



SCIENCE + SOFTWARE = SUCCESS

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Nasdaq: SLP



Safe Harbor Statement

With the exception of historical information, the matters discussed in this presentation are forward-looking statements that involve a number of risks and uncertainties. The actual results of the Company could differ significantly from those statements. Factors that could cause or contribute to such differences include but are not limited to: continuing demand for the Company's products, competitive factors, the Company's ability to finance future growth, the Company's ability to produce and market new products in a timely fashion, the Company's ability to continue to attract and retain skilled personnel, and the Company's ability to sustain or improve current levels of productivity. Further information on the Company's risk factors is contained in the Company's quarterly and annual reports and filed with the Securities and Exchange Commission.

Simulations Plus

Our mission is to improve the productivity of science-based research & development enterprises by delivering innovative modeling and simulation software and insightful consulting services

Customers and Market

- Pharmaceutical and biotech companies ranging from the largest in the world to medium-sized and smaller companies in the U.S., Europe and Japan.
- Computational Biology market estimated to be \$2B growing at 20% CAGR.

Operating Divisions

- Simulations Plus, Inc. -- Lancaster, CA
- Cognigen – Buffalo, NY – Acquired 2014
- DILIsym – Raleigh, NC – Acquired 2017

Consistent Financial Results

- > 10 years of revenue growth, profitability and positive cash flow
- Debt free with cash flow funding growth, dividends and acquisitions

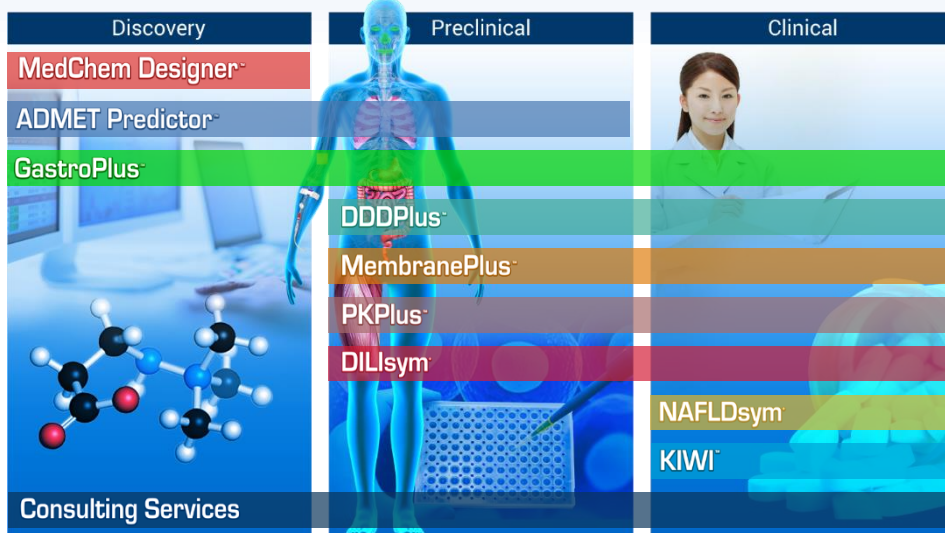
Serving All Stages of the Development Process

Our products and services span the entire drug development process from discovery to approval



SimulationsPlus | **Cognigen** | **DILIsym Services**

SCIENCE+SOFTWARE=SUCCESS



Software Product Portfolio

- Physiologically-based pharmacokinetic (PBPK) modeling platform simulates a number of responses in humans and animals
- Predicts over 140 properties of chemical formulations quickly and accurately
- Quantitative Systems Toxicology (QST) and Quantitative Systems Pharmacology (QSP) for analyzing certain biological or disease states
- Cloud-based web application to organize, process, maintain and communicate data and results generated by pharmacologists and scientists over the duration of a drug development program

Consulting Services

- Support clients through the entire drug development process from sketching chemicals to regulatory filings
- Provide multi-disciplinary modeling and simulation support:
 - PBPK modeling and simulation
 - Pharmacokinetic/Pharmacodynamic analysis
 - Population/PK modeling and NONMEM analysis
 - Quantitative systems pharmacology and toxicology
 - Quantitative structure-activity relationship modeling
 - Data assembly and preparation of regulatory reports

