



accelerating medicines

First Quarter 2022
Financial Results

May 5, 2022

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Numerical figures in the presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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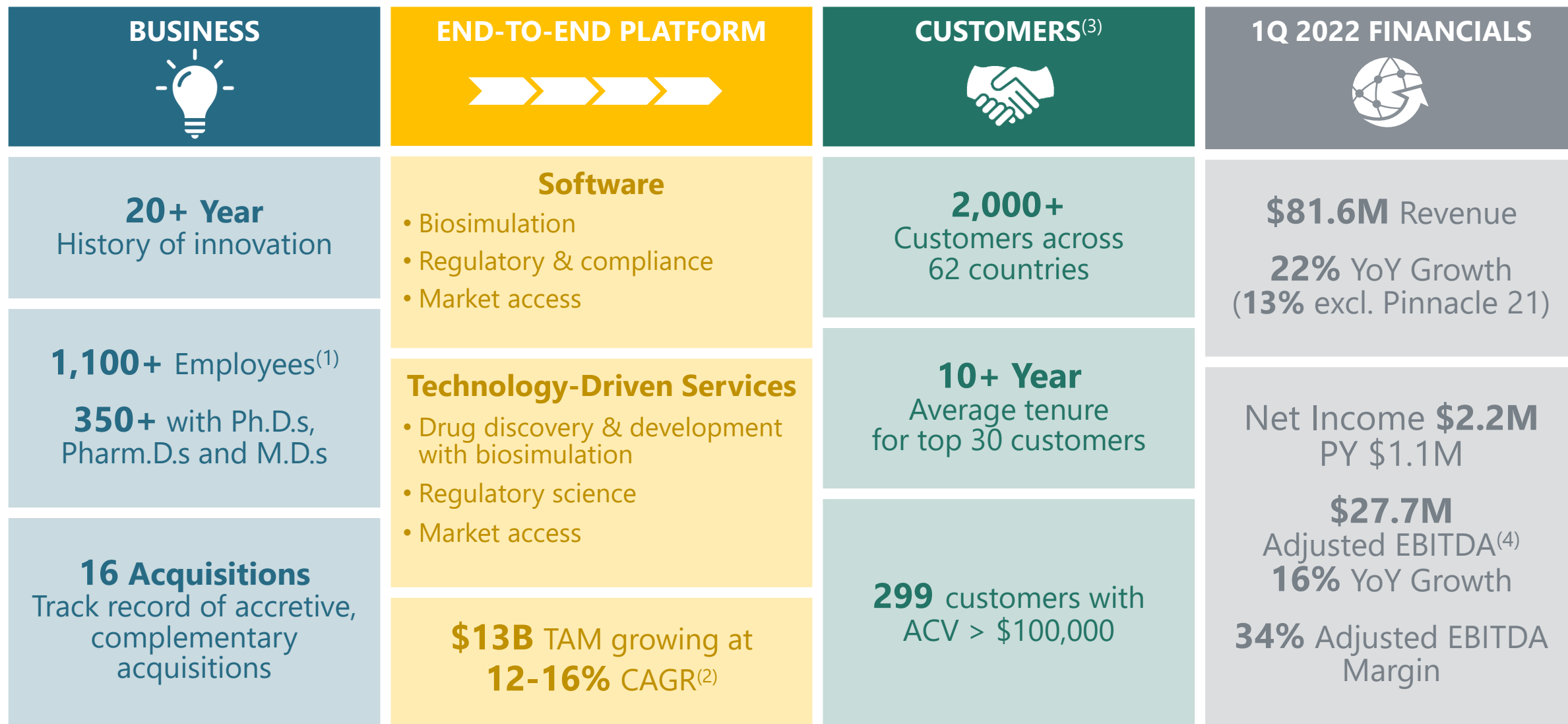
Non-GAAP Financial Information

This presentation contains “non-GAAP measures” that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”). Specifically, we make use of the non-GAAP financial measures adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted diluted EPS, which are not recognized terms under GAAP and should not be considered as alternatives to net income (loss) and GAAP EPS as measures of financial performance or cash provided by operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. The presentation of this measure has limitations as an analytical tool and should not be considered in isolation, or as a substitute for our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company.

