

Q3 2026 Financial Report

CMC

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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).

Computer Modelling Group Ltd. announces its third quarter results for the three and nine months ended December 31, 2025.

THIRD QUARTER 2026 CONSOLIDATED HIGHLIGHTS

Select financial highlights

- Total revenue decreased by 9% (17% Organic decline⁽¹⁾ and 8% growth from acquisitions) to \$32.7 million;
- Recurring revenue⁽²⁾ decrease by 4% (14% Organic decline and 10% growth from acquisitions) to \$23.7 million;
- Adjusted EBITDA⁽¹⁾ decreased by 30% to \$9.7 million;
- Adjusted EBITDA Margin⁽¹⁾ was 30%, compared to 39% in the comparative period;
- Earnings per share was \$ 0.07, a 42% decrease;
- Free Cash Flow⁽¹⁾ decreased by 34% to \$5.8 million; Free Cash Flow per share decreased to \$0.07 from \$0.11.

THIRD QUARTER YEAR TO DATE 2026 CONSOLIDATED HIGHLIGHTS

Select financial highlights

- Total revenue decrease by 3% (16% Organic decline⁽¹⁾ and 13% growth from acquisitions) to \$92.5 million;
- Recurring revenue⁽²⁾ increase by 4% (10% Organic decline and 14% growth from acquisitions) to \$65.3 million;
- Adjusted EBITDA⁽¹⁾ decreased by 27% to \$24.3 million;
- Adjusted EBITDA Margin⁽¹⁾ was 26%, compared to 35% in the comparative period;
- Earnings per share was \$0.14, a 33% decrease;
- Free Cash Flow⁽¹⁾ decreased by 41% to \$12.2 million; Free Cash Flow per share decreased to \$0.15 from \$0.25.

(1) Organic growth/decline, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow are not standardized financial measures and might not be comparable to measures disclosed by other issuers. For more information see under "Non-IFRS Financial and Supplementary Financial Measures" heading.

(2) Recurring revenue includes Annuity/maintenance licenses and Annuity license fee, and excludes Perpetual licenses and Professional Services.

OVERVIEW

Market conditions remain challenging, as cautious customer outlooks continue to drive conservative spending behaviors. This continues to extend sales cycles for new software contracts, as customers are taking longer to advance purchasing decisions.

Against this backdrop, we have remained focused on positioning the company for long-term success, including moving decisively towards profitability with CoFlow, delivering speed-focused enhancements across our reservoir simulation software portfolio, and driving sales and growth alignment within our recently acquired companies.

We continue to build a robust process and discipline around our acquisition strategy. This quarter saw our highest level of activity to date in identifying and evaluating potential acquisitions, with advanced stage discussions underway.

Organic Recurring revenue declined in the quarter as the impact of the previously disclosed contract loss, which began in the second quarter, continued. This decline more than offset revenue growth from acquisitions.

Adjusted EBITDA and Free Cash Flow decreased during the quarter primarily due to the lower contribution from higher-margin reservoir and production solutions, as well as the ongoing expected decline in professional services revenue. Contributions from acquired businesses partially mitigated these impacts.

For the year-to-date period, acquisition growth continued to offset a significant portion of organic declines; however, overall Adjusted EBITDA and Free Cash Flow remain lower than the prior year, reflecting the cumulative effect of revenue mix changes and lower organic revenue.

Looking forward, Recurring revenue in the fourth quarter is expected to be higher than in the third quarter, reflecting the timing of seasonal contract renewals and revenue recognition. Organic Recurring revenue is expected to return to positive year-over-year growth in the fourth quarter.

While contract renewal and revenue recognition seasonality is expected to result in quarterly volatility, organic Recurring revenue growth is expected to be positive on an annual basis in fiscal 2027.

For the current fiscal year (excluding future acquisitions), Adjusted EBITDA is expected to be lower than the prior year due to the decline in organic revenue and professional services activity in the current fiscal year.

SUMMARY OF FINANCIAL PERFORMANCE

	Three months ended December 31			Nine months ended December 31		
(\$ thousands, except per share data)	2025	2024	% change	2025	2024	% change
Annuity/maintenance licenses	19,526	20,452	(5)%	58,927	58,089	1%
Annuity license fee	4,186	4,303	(3)%	6,354	4,552	40%
Recurring revenue ⁽¹⁾⁽²⁾	23,712	24,755	(4)%	65,281	62,641	4%
Perpetual license	417	804	(48)%	1,740	5,063	(66)%
Total software license revenue	24,129	25,559	(6)%	67,021	67,704	(1)%
Professional services	8,556	10,214	(16)%	25,498	28,059	(9)%
Total Revenue	32,685	35,773	(9)%	92,519	95,763	(3)%
Cost of revenue	5,975	6,307	(5)%	17,475	18,191	(4)%
Operating expenses						
Sales & marketing	4,526	4,363	4%	15,128	13,523	12%
Research and development	8,222	7,340	12%	23,615	22,013	7%
General & administrative	6,743	6,546	3%	18,608	16,723	11%
Operating expenses	19,491	18,249	7%	57,351	52,259	10%
Operating profit	7,219	11,217	(36)%	17,693	25,313	(30)%
Net income	5,964	9,606	(38)%	11,989	17,333	(31)%
Adjusted EBITDA ⁽¹⁾	9,716	13,962	(30)%	24,345	33,509	(27)%
Adjusted EBITDA Margin ⁽¹⁾	30 %	39%		26 %	35%	
Earnings per share — basic & diluted	0.07	0.12	(42)%	0.14	0.21	(33)%
Funds flow from operations per share - basic	0.09	0.12	(25)%	0.20	0.29	(31)%
Free Cash Flow per share — basic ⁽¹⁾	0.07	0.11	(36)%	0.15	0.25	(40)%

(1) Non-IFRS financial measures are defined in the "Non-IFRS Financial Measures" section.

(2) Included in the number is a reduction of \$0.1 million and \$0.3 million respectively for the three and nine months ended December 31, 2025, (nil and \$0.2 million three and nine months ended December 31, 2024), attributed to the amortization of a deferred revenue fair value reduction recognized on acquisition.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of financial condition and results of operations for Computer Modelling Group Ltd. ("CMG Group", the "Company", "we" or "our"), dated February 10, 2026, should be read in conjunction with CMG Group's annual audited consolidated financial statements (the "Financial Statements") and accompanying notes for the three and nine months ended December 31, 2025 and 2024 and CMG Group's Annual Information Form dated May 22, 2025 ("AIF"), which are available under CMG Group's SEDAR+ profile at www.sedarplus.ca.

The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of CMG Group.

Figures within this MD&A are presented in Canadian dollars, unless otherwise indicated. Financial data, other than the non-IFRS financial measures, have been prepared in accordance with IFRS Accounting Standards.

This MD&A was reviewed and approved by the Audit Committee and Board of Directors and is effective February 10, 2026

FORWARD-LOOKING INFORMATION

Certain information included in this MD&A and the CEO Letter to Shareholders (attached hereto and incorporated by reference) 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, future growth and performance, how the Company's business will develop over time; the Company's business strategy and that organic Recurring revenue will return to growth as customer spending normalizes; the Company's competitive advantages; the drivers of long-term value at the Company; the impact of cautious customer outlooks; the timing of seasonal contract renewals and Revenue recognition; the timing expectations with respect to perpetual license sales; margins expanding as acquisitions mature; results for the following quarter, including but not limited to, improvements to profitability and revenue, year-over-year organic revenue growth; the adoption trends across several products and confidence in their long-term contribution to margins and cash flow; the benefits of investments and the value they will add to the Company's financial performance and operations; growth in Recurring revenue and Free Cash Flow evidencing the success of the Company; the Company's plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase revenues from both new and existing customers; the ability to have sufficient capital resources to meet the Company's operating and expenditure needs; estimated commitments, off balance sheet items and transactions with related parties; and estimated amount of common shares for issuance under the Company's security-based compensation plans. When used in this MD&A, statements to the effect that the Company or its management "anticipate", "intend", "plan", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "could", "will", "continue", "maintain", "grow", "optimize", "accelerate" and similar references to future periods. These statements we make regarding our business strategies and objectives, expectations regarding revenue, Adjusted EBITDA and Free Cash Flow, 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.

Forward-looking information contained in this MD&A is based on management's expectations and assumptions regarding, among other things:

- the Company's ability to maintain and grow annual Adjusted EBITDA margin;
- the ability to achieve total revenue growth on an annual basis;
- the successful allocation of purchase price for completed acquisitions and the realization of anticipated synergies and benefits from such acquisitions;
- the ability to identify, complete, and integrate future acquisitions that are accretive to software revenue and enhance or diversify the Company's software solutions;
- the ability to recognize financial results of acquired businesses and assets, including the realization of anticipated growth projections, revenue increases, and cost savings;
- the ability to secure financing to fund future acquisitions;
- the ability to manage acquisition-related expenses, including the potential for further performance-based earnouts;

- the ability to avoid or manage unanticipated acquisition-related expenses, liabilities, or goodwill impairment adjustments;
- the ability to successfully execute on commercial partnerships and strategic alliances for product development, consulting projects, and sales;
- the ability to maintain and grow the Company's core business competencies in reservoir simulation and capitalize on its leadership position in complex hydrocarbon recovery techniques;
- the ability to invest in research and development initiatives that are driven by customer needs and maintain a competitive advantage for the existing software product suite;
- the ability to retain and attract qualified staff and key personnel in all relevant territories;
- the ability to manage and protect intellectual property, including acquired and internally developed technologies; and
- the ability to avoid to manage significant disruptions or information technology infrastructure, including cyber security risks.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties, only some of which are described herein. Many factors could cause the Company's actual results, performance or achievements, or future events or developments to differ materially from those expressed or implied by the forward-looking information including, without limitation, the following factors, which are discussed in greater detail in the "Business Risks" section of CMG Group's 2025 Financial Report's MD&A and in the "Risk Factors" section of CMG Group's AIF:

