SimulationsPlus

SCIENCE + SOFTWARE = SUCCESS

20th Annual

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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.

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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

Products & Services

Software Portfolio

- Modeling & simulation platform for drug R&D
- Predictive software for >140 properties of chemical formulations
- Analytical software for certain biological or disease states
- Cloud-based web app for drug development lifecycle management

Consulting Services

- Provide multi-disciplinary modeling and simulation support

Customers and Market

Pharmaceutical and biotech companies ranging from the largest in the world to a number of medium-sized and smaller companies in the U.S., Europe and Japan

Operating Divisions

- Simulations Plus, Inc.
- Cognigen
- DILIsym

Corporate Information

- The company was founded in 1996 and now has 100 employees* worldwide.
- Primary offices located in Lancaster, CA; Buffalo, NY; and Raleigh, NC.

* As of 2/28/2019

Consistent Financial Results

- \> 10 years of consistent revenue growth
- \> 10 years of profitability
- Cash generated from operations during FY2018 of $9.4 Million with cash on hand of $11.4 Million at 4/8/2019
- Dividend payout ratio of 46%[2]
- Quarterly dividend of $0.06 per share[1]

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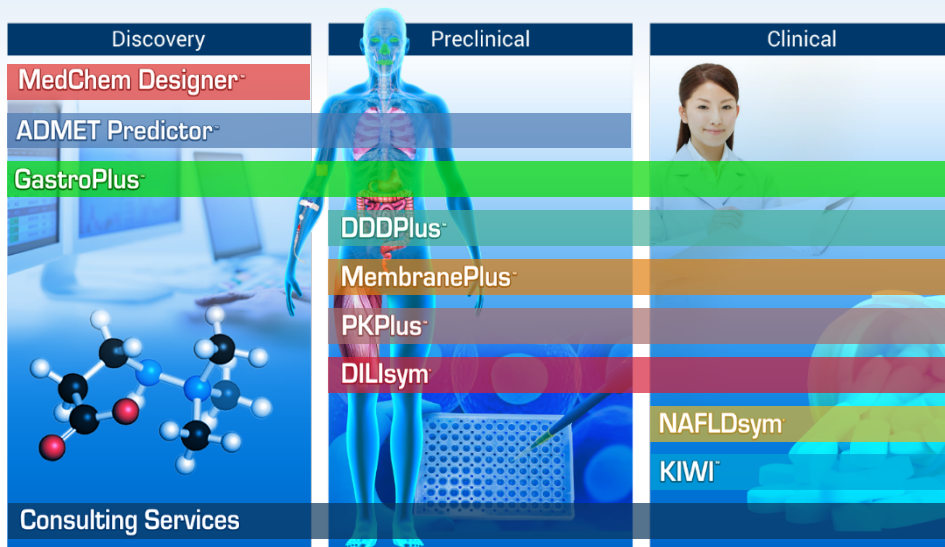SCIENCE + SOFTWARE = SUCCESS

Serving All Stages of the Development Process

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

SimulationsPlus | Cognigen | DILIsym Services
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Discovery	Preclinical	Clinical
MedChem Designer™		
ADMET Predictor™		
GastroPlus™		
	DDDPlus™	
	MembranePlus™	
	PKPlus™	
	DILIsym™	
		NAFLDsym™
		KIWI™
Consulting Services		

Software Product Portfolio

- Physiologically-based pharmacokinetic (PBPK) modeling platform

- Predicts 140+ properties of chemical formulations

- Quantitative Systems Toxicology (QST) and Quantitative Systems Pharmacology (QSP) for analyzing certain biological or disease states

- Cloud-based web application to organize, process, maintain & communicate data and results over the duration of a drug development program

Consulting Services

- Support clients through entire drug development process from sketching chemicals to regulatory filings

- Provide multi-disciplinary modeling and simulation support:

  - PBPK modeling
  - Population/PK analyses
  - Pharmacodynamic modeling
  - NONMEM analysis
  - Quantitative systems pharmacology and toxicology
  - Quantitative structure-activity relationship modeling
  - Data assembly and preparation of reports

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Market Growth Drivers

Market trends create substantial tail winds for growth across products and services

- ## Industry Drivers
  - Pharmaceutical companies under increasing pressure to reduce the cost and time of drug discovery and development
  - Pharmaceutical companies targeting drug candidates for smaller markets requiring more efficient development process
  - Pharmaceutical companies integrating the use of modeling and simulation into their development standard practices with resulting increase in budgets for tools and services
  - Modeling and simulation tools and services are supporting data analytics and personalized medicine initiatives