Adjusted EBITDA represents net income (loss) excluding interest expense, provision (benefit) for income taxes, depreciation and amortization expense, intangible asset amortization, equity-based compensation expense, acquisition and integration expense and other items not indicative of our ongoing operating performance. Adjusted EBITDA margin represents adjusted EBITDA divided by revenue. Adjusted net income and adjusted diluted EPS exclude the effect of the same items noted above with respect to adjusted EBITDA from GAAP net income (loss) and GAAP EPS, respectively, as well as adjust the provision for income taxes for such charges. You should refer to the appendix at the end of this document for a reconciliation of these non-GAAP measures in specific periods to their most directly comparable financial measures calculated and presented in accordance with GAAP for those periods.

Management uses various financial metrics, including total revenues, income from operations, net income, and certain non-GAAP measures, including those discussed above, to measure and assess the performance of the Company’s business, to evaluate the effectiveness of its business strategies, to make budgeting decisions, to make certain compensation decisions, and to compare the Company’s performance against that of other peer companies using similar measures. In addition, management believes these metrics provide useful measures for period-to-period comparisons of the Company’s business, as they remove the effect of certain non-cash expenses and other items not indicative of its ongoing operating performance. Management believes that these metrics are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical periods. In addition, these measures are frequently used by analysts, investors, and other interested parties to evaluate and assess performance. In evaluating adjusted EBITDA, adjusted net income, and adjusted diluted EPS, you should be aware that in the future the Company may incur expenses similar to those eliminated in this presentation and this presentation should not be construed as an inference that future results will be unaffected by unusual items.

