SimulationsPlus

Investor Presentation

NASDAQ: SLP

Q3 FY23 Update

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. Words like “believe,” “expect” and “anticipate” mean that these are our best estimates as of this writing, but that there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain our competitive advantages, acceptance of new software and improved versions of our existing software by our customers, the general economics of the pharmaceutical industry, our ability to finance growth, our ability to continue to attract and retain highly qualified technical staff, our ability to successfully integrate the recently acquired Immunetrics business with our own, as well as expenses we may incur in connection therewith, and a sustainable market. Further information on our risk factors is contained in our quarterly and annual reports and filed with the U.S. Securities and Exchange Commission.

Mission: Improve health through innovative solutions

To create value for customers
by accelerating development timelines and reducing the cost of drug development R&D through innovative science-based software and consulting solutions that optimize treatment options and improve patient lives.

SimulationsPlus

SLP At a Glance

Leading Provider of Software and Consulting Services in the Biosimulation Market

AI-powered technology solutions optimize the outcomes of drug discovery, development, research, and regulatory submissions processes. Our software-based technology both models and simulates how drugs and diseases behave in humans and in other species.

25+ YEARS

Over 25 years in business and continuing the commitment to improve public health through innovative solutions

300+ CLIENTS

Our clients trust our expert consulting that supports drug recovery, clinical development research and regulatory submissions

18+ SOFTWARE SOLUTIONS

We provide validated AI and machine learning, modeling and simulation software for novice and expert users alike

BUSINESS OVERVIEW	PLATFORM	FINANCIAL HIGHLIGHTS FY23 Nine Months
Software ~65% Services ~35% >10 years profit / rev growth	Most comprehensive and widely recognized tools for MIDD	**$43.9M** (+4%) Total Revenue
150+ Highly Experienced Employees ~70 scientific PhDs 1,300 publications	Innovative, science-based software	**$9.4M** Net income **$0.46** DEPS
90%+ Software Fee Renewal Rate	AI-driven | Machine-learning platforms	**81%** Gross margin
Customers include leading pharma, biotech, and CPG companies, global regulatory agencies	Full scale, customizable services brings therapeutic, modeling and regulatory knowledge and resources to clients	**$15.7M** Adj EBITDA 36% Margin
	Solutions span the drug development process	**$122.4M** in Cash and Short-Term Investments No Debt

Investment Highlights

- Industry Leader in Large and Growing Market
- Biosimulation Technology Leader Leveraging AI
- Compelling Customer Value Proposition
- Strong Competitive Position and Barriers to Entry
- Attractive Financial Profile
- Seasoned Management Team and Scientific Leadership

Biosimulation Overview

Biosimulation is software-based technology that models and simulates how drugs and diseases behave in the human body

Biosimulation combines core principles in biology, chemistry and pharmacology with proprietary mathematical algorithms to predict how biology and drugs interact with one another.

- Models can start in vitro (without animal or human testing) but are developed through the development cycle incorporating animal and human test results along the way.

- Model uses include lead optimization, dose regimens, clinical trial protocol development, clinical trial simulation, bioequivalence evaluation, toxicity assessment and many more.

Drug Development Challenges | SLP Biosimulation Solution

Biosimulation increasingly gaining importance in drug development

CHALLENGES

− Drug Development is expensive and time intensive

The median cost of developing a new drug averages $1.5 to $2 billion and the timeline can range from 10-15 years.

− On average only 11% of all drug candidates are approved

SIMULATIONS PLUS SOLUTIONS

\+ **Simulations Plus** offers AI-powered technology solutions to help optimize the outcomes of the drug discovery, development, research and regulatory approval processes

