Q2 2027 Financial Report

CMG

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CEO Letter to Shareholders

November 12, 2026

Dear Fellow Shareholders,

I am encouraged by what I see building at CMG. Our second quarter was the first in which the loss of a large contract in fiscal 2026 no longer affects our year-over-year comparisons, which gives us the clearest view in some time of the underlying business. Organic Recurring revenue was flat compared to the same quarter last year, an improvement over the 12% decrease in the first quarter. The business has stabilized and the signs of growth are starting to show.

That is why I am confident reaffirming our outlook for fiscal 2027 which is that, relative to the prior year and excluding the impact of future acquisitions, we continue to expect Organic Recurring revenue to be stable, no decline in Adjusted EBITDA, and improved Free Cash Flow.

A stable year can sound modest, but it is the sum of a weak start and a stronger finish. We expect to exit fiscal 2027 with the business back on a growth footing, and that is what I am most encouraged by.

I spent much of this quarter with customers, in Colombia, Brazil, the United States, Norway, the UAE, Qatar, Bahrain, Malaysia, and across Africa. What I heard was consistent everywhere I went, and it is different from a year ago. Operators are investing again in the assets they already have. Easy oil is gone, enhanced recovery matters more than ever, and customers want more from the seismic data they already own. These are the problems CMG was built to solve, and the trends are moving in our favor.

This letter sets out what our outlook requires of the second half and the evidence behind my confidence in it, my one-year review of SeisWare, and where our capital is going.

The second half

A growing share of our software revenue now comes from contracts whose accounting concentrates revenue in the fourth quarter, when they are signed or renewed. That includes the multi-year simulation agreement we announced in November 2025, much of our seismic business, and now also Rose. This is structural, not a one-time effect, and we saw it for the first time last year. Overall, approximately 55% of fiscal 2026 Recurring revenue was recognized in the second half of the year, and we said this year would follow the same pattern.

This year, with the first half Organic Recurring revenue below last year, achieving our outlook of a stable year means the second half needs to turn to growth. We expect to deliver that growth, and for most of it to fall into the fourth quarter. That expectation rests on three things.

First, contracts in place. Last quarter I said that our outlook rested on multi-year contracts and completed renewals across many of our top simulation customers.

Our multi-year contracts give us a contracted base across the business, and many include annual price increases that build into Recurring revenue over the life of the agreement.

Our renewals add to that base. In September, we announced that Petrobras, one of our most technically demanding customers, renewed and expanded its agreement with us for five years.

Second, the seasonality of our seismic businesses. Sharp and SeisWare are heavily weighted to the fourth quarter. Sharp has performed strongly since we acquired it, and we expect it to deliver a record year. SeisWare is also expected to deliver strong revenue growth. Most of that performance will show up in the fourth quarter.

Third, new business. Industry activity is picking up with customers focused on energy security and getting more from their existing assets. We have been building opportunities in new markets, with new customers, and with new products. Most are expected to deliver in the fourth quarter and into next year, but we are already seeing evidence.

For example, this was our strongest quarter for perpetual license sales in two years. While Recurring revenue remains our goal and how we measure the health of our business, certain customers, often in the eastern hemisphere, prefer perpetual licenses. Offering these customers a license structure that fits how they want to buy puts our technology into their hands, where adoption and usage can grow. Each perpetual license typically brings an annual maintenance contract that adds to our Recurring revenue base.

We have re-entered the Venezuelan market, historically an important market for CMG. During the quarter, we signed our first software contract there in many years. Since quarter end, we have signed an additional two contracts.

Venezuela has some of the largest oil resources in the world and the type of complex recovery challenges that CMG expertise and software is best suited for. I believe that with these early inroads, we can re-establish a strong presence in this meaningful market.

ShaleSim, launched in June, is drawing an encouraging early response. We are gathering customer feedback and building awareness through workshops, conferences, and technical presentations around the world.

The fourth quarter carries a lot of weight this year, and I don't take that as given. We know what the second half needs to deliver and where we expect it to come from, which is why we believe our outlook is achievable.

AI: from view to practice

In May, I wrote that AI will not replace full-physics reservoir simulation, and that the winning model is AI + physics + human judgment. My view hasn't changed, but it has become sharper.

We have made good progress on the AI agents we are building across our simulation portfolio. Built on an open standard that lets AI work with our simulators without changing them, they take on the repetitive work of building, updating, and running complex models while keeping all the physics, so that engineers can spend more time on interpretation and judgment. I expect to begin rolling out this functionality later this fiscal year.

Bluware is showing what else AI can do when it is grounded in a customer's own data and guided by experts. Working with a major operator's geophysicists and geologists, our Bluware team built a custom AI workflow, trained on the customer's drilling results and geological data, to identify direct hydrocarbon indicators. Their approach surfaced exploration prospects that conventional interpretation had missed.

This is one of six projects Bluware has undertaken, each for a different energy company and each solving a specific problem on a specific asset. The range of problems shows that Bluware's expertise applies across many subsurface challenges, not a single use case. For CMG, these projects show that the expertise needed to apply AI effectively in the subsurface already exists within our Company and is delivering results for operators today.

I have written more about AI on LinkedIn: why physics stays at the centre of subsurface AI, and where an agent can support a reservoir engineer.

SeisWare: one year with CMG

I committed to reporting on SeisWare's progress after owning it for a year, just as I did for Bluware and Sharp Reflections. These reviews test the central idea behind our acquisition strategy: that good software businesses become better ones inside CMG.

When we acquired SeisWare in July 2025, it was operating at around breakeven. The trailing twelve month Adjusted EBITDA margin is 10% and we expect the Adjusted EBITDA margin to exceed 20% for the current fiscal year.

On the revenue side, the first year has been about building. We completed the development and launch of a new product called Mercury. We also started laying the foundation for sales outside of SeisWare's core market in Canada. Neither of those produces revenue right away, but customers are now evaluating the new product, and the international pipeline is building. As I mentioned earlier in my letter, I expect strong revenue growth in the fourth quarter. Beginning next quarter, SeisWare will be part of our organic results.

We have now delivered early margin expansion at each of the three acquisitions we have owned for more than a year. That record is why acquisitions remain our primary use of capital over time, and why we are so careful about the price we pay for the next one.

Capital allocation: where the returns are today

We aim to deploy 100% of our Free Cash Flow into opportunities that grow Recurring revenue and long-term cash flow at attractive risk-adjusted returns. Acquisitions remain our first priority for that capital.

I have said that the conversion from pipeline to closed transactions should improve, and that I expected investors to hold us to that. It hasn't yet. Valuations for quality software companies remain high, and closing at the right price is taking longer than I expected. This quarter we walked away from a transaction in the later stages of the process. It was a good business with a strong leader, but we could not get to conviction on the returns. I share this because I would rather explain a deal we didn't do than one we shouldn't have done.

Walking away from a transaction is not stepping back. Our pipeline remains active, and we continue to build relationships with founders who want a strong technical home for their businesses. We closed two acquisitions at the right price in fiscal 2026, SeisWare and Rose, and I am confident we will do so again. Discipline on price and success in closing are not in conflict. What reconciles them is patience.

Separately, we believe our shares trade at a discount to their intrinsic value, based on the cash flow the business generates. At today's price, buying back our shares is an attractive use of capital in its own right. Buybacks and acquisitions are complementary, not competing. This year, buybacks have carried more of the capital we deployed than I expected when the year began, and our capacity for acquisitions remains fully funded.

In September we completed our substantial issuer bid, repurchasing 4,444,444 shares at $4.50 per share, about $20 million and roughly 5.7% of the shares then outstanding. We sized it so that our acquisition strategy remained fully funded and so that we can repay the related draw on our credit facility from this year's expected cash flow. Today, we announced the renewal of our normal course issuer bid, a flexible way to keep buying when the price is right. We have also increased our committed credit facility by $50 million to $150 million, now with a syndicate of two banks, so that buying back shares does not come at the expense of acting on the right acquisition.

This weighting reflects where the returns are today, not a change in strategy. We are actively working on our pipeline, and when we find an acquisition that clears our hurdle, we will act on it. The balance will shift as those opportunities close or as the gap between our share price and our view of its intrinsic value narrows.

Looking ahead

The first half of this year was about setting up for growth in the second half. What matters now is execution: converting the remaining renewals, building on new markets, putting our AI work in customers' hands, and directing capital to where the returns are. That progress needs to show up in our financial results, and that is how I expect to be measured.

Vipin and I look forward to speaking with you further on our earnings call tomorrow morning, November 13th at 7 am MT (8 am ET).

To our employees, our customers, our partners, and our shareholders, I remain grateful for your ongoing commitment and collaboration.

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", "Organic growth" 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 November 12, 2026, accessible on SEDAR+ (www.sedarplus.ca) and our website (www.cmgl.ca/investors/financial-reports).

Computer Modelling Group Ltd. announces its second quarter results for the three and six months ended September 30, 2026.

SECOND QUARTER 2027 CONSOLIDATED HIGHLIGHTS

Select financial highlights

- Total revenue decreased by 3% (10% Organic decline[1] and 7% growth from acquisitions) to $29.3 million;
- Recurring revenue[2] increased by 7% (nil Organic growth and 7% growth from acquisitions) to $22.1 million;
- Adjusted EBITDA[1] decreased by 16% to $6.4 million;
- Adjusted EBITDA Margin[1] was 22%, compared to 25% in the comparative period;
- Earnings per share was $0.01, a 67% decrease;
- Free Cash Flow[1] increased by 33% to $2.6 million; Free Cash Flow per share increased to $0.03 from $0.02

SECOND QUARTER YEAR TO DATE 2027 CONSOLIDATED HIGHLIGHTS

Select financial highlights

- Total revenue decreased by 5% (12% Organic decline and 7% growth from acquisitions) to $57.1 million;
- Recurring revenue increased by 2% (6% Organic decline and 8% growth from acquisitions) to $42.4 million;
- Adjusted EBITDA decreased by 13% to $12.8 million;
- Adjusted EBITDA Margin was 22%, compared to 24% in the comparative period;
- Earnings per share was $0.03, a 57% decrease;
- Free Cash Flow decreased by 5% to $6.1 million; Free Cash Flow per share remained flat at $0.08.