Certara at a Glance



(1) As of 12/31/2021

(2) Market research reports from Grand View and SpendEdge

(3) Customer data as of 12/31/2021

(4) See Appendix for reconciliation tables

Financial Highlights

First Quarter 2022

Revenue
\$81.6M

Net Income
\$2.2M

Adj. EBITDA
\$27.7M

Diluted EPS
\$0.01

Adjusted
Diluted EPS
\$0.11

YoY
Change **22%**

PY **\$1.1M**

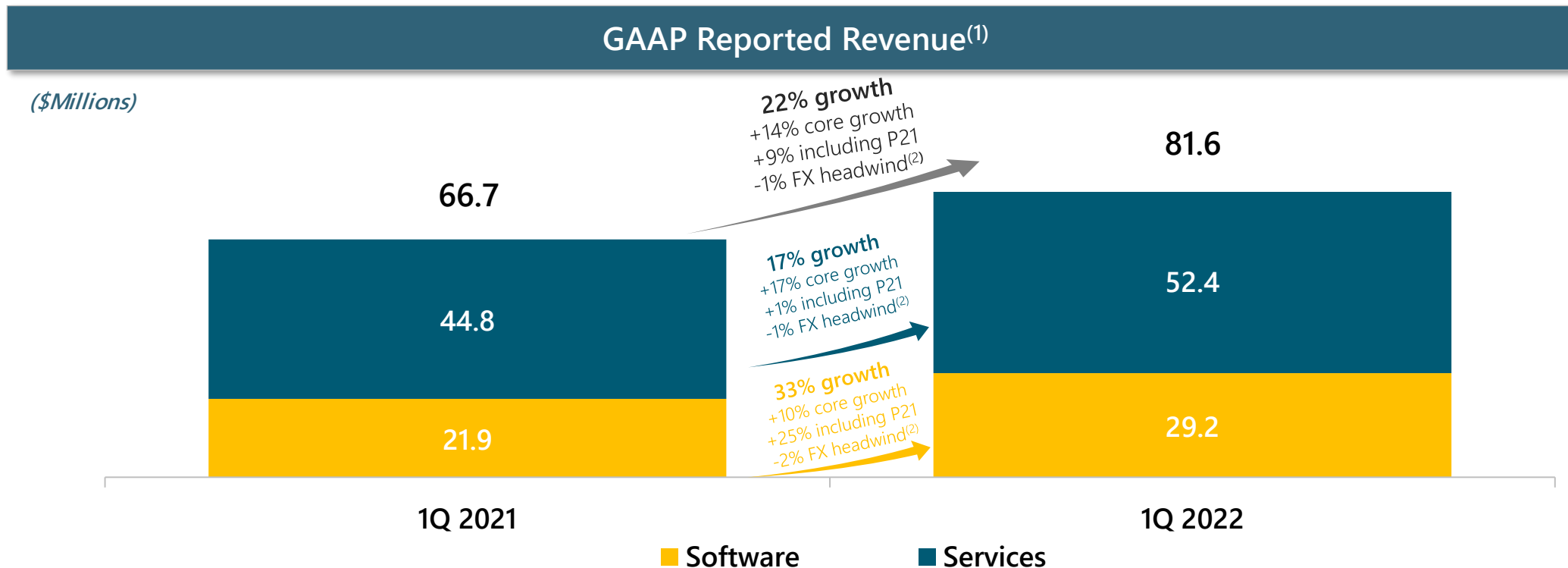
16%

PY **\$0.01**

PY **\$0.10**

See Appendix for reconciliation tables
2022 financials include contribution of Pinnacle 21

1Q 2022 Results - Revenue

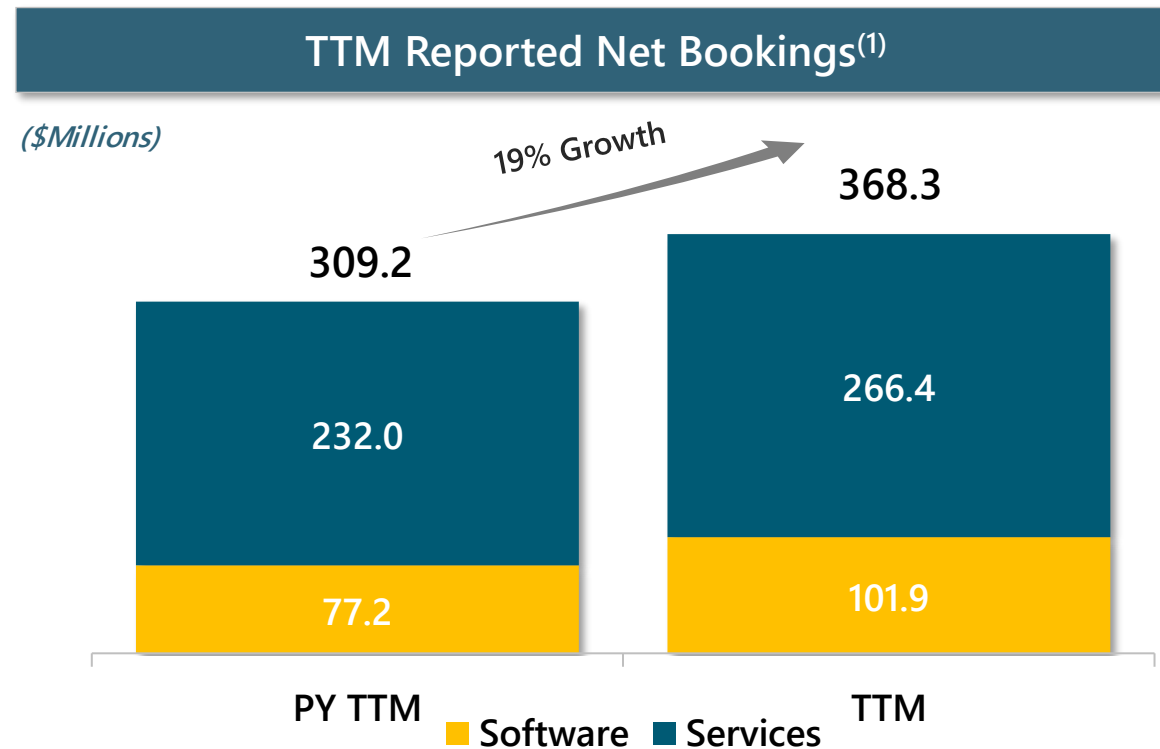
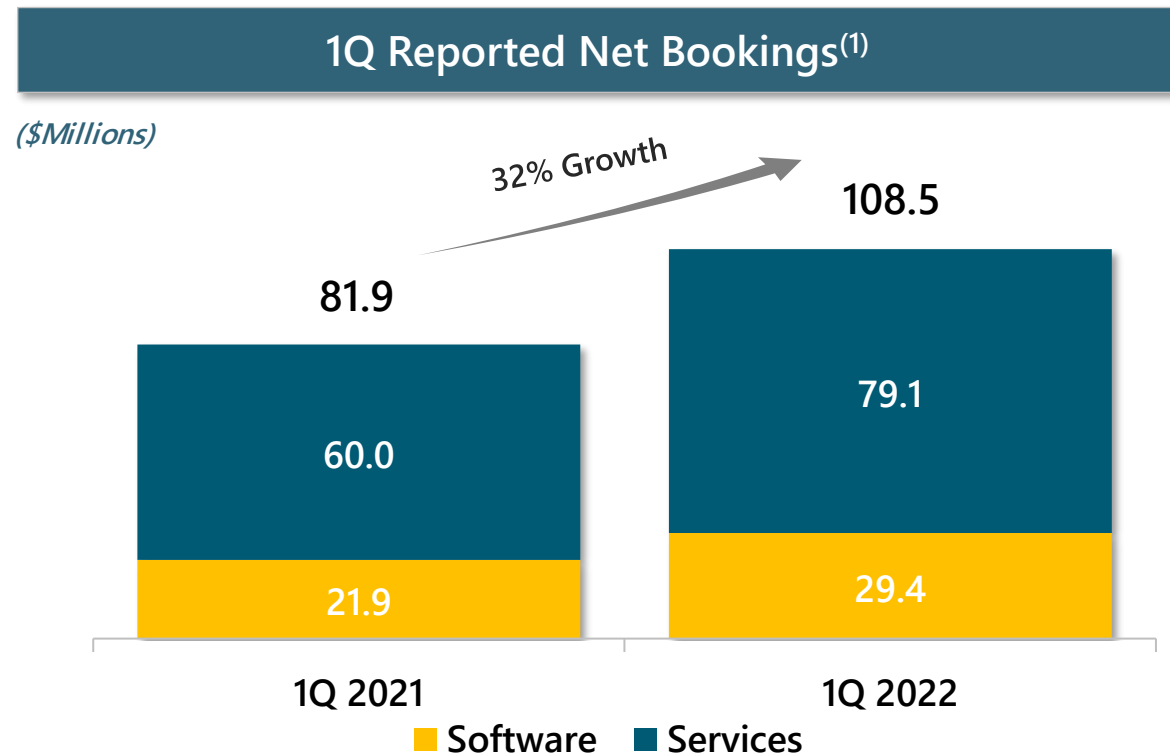