- Economic conditions in the energy industry;
- Reliance on key customers;
- Foreign exchange;
- Commodity price risk;
- Geopolitical risk;
- Tariff risk;
- Economic and political risks in countries where the Company currently does or proposes to do business;
- Increased competition;
- Reliance on employees with specialized skills or knowledge;
- Protection of proprietary rights;
- Information security breaches or other cyber-security threats; and
- Ability to successfully execute on acquisitions and to integrate acquired businesses and assets.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered, and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to forward-looking information contained in this MD&A to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws

CORPORATE PROFILE

CMG Group is a global software and consulting company providing complex, science-based software solutions to the energy industry. CMG Group provides cutting-edge technologies that support critical field development decisions for upstream planning and energy transition strategies. The Company has a diverse customer base of international oil and gas production and exploration companies in approximately 60 countries. The Company also provides professional services consisting of highly specialized support, consulting, training, and contract research activities. CMG Group has sales and technical support services based in Calgary, Houston, Oxford, Dubai, Bogota, Rio de Janeiro, Bengaluru, Kuala Lumpur, Oslo, Stavanger, and Kaiserslautern. The Company's Common Shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "CMG". CMG Group and its subsidiaries include the following: Computer Modelling Group Inc., CMG Middle East FZ LLC, CMG Europe Ltd., CMG Collaboration Centre India Private Ltd., and Computer Modelling Group Brazil Solucoes Technologicas Ltda., (together referred to as "CMG"), and CMG Holdings (USA) Inc., Bluware-Headwave Ventures Inc., Bluware Inc., and Bluware AS, (together referred to as "BHV"), CMGL Services Corporation Inc., CMG Germany GmbH, Sharp Reflections GmbH, Sharp Reflections Inc., Sharp Reflections AS, and Sharp Reflections Ltd., (together referred to as "SR" or "Sharp") and SeisWare International Inc., and SeisWare Inc. (together referred to as "SWII" or "SeisWare").

BUSINESS OVERVIEW

Since its inception more than 40 years ago, CMG Group made the strategic decision to focus its research and development efforts on providing reservoir modelling solutions for the simulation of difficult hydrocarbon recovery techniques, a decision that created the foundation for our dominant market presence today in the simulation of advanced hydrocarbon recovery processes. The Company has demonstrated this commitment by continuously investing in research and development and working closely with its customers to develop simulation tools relevant to the challenges and opportunities they face. We are experts in modelling and de-risking subsurface exploration with the use of advanced physics-based simulation software and expert consulting.

In combination with its principal business of licensing its software, the Company also provides professional services consisting of multi-disciplinary upstream consultants that provide software proficiency and technical expertise to build and optimize reservoir development plans.

In fiscal 2023, CMG Group announced a new strategy called CMG 4.0. Under this strategy the company aims to drive sustained revenue growth, both organically and by acquisition, while maintaining strong profitability.

Our growth strategy was developed around three main objectives:

- maintain and grow our core business competencies in reservoir simulation, capitalizing on our leadership position as experts in the science, technology and customer support for complex hydrocarbon recovery techniques;
- optimize and accelerate market penetration of newly acquired businesses leveraging the global reputation of CMG Group and growing portfolio of solutions
- continuous deployment of available capital into acquisitions

We are committed to the development of cutting-edge technologies that support critical field development decisions for upstream planning and energy transition strategies. To achieve these objectives, investment in research and development is important as it helps maintain our competitive advantage for our existing software product suite and advances new product development to drive Organic growth. Our approach to investment in research and development is to invest in initiatives that are driven by customers' needs. Integrating new and innovative features into our existing product suite as well as developing simplified, fit-for-purpose applications is anticipated to help us to increase revenue from new and existing customers.

We pursue Organic growth through direct sales using our internal sales force and are focused on enhancing our market engagement framework through the addition of a strategic marketing function and additional sales tools and training. We are also committed to partnering with industry leaders for product development, consulting projects, and sales. The Company sees mergers and acquisitions ("M&A") as a growth accelerator and maintains a robust and dynamic pipeline of opportunities, investing in both engagement and outreach. The acquisition strategy aims to invest excess capital, at attractive after-tax rates of return, to acquire businesses that enhance and diversify our software solutions across the upstream energy workflow. The company also intends to explore opportunities to diversify further within midstream and downstream energy and adjacent industries.

The company now comprises four companies providing market-leading software solutions as described below.

Reservoir and Production Solutions:

Computer Modelling Group delivers market-leading reservoir simulation software, recognized as the industry standard in traditional oil and gas including Enhanced Oil Recovery ("EOR"), Heavy Oil and unconventional, and in Energy Transition including Carbon Capture and Storage ("CCS"), geothermal and hydrogen. In addition of the company is developing CoFlow, the industry's first fully implicit, multi-user and multi-disciplinary Integrated Reservoir and Production System Modelling ("IPSM") software application. It provides a unified solution for integrated asset modelling by combining reservoir, production networks and geomechanics in one environment and allows reservoir and production engineers to make informed decisions on large, integrated oil and gas projects.

Seismic Interpretation Solutions:

Bluware (BHV): InteractivAITM is a cutting-edge deep learning seismic interpretation tool that enables geoscientists to quickly analyze vast amounts of seismic data. InteractivAI leverages Bluware's proprietary VDSTM (Volume Data Storage) data format which compresses raw and interpreted seismic data sets, making them adaptable and scalable depending on customer business needs, workflows and visualization requirements. VDSTM enables fast data access, cost-effective cloud storage, and compute-intensive workflows. FASTTM is a data streaming and transcoding tool, providing the ability to use VDSTM with existing interpretation applications to stream subsurface data from the cloud to legacy applications and workflows.

Sharp Reflections (SR): Pre-Stack Pro (now known as Sharp Reflections software), is a leading high performance computing platform for seismic data processing and interpretation, with a specific expertise in large pre-stack seismic data sets. Sharp's expanded offerings also include 4D seismic analysis.

SeisWare (SWII): develops geoscience interpretation and field development software to support subsurface exploration and development projects. SeisWare's platform offers tools for seismic interpretation, attribute analysis, geological mapping and 3D well design.

REVENUE STREAMS

Annuity/Maintenance Licenses: Annuity license agreements, which include a term-based software license bundled with maintenance. These agreements provide customers with rights to use the software for a fixed term, typically one year, but could be shorter or longer, and include maintenance consisting of customer support and unspecified upgrades. This revenue component is recorded under "Annuity/maintenance licenses" and "Annuity license fee" revenue. For certain contracts, the total annual contract value of the annuity license fee is allocated 50% to the standalone software license fee (included in "Annuity license fee") and 50% to maintenance (included in "Annuity/maintenance license revenue" and recognized over the license term). The annuity license fee is recognized in revenue when the software license is delivered to the customer at the start of the license term. While both annuity/maintenance license revenue and annual license fee represent Recurring revenue base, the annual license fee revenue will fluctuate quarterly due to the timing of agreement renewals which tend to be skewed towards the last two quarters of our fiscal year, and may not be indicative of the performance in a particular reporting period. Our annuity and maintenance license agreements must be renewed upon their agreement expiry. Based on our experience, a majority of customers renew their agreements upon expiry. We also offer a public cloud solution which enables customers to securely access Company's solutions using some of the latest and fastest hardware available in the industry optimized for maximum efficiency and faster results. This currently represents a small part of the Company's business and is reported under "Annuity/maintenance license" revenue.

Perpetual Licenses:

Perpetual license agreements grant the customer the right to use the then-current version of software and has the right to use that version in perpetuity. This revenue stream is recorded under "Perpetual licenses" revenue and is recognized at a point in time, upon delivery of the licensed product. Perpetual license sales are variable and unpredictable in nature as the purchase decision and its timing fluctuate with the customers' needs and budgets. Customers purchasing perpetual licenses may also enter into a separate maintenance and support agreement giving them access to customer support and access to current versions of the Company's software. The majority of customers who have acquired perpetual software licenses subsequently purchase a maintenance package which is reported under "Annuity/maintenance licenses" revenue.

We generally invoice our customers for the full amount of their agreement at the time that they contract with us, with payment generally due within a period of 30 days.

Professional Services:

In combination with its principal business of licensing its software, the Company also provides professional services consisting of multi-disciplinary, specialized consulting, training, and contract research activities. Our training is continuous in nature, is offered worldwide, and enables our customers to become more efficient and effective users of our software which helps us in developing and maintaining long-term relationships with our customers. In our experience, consulting activities are variable in nature as both the timing and dollar magnitude of work are dependent on activities and budgets within customer companies.

NON-IFRS FINANCIAL AND SUPPLEMENTARY FINANCIAL MEASURES

Certain financial measures in this MD&A – namely, Adjusted EBITDA and Adjusted EBITDA Margin, Recurring revenue, Free Cash Flow, Free Cash Flow per share, adjusted operating expenses, direct employee costs, adjusted direct employee costs, other corporate costs, adjusted other corporate costs, Organic growth and recurring revenue – 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 Margin

Adjusted EBITDA and Adjusted EBITDA Margin refers to net income before adjusting for depreciation and amortization expense, interest income, income and other taxes, stock-based compensation, retirement allowance for senior management, restructuring cost, foreign exchange gains and losses, repayment of lease obligations, asset impairments, acquisition related costs and other expenses directly related to business combinations, including compensation expenses and gains or losses on contingent consideration. 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 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. In addition, management has determined that Adjusted EBITDA and Adjusted EBITDA Margin is a more accurate measurement of the Company's operating performance and our ability to generate earnings as compared to EBITDA and EBITDA Margin.

(\$ thousands)	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Net income	5,964	9,606	11,989	17,333
Add (deduct):				
Depreciation and amortization	2,641	2,267	7,608	6,097
Acquisition costs	72	1,587	541	2,351
Stock-based compensation	188	(79)	679	3,060
Retirement allowance	571	—	571	—
(Gain) Loss on contingent consideration	—	150	(126)	2,063
Deferred revenue amortization on acquisition fair value reduction	92	138	327	310
Income and other tax expense	1,503	3,562	4,068	8,294
Interest income	(362)	(653)	(890)	(2,292)
Foreign exchange loss (gain)	(414)	(1,927)	1,184	(1,506)
Repayment of lease liabilities	(539)	(689)	(1,606)	(2,201)
Adjusted EBITDA ⁽¹⁾	9,716	13,962	24,345	33,509
Adjusted EBITDA Margin ⁽¹⁾	30%	39%	26%	35%

(1) This is a non-IFRS financial measure. Refer to definition of the measures above.

