



COMPUTER MODELLING GROUP LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED

MARCH 31, 2024

**Dated as of
May 22, 2024**

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EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

Explanatory Notes

In this Annual Information Form (“AIF”), unless otherwise noted or the context indicates otherwise, references to “CMG Group” or to the “Corporation” or to the “Company” or “we” or “our” are to Computer Modelling Group Ltd. and include its subsidiaries.

The Corporation is organized into two operating segments: the development and licensing of reservoir simulation software (referred to as “CMG Segment”) and the development and licensing of seismic interpretation software (referred to as “BHV Segment”). For further details about the Corporation’s operating segments, see “Description of the Business – Business Overview.”

The Corporation’s financial statements and management’s discussion and analysis (“MD&A”) and financial condition and results of operations for the fiscal year ended March 31, 2024 are incorporated herein by reference. The Corporation’s financial statements and MD&A are available for review under the Corporation’s SEDAR+ profile at www.sedarplus.ca. All financial information in this AIF is prepared in Canadian dollars and using International Financial Reporting Standards as issued by the International Accounting Standards Board.

This AIF has been prepared as of May 22, 2024, and unless otherwise stated, the information contained herein is stated as of March 31, 2024.

Forward-looking Information

Certain statements in this AIF are “forward-looking information” within the meaning of applicable securities laws and is based on the Corporation’s expectations, estimates, projections, assumptions and beliefs. Forward-looking information is frequently characterized by words such as “continue”, “plan”, “project”, “strategy”, “vision”, “expect”, “intend”, “believe”, “anticipate”, “estimate”, “scheduled”, “potential”, “strategy” or other similar words, or statements that certain events or conditions “may”, “would”, “should”, “could” or “will” occur.

Forward-looking statements in this AIF includes, but is not limited to: disclosure related to the Corporation’s belief that advanced process reservoir simulation software is the most rapidly growing segment of the simulation marketplace; expectations regarding the Corporation’s future market share of petroleum recovery simulation, including the impact of CoFlow revenue growth on the Corporation; expectations regarding the impact of the Corporation’s acquisition of Bluware (as defined herein), including diversifying the Corporation’s product offerings and enhancing the Corporation’s position in the market; expectations regarding the Corporation’s “CMG 4.0 Strategy” to achieve both durable organic growth in the reservoir simulation business and the prudent deployment of capital to pursue acquisitions that are accretive to software revenue; the Corporation’s expectations with respect to levels of revenue and fluctuations thereof; the Corporation’s strategic goals including seeing mergers and acquisitions as a growth accelerator; expectations regarding organizational changes; expectations regarding the Corporation’s marketing strategies, including increased customer engagement and sales growth; research and development cost estimates; and capitalization. Forward-looking information is not a guarantee of future performance, results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and the expectations of the Corporation regarding its future growth, results of operations, trends in software licence sales, development plans and the status of the Corporation’s software development projects, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of research and development activity, and general business strategies, prospects and opportunities. Such forward-looking information reflects the Corporation’s current beliefs and assumptions and is based on information currently available to it.

Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking

information including, without limitation, risks associated with the impact of general economic conditions, industry conditions, domestic and international governmental regulation, volatility of commodity prices, currency fluctuations, demand for the Corporation's software, competition from other industry participants, mix of revenues and potential variances from period to period, the lack of availability of qualified personnel or management, unanticipated acquisition-related expenses, goodwill impairment tests and unanticipated goodwill impairment adjustments, stock market volatility, amortization of intangible assets and stock-based compensation, geopolitical risks, including the war in Ukraine, and the risks discussed under "Risk Factors" and elsewhere in this AIF and in the Corporation's public disclosure documents, and other factors, many of which are beyond the Corporation's control. Although the forward-looking information contained in this AIF is based upon assumptions which the Corporation believes to be reasonable, the Corporation cannot make assurances that actual results will be consistent with such forward-looking information. Such forward-looking information is made as of the date of this AIF, and the Corporation assumes no obligation to update or revise it to reflect new events or circumstances, except as required by law. Due to the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in the Corporation's securities should not place undue reliance on this forward-looking information.

With respect to forward-looking information contained in this AIF, the Corporation has made assumptions regarding, among other things:

- the Corporation's future software license sales;
- the Corporation's ability to retain material clients and bookings;
- the continued financing by and participation of the CMG Segment's strategic partner in the development of CoFlow, the dynamic reservoir modelling system, and it being completed in a timely manner, associated costs and future revenue;
- the Corporation's ability to increase or sustain its revenue in a volatile oil price environment;
- the Corporation's ability to capture market share in energy transition;
- the Corporation's ability to pay dividends;
- the Corporation's conduct and results of operations will be consistent with its expectations;
- the Corporation's ability to enter into additional software license agreements;
- the Corporation's ability to address the risk factors discussed under "Risk Factors" and elsewhere in this AIF;
- the Corporation's ability to continue current research and new product development;
- the Corporation's ability to successfully execute on commercial partnerships and acquisitions;
- the Corporation's ability to recognize the financial results of acquisitions; and
- the Corporation's ability to recruit and retain qualified staff.

CORPORATE STRUCTURE

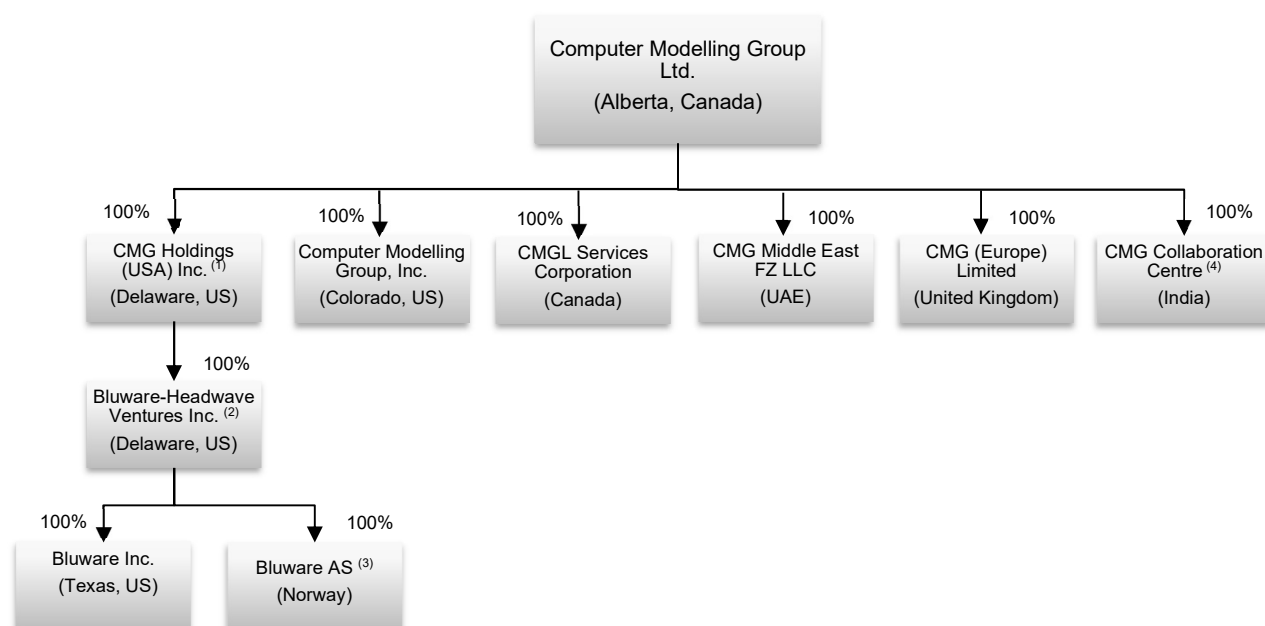
Name and Incorporation

Computer Modelling Group Ltd. was incorporated as 713571 Alberta Ltd. under the *Business Corporations Act* (Alberta) (the "ABCA") on October 18, 1996. On November 8, 1996, the Corporation changed its corporate name to Computer Modelling Group Ltd. In August 2008, the Corporation amended its Articles to divide each issued and outstanding common share ("Common Share") and non-voting share of the Corporation ("Non-Voting Share") on a two-for-one basis. Subsequently, in June 2011 and June 2014, the Corporation amended its Articles to divide each issued and outstanding Common Share again on a two-for-one basis. All share data contained in this AIF is presented on a post-split basis. The head office of the Corporation is at 3710 33 Street N.W., Calgary, Alberta and the registered office of the Corporation is at Suite 3700, 400-3rd Avenue S.W., Calgary, Alberta. This AIF contains various company names, product names, trade names, trademarks and service marks, all of which are the properties of their respective owners.

Intercorporate Relationships

The Corporation has six direct wholly-owned subsidiaries: CMG Holdings (USA) Inc. which is incorporated under the laws of the State of Delaware, United States (“US”), Computer Modelling Group, Inc., which is incorporated under the laws of the State of Colorado, US; CMGL Services Corporation, which is incorporated under the *Canada Business Corporations Act*; CMG Middle East FZ LLC, which is incorporated as a Free Zone Limited Liability Company in Dubai Internet City, United Arab Emirates; CMG (Europe) Limited, which is incorporated as a Private Limited Company with the Registrar of Companies for England and Wales; and CMG Collaboration Centre, which is incorporated as a Private Limited Company with the Central Registration Centre at the Government of India Ministry of Corporate Affairs.

The following chart illustrates, as at the fiscal year ended March 31, 2024, the relationships among the parties indicated. All ownership figures are reflective of voting securities held as none of the Corporation’s wholly owned subsidiaries have issued any restricted securities.



Notes:

- (1) Incorporated September 7, 2023.
- (2) Acquired September 25, 2023.
- (3) Hue AS and Kalkulo AS were acquired by CMG Holdings (USA) Inc. through the acquisition of Bluware-Headwave Ventures Inc. on September 25, 2023, and subsequently amalgamated into a new company named Bluware AS on February 14, 2024 in Norway.
- (4) Incorporated July 24, 2023.

In April 2013, the Corporation set up a branch operation in Bogotá, Colombia to further support its South American market.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Corporation is a global software and consulting company engaged primarily in the development and licensing of reservoir simulation software and related services. Through acquisitions, it has expanded to include software and services specializing in cloud and interactive deep learning solutions for subsurface decision-making including seismic interpretation.

In the third quarter of fiscal 2023, the Corporation announced a multi-faceted growth strategy to take on the various challenges and opportunities facing the company, referred to as the “CMG 4.0 Strategy”. The CMG 4.0 Strategy aims to achieve both durable organic growth in the reservoir simulation business and the prudent deployment of capital to pursue acquisitions that are accretive to software revenue. The Corporation views mergers and acquisitions (“M&A”) as a growth accelerator that has the potential to bring both diversification and support for organic growth.

The organic growth strategy leverages the momentum towards digitization in the energy industry and the growing need for complex energy transitions solutions and was developed around three main objectives:

- maintain and grow the Corporation’s core business competencies in reservoir simulation within the CMG Segment, capitalizing on the Corporation’s leadership position as experts in the science, technology and customer support for complex hydrocarbon recovery techniques;
- expand product offerings and market presence, including the introduction of data analytics solutions, to deliver greater value to new and existing customers; and
- reach into new market segments with CMG Segment applications in Integrated Production Systems Modelling (“IPSM”) and energy transition, specifically carbon capture and storage, hydrogen storage, and geothermal processes.

The acquisition strategy was developed with the aim to prudently invest excess capital, at attractive after-tax rates of return, to build durable, long-term software revenue growth and per-share profitability. The focus is to acquire businesses that enhance and diversify product offerings within the energy and adjacent industries.

Set out below is a more detailed summary of the events and conditions that have influenced general development of the Corporation’s business since April 1, 2021.

Fiscal year ended March 31, 2022

On May 1, 2006, the Corporation entered into a Dynamic Reservoir Modelling System Research Funding Agreement (the “DRMS Agreement”) with Shell International Exploration and Production B.V. to develop CoFlow, the newest generation of reservoir simulation software, which gives the Corporation full commercialization rights to the developed technology. On October 10, 2006, Petroleo Brasileiro S.A. (“Petrobras”) became a participant and a party to the DRMS Agreement. Effective January 1, 2017, Petrobras’ financial participation in the CoFlow project ended and the DRMS Agreement was terminated. On January 1, 2017, a new Access and Development Agreement (the “CoFlow Agreement”) with an initial five year term was signed between the Corporation and Shell Global Solutions International B.V. (“Shell”) whereby the Corporation, through the CMG Segment, would be responsible for the research and development costs of CoFlow (\$7.6 million in the fiscal year ended March 31, 2024) and Shell would be responsible for providing a contribution for the continuing development of the software (\$7.7 million in the fiscal year ended March 31, 2024). On December 21, 2020, the CoFlow Agreement was amended when Shell exercised its right to request a five-year term extension, commencing January 1, 2022. All other terms and conditions in the CoFlow Agreement, including any related amendments, remain unchanged and in full force and effect during the extended term. In September 2021, the Corporation and Shell agreed that the Corporation would add and/or allocate up to six additional full-time employees in order to accelerate CoFlow development and support targeted CoFlow deployments, and Shell’s contribution would increase accordingly.