Certara delivered strong revenue growth in the first quarter 2022

(1) Includes Pinnacle 21 contribution

(2) FX impact is only related to Certara revenue excluding Pinnacle 21

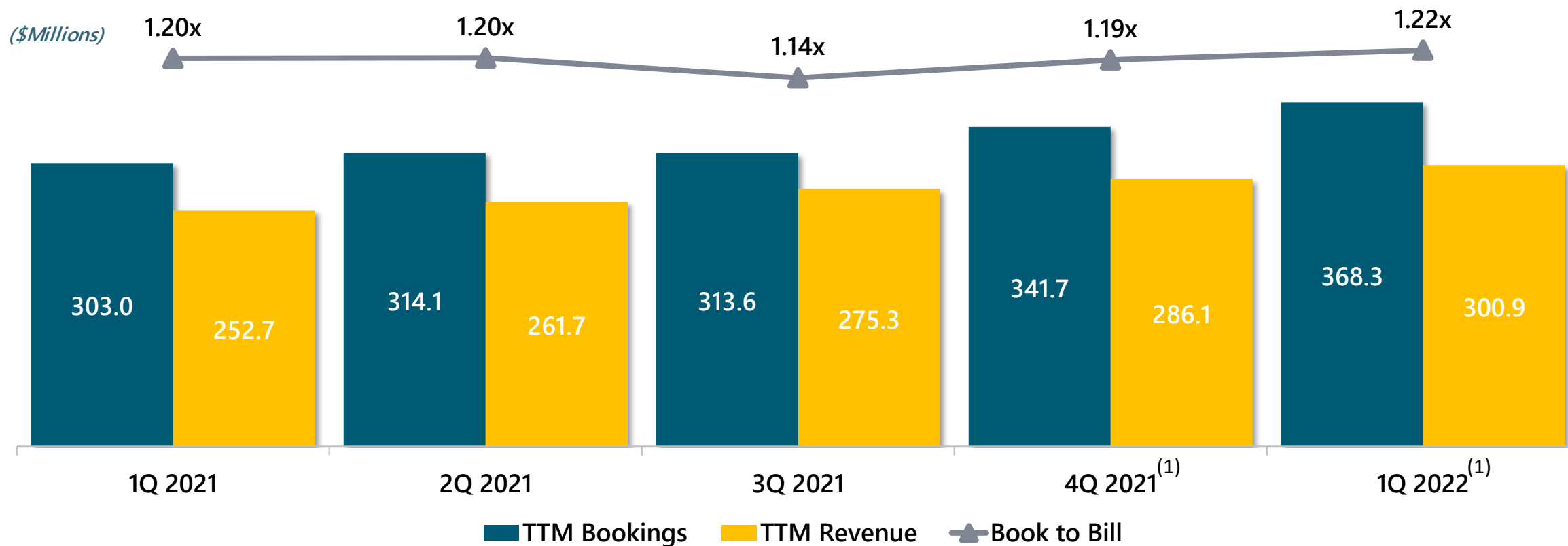
1Q and TTM 2022 Results - Net Bookings



Trailing twelve months bookings are highly correlated with revenue and drive strong visibility