(1) Organic growth/decline, Adjusted EBITDA, Adjusted EBITDA Margin, Recurring revenue and Free Cash Flow are not standardized financial measures and might not be comparable to measures disclosed by other issuers. For more description 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

Recurring revenue increased 7% to $22.1 million, which was due to 7% growth from acquisitions. Organic Recurring revenue was flat year over year, an improvement compared with a 12% organic decrease in the first quarter. Year-over-year comparisons normalized following the final quarter lapping the previously announced customer contract loss.

Perpetual license revenue increased to $1.3 million compared to $0.9 million in the prior year period.

Total revenue decreased 3% to $29.3 million, as 7% growth from acquisitions was offset by a 10% organic decrease driven by professional services.

Professional services revenue decreased 31% to $5.9 million, reflecting the absence of CoFlow related development funding, which concluded at the end of calendar 2025, and the completion of the wind down of non-core professional services at Bluware.

Professional services revenue decreased both sequentially and year over year, as expected. However, revenue in the quarter benefited from stronger than expected customer demand. As a result, we now expect professional services revenue in the third quarter to be similar to the second quarter. We previously expected the second quarter to be the lowest quarter of the fiscal year.

Adjusted EBITDA decreased 16% to $6.4 million, and Adjusted EBITDA Margin was 22% compared to 25% in the comparative period. The decrease reflects lower professional services revenue, partially offset by growth in software license revenue. Adjusted EBITDA was essentially unchanged from the first quarter, despite prior expectations of a sequential decline. Adjusted EBITDA in the current quarter was supported by an increase in perpetual licenses and stronger than expected demand for professional services.

Free Cash Flow increased 33% to $2.6 million, driven by lower capital expenditures. Free Cash Flow per share increased to $0.03 from $0.02. Year to date, Free Cash Flow decreased 5% to $6.1 million.

On November 12, 2026, the Company announced the renewal of a Normal Course Issuer Bid ("NCIB") for its common shares as the Board of Directors of the Company believes that, from time to time, the market price of the common shares may not fully reflect the underlying value of the business.

The NCIB announced on November 11, 2025, and which will expire on November 13, 2026, resulted in a total of 4,760,700 shares being repurchased and cancelled.

The substantial issuer bid (SIB) announced on August 11, 2026 expired on September 21, 2026. Under the SIB, the Company repurchased and cancelled 4,444,444 common shares at $4.50 per share, for aggregate consideration of $20.0 million. The repurchase was funded from the Company's credit facility. At September 30, 2026, $29.9 million was drawn on the $100 million revolving credit facility, with $70.1 million undrawn.

On October 9, 2026, the Company amended its revolving credit facility, increasing the total committed borrowing capacity from $100 million to $150 million, while also adding a second lender.

In the third quarter, Recurring revenue is expected to increase sequentially from the second quarter driven by a higher renewal cycle in the third quarter relative to the second quarter. Professional services revenue in the third quarter is expected to be similar to the second quarter.

Adjusted EBITDA and Adjusted EBITDA margins are expected to increase sequentially but decrease compared with the third quarter of fiscal 2026, primarily due to lower professional services revenue.

The fourth quarter is expected to be the Company's largest renewal quarter and is expected to deliver the Recurring revenue growth and Adjusted EBITDA required to achieve the full-year outlook.

For fiscal 2027, we continue to expect a decline in professional services revenue of between $6-7 million relative to fiscal 2026.

For fiscal 2027, relative to the prior year and excluding the impact of future acquisitions, we continue to expect Organic Recurring revenue to be stable, no decline in Adjusted EBITDA, and improved Free Cash Flow.

SUMMARY OF FINANCIAL PERFORMANCE

	Three months ended September 30,			Six months ended September 30,		
($ thousands, except per share data)	**2026**	2025	% change	**2026**	2025	% change
Annuity/maintenance licenses	**19,712**	19,067	3%	**38,960**	39,401	(1)%
Annuity license fee	**2,408**	1,650	46%	**3,449**	2,168	59%
Recurring revenue[1][2]	**22,120**	20,717	7%	**42,409**	41,569	2%
Perpetual license	**1,269**	945	34%	**1,766**	1,323	33%
Total software revenue	**23,389**	21,662	8%	**44,175**	42,892	3%
Professional services	**5,879**	8,539	(31)%	**12,938**	16,942	(24)%
Total Revenue	**29,268**	30,201	(3)%	**57,113**	59,834	(5)%
Cost of revenue	**5,941**	5,542	7%	**11,602**	11,500	1%
Operating expenses						
Sales & marketing	**6,025**	5,992	1%	**10,544**	10,602	(1)%
Research and development	**7,751**	7,360	5%	**15,531**	15,393	1%
General & administrative	**6,458**	6,126	5%	**12,078**	11,865	2%
Operating expenses	**20,234**	19,478	4%	**38,153**	37,860	1%
Operating profit	**3,093**	5,181	(40)%	**7,358**	10,474	(30)%
Net income	**711**	2,716	(74)%	**2,036**	6,025	(66)%
Adjusted EBITDA [1]	**6,378**	7,558	(16)%	**12,767**	14,628	(13)%
Adjusted EBITDA Margin [1]	***22%***	*25%*	*(3)%*	***22%***	*24%*	*(2)%*
Earnings per share — basic & diluted	**0.01**	0.03	(67)%	**0.03**	0.07	(57)%
Funds flow from operations per share - basic	**0.04**	0.04	—%	**0.10**	0.11	(9)%
Free Cash Flow per share — basic [1]	**0.03**	0.02	50%	**0.08**	0.08	—%

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

(2) Included in the number is a reduction of $0.2 million and $0.5 million for the three months and six months ended September 30, 2026, respectively ($0.1 million and $0.2 million for the three months and six months ended September 30, 2025, respectively), 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 November 12, 2026, should be read in conjunction with CMG Group's annual audited consolidated financial statements (the "Financial Statements") and accompanying notes for the year ended March 31, 2026 and CMG Group's Annual Information Form dated May 21, 2026 ("AIF"), and such additional information is 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 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.

This MD&A was reviewed and approved by the Audit Committee and Company's Board of Directors (the "Board of Directors") and is effective November 12, 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; Recurring revenue as an indicator of business expansion; CMG's 4.0 Strategy and its outcomes; 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; the development of the Company's M&A infrastructure, including the people, the process and the diligence capability; the conversion of M&A opportunities to closed transactions; the continuous deployment of available capital into acquisitions; and estimated amount of common shares for issuance under the Company's security-based compensation plans. 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", "would", "could", "will", "continue", "maintain", "grow", "optimize", "accelerate" or similar terms are intended to identify forward-looking information about future periods. Statements 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 or manage significant disruptions to 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 this MD&A:

- Economic conditions in the energy industry;
- Reliance on key customers;
- Foreign exchange;
- Commodity price risk;
- Geopolitical risk, including the war in Ukraine and the conflict in the Middle East;
- Tariff risk;
- Tax liability;
- Sales variability;
- Economic and political risks in countries where the Company currently does or proposes to do business;
- Increased competition;
- General state of the economy;
- Reliance on employees with specialized skills or knowledge;
- Protection of intellectual property and other proprietary rights;
- Artificial intelligence risk;
- Credit and liquidity;
- Non-compliance with anti-corruption and anti-bribery laws;
- Information security breaches or other cyber-security threats;
- Ability to successfully execute on acquisitions and to integrate acquired businesses and assets;
- Potential restrictions around asset ownership and control in foreign jurisdictions;
- Litigation;
- Significant obligations on CMG as a publicly traded company;
- Price volatility of our Common Shares;
- Fraudulent and illegal activities by employees, contractors and consultants.

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 Technoligicas 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, CMG Germany GmbH, Sharp Reflections GmbH, Sharp Reflections Inc., Sharp Reflections AS, and Sharp Reflections Ltd., (together referred to as "SR" or "Sharp"), SeisWare International Inc., and SeisWare Inc. (together referred to as "SWII" or "SeisWare"), and CMG RA Holdings 1, LLC, CMG RA Holdings 2, LLC, Rose & Associates LLP, Rose & Associates Canada Ltd and Lognormal Solutions LLC (together referred to as "Rose").

BUSINESS OVERVIEW

Since its inception more than 45 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.

Under the CMG 4.0 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; and,
- continue 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 five groups providing market-leading software solutions as described below.

Computer Modelling Group: market-leading reservoir simulation software, recognized as the industry standard in traditional oil and gas including enhanced oil recovery (“EOR”), heavy oil and unconventional resources, and in energy transition including carbon capture and storage (“CCS”), geothermal and hydrogen. In addition, the Company has developed CoFlow, the industry’s first fully implicit, multi-user and multi-disciplinary integrated reservoir and production system modelling 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.

Bluware (BHV): InteractivAI™ is an AI-powered seismic interpretation tool that enables geoscientists to rapidly analyze large volumes of seismic data. InteractivAI leverages Bluware's proprietary VDS™ (Volume Data Storage) format, which compresses seismic data while enabling fast access, scalable processing, and cost-effective storage across cloud and on-premises environments. VDSFlow™ is Bluware's data and interoperability solution, enabling energy companies to convert, compress, store, and access seismic data across multiple applications and environments without maintaining redundant copies. By providing a common data foundation for existing interpretation applications and workflows, VDSFlow reduces data storage and infrastructure costs, improves data accessibility, and supports the industry's transition toward cloud-based and AI-driven subsurface 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.

Rose: Probabilistic subsurface risk assessment software, for resource estimation, risk analysis, aggregation, cash flow modelling and related communications.

REVENUE STREAMS

Annuity/Maintenance Licenses:
Annuity license agreements are contracts 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. The majority of 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 the 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.

SIGNIFICANT EVENTS

On September 25, 2026, the Company announced the completion of the previously announced substantial issuer bid (the "SIB"). The Company purchased for cancellation 4,444,444 shares for $20 million at a price of $4.50 per share.

On October 9, 2026, the Company amended its revolving credit facility, increasing the total committed borrowing capacity from $100 million to $150 million, while also adding a second lender.

On November 12, 2026, the Company announced its intention to renew a Normal Course Issuer Bid, to repurchase up to 10% of the public float of the Company commencing on November 17, 2026.

