This decline may offset or limit our ability to show total revenue growth in fiscal 2026.

Adjusted EBITDA and margin are expected to remain relatively flat as we absorb the services revenue decline. While we will manage costs carefully, there may be a lag in realizing the full impact of our efficiency measures. We expect this to be a temporary dynamic, with no carryover effect into fiscal 2027.

Acquisitions: Significant Driver of Future Growth

We spent the last two years building out the foundation for a scalable acquisition model with the ultimate objective of consistently deploying our excess Free Cash Flow. Having completed two acquisitions and deployed 95% of our Free Cash Flow during the past two years, we believe we are at a point where we can start increasing our transaction cadence shifting our growth profile to be more materially driven by acquisitions. Our strategic objectives are twofold. First, to generate high rates of return on invested capital and second, to diversify the company in a way that strengthens our core offerings.

Taking Bluware as an example, did we meet those two objectives? First, annualized software revenue is up 50% from pre-acquisition levels and Adjusted EBITDA Margin has expanded from roughly 5% to 15%. Financially, we are on track and performing well. Second, it has elevated our role as a strategic partner - enabling us to engage directly with key executives and procurement leaders in subsurface operations, where critical purchasing decisions are made.

So where do we go from here?

Building on learnings from these first two acquisitions and with the insights gained from completing an extensive landscape exercise over the past 18 months, we have further refined our strategy.

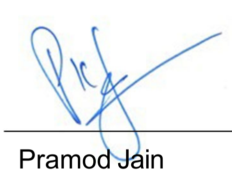
We continue to believe that our vision of a connected ecosystem of differentiated upstream oil and gas solutions is highly relevant to customers, and it is possible to build through carefully chosen acquisitions. Bluware and Sharp are examples of the type of platform acquisitions that are a primary focus. In addition, we know that there are high-quality oil and gas businesses, extending into the midstream and downstream sectors, that could benefit from the optimization strategies we apply across our portfolio, even if they don't align with our current platform vision or go-to-market strategy. Including these standalone acquisitions broadens our investable universe and enables us to continue deploying capital at relatively predictable and attractive returns. We are also exploring differentiated, science-based, engineering focused technologies in adjacent verticals, outside the oil and gas sector.

With this framework, we are in a good position to increase our deal funnel and support a higher deal frequency. We are set up to deploy a large amount of capital during the next decade relative to our current market capitalization and that this will be a significant driver of the outcome for CMG shareholders.

In Closing

In the context of my journey with CMG, it feels like the past three years are just the start. While I acknowledge that we hit a partial setback in momentum, there are many reasons to be bullish for the long term. CMG has a healthy net cash balance. The existing business is generating attractive Free Cash Flow which has allowed us to self-fund two sizeable acquisitions. Our acquisition engine is maturing and is primed for forward momentum. Despite short-term headwinds, our mid to long-term outlook for the existing business remains solid, supported by sustained customer reliance on our solutions, which are deeply embedded in critical subsurface workflows. All of this gives me immense confidence that over time, our CMG 4.0 Strategy will create tremendous value for our customers and employees, and, as a result, significant returns for our shareholders. Thank you for being on the journey with us. I sincerely appreciate your trust and continued support and I don't take it for granted.

Sincerely,



Pramod Jain

Chief Executive Officer

This letter to shareholders forms an integral part of our Management's Discussion and Analysis ("MD&A") and includes forward-looking information and forward-looking statements (together, "Forward Looking Statements") within the meaning of applicable securities laws, and measures that do not have a standard meaning prescribed by the International Financial Reporting Standards ("IFRS"), including the financial measure "Free Cash Flow" to indicate financial performance. For detailed information on these Forward-Looking Statements, non-IFRS measures, and associated risks, please see the relevant sections in our MD&A dated May 22, 2025, accessible on SEDAR+ (www.sedarplus.ca) and our website (www.cmgl.ca/investors/financial-reports).