(1) Includes Pinnacle 21 contribution

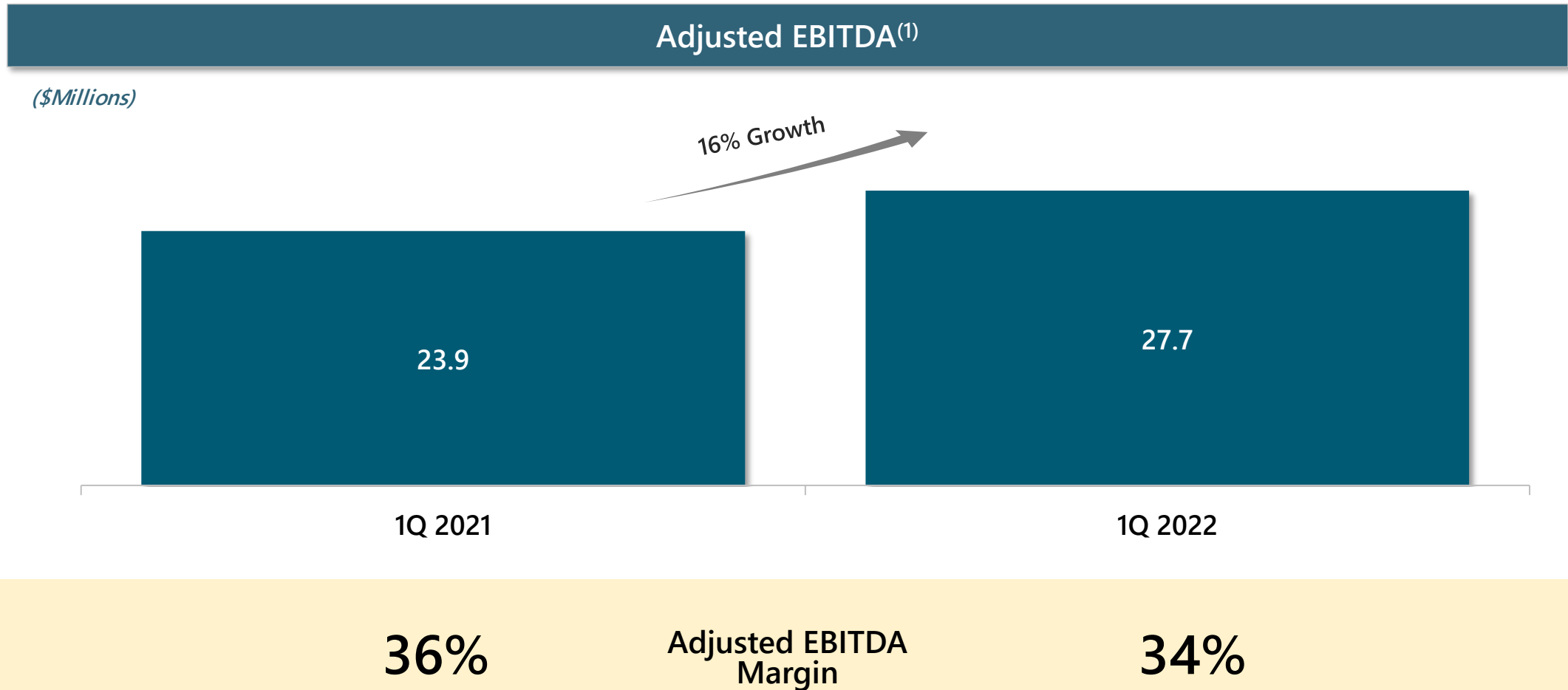
Historical TTM Book to Bill



Stable book to bill provides forward visibility into revenue growth

(1) Includes Pinnacle 21 contribution

1Q Results – Adjusted EBITDA



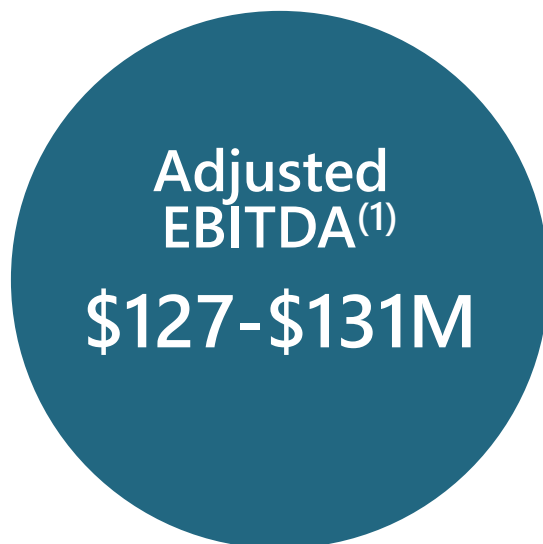
(1) See Appendix for a reconciliation net income (loss) to adjusted EBITDA

2022 Outlook

Certara Reiterates 2022 Guidance



22-26%
YoY growth



36%
EBITDA Margin



Key Assumptions 2022 Guidance

- Revenue growth excluding Pinnacle 21 expected to be **15-18%**
- Fully diluted shares expected to be in the range of **159-161M**
- GAAP tax rate expected to be in the range of **40-45%**
- Cash tax rate expected to be **20-25%**

This financial guidance is provided as of May 5, 2022, and its inclusion in this presentation should not be construed as continued affirmation of such guidance beyond that date.

(1) We have not reconciled the adjusted EBITDA and adjusted diluted EPS forward-looking guidance above to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to costs related to acquisitions, financings, and employee stock compensation programs, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

(2) The Company is planning to revise the calculation of adjusted diluted eps to exclude amortization expense related to M&A.

Environmental, Social, and Governance (ESG)



Certara Inaugural ESG Report

Launched April 2022

- **Accelerating crucial medicines to patients**
- **Advancing scientific thought leadership and knowledge sharing**
- **Increasing engagement with employees**

\$28.1M

2021 R&D SPEND
(10% OF REVENUE)

10

NEW PRODUCTS AND
PRODUCT UPDATES IN 2021

1,200+

DRUG PROGRAMS ADVANCED
IN 2021

250+

REGULATORY SUBMISSIONS
IN THE PAST 4 YEARS

IN THE
top 25%

IN ENGAGEMENT EMPLOYEE
NET PROMOTER SCORE AMONG
LIFE SCIENCE COMPANIES IN 2021

150+

SCIENTIFIC PUBLICATIONS, POSTERS
AND PRESENTATIONS IN 2021

3,000+

SCIENTISTS TRAINED IN
OUR SOFTWARE IN 2021

GENDER AND ETHNICALLY DIVERSE REPRESENTATION

GLOBAL FEMALE TALENT REPRESENTATION



	FY20	FY21
FEMALE EMPLOYEES	52%	54%
FEMALE MANAGERS AND ABOVE	46%	48%
FEMALE NEW EMPLOYEE HIRES	55%	60%

U.S. ETHNICALLY DIVERSE TALENT REPRESENTATION



	FY20	FY21
ETHNICALLY DIVERSE	27%	28%
ETHNICALLY DIVERSE MANAGERS AND ABOVE	22%	22%
ETHNICALLY DIVERSE NEW EMPLOYEE HIRES	34%	35%