Adjusted EBITDA decreased by 30% during the three months ended December 31, 2025, compared to the same period of the previous year. Of this decline, 7% relates to the inclusion of acquisitions which contributed lower profitability. The acquired businesses have seasonal revenue recognition resulting in lower EBITDA contribution in Q3. The remainder of the decrease was driven by Organic decline, primarily reflecting lower organic revenue levels having a more pronounced effect on Adjusted EBITDA compared to the organic decline in operating expenses.

Adjusted EBITDA decreased by 27% for the nine months ended December 31, 2025, compared to the same period of the previous year, of which 3% was growth from acquisitions, offset by a 30% Organic decline due to lower revenues and higher expenses.

Free Cash Flow Reconciliation to Funds Flow from Operations

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. Free Cash Flow per share is calculated by dividing Free Cash Flow by the number of weighted average outstanding shares during the period. 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. Management uses Free Cash Flow and Free Cash Flow per share to help measure the capacity of the Company to pay dividends and invest in business growth opportunities.

(\$ thousands, unless otherwise stated)	Fiscal 2024		Fiscal 2025			Fiscal 2026		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Funds flow from operations	10,367	6,515	7,101	9,937	8,227	5,524	3,588	7,068
Capital expenditures	(95)	(93)	(236)	(432)	(661)	(542)	(1,080)	(723)
Repayment of lease liabilities	(803)	(743)	(769)	(689)	(549)	(526)	(541)	(539)
Free Cash Flow	9,469	5,679	6,096	8,816	7,017	4,456	1,967	5,806
Weighted average shares – basic (thousands)	81,314	81,476	81,887	82,753	83,064	83,090	84,058	82,957
Free Cash Flow per share - basic	0.12	0.07	0.07	0.11	0.08	0.05	0.02	0.07
Funds flow from operations per share- basic	0.13	0.08	0.09	0.12	0.10	0.07	0.04	0.09

Free Cash Flow decreased by 34% and 41%, respectively, for the three and nine months ended December 31, 2025 from the same periods of the previous fiscal year. This decrease is primarily due to lower funds flow from operations and higher capital expenditures.

Adjusted operating expenses, direct employee and other corporate costs

Adjusted operating expenses include adjusted direct employee costs and adjusted other corporate costs in which adjustments are made with respect to restructuring costs, stock-based compensation, acquisition of intangible assets, and acquisition related expenses. Adjusted direct employee costs include salaries, bonuses, benefits, commission expenses, and professional development. Adjusted other corporate costs include facility-related expenses, corporate reporting, professional services, marketing and promotion, computer expenses, travel, other office-related expenses, depreciation and amortization on property and equipment and right-of-use assets. Adjusted direct employee costs and adjusted other corporate costs should not be considered an alternative to total operating expenses as determined in accordance with IFRS. People-related costs represent the Company's largest area of expenditure; hence, management considers highlighting separately corporate and direct employee costs to be important in evaluating the quantitative impact of cost management of these two major expenditure pools. See "Operating Expenses" heading for a reconciliation of direct employee costs and other corporate costs to total operating expenses.

Organic Growth/ Organic Decline

Organic growth and organic decline are not standardized financial measures and might not be comparable to measures disclosed by other issuers. The Company measures Organic growth/ organic decline on a quarterly and year-to-date basis at the revenue and Adjusted EBITDA levels and includes revenue and Adjusted EBITDA under CMG Group's ownership for a year or longer, beginning from the first full quarter of CMG Group's ownership in the current and comparative period(s). For example, BHV was acquired on September 25, 2023 (Q2 2024). September 25, 2024, marked one full year of ownership under CMG Group and on October 1, 2024 (Q3 2025), which is the first full quarter under CMG Group's ownership in the current and comparative period, started being tracked under Organic growth. Any revenue and Adjusted EBITDA generated by BHV prior to October 1, 2024, would not be included in Organic growth/ organic decline. Sharp was acquired on November 12, 2024 (Q3 2025) and will start contributing to Organic growth/ organic decline on January 1, 2026 (Q4 2026) and SeisWare was acquired on July 30, 2025 and will start contributing to Organic growth/ organic decline on October 1, 2026.

For further clarity, current statements include Organic growth from the following:

- CMG and BHV revenue and Adjusted EBITDA

Recurring Revenue

Recurring revenue represents the revenue recognized during the period from contracts that are recurring in nature and includes revenue recognized as “Annuity/maintenance licenses” and “Annuity license fee”. We believe that Recurring revenue is an indicator of business expansion and provides management with visibility into our ability to generate predictable cash flows.

The table under “Revenue” heading reconciles Recurring revenue to total revenue for the periods indicated.

REVENUE

(\$ thousands)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% change	2025	2024	% change
Annuity/maintenance licenses	19,526	20,452	(5)%	58,927	58,089	1%
Annuity license fee	4,186	4,303	(3)%	6,354	4,552	40%
Recurring revenue ⁽¹⁾⁽²⁾	23,712	24,755	(4)%	65,281	62,641	4%
Perpetual licenses	417	804	(48)%	1,740	5,063	(66)%
Total software license revenue	24,129	25,559	(6)%	67,021	67,704	(1)%
Professional services	8,556	10,214	(16)%	25,498	28,059	(9)%
Total revenue	32,685	35,773	(9)%	92,519	95,763	(3)%

(1) This is a non-IFRS financial measure.

(2) Total software revenue includes the amortization of a fair value reduction of deferred revenue recognized on acquisition, which has reduced post acquisition revenues by \$0.1 million and \$0.3 million respectively, for the three and nine months ended December 31, 2025 (three and nine months ended December 31, 2024 - nil and \$0.2 million).

The components of Recurring revenue growth were as follows:

	Three months ended December 31	Nine months ended December 31
	2025	2025
Total Recurring revenue % change impacted by :		(4)%
Growth from acquisitions		10%
Foreign exchange impact		2%
Organic growth (decline)		(16)%
		(12)%

Total revenue decreased during the three and nine months ended December 31, 2025 compared to the same periods of the previous year, as revenue declined across the board for the three months. The increase from Recurring revenue for the nine months period was offset by a decrease in the perpetual and professional services revenue.

Recurring revenue decreased during the three months ended December 31, 2025, compared to the same period of the previous year, due to 10% growth from acquisitions, a 2% increase from foreign exchange, offset by a 16% decrease in Organic revenue. For the nine months ended December 31, 2025, Recurring revenue increased compared to the same period of the previous year driven by a 14% growth from acquisitions and 2% increase from foreign exchange which was partially offset by a 12% decline in organic revenue.

Perpetual license revenue decreased during the three and nine months ended December 31, 2025, compared to the same period of the previous year, due to fewer perpetual license sales made in the current quarter. Perpetual license sales are variable in nature and fluctuate on a quarterly basis. Acquisitions did not contribute to perpetual license revenue.

Professional services revenue decreased during the three and nine months ended December 31, 2025, compared to the same periods of the previous year, mainly due to the expected reduction in tailored software development funding of our seismic solutions and reduced CoFlow funding compared to the prior period.

Software Revenue by Geographic Region

(\$ thousands)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% change	2025	2024	% change
Annuity/maintenance license						
Canada	3,680	3,261	13%	9,863	9,739	1%
United States	4,073	4,494	(9)%	13,090	13,242	(1)%
South America	2,670	2,555	5%	7,999	7,308	9%
Eastern Hemisphere ⁽¹⁾	9,103	10,142	(10)%	27,975	27,800	1%
	19,526	20,452	(5)%	58,927	58,089	1%
Annuity license fee						
Canada	323	—	100%	756	—	100%
United States	735	708	4%	963	785	23%
South America	—	176	(100)%	810	243	233%
Eastern Hemisphere ⁽¹⁾	3,128	3,419	(9)%	3,825	3,524	9%
	4,186	4,303	(3)%	6,354	4,552	40%
Perpetual license						
Canada	187	170	10%	187	170	10%
United States	31	—	100%	125	1,337	(91)%
South America	—	—	—%	—	—	—%
Eastern Hemisphere ⁽¹⁾	199	634	(69)%	1,428	3,556	(60)%
	417	804	(48)%	1,740	5,063	(66)%
Total software license revenue						
Canada	4,190	3,431	22%	10,806	9,909	9%
United States	4,839	5,202	(7)%	14,178	15,364	(8)%
South America	2,670	2,731	(2)%	8,809	7,551	17%
Eastern Hemisphere ⁽¹⁾	12,430	14,195	(12)%	33,228	34,880	(5)%
	24,129	25,559	(6)%	67,021	67,704	(1)%

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

Canada (representing 17% of year-to-date total software license revenue) experienced an increase in total software license revenue during the three and nine months ended December 31, 2025, compared to the same period in the previous year, due to higher annuity/maintenance license revenue of seismic solutions for the three months ended, and higher annuity license fee revenue of seismic solutions for the nine months ended. Higher seismic sales in Canada are attributed to inorganic growth of the business.

The United States (representing 20% of year-to-date total software license revenue) experienced a decrease in total software license revenue during the three and nine months ended December 31, 2025, compared to the same period in the previous year, due to lower annuity/maintenance revenue in reservoir and production solutions partially offset by higher perpetual license fee for the three months ended and higher annuity/maintenance and annuity license fee revenue in seismic solutions for the three and nine months ended.

South America (representing 11% of year-to-date total software license revenue) experienced a decrease in total software license revenue during the three months ended December 31, 2025, compared to the same period of the previous year, mainly due to lower annuity license fee revenue partially offset by annuity/ maintenance in seismic solutions. South America experienced an increase in total software license revenue during the nine months ended December 31, 2025, compared to the same period in the previous year, mainly due to annuity/ maintenance and annuity license fee revenue in seismic solutions.

Eastern Hemisphere (representing 52% of year-to-date total software license revenue) experienced a decrease in total software license revenue during the three and nine months ended December 31, 2025, compared to the same period in the previous year, primarily due to decreases in perpetual license revenue in reservoir and production solutions for the period.