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 and Organic growth 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 adjusted for depreciation and amortization expense, interest income, interest expense, deferred-revenue fair-value adjustment, 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, other non-recurring expense, acquisition related costs and other expenses directly related to business combinations, including compensation expenses and gains or losses on contingent consideration. Adjusted EBITDA is most directly comparable to IFRS measures operating income, net income, or liquidity but should not be construed as an alternative to such financial measures. Adjusted EBITDA Margin is most directly comparable to IFRS measure net income divided by revenue but should not be construed as an alternative thereof. 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.

	Three months ended September 30,		Six months ended September 30,	
($ thousands)	**2026**	2025	**2026**	2025
Net income	**711**	2,716	**2,036**	6,025
Add (deduct):				
Depreciation and amortization	**3,065**	2,552	**5,790**	4,967
Acquisition costs	**89**	433	**171**	469
Stock-based compensation	**130**	314	**212**	490
(Gain) Loss on contingent consideration	**—**	(126)	**—**	(126)
Deferred revenue amortization on acquisition fair value reduction	**229**	85	**499**	235
Other non-recurring expense (2)	**790**	—	**790**	—
Income and other tax expense	**1,492**	1,648	**3,041**	2,565
Interest /other income	**(243)**	(214)	**(282)**	(528)
Interest expense	**355**	—	**560**	—
Foreign exchange loss	**346**	691	**1,119**	1,598
Repayment of lease liabilities	**(586)**	(541)	**(1,169)**	(1,067)
Adjusted EBITDA (1)	**6,378**	7,558	**12,767**	14,628
Adjusted EBITDA Margin (1)	**22%**	25%	**22%**	24%

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

(2) During the second quarter, the Company experienced a social-engineering fraud that resulted in unauthorized payments totaling $1.0 million. The Company promptly notified the relevant financial institutions, law enforcement authorities, insurers and advisers. To date, the Company has incurred $0.1 million in legal fees related to recovery efforts and has received $0.3 million in insurance proceeds.

Adjusted EBITDA decreased by 16% and 13% for the three and six months ended September 30, 2026 respectively compared to the same periods of the previous year. The decrease was primarily driven by lower net income during the quarter.

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's most directly comparable IFRS measure is funds flow from operations. 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.

	Fiscal 2025		Fiscal 2026					**Fiscal 2027**
($ thousands, unless otherwise stated)	Q3	Q4	Q1	Q2	Q3	Q4	Q1	**Q2**
Funds flow from operations	9,937	8,227	5,524	3,588	7,068	9,701	4,336	**3,352**
Capital expenditures	(432)	(661)	(542)	(1,080)	(723)	(215)	(280)	**(151)**
Repayment of lease liabilities	(689)	(549)	(526)	(541)	(539)	(736)	(583)	**(586)**
Free Cash Flow	8,816	7,017	4,456	1,967	5,806	8,750	3,473	**2,615**
Weighted average shares – basic (thousands)	82,753	83,064	83,090	84,058	82,957	80,511	78,013	**75,641**
Free Cash Flow per share – basic	0.11	0.08	0.05	0.02	0.07	0.11	0.04	**0.03**
Funds flow from operations per share – basic	0.12	0.10	0.07	0.04	0.09	0.12	0.06	**0.04**

Free Cash Flow increased by 33% for the three months ended September 30, 2026 compared to the same period of the previous fiscal year primarily due to lower capital expenditure in the quarter.

Free Cash Flow decreased by 5%, for the six months ended September 30, 2026 from the same periods of the previous fiscal year, primarily due to lower funds flow in the period.

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, amortization of acquired 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. 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 growth and organic decline are not standardized financial measures and might not be comparable to measures disclosed by other issuers. Organic growth/decline on a quarterly and year-to-date basis is most directly comparable to the IFRS measures revenue and net income. Organic growth/decline includes only businesses under CMG Group's ownership for a year or longer beginning from the first full quarter in the current and comparative period. 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 has marked one full year of ownership under CMG Group and hence is included in organic growth/decline from January 1, 2026 (Q4 2026).

SeisWare was acquired on July 30, 2025 and will start contributing to Organic revenue on October 1, 2026. Rose was acquired on March 24, 2026 and will start contributing to Organic revenue on April 1, 2027.

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

- CMG, BHV and Sharp 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 September 30, 2026	2025	% change	Six months ended September 30, 2026	2025	% change
Annuity/maintenance licenses	**19,712**	19,067	3%	**38,960**	39,401	(1)%
Annuity license fee	**2,408**	1,650	46%	**3,449**	2,168	59%
Recurring revenue[1] [2]	**22,120**	20,717	7%	**42,409**	41,569	2%
Perpetual licenses	**1,269**	945	34%	**1,766**	1,323	33%
Total software revenue	**23,389**	21,662	8%	**44,175**	42,892	3%
Professional services	**5,879**	8,539	(31)%	**12,938**	16,942	(24)%
Total revenue	**29,268**	30,201	(3)%	**57,113**	59,834	(5)%

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

(2) Included in the number is a reduction of $0.2 million and $0.5 million for the three months and six months ended September 30, 2026, respectively ($0.1 million and $0.2 million for the three months and six months ended September 30, 2025, respectively), attributed to the amortization of a deferred revenue fair value reduction recognized on acquisition.

The components of Recurring revenue growth were as follows:

	Three months ended September 30, 2026	Six months ended September 30, 2026
Total recurring revenue % change	**7%**	**2%**
Growth from acquisitions	**7%**	**8%**
Foreign exchange impact	**—%**	**—%**
Organic growth (decline)	**—%**	**(6)%**

Total revenue decreased during the three and six months ended September 30, 2026, compared to the same period of the previous year, as growth from acquisitions of 7% was offset by a 10% and 12% decrease respectively for the three and six months ended. The decrease was primarily attributable to lower professional services fees as the Company attains planned completion of services projects.

Recurring revenue increased during the three months ended September 30, 2026, compared to the same period of the previous year, all attributable to growth from acquisitions.

Recurring revenue increased during the six months ended September 30, 2026, compared to the same period of the previous year as growth from acquisition of 8% was partially offset by a 6% decline in Organic revenue.

Perpetual license revenue increased during the three and six months ended September 30, 2026, compared to the same period of the previous year, due to higher perpetual license sales.

Professional services revenue decreased during the three and six months ended September 30, 2026, compared to the same period of the previous year, mainly due to ending of CoFlow funding in the third quarter in the prior year. Acquisitions did not have any impact on the decrease during the quarter. Professional services revenue decreased during the six months ended September 30, 2026, compared to the same period of the previous year, as the growth from acquisitions of 11% was offset by a 35% decline in Organic revenue, mainly due to reduction in planned completion of services projects within our seismic solutions and no CoFlow funding compared to the prior period.

Software Revenue by Geographic Region

	Three months ended September 30,			Six months ended September 30,		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Annuity/maintenance license						
Canada	**2,600**	3,285	(21)%	**5,403**	6,183	(13)%
United States	**4,313**	4,497	(4)%	**8,606**	9,017	(5)%
South America	**2,217**	2,620	(15)%	**4,357**	5,329	(18)%
Eastern Hemisphere[(1)]	**10,582**	8,665	22%	**20,594**	18,872	9%
	19,712	19,067	3%	**38,960**	39,401	(1)%
Annuity license fee						
Canada	**474**	420	13%	**908**	433	110%
United States	**471**	176	168%	**634**	228	178%
South America	**786**	777	1%	**870**	810	7%
Eastern Hemisphere[(1)]	**677**	277	144%	**1,037**	697	49%
	2,408	1,650	46%	**3,449**	2,168	59%
Perpetual license						
Canada	**—**	—	—%	**—**	—	—%
United States	**215**	—	100%	**257**	94	173%
South America	**—**	—	—%	**—**	—	—%
Eastern Hemisphere[(1)]	**1,054**	945	12%	**1,509**	1,229	23%
	1,269	945	34%	**1,766**	1,323	33%
Total software revenue						
Canada	**3,074**	3,705	(17)%	**6,311**	6,616	(5)%
United States	**4,999**	4,673	7%	**9,497**	9,339	2%
South America	**3,003**	3,397	(12)%	**5,227**	6,139	(15)%
Eastern Hemisphere[(1)]	**12,313**	9,887	25%	**23,140**	20,798	11%
	23,389	21,662	8%	**44,175**	42,892	3%

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

Canada (representing 14% of year-to-date total software revenue) experienced a decrease in total software revenue during the three and six months ended September 30, 2026, compared to the same periods in the previous year, due to lower annuity/maintenance license revenue.

The United States (representing 22% of year-to-date total software revenue) increased in total software revenue for the three and six months ended September 30, 2026, compared to the same period in the previous year, driven by higher annuity license fee revenue.

South America (representing 12% of year-to-date total software revenue) experienced a decrease in total software revenue during the three and six months ended September 30, 2026, compared to the same period of the previous year due to lower annuity/maintenance license revenue.

Eastern Hemisphere (representing 52% of year-to-date total software revenue) experienced increases in total software revenue during the three and six months ended September 30, 2026, compared to the same periods in the previous year. The increase was driven by higher revenue from all software revenue streams.

Deferred Revenue

($ thousands)	**Fiscal 2027**	Fiscal 2026	Fiscal 2025	$ change	% change
Deferred revenue at:					
Q1 (June 30)	**31,605**	33,136		(1,531)	(5)%
Q2 (September 30)	**33,459**	34,615		(1,156)	(3)%
Q3 (December 31)		31,992	34,822	(2,830)	(8)%
Q4 (March 31)		39,294	40,276	(982)	(2)%

The Company's deferred revenue consists primarily of amounts for prepaid licenses and maintenance and support services.

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 Q2 of fiscal 2027 was 3% lower than in Q2 of fiscal 2026. The decrease reflects the conversion of previously billed amounts into revenue as performance obligations were satisfied during the period, including the continued recognition of the deferred revenue assumed in acquisition, which are being recognized over the remaining terms of the underlying contracts. This was partially offset by new billings in the period, which were lower than in the comparable period due to the timing of invoicing on certain contracts and changes in contract portfolio.

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.

