CEO Letter to Shareholders

February 10, 2026

Dear Shareholders,

Over the past several years, CMG has changed in meaningful ways. What began as a single workflow reservoir simulation business has grown into a broader subsurface software portfolio that now includes seismic interpretation and geoscience solutions. Today, CMG is best described as a group of businesses at different stages of maturity, growth, and margin development.

That evolution adds complexity when assessing our performance, particularly in periods when customer spending is uneven and when newer acquisitions are still early in their software growth curve. We are operating in one of those periods now. Against that backdrop, I want to clearly restate how we think about CMG today and how we expect the business to develop over time.

First, CMG is built on a durable base of Recurring revenue.

Our software remains deeply embedded in customer workflows and is relied upon across roughly 60 countries. That does not make us immune to churn, we have seen pressure on organic Recurring revenue in recent quarters, but it does provide a resilient foundation. We continue to believe we have a stable base and that organic Recurring revenue will return to growth as customer spending normalizes.

Second, we expect margins to expand as our acquisitions mature.

The businesses we acquired entered the portfolio with lower margin profiles than our core reservoir simulation solutions. As recurring software becomes a larger share of revenue within those businesses, profitability should improve. We are encouraged by adoption trends across several products and remain confident in their long-term contribution to margins and cash flow.

Third, we remain disciplined in how we deploy capital.

We invest selectively in high-quality, science-based technologies where we believe we can add value and where solutions either extend or deepen our workflow coverage. We do not pursue scale for its own sake. Fit, durability, and long-term value creation guide our decisions, and investors should continue to expect selectivity in our acquisition pace.

Taken together, **portfolio durability, margin expansion over time, and disciplined acquisitions,** these are the drivers of long-term value at CMG. We measure progress through Recurring revenue growth, Free Cash Flow generation, and the full deployment of that cash flow.

Candidly, our recent results across these measures have been disappointing.

Industry dynamics have weighed on near-term Recurring revenue, which in turn has reduced Free Cash Flow. That impact has been compounded by the acquired businesses still progressing through their early growth and profitability ramp. The pace of closing transactions has also been slower than we would like despite a very active pipeline.

These challenges are real and recent performance has underscored the work still ahead of us, but it has not shaken my conviction in the long-term strategy. We remain focused on building CMG into a durable, high-quality software portfolio with the potential to compound value over time.

Ultimately, growth in Recurring revenue and Free Cash Flow will be evidence of our success.
With that context, I will turn to the quarter.

Q3 FY26 –Reservoir Simulation Solutions

Reservoir simulation has been the foundation of CMG for decades. As we began the CMG 4.0 journey three years ago, this business generated the cash flow that enabled our acquisition strategy. Its durability and ability to produce Free Cash Flow remain critical to you as shareholders and to me as CEO.

I want to be precise in explaining the headline revenue results this quarter, so the underlying trajectory is properly understood.

Organic Recurring revenue declined year-over-year, primarily within reservoir simulation. Importantly, this result does not reflect further deterioration compared with Q2 FY26.

Year-over-year comparisons are volatile due to discrete customer contract events over the past seven quarters, all of which we have previously disclosed. In FY25, the loss of one customer's renewal in Q2 created a step-down in revenue. This was replaced in Q3 through a new contract with an unrelated customer. As a result, Q2 FY25 represents a depressed comparison, while Q3 FY25 reflects a relative rebound. This dynamic makes the Q3 FY26 decline appear more pronounced on a percentage basis, even though reservoir simulation Recurring revenue was materially stable quarter to quarter.

As we have communicated, the primary driver of lower recurring revenue in both Q2 and Q3 FY26 is a single contract loss that took effect in Q2 FY26. Excluding that impact, overall customer retention has remained stable relative to Q2 FY26.

We have also made progress in two areas that reinforce the business. CoFlow had previously weighted on profitability as we invested ahead of commercialization. Over the past year, we took deliberate cost actions and narrowed our focus. CoFlow is now contributing positively to profitability and is financially self-sustaining. Even though it has not yet reached the margin profile of the core reservoir simulation, it is firmly on a path to strong profitability.

We have also tightened execution around renewals in reservoir simulation. Renewal processes are more structured, senior oversight is engaged earlier, coordination between sales and customer success has improved. These changes provide better visibility and earlier engagement. As a result, we believe we are managing the renewal base with greater control than a year ago.

These are execution improvements, not changes to the business model, and they matter.

Sharp Reflections

I intend to provide insights on each acquisition at the one-year mark under our ownership. In May of last year, I discussed Bluware's early progress. This quarter, I want to reflect on the first year of Sharp Reflections.

Over the past twelve months, Sharp has met our expectations. Software revenue is more than 20% above pre-acquisition levels. Adjusted EBITDA margin has expanded from low double-digit (pre-acquisition) to 17%, reflecting strong performance while continuing to invest in the business to support long-term growth. Our playbook of strengthening sales and customer success teams is driving more global opportunities, new customers wins, and greater usage among existing customers and I remain optimistic about Sharp's trajectory.

Capital Allocation and Outlook

Under our Normal Course Issuer Bid, we repurchased 2,287,300 shares (through January 31, 2026). These purchases reflect our confidence in the long-term value of CMG and our belief that CMG's shares are currently trading below their intrinsic value.

We continue to evaluate a record number of acquisition opportunities. The quality of the pipeline and the opportunities under active review are encouraging.

As we move into the fourth quarter, our expectations remain as follows:

- We expect year-over-year organic Recurring revenue growth to turn positive in Q4 of the current fiscal year;
- Based on our current outlook, we expect to deliver positive annual organic Recurring revenue growth in fiscal 2027, yet caution that due to revenue recognition, quarterly growth will be uneven.

This has been a period that has tested patience and discipline. That is often part of building something durable. Our focus remains on execution, financial rigor, and positioning CMG to emerge stronger

Thank you for your continued support and trust.

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", "Organic growth/decline" and "Recurring revenue" 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 February 10, 2026, accessible on SEDAR+ (www.sedarplus.ca) and our website (www.cmgl.ca/investors/financial-reports).