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Revenue Acceleration Drivers

Accelerating growth from 10-15% historical level to 15-20%

- **Industry Drivers - \$2B Computational Biology Market growing at 20% rate**
 - Pharmaceutical companies under increasing pressure to reduce the cost and time of drug discovery and development
 - Pharmaceutical companies targeting candidates for smaller markets requiring more efficient development process
 - Modeling and simulation tools and services are supporting data analytics and personalized medicine initiatives
- **Regulatory Drivers – Supporting the leveraging of in-silico evidence in decision making**
 - Regulatory agencies increasing review demand for drug and generic product applications and need improved efficiency
 - Regulatory agencies have developed confidence in modeling & simulation technology
 - Regulatory agencies are encouraging companies to utilize modeling & simulation technology
- **Company Drivers – Market leading software and services with more proactive growth focus**
 - Industry leading software solutions
 - Breadth of modeling and simulation scientific expertise (Disciplines and Therapeutic area coverage)
 - Investment in sales and marketing resources
 - Consulting capacity expansion to match strong demand
 - Increasing European presence
 - M&A opportunities

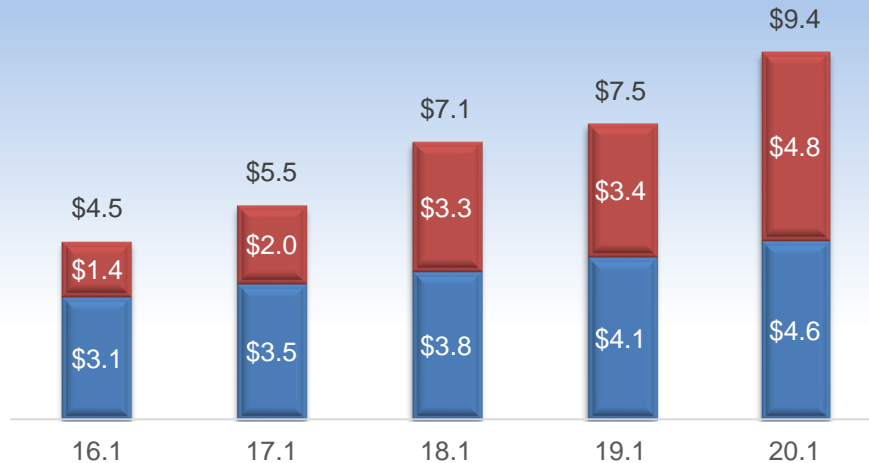
Source: “How FDA Plans to Help Consumers Capitalize on Advances in Science”
[FDA Voice blog: July 7, 2017](#)

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Steady and Consistent Revenue Growth

Record 1st Quarter Results

First Quarter Revenue
\$ in millions



Key Highlights

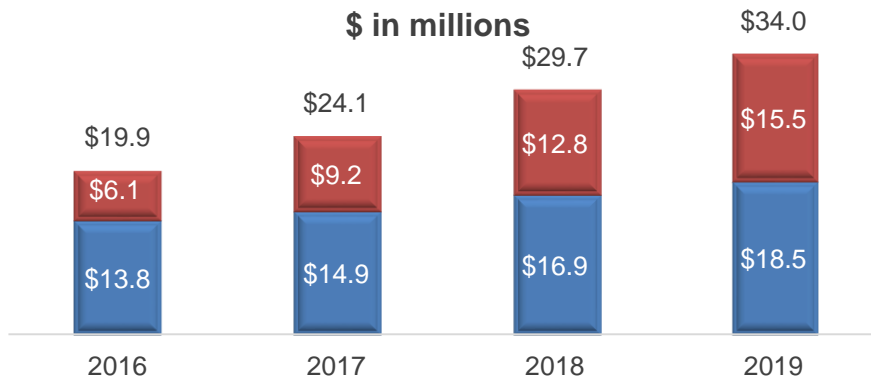
• Q1 FY2020 Financial Highlights

- Revenue up 24.8% for Q1FY20 vs Q1FY19
- Gross profit 71.9% for Q1FY20 vs 70.8% Q1FY19
- Net income before taxes 29.1% Q1FY20 vs 26.8% Q1FY19
- EPS \$0.11 Q1FY20 vs \$0.09 Q1FY19
- Cash generated from operations during the quarter of ~\$2.6M with cash on hand at end of quarter of \$12.6M