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Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA

	THREE MONTHS ENDED MARCH 31	
	2022	2021
	(in thousands)	
Net income ^(a)	\$ 2,210	\$ 1,052
Interest expense ^(a)	3,228	3,928
Interest income ^(a)	(11)	(70)
Provision for income taxes ^(a)	1,536	527
Depreciation and amortization expense ^(a)	482	602
Intangible asset amortization ^(a)	12,450	10,102
Currency (gain) loss ^(a)	(705)	191
Equity-based compensation expense ^(b)	7,513	5,151
Acquisition-related expenses ^(d)	272	1,596
Transaction-related expenses ^(e)	17	685
Loss on disposal of fixed assets ^(f)	5	—
First-year Sarbanes-Oxley implementation costs ^(g)	653	107
Adjusted EBITDA	<u>\$ 27,650</u>	<u>\$ 23,871</u>

Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss)

	THREE MONTHS ENDED MARCH 31	
	2022	2021
	(in thousands)	
Net income ^(a)	\$ 2,210	\$ 1,052
Currency gain (loss) ^(a)	(705)	191
Equity-based compensation expense ^(b)	7,513	5,151
Amortization of acquisition-related intangible assets ^(c)	10,880	8,428
Acquisition-related expenses ^(d)	272	1,596
Transaction-related expenses ^(e)	17	685
Loss on disposal of fixed assets ^(f)	5	—
First-year Sarbanes-Oxley implementation costs ^(g)	653	107
Income tax expense impact of adjustments ^(h)	(3,916)	(2,786)
Adjusted Net Income	<u>\$ 16,929</u>	<u>\$ 14,424</u>

Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

	THREE MONTHS ENDED MARCH 31	
	2022	2021
Net income ^(a)	\$ 0.01	\$ 0.01
Currency gain (loss) ^(a)	—	—
Equity-based compensation expense ^(b)	0.05	0.03
Amortization of acquisition-related intangible assets ^(c)	0.07	0.06
Acquisition-related expenses ^(d)	—	0.01
Transaction-related expenses ^(e)	—	—
Loss on disposal of fixed assets ^(f)	—	—
First-year Sarbanes-Oxley implementation costs ^(g)	—	—
Income tax expense impact of adjustments ^(h)	(0.02)	(0.02)
Adjusted Diluted Earnings Per Share	\$ 0.11	\$ 0.09
Diluted weighted average common shares outstanding	155,936,953	147,160,084
Effect of potentially dilutive shares outstanding ⁽ⁱ⁾	3,223,368	4,924,661
Diluted weighted average common shares outstanding	<u>159,160,321</u>	<u>152,084,745</u>

Notes to Reconciliations

- (a) Represents amounts as determined under GAAP.
- (b) Represents expense related to equity-based compensation. Equity-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy.
- (c) Represents amortization costs associated with acquired intangible assets in connection with business acquisitions.
- (d) Represents costs associated with mergers and acquisitions and any retention bonuses pursuant to the acquisitions.
- (e) Represents costs associated with our public offerings that are not capitalized.
- (f) Represents the gain/loss related to disposal of fixed assets.
- (g) Represents the first-year Sarbanes-Oxley costs for accounting and consulting fees related to the Company's preparation to comply with Section 404 of the Sarbanes-Oxley Act in 2021.
- (h) Represents the income tax effect of the non-GAAP adjustments calculated using the applicable statutory rate by jurisdiction.
- (i) Represents potentially dilutive shares that were excluded from the Company's GAAP diluted weighted average common shares outstanding because the Company had a reported net loss and therefore including these shares would have been anti-dilutive.