Deferred Revenue

(\$ thousands)	Fiscal 2026	Fiscal 2025	Fiscal 2024	\$ change	% change
Deferred revenue at:					
Q1 (June 30)	33,136	30,890		2,246	7 %
Q2 (September 30)	34,615	32,274		2,341	7 %
Q3 (December 31)	31,992	34,822		(2,830)	(8)%
Q4 (March 31)	—	40,276	41,120	(844)	(2)%

The Company's deferred revenue consists primarily of amounts for prepaid licenses. 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 Q3 of fiscal 2026 was 8% lower than in Q3 of fiscal 2025. The decrease in deferred revenue is mainly attributable to the recognition of revenue from performance obligations satisfied during the period, combined with lower advance billings compared to the prior year.

COST OF REVENUE

Cost of revenue primarily consists of direct employee costs, external consultants, overhead costs associated with customer support, training, and consulting, and public cloud hosting applications. These costs are generally related to headcount and are driven by management's decision to add customer success and consulting capacity. In general, these costs fluctuate as a percentage of revenue as the Company adds headcount to support increased demand for our software and consulting services.

(\$ thousands)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% change	2025	2024	% change
Cost of revenue (1)(2)	5,975	6,307	(5)%	17,475	18,191	(4)%

(1) Depreciation and amortization related to property and equipment and right of use assets is \$0.2 million and \$0.6 million for the three and nine months ended December 31, 2025, (\$0.1 million and \$0.3 million for the three and nine months ended December 31, 2024).

(2) Stock based compensation is \$0.02 million and \$0.7 million for the three and nine months ended December 31, 2025 (\$0.2 million and \$0.5 million for the three and nine months ended December 31, 2024).

Cost of revenue decreased for the three and nine months ended December 31, 2025, compared to the same period of the previous year, as the increase due to acquisitions was partially offset by lower personnel related costs.

OPERATING EXPENSES

Sales and marketing

Sales and marketing expenses are comprised primarily of employee salaries, commissions, benefits and stock-based compensation, as well direct costs related to the delivery of marketing programs and events. Sales and marketing expenses also include travel-related expenses and corporate overhead allocations. We plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase revenues from both new and existing customers.

Research and development

Research and development expenses are comprised primarily of personnel expenses including employee salaries, benefits and stock-based compensation, product-related expenses including product management, product research and development, and other corporate overhead allocations off-set by certain tax benefits realized through the Canadian Scientific Research and Experimental Development Tax Credit program ("SR&ED"), Skattefunn, and NRC (Norwegian Research Council), collectively referred to as ("Government grants for research and development"). We continue to invest in our research and development program by adding new features and functionality to our products, maintaining our expansive artifact infrastructure, and delivering new products to market.

General and administrative

General and administrative expenses are comprised primarily of personnel expenses including employee salaries, benefits, and stock-based compensation expense for our administrative, finance, legal, information technology, and people and culture teams, allocated rent expenses, travel and travel related expenses, and general office and administrative expenses, and professional service expenses.

The below table provides a reconciliation of operating expenses to adjusted operating expenses:

(\$ thousands, except per share data)	Three months ended December 31			Nine months ended December 31	
	2025	2024	% change	2025	2024
Sales and marketing (1)(2)	4,526	4,363	4%	15,128	13,523
Research and development (1)(2)	8,222	7,340	12%	23,615	22,013
General and administrative (1)(2)	6,743	6,546	3%	18,608	16,723
Operating expenses	19,491	18,249	7%	57,351	52,259
Acquisition related expenses	(72)	(1,587)	(95)%	(541)	(2,351)
Amortization of acquired intangibles	(1,495)	(1,005)	49%	(4,309)	(2,334)
Stock-based compensation (expense) recovery	(186)	119	(256)%	(671)	(2,710)
Adjusted operating expenses (3)	17,738	15,776	12%	51,830	44,864
Direct employee costs (3)	11,662	9,892	18%	33,553	32,886
Other corporate cost (3)	7,829	8,357	(6)%	23,798	19,373
	19,491	18,249	7%	57,351	52,259
					10%

(1) Included in sales and marketing, research and development, and general and administrative expenses is depreciation related to property and equipment, right of use assets, and amortization of acquired intangible assets of \$0.01 million, \$1.9 million, \$0.5 million for the three months ended December 31, 2025 (three months ended December 31, 2024, of \$0.1 million, \$1.4 million, \$0.7 million) and \$0.2 million, \$5.3 million, \$1.4 million for the nine months ended December 31, 2025 (nine months ended December 31, 2024 of \$0.3 million, \$3.5 million, \$1.9 million).

(2) Included in sales and marketing, research and development, and general and administrative expenses is stock based compensation expense of nil, \$0.05 million, \$0.1 million for the three months ended December 31, 2025 (three months ended December 31, 2024, nil, \$0.1 million, \$0.1 million) and nil, \$0.2 million, \$0.4 million for the nine months ended December, 2025 (nine months ended December 31, 2024, of \$0.7 million, \$0.7 million, \$1.3 million)

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

Operating expenses increased during the three months ended December 31, 2025, compared to the same period of the previous year by 7%, with 22% of the increase contributed by acquisitions, partially offset by a 15% decrease in the organic business. Operating expenses increased during the nine months ended December 31, 2025, compared to the same period of the previous year by 10% with 23% of the increase being contributed from acquisitions offset by a 13% decrease in the organic business primarily related to lower direct employee costs.

Adjusted total operating expenses increased during the three months ended December 31, 2025, compared to the same period of the previous year, of which 20% was due to acquisitions, offset by an 8% decrease from the organic business. Adjusted total operating expenses increased by 16% for the nine months ended December 31, 2025, compared to the same period of the previous fiscal year, of which 21% was due to acquisitions partially offset by a 5% decrease in the organic business primarily due to lower direct employee costs.

Sales and marketing expenses increased during the three months ended December 31, 2025, compared to the same period of the previous year. Acquisitions contributed an increase of 24% and organic business contributed a decrease of 20% primarily due to decreased headcount and related costs. Sales and marketing expenses increased during the nine months ended December 31, 2025, compared to the same period of the previous year, of which 23% was due to the acquisitions, with organic business offsetting by a decrease of 11% due to lower headcount and related costs, variable compensation and sales commissions.

Research and development expenses increased during the three months ended December 31, 2025, compared to the same period of the previous year. Acquisitions contributed an increase of 24% which was offset by a 12% decrease primarily due to a decrease in direct employee costs. Research and development expenses increased during the nine months ended December 31, 2025, compared to the same period of the previous year, of which 24% was due to acquisitions which was offset by a 17% decrease due to decreases in salaries, variable compensation and other employee costs.

General and administrative expenses increased during the three months ended December 31, 2025, compared to the same period of the previous year, of which acquisitions contributed 17% offset by a 14% decrease due to employee related costs. General and administrative expenses increased during nine months ended December 31, 2025, compared to the same period of the previous year, of which 17% was the contribution from acquisitions. The offsetting 6% decrease is due to lower salary, variable compensation and other direct employee costs.

Direct employee costs

As a technology company, the Company's largest investment is its people, and approximately 59% of total operating expenses relate to direct employee costs during the nine months ended December 31, 2025. At December 31, 2025, CMG Group's full-time equivalent staff complement was 315 employees and consultants

The below table provides a reconciliation of direct employee costs to adjusted direct employee costs:

	Three months ended December 31			Nine months ended December 31		
	2025 (\$ thousands)	2024	% change	2025 (\$ thousands)	2024	% change
Direct employee costs	11,662	9,892	18%	33,553	32,886	2%
Stock based compensation	(186)	119	(256)%	(671)	(2,710)	(75)%
Adjusted direct employee costs ⁽¹⁾	11,476	10,011	15%	32,882	30,176	9%

(1) This is a non-IFRS financial measure. See the "Non-IFRS Financial Measures" section. Adjusted direct employee costs exclude stock-based compensation expenses and restructuring charges.

For the three and nine months ended December 31, 2025, adjusted direct employee costs increased by 15% and 9%, respectively, compared to the same periods of the previous fiscal year. For the three and nine months ended December 31, 2025, acquisitions contributed 25% and 17% of the increase, respectively. These were offset in both periods in the organic business by lower headcount and headcount related costs, variable compensation and stock-based compensation.

Other Corporate costs

The below table provides a reconciliation of other corporate costs to adjusted other corporate costs:

	Three months ended December 31			Nine months ended December 31		
	2025	2024	% change	2025	2024	% change
(\$ thousands)						
Other corporate costs	7,829	8,357	(6)%	23,798	19,373	23%
Acquisition-related costs	(72)	(1,587)	(95)%	(540)	(2,351)	(77)%
Amortization of acquired intangible	(1,495)	(1,005)	49%	(4,309)	(2,334)	85%
Adjusted other corporate costs ⁽¹⁾	6,262	5,765	9%	18,949	14,688	29%

(1) This is a non-IFRS financial measure. See the "Non-IFRS Financial Measures" section. Adjusted other corporate costs exclude acquisition-related costs, amortization of acquired intangible assets and restructuring charges.

For the three and nine months ended December 31, 2025, adjusted other corporate costs increased by 9% and 29% respectively, compared to the same period of the previous fiscal year. For the three months ended December 31, 2025, acquisitions contributed to 29% of the increase. For the nine months ended December 31, 2025, acquisitions contributed to 33% of the increase. The remaining differences in the three and nine month periods relate to increased professional services fees, travel costs, computer service agreements fees, agent commissions, marketing costs and general corporate costs and represent investments made by the Company to increase operational capacity and sales.

FOREIGN EXCHANGE

The Company is impacted by foreign exchange fluctuations, as 71% of our revenue for the nine months ended December 31, 2025 (2024 – 79%) is denominated in US dollars, whereas only 63% (2024 – 54%) of our total costs are denominated in US dollars.