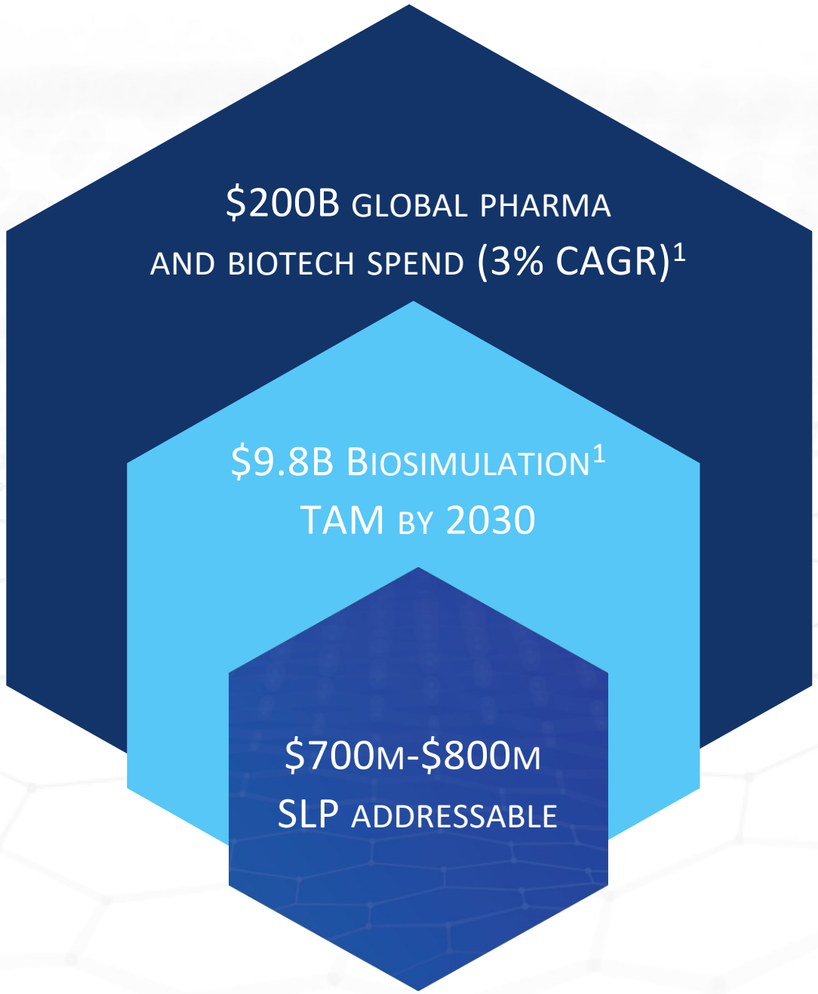
Biosimulation has helped pharmaceutical, biotech and other companies bring drugs to market faster and significantly reducing R&D spend

\+ **Simulations Plus** solutions can help increase the number of candidates approved by streamlining the drug development process, creating efficiencies that lead to drug efficacy and safety, higher regulatory approval, improved commercial success and much more

Source: Company research

Leader in Large and Growing Market

Spending for biosimulation products continues to increase given need to bring drugs to market faster



- Biosimulation market valued at $2.4B in 2021 and is expected to expand at a 16.9% CAGR from 2022 - 2030

- Strategy to grow addressable market within the Biosimulation TAM through both internal R&D investment and strategic acquisitions
  - SLP is growing faster than the Biosimulation TAM at 17.4% per year
  - Biosimulation growing at 4-5x total R&D spend

- Highly fragmented and underpenetrated market with only a few larger players
  - The global biosimulation market is segmented based on product, application, delivery model, and end users.

[1] Company research, Grandview Research

Secular Trends Driving Sustained Long-Term Growth

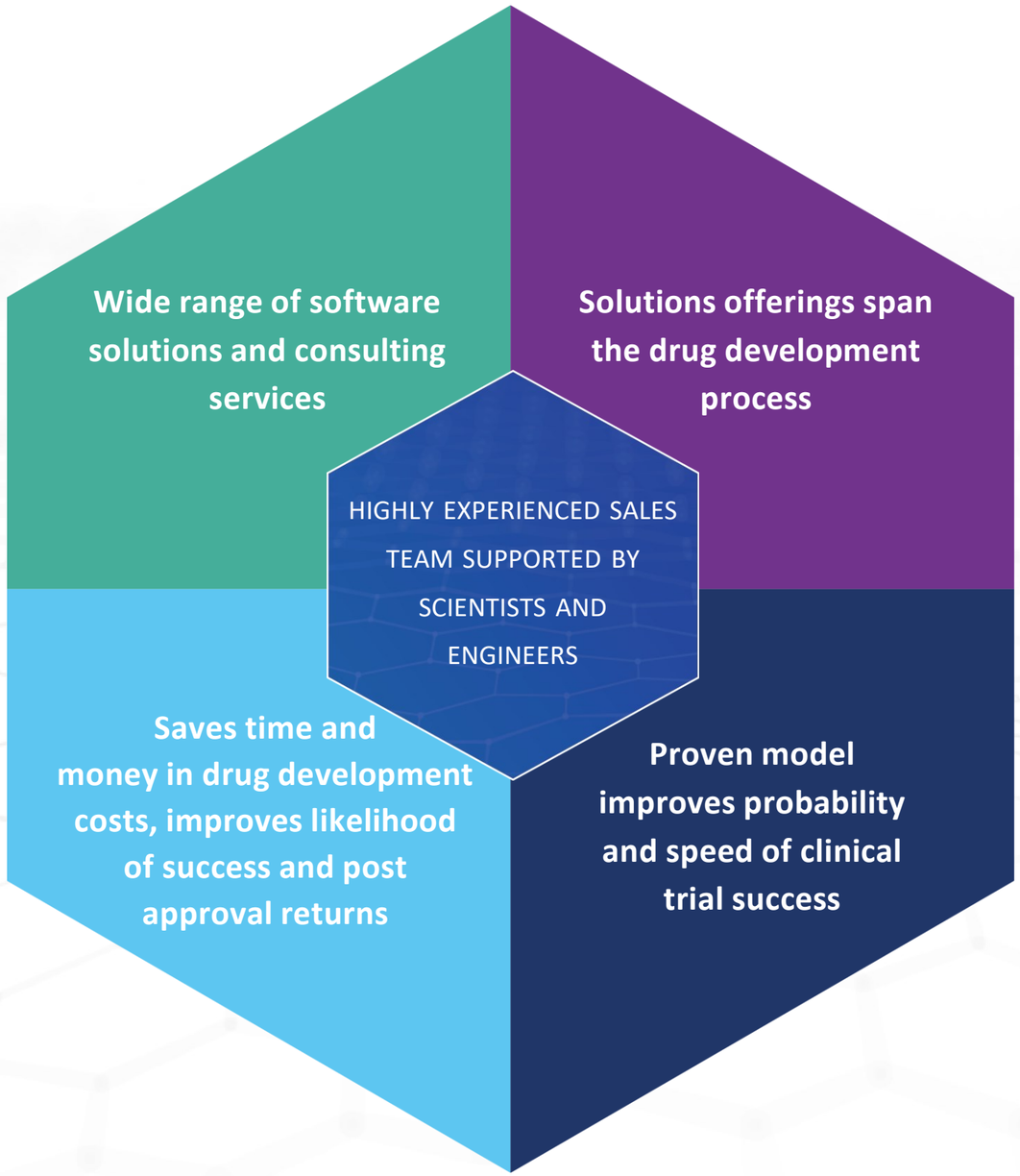
Drivers include:

- Biosimulation taking greater percentage of drug development spend annually
- Scarcity of blockbuster drug opportunities drive industry focus to smaller market targets requiring increased development efficiency
- Increased scrutiny and rising cost of animal studies and human clinical
- Increased adoption of Modeling & Simulation by regulatory agencies and decision making based on Modeling & Simulation input
- Increasing use cases for application of Modeling & Simulation methods to impact decision making

Compelling Customer Value Proposition

- GastroPlus®
- ADMET Predictor®
- MonolixSuite™ (includes Monolix, Pkanalix, Simulix)
- QSP/T Models (including DILISYM, RENASYM, IPFSYM, etc.)

- Provides operational efficiencies and leads to accurate / timely decision making and regulatory reporting



SOLUTIONS INCLUDE:

- Early drug discovery to preclinical
- Clinical data analysis
- Submission to regulatory agencies supporting product approval

- Only ~7% of proposed new drug compounds pass Phase I trials
- Only 53% of drugs that get to Phase III trials make it to market
- 70% of drugs fail in Phase II or Phase III due to safety and efficacy issues

Drug Discovery & Development

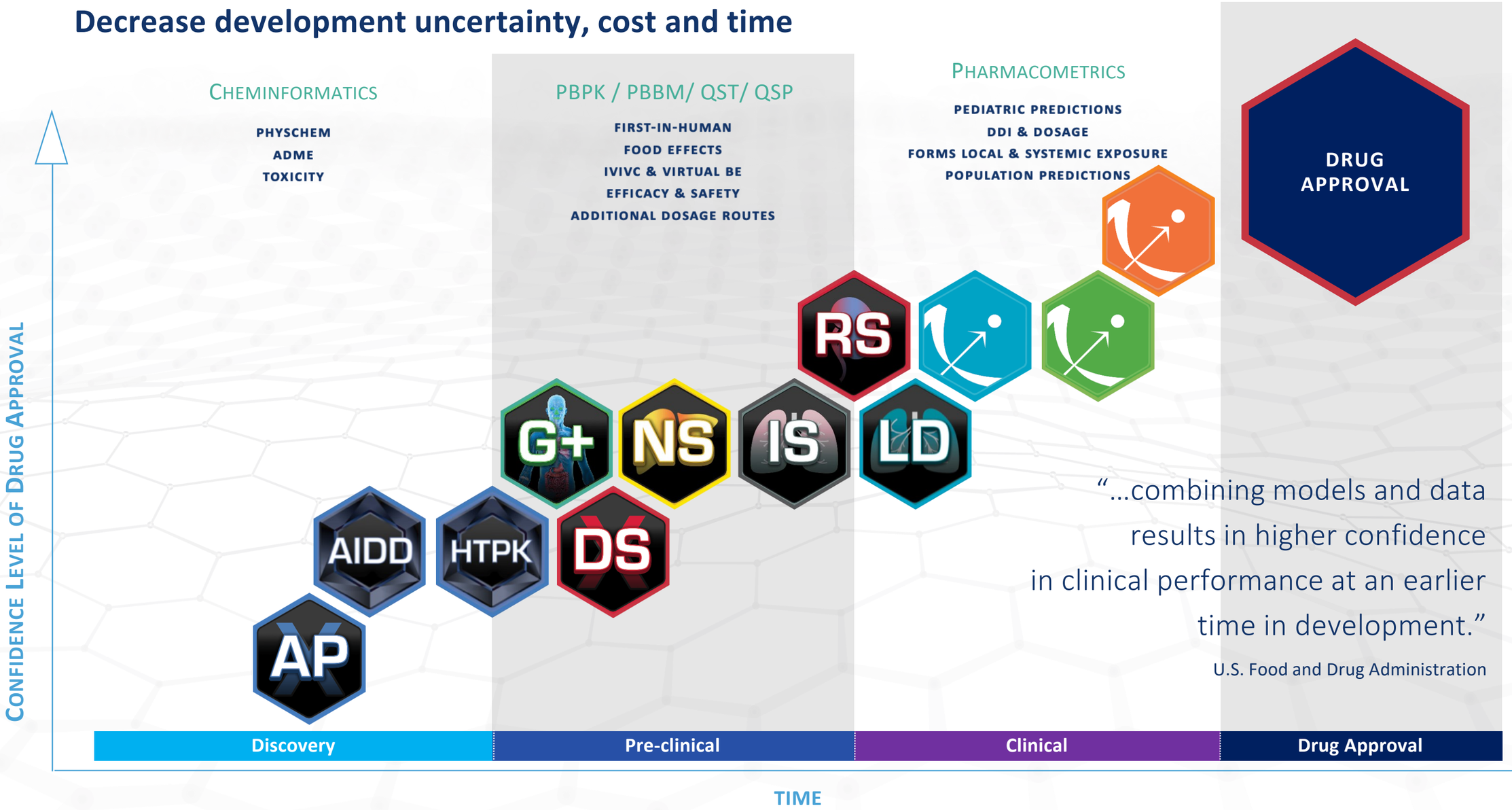
The Drug Discovery and Development Industry can be broken down into several subindustries, including:

1. TARGET DISCOVERY AND VALIDATION
2. LEAD COMPOUND IDENTIFICATION AND OPTIMIZATION
3. PRE-CLINICAL DEVELOPMENT
4. CLINICAL TRIALS
5. REGULATORY REVIEW & APPROVAL
6. COMMERCIALIZATION
7. POST-APPROVAL SURVEILLANCE AND LIFE CYCLE MANAGEMENT

Each of these subindustries represents a different stage of the drug development process and involves different tasks, such as identifying targets for drug development, synthesizing and testing compounds, conducting clinical trials, and seeking regulatory approval for marketing and sales. The subindustries within drug discovery and development are highly interdependent, with progress in one stage often impacting the progress in other stages.

Offers End-to-End Solutions Across the Development Life Cycle

Decrease development uncertainty, cost and time



"…combining models and data results in higher confidence in clinical performance at an earlier time in development."

U.S. Food and Drug Administration

Strong Competitive Position

- LEADING POSITION IN LARGE, GROWING, FRAGMENTED AND UNDERPENETRATED MARKET
- LARGE, GROWING AND DIVERSE CUSTOMER BASE
- MOST COMPREHENSIVE AND WIDELY RECOGNIZED TOOLS IN THE INDUSTRY
- 300+ CUSTOMERS
- ACCUMULATED PUBLIC AND PRIVATE DATA THAT INFORMS OUR ALGORITHMS AND MODELS

Attractive Financial Profile

Delivering Double-Digit Revenue Growth / Industry Leading Margins

	FY17	FY18	FY19	FY20	FY21	FY22	5 Yr CAGR
REVENUE $ in millions	$24.1	$29.7	$34.0	$41.6	$46.4	$53.9	**17.4%**
	FY17	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**6 Yr Avg**
GROSS MARGIN %	73.9%	73.1%	73.4%	74.4%	77.2%	79.9%	**75.3%**
EBITDA MARGIN %	43.1%	43.3%	39.1%	34.4%	31.2%	33.3%	**37.4%**

- Double-digit revenue growth
- Strong recurring revenue supported by a 90%+ Software Fee Renewal Rate
- High gross/EBITDA margins to drive strong operating leverage
- High-margin, recurring revenue over the life of the customer relationship
- Product mix skews toward higher margin software sales
- $122.4 million in cash and short-term investments to fund growth

Immunetrics Acquisition | June 2023

Increases breadth and depth of QSP expertise and range of therapeutic applications

Rationale

- Immunetrics is a M&S company focused on accelerating drug development in oncology, immunology, and autoimmune diseases
- Increases offering areas among the fastest growing therapeutics
- Strengthens the already-robust quantitative systems pharmacology (“QSP”) expertise at Simulations Plus
- QSP is a rapidly growing field of biomedical research
- Expands the range of therapeutic areas addressed by its software and services
- Increases the therapeutic areas addressed by Simulations Plus QSP models by more than 50%
- Leverages existing infrastructure by expanding therapeutic resources into largely underserved areas, including immunology and oncology

Terms

- Paid Immunetrics shareholders cash consideration of $15.5 million (includes $1.8 million hold-back)
- Two future earn-out payments in the aggregate amount of up to $8 million, based on revenue performance through December 31, 2024

Disciplined Capital Allocation Strategy

ORGANIC GROWTH INITIATIVES

- Expanding business development and sales team to meet client demand and growing adoption of biosimulation software
- Expanding local coverage of EU markets
- Supporting accelerated growth in distributor network
- New customer growth in U.S., Europe, Asia
- Expand small/mid-sized biotech client base
- Executing on key accounts and cross selling products and services
- R&D spend rate to extend technology capabilities and continuous algorithm/model improvement

DISCIPLINED ACQUISITION STRATEGY WITH HISTORY OF ACCRETIVE ACQUISITIONS

SEPTEMBER 2014	JUNE 2017	APRIL 2020	JUNE 2023
Cognigen Corp.	DILIsym Services, Inc.	Lixoft	Immunetrics

SHARE REPURCHASE PROGRAM

$50 million share repurchase program announced in January 2023

ASR completed in 3Q23 with **492,041 shares** retired at an average cost per share of **$40.65**.

DIVIDEND

Consistently paid **$0.06 per share** dividend per quarter

Seasoned Management Team and Scientific Leadership

Highly experienced management team with deep life science industry expertise, track record of growth and strong returns

Shawn O'Connor
Chief Executive Officer

Will Frederick
Chief Financial Officer

Josh Fohey
VP, Business Development

Brett Howell, Ph.D.
President, DILIsym Services

Jill Fiedler-Kelly, M.S., F.I.S.oP.
President, Cognigen

John DiBella, M.S
President, Simulations Plus

Jonathan Chauvin, Ph.D.
President, Lixoft

Dedicated to ESG

Strategic priorities that align with our mission and values and the four pillars of sustainability

ENVIRONMENT	SOCIAL	HUMAN CAPITAL	GOVERNANCE
Committed to renewable energy with our Lancaster Choice Energy Smart Choice 100% renewable energy program	Reduced exposure to humans and animals by advancing in silico simulation analyses for chemical safety assessment programs	Expand our HR team and capabilities in 2020 with special focus on training and development	Advanced growing acceptance of technology by developing collab-orations with universities, research organizations, distributors, and government agencies (FDA & NIH)
Optimized our data centers by reducing the number of physical servers in our Buffalo, NY data center from 140 units to just 60 units	Supported academic research by partnering with universities and donating free software licenses to support academic research and training	Focused on diversity and inclusion with over 39% of our employees from minority backgrounds	Created a new corporate data protection officer to standardize and advance our company-wide Data Protection & Customer Privacy framework
Implemented business recycling efforts to reduce our environmental footprint and pursue responsible business practices	Funded awards and post doctoral research to support education	Implemented a new flexible vacation policy by augmenting the 11 paid holidays for our U.S. employees with no annual limit provided employee duties and obligations are met	Strengthened our business ethics program by implementing a new unified Corporate code of Business Conduct and Ethics, thereby replacing separate policies currently in effect at our divisions

