SimulationsPlus

Investor Presentation

NASDAQ: SLP

Q2 FY22 Update

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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, the following: 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 regarding the Company's risk factors is contained in the Company's quarterly and annual reports filed with the Securities and Exchange Commission.

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About Us

1996
Founded

>150
Employees

>10 yrs
Profit/rev growth

>250
Clients

>90%
Client Retention

>70
Scientific PhDs

>1300
Publications

Leading provider of **modeling** and **simulation** software and services used by major pharmaceutical, biotech, and regulatory agencies worldwide to make better model-informed data-driven decisions (MIDD).

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Investment Highlights

Leader in software and services for the drug discovery, development, and regulatory approval process

Low market penetration + share gain opportunity in large and growing market

Double-digit revenue growth with strong operating leverage

Accretive M&A Strategy

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Our Markets

$176B[3]
Annual Pharma R&D Spend

+3%[3]
Annual Growth (est.)

$2B+[4]
Biosimulation TAM (est.)

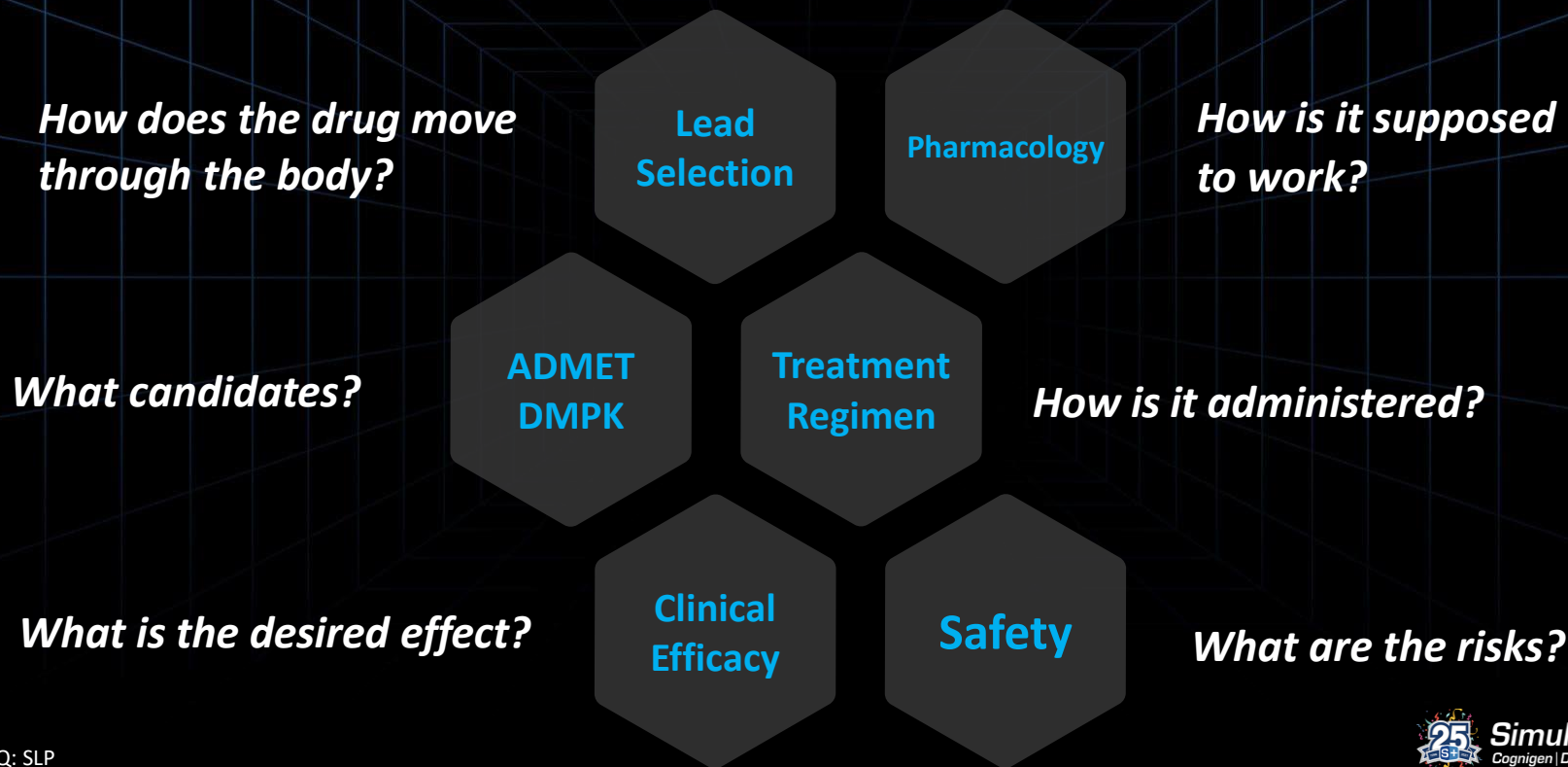**12-15%**
Annual Growth (est.)