From September 2020 to September 2021, Sandra Balic, Vice President, Finance and Chief Financial Officer, was on maternity leave, and Kelly Tomyn was Interim Vice President, Finance and Chief Financial Officer.

On May 19, 2021, the Corporation's board of directors (the "Board" or "Board of Directors") approved an amended shareholders rights plan, which was subsequently approved by the Corporation's shareholders at the annual meeting of Shareholders on July 8, 2021 (the "2021 Rights Plan"). For further details about the 2021 Rights Plan, see "Description of Capital Structure – Shareholder Rights Plan".

Fiscal year ended March 31, 2023

On May 10, 2022, Ryan Schneider stepped down as President and Chief Executive Officer and as a director of the Corporation, and Pramod Jain was appointed Chief Executive Officer.

During the fiscal year ended March 31, 2023, the Corporation implemented organizational changes as part of the CMG 4.0 Strategy, to position the Corporation for solid financial performance and sustainable growth. John Mortimer was appointed Chief Technology Officer. Sheldon Harbinson was appointed Vice President, Americas. Jason Close transitioned out of his role of Vice President, Product. Anjani Kumar transitioned from Vice President of Engineering Solutions to Vice President of Customer Success and Consulting. Dr. Long Ngiem transitioned from Chief Technology Officer to Chief Scientist and leads the Corporation's Innovation Lab.

During the fiscal year ended March 31, 2023, the Corporation acquired patented AI-based data analytics technology targeting the development and optimization for shale reservoirs from Unconventional Subsurface Integration LLC ("USI").

During the fiscal year ended March 31, 2023, the Corporation entered into a Joint Industry Partnership ("JIP") with Kongsberg Digital AS to, with the participation and support of numerous leading energy companies, research and develop a new technology focused on carbon capture and storage.

During the fiscal year ended March 31, 2023, the Corporation announced a strategic partnership with McDaniel & Associates Consultants Ltd. and Hatch Ltd. to deliver comprehensive industry leading solution for carbon capture and storage.

Fiscal year ended March 31, 2024

On September 25, 2023, the Corporation acquired Bluware-Headwave Ventures, Inc. ("Bluware" or "BHV Inc."), a software and services company specializing in cloud and interactive deep learning solutions for subsurface decision-making including seismic interpretation. In connection with the transaction, the Corporation also acquired three wholly owned subsidiaries of BHV Inc.: Bluware Inc., Hue AS, and Kalkulo AS. As a result of the acquisition of BHV Inc., the Corporation now has two identifiable operating segments, CMG and BHV. The results of the operations of Bluware are included in the Corporation's results of the fiscal year ended March 31, 2024 from the date of acquisition. For further details about the acquisition of BHV Inc., see "General Development of the Business – Acquisition of Bluware-Headwave Ventures, Inc.".

During fiscal year ended March 31, 2024, the Corporation entered into a partnership with global technology leader ABB Ltd. ("ABB") to integrate the Corporation's subsurface simulation technology into ABB's digital twin platform for commercial carbon capture and storage operations.

On February 14, 2024, BHV Inc. subsidiaries Hue AS and Kalkulo AS were amalgamated into a single wholly owned subsidiary, Bluware AS, under the laws of Norway.

On February 29, 2024, Judith Athaide resigned from the Board of Directors of the Corporation.

Recent developments in fiscal year 2025

In April 2024, the Corporation implemented organizational changes to drive its transformation and position it for solid financial performance and sustainable growth. Rahul Jain was appointed Vice President, Core

and Kristina Mysev was appointed Vice President, People & Culture. Anjani Kumar transitioned from Vice President of Customer Success and Consulting to Vice President, CoFlow and Professional Services.

On May 22, 2024, the Board reapproved the shareholder rights plan, which will be placed before the Corporation's shareholders for approval at the annual meeting of shareholders to be held on September 5, 2024 (the "2024 Rights Plan"). For further details about the 2024 Rights Plan, see "Description of Capital Structure – Shareholder Rights Plan".

Acquisition of Bluware-Headwave Ventures, Inc.

On September 25, 2023, we announced the acquisition of Bluware, a software and services company specializing in cloud and interactive deep learning solutions for subsurface decision-making including seismic interpretation. This acquisition of Bluware will enable us to diversify the Corporation's product offering across the upstream energy value-chain, to build on our expertise in cloud delivery, advanced technologies, and data management and to deliver improved workflows and collaboration with increased speed, performance and accuracy. We believe that our combined portfolio will allow customers to leverage the latest cloud, machine learning and AI innovations to revolutionize geoscience data and interpretation workflows, allowing geoscientists to deliver faster and smarter decisions about the subsurface while reducing costs and environmental impact.

Bluware Inc. was founded in 1984 as an agile software consulting company serving oil and gas super majors. In 2018, energy-focused software companies Bluware Inc., Hue AS, and Headwave Inc. merged to form Bluware-Headwave Ventures Inc., a technology powerhouse that tackles seismic workflows in the cloud. Hue AS brought its gaming technology applied, validated, and driven forward by oil and gas super majors and Headwave Inc. built geoscience applications on Hue AS technology. In 2019, Kalkulo AS, a custom software consulting company for the energy industry, was also acquired.

Bluware is headquartered in Houston, Texas with operations in Oslo, Norway. Bluware develops software technology and offers consulting services. BHV's market focus is on upstream exploration and production (E&P) oil and gas companies, including public energy companies, national oil companies (NOC's), service companies, seismic acquisition companies, national data repositories and independent software vendors. Bluware enables the energy industry to explore the full value of subsurface data without the limitations of data size and legacy interpretation software. Further, Bluware is expected to enhance the Corporation's position in the market through the following benefits:

- Provide differentiated state-of-the-art technologies to expand our product portfolio for large and midsize E&P companies, which can enhance our long-term growth.
- Ability to leverage Bluware's existing strategic partnerships with leading energy companies to expand the commercial potential of both our software technology and consulting services business.
- Ability to expand on critical insights with respect to market trends and evolving industry needs, to drive software adoption by supporting implementation and usage.

This acquisition adds to the Corporation's existing professional services revenue and adds strategic intellectual property to its portfolio. The results of the operations of Bluware are included in the Corporation's results of the fiscal year ended March 31, 2024 from the date of acquisition.

DESCRIPTION OF THE BUSINESS

Business Overview

The Corporation is a global software and consulting company providing advanced reservoir modelling capabilities, and cloud and interactive deep learning solutions for seismic interpretation to the energy industry. We provide cutting-edge technologies that support critical field development decisions for upstream planning and energy transition strategies. The Corporation has a diverse customer base of international oil companies in approximately 60 countries. The Corporation's professional services consist

of highly specialized support, consulting, training, and contract research activities. The Corporation is headquartered in Calgary, Alberta, Canada with regional offices in Calgary, Houston, Oxford, Dubai, Bogota, Rio de Janeiro, Bengaluru, Kuala Lumpur and Oslo. The Corporation's Common Shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "CMG".

The Corporation is organized into two operating segments, CMG Segment and BHV Segment.

The primary source of revenue is software license sales, professional services and consulting contracts.

Historical overview

Since its inception more than 40 years ago, The Corporation made the strategic decision to focus its research and development efforts on providing solutions for the simulation of difficult hydrocarbon recovery techniques, a decision that created the foundation for the Corporation's dominant market presence today in the simulation of advanced hydrocarbon recovery processes. The Corporation 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.

The petroleum industry utilizes reservoir simulation to provide both vital information and a visual interpretation on how reservoirs will behave under various recovery techniques. With this visualization and reservoir simulation modelling, reservoir professionals obtain valuable insight into predicting the physics and chemistry of fluid flows, drilling locations, well operating conditions, risks, and best-case economics of oil and gas property investment. Understanding the science of how a petroleum reservoir will react to difficult hydrocarbon recovery processes through simulation prior to spending the capital on drilling wells and injecting expensive chemicals and steam, for instance, is far less costly and risky than trying the various techniques on real wells.

With petroleum production using conventional methods on the decline, the petroleum industry must use more difficult and costly advanced process extraction methods. In addition, brand-new fields are increasingly difficult to find, especially on a large scale, and there is a large number of mature fields and unconventional prospects where known petroleum reserves exist. The problem facing the producers is how to economically extract more of the petroleum reserves in place while utilizing environmentally conscious processes and meeting governmental and regulatory requirements. These challenges are made even more formidable by the volatile macroeconomic environment and the global political climate, which has led to increased uncertainty regarding capital markets, commodity prices and global energy demand.

Due to the maturity of conventional petroleum reservoirs and the complexities of both current and emerging production processes we believe that the oil industry will continue to be increasingly reliant on the use of simulation technology. Reservoir simulation is a cost-effective and high-value tool to reduce risks, improve recovery processes, increase margins and incremental recovery.

The Corporation's success can be attributed to a number of factors: advanced physics, ongoing enhancements to the Corporation's already robust product line, improved computational speed, parallel computing ability, ease of use features of the pre- and post-processor applications, cost effectiveness of the Corporation's solution for customers, and the knowledge base of the Corporation's personnel to support and advance its software.

Key Performance Drivers and Capability to Deliver Results

The Corporation is 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 the Corporation's competitive advantage for its existing software product suite and advances new product development. The Corporation's approach to investment in research and development is to invest in initiatives that are driven by customers' needs. Integrating new and innovative features into the Corporation's existing product suite

as well as developing simplified, fit-for-purpose applications is anticipated to help increase revenue from new and existing customers.

In addition to offering reservoir simulation solutions, the CMG Segment has invested into the development of CoFlow, the industry's first fully implicit, multi-user and multi-disciplinary IPSM software application. It provides a unified solution for integrated asset modelling by combining reservoir, production networks and geomechanics in one environment and allows reservoir and production engineers to make informed decisions on large, integrated oil and gas projects. While this has been a significant undertaking for our CMG Segment, we believe that oil producers are seeking integrated solutions of this type, which connect the surface and subsurface simulation on the same platform, to enable better decision-making and optimization of their assets.

Energy transition has been a growing area for the Corporation. A shift toward public and government support of climate change initiatives enables us to use technological innovation to help energy and resource companies minimize their impact on the environment. CMG Segment has an established technology that has been effectively leveraged and utilized in the development of projects around the world for safe sequestering and long-term storage of carbon dioxide. CMG Segment's GEM simulator is the industry-leading simulator capable of modelling all of the applicable physics associated with carbon storage processes. These projects have been of increasing interest to governments and the oil and gas industry, as well as new "green energy" entrants for the beneficial application in the reduction of carbon footprint. CMG Segment's products can also be used for hydrogen storage and geothermal processes.

The BHV Segment, enables energy companies to improve geoscience workflow productivity through cloud and artificial intelligence ("AI") solutions so faster and smarter decisions about the subsurface can be achieved, while reducing costs and environmental impact. Energy companies have experienced a longstanding challenge to efficiently access and use secure, reliable, seismic data on a global scale. BHV Segment technology overcomes the limitations in existing seismic data formats and streamlines data usability in interpretation applications. With its unique interactive features, BHV Segment puts geoscientists in the driver's seat of their workflows, enhancing the quality and speed of their decision making to help exploration teams reduce risk and potentially increase asset productivity.

The Corporation pursues revenue growth through direct sales using its internal sales force and is focused on enhancing its market engagement framework through the addition of a strategic marketing function and additional sales tools and training. The Corporation is also committed to partnering with industry leaders in two key areas: assisting in the development, testing and refinement of new technology; and extending the Corporation's reach into other ecosystems while enabling sales.

Operating Segments

For the year ended March 31, 2024, the Corporation's business is comprised of two operating segments: CMG Segment and BHV Segment.

CMG Segment

CMG Segment provides market-leading reservoir simulation software, recognized as the industry standard in traditional oil and gas including Enhanced Oil Recovery (EOR), Heavy Oil and unconventional, and in Energy Transition including Carbon Capture and Storage ("CCS"), geothermal and hydrogen. In addition to offering reservoir simulation solutions, we have invested into the development of CoFlow, the industry's first fully implicit, multi-user and multi-disciplinary IPSM software application. It provides a unified solution for integrated asset modelling by combining reservoir, production networks and geomechanics in one environment and allows reservoir and production engineers to make informed decisions on large, integrated oil and gas projects.

