



## CEO Letter to Shareholders

November 9, 2022

Dear fellow shareholders,

The CMG story is one of grit, determination and leading with innovation. I have spent the last 6 months learning the CMG way and our business, by spending a lot of time with our customers and employees across regions and building our strategy for the coming years.

During the past quarter, I initiated leadership changes to focus on maximizing the potential of our people while keeping our culture at the forefront. I also made the difficult decision to redistribute our costs to align with our new priorities, resulting in the departure of several esteemed colleagues. This restructuring was necessary to affirm our commitment to high impact, market-led research and development projects and innovation. It also allows us to invest in sales, marketing, corporate development, and other strategic initiatives without materially altering our cost structure. Restructuring is one of the hardest decisions a CEO must make but one that is critical to ensuring our resources are strategically aligned with the long-term goals of the organization.

In the second quarter, our comparative quarterly revenue grew for the fourth consecutive time, which is evidence of momentum within the business as industry conditions strengthen. This puts us on solid footing to embark on our transformation. As I am the fourth individual to have the honor of being CEO, we are calling it CMG 4.0.

Transformations can be challenging but we have many opportunities in front of us. My long-term vision for CMG is to develop industry-leading technologies and platforms in partnership with the most forward-thinking companies to solve their current and future challenges. Innovation will play a key role as it will enable us to disrupt the market and lead the way from the front, as has been CMG's legacy.

### Leadership built on "Extreme Ownership"

Throughout my career, I have been guided by the principle of extreme ownership. This means that on any team, the responsibility for success and failure rests with the leader. This starts with me and is the tone I strive to set for the organization. This mindset fuels us to be biased for action, to be agile and honest as we ruthlessly prioritize what will bring us closer to our goals and to be courageous in taking bold moves to tackle the challenges that lie ahead.

I am deeply passionate about developing and empowering our employees. People form the fabric of every strategy, and I came to CMG because I was confident in the strength of our company's foundation and the expertise of our team which is deeply valued by our customers.

I am passionate about building relentlessly customer-focused product organizations. Outside of our employees, the single most important key to our success will be our ability to work with customers. By listening to our customers and learning from them we can understand their wants

and needs. We must aim to use such insights to provide the products and services that deliver them the greatest value.

I am also deeply committed to delivering value for our shareholders. It is a privilege and a responsibility to lead CMG through its next stage of evolution. I expect to be held accountable for executing on our strategy that will deliver long-term, sustainable growth and profitability. Our balance sheet is strong and the responsibility to invest it profitably rests with me. It is with this mindset that my team and I have approached the roadmap for the coming years.

#### **CMG 4.0: A multi-faceted transformation journey**

It is essential to recognize that market trends are creating significant opportunities for innovation. The focus on Energy Transition will continue to rapidly accelerate. Meanwhile, oil and gas demand will remain resilient as fossil fuels will continue to be a key part of the global energy mix for years to come.

Our track record of delivering critical and superior technology for customers around the globe gives CMG a seat at the table. Still, we must earn the right to remain the most trusted technology partner to our customers. In the race for marketplace success, we must demonstrate operational reliability, scalable technology, speed to market, cost efficiency and great customer service. We need to seize a leadership role in defining how technology can help our customers achieve future success.

We have developed a multi-faceted growth strategy to take on the various economic, environmental, and technological challenges that CMG faces.

#### **Defend and Expand with a New Approach**

We have a solid core offering and we will continue to invest in developing and delivering best-in-class tools in reservoir simulation and production engineering, combined with great support and services to our customers. We are developing a product strategy that addresses a broader range of customer segments and geographies. An enhanced market engagement framework, simplified and fit-for-purpose applications, and supportive industry trends will allow us to sustain and grow a strong base of annual revenue.

We are leveraging our expertise and market-recognized customer service through an expanded consulting practice. This provides not only a revenue opportunity but, more importantly, positions us as a trusted advisor to customers, deepens our relationship with the industry leaders and provides insight into the latest trends and customers' needs.

#### **Position in Energy Transition**

We will build on our presence in the energy transition market, leveraging our industry proven capabilities to support companies globally in the assessment and implementation of low-carbon energy strategies. This includes enhancing our market visibility and further developing and adapting technology and workflows that support carbon sequestration, hydrogen storage and geothermal energy projects.

#### **Driving Long-Term Value**

Our strategy aims to establish a market-led, sustainable growth path for CMG. A portion of this growth will be organic as we intend to evaluate inorganic growth strategies including acquisitions. By making critical new investments to complement and diversify our product offering and strengthen our competitive positioning, we have the opportunity to expand our technological

leadership, increase our market share and drive revenue growth. We will be disciplined in our approach to acquisitions using a robust set of evaluation criteria. Acquisitions should be accretive both financially and to our overall business strategy.

As with any strategy, execution is paramount and it will be imperative that at every stage, we remain diligent in our analysis of our progress and course correct as necessary.

I am honored to lead CMG during this time of opportunity and change. I have full faith in our team to lead us to our next phase of growth as part of CMG 4.0. I look forward to keeping you informed through regular quarterly updates.

Sincerely,



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Pramod Jain  
Chief Executive Officer