Key Drivers

1. **Acceptance & increasing adoption of MIDD technology by industry & regulators**

2. **Pharma spend rates continue to grow with large allocation towards Biosimulation**

3. **Biosimulation growing at 4-5X total R&D spend**

SLP growing faster than Biosimulation TAM

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Drug Development Challenges

Avg. cost of $2B and 10+ years to bring a drug to market [1]

How does the drug move through the body?

Lead Selection

Pharmacology

How is it supposed to work?

What candidates?

ADMET DMPK

Treatment Regimen

How is it administered?

What is the desired effect?

Clinical Efficacy

Safety

What are the risks?

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Our Value Proposition

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

Streamlines processes & **replaces** trial & error with *in silico* decision making

Provides **accurate** models, continuously improved with **ever-growing** data sets

Optimizes efficacy and **minimizes** toxicity by efficiently identifying dosing regimens

Improves new drug candidate selection with predictive AI & ML capabilities*

Better informs clinical trial design and results analysis

Identifies potential safety liabilities earlier to **avoid** costly clinical failures

Outcomes

Patient Efficacy

Patient Safety

Regulatory Approval

Commercial Success

AI = Artificial Intelligence; ML = Machine Learning

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How We Help – Software and Services

Software

Most comprehensive & widely recognized tools for MIDD

Ongoing development & reinvestment incorporates latest science & ensures seamless UX

Services

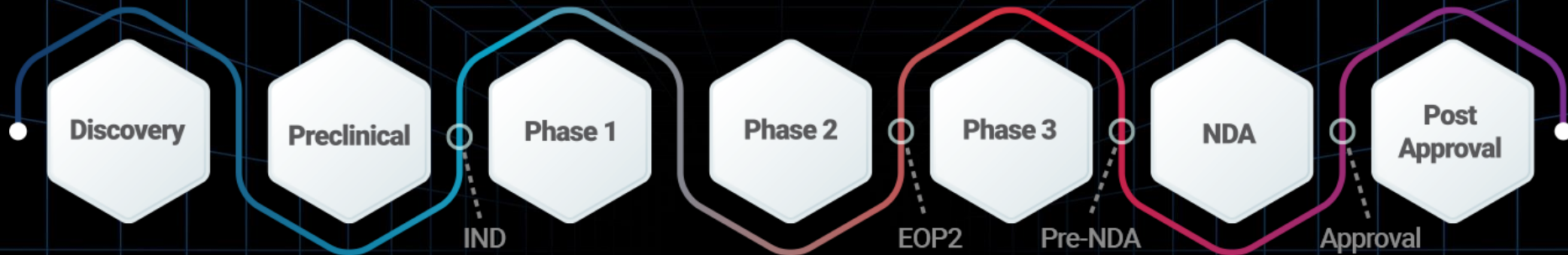Operational efficiencies that lead to accurate/timely decision making & regulatory reporting

Therapeutic, modeling, & regulatory knowledge not always present in-house

Resource flexibility for clients with insufficient internal resources or capabilities

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Solutions Span Drug Development Process

Guiding the path between M&S and pharma R&D

Discovery · Preclinical · Phase 1 · Phase 2 · Phase 3 · NDA · Post Approval

IND · EOP2 · Pre-NDA · Approval

AP ADMET Predictor· Cheminformatics AI ML

GP GastroPlus· — PBPK/PBBM

MonolixSuite· — Pharmacometrics

Other Software — QSP/QST

Consulting Services & Regulatory Interactions

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PBPK Software Solutions and AI Data Mining

Software

GastroPlus®

MembranePlus™

DDDPlus™

ADMET Predictor®
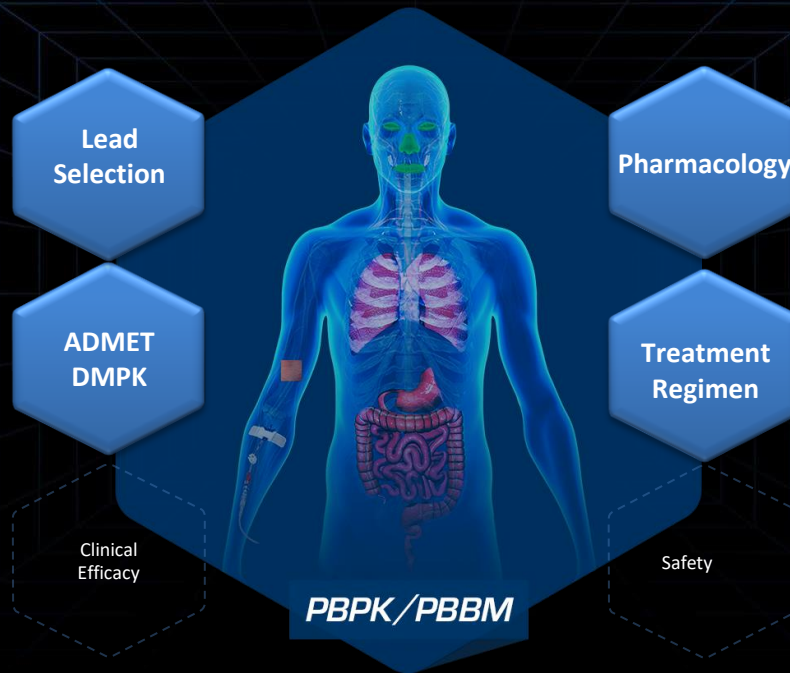
Services

PBPK/PBBM
Preclinical Regulatory
Consulting

Lead Selection

Pharmacology

ADMET DMPK

Treatment Regimen

Clinical Efficacy

Safety

PBPK/PBBM

QSP/QST Solutions

Software
DILIsym
RENAsym
NAFLDsym
IPFsym
RADAsym

Lead Selection
Pharmacology
ADMET DMPK
Treatment Regimen
Clinical Efficacy
Safety
QSP/QST

Services
QSP Consulting
QST Consulting

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Pharmacometrics Solutions

Software
Monolix™
PKPlus™
PKanalix™
Simulx™

Lead Selection

ADMET DMPK

Clinical Efficacy

Pharmacometrics

Pharmacology

Treatment Regimen

Safety
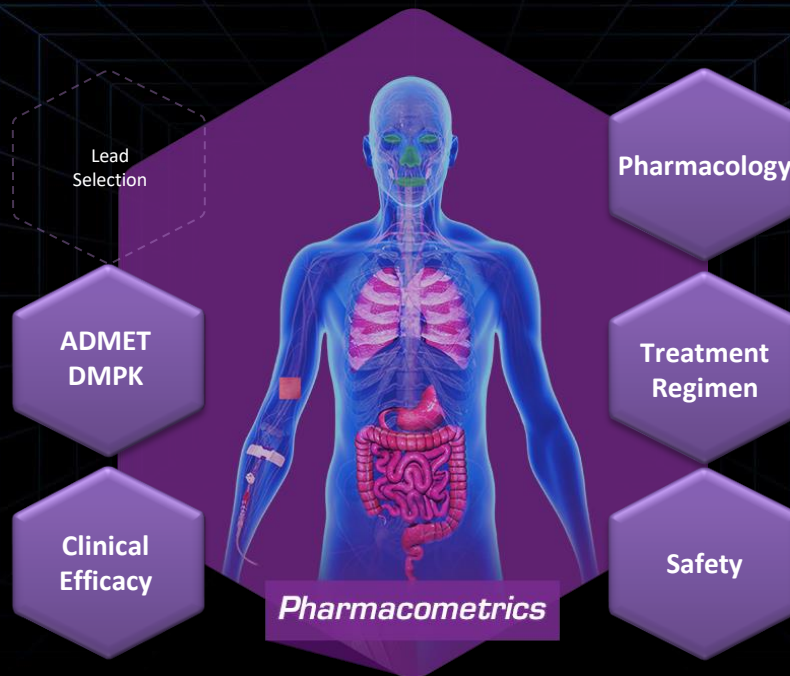
Services
Pharmacometrics
Clinical Pharmacology
Clinical Regulatory
Consulting

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Growth Opportunities & Capital Allocation

Market Growth + Regional Expansion → **Low Penetration Rates** → **Take Share** → **Consolidate Fragmented Market** → **Product Gaps, Adjacencies & Extensions** → **Substantial Runway for Growth**
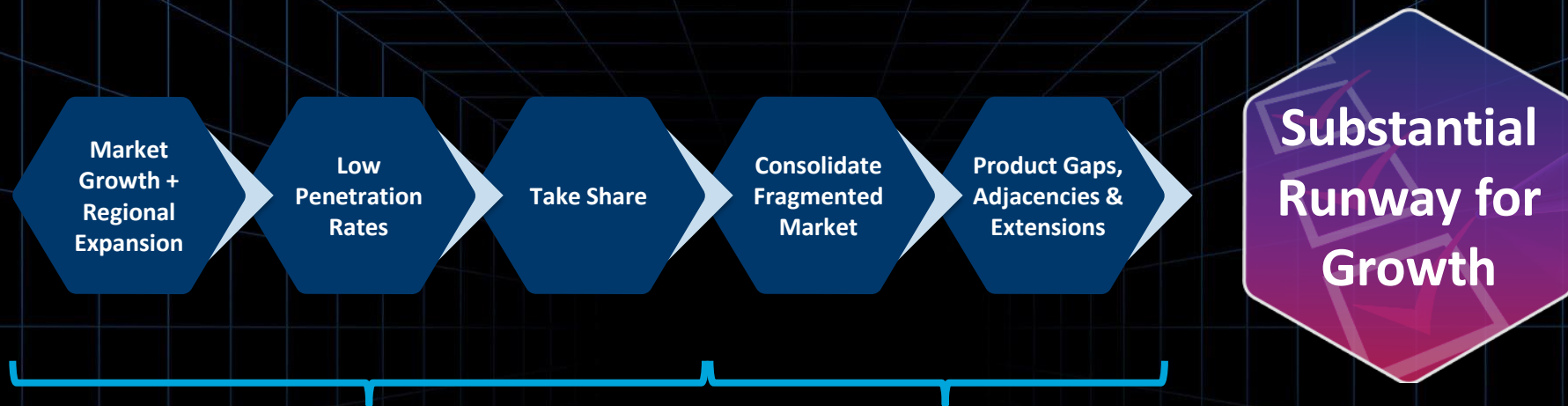
➢ **Increasing acceptance by industry & FDA**
➢ **Sales and Distribution Investment**
- Improve/expand sales infrastructure
- New customer growth in U.S., Europe, Asia
- Expand small/mid-sized biotech client base
- Product and service cross-selling

➢ **Fill gaps in the current product offerings, expand TAM**
- R&D - enhance models & develop new tools
- M&A - consolidate market, expand into adjacent markets, market extensions

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Environmental, Social, and Governance (ESG)

Strategic priorities that form the foundation of our sustainability framework and highlights

Environment	Social	Human Capital	Business Governance
COMMITTED TO RENEWABLE ENERGY with our Lancaster headquarters joining the Lancaster Choice Energy Smart Choice 100% renewable energy program	**REDUCED EXPOSURE TO HUMANS AND ANIMALS** by advancing *in silico* simulation analyses of complex compound behaviors for chemical safety assessment programs	**EXPANDED OUR HR TEAM AND CAPABILITIES IN 2020** with special focus on training and development	**ADVANCED GROWING ACCEPTANCE OF TECHNOLOGY** by developing collaborations with universities, research organizations, distributors, and government agencies such as the U.S. Food and Drug Administration (FDA) and National Institutes of Health (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

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Financials

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Q2 FY22 Highlights

+13%
Revenue Growth

96%
Software Renewal Rates

+40%
Diluted EPS Growth

+50%
Services Backlog Growth

48%
Adj. EBITDA Margin*

➢ **Strong momentum to begin year**

> ➢ Continued strong double-digit software performance
> ➢ Service services backlog growth

➢ **Demonstrated scientific leadership**

> ➢ New software releases
> ➢ Key pharma and regulatory collaborations

➢ **Results in-line with guidance**

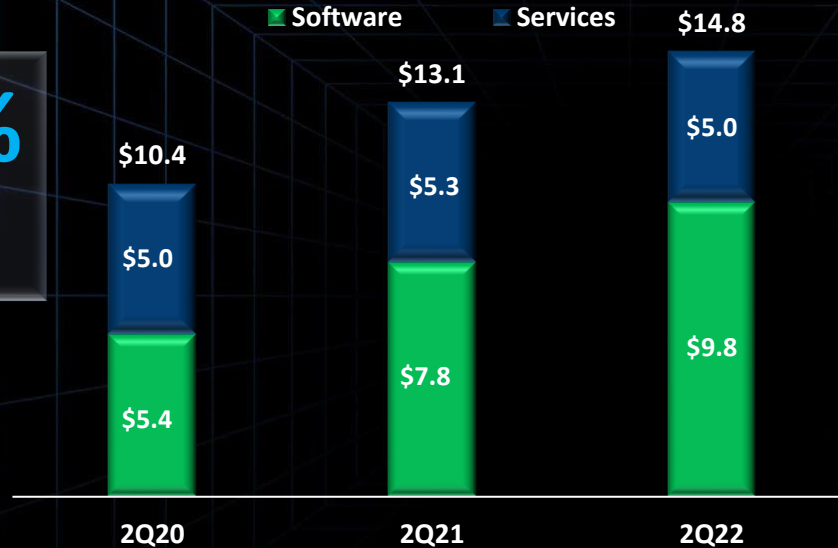*** See reconciliation at end of presentation**

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Q2 FY22 Revenue
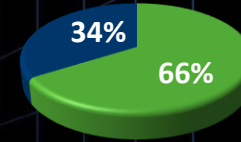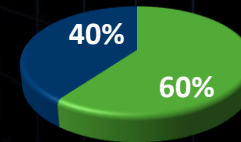## (in millions)

+13%
Total Revenue Growth

Software ■ Services

	2Q20	2Q21	2Q22
Total	$10.4	$13.1	$14.8
Services	$5.0	$5.3	$5.0
Software	$5.4	$7.8	$9.8

2Q22 Mix
34% / 66%
■ Software ■ Services

2Q21 Mix
40% / 60%
■ Software ■ Services

+25%
Software Revenue Growth

-5%
Services Revenue Growth

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Q2 FY22 Revenue Breakdown

Software Mix

GP	56%
	23%
AP	14%
Other	7%

Services Mix

PKPD	44%
QSP/QST	30%
PBPK	19%
Other	7%

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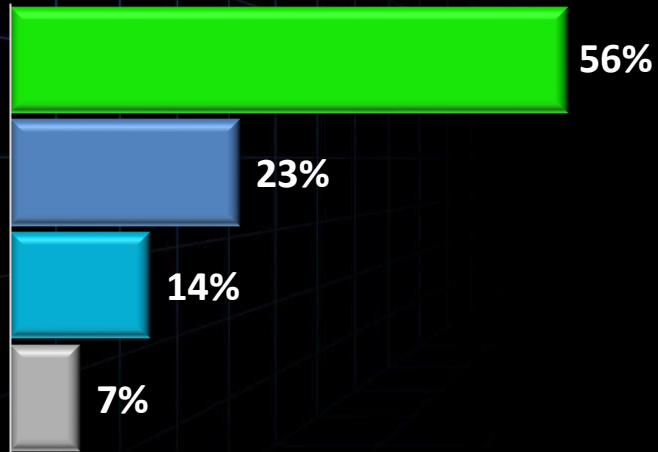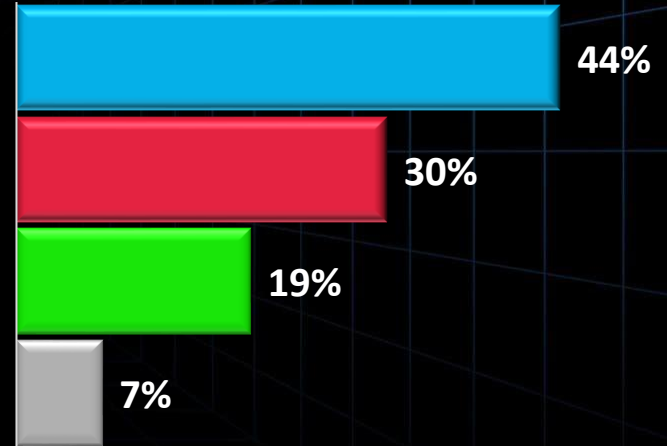
Q2 FY22 Services Performance Metrics

Total Projects

Backlog

Total Projects:
- 2Q20: 117 (PKPD 53, QSP/QST 27, PBPK 37)
- 2Q21: 139 (PKPD 73, QSP/QST 19, PBPK 47)
- 2Q22: 201 (PKPD 63, QSP/QST 25, PBPK 82, Other 31)

Legend: PKPD, QSP/QST, PBPK, Other

Backlog (in millions):
- 2Q20: $13
- 2Q21: $11
- 2Q22: $17

Legend: Backlog (in millions)