• Operational Highlights

- Software revenue: 49% of total revenue, 12% y/y growth
- Service revenue: 51% of total revenue, 40% y/y growth
- 114 Employees (including 80 with advanced degrees) up 19% y/y (71% of that growth is billable consulting staff)

12 Months Revenue
\$ in millions

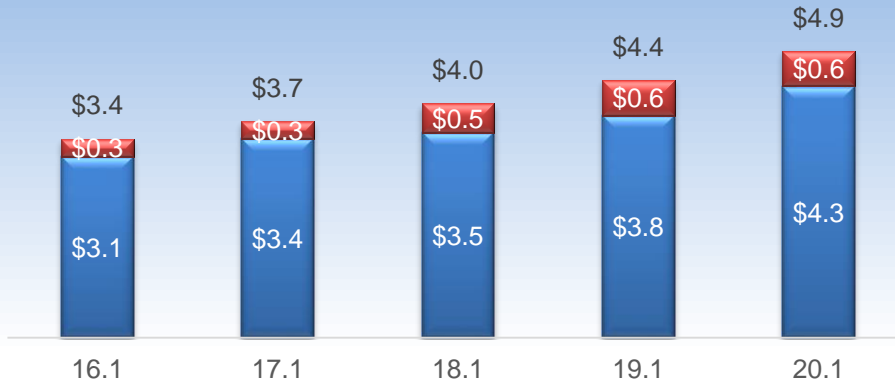


■ Software ■ Consulting

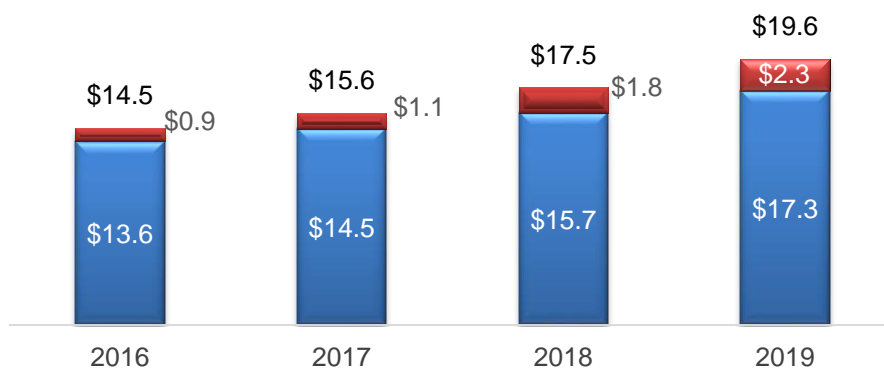
Simulations Plus Division (Lancaster)

The genesis of the company... providing software, training and consulting services

First Quarter Revenue
\$ in millions



12 Months Revenue
\$ in millions



■ Software ■ Consulting

Simulations Plus represented 52.5% of total revenue and 69% of EBITDA for Q1 FY2020

Key Highlights

• Q1 FY2020 Financial Highlights

- Revenue up 13% for the quarter
- Q1 Revenue breakdown: 69% Renewal; 19% New Licenses; 12% consulting
- Renewal rates: 85% (accounts) and 98% (fees)
- License Units (235) up 12% y/y
- 16 new commercial companies and 22 non-profit groups
- Projects with 26 companies and 9 funded collaborations