The following chart shows the exchange rates used to translate the Company's US dollar-denominated working capital at December 31, 2025, 2024 and 2023 and the average exchange rate used to translate income statement expense items during the three and nine months ended December 31, 2025, 2024 and 2023:

CDN\$ to US\$	At June 30	At September 30	At December 31	Nine-month trailing average
2023	0.7545	0.7364	0.7547	0.7411
2024	0.7310	0.7395	0.6956	0.7246
2025	0.7310	0.7186	0.7294	0.7232

CMG Group recorded foreign exchange gain of \$0.4 million for the three months ended December 31, 2025 (\$1.9 million for the three months ended December 31, 2024), due to the weakening of the US with positive impact on CMG's US dollar denominated working capital. The group recorded a \$1.5 million foreign exchange loss for the nine months ended December 31, 2025 (\$1.5 gain for the nine months ended December 31, 2024), due to the weakening of the US dollar, which negatively affected the valuation of year to date US dollar denominated portion of the Company's working capital.

INCOME AND OTHER TAXES

Our consolidated effective tax rate for the three months ended December 31, 2025 is 24.6% (2024 – 32%), whereas the Canadian statutory tax rate for each of 2025 and 2024 fiscal years is 23%. The difference between the effective rate and the statutory rate is primarily due to the non-tax deductibility of stock-based compensation expense and the benefit of certain foreign withholding taxes being realized only as a tax deduction as opposed to a tax credit.

The benefit recorded in CMG Group's books on the scientific research and experimental development ("SR&ED") investment tax credit program impacts deferred income taxes. The investment tax credit earned in the current fiscal year reduces income taxes otherwise payable for the current fiscal year but bears an inherent tax liability as the amount of the credit is included in the subsequent year's taxable income for both federal and provincial purposes. The inherent tax liability on these investment tax credits is reflected in the year the credit is earned as a non-current deferred tax liability and then, in the following fiscal year, is transferred to income taxes payable.

QUARTERLY PERFORMANCE

The following table summarizes selected results for the eight most recently completed quarters:

(\$ thousands, unless otherwise stated)	Fiscal 2024 ⁽²⁾		Fiscal 2025 ⁽³⁾		Fiscal 2026 ⁽⁴⁾			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Annuity/maintenance license	19,661	19,335	18,302	20,452	19,436	20,334	19,067	19,526
Annuity license fee	1,142	178	71	4,303	4,728	518	1,650	4,186
Recurring revenue ⁽¹⁾	20,803	19,513	18,373	24,755	24,164	20,852	20,717	23,712
Perpetual license	2,130	2,110	2,149	804	554	378	945	417
Total software license revenue	22,933	21,623	20,522	25,559	24,718	21,230	21,662	24,129
Professional services revenue	9,358	8,900	8,945	10,214	8,965	8,403	8,539	8,556
Total revenue	32,291	30,523	29,467	35,773	33,683	29,633	30,201	32,685
Operating profit	8,277	5,666	8,430	11,217	8,835	5,293	5,181	7,219
<i>Operating profit Margin (%)</i>	26%	19%	29%	31%	26%	18%	17%	22%
Net income for the period	7,229	3,964	3,763	9,606	5,104	3,309	2,716	5,964
Adjusted EBITDA ⁽¹⁾	10,295	9,527	10,020	13,962	10,500	7,074	7,558	9,716
<i>Adjusted EBITDA Margin (1) %</i>	32%	31%	34%	39%	31%	24%	25%	30%
Free Cash Flow ⁽¹⁾	9,469	5,679	6,096	8,816	7,017	4,456	1,967	5,806
Per share amounts – (\$/share)								
Earnings per share (EPS) – basic	0.09	0.05	0.05	0.12	0.06	0.04	0.03	0.07
Earnings per share (EPS) – diluted	0.09	0.05	0.05	0.12	0.06	0.04	0.03	0.07
Cash dividends declared and paid	0.05	0.05	0.05	0.05	0.05	0.05	0.01	0.01
Free Cash Flow per share – basic ⁽¹⁾	0.12	0.07	0.07	0.11	0.08	0.05	0.02	0.07
Funds flow from operations per share - basic	0.13	0.08	0.09	0.12	0.1	0.07	0.04	0.09

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

(2) Q4 of fiscal 2024 include \$0.7 million of annuity/maintenance revenue that pertains to usage of CMG Group's products in prior quarters.

(3) Q1, Q2, Q3, and Q4 of fiscal 2025 include \$1.2 million, \$0.5 million, \$0.3 million, \$0.03 million of annuity/maintenance revenue that pertains to usage of CMG Group's products in prior quarters.

(4) Q1, Q2, Q3 of fiscal 2026 includes \$0.4 million, \$0.2 million, \$0.4 million of annuity/maintenance revenue that pertains to usage of CMG Group's products in prior quarters.

The above table illustrates the normal trend in annuity/maintenance license revenue 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. A significant portion of the Seismic segment annuity license fee revenue occurred during the third quarter and will occur during the fourth quarter when the majority of renewals take place. This seasonality has a similar impact on both operating profit and net income as seen in the above table.

The growth and future success of our business depends on many factors and variables. While each of these items present significant opportunities for our business, they also present challenges which are discussed in the "Risk Factors" section of CMG's Annual Information Form dated May 22, 2025, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

LIQUIDITY AND CAPITAL RESOURCES

(\$ thousands)	Three months ended December 31				Nine months ended December 31			
	2025	2024	\$ change	% change	2025	2024	\$ change	% change
Cash, beginning of period	32,839	61,373	(28,534)	(46)%	43,884	63,083	(19,199)	(30)%
Cash provided by (used in):								
Operating activities	5	8,266	(8,261)	(100)%	4,540	14,034	(9,494)	(68)%
Financing activities	(6,541)	(2,472)	(4,069)	165%	(12,060)	(9,432)	(2,628)	28%
Investing activities	(4,423)	(29,633)	25,210	(85)%	(14,802)	(29,962)	15,160	(51)%
Effect of foreign exchange on cash	(1,840)	2,197	(4,037)	(184)%	(1,522)	2,008	(3,530)	(176)%
Cash, end of period	20,040	39,731	(19,691)	(50)%	20,040	39,731	(19,691)	(50)%

At December 31, 2025, CMG Group had \$20 million in cash, a \$1.6 million acquired loan, access to a \$100 million credit facility of which \$2 million has been drawn as at the reporting period and another \$2.5 million line of credit of which \$0.4 million is available for use. The Company's primary non-operating use of cash was for dividend payments, repurchase of shares under the Normal Course Issuer Bid ("NCIB") program, repayment of lease liabilities, acquisition of property and equipment, acquisition of SeisWare in the second quarter of the year and a short-term investment. Management believes that the Company has sufficient capital resources to meet its operating and capital expenditure needs.

During the nine months ended December 31, 2025, 43.1 million shares of the Company's public float were traded on the TSX. As at December 31, 2025, the Company's market capitalization based upon its December 31, 2025 closing price of \$5.22 was \$425.8 million.

OPERATING ACTIVITIES

Cash provided by operations decreased by \$8 million during the three months ended December 31, 2025, compared to the same period of the previous fiscal year due to lower funds flow from operations of \$3 million and changes in working capital of \$5 million.

Cash provided by operating activities decreased by \$9 million during the nine months ended December 31, 2025, compared to the same period of the previous fiscal year. Funds flow from operations decreased by \$7.4 million from the previous fiscal year in addition to non-cash working capital changes of \$1.6 million.

FINANCING ACTIVITIES

Cash used in financing activities increased by \$4 million during the three months ended December 31, 2025, compared to the same period of the previous fiscal year. The increase is primarily due to \$6 million used to repurchase of shares under the NCIB program partially offset by proceeds of \$2 million received from the Company's credit facility drawdown.

Cash used in financing activities increased by \$2.6 million during nine months ended December 31, 2025, compared to the same period in the previous fiscal year. The increase in cash used is primarily attributable to repurchase of shares under the NCIB program partially offset by a reduction in lower dividend paid compared to the same period in the previous fiscal year and a drawdown on credit facility.

INVESTING ACTIVITIES

Cash used in investing activities for the three months ended December 31, 2025, consists of property and equipment additions and investment in a short-term instrument. In addition, for the nine months ended December 31, 2025, cash used in investing activities included the settlement of the earnout payable related to the Bluware acquisition of \$3.6 million and the acquisition of SeisWare for \$5.2 million (net of cash acquired) which occurred in the second quarter.

COMMITMENTS, OFF BALANCE SHEET ITEMS AND TRANSACTIONS WITH RELATED PARTIES

CMG Group has only minor ongoing material contractual obligations other than prepaid licenses, which are reflected as deferred revenue on the statement of financial position, and contractual obligations for office leases, which are estimated to be as follows as at December 31, 2025:

(thousands of \$)	Undiscounted lease liability payments	Operating costs and short-term	Total commitments
Less than one year	4,240	1,674	5,914
Between one and five years	16,540	4,879	21,419
More than five years	26,226	6,749	32,975
	47,006	13,302	60,308

OUTSTANDING SHARE DATA

The following table represents the number of common shares, stock options, restricted share units and performance share units outstanding:

As at February 10, 2026 (thousands)	
Common shares	80,149
Stock options	4,432
Restricted share units ⁽¹⁾	26
Performance share units ⁽¹⁾	161

(1) Upon vesting, restricted share units and performance share units can be exchanged for common shares of the Company or surrendered for cash.

The maximum number of common shares that may be reserved for issuance under the Company's security-based compensation plans is limited to 10% of the issued and outstanding common shares. Based on this calculation, at February 10, 2026, CMG Group could reserve up to 8,014,854 common shares for issuance under its security-based compensation plans.

BUSINESS RISKS, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

These remain unchanged from what was detailed in CMG's 2025 Financial Report.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

These remain unchanged from the factors detailed in CMG's 2025 Financial Report.

During the three and nine months ended December 31, 2025, there have been no significant changes to the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's ICFR, except for the matter described below.

Section 3.3(1)(b) of NI 52-109 allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not exceeding 365 days from the date of acquisition. On July 30, 2025, we completed the acquisition of SeisWare International Inc., a privately held software company headquartered in Calgary, Canada. SeisWare's operations have been included in the consolidated financial statements of CMG Group since July 30, 2025.

We have not had sufficient time to appropriately determine and assess the extent of DC&P and ICFR previously used by SeisWare and integrate them with those of CMG Group. As a result, the certifying officers have limited the scope of their design of DC&P and ICFR to exclude any applicable controls, policies, and procedures of SeisWare (as permitted by applicable securities laws in Canada).