	Three months ended September 30,			Six months ended September 30,		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Cost of revenue[1][2]	**5,941**	5,542	7%	**11,602**	11,500	1%

(1) Depreciation and amortization related to property and equipment and right of use assets is $0.2 million and $0.5 million for the three months and six months ended September 30, 2026, respectively and $0.2 million and $0.4 million for the three months and six months ended September 30, 2025.

(2) Stock based compensation is $nil for the three months and six months ended September 30, 2026, respectively, and $nil for the three months and six months ended September 30, 2025.

Cost of revenue increased during the three months ended September 30, 2026, compared to the same period of the previous year due to higher business and personnel related costs. Cost of revenue increased during the six months ended September 30, 2026, compared to the same period of the previous year, due to business related cost 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 as 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:

	Three months ended September 30,			Six months ended September 30,		
($ thousands, except per share data)	**2026**	2025	% change	**2026**	2025	% change
Sales and marketing[1][2]	**6,025**	5,992	1%	**10,544**	10,602	(1)%
Research and development[1][2]	**7,751**	7,360	5%	**15,531**	15,393	1%
General and administrative[1][2]	**6,458**	6,126	5%	**12,078**	11,865	2%
Operating expenses	**20,234**	19,478	4%	**38,153**	37,860	1%
Acquisition related expenses	**(89)**	(433)	(79)%	**(171)**	(469)	(64)%
Amortization of acquired intangibles	**(1,837)**	(1,458)	26%	**(3,427)**	(2,812)	22%
Stock-based compensation (expense) recovery	**(124)**	(310)	(60)%	**(221)**	(486)	(55)%
Adjusted operating expenses[3]	**18,184**	17,277	5%	**34,334**	34,093	1%
Direct employee costs[3]	**10,574**	9,969	6%	**21,274**	21,892	(3)%
Other corporate cost[3]	**9,660**	9,509	2%	**16,879**	15,968	6%
	20,234	19,478	4%	**38,153**	37,860	1%

(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 $0.1 million, $2.0 million, $0.7 million, respectively for the three months ended September 30, 2026 (three months ended September 30, 2025, $0.1 million, $1.7 million, $0.5 million, respectively) and $0.2 million, $3.8 million, $1.3 million, respectively, for the six months ended September 30, 2026 (six months ended September 30, 2025 $0.1 million, $3.4 million, $1.0 million, respectively).

(2) Included in sales and marketing, research and development, and general and administrative expenses is stock based compensation expense/(recovery) of $(0.1) million, $nil, $0.2 million, respectively, for the three months ended September 30, 2026 (three months ended September 30, 2025, nil, $0.1 million, $0.3 million respectively) and $(0.1), $nil, $0.3 million, respectively, for the six months ended September 30, 2026 (six months ended September 30, 2025 nil, $0.2 million, $0.4 million, respectively).

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

Operating expenses increased during the three months ended September 30, 2026, compared to the same period of the previous year. Acquisitions contributed a 6% increase which was partially offset by a 2% decrease in the organic business. Operating expenses increased during the six months ended September 30, 2026, compared to the same period of the previous year, with 9% of the increase being contributed from acquisitions partially offset by an 8% decrease in the organic business,

Adjusted operating expenses increased by 5% during the three months ended September 30, 2026, compared to the same period of the previous year, all contributed by acquisitions of 5%. Adjusted operating expenses increased by 1% for the six months ended September 30, 2026, compared to the same period of the previous fiscal year, of which acquisitions contributed an 8% increase partially offset by a 7% decrease in the organic business due to lower sales and marketing cost.

Sales and marketing expenses increased during the three months ended September 30, 2026, compared to the same period of the previous year. Acquisitions contributed a 3% increase which was partially offset by a 2% decrease in the organic business. Sales and marketing expenses decreased by 1% during the six months ended September 30, 2026, compared to the same period of the previous year, of which acquisitions contributed 5% which was offset by a 6% decrease in the organic business.

Research and development expenses increased during the three months ended September 30, 2026, compared to the same period of the previous year of which acquisitions contributed a 10% increase which was partially offset by 5% decrease in the organic business as headcount reduced compared to prior period. Research and development expenses increased during the six months ended September 30, 2026, compared to the same period of the previous year, of which 12% was due to acquisitions which was partially offset by a decrease of 11% in the organic business.

General and administrative expenses increased during the three months ended September 30, 2026, compared to the same period of the previous year, of which the organic business contributed to a 2% increase driven by social-engineering fraud that resulted in unauthorized payments and professional services fees, while acquisitions contributed the remaining 4%. General and administrative expenses increased during the six months ended September 30, 2026, compared to the same period of the previous year, of which acquisitions contributed to an increase of 8% which was partially offset by a decrease of 6% in the organic business.

Direct employee costs

As a technology company, the Company's largest investment is its people, and approximately 56% of total operating expenses relate to direct employee costs during the six months ended September 30, 2026. At September 30, 2026, CMG Group's full-time equivalent staff complement was 288 employees and consultants.

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

	Three months ended September 30,			Six months ended September 30,		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Direct employee costs	**10,574**	9,969	6%	**21,274**	21,892	(3)%
Stock based compensation	**(124)**	(310)	(60)%	**(221)**	(486)	(55)%
Adjusted direct employee costs [1]	**10,450**	9,659	8%	**21,053**	21,406	(2)%

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

For the three months ended September 30, 2026, adjusted direct employee costs increased by 8% compared to the same periods of the previous fiscal year of which acquisitions contributed 6% and the organic business of 2% mainly due to compensation expense. For the six months ended September 30, 2026, adjusted direct employee costs decreased by 2% of which, acquisitions contributed 8% which was offset by a 10% decrease in the organic business due to lower headcount and lower compensation expense.

Other Corporate costs

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

	Three months ended September 30,			Six months ended September 30,		
($ thousands)	**2026**	2025	% change	**2026**	2025	% change
Other corporate costs	**9,660**	9,509	2%	**16,879**	15,968	6%
Acquisition-related costs	**(89)**	(433)	(79)%	**(171)**	(469)	(64)%
Amortization of acquired intangible assets	**(1,837)**	(1,458)	26%	**(3,427)**	(2,812)	22%
Adjusted other corporate costs [1]	**7,734**	7,618	2%	**13,281**	12,687	5%

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

For the three months ended September 30, 2026, adjusted other corporate costs increased by 2% compared to the same periods of the previous fiscal year. Acquisitions contributed 5% partially offset by a 3% decrease in the organic business. For the six months ended September 30, 2026, adjusted other corporate costs increased by 5% of which acquisitions contributed 8%, partially offset by a 3% decrease from the organic business.

FOREIGN EXCHANGE

The Company is impacted by foreign exchange fluctuations, as 76% of our revenue for six months ended September 30, 2026 (2025 – 71%) is denominated in US dollars, whereas only 47% (2025 – 56%) 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 September 30, 2026, 2025 and 2024 and the average exchange rate used to translate income statement expense items during the six months ended September 30, 2026, 2025 and 2024:

CDN$ to US$	At June 30	At September 30	Six-month trailing average
2024	0.7310	0.7395	0.7323
2025	0.7310	0.7186	0.7250
2026	**0.7025**	**0.7051**	**0.7163**

CMG Group recorded a foreign exchange loss of $0.3 million and $1.1 million for three and six months ended September 30, 2026, respectively, due to the weakening of the US dollar during the period, which negatively affected the valuation of year to date US dollar denominated portion of the Company's working capital.

INCOME AND OTHER TAXES

Income tax expense for the three and six months ended September 30, 2026 was $1.5 million and $3.0 million, respectively, as compared to $1.6 million and $2.6 million, respectively, for the three and six months ended September 30, 2025. The increase in income tax expense for the six months ended was primarily the result of the impact of adjustments related to prior periods and the mix of earnings and losses in countries with differing statutory tax rates and the ability to utilize tax losses in those jurisdictions. For the three months ended September 30, 2026 income tax decreased due to the mix of earnings and losses in countries with differing statutory tax rates and the ability to utilize tax losses in those jurisdictions.

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:

	Fiscal 2025			Fiscal 2026				**Fiscal 2027**
($ thousands, unless otherwise stated)	Q3	Q4	Q1	Q2	Q3	Q4	Q1	**Q2**
Annuity/maintenance license[2] [3] [4]	20,452	19,436	20,334	19,067	19,526	17,654	19,248	**19,712**
Annuity license fee	4,303	4,728	518	1,650	4,186	9,275	1,041	**2,408**
Recurring revenue[1]	24,755	24,164	20,852	20,717	23,712	26,929	20,289	**22,120**
Perpetual license	804	554	378	945	417	656	497	**1,269**
Total software revenue	25,559	24,718	21,230	21,662	24,129	27,585	20,786	**23,389**
Professional services revenue	10,214	8,965	8,403	8,539	8,556	6,085	7,059	**5,879**
Total revenue	35,773	33,683	29,633	30,201	32,685	33,670	27,845	**29,268**
Operating profit	11,217	8,835	5,293	5,181	7,219	9,360	4,265	**3,093**
Operating profit Margin (%)	*31%*	*26%*	*18%*	*17%*	*22%*	*28%*	*15%*	***11%***
Net income for the period	9,606	5,104	3,309	2,716	5,964	5,427	1,326	**711**
Adjusted EBITDA[1]	13,962	10,500	7,074	7,558	9,716	11,755	6,389	**6,378**
Adjusted EBITDA Margin[1]%	*39%*	*31%*	*24%*	*25%*	*30%*	*35%*	*23%*	***22%***
Free Cash Flow[1]	8,816	7,017	4,456	1,967	5,806	8,750	3,473	**2,615**
Per share amounts – ($/share)								
Earnings per share (EPS) – basic	0.12	0.06	0.04	0.03	0.07	0.07	0.02	**0.01**
Earnings per share (EPS) – diluted	0.12	0.06	0.04	0.03	0.07	0.07	0.02	**0.01**
Cash dividends declared and paid	0.05	0.05	0.05	0.01	0.01	0.01	0.01	**0.01**
Free Cash Flow per share – basic[1]	0.11	0.08	0.05	0.02	0.07	0.11	0.04	**0.03**
Funds flow from operations per share - basic	0.12	0.10	0.07	0.04	0.09	0.12	0.06	**0.04**