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 competency to build and optimize reservoir development plans.

CMG Segment Technology and Product Offerings

Until modern numerical reservoir simulation modelling with full three-dimensional visualization and animation was developed, engineers had only rudimentary ways of understanding a particular oil or gas reservoir. This has changed primarily due to mathematical modelling now available and due to faster and more powerful computers, capable of running sophisticated computations and computer graphics and animation. CMG Segment's reservoir simulator products are computer programs that represent the engineering principles of petroleum and other fluids flowing through the pores (channels) in oil and gas reservoirs and complex subsurface environments. Engineers, geologists and other technical and financial professionals use reservoir simulator tools to analyze and visualize the consequences of alternative drilling and production scenarios and to increase oil and gas field production, recovery and revenues.

CMG Segment's software products enable reservoir managers, engineers, geologists and other professionals to use computer-based simulation to, in effect, "travel" kilometres below the earth's surface and "explore" the make-up and structure of reservoirs based on data captured from a variety of sources. The software also enables the user to visualize where oil and gas is trapped and where the oil and gas is expected to flow under alternative drilling and production scenarios. With this visualization and reservoir simulation modelling, reservoir professionals receive assistance in predicting the physics and chemistry of fluid flows, drilling locations, well operating conditions, risks, and best-case economics of oil and gas property investment. In addition, the corporation's IPSM technology helps asset managers, reservoir managers, and production and reservoir engineers to identify the best methods to develop these resources by installing appropriately sized surface pipeline systems and other surface equipment.

By using CMG Segment's simulator products, a client is able to simulate virtually any reservoir and any recovery process used by the industry. CMG Segment's suite of reservoir simulators facilitates the analysis of the various types of reservoirs encountered by oil and gas companies in different parts of the world and the various enhanced recovery processes which may be used to exploit them. CMG Segment's principal products are CoFlow, BUILDER, WINPROP, STARS, GEM, IMEX, SHALE IQ, RESULTS and CMOST. In addition, clients may acquire performance options such as the parallel computing option and the dynamic gridding option, which allow clients to perform their simulations in a fraction of the time that they are accustomed to and reducing the time-to-decisions.

Overview of CMG Segment Product Offerings

CMG Segment's products include the following reservoir simulation software and related services: three reservoir simulators, IMEX, GEM and STARS; a phase behaviour and fluid property program, WINPROP; a pre-processing application, BUILDER; a post-processing application, RESULTS; an integrated reservoir & production system modelling application, CoFlow, and a computer-assisted history matching, optimization and uncertainty assessment tool, CMOST. While the names of the products have not changed over the last three years, the performance and functionality of these products have been enhanced through ongoing research and development. CMG Segment has rebranded the technology acquired from USI during fiscal 2023 as ShaleIQ and has incorporated ShaleIQ into its product offering.

BUILDER is a Windows™-based software that facilitates the gathering of a large volume of data and organizing it for the simulator. BUILDER's design allows for data to be imported in a variety of methods from industry mapping packages, RESQML and RESCUE-format simulation grids from 3D Geologic modelling tools, "dragged-and-dropped" from Excel spreadsheet or tabular data, or from other third-party applications.

WINPROP is a Windows™-based software that determines the behaviour and properties of reservoir fluids. WINPROP assists petroleum engineers to better understand the fluid interaction as a reservoir is being

produced or various Enhanced Oil Recovery operations are considered. The information created is then used in the STARS, GEM and IMEX reservoir simulators.

STARS is the world-leading multi-phase, 3D reservoir simulator capable of modelling a wide range of thermal and chemical processes well beyond the capabilities of conventional black oil and compositional simulators. STARS is used to model recovery from heavy oil, oil sands and chemically stimulated reservoirs.

GEM is the generalized Equation-of-State compositional reservoir simulator, which includes the ability to model primary, secondary and tertiary recovery processes, in conventional and unconventional reservoirs, utilizing a wide range of enhanced oil recovery (“EOR”) methods, injection strategies and well management scenarios. GEM is used to model gas condensate, volatile oil, shale oil, tight oil, shale gas, tight gas, and coal bed methane reservoirs. GEM is also used to model CO₂ EOR/Sequestration and VAPEX gas injection in heavy oil reservoirs. Energy Transition represents a growing area for CMG Segment, and GEM is the leading product in carbon storage modelling globally.

IMEX is a 3-phase, 3D black oil reservoir simulator, which incorporates all the functionality required for full-field reservoir simulation studies. IMEX is used to model conventional “black oil” reservoirs. In addition, IMEX can also model multiple oils, polymer and different salinity water. iSegWell is an advanced analytical wellbore modelling tool that works with the IMEX black oil reservoir simulator to simultaneously optimize well design and reservoir productivity by modelling flow and pressure changes from the reservoir to the surface.

Advancements in cloud technology are generating a paradigm shift in modern computing and removing technological limitations faced by clients. CMG Segment’s public cloud solution enables clients to securely access CMG Segment’s simulators (IMEX, GEM, STARS) and submit simulation jobs to some of the latest and fastest hardware available in the industry optimized for maximum efficiency and faster simulation results. Capability to deploy visualization tools in cloud environments was also made available during fiscal 2024. The cloud solution gives clients the ability to take advantage of the flexibility and economies of scale with “pay as you go” or subscription models for hardware and CMG Segment software, allowing them to improve operational efficiencies.

RESULTS is a Windows™-based program that is used to provide visualization and animation for STARS, GEM and IMEX. RESULTS provides powerful visualization of the simulator output. With RESULTS, one can visualize both model input and output data in a variety of formats, including graphs, tabular reports, 2D aerial maps and cross sections and 3D perspectives. Simulation output can be animated to study the impact of recovery processes on fluid saturations and reservoir properties through time. Displayed images and animations can also be exported to popular presentation and word processing software applications.

CMOST is a Windows™-based program used to help clients perform history matching of measured field performance data, optimize for future production or net present value, and assess the risk of making capital and operating expenditures due to the inherent uncertainty of reservoir parameters. CMOST’s algorithms include artificial intelligence with neural network. CMOST helps users evaluate the implications of variable reservoir properties such as porosity, permeability, hydrocarbon content, and explore major business decision options including production scenarios, and the optimum number of wells and their locations. Through the use of CMOST, oil and gas companies have the ability to more thoroughly evaluate their reservoir assets and, in turn, optimize their production and capital expenditures to yield the greatest return on deployed capital.

SHALEIQ is a Windows™-based program used as a forecasting application that incorporates a new production analysis system using neural network models learning from pre-run simulation data using CMG Segment simulators to evaluate shale petroleum reservoir performance. It implements a patented scientific methodology for type well matching, optimization in well spacing and timing, as well as maximizing asset valuation and production performance.

CoFlow is the newest generation of reservoir and production system simulation software. CoFlow is the industry’s first fully coupled, multi-user and multi-disciplinary IPSM software application. It provides a unified

solution for integrated asset modelling by combining reservoir and production networks in one environment and allows reservoir and production engineers to make informed decisions on large integrated oil and gas projects. CoFlow also leverages the benefits of uncertainty-based optimization through connection with the CMOST application.

CMG segment's software license revenue is comprised of annuity/maintenance licenses and perpetual licenses of CMG software and technology.

Years ended March 31, (\$ thousands)	2024	2023
Annuity/Maintenance revenue	68,537	59,690
Perpetual revenue	5,739	3,240
Total software license revenue	74,276	62,930
Professional services	13,618	10,916
Total revenue	87,894	73,846
Software license revenue - % of total revenue	85%	85%
Professional services - % of total revenue	15%	15%

CMG Segment customer base approximates 465 entities which consist of domestic and international oil and gas companies and universities predominately in Canada, US, South America, Asia, and Europe. For the year ended March 31, 2024, one customer comprised 9.6% of the segments' total revenue (year ended March 31, 2023 – one customer 11.7%).

The CMG Segment currently employs a full-time equivalent staff base of 193 persons worldwide (184 as at May 24, 2023), including salaried employees and consultants.

BHV Segment

BHV Segment provides software and services specializing in cloud and interactive deep learning solutions for subsurface decision-making, including seismic interpretation. In combination with its principal business of licensing its software, the segment also provides professional services.

BHV Segment Technology and Product Offerings

Bluware enables energy companies to improve geoscience workflow productivity through cloud and artificial intelligence ("AI") solutions so faster and smarter decisions about the subsurface can be achieved, while reducing costs and environmental impact. Energy companies have experienced a longstanding challenge to efficiently access and use secure, reliable, seismic data on a global scale. Bluware technology overcomes the limitations in existing seismic data formats and streamlines data usability in interpretation applications. With its unique interactive features, the BHV Segment puts geoscientists in the driver's seat of their workflows, enhancing the quality and speed of their decision making to help exploration teams reduce risk and potentially increase asset productivity.

The BHV Segment enables the energy industry to explore the full value of subsurface data without the limitations forced by data size and current interpretation software. E&P companies can now improve workflow productivity through cloud solutions and deep learning, so faster and smarter decisions about the subsurface can be achieved while reducing costs and environmental impact.

Overview of BHV Segment Product Offerings

BLUWARE VOLUME DATA STORE (VDS™) data format enables Exploration and Production operators to store, visualize, and process subsurface data faster and more efficiently than traditional files systems. Using VDS, geoscientists can achieve high-performance computing, interactive deep learning, mega-data visualization, and cost-effective data transfer and storage. The VDS architecture is serverless and simple to deploy on premises, in the cloud, or in a hybrid environment, so it is highly transportable, reducing hardware and storage costs.

The commercial implementation of VDS, called Bluware Engine, is the powerhouse behind Bluware FAST™ and InteractivAI™ solutions. Customers can also take full advantage of the efficiencies that the Bluware Engine offers through its custom software consulting services.

Bluware has open-sourced the VDS format and donated OpenVDS™ API to The Open Group OSDU™ Data Platform. By supporting open standards and sanctioning format conversion, Bluware is eliminating historical concerns of a vendor-locked format. Regardless of which version of the VDS API is chosen, it can be freely converted back to its original format.

INTERACTIVAI is a deep learning seismic interpretation tool that can be deployed in the cloud or on premises to enable geoscientists to deliver a more precise and thorough interpretation of their entire data set in hours versus weeks or months. With its live user-centric feature, geoscientists are in full control of the interpretation process, providing expertise through labeling a small subset of the data and InteractivAI generates 3D predictions on the entire data set every 30 to 45 seconds until the model reaches their expert prediction.

FLEXIBLE ACCESS STORAGE TRANSCODING (FAST) enables users to stream subsurface data in VDS from the cloud, their on-premises infrastructures, or in a hybrid environment to their current applications and workflows. Data managers and interpreters can realize the value that VDS can deliver without changing their existing legacy applications. FAST enables seismic data managers to avoid duplicating datasets to be used in their subsurface applications, reducing data movement and network traffic, and enabling access to all their data from a centralized library. FAST can transcode VDS to any file format.

Bluware's team of highly experienced consultants can also implement custom software utilizing the Bluware Engine, a cloud-native, OSDU-compliant platform designed for companies to take full advantage of the efficiencies that VDS offers. Clients can maximize the value of their subsurface data and make better business decisions with Bluware's custom software solutions. Bluware specialists support all areas of the software lifecycle, creating value for clients across a range of competencies including data science, AI, numerical modeling, computational physics, data visualization, and cloud data platforms.

BHV segment's software license revenue is comprised of annuity/maintenance licenses and annuity license fees of the segment's software and technology. The following table comprises BHV's revenue breakdown from the date of acquisition, September 25, 2023, included in the consolidated results of operations:

Year ended March 31, (\$ thousands)	2024
Annuity/Maintenance revenue	2,993
Annuity License fees	5,146
Total software license revenue	8,139
Professional services	12,646
Total revenue	20,785
Software license revenue - % of total revenue	39%
Professional services - % of total revenue	61%

BHV Segment customer base approximates 26 international oil and gas companies predominately in US, South America, and Europe. For the year ended March 31, 2024, one customer comprised 65.2% of the segments' total revenue.

The BHV Segment currently employs a full-time equivalent staff base of 97 persons worldwide, including salaried employees and consultants.

Software License Revenue

Our customers have two alternatives for licensing our software: annuity/maintenance license agreements and perpetual license agreements.

Annuity license agreements 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. Annuity license agreements are issued by both CMG Segment and BHV Segment. This revenue component is recorded under "Annuity/maintenance license revenue".

The software license component of the annuity license agreement has different revenue recognition for each operating segment, as follows:

- CMG Segment – Software annuity license revenue is recognized rateably over the term of the agreement and included in "Annuity/maintenance license" revenue.
- BHV Segment– Software annuity license revenue is recognized upfront when the software license is delivered to the customer. This revenue component is recorded under "Annuity license fee".

