



CMG Announces the Acquisition of Bluware-Headwave Ventures Inc.

Adding data management solutions and AI-driven seismic interpretation

CALGARY, Alberta, September 25th, 2023 (Accesswire) - Computer Modelling Group Ltd. (“CMG” or the “Company”) (TSX: CMG) is pleased to announce the acquisition (the “Acquisition”) of Bluware-Headwave Ventures Inc. (“Bluware”), a software and services company specializing in cloud and interactive deep learning solutions for subsurface decision-making including seismic interpretation.

“Acquiring Bluware is a step forward in the company’s growth strategy of investing in strong technologies that both expand our portfolio of upstream energy solutions and deliver attractive rates of return,” stated Pramod Jain, Chief Executive Officer of CMG. “With Bluware, we are building on our expertise in cloud delivery, advanced technologies, and data management which allows us to deliver improved workflows and collaboration with increased speed, performance, and accuracy.”

Bluware’s proprietary VDS™ (Volume Data Storage) data format compresses raw and interpreted seismic data sets, making them adaptable and scalable. It enables fast data access, cost-effective cloud storage, and compute-intensive workflows. The company’s flagship product, InteractivAI™, is a cloud-native software solution that leverages VDS™ to deliver an interactive AI tool, compressing seismic fault interpretation timelines from months to days through the combination of expert user input and cutting-edge deep learning.

In the most recently completed fiscal year, Bluware reported total revenue¹ of US\$23.5 million (US\$17.7 million from services and US\$5.8 million from software) and an estimated Adjusted EBITDA^{1,2} margin of 5%.

Total consideration paid by CMG for the Acquisition is US\$22 million. In addition, there is a potential earn out provision of up to US\$8 million if certain revenue thresholds related to key contracts of Bluware are met during the 18-month period after closing.

¹ Revenue and Adjusted EBITDA figures are unaudited for the period January 1, 2022 – December 31, 2022. In addition, Bluware reports in US GAAP

² Adjusted EBITDA is a non-IFRS measure. See “Non-IFRS Measure”

Webcast

CMG will host a webcast today, September 25th, 2023, at 8:00 am MDT (10:00 am EDT) to discuss the transaction. The webcast can be accessed at www.cmgl.ca/investors or alternatively, click [here](#).

About CMG

CMG (TSX:CMG) is a global software and consulting company that combines science and technology with deep industry expertise to solve complex subsurface and surface challenges for the new energy industry around the world. CMG is headquartered in Calgary, AB, with offices in Houston, London, Dubai, Bogota, Rio de Janeiro, Bengaluru, and Kuala Lumpur. For more information, please visit www.cmgl.ca and www.bluware.com

For investor inquiries, please contact:

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Kim MacEachern
Manager, Investor Relations
cmg-investors@cmgl.ca

For media inquiries, please contact:
marketing@cmgl.ca

Cautionary Note Regarding Forward-Looking Statements and Non-IFRS Measures

This press release contains "forward-looking statements". Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will", and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the benefits of the acquired technology, the ongoing development thereof; the ability of the technology to compress timelines; and the ability of the company to deliver improved workflows.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are detailed in the companies' public filings.

Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Certain financial measures in this presentation, namely Adjusted EBITDA, do not have a standard meaning prescribed by IFRS and, accordingly, may not be comparable to measures used by other companies. Management believes that these indicators nevertheless provide useful measures in evaluating the Company's performance.

Adjusted EBITDA refers to net income/(loss) before adjusting for depreciation and amortization expense, interest and other income, interest expense, income and other taxes, foreign exchange gains and losses, and capitalized research and development. The Company believes that Adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Company's main business activities prior to consideration of how those activities are amortized, financed, or taxed.