(1) This is a non-IFRS financial measure. See the "Non-IFRS Financial and Supplementary Financial Measures" section.
(2) Q3, and Q4 of fiscal 2025 include $0.3 million, $0.03 million, respectively, of annuity/maintenance revenue that pertains to usage of CMG Group's products in prior quarters.
(3) Q1, Q2, Q3, and Q4 of fiscal 2026 include $0.4 million, $0.2 million, $0.4 million, $nil, respectively, of annuity/maintenance revenue that pertains to usage of CMG Group's products in prior quarters.
(4) Q1, Q2 of fiscal 2027 include $0.3 million, $0.2 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 business annuity license fee revenue occurred during the third and 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 21, 2026, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended September 30,				Six months ended September 30,			
($ thousands)	**2026**	2025	$ change	% change	**2026**	2025	$ change	% change
Cash, beginning of period	**17,669**	44,026	(26,357)	(60)%	**24,100**	43,884	(19,784)	(45)%
Cash provided by (used in):								
Operating activities	**(1,087)**	(2,057)	970	(47)%	**(5,332)**	4,542	(9,874)	(217)%
Financing activities	**(4,966)**	(998)	(3,968)	398 %	**(7,137)**	(5,527)	(1,610)	29 %
Investing activities	**(2,238)**	(9,836)	7,598	(77)%	**(2,518)**	(10,378)	7,860	(76)%
Effect of foreign exchange on cash	**(89)**	1,704	(1,793)	(105)%	**176**	318	(142)	(45)%
Cash, end of period	**9,289**	32,839	(23,550)	(72)%	**9,289**	32,839	(23,550)	(72)%

At September 30, 2026, the Company had $9.3 million in cash, $29.9 million in borrowing and access to approximately $70.1 million under a revolving credit facility, of which the total amount is available for use. The Company's primary non-operating use of cash was for purchases of shares under both SIB and NCIB programs, repayment of credit facility, purchase of shares held in treasury, repayment of acquisition holdbacks and dividend payments. Management believes that the Company has sufficient capital resources to meet its operating and capital expenditure needs.

During the six months ended September 30, 2026, 27.9 million shares of the Company's public float were traded on the TSX. As at September 30, 2026 the Company's market capitalization based upon its September 30, 2026 closing price of $4.11 was $302.4 million.

OPERATING ACTIVITIES

Cash used in operating activities decreased by $1 million during the three months ended September 30, 2026, compared to the same period of the previous fiscal year driven by change in non-cash working capital.

Cash used in operating activities increased by $10 million during the six months ended September 30, 2026, compared to the same period of the previous fiscal year driven by change in non-cash working capital.

FINANCING ACTIVITIES

Cash used in financing activities increased by $4 million during the three months ended September 30, 2026, compared to the same period of the previous fiscal year. The increase is primarily due to repurchase of shares under the SIB, repurchase of shares held in treasury and repayment of credit facility, partially offset by proceeds received from drawdown on credit facility.

Cash used in financing activities increased by $1.6 million during the six months ended September 30, 2026, compared to the same period in the previous fiscal year.

The increase was primarily attributable to the same factors affecting the three-month period as well as the impact of purchases made under the NCIB in the three months ended June 30, 2026, and was offset by lower dividend payments resulting from a change in dividend per share from 0.05 per share to 0.01 per share in the second quarter of the prior period and lower number of common shares outstanding compared with the prior period.

INVESTING ACTIVITIES

Cash used in investing activities for the three and six months ended September 30, 2026, decreased by $8 million compared to the same period last fiscal year as no acquisitions occurred during the quarter compared to prior period in addition to lower capital expenditure and acquisition related payments.

COMMITMENTS, OFF BALANCE SHEET ITEMS AND TRANSACTIONS WITH RELATED PARTIES

Commitments and off-balance sheet items

CMG Group has limited 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 September 30, 2026:

(thousands of $)	Undiscounted lease liability payments	Operating costs and short-term leases	Total commitments
Less than one year	4,312	1,684	5,996
Between one and five years	16,192	4,634	20,826
More than five years	23,403	5,980	29,383
	43,907	**12,298**	**56,205**

OUTSTANDING SHARE DATA

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

As at November 12, 2026 (thousands)	
Common shares	73,580
Stock options	1,993
Performance share units(1)	1,552

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

Outstanding common shares as at November 12, 2026 are gross of 1,620,000 shares held with a third-party Trust. Treasury shares are not included in the total number of common shares outstanding for financial reporting purposes and are not included in basic earnings per share calculations.

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 November 12, 2026, CMG Group could reserve up to 7,357,961 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 2026 Financial Report.

CHANGES IN MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Adoption of Recent Accounting Pronouncements

The Company has adopted the amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to the classification and measurement of financial instruments, issued by the International Accounting Standards Board in May 2024. These amendments clarify, among other matters, the requirements for the derecognition of financial liabilities settled via electronic payment systems, and are effective for annual reporting periods beginning on or after January 1, 2026.

CMG has adopted these amendments in accordance with the transition requirements set out in the IFRS Accounting Standards. The adoption of these amendments did not have a material impact on the Company's condensed consolidated interim financial statements for the period.

Changes in accounting policy

Refer to note 2(c) of the unaudited condensed consolidated interim financial statements for changes in accounting policies applicable as at September 30, 2026 in addition to the accounting policies as at March 31, 2026 included in the annual consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”) as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

At September 30, 2026, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) concluded that the design and operation of the Company’s DC&P were effective (in accordance with the COSO control framework (2013)) and that material information relating to the Company, including its subsidiaries, was made known to them and was recorded, processed, summarized and reported within the time periods specified under applicable securities legislation. Further, the CEO and the CFO concluded that the design and operation of the Company’s ICFR were effective at September 30, 2026 in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. It should be noted that while the Company’s CEO and CFO believe that the Company’s disclosure controls and procedures and internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not expect that such controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

During the six months ended September 30, 2026, 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 March 24, 2026, CMG Group completed the acquisition of 100% of the outstanding partnership units of Rose & Associates LLP (“Rose”), a Houston-based provider of probabilistic subsurface risk analysis and resource assessment software, training, consulting, and operator consortium services. Rose's operations have been included in the consolidated financial statements of CMG Group from the date of acquisition.

However, we have not had sufficient time to appropriately determine and assess the extent of DC&P and ICFR previously used by Rose 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 Rose (as permitted by applicable securities laws in Canada).

Amounts in respect of Rose included in CMG Group’s consolidated statement of financial position and statement of operations and comprehensive income as at September 30, 2026, are as follows:

(thousands)	
Current Assets	1,789
Total Assets	15,904
Current Liabilities	1,884
Total Liabilities	1,884
Total Revenues	3,920
Net Income (Loss)	204

Condensed Consolidated Statements of Financial Position

UNAUDITED (thousands of Canadian $)	**September 30, 2026**	March 31, 2026
Assets		
Current assets:		
Cash	**9,289**	24,100
Restricted cash	**148**	146
Short-term investment	**3,700**	3,700
Trade and other receivables	**29,399**	29,159
Prepaid expenses	**4,517**	3,659
Prepaid income taxes	**3,463**	3,671
	50,516	64,435
Other long-term asset	**1,573**	1,324
Intangible assets	**65,914**	68,876
Right-of-use assets	**24,847**	26,252
Property and equipment	**10,673**	11,175
Goodwill (note 3)	**25,298**	25,032
Deferred tax asset	**263**	212
Total assets	**179,084**	197,306
Liabilities and shareholders' equity		
Current liabilities:		
Trade payables and accrued liabilities	**9,987**	16,749
Income taxes payable (note 10)	**2,963**	2,280
Acquisition holdback payable (note 3)	**734**	3,008
Deferred revenue (note 5)	**33,459**	39,294
Lease liabilities (note 6)	**2,666**	2,549
Government loan	**322**	320
	50,131	64,200
Lease liabilities (note 6)	**31,425**	32,656
Revolving credit facility (note 14)	**29,900**	6,628
Government loan	**966**	1,119
Other long-term liabilities	**604**	838
Deferred tax liabilities	**12,719**	13,534
Total liabilities	**125,745**	118,975
Shareholders' equity:		
Share capital (note 11)	**80,926**	91,453
Contributed surplus	**16,085**	15,922
Cumulative translation adjustment	**7,212**	5,386
Deficit	**(50,884)**	(34,430)
Total shareholders' equity	**53,339**	78,331
Total liabilities and shareholders' equity	**179,084**	197,306

Subsequent events (note 15)

See accompanying notes to the condensed consolidated interim financial statements.

Condensed Consolidated Statements of Operations and Comprehensive Income

UNAUDITED (thousands of Canadian $ except per share amounts)	Three months ended September 30,		Six months ended September 30,	
	2026	2025	**2026**	2025
Revenue	**29,268**	30,201	**57,113**	59,834
Cost of revenue	**5,941**	5,542	**11,602**	11,500
Gross profit	**23,327**	24,659	**45,511**	48,334
Operating expenses				
Sales and marketing	**6,025**	5,992	**10,544**	10,602
Research and development (note 8)	**7,751**	7,360	**15,531**	15,393
General and administrative	**6,458**	6,126	**12,078**	11,865
	20,234	19,478	**38,153**	37,860
Operating profit	**3,093**	5,181	**7,358**	10,474
Finance income (note 9)	**32**	214	**71**	528
Finance costs (note 9)	**(1,133)**	(1,157)	**(2,563)**	(2,538)
Other income	**211**	—	**211**	—
Change in fair value of contingent consideration	**—**	126	**—**	126
Profit before income and other taxes	**2,203**	4,364	**5,077**	8,590
Income and other taxes (note 10)	**1,492**	1,648	**3,041**	2,565
Net income	**711**	2,716	**2,036**	6,025
Other comprehensive income:				
Foreign currency translation adjustment	36	2,333	**1,826**	1,320
Other comprehensive income	36	2,333	**1,826**	1,320
Total comprehensive income	**747**	5,049	**3,862**	7,345
Net income per share – basic & diluted (note 11(f))	**0.01**	0.03	**0.03**	0.07

See accompanying notes to the condensed consolidated Interim financial statements.