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 a fiscal year.

Maintenance license revenue is recorded under "Annuity/maintenance license" revenue and recognized on a straight-line basis over the term of the agreement. These agreements are typically renewed annually.

Perpetual license agreements grant the customer the right to use the then-current version of software license in perpetuity. This revenue stream is recorded under "Perpetual license" revenue and is recognized at a point in time, upon delivery of the licensed product. Customers purchasing perpetual licenses may also enter into a separate maintenance and support agreement giving them access to customer support and software upgrades. The majority of customers who have acquired perpetual software licenses subsequently purchase a maintenance package. This revenue component is recorded under "Perpetual license revenue".

Perpetual license agreements are entered into by CMG Segment. BHV Segment historically offered perpetual licenses and recognizes maintenance revenue from legacy perpetual licenses. Perpetual licenses are no longer sold by BHV Segment. Perpetual license sales are variable and unpredictable in nature as the purchase decision and its timing fluctuate with the customers' needs and budgets. 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. Our annuity and maintenance license agreements may be renewed or terminated upon their agreement expiry. Based on our experience, a majority of customers renew their agreements upon expiry.

We categorize software license revenue under three revenue streams:

- Annuity/maintenance license revenue – includes annuity/maintenance license fees charged for the use of the Company's software products, which is generally for a term of one year or less. Annuity agreements include a term-based software license bundled with maintenance. The maintenance component of an annuity contract includes customer support and unspecified software upgrades. This revenue category also includes maintenance agreements whereby maintenance licenses are purchased by customers who own a perpetual license. Annuity/maintenance license fees have historically had a high renewal rate and, accordingly, provide a recurring revenue stream. Annuity/maintenance license fees in this revenue category are recognized over the license term.
- Annuity license fee – includes annuity license fees charged for the use of BHV Segment's software products, which is generally for a term of one year or less. The total annual contract of the annuity license fee is allocated 50% to the standalone annuity license fee (included in this revenue category) 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. As such, annuity license fee, while recurring in nature, will fluctuate due to the timing of contract renewals, and may not be indicative of the performance in a particular quarter.
- Perpetual license revenue – includes perpetual software license sales, whereby the customer purchases the then-current version of the software and has the right to use that version in perpetuity. Perpetual license sales are variable and unpredictable in nature as the purchase decision and its timing fluctuate with the customers' needs and budgets due to the location where sales are generated. For this reason, even though we expect to achieve a certain level of perpetual sales on an annual basis, we expect to observe fluctuations in the quarterly perpetual revenue amounts throughout the fiscal year. The majority of CMG Segment's customers who have acquired perpetual software licenses subsequently purchase our maintenance package (recognized under "annuity/maintenance revenue stream") to ensure ongoing product support and access to current versions of CMG Segment's software. In our experience, the majority of perpetual sales are generated in South America and the Eastern Hemisphere, as North American customers usually prefer annuity licenses to perpetual purchases.

CMG Segment also offers a public cloud solution which enables customers to securely access CMG Segment's simulators and submit simulation jobs to some of the latest and fastest hardware available in the industry optimized for maximum efficiency and faster simulation results. The cloud solution gives customers the ability to take advantage of the flexibility and economies of scale with the "pay as you go" model for hardware and software. This currently represents a small part of CMG Segment's business and is reported under annuity/maintenance license revenue.

Professional Services

Professional services revenue consists of highly specialized consulting, training, and contract research and development activities. We perform specialized consulting services, which are typically of a highly complex and/or experimental in nature. These studies provide hands-on practical knowledge, allowing us to test the boundaries of our software and provide the Corporation with the opportunity to sell additional software

licenses to new and existing customers. Professional research revenue is also derived from the customers who partner with the Corporation to assist in the development, testing and refinement of new simulation technologies. The majority of BHV Segment's professional services relate to one customer contract which makes up the majority of BHV's professional services revenue. Professional services revenue is recognized over time, based on hours incurred. Our experience is that consulting activities are variable in nature as both the timing and dollar magnitude of work are dependent on activities and budgets within customer companies.

In addition to consulting, the Corporation allocates significant resources to training, which is an instrumental part of the Corporation's success, as it enables customers to become more efficient and effective users of the Corporation's software. Training is continuous in nature, is offered worldwide, and it helps the Corporation develop and maintain long-term relationships with its customers.

Geographic revenue segments

The Corporation sells its products primarily through its direct salesforce in North America, Europe and Asia. In Asia, Middle East and South America, the Corporation sells its products through both direct salesforce and agents.

Financial Performance

The Corporation is in a solid financial position with \$41.8 million in positive working capital, no bank debt and a long history of generating earnings and cash from operating activities. Combined with its strong balance sheet is the strength of its employees in all areas of the Corporation.

The Corporation continues to be profitable and has solid cash generation. During fiscal 2024, operating profit represented 31% of total revenue and generated \$0.44 per share in free cash flow.

Intellectual Property

The Corporation's computer programs are protected through a combination of copyright, trade secrecy and technical measures. Trade secrecy offers the most significant protection for the Corporation's computer programs. The Corporation implements measures to maintain secrecy by including restrictive covenants in license agreements and encrypting its source code. Management believes that the Corporation's policy of continually improving and updating its products discourages infringement since misappropriated copies soon become obsolete, even in instances where the Corporation's other security features are defeated. The acquired USI and BHV technologies are patented; the Corporation registered the assignment of the patents with the United States Patent and Trademark Office. Each employee, intellectual property agent and consultant of the Corporation signs a confidentiality and non-disclosure agreement relating to the protection of the Corporation's trade secrets.

Professional Services

The Corporation provides professional services consisting of highly specialized support, consulting, training, and contract research activities. The Corporation provides consulting services encompassing routine and non-routine specialized advanced applications of its technology. The primary purpose of these services is to assist current and future clients with their use of the Corporation's reservoir simulation software. The consulting services centre around reservoir engineering for field design, production optimization, operation and analysis, and include numerical simulation of black oil, compositional, thermal, chemical and advanced (i.e., geomechanical) processes. The Corporation's consulting personnel have worked in most of the major oil and gas producing areas in the world. In addition, the Corporation provides contract research services whereby its research and development team will address clients' specialized needs in its reservoir simulators.

Client Base

The Corporation's customer base consists of national and international energy companies and technology centres in approximately 60 countries.

Approximately 87% of fiscal year ended March 31, 2024 software license revenue was generated from annuity/maintenance licensing, 6% from annuity license fees, and 7% from perpetual licenses (2023 – 95%, nil, and 5%, respectively). The Corporation's consulting, support and training group provides its services in Calgary at its regional offices and/or at the client's specified location(s) around the world. The table below sets out the revenues for principal products or services.

Years ended March 31, (\$ thousands)	2024	2023
Annuity/Maintenance revenue	71,530	59,690
Annuity license fee revenue	5,146	-
Perpetual revenue	5,739	3,240
Total software revenue	82,415	62,930
Professional services	26,264	10,916
Total revenue	108,679	73,846
Software license revenue - % of total revenue	76%	85%
Professional services - % of total revenue	24%	15%

Marketing Strategies

In addition to the Corporation's head office in Calgary, there are sales and technical support offices in Houston, Oxford, Oslo, Dubai, Bogota, Bangalore, and Kuala Lumpur.

The Corporation's marketing strategies remain focused on its positions of strength and on increasing market penetration in the seven regions where it currently has sales offices. We continue to focus on expanding our global footprint to support new and existing customers to solutions that transform the way the energy industry approaches geoscience workflows. The Corporation has strategic alliances with third parties around the world. These alliances range from formal joint projects to agency relationships and business alliances and are utilized to assist the Corporation's marketing personnel in expanding the business.

The Corporation has product superiority in the simulation of advanced processes. In addition, the Corporation makes an annual commitment to research and development and maintains close ties to various research institutions around the world to support its products' leading-edge technologies. The Corporation's strengths, coupled with a full suite of software solutions, provide its marketing teams with powerful products and services to sell.

By aligning our marketing efforts with the release of transformative products, we are positioned to drive customer engagement, fuel sales growth, and solidify our position as the go-to partner for energy companies seeking to unlock the full potential of their subsurface data.

Research and Development Costs

Investment in research and development is important to the Corporation because it helps to maintain the CMG Segment's competitive advantage for its existing software product suite and advances its CoFlow development. The Corporation's approach to investment in research and development is to invest in projects which are driven by clients' immediate needs by refining software already in use, to amend software in anticipation of clients' needs, or to advance the technology to better serve the clients. In the fiscal years ended March 31, 2024 and 2023, the CMG Segment invested \$23.7 million and \$17.9 million, respectively,

in research and development, which includes CoFlow research and development costs. The Corporation does not capitalize research and development costs and all such costs are expensed through the income statement.

Personnel

The Corporation currently employs a full-time equivalent staff base of 285 persons worldwide (CMG Segment– 189; BHV Segment – 96) (CMG Segment:184 as at May 24, 2023), including salaried employees and consultants.

Social or Environmental Policies

The Corporation's management has established a Human Rights and Anti-Harassment Policy, which sets forth the human rights, with emphasis on rights of gender equity, anti-discrimination and anti-harassment. The Corporation endorses the fundamental principle that all persons are equal in dignity and rights without discrimination because of age, gender, place of origin, ancestry, marital status, race, family status, mental disability, religious belief, gender expression, physical disability, sexual orientation and source of income. The Board has adopted a Policy Regarding Diversity on the Board of Directors and in Executive Officer Positions to ensure the profiles of Board members and executive officers provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and oversight.

For additional information on social and environmental oversight, see the Corporation's Management Information Circular, incorporated herein by reference and available on SEDAR+ at www.sedarplus.ca.

Risk Factors

Commodity Price Risk

The Corporation's clients are primarily oil and gas companies, and it depends on its clients' capital and operating spending budgets. Commodity price volatility and changing economic conditions could adversely affect the Corporation's clients' budgets, which could negatively affect demand for the Corporation's products and the Corporation's financial results. Additionally, sales of perpetual licenses in CMG Segment, which require a relatively higher initial outlay, may decrease in favour of leasing software on a term basis. Volatility in commodity prices could also have an impact on the Corporation's professional services business.

Demand for Seismic Data

The Corporation's ability, through the BHV operating segment, to generate revenue, EBITDA, free cash flow and earnings, depends on the demand for seismic data from its oil and natural gas, and energy customers over geological plays and areas that such customers focus on in a given period. Activity in such plays and areas depends on commodity prices, customers' budgets, geological understanding, advances in drilling technology, government fiscal and regulatory regimes, and access to processing and pipeline capacity, all of which are beyond the Corporation's control.

Credit and Liquidity Risk

The Corporation's product demand is dependent on its clients' overall spending plans, which are driven by commodity prices and the availability of capital. The Corporation's accounts receivable balances are with clients involved with the oil and gas industry. During times of depressed oil and gas markets, the our clients may experience financial constraints. While we monitor our exposure to credit risk, lack of payment from multiple clients may have a material adverse effect on the Corporation's financial condition. Furthermore, inflationary pressures, to the extent applicable, increase debt servicing costs for our customers and potential customers putting a further strain on cash flows, capital spending budgets and business expansion activities.

Sales Variability Risk

The Corporation's software license revenue consists primarily of annuity/maintenance software licensing and annuity license fees, which is generally for a term of one year or less, and, to a lesser extent, perpetual software licensing, whereby the client purchases a current version of the software and has the right to use that version in perpetuity. Software licensing under perpetual sales in the CMG Segment has comprised 5 to 7% of total software licensing revenue over the last two fiscal years but is more variable in nature as the purchase decision and timing fluctuate with clients' needs and budgets. The Corporation has found that a number of clients prefer to acquire perpetual software licenses rather than leasing the software on an annual basis. The Corporation's experience is that a number of these clients are purchasing additional licenses to allow more users to access the Corporation's technology in their operations. The Corporation has found that a large percentage of its clients who have acquired perpetual software licenses are subsequently purchasing maintenance licenses to ensure they have access to current CMG Segment technology.

The variability in sales of perpetual licenses may cause significant fluctuations in the Corporation's quarterly and annual financial results, and these results may not meet the expectations of investors. Accordingly, the Corporation's past results may not be a good indication of its future performance.

Customer Risk

The Corporation has a large customer base, however one single customer accounted for 20.3% of the consolidated revenues of the Corporation this fiscal year. Notwithstanding, the loss of one or more major customers, further consolidation in the industry, or a reduction in the amount of business the Corporation conducts with any of its major customers, could have a significant impact on the Corporation's revenue if not offset by obtaining new customers or increasing the amount of business it conducts with existing customers.