• Operational Highlights

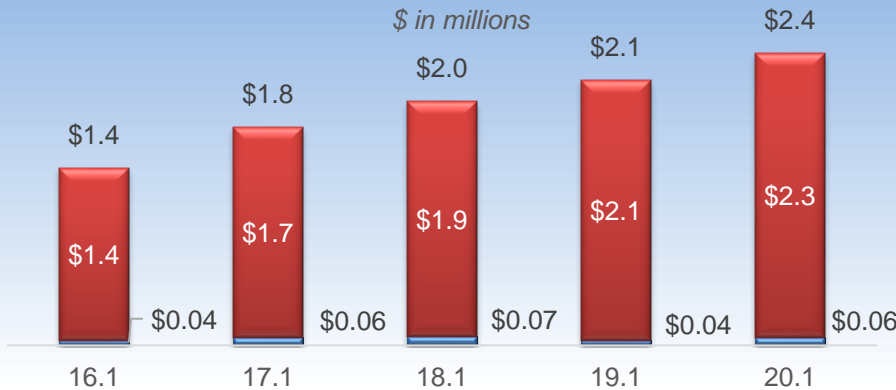
- New funded collaboration with Bayer AG to advance the ADMET Predictor® machine learning software for use within integrated drug discovery workflows
- New funded collaboration agreement with a large pharmaceutical company to enhance the PKPlus™ software
- New funded collaboration with a large pharmaceutical company to modify the mechanistic oral absorption model in GastroPlus® to support gastrointestinal disease research

Cognigen Division (Buffalo)

A leading provider of population modeling and simulation services for the pharma and biotech industries

First Quarter Revenue

\$ in millions



Key Highlights

• Q1 FY2020 Financial Highlights

- Revenue up 16% for the quarter
- 33 contracts and 15 new projects initiated during quarter
- 18 proposals outstanding with 11 companies at the start of 2QFY20

12 Months Revenue

\$ in millions



• Operational Highlights

- Efficient leadership transition
- Recruited 5 new staff into consulting group
- 101 active projects across 34 companies in the quarter
- Exit the quarter with approximately \$6.5 million project backlog

■ Software ■ Consulting

Cognigen represented 25.5% of total revenue and 4% of EBITDA for Q1 FY2020

DILIsym Division (RTP)