Condensed Consolidated Statements of Changes in Equity

UNAUDITED (thousands of Canadian $)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance, April 1, 2025	94,849	15,460	4,326	(28,728)	85,907
Net income	—	—	—	6,025	6,025
Foreign currency translation adjustment	—	—	1,320	—	1,320
Dividends paid	—	—	—	(4,960)	(4,960)
Shares issued on exercise of stock options (note 11(b))	1,002	(174)	—	—	828
Stock-based compensation:					
Current period expense (note 11(c))	—	513	—	—	513
Balance, September 30, 2025	95,851	15,799	5,646	(27,663)	89,633
Balance, April 1, 2026	**91,453**	**15,922**	**5,386**	**(34,430)**	**78,331**
Net income	**—**	**—**	**—**	**2,036**	**2,036**
Foreign currency translation adjustment	**—**	**—**	**1,826**	**—**	**1,826**
Dividends paid	**—**	**—**	**—**	**(1,548)**	**(1,548)**
Shares issued on exercise of stock options (note 11(b))	**142**	**(24)**	**—**	**—**	**118**
Performance share unit exercise	**—**	**(94)**	**—**	**—**	**(94)**
Modification of stock-based compensation arrangement (note 11(c))	**—**	**147**	**—**	**—**	**147**
Shares repurchased through normal course issuer bid (note 11(d))	**(300)**	**—**	**—**	**(993)**	**(1,293)**
Shares repurchased through substantial issuer bid (note 11(e))	**(4,948)**	**—**	**—**	**(15,949)**	**(20,897)**
Treasury shares reserved for stock-based compensation	**(5,421)**	**—**	**—**	**—**	**(5,421)**
Stock-based compensation:					
Current period expense (note 11(c))	**—**	**134**	**—**	**—**	**134**
Balance, September 30, 2026	**80,926**	**16,085**	**7,212**	**(50,884)**	**53,339**

See accompanying notes to the condensed consolidated interim financial statements.

Condensed Consolidated Statements of Cash Flows

UNAUDITED (thousands of Canadian $)	Three months ended September 30, 2026	Three months ended September 30, 2025	Six months ended September 30, 2026	Six months ended September 30, 2025
Operating activities				
Net income	**711**	2,716	**2,036**	6,025
Adjustments for:				
Depreciation and amortization of property, equipment, right-of-use assets	**1,228**	1,093	**2,363**	2,155
Amortization of intangible assets	**1,837**	1,458	**3,427**	2,812
Deferred income tax expense (recovery) (note 10)	**(614)**	(152)	**(943)**	(535)
Stock-based compensation (note 11(c))	**130**	(1,185)	**212**	(1,036)
Foreign exchange and other non-cash items	**60**	(342)	**593**	(309)
Funds flow from operations	**3,352**	3,588	**7,688**	9,112
Movement in non-cash working capital:				
Trade and other receivables	**(5,906)**	(1,117)	**(241)**	11,032
Trade payables and accrued liabilities	**364**	(3,716)	**(6,597)**	(5,983)
Prepaid expenses and other assets	**(1,259)**	233	**(1,092)**	(316)
Income taxes receivable (payable)	**507**	(1,707)	**745**	(2,675)
Deferred revenue	**1,855**	662	**(5,835)**	(6,628)
Change in non-cash working capital	**(4,439)**	(5,645)	**(13,020)**	(4,570)
Net cash (used)/provided by operating activities	**(1,087)**	(2,057)	**(5,332)**	4,542
Financing activities				
Repayment of government loan	**—**	(78)	**(162)**	(158)
Proceeds from issuance of common shares	**118**	616	**118**	828
Repurchase of shares	**(20,393)**	—	**(22,271)**	—
Treasury shares purchased for stock-based compensation	**(5,421)**	—	**(5,421)**	—
Repayment of lease liabilities (note 6)	**(586)**	(541)	**(1,169)**	(1,067)
Proceeds from credit facility	**28,100**	—	**33,200**	—
Repayment of credit facility	**(6,000)**	—	**(9,869)**	—
Dividends paid	**(769)**	(825)	**(1,548)**	(4,960)
Credit facility issuance cost	**(15)**	(170)	**(15)**	(170)
Net cash used in financing activities	**(4,966)**	(998)	**(7,137)**	(5,527)
Investing activities				
Corporate acquisitions, net of cash acquired (note 3)	**—**	(5,174)	**—**	(5,174)
Repayment of acquisition holdback payable	**(2,087)**	—	**(2,087)**	—
Settlement of contingent consideration	**—**	(3,582)	**—**	(3,582)
Property and equipment additions, net of disposals	**(151)**	(1,080)	**(431)**	(1,622)
Net cash used in investing activities	**(2,238)**	(9,836)	**(2,518)**	(10,378)
(Decrease) in cash	**(8,291)**	(12,891)	**(14,987)**	(11,363)
Effect of foreign exchange on cash	**(89)**	1,704	**176**	318
Cash, beginning of the period	**17,669**	44,026	**24,100**	43,884
Cash, end of the period	**9,289**	32,839	**9,289**	32,839
Supplementary cash flow information				
Interest received (note 9)	**32**	214	**71**	528
Interest paid (note 9)	**185**	466	**234**	940
Income taxes paid	**961**	3,190	**2,240**	4,969

See accompanying notes to the condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2026 and 2025.

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 condensed consolidated interim financial statements as at and for the three and six months ended September 30, 2026, 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 Technoligicas 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 , CMG Germany GmbH, Sharp Reflections GmbH, Sharp Reflections Inc., Sharp Reflections AS, Sharp Reflections Ltd., (together referred to as “SR” or “Sharp”), SeisWare International Inc. and SeisWare Inc. (together referred to as “SWII” or “SeisWare”), and CMG RA Holdings 1, LLC, CMG RA Holdings 2, LLC, Rose & Associates LLP, Rose & Associates Canada Ltd and Lognormal Solutions LLC (together referred to as “Rose”). The Company is a global software and consulting technology company engaged in 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 Presentation:

These unaudited condensed consolidated interim 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, 2026.

These financial statements were prepared using accounting policies and methods of application are consistent with those used in the preparation of the Company’s audited annual consolidated financial statements for the year ended March 31, 2026 except for the changes and additions as per note 2(b) and 2(c).

These condensed consolidated interim financial statements as at and for the three and six months ended September 30, 2026, were authorized for issue by the Board of Directors on November 12, 2026.

(b) Adoption of new accounting standards and amendments

The Company has adopted the amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to the classification and measurement of financial instruments, issued by the International Accounting Standards Board in May 2024. These amendments clarify when a financial asset or a financial liability should be derecognised i.e. at settlement date. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

CMG has adopted these amendments in accordance with the transition requirements set out in the IFRS Accounting Standards. The adoption of these amendments did not have a material impact on the Company's unaudited condensed consolidated interim financial statements.

(c) Changes in accounting policy

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim 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 modification of cash-settled share-based payments, Performance share Units ("PSUs"), and Treasury shares.

Modification of cash-settled stock-based compensation
When a cash-settled share-based payment award is modified such that it becomes equity-settled, the related liability is remeasured to fair value immediately before the modification, with any resulting change recognized in the consolidated statement of operations. The liability is then derecognized and the modified equity-settled award is recognized in contributed surplus based on the fair value of the equity instruments granted at the modification date, to the extent that the related services have been received. Any difference between the liability derecognized and the amount recognized in contributed surplus is recognized immediately in the consolidated statement of operations. Following the modification date, the award is accounted for as an equity-settled share-based payment arrangement over the remaining vesting period.

Performance share Units
CMG grants PSUs to certain officers and employees. The Company has three distinct PSU plans. Under the first two plans, the units are awarded at no cost to the recipient and cliff-vest at the end of three years, with the vesting multiplier ranging from 0% to 200% contingent upon achieving certain Company performance criteria. The holders of the PSUs are granted additional units upon each dividend payment made by CMG. Depending on the plan the unit is granted under, these PSUs are either paid out in common shares or cash. Under the third PSU plan, the awards are granted with a three-year performance period from April 1, 2026 to March 31, 2029 and cliff vest at the end of the performance period. Payout ranges between 0% to 130% contingent upon achieving certain Company performance criteria. These units have no entitlement to dividends prior to vesting, and are settled in common shares.

The fair market value of all PSU awards are based on the volume-weighted average trading price for CMG's common shares for five days preceding the date of the grant and the expected performance conditions. Performance conditions are non-market conditions that are used to measure the number of units expected to vest determined initially on the date of grant and revised subsequently at the end of each reporting period. Share unit expense is recognized over the vesting period with a related credit to contributed surplus.

Treasury shares
The Company purchases its own common shares in the open market for use in settling equity-settled share-based payment awards. The cost of the shares purchased, including directly attributable transaction costs, net of any related income tax effects, is recognized as a deduction from equity. No gain or loss is recognized in profit or loss on the purchase, reissuance or cancellation of the Company’s own shares. When treasury shares are transferred to employees upon settlement of vested share-based payment awards, the related amounts are recognized directly within equity.

3. Acquisitions:

(a) Rose & Associates LLP Acquisition:

On March 24, 2026, CMG Group completed the acquisition of 100% of the outstanding partnership units of Rose & Associates LLP, a Houston-based globally recognized provider of probabilistic subsurface risk analysis and resource assessment software, training, consulting, and operator consortium services for the global exploration and production industry.

Subject to customary post-closing adjustments, the purchase price is US$9.8 million ($14.8 million), gross of cash acquired, payout of indebtedness immediately prior to close, and other preliminary closing adjustments. On closing, US$9.7 million ($13.4 million) was paid and holdback amounts of US$0.7 million ($0.9 million) and US$0.3 million ($0.5 million) withheld for a period of 4 and 24 months respectively and the transaction will be subject to final closing adjustments. As of September 30, 2026, US$0.3 million ($0.4 million) of holdback amounts have been paid.

There is an earnout provision up to US$2.5 million ($3.4 million) payable if certain economic conditions are met. Based on management’s assessment at the acquisition date, the fair value of the earnout was determined to be nil. The fair value of the contingent consideration will be assessed for remeasurement at each reporting period end until the earnout period expires.