To increase its revenue and achieve and maintain profitability, the Corporation must regularly add new customers or sell additional technologies and services to its existing customers. Numerous factors, however, may impede its ability to add new customers and sell additional technologies and services to its existing customers, including its inability to convert companies that have been referred to the Corporation by its existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate its current sales and marketing personnel, failure to develop relationships with partners or resellers and/or failure to ensure the effectiveness of its marketing programs. In addition, if prospective customers do not perceive its technologies and services to be of sufficiently high value and quality, it will not be able to attract the number and types of new customers that it is seeking.

Foreign Exchange Risk

The Corporation's reported results are affected by the exchange rate between the Canadian dollar and the US dollar as approximately 79% (2023 – 74%) of its revenues in the fiscal year ended March 31, 2024 are denominated in US dollars. Approximately 46% (2023 – 27%) of the Corporation's costs in the fiscal year ended March 31, 2024 are denominated in US dollars and provide a partial economic hedge on revenues, against the fluctuation in currency exchange between the US and the Canadian dollar. The CMG Segment's residual revenues and costs are primarily denominated in Canadian dollars.

Geopolitical Risk

The Corporation sells its products and services in approximately 60 countries and maintains offices in Canada, the US, the United Kingdom, Norway, the United Arab Emirates, Colombia, India, Brazil and Malaysia. Some of these countries have greater economic, political and social risks than North America. Some of those risks include:

- costs associated with the use of foreign agents and contractors;

- difficulties in collecting accounts receivable;
- currency restrictions and exchange rate fluctuations;
- the burdens of complying with a wide variety of foreign laws;
- changes in laws governing existing operations and contracts;
- changes to taxation policies dramatically increasing tax costs to the Corporation;
- possible social, labour, political, and economic instability, including the war in Ukraine;
- economic and legal sanctions (including with respect to the economic sanctions on Russia as a result of the war in Ukraine); and
- non-compliance with applicable anti-corruption and bribery laws.

Any disruption in our ability to complete a sales cycle, including disruption of travel to clients' locations to provide training and support, and the cost of reorganizing daily activities of foreign operations, could have an adverse effect on our business, financial condition and operational results.

Non-compliance with applicable anti-corruption and bribery laws could subject the Corporation to onerous penalties and the costs of prosecution.

Competition Risk

Competition is a risk for the Corporation as it is for almost every company in every sector. The reservoir simulation and seismic interpretation software industry currently consists of three major suppliers (including the Corporation) and a number of small suppliers. Some of the other suppliers offer products or oil field services outside the scope of reservoir simulation. Some potential customers may prefer to deal with such multi-service suppliers, while others prefer an independent supplier, such as the Corporation.

Increased consolidation in oil and gas industry can result in a concentration of market share and reduced licensing of our products. If the Corporation's clients acquire or merge with entities not using the Corporation's products, such consolidation may have a positive impact on the Corporation. However, in most cases, consolidation leads to reduced engineering teams and spending to drive post-acquisition synergies, which leads to reduced licensing of the Corporation's products.

The introduction by competitors of products embodying new technology and the emergence of new industry standards and practices could render the Corporation's products obsolete and unmarketable and could exert price pressures on existing products, which could have negative effects on the Corporation's business, operating results and financial condition.

Any new products the Corporation develops could require long development and testing and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. The Corporation also continues to face the challenge of the increasingly complex integration of its products to address customers' requirements. If the Corporation is unable to successfully develop new products, or enhance and improve existing products, or if it fails to position and/or price its products to respond on a timely basis to the changing needs of its client base, then its business, operating and financial results will be adversely affected.

The competition in the reservoir simulation market has been increasing as existing and new competitors enhance and expand their products and service offerings. While switching costs for customers remain high, some competitors could facilitate switching or offer incentives for switching, which would have a negative impact on the Corporation's revenue. Some competitors have greater name recognition and significantly greater financial, technical, sales, marketing and other resources. Competitors may offer lower prices, additional products or services, or other incentives that the Corporation cannot match or offer. Increased competition could result in pricing pressure, reduced sales, loss of market share, lower margins or other adverse effects on the business.

The Corporation's continuing ability to address these risks will depend, to a large extent, on its ability to retain a technically competent research and development staff and to adapt to technological advances in the industry.

Qualified Personnel Risk

The Corporation's continued success is substantially dependent on the performance of its key employees and officers. The loss of the services of these personnel as well as failure to attract additional key personnel could have a negative impact upon the Corporation's business, operating results and financial condition. As a result of more flexible working arrangements, employees have more options when looking for employment, because they can work remotely for employers located in other provinces or countries. Consequently, employers find themselves competing for talent not only locally, but with other employers from around the world. Due to high levels of competition for qualified personnel, there can be no assurance that the Corporation will be successful in retaining and attracting such personnel.

Intellectual Property Risk

The Corporation regards its software as proprietary and attempts to protect it with copyrights, trademarks and trade secret measures, including restrictions on disclosure and technical measures. Despite these precautions, it may be possible for third parties to copy the Corporation's programs or aspects of its trade secrets. We have patents and patent applications for acquired intellectual property and existing legal and technical precautions provide only limited practical protection. We could incur substantial costs in protecting and enforcing its intellectual property rights. Moreover, from time to time, third parties may assert patent, trademark, copyright and other intellectual property rights to technologies that are important to the Corporation. In such an event, the Corporation may be required to incur significant costs in litigating a resolution to the asserted claim. There can be no assurance that such a resolution would not require that the Corporation pay damages or obtain a license of a third party's proprietary rights in order to continue licensing its products as currently offered, or, if such a license is required, that it will be available on terms acceptable to the Corporation.

As at the date of this AIF, we are not aware of any infringement of any third party's patent rights, copyrights, trade secrecy rights or other intellectual property disputes in the development or support of its products.

Cyber Risk

The Corporation is dependent on information technology ("IT") infrastructure to process, transmit and store electronic information, to advertise, inform and train around the Corporation's products and services, to manage business operations and for the functioning and/or delivery of the Corporation's products and services. The Corporation's IT infrastructure is composed of hardware, software, networks, data centre facilities, web servers, and all related equipment. Natural disasters, energy blackouts, operating malfunction, viruses or malware, cyber security attacks, theft, computer or telecommunication errors, human error, internal or external misconduct or other unknown disruptive events could result in the temporary or permanent loss of any or all parts of the Corporation's IT infrastructure. Any such incident or breach could create system disruptions and slowdowns or could result in the loss of potential sales and existing clients. In such an event, the information stored in the Corporation's IT infrastructure could be accessed, publicly disclosed, lost, or stolen, which could subject the Corporation to liability and cause the Corporation to incur significant costs to eliminate or alleviate the problem associated with remediation efforts and recovery activities. As the Corporation's operational success places significant reliance on intellectual property and proprietary business data, such occurrences could cause negative publicity, loss of sales, and litigation, affect the Corporation's business and financial results, and harm the Corporation's reputation.

To date, the Corporation has not experienced any material losses relating to cyber attacks or other information security breaches. The Corporation's cyber risk oversight is conducted by the audit committee of the Board (the "Audit Committee").

Evolving Laws and Regulation

The Corporation's website and operations collect some user information, including personal information. The website is not used for e-commerce transactions, and we neither receives nor retains financial information from its website users. Our products are not known to have any security vulnerabilities and are engineering decision-making tools and are not employed in a cyber security (mitigation or defensive) role, as part of its clients' IT infrastructure. The Corporation's software releases are scanned for software viruses and malware, confirming a lack thereof, prior to delivery to clients.

Companies that use, transmit or store data are increasingly becoming subject to legislation and regulations in numerous jurisdictions. Privacy and data protection laws are constantly evolving and there is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Because the Corporation's products and services are sold worldwide, certain jurisdictions may claim that it is required to comply with such laws and may cause us to incur additional costs. The Corporation could also be affected if legislation or regulations are expanded to require changes in its products, services or business practices.

General State of the Economy Risk

Our business is affected by general economic conditions, including international, national, regional and local economic conditions, all of which are outside of our control. Recent events in the financial markets have demonstrated that businesses and industries throughout the world are closely connected to each other. As a result, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Economic slowdowns or downturns, weak economic conditions or recessions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending, employment levels, lower than expected job growth, labor shortage, the general health of the economy and other factors could have a material adverse effect on our business, prospects, financial condition and results of operations. Although our operations are functionally and geographically diversified, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, prospects, financial condition and results of operations.

Tax Liability Risk

With operations and sales in various countries, the Corporation is subject to taxes in several jurisdictions around the world. Significant judgment is required in determining the Corporation's worldwide liability for income, indirect and other taxes, as well as potential penalties and interest. Although management believes that all expenses and tax credits claimed by the Corporation, including research and development expenses and foreign tax credits, are reasonable, deductible and have been correctly determined, tax authorities may disagree with the treatment of items reported by the Corporation, the result of which could have a material adverse effect on its financial condition and results of operations.

The Corporation conducts operations worldwide through subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements with its subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length. While the Corporation believes that it operates in compliance with applicable transfer pricing laws and intends to continue to do so, a tax authority in one or more jurisdictions could challenge the validity of the Corporation's related-party transfer pricing methodologies, which could result in adjustments in favor of the taxing authority.

Environmental, Social and Governance (ESG) Risks

There is an increased expectation by various stakeholders to address social, sustainability and environmental challenges, including but not limited to: (i) reducing climate change, (ii) upholding fundamental human rights and promoting a fair and inclusive work environment; and (iii) demonstrating exemplary governance in managing ESG risk. As a result, new ESG standards, regulations and trends

have been rapidly evolving over the past few years. An inability to manage this risk can result in higher costs for capital, regulatory compliance and disclosures.

We are making efforts toward reducing our carbon footprint, promoting social initiatives and implementing strong governance policies. If our initiatives do not meet the expectations of various stakeholders or satisfy regularly evolving regulations, standards and trends, there could be a material adverse impact on our operations. This could be in the form of lost revenues, loss of market share, negative publicity, damage to our reputation, regulatory penalties and/or fines, decreased attractiveness to investors and key personnel, as well as significant operating costs, each of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Further, reducing climate change and the environmental impacts of industry have become the subject of increased focus by stakeholders and governments. Environmental concerns may result in environmental taxes, charges, regulatory schemes, assessments or penalties that affect our clients, particularly those in sectors which are otherwise sensitive to climate change legislation and regulation. Our clients could suffer increased costs and decreased demand for their products and services, which could lead them to reduce costs and the use of our services.

Climate Change Risk

The recent shift toward public and government support of climate change initiatives, such as emission reduction targets, clean energy standards, and alternative energy incentives and mandates, could impact the demand for hydrocarbons in Canada and around the world. Our clients are predominantly oil and gas exploration and production companies; therefore, increasing environmental regulations, taxes, laws or penalties could reduce oil and gas producers' cash flow by way of reduced demand, increased capital expenditures and increased operating expenses, as well as increased delays, costs or legal hurdles, which may not be recoverable in the marketplace. Such regulation changes include, but are not limited to, curtailment rules, new climate change regulations and the implementation of the *Canadian Energy Regulator Act*. The complexity and breadth of changes in environmental regulation make it extremely difficult to predict the potential impact to the Corporation; however, it is possible to conclude that these developments and future developments in the energy sector could adversely impact the demand for the Corporation's products.

Extreme Climatic Conditions

Climate change may increase the frequency of severe weather conditions and natural disasters, such as flooding and forest fires, shifts in temperature and precipitation, and changing sea levels. The Corporation's major customers are oil and gas exploration and production companies, and the operations of these customers can be affected by extreme weather, which can threaten their assets and available cash. This may result in cessation or diminishment of production or implementation of new projects, which can affect the demand for the Corporation's products and adversely affect the Corporation's financial results.

Energy Transition

In addition to emissions regulations and the physical risks of climate change, climate-related energy transition risks could have a material adverse effect on the Corporation's business, financial condition and results of operations, and could adversely impact the Corporation's reputation. For example, increased public opposition to companies in the oil and gas sector could lead to constrained access to insurance, liquidity and capital and changes in demand for the Corporation's products, which may impact its revenue. Increasing pressure by the Corporation's clients to develop new technologies to help them reduce the intensity of their operations and their emissions could require significant capital investment in research and development.

Revenue from Energy Transition

Revenue from energy transition, particularly carbon capture and storage ("CCS"), has been growing over the past several years and in fiscal 2024 represented 23% of CMG Segment's total software revenue which diversified CMG Segment's product applications outside of traditional oil and gas simulation. Various governments have implemented policies and funding to promote the adoption of CCS as part of their climate change initiatives and our CCS customers rely on government grants to subsidize their CCS projects.