A leading provider of software products and services in QST and QSP

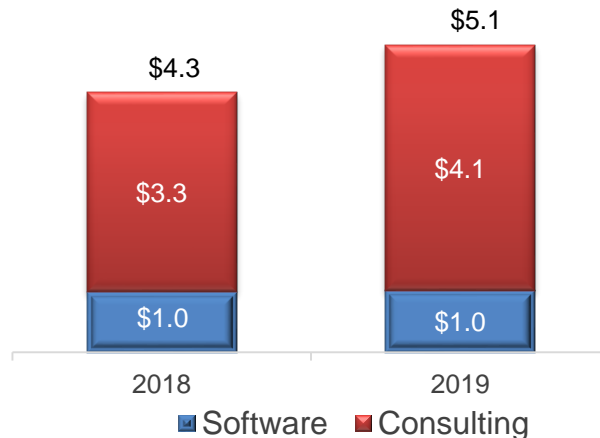
First Quarter Revenue

\$ in millions



12 Months Revenue

\$ in millions



DILIsym represented 22% of total revenue and 27% of EBITDA for Q1 FY2020

Key Highlights

• Q1 FY2020 Financial Highlights

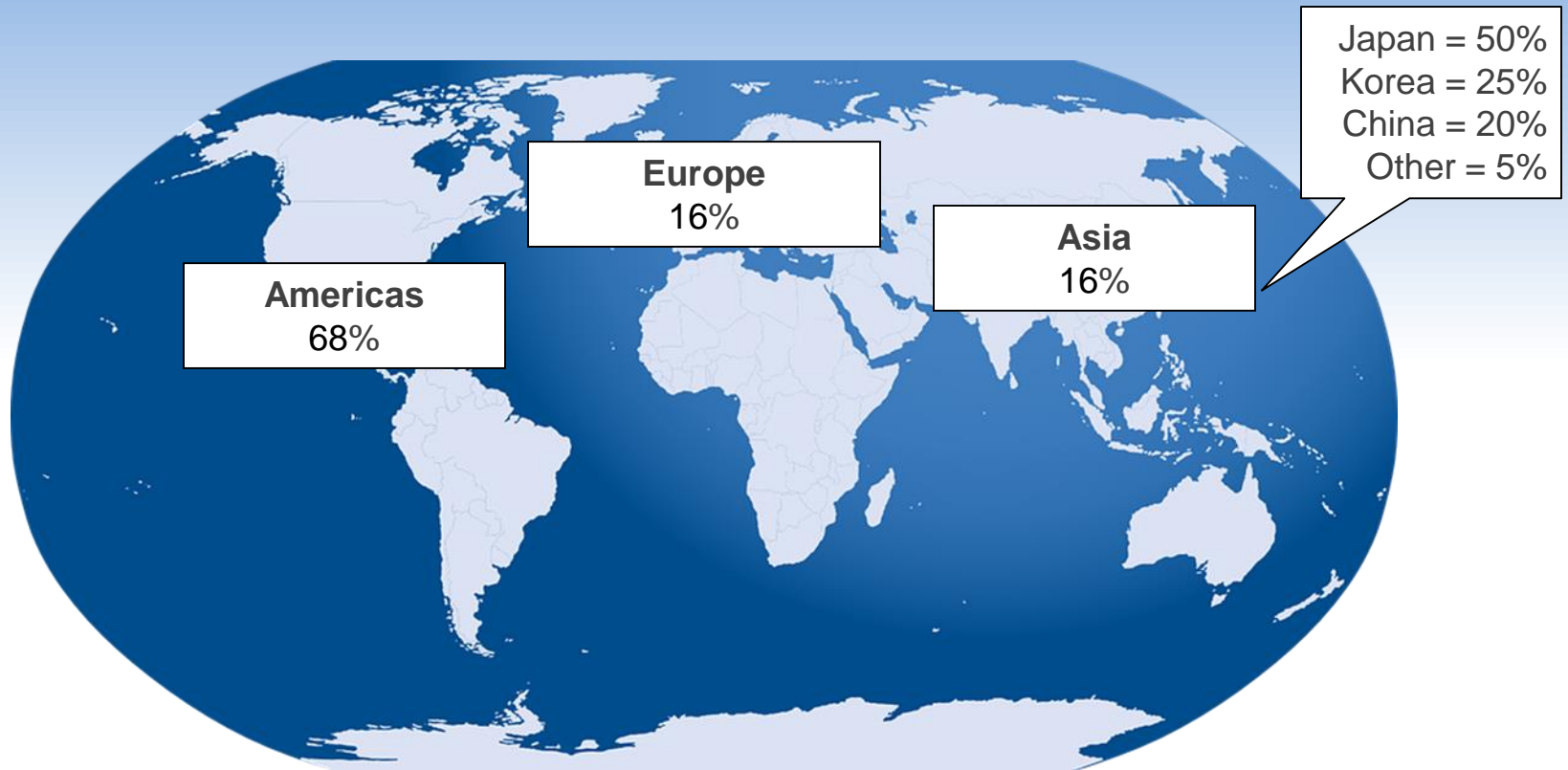
- Revenue up 88% for the quarter
- Revenue breakdown: 61% DILIsym® software and projects; 15% RADAsym™; 7% IPFSym™ software; 6% NAFLDsym® software and projects; 5% RENAsym® grant; 6% Other
- 7 active consortium DILIsym contracts
- 19 active DILIsym projects; 2 NAFLDsym projects in process

• Operational Highlights

- Responded to 2 client driven accelerated project deliveries in support of regulatory strategies
- Successfully recruited 2 new staff to start in Q2FY20