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 US$4.3 million ($5.9 million) recognized in connection with this acquisition is primarily attributable to CMG Group's strategy to improve the operations of Rose, opportunities for Rose 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 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 Rose is as follows:

(thousands of $)	
Fair value of net assets acquired	
Cash	**1,303**
Net working capital, excluding deferred revenue	**1,557**
Deferred Revenue	**(2,093)**
Other assets and liabilities	**8**
Intangible assets: technology	**7,420**
Intangible assets: customer relationships	**687**
Net assets acquired	**8,882**
Goodwill	**5,888**
Total purchase consideration	**14,770**
Consideration	
Cash	**13,395**
Acquisition holdback payable	**1,375**
Total consideration	**14,770**

These consolidated financial statements include the results of Rose for the period following closing of the transaction on March 24, 2026. For the year ended March 31, 2026, pro forma revenues, had the acquisition occurred on April 1, 2025, for the combined Company would have been $136 million and net income after taxes would have been $18 million. This pro forma information is not necessarily indicative of the results of operations that would have resulted had the acquisition been reflected on the dates indicated, or that may be obtained in the future.

(b) SeisWare International Inc. Acquisition:

On July 30, 2025, CMG Group completed the acquisition of 100% of the outstanding shares of SeisWare International Inc., a Calgary-based software company specializing in geoscience interpretation and field development solutions to support subsurface exploration and development projects ("the SeisWare acquisition"). The acquisition of SeisWare International Inc. 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. The purchase price was US$6.6 million ($8.9 million).

Goodwill of $3.0 million recognized in connection with this acquisition was 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.

During the six months ended September 30, 2026, the measurement period for the SeisWare acquisition expired. No measurement period adjustments were recorded. As a result, the purchase price allocation was finalized with no changes to the previously reported fair values of the identifiable assets acquired and liabilities assumed as disclosed in the Company's 2026 Annual Consolidated Financial Statements.

4. Segmented Information:

The Company consists of five 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 assets, right-of-use assets, other long-term assets and goodwill 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 $)	**September 30, 2026**	March 31, 2026
Canada	**56,774**	59,707
United States	**22,404**	22,718
South America	**642**	514
Eastern Hemisphere[(1)]	**48,748**	49,927
	128,568	132,866

(1) Includes Europe, Africa, Asia and Australia. Included in this balance is $47.7 million located in Germany ($48.8 million at March 31, 2026).

5. Deferred Revenue:

The following table presents changes in the deferred revenue balance:

(thousands of $)	**September 30, 2026**	March 31, 2026
Balance, beginning of period	**39,294**	40,276
Acquired deferred revenue (note 3)	**—**	3,029
Invoiced during the period, excluding amounts recognized as revenue during the period	**22,237**	37,384
Recognition of deferred revenue included in the balance of acquired deferred revenue in the current period	**—**	(1,387)
Recognition of deferred revenue included in the balance at the beginning of the period	**(28,201)**	(40,109)
Impact of foreign exchange	**129**	101
Balance, end of period	**33,459**	39,294

6. Lease Liabilities:

The Company's leases are for office space in Canada, the United States, Norway, Germany, Colombia and Brazil, 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 $)	September 30, 2026	March 31, 2026
Balance, beginning of period	**35,205**	36,946
Additions	**—**	428
Acquired lease liabilities (note 3)	**—**	113
Interest on lease liabilities (note 9)	**884**	1,844
Lease payments	**(2,053)**	(4,131)
Impact of foreign exchange	**55**	5
Balance, end of period	**34,091**	35,205
Current	**2,666**	2,549
Long-term	**31,425**	32,656

The following table presents contractual undiscounted payments for lease liabilities as at September 30, 2026:

(thousands of $)	
Less than one year	4,312
Between one and five years	16,192
More than five years	23,403
Total undiscounted payments	43,907

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 September 30,	2026					2025				
($ thousands)	Canada	United States	South America	Eastern Hemisphere (1)	**Total**	Canada	United States	South America	Eastern Hemisphere (1)	**Total**
Annuity/maintenance	2,600	4,313	2,217	10,582	**19,712**	3,285	4,497	2,620	8,665	**19,067**
Annuity license fee	474	471	786	677	**2,408**	420	176	777	277	**1,650**
Perpetual license	—	215	—	1,054	**1,269**	—	—	—	945	**945**
Total software revenue (2)	3,074	4,999	3,003	12,313	**23,389**	3,705	4,673	3,397	9,887	**21,662**
Professional services	76	3,308	471	2,024	**5,879**	1,713	4,139	401	2,286	**8,539**
Total revenue	3,150	8,307	3,474	14,337	**29,268**	5,418	8,812	3,798	12,173	**30,201**

Six months ended September 30,	**2026**					**2025**				
($ thousands)	Canada	United States	South America	Eastern Hemisphere (1)	**Total**	Canada	United States	South America	Eastern Hemisphere (1)	**Total**
Annuity/maintenance	5,403	8,606	4,357	20,594	**38,960**	6,183	9,017	5,329	18,872	**39,401**
Annuity license fee	908	634	870	1,037	**3,449**	433	228	810	697	**2,168**
Perpetual license	—	257	—	1,509	**1,766**	—	94	—	1,229	**1,323**
Total software revenue (2)	6,311	9,497	5,227	23,140	**44,175**	6,616	9,339	6,139	20,798	**42,892**
Professional services	263	7,527	1,079	4,069	**12,938**	3,457	8,209	908	4,368	**16,942**
Total revenue	6,574	17,024	6,306	27,209	**57,113**	10,073	17,548	7,047	25,166	**59,834**

(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 $0.2 million and $0.5 million respectively, for the three and six months ended September 30, 2026 (September 30, 2025 - $0.1 million 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 six months ended September 30, 2026 from performance obligations satisfied (or partially satisfied) in previous periods is $0.6 million (September 30, 2025 – $0.7 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 $)	**September 30, 2026**	March 31, 2026
Receivables	**26,521**	24,585
Contract assets	**1,210**	888

During the six months ended September 30, 2026, one customer comprised 13% of the Company's total revenue (six months ended September 30, 2025 – one customer, 17%).

8. Research and Development Costs:

	Three months ended September 30,		**Six months ended September 30,**	
(thousands of $)	**2026**	2025	**2026**	2025
Research and development	**7,833**	7,527	**15,760**	15,650
Government grants for research and development	**(82)**	(167)	**(229)**	(257)
Research and development cost	**7,751**	7,360	**15,531**	15,393

9. Finance Income and Finance Costs:

	Three months ended September 30,		**Six months ended September 30,**	
(thousands of $)	**2026**	2025	**2026**	2025
Interest income	**32**	214	**71**	528
Finance income	**32**	214	**71**	528
Interest expense on lease liabilities (note 6)	**(432)**	(462)	**(884)**	(932)
Net foreign exchange loss	**(346)**	(691)	**(1,119)**	(1,598)
Interest on loan and revolving credit facility	**(168)**	(4)	**(239)**	(8)
Other finance cost[1]	**(187)**	—	**(321)**	—
Finance costs	**(1,133)**	(1,157)	**(2,563)**	(2,538)

(1) Other financing costs include amortization of deferred initial cost relating to obtaining the credit facility of $0.1 million and $0.2 million respectively, for the three and six months ended September 30, 2026

10. Income and Other Taxes:

The major components of income tax expense are as follows:

Six months ended September 30, (thousands of $)	**2026**	2025
Current year income tax expense	**2,610**	1,840
Adjustment for prior year	**368**	(82)
Current year income taxes	**2,978**	1,758
Deferred tax expense (recovery)	**(943)**	(535)
Adjustment for prior year	**—**	—
Foreign withholding and other taxes	**1,006**	1,342
	3,041	2,565

During the six months ended September 30, 2026, the blended statutory tax rate was 23% (September 30, 2025 – 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:

(thousands of shares)	Common shares
Balance, April 1, 2025	82,540
Issued on exercise of stock options	187
Balance, September 30, 2025	82,727

Balance, April 1, 2026	**78,340**
Issued on exercise of stock options	**30**
Shares repurchased through NCIB	**(346)**
Shares repurchased through SIB	**(4,444)**
Treasury shares reserved for stock-based compensation	**(1,416)**
Balance, September 30, 2026	**72,164**

(c) Stock-Based Compensation:

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense:

	Three months ended September 30,		**Six months ended September 30,**	
(thousands of $)	**2026**	**2025**	**2026**	2025
Equity-settled plans	**(3)**	300	**134**	513
Cash-settled plans	**133**	14	**78**	(23)
Total stock-based compensation expense	**130**	314	**212**	490

Liability Recognized for Stock-Based Compensation[1]

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

(thousands of $)	**September 30, 2026**	March 31, 2026
SARs	**—**	89
RSUs	**—**	183
PSUs	**12**	139
DSUs	**688**	653
Total stock-based compensation liability	**700**	1,064
Current, recorded within trade payables and accrued liabilities	**688**	1,017
Long-term	**12**	47

(1) The intrinsic value of the vested awards at September 30, 2026 is $0.7 million (March 31, 2026 is $0.7 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. The issued and outstanding shares for the purpose of maximum number of common shares reserved for issuance under the Company's security-based compensation plans is inclusive of 1,415,748 shares held with a third-party Trust and totalling 73,579,614. Based on this calculation, at September 30, 2026, the Company may reserve up to 7,357,961 common shares for issuance under its security-based compensation plans.

i Stock Option Plan

The Company adopted a rolling stock option plan as of July 13, 2005, which was most recently reaffirmed by the Company's shareholders on September 10, 2026. 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 three to five-year life.

The following table outlines changes in stock options:

	Six months ended September 30, 2026		Year ended March 31, 2026	
	Number of Options (thousands)	**Weighted Average Exercise Price ($/share)**	Number of Options (thousands)	Weighted Average Exercise Price ($/share)
Outstanding at beginning of period	**4,012**	**5.61**	3,553	5.84
Granted	**277**	**3.91**	1,210	6.49
Exercised	**(30)**	**3.98**	(187)	4.43
Forfeited/expired	**(2,256)**	**4.86**	(564)	9.46
Outstanding at end of period	**2,003**	**6.27**	4,012	5.61
Options exercisable at end of period	**450**	**6.99**	1,128	5.64

The range of exercise prices of stock options outstanding and exercisable at September 30, 2026 is as follows:

	Outstanding			Exercisable	
Exercise Price ($/option)	Number of Options (thousands)	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price ($/option)	Number of Options (thousands)	Weighted Average Exercise Price ($/option)
3.85 to 3.98	152	4.7	3.85	—	—
3.99 to 4.62	158	4.4	4.15	—	—
4.63 to 5.04	356	1.0	5.00	206	5.00
5.05 to 6.61	468	1.4	6.13	—	—
6.62 to 7.06	573	1.3	6.91	36	6.91
7.07 to 10.26	296	2.8	9.19	208	8.97
	2,003			**450**	

During the six months ended September 30, 2026, CMG Group issued grants of 276,895 stock options, none of which have performance based vesting criteria.