Our CCS customers are exposed to risk of regulatory uncertainty surrounding CCS policies and funding. Reduced support and funding by the governments may affect the cost and timeline of CCS projects and have a negative impact on CMG Segment's revenue derived from CCS customers.

Inflation Risk

Inflation rates in the jurisdictions in which the Corporation operates have continued to increase. General inflationary pressures, such as those that have been evident in the economy since early 2022, may affect the Corporation's labour and other input costs and such pressures may or may not be transitory. As nearly 63% of the Corporation's costs relate to its people, wage inflation could affect the Corporation's ability to retain staff and may impact succession planning. Any continued upward trajectory in the inflation rate for the Corporation's inputs may have a material adverse effect on the Corporation's operating and capital expenditures for the development of its projects as well as its financial condition and results of operations.

Acquisition of Entities

The Corporation's growth strategy partly depends on our ability to obtain additional technologies and complementary product lines through selective acquisitions and strategic investments. There is no assurance that we will find suitable companies to acquire or be successful in completing such acquisitions.

Each acquisition that we complete may present risks, including: challenges in achieving our strategic goals and initiatives; failing to achieve anticipated growth projections, revenue increases or cost savings; failure to develop new products and services that utilize the technologies and resources of the acquired companies; disruption of our ongoing business and diversion of management's attention to transition or integration issues; liabilities that were not identified during the acquisition process; the loss of our key employees, customers, and partners or those of the acquired companies or businesses; and cybersecurity and data privacy risks.

Future acquisitions may involve the expenditure of significant cash resources; the incurrence of debt, which increases interest expense and leverage; or the issuance of equity, which could be dilutive to shareholders and may decrease earnings per share. We allocate a portion of the purchase price to goodwill and intangible assets. If we do not realize all the economic benefits of an acquisition, there could be an impairment of goodwill or intangible assets. Furthermore, impairment charges are generally not tax-deductible and will result in an increased effective income tax rate in the period the impairment is recorded. If we do not achieve the anticipated benefits of our acquisitions as rapidly or to the extent anticipated by our management or financial and industry analysts, there could be a significant adverse effect on our share price, business and consolidated financial statements.

Artificial Intelligence Risk

Our predictive analytics and artificial intelligence offerings may be subject to increased legal and regulatory risks, as jurisdictions around the world begin to introduce laws and regulations relating to the use of artificial intelligence. The interpretation of these laws and regulations is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these current and proposed laws and regulations, including the EU *AI Act* and Canada *Artificial Intelligence and Data Act* (AIDA), contain detailed requirements regarding the use of artificial intelligence and require internal accountability and governance frameworks. Complying with these varying international requirements could

cause us to incur additional costs and change our business practices. We could be adversely affected if laws or regulations are expanded to require changes in our products or business practices, if governmental authorities in the jurisdictions in which we do business interpret or implement their laws or regulations in ways that negatively affect our business or if clients or other parties allege that their information was misappropriated in the delivery of an artificial intelligence solution. This could reduce the demand for our products if we fail to design or enhance our products and third party suppliers management procedures to comply, and enable our clients and suppliers to comply, with the artificial intelligence measures required in relevant jurisdictions. Additionally, artificial intelligence offerings that require data sets to train our AI models are impacted by availability of such data, including customer data where applicable. Artificial intelligence driven offers also introduce new risks such as model risk, explainability, transparency, bias, intellectual property, hallucinations, and others risks. These risks can have material impact on the performance of our artificial intelligence offers.

The Corporation's management and Board monitor these risks on a quarterly basis and discusses strategies to deal with these risks (along with all other identified risks of the Corporation) at its annual strategic planning session. Overall, the Corporation is not able to estimate, at this time, the degree to which climate change related regulatory, climatic conditions, and energy transition risks could impact the Corporation's financial and operating results.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Non-Voting Shares and an unlimited number of preferred shares, of which 81,403,447 Common Shares are issued and outstanding as at May 22, 2024. No Non-Voting Shares or preferred shares are outstanding.

Common Shares

The holders of Common Shares will be entitled to dividends if, as and when declared by the Board, to one vote per share at meetings of the holders of Common Shares and, upon liquidation, dissolution or winding up, to receive pro rata the remaining property and assets of the Corporation as are distributable to the holders of the Common Shares, subject to the rights of shares having priority over the Common Shares. All of the Common Shares currently outstanding are fully-paid and non-assessable. The holders of Common Shares have been issued rights pursuant to the Corporation's Rights Plan (as defined and further described below) in respect of each Common Share.

Non-Voting Shares

At the time of formation of the Corporation in 1997, the Corporation issued Non-Voting Shares to Foundation CMG in exchange for all the assets and operations of Foundation CMG pursuant to the Acquisition Agreement.

All of the outstanding Non-Voting Shares owned by Foundation CMG were converted to Common Shares by June 4, 2010. Since then, the Corporation has traded only a single class of Common Shares, which are listed on the TSX, and has no intention on issuing Non-Voting Shares, which were issued only once in a limited circumstance at the time of formation of the Corporation.

There are no longer any holders of Non-Voting Shares, but when there were, they were entitled to receive notice of and attend all meetings of the shareholders of the Corporation. The holders of Non-Voting Shares were entitled to elect one director to the Board, while the number of issued and outstanding Non-Voting Shares represented at least 10% of the aggregate number of issued and outstanding Non-Voting Shares and Common Shares, but were not otherwise entitled to vote at a meeting of shareholders except as may be required by law or by regulatory authorities.

The holders of Non-Voting Shares ranked equal to the holders of Common Shares in their entitlement to dividends if, as and when declared by the directors and upon liquidation, to receive such assets of the Corporation as were distributable to the holders of the Common Shares and the Non-Voting Shares.

Preferred Shares

Preferred shares may be issued from time to time in one or more series, each series consisting of a number of preferred shares as determined by the Board, which may also fix the designation, rights, privileges, restrictions and conditions attached to the shares of each series of preferred shares.

The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, be entitled to preference over the Common Shares and the Non-Voting Shares and over any other shares of the Corporation ranking by their terms junior to the preferred shares of that series.

The Board has no intention to issue preferred shares now or in the future.

Shareholder Rights Plan

On May 18, 2006, the Board adopted a shareholder rights plan (the “Rights Plan”) which was ratified and confirmed by the shareholders of the Corporation at the annual and special meeting of shareholders held on July 13, 2006. It was subsequently ratified and renewed by the shareholders on July 9, 2009, July 13, 2012, July 9, 2015, July 12, 2018 (the “2018 Rights Plan”) and July 8, 2021 (the “2021 Rights Plan”). Under the rules of the TSX, the Rights Plan must be re-approved by the shareholders every three years.

The Board adopted the Rights Plan to ensure, to the extent possible, that all shareholders of the Corporation are treated equally and fairly in connection with any takeover bid or similar offer for all or a portion of the outstanding Common Shares or Non-Voting Shares of the Corporation. The Rights Plan discourages discriminatory, coercive or unfair takeovers of the Corporation and gives the Board time, if in the circumstances the Board determines it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited takeover bid is made for all or a portion of the outstanding Common Shares of the Corporation.

On May 22, 2024, the Board approved the 2024 Rights Plan. The 2024 Rights Plan is identical to the 2021 Rights Plan, with no amendments or revisions. The Board will place this 2024 Rights Plan before the Corporation’s shareholders for approval at the annual meeting of shareholders to be held on September 5, 2024 (the “Meeting”). If the 2024 Rights Plan is not so approved, it will expire immediately following the termination of the Meeting. If the 2024 Rights Plan is approved, it will remain in effect (unless terminated earlier by the shareholders) until termination of the annual meeting of shareholders of the Corporation in 2027. Shareholders may always elect to terminate the 2024 Rights Plan earlier or to extend the operation of the 2024 Rights Plan after the annual meeting in 2027 by resolution. A complete copy of the 2024 Rights Plan will be available on SEDAR+ at www.sedarplus.ca. If it is approved by the shareholders, the final version of the 2024 Rights Plan will be filed and available on SEDAR+ at www.sedarplus.ca. For additional details on the 2024 Rights Plan, please refer to the Corporation’s 2024 Management Information Circular, which will be available on SEDAR+ at www.sedarplus.ca

DIVIDEND POLICY

The amount of cash dividends declared and paid per Common Share for each of the three most recently completed fiscal years is as follows:

(\$ per share)	2024			
	Q1	Q2	Q3	Q4
Dividends declared and paid per Common Share	0.05	0.05	0.05	0.05
Total dividends declared and paid	0.05	0.05	0.05	0.05

	2023			
	Q1	Q2	Q3	Q4
Dividends declared and paid per Common Share	0.05	0.05	0.05	0.05
Total dividends declared and paid	0.05	0.05	0.05	0.05

	2022			
	Q1	Q2	Q3	Q4
Dividends declared and paid per Common Share	0.05	0.05	0.05	0.05
Total dividends declared and paid	0.05	0.05	0.05	0.05

Subsequent to March 31, 2024, the Corporation declared a quarterly dividend of \$0.05 per share on its Common Shares, payable on June 15, 2024 to shareholders of record as of June 6, 2024.

The Board adopted a dividend policy in May 2004 which states that the Corporation intends to continue to declare a quarterly dividend in line with its overall financial performance and cash flow generation. Decisions on dividend payments are made on a quarterly basis by the Board. There can be no assurance as to the amount or payment of such dividends in the future. The payment of dividends is not restricted except so as to comply with the ABCA, which prevents companies from declaring and paying dividends if there are reasonable grounds for believing that the Corporation is, or would after the payment be, unable to pay its liabilities as they become due or if the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

MARKET FOR SECURITIES

The Common Shares of the Corporation are listed and posted for trading on the TSX under the symbol "CMG". The following table sets forth the price range and trading volume of the Common Shares as reported by the TSX for the periods indicated:

Period	High (\$)	Low (\$)	Volume
2023			
April	7.45	6.60	762,042
May	7.75	6.48	1,742,184
June	7.20	6.21	756,694
July	7.75	6.38	1,495,822
August	8.70	6.85	3,025,454
September	9.08	7.98	2,242,837
October	10.29	8.40	3,153,378
November	10.76	9.26	4,128,311
December	10.62	9.31	1,386,066
2024			
January	10.46	9.29	1,049,302
February	10.46	8.43	2,341,544
March	10.52	9.59	1,852,488

Period	High (\$)	Low (\$)	Volume
April	11.33	9.66	3,747,611
May 1 to May 22, 2024	11.45	10.59	1,082,574

DIRECTORS AND OFFICERS

Directors are elected each year at the annual meeting of shareholders of the Corporation to hold office until the close of the next annual meeting of shareholders of the Corporation or until they resign or their successors are elected or appointed. The last annual meeting of the shareholders was held July 6, 2023 and an annual meeting of shareholders is scheduled for September 5, 2024 to deal with the business of the Corporation for the upcoming fiscal year.

The following table sets forth the directors and officers of the Corporation, all positions and offices with the Corporation now held by them and their principal occupations for the past five years.

Name and Municipality of Residence	Position and Committee Membership(s) with the Corporation	Principal Occupation For the Past Five Years
Pramod Jain Alberta, Canada	Chief Executive Officer	Chief Executive Officer of the Corporation since May 10, 2022. From March 2021 to March 2022, President & Chief Operating Officer of Plusgrade LP, a Montreal-based SaaS e-commerce business. From July 2019 to March 2021, Chief Operating Officer of Plusgrade LP. Prior to that, from 2010 to 2019, Mr. Jain was with Sabre Inc., a global technology company, working with them in various international locations.
Christine (Tina) M. Antony Alberta, Canada	Director (since July 7, 2022) Talent Management, Governance and Nomination Committee	Independent Corporate Director. Previously Vice President & General Counsel at the Alberta Teachers' Retirement Fund (2017 to 2023) and an independent corporate director of Bonavista Energy Corp. (2020 to 2023, sold to Tourmaline Oil Corp in November 2023), where she served on the CEO Search Committee, the Strategy & Finance Committee, HSE & Reserves Committee, and was a member of the Audit Committee from 2020 to 2022.