Revenue by Region – First Quarter 2020

A global and diversified base of revenue

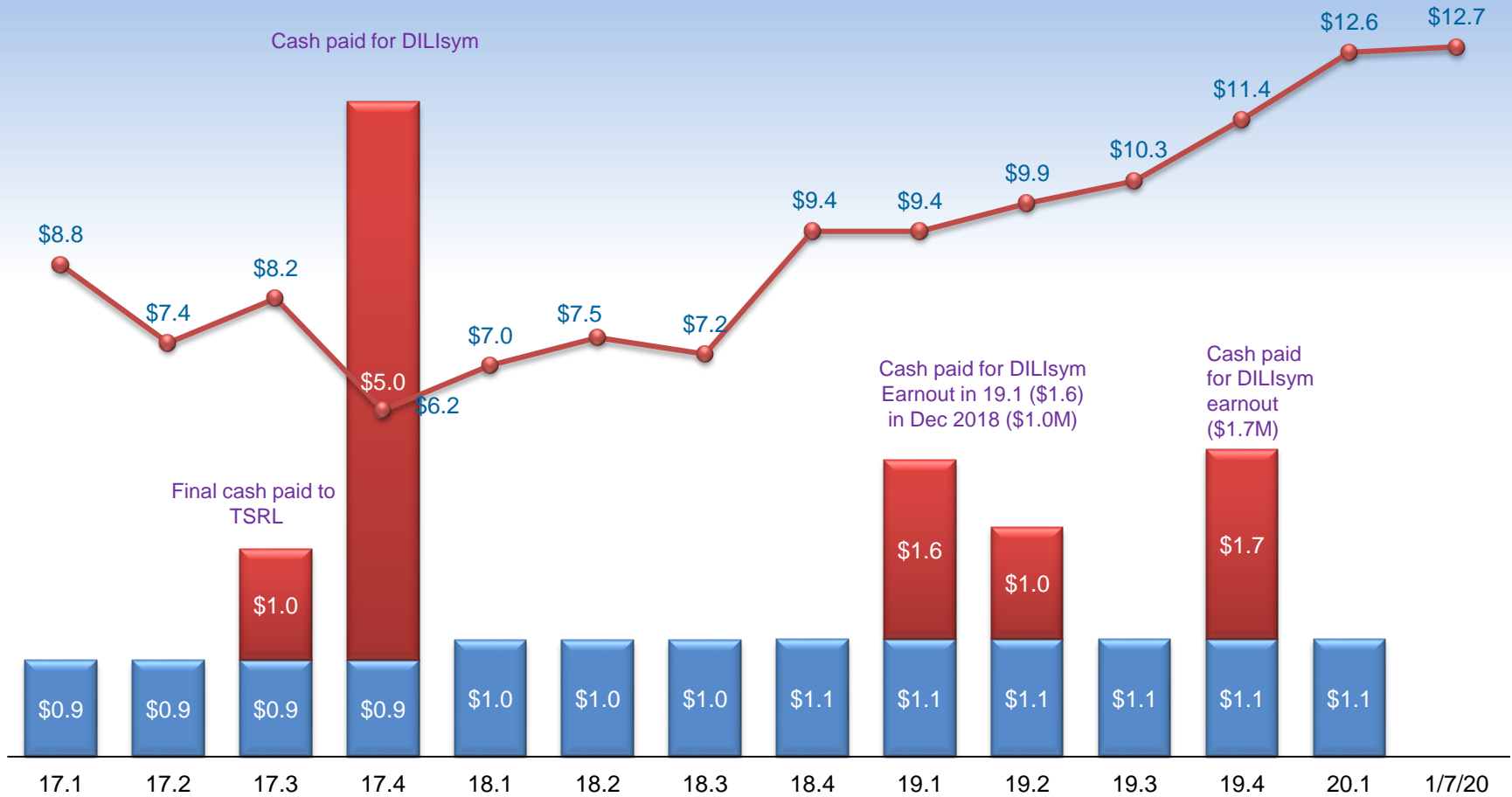


Cash Position Excellent

(in millions)

Accumulating Cash while funding Acquisitions and Dividends

Dividend Paid Acquisitions Cash on Hand



* Chart covers period starting September 2016.

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Thank you!

<https://www.linkedin.com/company/simulations-plus>

<https://www.linkedin.com/company/cognigen>

<https://www.linkedin.com/company/dilisym>