- ## Regulatory Drivers
  - Regulatory agencies are receiving more new drug and generic product applications for review and need to improve efficiency to reduce burden
  - Regulatory agencies have developed confidence that modeling & simulation technology can reproduce certain observed outcomes
  - Regulatory agencies are encouraging companies to utilize modeling & simulation technology to support applications and ensure new therapies reach patients in a timely and cost-effective fashion
  - Regulatory agencies are reporting an exponential rise in the number of applications citing modeling & simulation results
  - There are now >15 regulatory guidance documents that specifically reference modeling & simulation technology

Source: "How FDA Plans to Help Consumers Capitalize on Advances in Science"
FDA Voice blog: July 7, 2017

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Growth Strategy

Proactively pursuing multiple opportunities for continued growth

Organic	Acquisitions

Organic

- **Continue to deliver timely upgrades of existing software products** to drive high renewal rates and create new module revenue opportunities
- **Invest in new software product development** to broaden our portfolio of tools our clients require
- **Attract and hire scientific talent** to support demand for service offerings
- **Expand our sales and marketing resources** in support of larger portfolio of products and services

Acquisitions

- Actively seek **accretive, complementary acquisitions**
- **Expand pharmaceutical software and services business** across the drug development process
- **Accelerate internal product development timelines** with technology acquisitions

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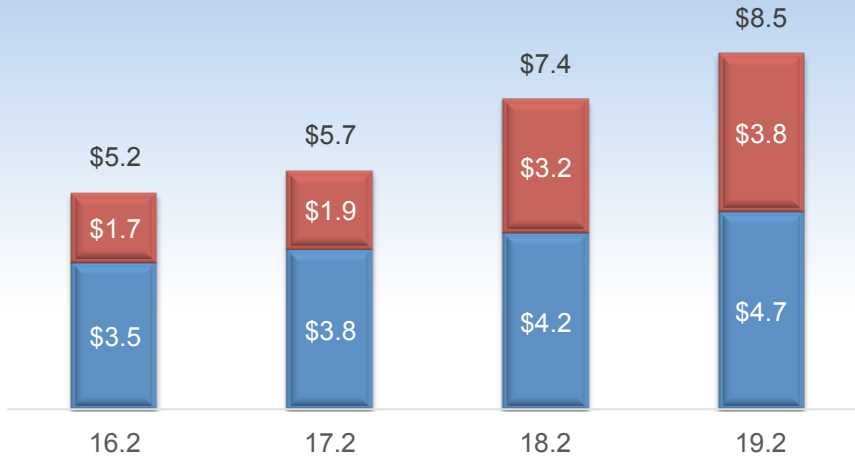SCIENCE + SOFTWARE = SUCCESS

Q2 Highlights

- Revenue growth consistent with 10-15% annual outlook
  - 15% for the quarter and 11% YTD
- Software business strong consistent growth
- Consulting business picked up growth pace after slow 1st quarter
  - Buffalo achieved 23% year over year revenue growth; highest growth quarter since 2017 reflecting strong client demand and increased consulting resources to deliver projects
  - RTP initiated key projects closed at end or after Q1 to support 25% year over year revenue growth
    - DILIsym's RENAsym™ SBIR grant approved for initiation of Phase 2 (2019 portion of $1.7M grant is estimated to be $0.9M)
    - IPFsym™, QSP (quantitative systems pharmacology) modeling sponsored by a pharmaceutical company for up to approximately $2.7M , and it will be widely available for license to all pharmaceutical companies by 2021.
- Good progress on key initiatives
  - Increased investment in sales and marketing resources
    - Added business development resource to software business
    - Hired senior consulting scientist with business development skill set
  - Increased consulting service resources to support demand driven growth
    - Net increase in consulting staff of 4 (7%) YTD and 8 (15%) year over year
  - Increased International opportunities
    - International software growth and success with International FDA equivalents
    - Increase in European staff
- Overall, good results for the quarter and progress on initiatives with future growth impact

Steady and Consistent Revenue Growth

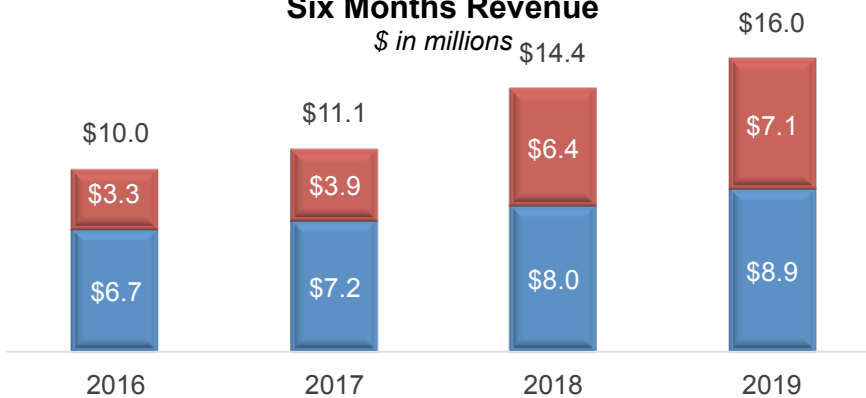**More than a decade of consistent revenue growth**

Second Quarter Revenue
$ in millions

Year	Software	Consulting	Total
16.2	$3.5	$1.7	$5.2
17.2	$3.8	$1.9	$5.7
18.2	$4.2	$3.2	$7.4
19.2	$4.7	$3.8	$8.5

Six Months Revenue
$ in millions

Year	Software	Consulting	Total
2016	$6.7	$3.3	$10.0
2017	$7.2	$3.9	$11.1
2018	$8.0	$6.4	$14.4
2019	$8.9	$7.1	$16.0

■ Software ■ Consulting

Key Highlights

- **Q2 FY2019 Financial Highlights**
  - Revenue up 15% yr/yr for the quarter; 11% yr/yr YTD
  - Gross profit 74% Q2FY19 vs 71% Q2FY18
  - Net income before taxes up 13% yr/yr
  - EPS $0.12 Q2FY19 vs $0.11 Q2FY18 (w/o tax benefit)
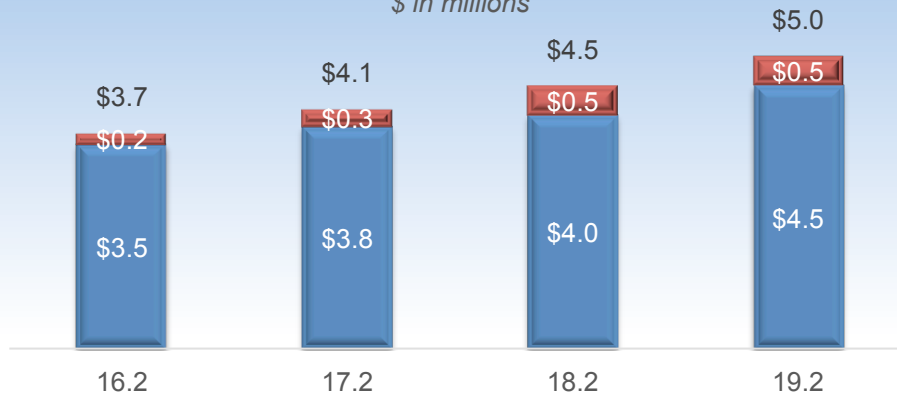 - Cash generated from operations during the quarter of ~$3.1M with cash on hand at end of quarter of $9.9M

- **Highlights**
  - Software revenue: 56% of total revenue, up 12% yr/yr
  - Service revenue: 44% of total revenue, up 19% yr/yr
  - 100 Employees (including 69 with advanced degrees) up 12% yr/yr (8% of that growth is billable consulting staff)

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Simulations Plus Division (Lancaster)

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

Second Quarter Revenue
$ in millions

Year	Software	Consulting	Total
16.2	$3.5	$0.2	$3.7
17.2	$3.8	$0.3	$4.1
18.2	$4.0	$0.5	$4.5
19.2	$4.5	$0.5	$5.0

Six Months Revenue
$ in millions

Year	Software	Consulting	Total
2016	$6.6	$0.5	$7.1
2017	$7.2	$0.6	$7.8
2018	$7.5	$1.0	$8.5
2019	$8.3	$1.1	$9.4