Name and Municipality of Residence	Position and Committee Membership(s) with the Corporation	Principal Occupation For the Past Five Years
Judith J. Athaide Alberta, Canada	Director (since July 13, 2017) Talent Management, Governance and Nomination Committee Resigned February 29, 2024	Corporate Director and the President and Chief Executive Officer of The Cogent Group Inc. She is currently serving as a director on the boards of HSBC Bank Canada (since 2017), Sustainable Development Technology Canada (since 2018), Kiwetinohk Energy Corp. (since 2022) and Canada Pension Plan Investments (since 2022). She has previously served as a director on the boards of PHX Energy Services Corp. (2009 to 2021), The Balancing Pool (2011 to 2015), NB Power (since 2014), Fortis Alberta Inc. (2008 to 2014), and TriSummit Utilities Inc. (previously Altagas Canada Inc., since 2018). Ms. Athaide is the Past Chair of the Calgary chapter of the Institute of Corporate Directors and now serves on its Advisory Council.
Sandra Balic, CPA, CA Alberta, Canada	Vice President, Finance and Chief Financial Officer	Vice President, Finance and Chief Financial Officer of the Corporation since 2013. From 2010 to 2013, Controller of the Corporation. From 2009 to 2010, Manager of Financial Reporting of the Corporation.
John E. Billowits Ontario, Canada	Director (since January 20, 2021) Talent Management, Governance and Nomination Committee	Director of Constellation Software Inc. ("CSI") (since September 2020), an international provider of market-leading software and services to a number of industries in both the public and private sectors, Togetherwork, a privately held vertical market software company and Topicus.com, a European provider of vertical market software and vertical market platforms to clients in both the public and private sectors. From 2013 to 2020, Chief Executive Officer of Vela Software, a subsidiary of CSI that manages and builds industry specific software businesses globally.
Kenneth M. Dedeluk Alberta, Canada	Director (since July 13, 2000), Vice Chairman of the Board	President and Chief Executive Officer of the Corporation from 2000 to 2018.

Name and Municipality of Residence	Position and Committee Membership(s) with the Corporation	Principal Occupation For the Past Five Years
Christopher L. Fong Alberta, Canada	Director (since February 9, 2012) Audit Committee Talent Management, Governance and Nomination Committee (Chair)	Independent businessman since retirement in 2009 from RBC Capital Markets as Global Head, Corporate Banking, Energy. Currently a director of Canadian Natural Resources Limited since 2010. Previously a director of Anderson Energy Ltd. (2009 to 2016) and Westfire Energy Ltd. (2010 to 2012). Past member of the Petroleum Advisory Committee of the Alberta Securities Commission (2009 to 2017).
Sheldon Harbinson Alberta, Canada	Vice President, Americas	Vice President, Americas of the Corporation since 2023. From 2019 to 2022, CEO, V2H North America (V2H Canada and V2H USA). Previously, a Consultant from May 2018 to August 2019.
R. David Hicks Dubai, United Arab Emirates	Vice President, Eastern Hemisphere	Vice President, Eastern Hemisphere of the Corporation since 2013. From 2011 to 2013, General Manager, Eastern Hemisphere of the Corporation. From 1998 to 2011, Account Manager, European Region of the Corporation.
Peter Kinash, CPA, CA Alberta, Canada	Director (since June 29, 2004) Audit Committee (Chair)	Independent business advisor. Currently an advisor to Replicon, Inc. and previously an independent advisor to Deltek, Inc. (formerly Roper Technologies, Inc. and acquirer of Replicon Inc.) since August 2023. Previously Chief Financial Officer of Replicon Inc. (2002 to 2023).
Anjani Kumar Alberta, Canada	Vice President, CoFlow and Professional Services	Vice President, CoFlow and Professional Services of the Corporation since 2024. Previously Vice President Customer Success and Consulting of the Corporation (2023 to 2024) and Vice President, Engineering Solutions (2019 to 2022). From 2015 to 2019, Vice President, Engineering Solutions and Marketing.

Name and Municipality of Residence	Position and Committee Membership(s) with the Corporation	Principal Occupation For the Past Five Years
Mark R. Miller Ontario, Canada	Director (since October 23, 2019) Chairman of the Board (since February 9, 2022)	Chief Operating Officer of CSI since 2013 an international provider of market-leading software and services to a number of industries in both the public and private sectors and Chief Executive Officer of Volaris Group (since 2013) and Trapeze Group (since 1995), subsidiaries of CSI. Director on the Board of Directors of CSI (since 2013), as well as IOVIA (since 2017) and Venture Lab (since 2020). Previously a director of Medgate Inc. (2011 to 2016) and PVelocity (2007 to 2019).
John Mortimer Alberta, Canada	Chief Technology Officer	Chief Technology Officer of the Corporation since November, 2022. Previously, VP, Engineering at Benevity, Inc. (2019 to 2022), and Director, Software Development & Operations at Blackline Safety, Inc. (2018 to 2019).
Long X. Nghiem Alberta, Canada	Vice President, Science and Innovation & Chief Scientist	Vice President, Science and Innovation & Chief Scientist of the Corporation since 2022. Previously, Vice President, Research and Development and Chief Technology Officer (2019 to 2022). From 1997 to 2019, Vice President, Research and Development.
Kiren Singh Alberta, Canada	Director (since May 24, 2023) Audit Committee	Chief Executive Officer of Haskalife since November 2017 and Corporate Director. Currently serves on several boards including Alberta Cancer Foundation (since 2023); Pieridae Energy Inc. (since 2020; Chair, Audit Committee), Travel Alberta (since 2017; Chair, Audit and Risk Committee) and previously served as a director on the boards of Dynamic Risk Assessment Systems (2018 to 2021) and Agriculture Financial Services Corp. (2017 to 2021).
Kirsten Sklar Alberta, Canada	Corporate Secretary (since February 1, 2022) Resigned January 31, 2024	Partner, Norton Rose Fulbright Canada LLP, a global law firm, from 2012 to 2024.

Name and Municipality of Residence	Position and Committee Membership(s) with the Corporation	Principal Occupation For the Past Five Years
Marcus W. Archer Alberta, Canada	Corporate Secretary (since February 1, 2024)	Partner, Norton Rose Fulbright Canada LLP, a global law firm, since 2006.

As of May 22, 2024, all directors and officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 1,804,093 Common Shares, representing 2.2% of the total issued and outstanding shares of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director, officer or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, a personal holding company of any such person, or a company for which such person is or has acted as a director or executive officer that while such person was acting in that capacity, or within a year of the person ceasing to act in that capacity is or has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No director, officer or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation is or has, within the 10 years before the date of this AIF, been subject to any penalties or sanctions imposed by a court or regulatory body relating to securities legislation or that would likely be considered important to a reasonable investor in making an investment decision, or entered into a settlement agreement with a securities regulatory authority.

Except as noted below, no director or officer of the Corporation has, within the 10 years prior to the date of this AIF, been a director or officer of any company that, while such director or officer was acting in such capacity, or after such director or executive officer ceased to hold such position, was the subject of a cease trade order.

Mr. Kinash was a director of EmberClear Corp. from December 17, 2010 to November 26, 2014. EmberClear Corp. was subject to cease trade orders issued by the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission on October 30, 2014, November 5, 2014 and November 17, 2014, respectively. The cease trade orders were issued as a result of EmberClear Corp. not having filed its annual audited financial statements, the related MD&A, and certificates for the year ended June 30, 2014. On January 13, 2015, each of the named securities commissions issued an order revoking the cease trade orders and EmberClear Corp. remedied its deficiencies.

Conflicts of Interest

As of May 22, 2024, management of the Corporation is not aware of any material conflict of interest, direct or indirect, which may exist as between the Corporation and any of its subsidiaries and any director or officer of the Corporation.

Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed in the ABCA which require a director or officer of a corporation who is a party to, or is a director or officer or has a material interest in any person who is a party to a material contract or proposed material contract with the Corporation, to disclose their interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

AUDIT COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F1 under National Instrument 52-110 *Audit Committees*. The full text of the Audit Committee's charter is included in Appendix A of this AIF.

Composition and Qualifications

The Audit Committee consists of three members, all of whom are independent and financially literate. The relevant education and experience of each Audit Committee members is outlined below:

Peter Kinash, CPA, CA (Chair)
Independent, Financially Literate

Mr. Kinash holds a Bachelor of Commerce degree (with distinction) from the University of Saskatchewan and a Chartered Professional Accountant designation. He has been a director of the Corporation since June 2004. He has been an independent advisor and consultant on financial matters to emerging and established technology companies since 2001, including serving as Chief Financial Officer of Aqua-Pure Ventures Inc., a publicly traded company from May to December 2008 and of Replicon Inc., a Calgary-based private software company since 2002 until August 2023. As a Chartered Professional Accountant and former partner with KPMG LLP (Calgary), a chartered professional accountant firm, Mr. Kinash obtained experience in preparing, auditing, analyzing and evaluating financial statements. He has an understanding of the accounting principles used by the Corporation as well as the implications of those accounting principles on the Corporation's financial results. Mr. Kinash has also obtained significant financial experience and exposure to accounting and financial issues as a director and audit committee member of other public and private companies.

Christopher L. Fong
Independent, Financially Literate

Mr. Fong has been a director of the Corporation since February 2012. He graduated with a Bachelor of Chemical Engineering from McGill University, has post graduate courses in Finance, Economics and Accounting from McGill University and the University of Calgary and is a Professional Engineer with more than 35 years' experience in the energy business. Mr. Fong retired in May 2009 from his position as Global Head, Corporate Banking, Energy with RBC Capital Markets which he held since February 2008. Prior thereto he was Managing Director, Corporate Banking, Energy with RBC Capital Markets from 1999 to February 2008. Mr. Fong currently serves on the board of directors of Canadian Natural Resources Limited.

Mark R. Miller
Independent, Financially Literate

Mr. Miller has been a director of the Corporation since January 2021. He received a Bachelor of Science in Statistics and a Bachelor of Science in Mathematics from McMaster University in Hamilton, Ontario and has attended the Executive Marketing Program at the Ivey Business School at the University of Western Ontario. Mr. Miller is the Chief Operating Officer of CSI and Chief Executive Officer of Volaris Group and Trapeze Group, subsidiaries of CSI. He has held various positions with CSI and its subsidiaries during the past 20 years. CSI, a public company listed on the TSX, is an international provider of software and services to a number of industries, both in the public and private sectors. Mr. Miller is on the board of directors of CSI, as well as IOVIA, a private technology company.

Kiren Singh
Independent, Financially Literate

Ms. Singh has been a director of the Corporation since May 2023. She holds a Master of Business Administration and Bachelor of Commerce from the University of Calgary. She is a Chartered Financial Analyst (CFA Institute) holds a Canadian Risk Management designation (Global Risk Management Institute) and awarded the ICD.D designation by the Institute of Corporate Directors. Ms. Singh is the Chief Executive Officer of Haskalife, a privately held functional food company based in Alberta, Canada, and Corporate Director. Ms. Singh also held senior executive roles including Chief Financial Officer, Vice President Risk Management and Treasurer during her 30-year international career in the energy sector where she led corporate and project financings and risk management programs representing privately held and publicly traded Canadian (Toronto Stock Exchange) and USA (New York Stock Exchange) corporations including Gibson Energy Inc., OPTI Canada Inc., Value Creation Inc., Exxon Mobil Corporation and Mobil Corporation in Calgary, AB, Fairfax, VA and Houston, TX. She currently serves on several boards including Alberta Cancer Foundation (Audit and Finance Committee); Pieridae Energy Inc. (Chair, Audit Committee), Travel Alberta (Chair, Audit, Finance, and Risk Committee) and previously served as a director on the boards of Dynamic Risk Assessment Systems (Chair, Audit and Risk Committee) and Agriculture Financial Services Corp. (Chair, Audit Finance, and Risk Committee).

Pre-Approval Policies and Procedures

The Audit Committee has adopted the following policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by KPMG LLP.

The Audit Committee has pre-approved the provision of specific permitted audit, tax and other non-audit services by KPMG LLP and has granted the Chief Financial Officer the authority to retain KPMG LLP's services on the basis of this pre-approval. A report on the permitted audit, tax and other non-audit services provided to the Corporation is presented to the Audit Committee on an annual basis. All proposed services and the fees payable in connection with such services that have not already been pre-approved must be pre-approved by either the Chairman of the Audit Committee or the full Board depending upon the size of the engagement.

Of the fees reported below under the heading "External Auditor Service Fees", none of the fees billed by KPMG LLP were approved by the Audit Committee pursuant to an available *de minimis* exception that the Corporation relied on.

