



Accelerating Medicines

First Quarter 2021 Financial Results

May 6, 2021

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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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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.

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: A Global Leader in Biosimulation

Business



20+ Year
History of innovation

~900 Employees
~300 with PhDs,
PharmDs and MDs

13 Acquisitions⁽³⁾
Track record of accretive
and complementary
transactions

End-to-End Platform



Software

- Biosimulation
- Regulatory Submissions
- Value Communication

Tech-Enabled Services

- Drug Discovery & Development with Biosimulation
- Regulatory Science
- Market Access

\$11.6B+ TAM growing at
12-15% CAGR¹

Customers



1,650+
Customers across
61 countries

10+ Year
Average tenure
for top 30 customers

261 customers with ACV
> \$100,000
53 customers with ACV
> \$1M

First Quarter Financials



\$66.7mm
1Q 2021 Revenue
16% YoY Growth

\$23.9mm
1Q 2021 Adjusted EBITDA⁽²⁾
36% Adjusted EBITDA
Margin

Data as of 12/31/2020 unless otherwise noted

(1) Market research reports from GrandView and SpendEdge

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

(3) Includes Author! as of March 2021

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1Q 2021 Highlights

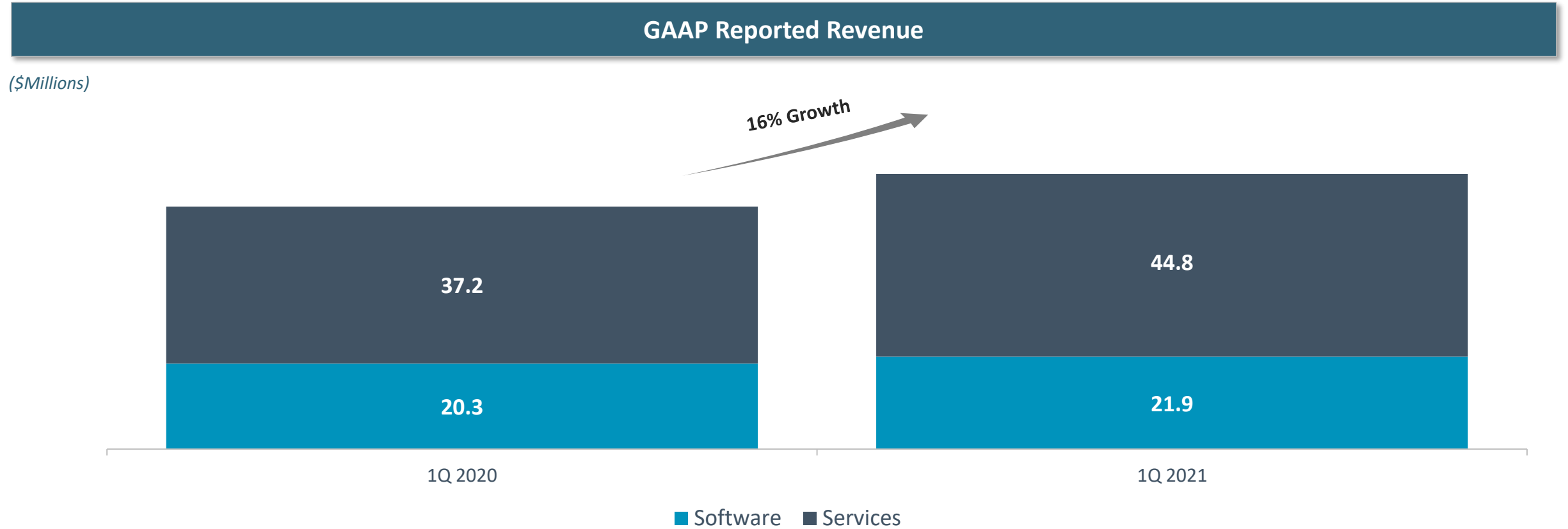
- Revenue was \$66.7mm in 1Q 2021, representing year-over-year growth of 16%
- Reported net income was \$1.1mm in 1Q 2021, as compared to \$1.0mm in 1Q 2020
- Adjusted EBITDA⁽¹⁾ was \$23.9mm in 1Q 2021, representing year-over-year growth of 20%