■ Software   ■ Consulting

Key Highlights

- **Q2 FY2019 Financial Highlights**
  - Software revenue up 12% yr/yr
  - Consulting revenue down 8% yr/yr
  - Revenue breakdown: 74% Renewal; 16% New Licenses; 10% consulting
  - Renewal rates: 85% (accounts) and 93% (fees)
  - License Units of 246 up 8% yr/yr
  - 12 new commercial companies and 10 non-profit groups
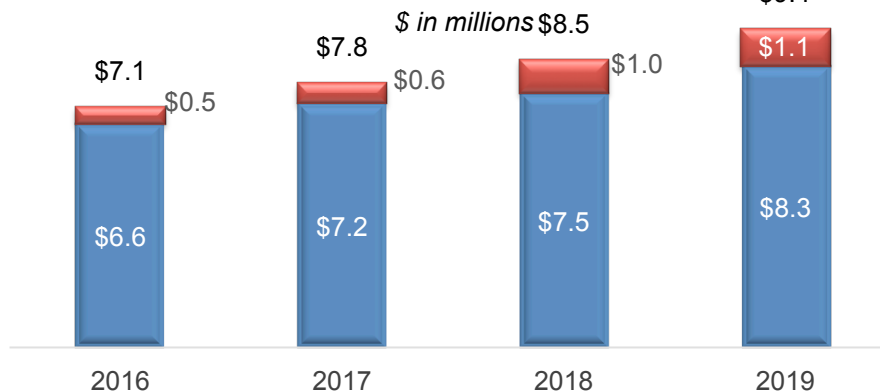 - Projects with 22 companies and 4 funded collaborations
- **Customers**
  - 19 of the top 20 pharmaceutical companies
  - >200 organizations worldwide
- **Highlights**
  - Expansion of licenses at the US and China FDA
  - Added business development resource
  - Expansion of licenses with domestic customers for use in Asian subsidiaries
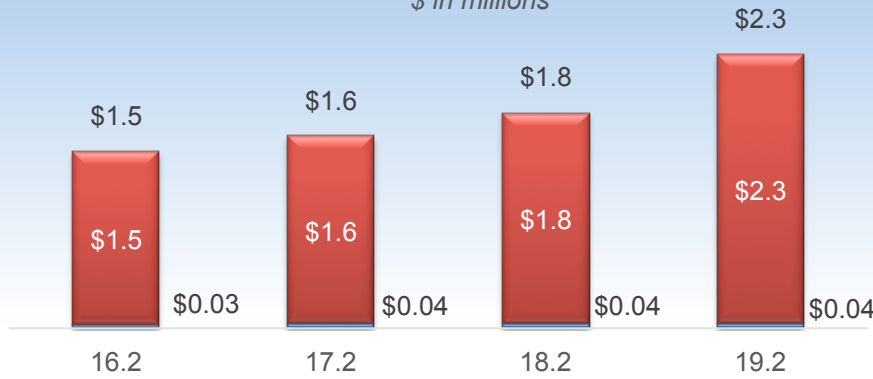 - Released DDDPlus v6

Simulations Plus represented 59% of total revenue and 71% of EBITDA for Q2 FY2019

Simulations *Plus*
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Cognigen Division (Buffalo)