External Auditor Service Fees

The following table provides information about the fees billed to the Corporation for professional services rendered by KPMG LLP during the fiscal years ended March 31, 2024 and 2023:

Years ended March 31, (\$)	2024	2023
Audit fees ⁽¹⁾	182,725	147,651
Audit-related fees ⁽²⁾	61,500	59,500
Tax fees ⁽³⁾	101,499	78,368
All other fees ⁽⁴⁾	15,328	28,204
Total	361,052	313,723

Notes:

- (1) **Audit Fees:** Audit fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) **Audit-Related Fees:** Audit-related fees consist of fees for the review of interim financial statements.
- (3) **Tax Fees:** Tax fees consist of fees for tax compliance services, tax advice and tax planning. The services provided in this category included assistance and advice in relation to the preparation of corporate income tax returns and other filings, and research and advice on international and other tax matters.
- (4) **All Other Fees:** All other fees consist of services that do not fall under the previous categories and in fiscal 2024 and fiscal 2023 comprise fees for assistance received for VAT refund.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Olympia Trust Company at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts, other than contracts entered into in the ordinary course of business, within the past year or entered into before the most recently completed fiscal year that are still in effect.

INTERESTS OF EXPERTS

KPMG LLP, the external auditor, has prepared an opinion with respect to the Corporation's consolidated financial statements as at and for the fiscal year ended March 31, 2024. In connection with the audit of the Corporation's annual financial statements for the fiscal year ended March 31, 2024, the auditors confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including information as to the remuneration and indebtedness of directors and officers of the Corporation, the principal holders of the Corporation's securities, options to purchase the Corporation's securities, and the interests of insiders in material transactions, where applicable, is contained in the Corporation's Management Information Circular prepared in connection with the most recent annual meeting of shareholders that involved the election of directors. Additional financial information, including the consolidated financial statements and MD&A for the fiscal year ended March 31, 2024, is contained in the Financial Report of the Corporation for the fiscal year ended March 31, 2024.

Copies of this AIF, the Corporation's Financial Report, any interim financial statements of the Corporation subsequent to financial statements contained in the Financial Report, the Corporation's Management Information Circular and other additional information relating to the Corporation are available on SEDAR+ at www.sedarplus.ca.

APPENDIX A
COMPUTER MODELLING GROUP LTD.
AUDIT COMMITTEE CHARTER

A. FUNCTION

The Audit Committee is part of the Board of Directors of Computer Modelling Group Ltd. and its function is to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes and the reviews and audits of the financial statements and reports of the Corporation by monitoring: (i) the quality and integrity of the Corporation's financial statements and related disclosures; (ii) the qualification and independence of the external auditor and the audit process and making the recommendation to shareholders for the appointment thereof; (iii) the adequacy and effectiveness of internal control over financial reporting and disclosure controls and procedures that Management has established (including information technology strategy, risks and cyber security controls); (iv) the performance of the Corporation's internal audit function and external auditors; and (v) the Corporation's compliance with legal and regulatory requirements and the Code of Business Conduct. The Audit Committee provides assistance by reviewing, reporting, and recommending its stewardship matters to the Board for consideration and decision.

B. CONSTITUTION

1. The Audit Committee members shall be appointed by the Board and serve at the pleasure of the Board until they are succeeded or resign. Where a vacancy occurs at any time in the membership of the Audit Committee, it shall be filled by the Board.
2. The Audit Committee shall be constituted with a minimum of three directors, each of whom shall satisfy the independence, financial literacy and experience requirements of applicable laws, rules or guidelines, any applicable stock exchange requirements or guidelines or any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership shall be made by the Board with the assistance of the Talent Management, Governance and Nomination Committee if requested by the Board. At least one member of the Audit Committee shall be designated as the financial expert and shall have accounting or related financial management expertise. A majority of the Audit Committee shall constitute a quorum for the transaction of business.
3. No member of the Audit Committee shall serve on the audit committees of more than two publicly listed companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and discloses such determination in the Corporation's annual management proxy circular.
4. The Chair of the Audit Committee may be designated by the Board or, if the Board does not do so, the members of the Audit Committee may elect a chair by a vote of a majority of the full Audit Committee membership.
5. A recording assistant for the Audit Committee shall be appointed by the Audit Committee.

C. COMMUNICATION, AUTHORITY TO ENGAGE ADVISORS

1. The Audit Committee shall have access to such officers and employees of the Corporation, the Corporation's external auditor and information respecting the Corporation as it considers necessary or advisable to perform its duties and responsibilities.
2. Any employee may bring before the Audit Committee, on a confidential basis and anonymously if desired, any matter involving the Corporation's financial practices or transactions.

3. The Audit Committee provides an avenue for communication with the external auditor and financial Management and the Board. The external auditor shall have a direct line of communication to the Audit Committee through its Chair and shall report directly to the Audit Committee.
4. In discharging its obligations and in appropriate circumstances, the Audit Committee may engage outside advisors at the expense of the Corporation.
5. The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

D. MEETINGS, MINUTES AND REPORTING

1. The Audit Committee shall determine the number of, dates and times, place and the procedures for meetings in accordance with the Corporation's articles, by-laws, and applicable laws provided that:
 - a) the Audit Committee shall meet prior to Board meetings for the purpose of reviewing and preparing recommendations to the Board with respect to the release of interim and annual audited financial statements and the specific disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A");
 - b) agendas and preparation documents are sent to directors with sufficient time for study prior to the meetings;
 - c) there be a quorum of a majority of members present in person or via telephone or other electronic communication facilities that permits all those directors participating to communicate adequately with each other;
 - d) in the absence of the Audit Chair, a chair for a meeting is chosen at the meeting;
 - e) resolutions are decided by a majority vote, the chair not having a second or casting vote; and
 - f) the Audit Committee shall hold in camera sessions at every meeting, (1) without Management present, and (2) without the auditor present.
2. The recording assistant of the Audit Committee shall record minutes of the meetings and, after review by the Audit Chair and by the CFO, ensure minutes are included in the next subsequent Board meeting materials, as information for all directors.
3. The Audit Chair shall make a report, verbal or written, of each meeting and recommendations at the next Board meeting following such Audit Committee meeting.

E. STEWARDSHIP FUNCTIONS

Relationship with External Auditor

1. The Audit Committee shall:
 - a) review and evaluate on an annual basis the performance of the external auditor and make a recommendation to the Board as to the nomination or re-appointment of the external auditor and the compensation of the auditor for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services, ensuring that such auditor is a participant in good standing pursuant to applicable securities laws;

- b) review and approve the audit plan of the external auditor with the external auditor, including the staffing thereof, prior to the commencement of the audit;
- c) oversee the work of the external auditor in performing its audit review or attest services and oversee the resolution of any disagreements between Management of the Corporation and the external auditor;
- d) as may be required by all securities laws, rules and guidelines, either: (i) pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any) or, in the case of de minimus non-audit services where the aggregate fees for such services is no more than 5% of all the fees paid to the external auditor, approve such non-audit services prior to the completion of the audit; or (ii) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services provided such policies and procedures are: (A) detailed as to the particular services, (B) the Audit Committee is informed of the services and (C) the procedures do not include delegation of the Audit Committee's responsibilities to Management;
- e) review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence, including, without limitation:
 - (i) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Corporation;
 - (ii) discussing with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and
 - (iii) recommending that the Board take appropriate action in response to the external auditor's report to satisfy itself of the independence of the external auditor;
- f) monitor the rotation of the partners on the audit engagement team in accordance with applicable law;
- g) at least annually, obtain and review a report by the external auditors describing (i) the external auditors' internal quality control procedures, and (ii) any material issues raised by the most recent internal quality control review; or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and
- h) review and approve the hiring policies of the Corporation regarding partners and employees and former partners and employees of the present and former external auditor of the Corporation.

Financial Statements and Financial Reporting

2. The Audit Committee shall:

- a) review with Management and the external auditor and recommend to the Board for approval, the Corporation's annual financial statements, interim financial reports, MD&A accompanying such financial statements and reports, the reports of the external auditors thereon, and related financial reporting, including related press releases and the annual report, before public disclosure;

- b) review with Management and recommend to the Board for approval prior to public disclosure:
 - (i) the portions of the Corporation's annual information form containing significant information within the Audit Committee's mandate;
 - (ii) the portions of the Corporation's annual management proxy circular containing significant information within the Audit Committee's mandate;
 - (iii) all financial information included in prospectuses or other offering documents;
 - (iv) significant financial information, including "pro forma" or "adjusted" non-International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") information respecting the Corporation contained in a publicly disclosed document (other than routine investor relations or similar communications);
- c) consider and be satisfied that adequate procedures and policies are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than public disclosure referred to in clause 2(a) above, and periodically assess the adequacy of such procedures;
- d) consider and be satisfied that appropriate processes are in place with respect to applicable certification requirements regarding the Corporation's annual financial statements and interim financial reports and other disclosure;
- e) review and discuss with Management and the external auditors prior to public disclosure each press release that contains significant financial information respecting the Corporation or contains estimates or information regarding the Corporation's future financial performance or prospects; and the type and presentation of information to be included in such press releases (in particular, the use of "pro forma" or "adjusted" information that is not in accordance with IFRS);
- f) review and discuss with Management and the external auditors (including those of the following that are contained in any report of the external auditors): (i) any analyses prepared by Management and/or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting principles in accordance with IFRS; (ii) all critical accounting policies and practices to be used by the Corporation in preparing its financial statements; (iii) all material alternative treatments of financial information within IFRS that have been discussed with Management, ramifications of the use of these alternative treatments, and the treatment preferred by the external auditors; and (iv) other material communications between the external auditors and Management, such as any Management Letter or Schedule of Unadjusted Differences;
- g) upon completion of each audit, review with Management and the external auditor the results of such audit, which includes but not be limited to:
 - (i) reviewing the scope and quality of the audit work performed, including any restrictions on the scope of the external auditors' activities;
 - (ii) reviewing the capability of the Corporation's financial personnel;
 - (iii) reviewing the co-operation received from the Corporation's financial personnel during the audit, including access to requested information and the resolution of any significant disagreements between Management and the external auditors;

- (iv) reviewing the internal resources used;
- (v) reviewing significant or complex transactions outside of the normal business of the Corporation and areas involving significant assumptions, major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles, and the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Corporation; and
- (vi) reviewing any significant issues as to the adequacy of the Corporation's internal controls and any special audit steps in light of significant control deficiencies;
- h) review and discuss with Management and the external auditors non-GAAP financial measures, as well as financial information and earnings guidance provided externally, including to analysts and rating agencies;
- i) review with Management, the external auditor and, if necessary legal counsel, any litigation, claim or contingency, including tax assessments, or material reports or inquiries from regulators or governmental agencies, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters have been or may be disclosed in the financial statements; and
- j) review accounting, tax, legal and financial aspects of the operations of the Corporation as the Audit Committee considers appropriate.

Internal Controls

3. The Audit Committee shall:

- a) establish procedures for the receipt, retention and treatment of complaints, submissions and concerns by employees or otherwise regarding financial reporting and disclosure accounting controls or auditing matters on a confidential and anonymous basis and review the Corporation's Whistleblower Policy on at least an annual basis;
- b) review with Management and the external auditor, the adequacy and effectiveness of the internal control and disclosure controls and procedures of the Corporation (with particular attention given to accounting, financial statements and financial reporting matters) and determine whether the Corporation is in compliance with applicable legal and regulatory requirements and with the Corporation's policies;
- c) review the external auditor's recommendations regarding any matters including internal control over financial reporting and disclosure controls and procedures, and Management's responses thereto;
- d) review with Management, on at least an annual basis, their approach to monitoring the performance of internal control over financial reporting in accordance with their CEO/CFO certification process, as required by applicable securities laws, rules and guidelines, and assess the effectiveness of this approach (including information technology strategy, risks and cyber security controls); and
- e) review practices concerning the expenses and perquisites of the CEO, including the use of the assets of the Corporation.

Financial and Derivative Risk Management

4. The Audit Committee shall:

- a) regularly review with Management and the external auditor their assessment of material financial risks and exposure within the Audit Committee's scope (i.e., the principal financial risks facing the Corporation and any other risks specifically delegated to the Audit Committee by the Board);
- b) monitor and review the steps that Management has taken to manage or mitigate such risks and assess the maturity and efficacy of Management processes and controls designed to identify, assess, monitor and manage the risks referred to in 4(i) above that are material to the achievement of the Corporation's strategic objectives; and
- c) report the results of such reviews and assessment to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of the Corporation and appropriate external reporting of these risks.

Compliance

5. The Audit Committee shall:

- a) review the effectiveness of the system for monitoring compliance with laws and regulations (including those with respect to anti-fraud and anti-bribery) and the results of Management's investigations and follow-up of instances of non-compliance with the Corporation's Anti-Corruption Policy and with laws and regulations that could have a material effect upon the financial position of the Corporation and that are not subject to the oversight of another committee of the Board; and
- b) report annually to shareholders describing the Audit Committee's composition, responsibilities and how they were discharged, and any other information required by applicable legislation or regulation, including approval of non-audit services.

Matters Delegated by Board

6. The Audit Committee may deal with any other matters requested by the Board, including, but not limited to: reviewing the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation.