CEO Letter to Shareholders

May 21, 2026

Dear Fellow Shareholders,

Fiscal 2026 tested the thesis we spent the past several years building. I asked you to judge us on Recurring revenue growth and Free Cash Flow and neither moved in the direction I wanted. I was transparent about the reasons: a single contract loss that stepped down Recurring revenue in Q2, slower discretionary technology spending by our customers, and acquired businesses still early in advancing their profit margins.

That transparency did not make the results easier to absorb, and I do not expect it to substitute for performance. Even against this backdrop, fiscal 2026 proved to be an important year for CMG.

Organic Recurring revenue: the commitment I made

In Q2, I said we expected to return to positive year-over-year organic Recurring revenue growth in Q4, and we delivered with 5% growth. I want to outline what drove it because understanding the “why” behind Q4 is essential to reading the quarters ahead correctly.

First, our multi-year software agreement with Shell, signed in November, began to contribute. That agreement converted years of collaboration on professional services into a long-term software partnership, affirming the strategic value of our simulation software and entering us into a new phase of collaboration.

Secondly, Sharp delivered a strong fourth quarter with continuous growth and contract renewals. I am encouraged by both the customer traction, and the strategic role Sharp is increasingly playing within our seismic portfolio. The business continues to validate our thesis that focused, technically differentiated acquisitions can strengthen CMG's position in adjacent subsurface workflows.

Investors should understand that the accounting treatment of those contracts causes more revenue to be recognized in Q4 and less in Q1 through Q3. That creates seasonality in our reported results, particularly in the fourth quarter. I have said before that the annual lens, not the quarterly one, is the right way to evaluate this business. That is especially true now. The key point is not the quarter itself; it is that the underlying contracts are meaningful and aligned with the kind of recurring software business we are building.

What we executed in a difficult year

When I joined CMG in 2022, one of my passions was rethinking how we build products. For most of CMG’s history, product development began with a hard scientific problem. We are a company of exceptional scientists and engineers, and solving hard problems is something we do better than anyone. But solving hard problems and solving the *right* problems are not always the same thing.

Over the past several years, we have become far more disciplined about where we invest development dollars. We are pursuing those projects with a clear commercial path and a defined role in our customers workflows.

That discipline is visible in ShaleSim, a product we expect to officially launch in the coming months. We know that activity across unconventional assets continues to expand, not only in the US Permian Basin, but increasingly in Argentina, the Middle East, and other emerging shale developments globally. At the same time, customers are looking for more integrated workflows that connect fracture design, reservoir behavior, and production forecasting. ShaleSim extends our simulation capabilities into hydraulic fracture and unconventional completion modeling, creating exactly that connected experience. ShaleSim reflects an organizational shift in how we prioritize product development, one with implications well beyond any single product release.

On the capital side, fiscal 2026 was a year of building. In August, we reduced the quarterly dividend, freeing approximately $13 million of annual cash flow for acquisitions, the cornerstone of our capital deployment strategy. In November, we finalized our first credit facility, giving us the capacity and flexibility to act decisively on acquisitions.

We completed two acquisitions, SeisWare in July and Rose Subsurface Assessment in March, each funded with cash and each bringing valuable technology and strong teams in areas adjacent to our core. And in July, we welcomed Vipin Khullar as CFO, deepening our financial leadership at a pivotal moment in our evolution.

Acquisitions

This past year, I described our acquisition pipeline as the most active in the company's history, but closed deals have not kept pace with that description, and I understand how that gap reads.

Identifying and evaluating opportunities at our current volume requires creating the repeatable playbook and systems which we have been building in parallel with the pipeline itself. Continued development of our M&A capacity, including the people, the process, the diligence capability, is critical to advancing our strategy. As these investments mature, the conversion from pipeline to closed transactions should improve. I expect investors to hold us to that.

Welcoming Rose Subsurface Assessment

The acquisition of Rose was completed in the final weeks of our fiscal year.