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

Second Quarter Revenue
$ in millions

$1.5 | $1.6 | $1.8 | $2.3

$1.5 | $1.6 | $1.8 | $2.3

$0.03 | $0.04 | $0.04 | $0.04

16.2 | 17.2 | 18.2 | 19.2

Six Months Revenue
$ in millions

$2.9 | $3.4 | $3.8 | $4.4

$2.9 | $3.3 | $3.7 | $4.3

$0.1 | $0.1 | $0.1 | $0.1

2016 | 2017 | 2018 | 2019

■ Software   ■ Consulting

Key Highlights

- **Q2 FY2019 Financial Highlights**
  – Revenue up 23% yr/yr
  – 2 new clients and 15 new projects initiated during quarter
 – 25 proposals outstanding with 20 companies
- **Customers**
  – 45% of projects result in regulatory interaction
  – Most common therapeutic area is oncology, followed by neurology, endocrinology and infectious disease
- **Highlights**
  – Healthy pipeline of new projects with existing and new clients
  – Good recruiting quarter including both consulting project staff and a senior consultant with business development skills
  – European consulting presence (2 in quarter)
  – 8 conference posters and 2 peer reviewed publications
  – Engaged with 25 academic centers for use of KIWI platform
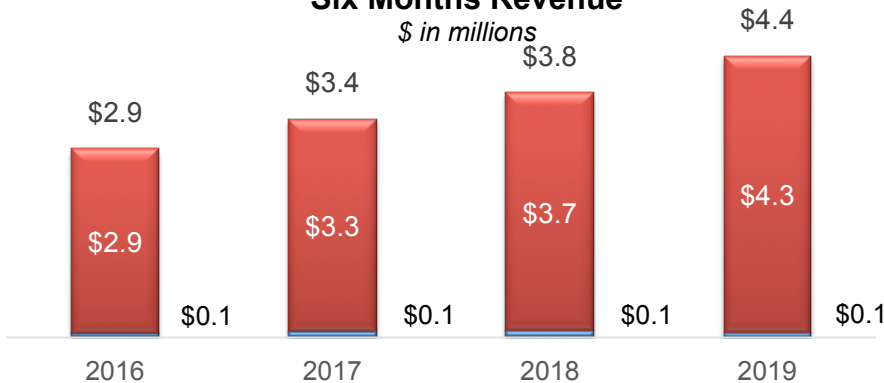
Cognigen represented 27% of total revenue and 14% of EBITDA for Q2 FY2019

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DILIsym Division (RTP)

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

Second Quarter Revenue
$ in millions
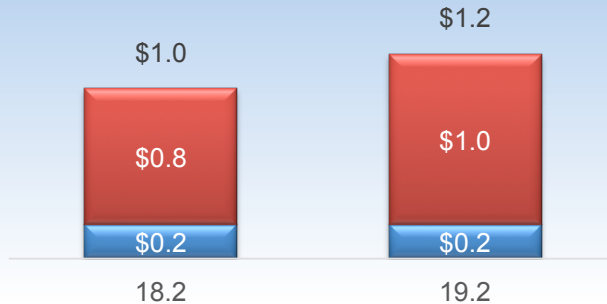
```
$1.0          $1.2
┌──────┐     ┌──────┐
│      │     │      │
│ $0.8 │     │ $1.0 │
│      │     │      │
├──────┤     ├──────┤
│ $0.2 │     │ $0.2 │
└──────┘     └──────┘
 18.2         19.2
```

Six Months Revenue
$ in millions

```
$2.1          $2.3
┌──────┐     ┌──────┐
│      │     │      │
│ $1.7 │     │ $1.8 │
│      │     │      │
├──────┤     ├──────┤
│ $0.4 │     │ $0.5 │
└──────┘     └──────┘
 2018         2019
```

■ Software   ■ Consulting
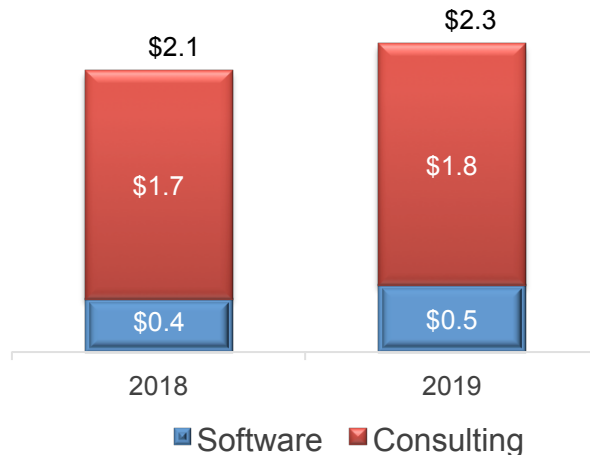
Key Highlights

- **Q2 FY2019 Financial Highlights**
  - Revenue up 25% yr/yr
  - Revenue breakdown: 44% DILIsym software and projects; 18% IPFsym project; 11% NAFLDsym software and projects; 14% RENAsym grant; 11% Other
- **Customers**
  - 8 active consortium DILIsym licensees
  - 8 DILIsym projects; 2 NAFLDsym projects in process
 - RENAsym consortium discussions in process
- **Highlights**
  - RENAsym project ($1.7M NIH Grant) Phase 2 underway
  - IPFsym development project initiated
  - DILIsym software utilized in liver safety strategy/analysis presented to FDA for a drug candidate that received IND approval to move forward in clinical development
  - Funded evaluation project initiated with commercial client in new disease space
  - Added consulting resource to support project load