Conclusion

CONTINUED LEADERSHIP POSITION IN BIOSIMULATION MARKET

Delivering on our commitment to scientific leadership

- Internal R&D investment
- Expanding industry and regulatory partnerships
- MIDD+ – 3rd annual SLP sponsored conference

Enhancing our client facing capabilities

- Growth and maturity of business development team
- Focus on expanding our local coverage of EU market
- Focus on supporting accelerated growth in distributor network

Challenges being addressed

- Software renewal timing changes on track
- Small biotech churn
- General market dynamics: inflation, recession & forex

Focus on Capital Allocation

- ASR program has been completed
- Immunetrics acquisition completed in Q4

WELL POSITIONED TO ACHIEVE OUR FY23 GOALS

Appendix

Software Products Overview

Biosimulation Technology Leader Leveraging AI and Machine Learning

SLP software licensed to major pharma (19 of 20 largest)

GastroPlus - mechanistically based simulation software package that simulates intravenous, oral, oral cavity, ocular, inhalation, dermal, subcutaneous, and intramuscular absorption, biopharmaceutics, pharmacokinetics, and pharmacodynamics in humans and animals.

ADMET Predictor - the flagship machine learning platform for ADMET modeling with extended capabilities for data analysis, metabolism prediction, and AI-driven drug design.

DILIsym is Quantitative Systems Toxicology (QST) - software designed to be used during drug development to provide an indication of the potential drug-induced liver injury (DILI) hazard posed by individual molecules and/or to provide deeper insight into the mechanisms responsible for observed DILI responses at various stages of the development process.

MonolixSuite - built for model-informed drug development computing, MonolixSuite (including Monolix, Slmulix, Pkanalix) is a fast, easy-to-use, and powerful suite of applications for pharmacometrics analysis, modeling, and simulation. Intuitive, effective offering the most advanced calculation capabilities.

QSP/T Models

- **ILDsym** - model of interstitial lung disease (ILD) associated with systemic sclerosis (SSc).
- **RENAsym** is quantitative systems toxicology (QST) software for predicting and understand drug-induced kidney injury.

PBPK Software Solutions and AI Data

- LEAD SELECTION
- PHARMACOLOGY
- TREATMENT REGIMEN
- SAFETY
- CLINICAL EFFICACY
- ADMET DMPK

SERVICES

PBPK / PBBM

Preclinical Regulatory

Consulting

QSP/QST SolutionsMining

- LEAD SELECTION
- PHARMACOLOGY
- TREATMENT REGIMEN
- SAFETY
- CLINICAL EFFICACY
- ADMET DMPK

SERVICES

QSP Consulting

QST Consulting

Pharmacometrics Solutions

- LEAD SELECTION
- PHARMACOLOGY
- TREATMENT REGIMEN
- SAFETY
- CLINICAL EFFICACY
- ADMET DMPK

SERVICES

Pharmacometrics
Clinical Pharmacology
Clinical Regulatory
Consulting

Services Overview

Provides customers with specialized knowledge and expertise

Delivers complementary capabilities to software application solutions

- Drives greater demand for its software solutions
- Provides stable, steady revenue streams

Helps clients minimize or eliminate questions posed by regulatory reviews while decreasing cost and time to develop detailed reports

Drives operational efficiencies for customers leading to timelier and more streamlined decision-making and regulatory reporting

Covers Pharmacometrics, PBPK, QSP/T and Regulatory Strategies disciplines

Offers specialized therapeutic, modeling and regulatory knowledge

Brings specialized knowledge and expertise as part of its consulting services, helping extend customers' internal capabilities in the biosimulation modeling and the simulation space

Average contract size of approximately ~$200k

- Pharmacokinetic and Pharmacodynamic (PKPD) projects in the $100K - $300K range
- Quantitative Systems Technology (QST) and Quantitative Systems Pharmacology (QSP) platform contracts can be in the $300K - $700K range
- Customer contracts are sizable and provide steady revenue streams


SimulationsPlus