Amounts in respect of SeisWare included in CMG Group's condensed consolidated statement of financial position and statement of operations and comprehensive income as at December 31, 2025, are as follows:

(thousands)	
Current Assets	1,903
Total Assets	10,164
Current Liabilities	999
Total Liabilities	2,199
Total Revenues	1,627
Net Income (Loss)	(529)

Condensed Consolidated Statements of Financial Position

UNAUDITED (thousands of Canadian \$)	December 31, 2025	March 31, 2025
Assets		
Current assets:		
Cash	20,040	43,884
Restricted cash	644	362
Short-term investment	3,700	—
Trade and other receivables	40,323	41,457
Prepaid expenses	3,062	2,572
Prepaid income taxes	2,838	1,641
	70,607	89,916
Other long-term assets	1,325	—
Intangible assets	62,335	59,955
Right-of-use assets	26,907	28,443
Property and equipment	11,399	10,157
Goodwill	18,887	15,814
Deferred tax asset	938	471
Total assets	192,398	204,756
Liabilities and shareholders' equity		
Current liabilities:		
Trade payables and accrued liabilities	16,321	18,452
Income taxes payable	804	2,667
Acquisition holdback payable	2,237	188
Acquisition earnout payable	—	3,864
Deferred revenue (note 5)	31,992	40,276
Lease liabilities (note 6)	2,480	2,278
Government loan	322	310
	54,156	68,035
Lease liabilities (note 6)	33,355	34,668
Revolving credit facility (note 14)	2,000	—
Government loan	1,207	1,319
Other long-term liabilities	358	1,725
Deferred tax liabilities	13,987	13,102
Total liabilities	105,063	118,849
Shareholders' equity:		
Share capital	94,773	94,849
Contributed surplus	15,977	15,460
Accumulated other comprehensive income or loss	4,098	4,326
Deficit	(27,513)	(28,728)
Total shareholders' equity	87,335	85,907
Total liabilities and shareholders' equity	192,398	204,756

Subsequent event (note 15)

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Statements of Operations and Comprehensive Income

	Three months ended December 31		Nine months ended December 31	
UNAUDITED (thousands of Canadian \$ except per share amounts)	2025	2024	2025	2024
Revenue (note 7)	32,685	35,773	92,519	95,763
Cost of revenue	5,975	6,307	17,475	18,191
Gross profit	26,710	29,466	75,044	77,572
Operating expenses				
Sales and marketing	4,526	4,363	15,128	13,523
Research and development (note 8)	8,222	7,340	23,615	22,013
General and administrative	6,743	6,546	18,608	16,723
	19,491	18,249	57,351	52,259
Operating profit	7,219	11,217	17,693	25,313
Finance income (note 9)	776	2,580	890	3,798
Finance costs (note 9)	(528)	(479)	(2,652)	(1,421)
Change in fair value of contingent consideration	—	(150)	126	(2,063)
Profit before income and other taxes	7,467	13,168	16,057	25,627
Income and other taxes (note 10)	1,503	3,562	4,068	8,294
Net income	5,964	9,606	11,989	17,333
Other comprehensive income:				
Foreign currency translation adjustment	(1,548)	1,402	(228)	2,112
Other comprehensive income	(1,548)	1,402	(228)	2,112
Total comprehensive income	4,416	11,008	11,761	19,445
Net income per share – basic & diluted (note 11(e))	0.07	0.12	0.14	0.21
Dividend per share	0.01	0.05	0.07	0.15

See accompanying notes to condensed consolidated interim financial statements

Condensed Consolidated Statements of Changes in Equity

	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
UNAUDITED (thousands of Canadian \$)					
Balance, April 1, 2024	87,304	15,667	(367)	(34,789)	67,815
Net income	—	—	—	17,333	17,333
Foreign currency translation adjustment	—	—	2,112	—	2,112
Dividends paid	—	—	—	(12,292)	(12,292)
Shares issued on exercise of stock options (noted 11(b))	6,127	(1,003)	—	—	5,124
Shares issued on redemption of restricted share units (note 11 (b))	580	—	—	—	580
Shares issued on redemption of performance share units (note 11 (b))	244	—	—	—	244
Stock based compensation:					
Current period expense (note 11 (c))		788			788
Balance, December 31, 2024	94,255	15,452	1,745	(29,748)	81,704
 Balance, April 1, 2025					
Net income	—	—	—	11,989	11,989
Foreign currency translation adjustment	—	—	(228)	—	(228)
Dividends paid	—	—	—	(5,777)	(5,777)
Shares issued on exercise of stock options (noted 11(b))	1,002	(174)	—	—	828
Shares issued on redemption of restricted share units (note 11 (b))	173	—	—	—	173
Shares repurchased through normal course issuer bid ((note 11(d)))	(1,251)	—	—	(4,997)	(6,248)
Stock-based compensation:					
Current period expense (note 11(c))	—	691	—	—	691
Balance, December 31, 2025	94,773	15,977	4,098	(27,513)	87,335

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Statements of Cash Flows

UNAUDITED (thousands of Canadian \$)	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Operating activities				
Net income	5,964	9,606	11,989	17,333
Adjustments for:				
Depreciation and amortization of property, equipment, right-of-use assets	1,157	1,262	3,312	3,763
Amortization of intangible assets	1,484	1,005	4,296	2,334
Deferred income tax expense (recovery) (note 10)	(883)	(150)	(1,418)	(228)
Stock-based compensation (note 11(c))	187	(641)	(849)	(855)
Foreign exchange and other non-cash items	(841)	(1,295)	(1,157)	(857)
Change in fair value of contingent consideration	—	150	—	2,063
Funds flow from operations	7,068	9,937	16,173	23,553
Movement in non-cash working capital:				
Trade and other receivables	(9,597)	(3,827)	1,435	(1,981)
Trade payables and accrued liabilities	5,441	(645)	(542)	(3,712)
Prepaid expenses and other assets	63	85	(253)	193
Income taxes receivable (payable)	(378)	1,567	(3,053)	3,678
Deferred revenue	(2,592)	1,149	(9,220)	(7,697)
Change in non-cash working capital	(7,063)	(1,671)	(11,633)	(9,519)
Net cash provided by operating activities	5	8,266	4,540	14,034
Financing activities				
Repayment of government loan	—	(63)	(158)	(63)
Proceeds from issuance of common shares	—	2,395	830	5,124
Proceed from credit facility	2,000	—	2,000	—
Repurchase of shares	(6,024)	—	(6,024)	—
Repayment of lease liabilities (note 6)	(539)	(689)	(1,606)	(2,201)
Dividends paid	(823)	(4,115)	(5,777)	(12,292)
Credit facility issuance cost	(1,155)	—	(1,325)	—
Net cash used in financing activities	(6,541)	(2,472)	(12,060)	(9,432)
Investing activities				
Corporate acquisition, net of cash acquired (note 3)	—	(27,071)	(5,175)	(27,071)
Purchase of short-term investment	(3,700)	—	(3,700)	—
Settlement of contingent consideration	—	(2,130)	(3,582)	(2,130)
Property and equipment additions, net of disposals	(723)	(432)	(2,345)	(761)
Net cash used in investing activities	(4,423)	(29,633)	(14,802)	(29,962)
(Decrease) in cash	(10,959)	(23,839)	(22,322)	(25,360)
Effect of foreign exchange on cash	(1,840)	2,197	(1,522)	2,008
Cash, beginning of year	32,839	61,373	43,884	63,083
Cash, end of year	20,040	39,731	20,040	39,731
Supplementary cash flow information				
Interest received (note 9)	362	653	890	2,292
Interest paid (note 9)	528	479	1,468	1,421
Income taxes paid	3,375	2,128	8,344	7,853

See accompanying notes to consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

For the three and nine months ended December 31, 2025 and 2024.

1. Reporting Entity:

Computer Modelling Group Ltd. ("CMG Group" or "the Company") is a company domiciled in Alberta, Canada and is incorporated pursuant to the Alberta Business Corporations Act, with its common shares listed on the Toronto Stock Exchange under the symbol "CMG". The address of CMG Group's registered office is 3710 33 Street N.W., Calgary, Alberta, Canada, T2L 2M1. The consolidated financial statements as at and for the three and nine months ended December 31, 2025, comprise CMG Group and its subsidiaries: Computer Modelling Group Inc., CMG Middle East FZ LLC, CMG Europe Ltd., CMG Collaboration Centre India Private Ltd., and Computer Modelling Group Brazil Solucoes Technologicas Ltda., (together referred to as "CMG"), and CMG Holdings (USA) Inc., Bluware-Headwave Ventures Inc., Bluware Inc., and Bluware AS, (together referred to as "BHV"), CMGL Services Corporation Inc., CMG Germany GmbH, Sharp Reflections GmbH, Sharp Reflections Inc., Sharp Reflections AS, Sharp Reflections Ltd., (together referred to as "SR" or "Sharp") and SeisWare International Inc. and SeisWare Inc. (together referred to as "SWII" or "SeisWare"). The Company is a global software and consulting technology company engaged in both the development and licensing of reservoir simulation and seismic interpretation software. The Company also provides professional services consisting of highly specialized support, consulting, training, and contract research activities.

2. Basis of Preparation:

(a) Statement of Compliance:

These unaudited interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, under IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They are condensed as they do not include all of the information required for full annual financial statements, and they should be read in conjunction with the Company's most recent annual audited consolidated financial statements for the year ended March 31, 2025. These financial statements were prepared using accounting policies and methods of their application are consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the year ended March 31, 2025 except for the changes and additions as per note 2(b).

These financial statements as at and for the three and nine months ended December 31, 2025 were authorized for issuance by the Board of Directors on February 10, 2026.

(b) Changes in accounting policy

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial Statements, except for the inclusion of the following accounting policy related to financial instruments. The Company classifies and subsequently measures short-term investments and the credit facility at amortized cost in accordance with IFRS 9 Financial Instruments.

3. Acquisitions:

On July 30, 2025, CMG Group completed the acquisition of 100% of the outstanding shares of SeisWare International Inc. ("SeisWare"), a Calgary-based software company specializing in geoscience interpretation and field development solutions to support subsurface exploration and development projects. The acquisition of SeisWare further builds out the seismic interpretation solutions offerings within the CMG Group through a platform offering powerful tools for seismic interpretation, attribute analysis, geological mapping and 3D well design.