DILIsym represented 14% of total revenue and 15% of EBITDA for Q2 FY2019

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Consolidated Revenues: Fiscal Quarter
(in millions)
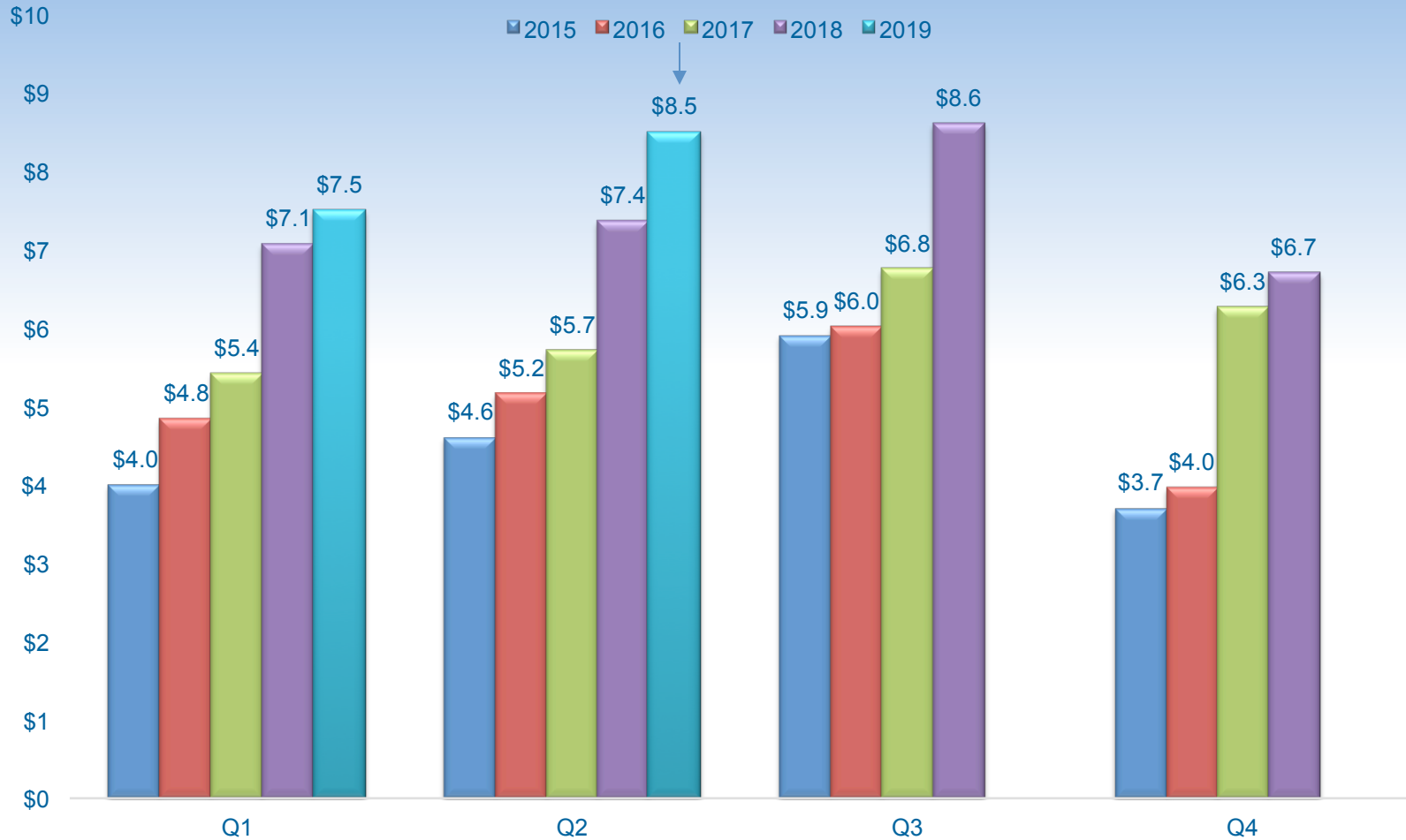
Consolidated Net Income: Fiscal Quarter
(in millions)
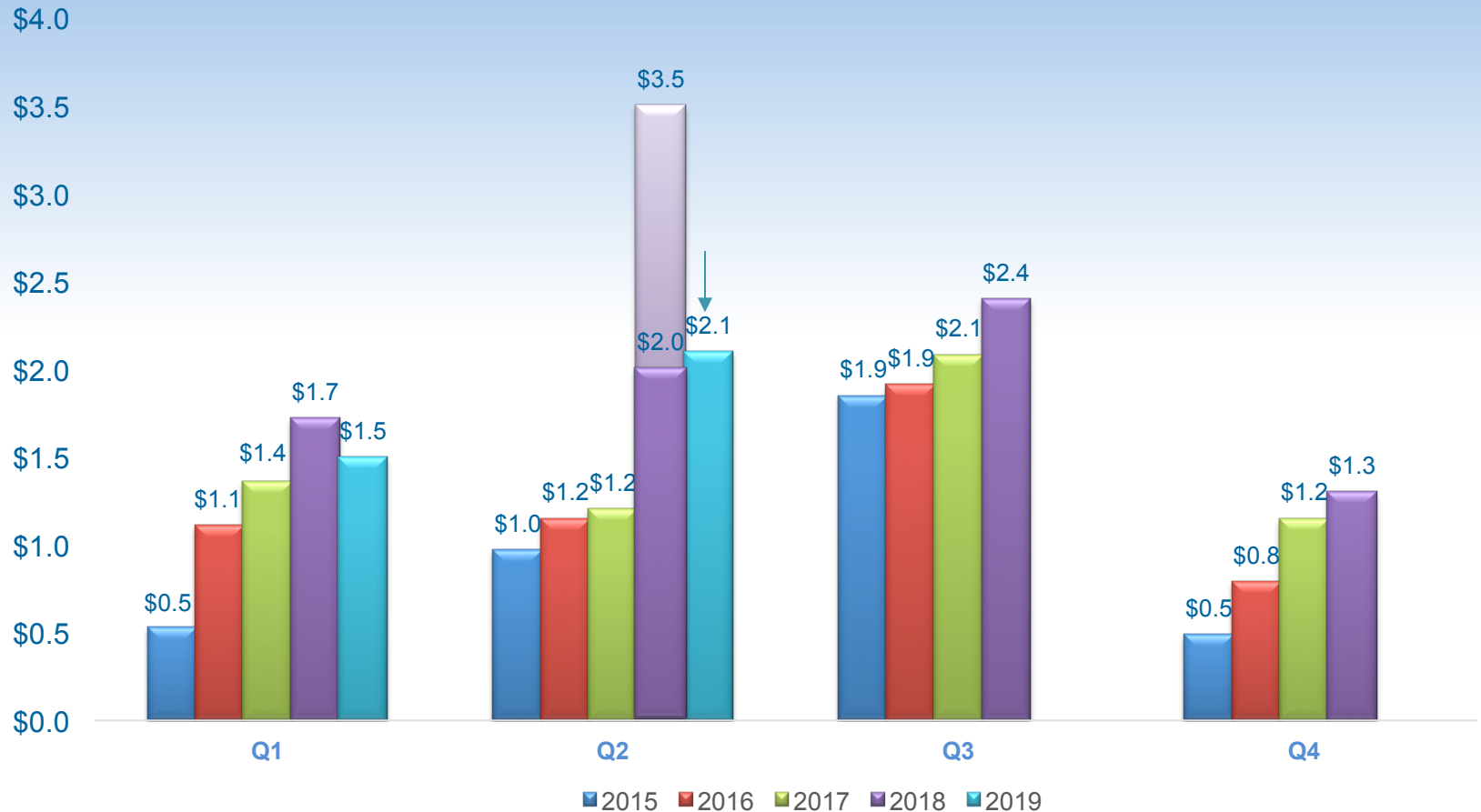
Note: 2Q18 $1.5M tax benefit of deferred tax adjustment