A Black-Scholes pricing model was utilized in the valuing of these grants and the assumptions used to fair value these grants 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 period was estimated using the Black-Scholes pricing model under the following assumptions:

	Six months ended September 30, 2026	Year-ended March 31, 2026
Fair value at grant date ($/option)	**1.13 to 1.36**	0.09 to 2.74
Share price at grant date ($/share)	**3.8 to 4.06**	4.28 to 10.11
Risk-free interest rate (%)	**2.8 to 3.5**	2.45 to 3.08
Estimated hold period prior to exercise (years)	**3 to 4**	1 to 3
Volatility in the price of common shares (%)	**40.9 to 41.8**	38 to 43
Dividend yield per common share (%)	**0.99 to 1.04**	0.63 to 2.89

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:

	Six months ended September 30, 2026		Year ended March 31, 2026	
	Number of SARs (thousands)	**Weighted Average Exercise Price ($/SAR)**	Number of SARs (thousands)	Weighted Average Exercise Price ($/SAR)
Outstanding at beginning of period	**28**	**3.98**	52	4.50
Exercised	**—**	**—**	(24)	5.08
Forfeited/expired	**(28)**	**3.98**	—	—
Outstanding at end of year	**—**	**—**	28	3.98
SARs exercisable at end of period	**—**	**—**	28	3.98

iii. Share Unit Plans

Restricted Share Units (RSUs)

Restricted Share Unit Plan ("RSU Plan") is open to all employees and contractors of the Company. Upon vesting, RSUs are settled for common shares of the Company.

The International Employees RSU Plan includes substantially the same terms, conditions as the 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) RSUs under this plan can be redeemed for cash only. As at September 30, 2026 CMG has no RSU related liability.

Performance Share Units (PSUs)

The Company has three PSU plans. Two of which are open to all employees and contractors of the Company and the other restricted to members of management. The PSU plan for management commenced during the quarter ended September 30, 2026.

Prior to September 10, 2026, holders of vested PSUs under the general employee plan could elect to receive settlement in cash, and the PSUs were accounted for as cash-settled share-based payment transactions. The related liability was measured at fair value at each reporting date, with changes recognized in profit or loss over the vesting period. Effective September 10, 2026 (the "Modification Date"), the Company's shareholders affirmed updates to the PSU plan so that the form of settlement, cash or shares, is at the Company's discretion.

Management assessed whether the Company has a present obligation to settle in cash and concluded that it does not. Management considered, among other factors, the Company's stated intention to settle PSUs in shares and the absence of any legal or contractual restriction on settling in shares. Accordingly, the Company accounts for PSUs as equity-settled share-based payment transactions from the modification date. On modification, the Company derecognized PSU liability and recorded equity-settled PSU in contributed surplus of $0.15 million with no immediate impact to the statement of operations and other comprehensive income. The number of awards impacted by the modification was 225,908 with a remaining vesting period ranging from 1 to 3 years.

The International Employees PSU Plan includes substantially the same terms, conditions, and PSU performance criteria as the PSU 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 under this plan can be redeemed for cash only.

The management PSU plan became effective during the quarter. All awards under this plan may be settled only in shares upon vesting.

For all PSU plans excluding International Employees PSU Plan, the Company contributes funds to purchase common shares in the open market, which are held by the Company as treasury shares until they vest.

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)	**Six months ended September 30, 2026**			Year ended March 31, 2026		
	RSUs	**PSUs**	**DSUs**	RSUs	PSUs	DSUs
Outstanding at beginning of period	**23**	**192**	**170**	153	96	196
Granted	**—**	**1,505**	**59**	1	163	110
Exercised	**(20)**	**(24)**	**(56)**	(105)	—	(136)
Forfeited/expired	**(3)**	**(118)**	**—**	(26)	(67)	—
Outstanding at end of period	**—**	**1,555**	**173**	23	192	170

(d) Normal Course Issuer Bid

On November 11, 2025, the Company announced plans to undertake a Normal Course Issuer Bid to repurchase up to 5% of outstanding shares as at November 3, 2025. This was amended on February 23, 2026 to 10% of the outstanding shares held by all shareholders other than restricted shares and shares held by the Company's directors, senior officers and shareholders who held 10% or more of the Company's outstanding shares as of the close of business on November 3, 2025.

During the six months ended September 30, 2026, the Company cancelled 346,000 common shares (September 30, 2025 - nil) for a total of $1.3 million (September 30, 2025 - nil) under the NCIB program. As at June 30, 2026, the Company had fully repurchased the shares allowable under the NCIB program.

(e) Substantial Issuer Bid

On August 11, 2026, the Company announced that the Board approved a substantial issuer bid (the "SIB") to repurchase for cancellation up to $20.0 million of its common shares (the "Shares") at a price of not less than $4.00 and not more than $4.50 per Share (the "Offer"). The SIB commenced on August 14, 2026 and expired on September 21, 2026.

Under the SIB, the Company repurchased and cancelled 4,444,444 shares at a price of $4.50 per share, for aggregate consideration of $20 million. Transaction costs of $0.4 million and share repurchase tax of $0.4 million were incurred in connection with the transaction.

(f) 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 September 30, (thousands except per share amounts)	2026			2025		
	Earnings ($)	**Weighted average shares outstanding**	**Earnings per share ($/share)**	Earnings ($)	Weighted average shares outstanding	Earnings per share ($/share)
Basic	**711**	**75,641**	**0.01**	2,716	84,058	0.03
Dilutive effect of share-based awards		**71**			923	
Diluted	**711**	**75,712**	**0.01**	2,716	84,981	0.03

Six months ended September 30, (thousands except per share amounts)	2026			2025		
	Earnings ($)	**Weighted average shares outstanding**	**Earnings per share ($/share)**	Earnings ($)	Weighted average shares outstanding	Earnings per share ($/share)
Basic	**2,036**	**76,821**	**0.03**	6,025	83,125	0.07
Dilutive effect of share-based awards		**122**			1,004	
Diluted	**2,036**	**76,943**	**0.03**	6,025	84,129	0.07

During the three and six months ended September 30, 2026, 63,259 and 74,015 awards, respectively (three and six months ended September 30, 2025 – 1,963 and 13,773 awards, respectively) 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 consist of cash, restricted cash, short-term investment, trade and other receivables, trade payables and accrued liabilities (excluding stock-based compensation payable), acquisition holdback payable, other long-term liabilities (excluding stock-based compensation payable), government loan and revolving credit facility. These financial instruments are classified and measured at amortized cost and their carrying amounts approximate their fair values.

Cash and restricted cash are held in demand deposits carried at face value, which by their nature equals fair value at all times. Trade and other receivables and trade payables and accrued liabilities (excluding stock-based compensation) arise from ordinary trading transactions and are short-term in nature, typically settling within 30 to 90 days. They are initially recognized at transaction price and are not subject to significant interest rate or market price variability over their collection or settlement period. Revolving credit facility bears interest at a floating rate that resets periodically in line with prevailing market rates, ensuring that the contractual rate of return reflects current market conditions at all times. Accordingly, the present value of future cash flows under the facility does not differ materially from its carrying amount. For acquisition holdback payable, government loan and other long-term liability, there is no significant effect of discounting as such the carrying amounts represent the fair values. The estimated fair values are based on level 2 inputs.

13. Commitments:

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

(thousands of $)	September 30, 2026
Less than one year	**1,684**
Between one and five years	**4,634**
More than five years	**5,980**
	12,298

14. Credit Facilities:

i. Revolving credit facility

As at September 30, 2026, CMG 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, US, and European reference rates plus interest rate spreads based on a leverage table.

As at the reporting date, the Company has drawn down on the credit facility as follows;

- $9.9 million bearing interest at the lender's prime rate plus an applicable margin
- $20 million, bearing interest based on CORRA plus an applicable margin

Interest expense on the facility is recognized under finance cost in the statement of operations and comprehensive income using the effective interest method.

The credit facility is subject to customary positive, negative, reporting and financial covenants. The financial covenants require the Company to maintain, at all times, (A) a leverage ratio for the preceding four quarter period not greater than: (I) 3.75:1.00; or (II) for the four immediately subsequent fiscal quarters following completion of a material acquisition, 4.00:1.00 (and thereafter, 3.75:1.00) and (B) an interest coverage ratio with respect to the immediately preceding four quarter period is not less than 3.00:1.00. As at September 30, 2026, the Company had a leverage ratio of 1.57 and interest coverage ratio of 15.41. The Company was in full compliance with all covenants as at the reporting date.

As at September 30, 2026, the Company had $70.1 million (March 31, 2026: $93 million) of undrawn credit facility that are available to support CMG Group's capital deployment and liquidity requirements.

ii. Other credit facility

The Company has arranged for a $2.5 million (March 31, 2026 - $2.5 million) line of credit with a lender, which may be used to support letters of credit and is collateralized by the Short-term Investment. As at September 30, 2026, $2.0 million (March 31, 2026 – $2.0 million) had been reserved on this credit facility for letters of credit supporting performance bonds.

15. Subsequent Events:

i. On October 9, 2026, the Company amended its revolving credit facility, increasing the total committed borrowing capacity from $100 million to $150 million while also adding a second lender. The amendment revised certain provisions relating to cash, investments, guarantees and security with the Company having $25 million remaining under the accordion feature. The financial covenants, pricing grid and maturity date of November 7, 2029 remained unchanged.

ii. On November 12, 2026, the Board of Directors declared a quarterly cash dividend of $0.01 per share on its common shares, payable on December 15, 2026 to all shareholders of record at the close of business on December 5, 2026.

iii. On November 12, 2026, the Company announced its intention to renew a Normal Course Issuer Bid, to repurchase up to 10% of the public float of the Company commencing on November 17, 2026.

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