Subject to customary post-closing adjustments, the purchase price is US\$6.6 million (\$9.1 million), net of cash acquired, payout of indebtedness immediately prior to close, and other preliminary closing adjustments. On closing, US\$6.0 million (\$8.2 million) was paid and a holdback amount of US\$0.6 million (\$0.8 million) will be withheld for a period of 12 months and the transaction will be subject to final closing adjustments. As at December 31, 2025, the estimated holdback payable is US\$0.4 million (\$0.5 million).

The acquisition is accounted for as a business combination, under the acquisition method, whereby the net assets acquired, and liabilities assumed were recorded at fair value at the acquisition date and the results of operations included in these consolidated financial statements from the date of the acquisition.

Goodwill of \$2.9 million recognized in connection with this acquisition is primarily attributable to CMG Group's strategy to improve the operations of SeisWare, opportunities for SeisWare to increase sales to new customers and margins on revenue as the business expands, and other intangible assets that do not qualify for separate recognition including the assembled workforce. Goodwill is not expected to be deductible for income tax purposes.

Due to the timing and complexity of the acquisition, CMG Group is in the process of determining and finalizing the estimated fair value of the net assets acquired. The amounts determined on a provisional basis are generally related to net asset assessments and measurements of assumed liabilities. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to allocations will occur as additional information about the fair value of the assets and liabilities becomes available. The acquisition accounting method applied on a provisional basis in connection with the acquisition of SeisWare is as follows:

(thousands of \$)	
Fair value of net assets acquired	
Cash	3,075
Net working capital, excluding deferred revenue	(511)
Right-of-use assets	113
Lease liabilities	(113)
Deferred revenue	(936)
Other assets and liabilities	116
Intangible assets: technology	5,000
Intangible assets: customer relationships	400
Deferred tax liability	(1,248)
Net assets acquired	5,896
Goodwill	2,876
Total purchase consideration	8,772
 Consideration	
Cash	8,249
Acquisition holdback payable	523
Total consideration	8,772

4. Segmented Information:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assessing their performance. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assessing their performance.

The Company consists of four operating segments. All operating segments have similar economic characteristics and therefore the Company has aggregated all operating segments into one reportable segment consistent with the objectives and basic principles of IFRS 8.

The Company provides professional services, consisting of support, training, consulting and contract research activities, to promote the use and development of its software; however, these activities are considered a single line of business and all products function around this purpose and are not evaluated as a separate business segment.

Non-current assets include property, equipment, intangible and right-of-use assets of the Company are located in the following geographic regions (for revenue by geographic region, refer to note 7), based on location of the respective operations:

(thousands of \$)	December 31, 2025	March 31, 2025
Canada	59,708	53,527
United States	8,398	9,105
South America	531	331
Eastern Hemisphere ⁽¹⁾	50,889	51,406
	119,526	114,369

(1) At December 31, 2025 non-current assets of \$50.0 million are located in Germany (March 31, 2025 - \$50.4 million)

5. Deferred Revenue:

The following table presents changes in the deferred revenue balance:

(thousands of \$)	December 31, 2025	March 31, 2025
Balance, beginning of year	40,276	41,120
Acquired deferred revenue	936	1,655
Invoiced during the year, excluding amounts recognized as revenue during the year	30,421	39,580
Recognition of deferred revenue included in the balance of acquired deferred revenue in the current year	(1,003)	(1,092)
Recognition of deferred revenue included in the balance at the beginning of the year	(38,395)	(41,300)
Effect of FX	(243)	313
Balance, end of year	31,992	40,276

6. Lease Liabilities:

The Group's leases are for office space the most significant of which is the twenty-year head office lease in Calgary, Canada that commenced in 2017. These leases contain renewal options for additional terms, but since the Company is not reasonably certain it will exercise the renewal options, they have not been included in the measurement of the lease obligations

(thousands of \$)	December 31, 2025	March 31, 2025
Balance, beginning of year	36,946	36,961
Additions	404	2,378
Acquired lease liabilities (note 3)	113	256
Interest on lease liabilities (note 9)	1,393	1,891
Lease payments	(3,053)	(4,641)
Effect of foreign exchange	32	101
Balance, end of period	35,835	36,946
Current	2,480	2,278
Long-term	33,355	34,668

The following table presents contractual undiscounted payments for lease liabilities as at December 31, 2025:

(thousands of \$)	
Less than one year	4,240
Between one and five years	16,540
More than five years	26,226
Total undiscounted payments	47,006

7. Revenue:

In the following table, revenue is disaggregated by nature and geographical region based on where the customer is located and timing of revenue recognition. In the case of revenues recognized through a reseller arrangement the geographic segmentation is based on the resellers' location:

Three months ended December 31					2025					2024	
(\$ thousands)	Canada	United States	South America	Eastern Hemisphere ⁽¹⁾	Total	Canada	United States	South America	Eastern Hemisphere ⁽¹⁾	Total	
Annuity/maintenance	3,680	4,073	2,670	9,103	19,526	3,261	4,494	2,555	10,142	20,452	
Annuity license fee	323	735	—	3,128	4,186	—	708	176	3,419	4,303	
Perpetual license	187	31	—	199	417	170	—	—	634	804	
Total software revenue (2)	4,190	4,839	2,670	12,430	24,129	3,431	5,202	2,731	14,195	25,559	
Professional services	1,871	3,819	616	2,250	8,556	2,322	5,857	452	1,583	10,214	
Total revenue	6,061	8,658	3,286	14,680	32,685	5,753	11,059	3,183	15,778	35,773	

Nine months ended December 31					2025					2024	
(\$ thousands)	Canada	United States	South America	Eastern Hemisphere ⁽¹⁾	Total	Canada	United States	South America	Eastern Hemisphere ⁽¹⁾	Total	
Annuity/maintenance	9,863	13,090	7,999	27,975	58,927	9,739	13,242	7,308	27,800	58,089	
Annuity license fee	756	963	810	3,825	6,354	—	785	243	3,524	4,552	
Perpetual license	187	125	—	1,428	1,740	170	1,337	—	3,556	5,063	
Total software revenue (2)	10,806	14,178	8,809	33,228	67,021	9,909	15,364	7,551	34,880	67,704	
Professional services	5,328	12,028	1,524	6,618	25,498	7,038	15,847	1,408	3,766	28,059	
Total revenue	16,134	26,206	10,333	39,846	92,519	16,947	31,211	8,959	38,646	95,763	

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

(2) Total software revenue includes the amortization of a fair value reduction of deferred revenue recognized on acquisition, which has reduced post acquisition revenues by \$0.1 million and \$0.3 million respectively, for the three and nine months ended December 31, 2025 (three and nine months ended December 31, 2024 - nil and \$0.2 million).

(3) Annuity/ maintenance and professional service revenue are recognized over the contract. Annuity license fee and perpetual license revenue are recognized at a point in time upon completion of the Company's obligation.

The amount of revenue recognized during the nine months ended December 31, 2025 from performance obligations satisfied (or partially satisfied) in previous periods is \$0.8 million (nine months ended December 31, 2024 – \$3.3 million).

The Company applies the practical expedient available under IFRS 15 and does not disclose the amount of the transaction price allocated to unsatisfied performance obligations if the underlying contract has an expected duration of one year or less.

Receivables and contract assets from contracts with customers included in "Trade and other receivables" were as follows:

(thousands of \$)	December 31, 2025	March 31, 2025
Receivables	30,236	35,859
Contract assets	4,832	1,662

During the nine months ended December 31, 2025, one customer comprised 18% of the Company's total revenue (nine months ended December 31, 2024 – one customer, 25%).

8. Research and Development Costs:

(thousands of \$)	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Research and development	8,360	7,418	24,010	22,165
Government grants for research and development	(138)	(78)	(395)	(152)
	8,222	7,340	23,615	22,013

9. Finance Income and Finance Costs:

(thousands of \$)	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Interest income	362	653	890	2,292
Net foreign exchange gain	414	1,927	—	1,506
Finance income	776	2,580	890	3,798
Interest expense	(528)	(479)	(1,468)	(1,421)
Net foreign exchange loss	—	—	(1,184)	—
Finance costs	(528)	(479)	(2,652)	(1,421)

10. Income and Other Taxes:

The major components of income tax expense are as follows:

Nine months ended December 31	2025	2024
(thousands of \$)		
Current year income tax expense	3,803	6,417
Adjustment for prior year	98	969
Current year income taxes	3,901	7,386
Deferred tax expense (recovery)	(732)	(117)
Adjustment for prior year	(677)	(76)
Foreign withholding and other taxes	1,576	1,101
	4,068	8,294

During the nine months ended December 31, 2025, the blended statutory rate was 23% (nine months ended December 31, 2024 – 23%).

11. Share Capital

(a) Authorized:

An unlimited number of common shares, an unlimited number of non-voting shares, and an unlimited number of preferred shares, issuable in series without par value.

(b) Issued:

Changes to shareholders' capital were as follows:

(thousands of shares)	Common shares
Balance, April 1, 2024	81,392
Issued on redemption of performance share units	17
Issued on redemption of restricted share units	52
Issued on exercise of stock options	975
Balance, December 31, 2024	82,436
Balance, April 1, 2025	82,540
Issued for cash on exercise of stock options	187
Issued on redemption of restricted share units	28
Shares repurchased through NCIB	(1,181)
Balance, December 31, 2025	81,574

(c) Stock-Based Compensation:

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense:

	Three months ended December 31		Nine months ended December 31	
(thousands of \$)	2025	2024	2025	2024
Equity-settled plans	179	98	691	788
Cash-settled plans	9	(177)	(12)	2,272
Total stock-based compensation expense	188	(79)	679	3,060

Liability Recognized for Stock-Based Compensation⁽¹⁾

The following table summarizes liabilities for the Company's cash-settled plans:

(thousands of \$)	December 31, 2025	March 31, 2025
SARs	89	185
RSUs	223	891
PSUs	716	148
DSUs	191	1,568
Total stock-based compensation liability	1,219	2,792
Current, recorded within trade payables and accrued liabilities	1,160	2,536
Long-term, recorded in other long-term liabilities	59	256

(1) The intrinsic value of the vested awards at December 31, 2025 is 0.1 million (March 31, 2025 is \$1.8 million).