Rose's partners and principal consultants have spent their careers at the intersection of subsurface science and high-stakes commercial decision-making. Their discipline, probabilistic risk assessment for exploration and development opportunities, is built on a foundation of expertise that takes decades to develop and cannot be replicated quickly, and they have developed software solutions that embed that expertise for their customers.

What excites me about Rose is not simply what the team brings to CMG, it is what CMG brings in return. Rose's experts now have access to a portfolio of related technologies, a global commercial infrastructure, and colleagues across CMG, Sharp, Bluware, and SeisWare who are working on adjacent problems at the same scientific level. Rose strengthens the early workflow so that CMG can increasingly support our customers through the full journey from interpretation to modelling to forecasting to decision-making. This vision, which is the basis of our CMG 4.0 Strategy, centers around delivering more of the critical technologies our customers rely on within an open ecosystem. I believe the combination makes us more indispensable inside our most important customer relationships.

A Word on AI

No technology topic generates more discussion today than artificial intelligence, and understandably so. I am often asked whether AI will eventually replace full-physics reservoir simulation. My view is no.

Reservoir simulation is fundamentally different from many of the problems AI is naturally suited for. Our software does not simply predict outcomes; it enforces physics across highly complex subsurface systems where small errors can materially change development decisions and economic outcomes.

I expect that AI will revolutionize reservoir modeling, not by replacing engineers but by removing the friction around them.

Today, too much expert time is spent building, cleaning, updating, and running complex models. AI could reduce those cumbersome steps dramatically, allowing engineers to spend more time on what really creates value: understanding uncertainty, testing development scenarios, and making better investment decisions.

I believe the future will not be AI versus physics or AI versus humans. I believe the winning model will be AI + physics + human judgment. AI accelerates the workflow, physics keeps the answer grounded in reality, and the engineer remains in the loop to challenge assumptions, validate results, and take responsibility for the final decision.

Because at the end of the day, if a well fails or a project underperforms, the accountability is on the people and the company making the capital decision. That is why AI must become a decision-support system, not an unsupervised decision-maker.

CMG has, for years, used machine learning techniques within optimization and history matching workflows. And we acquired Bluware because we recognized that their flagship InteractivAI tool is a powerful application of human-in-the-loop approach to AI.

We see meaningful opportunity to further accelerate scenario screening, automation, and decision support using AI-driven approaches, but it will always be with the critical lens of bringing AI, physics, and human judgment together, not risking outcomes to apply AI where it isn't appropriate. Multiple initiatives are underway across CMG that are leveraging AI for rapid prototyping of new concepts, exploring surrogate modelling, accelerating and simplifying workflows, and greatly improving the user experience.

In closing

This May marks four years since I joined CMG. The strategy has not changed, and neither has my conviction. Long-term shareholders will know that I grew up playing cricket. Not every session in a test match is about scoring, the most important ones are often about holding your crease through a difficult period so the innings can continue. That is what this year required, and that is what we did. What I can tell you about Q4 is not just that we scored, but that the drivers behind it are real, the product of relationships and technology built over many years. The crease held because the foundation held.

The best sessions are still ahead, and I am committed to giving you reasons to share that certainty rather than simply asking you to.

None of this year’s accomplishments would have happened without our employees bringing their best through a demanding period: the contracts renewed, the acquisitions made, the products advanced. And to our customers, who continue to trust our software and our science with consequential decisions: that trust is the reason we do this work, and we do not take it lightly.

Thank you for your continued support.

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 IFRS Accounting Standards, including the financial measures "Adjusted EBITDA", "Recurring Revenue", and "Free Cash Flow" to indicate financial performance. For detailed information on these Forward-Looking Statements, non-IFRS measures, and associated risks, please see the relevant sections in our MD&A dated May 21, 2026, accessible on SEDAR+ (www.sedarplus.ca) and our website (www.cmgl.ca/investors/financial-reports).