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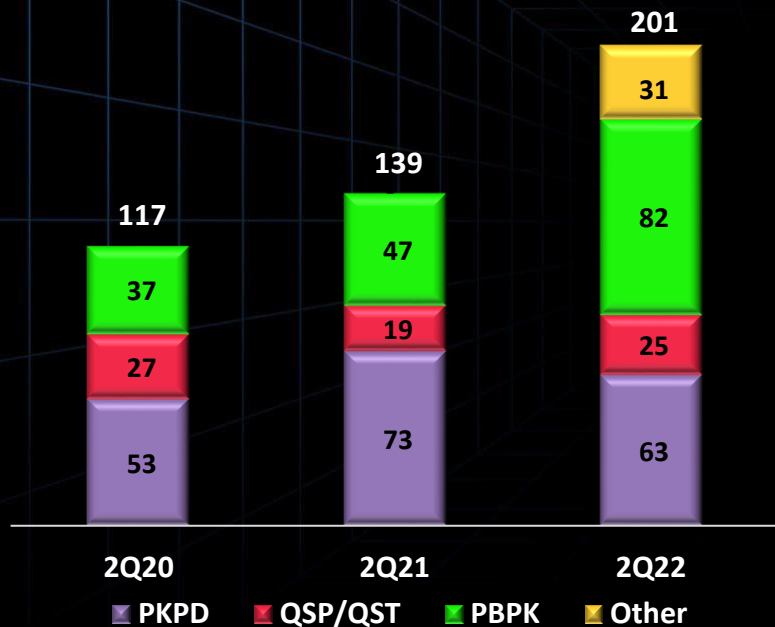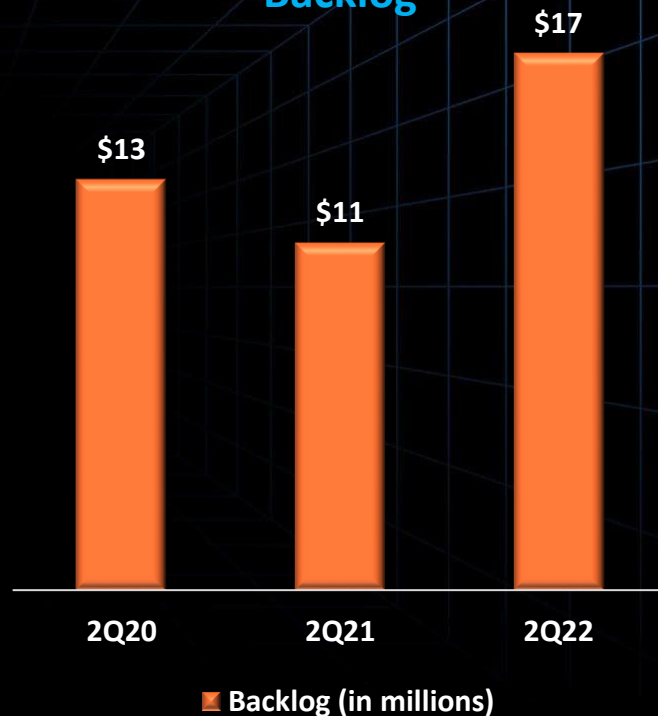
Summary

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Thank you!

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Learn More! www.simulations-plus.com

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2. Brochure: "Biopharmaceutical Research & Development: The Process Behind New Medicines". PhRMA.

3. EvaluatePharma® World Preview 2017, Outlook to 2022, 10th Edition, June 2017, p. 19.

4. Biosimulation Market Size, Share & Trends Analysis Report By Product (Software, Services), By Application (Drug Development, Drug Discovery), By End Use, By Region, And Segment Forecasts, 2021 - 2028

Adjusted EBITDA Reconciliation

SIMULATIONS PLUS, INC.
Reconciliation of Adjusted EBITDA to Net Income
(Unaudited)

| (in millions) | 2021 | | | | 2022 | | 2021 | 2022 |
	Q1	Q2	Q3	Q4	Q1	Q2	Fiscal Year	Fiscal YTD
Net Income	$ 2.5	$ 3.2	$ 3.8	$ 0.3	$ 3.0	$ 4.4	$ 9.8	$ 7.4
Excluding:								
Interest income and expense, net	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.1)
Provision for income taxes	0.5	0.2	0.7	(0.1)	0.8	1.1	1.3	2.0
Depreciation and amortization	0.9	0.9	0.9	1.0	0.8	1.0	3.6	1.8
Stock-based compensation	0.5	0.7	0.6	0.6	0.6	0.7	2.4	1.3
Adjusted EBITDA	$ 4.3	$ 5.0	$ 5.9	$ 1.7	$ 5.3	$ 7.2	$ 16.9	$ 12.4

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