The Company has several stock-based compensation plans, including a stock option plan, a share appreciation rights plan, a performance share unit and restricted share unit plan, and a deferred share unit plan.

The maximum number of common shares reserved for issuance under the Company's security-based compensation plans is limited to 10% of the issued and outstanding common shares. Based on this calculation, at December 31, 2025, the Company may reserve up to 8,157,353 common shares for issuance under its security-based compensation plans.

i. Stock Option Plan

Stock options granted by the Company provide the holder with the right to purchase common shares at the market price on the grant date, subject to fulfilling vesting terms. The majority of the Company's options vest over a three-year period, with fifty percent vesting on the first-year anniversary from the grant date and 25% vesting on each of the second- and third-year anniversary dates. The Company has also granted stock options that vest when certain share price thresholds are achieved. Stock options have a two to five-year life

The following table outlines changes in stock options:

	Nine months ended December 31, 2025		Year ended March 31, 2025	
	Number of Options (thousands)	Weighted Average Exercise Price (\$/share)	Number of Options (thousands)	Weighted Average Exercise Price (\$/share)
Outstanding at beginning of year	3,553	5.84	4,393	5.17
Granted ⁽¹⁾	1,140	6.60	750	10.9
Exercised	(187)	4.43	(1,079)	5.24
Forfeited/expired	(75)	8.53	(511)	8.77
Outstanding at end of year	4,431	6.07	3,553	5.84
Options exercisable at end of year	1,218	5.82	1,106	4.98

(1) 900,000 stock options granted during the nine months ended December 31, 2025 which are exercisable when specified share price targets are achieved.

The range of exercise prices of stock options outstanding and exercisable at December 31, 2025 is as follows:

Exercise Price (\$/option)	Number of Options (thousands)	Weighted Average Remaining Contractual Life (years)	Outstanding		Exercisable	
			Weighted Average Exercise Price (\$/option)	Number of Options (thousands)	Weighted Average Exercise Price (\$/option)	Number of Options (thousands)
3.98 to 4.62	273	1.3	4.31	98	3.98	—
4.63 to 4.87	1,792	1.4	4.74	492	4.74	—
4.88 to 5.04	486	1.7	5.00	336	5.00	—
5.05 to 6.61	468	2.2	6.13	—	—	—
6.62 to 7.06	609	2.2	6.91	—	—	—
7.07 to 10.26	503	3.4	9.14	292	9.20	—
10.27 to 10.40	300	1.9	10.40	—	—	—
	4,431	1.9	6.07	1,218	5.82	—

During the nine months ended December 31, 2025, CMG Group issued grants of 1,139,951 stock options, out of which 900,000 are performance based. The performance factors for the 900,000 performance-based stock options to become fully vested and exercisable are as follows:

- 200,000 stock options vest and become exercisable when a share price of \$10 has been achieved for three consecutive months.
- 350,000 stock options vest and become exercisable when a share price of \$15 has been achieved for three consecutive months.
- 350,000 stock options vest and become exercisable when a share price of \$20 has been achieved for three consecutive months.

A Black Scholes pricing model was utilized in the valuing of these grants and the assumptions used to fair value this grant are included in the table below. The expected volatility considers the historical volatility in the price of CMG Group's common shares over a period similar to the life of the options.

The fair value of stock options granted during the year was estimated using the Black Scholes pricing model under the following assumptions:

	Nine months ended December 31, 2025	Year ended March 31, 2025
Fair value at grant date (\$/option)	0.09 to 0.70	0.83 to 2.74
Share price at grant date (\$/share)	5.08 to 10.11	10.11 to 10.40
Risk-free interest rate (%)	2.45 to 3.08	3.08 to 3.14
Estimated hold period prior to exercise (years)	1 to 3	3 to 4
Volatility in the price of common shares (%)	38 to 43	38 to 40
Dividend yield per common share (%)	0.63 to 2.89	1.92 to 2.06

ii. Share Appreciation Rights Plan

The Company adopted a share appreciation rights plan ("SAR Plan") in November 2015. A share appreciation right ("SAR") entitles the holder to receive a cash payment equal to the difference between the stated exercise price and the market price of the Company's common shares on the date the SAR is exercised. SARs are granted to executive officers and employees residing and working outside of Canada. The following table outlines changes in SARs:

	Nine months ended December 31, 2025			Year ended March 31, 2025	
	Number of SARs (thousands)	Weighted Average Exercise Price (\$/SAR)	Number of SARs (thousands)	Weighted Average Exercise Price (\$/SAR)	Number of SARs (thousands)
Outstanding at beginning of year	52	4.50	563	6.5	
Exercised	(24)	5.08	(232)	6	
Forfeited/expired	—	—	(279)	7.3	
Outstanding at end of year	28	3.98	52	4.5	
SARs exercisable at end of year	28	3.98	52	4.5	

iii. Share Unit Plans

Performance Share Units (PSUs) and Restricted Share Units (RSUs)

The Performance Share Unit and Restricted Share Unit Plan ("PSU & RSU Plan") is open to all employees and contractors of the Company. Upon vesting, PSUs and RSUs can be exchanged for common shares of the Company or surrendered for cash at the option of the holder.

The International Employees PSU & RSU Plan includes substantially the same terms, conditions, and PSU performance criteria as the PSU & RSU Plan, with the main two exceptions being that (i) it is available only to employees and contractors residing and working outside of Canada and (ii) PSUs and RSUs under this plan can be redeemed for cash only.

Deferred Share Units (DSUs)

The DSU Plan was adopted in May 2017 and is limited to non-employee members of the Board of Directors. DSUs vest immediately but are redeemable for cash only after a director ceases Board of Director membership.

The following table summarizes the activity related to the Company's share unit plans:

(thousands)	Nine months ended December 31, 2025			Year ended March 31, 2025		
	RSUs	PSUs	DSUs	RSUs	PSUs	DSUs
Outstanding at beginning of year	153	96	196	394	117	187
Granted	1	105	78	4	64	30
Exercised	(105)	—	(136)	(200)	(47)	(25)
Forfeited/expired	(16)	(34)	—	(45)	(38)	4
Outstanding at end of year	33	167	138	153	96	196

(d) Normal-course issuer bid ("NCIB")

On November 11, 2025, the Company announced plans to undertake a Normal Course Issuer Bid to repurchase up to 5% of its issued and outstanding common shares over a 12-month period.

During the three and nine months ended December 31, 2025, the Company purchased for cancellation 1,181,400 common shares (2024 - nil) for a total of \$6.3 million (2024 - nil) under the NCIB program.

(e) Earnings Per Share:

The following table summarizes the earnings and weighted average number of common shares used in calculating basic and diluted earnings per share:

Three months ended December 31 (thousands) except per share	2025			2024		
	Earnings (\$)	Weighted average shares outstanding	Earnings per share (\$/share)	Earnings (\$)	Weighted average shares outstanding	Earnings per share (\$/share)
Basic	5,964	82,957	0.07	9,606	82,753	0.12
Dilutive effect of share-based awards		335		—	677	
Diluted	5,964	83,292	0.07	9,606	83,430	0.12

Nine months ended December 31 (thousands except per share amounts)	2025			2024		
	Earnings (\$)	Weighted average shares outstanding	Earnings per share (\$/share)	Earnings (\$)	Weighted average shares outstanding	Earnings per share (\$/share)
Basic	11,989	83,069	0.14	17,333	82,460	0.21
Dilutive effect of share-based awards		792		—	914	
Diluted	11,989	83,861	0.14	17,333	83,374	0.21

During the three and nine months ended December 31, 2025, 11,104 and 7,065 awards (three and nine months ended December 31, 2024 – 1,105,417 and 1,155,408 awards) were excluded from the computation of the weighted average number of diluted shares outstanding because their effect was not dilutive.

12. Financial Instruments and Risk Management:

The Company's financial instruments include financial assets, including cash, restricted cash, short-term investment, trade and other receivables, which are classified as and measured at amortized cost, which approximates their fair values, as well as financial liabilities which include trade payables and accrued liabilities (excluding stock-based compensation payable), acquisition holdback payable, and other long-term liabilities (excluding stock-based compensation payable) which are classified as other financial liabilities and, using level 2 inputs, are measured at amortized cost, which approximates their fair values. The Government loan and revolving credit facility are measured at amortized cost using the effective interest rate method, using level 2 inputs.

13. Commitments:

The Company's commitments include operating cost commitments and short-term office leases:

(thousands of \$)	December 31, 2025
Less than one year	1,674
Between one and five years	4,879
More than five years	6,749
	13,302

14. Line of Credit:

i. Revolving credit facility

As at December 31, 2025, the Group has access to a committed revolving credit facility with a total limit of \$100 million maturing November 7, 2029 at which point all amounts drawn and accrued interest thereon are due in full. Borrowings under the facility bear a variable interest rate with no fixed repayments over the term to maturity. Interest rates are calculated at standard Canadian, U.S., and European reference rates plus interest rate spreads based on a leverage table.

As at the reporting date, \$2 million (March 31, 2025: \$nil) had been drawn under the facility with an effective interest rate of 4% based on Canadian Overnight Repo Rate Average ("CORRA").

The credit facility is subject to customary financial covenants, including leverage ratio and interest coverage ratio. The Company was in full compliance with all covenants as at the reporting date.

As at December 31, 2025, the Company had \$98 million (March 31, 2025: \$Nil) of undrawn committed borrowing facility which are available to support the Group's liquidity requirements.

ii. Other credit facility

The Company has arranged for a \$2.5 million (December 31, 2024 - \$2.0 million) line of credit with a lender, which can be drawn down by way of a demand operating credit facility or may be used to support letters of credit. As at December 31, 2025, \$2.1 million (December 31, 2024 -\$1.4 million) had been reserved on this line of credit for letters of credit supporting performance bonds.

15. Subsequent Event:

On February 10, 2026, the Board of Directors declared a quarterly cash dividend of \$0.01 per share on its common shares, payable on March 13, 2026 to all shareholders of record at the close of business on March 5, 2026.



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