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Consolidated EBITDA: Fiscal Quarter
(in millions)

	Q1	Q2	Q3	Q4
2015	$1.2	$2.0	$3.3	$1.2
2016	$2.2	$2.2	$3.3	$1.5
2017	$2.5	$2.3	$3.6	$2.0
2018	$3.2	$3.1	$4.1	$2.6
2019	$2.8	$3.4		

2015 2016 2017 2018 2019

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Selected Consolidated Balance Sheet Items
(in millions, except where indicated)

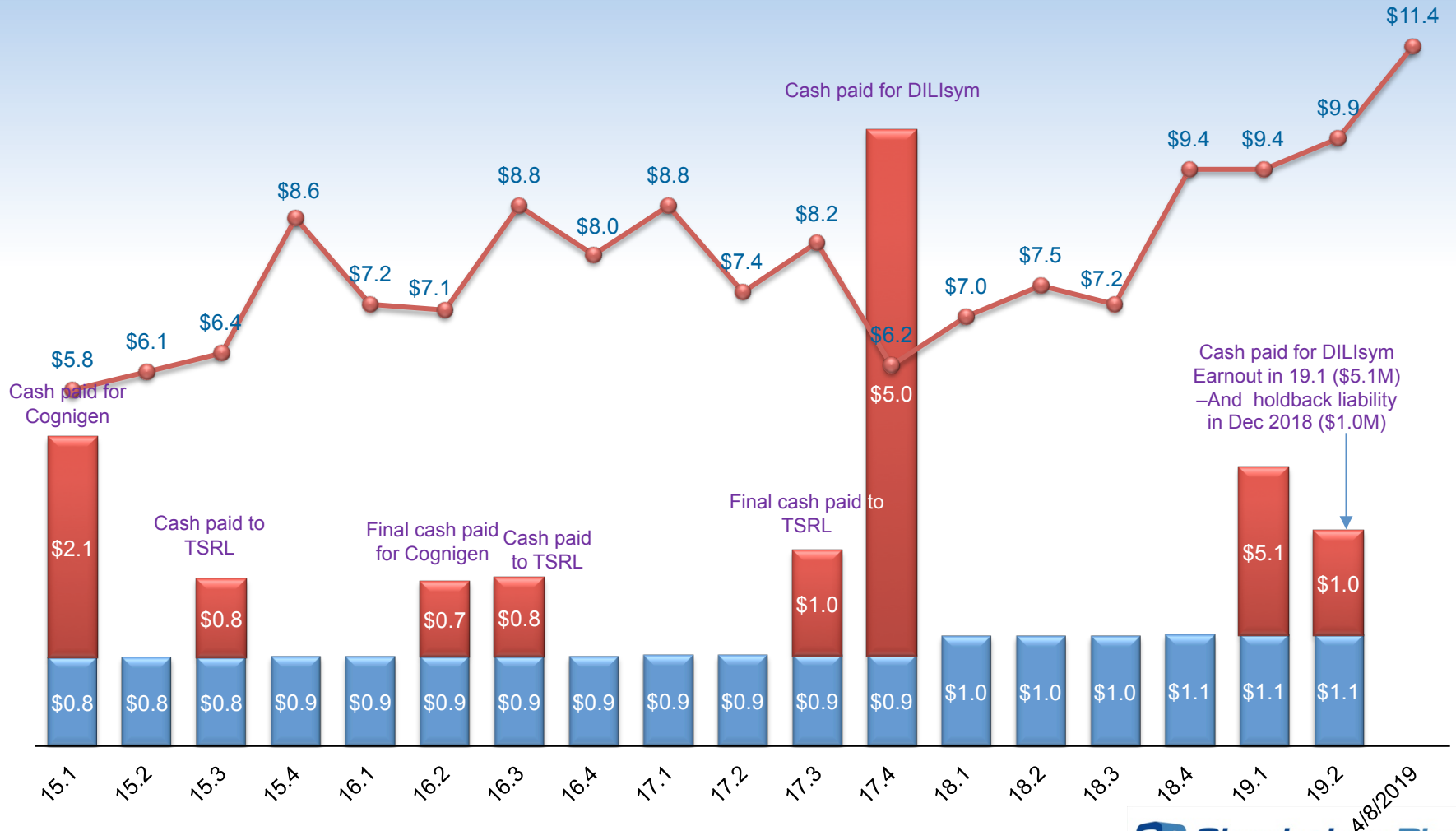|	February 28, 2019	August 31, 2018
Cash and cash equivalents	$ 9.9*	$ 9.4*
Cash per share (*in Dollars*)	$ 0.57	$ 0.54
Total current assets	18.9	17.8
Total assets	43.4	43.3
Total current liabilities	5.1	4.8
Total liabilities	9.6	11.4
Current ratio	3.68x	3.69x
Shareholders' equity	33.8	31.9
Total liabilities and shareholders' equity	43.4	43.3
Shareholders' equity per diluted share (*in Dollars*)	$1.88	$1.79

* Cash as of April 8, 2019 ~$11.4 million.

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Cash Position Remains Excellent
(in millions)
Over $30 million cash paid out over last five FYs

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* As of 2/28/2019

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- Dividend payout ratio of 46%[2]
- Quarterly dividend of $0.06 per share[1]

[1] No assurances can be made as the BOD makes its decision on a quarterly basis based on current financial condition and strategic plans
[2] Based on 8/31/17 and 8/31/18 closing prices as reported on the Nasdaq Capital Market

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Thank you for your attention…

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