Key Financials

	Three Months Ended March 31,	
	2021	2020
<i>(in millions, except per share data)</i>		
Revenue	\$66.7	\$57.4
Net Income (Loss)	\$1.1	\$1.0
Diluted Earnings Per Share	\$0.01	\$0.01
Adjusted EBITDA ⁽¹⁾	\$23.9	\$19.9
Adjusted Net Income (Loss) ⁽¹⁾	\$9.4	\$2.1
Adjusted Diluted Earnings Per Share ⁽¹⁾	\$0.06	\$0.02
Cash and Cash Equivalents	\$273.0	\$271.4

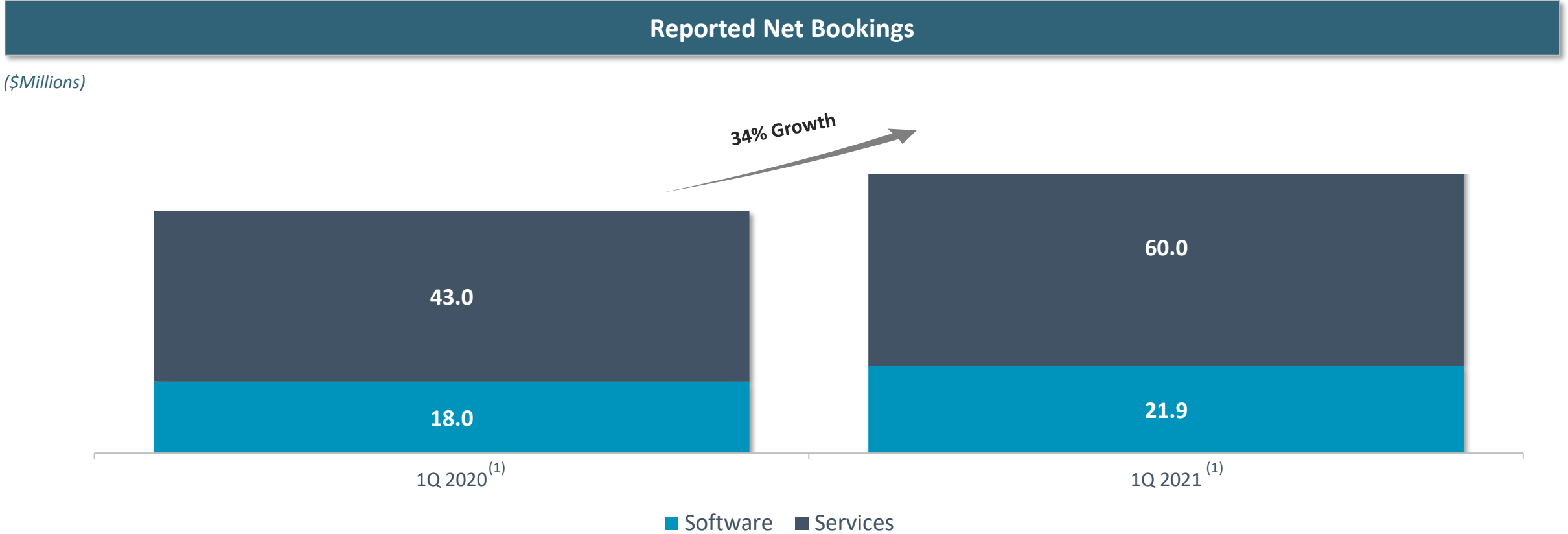
(1) See Appendix for a reconciliation net income (loss) to adjusted EBITDA and reconciliation of net income (loss) to adjusted net income and diluted income per share to adjusted EPS

1Q 2021 Results - Revenue



The Certara team remained focused on execution in 1Q 2021, delivering strong revenue growth

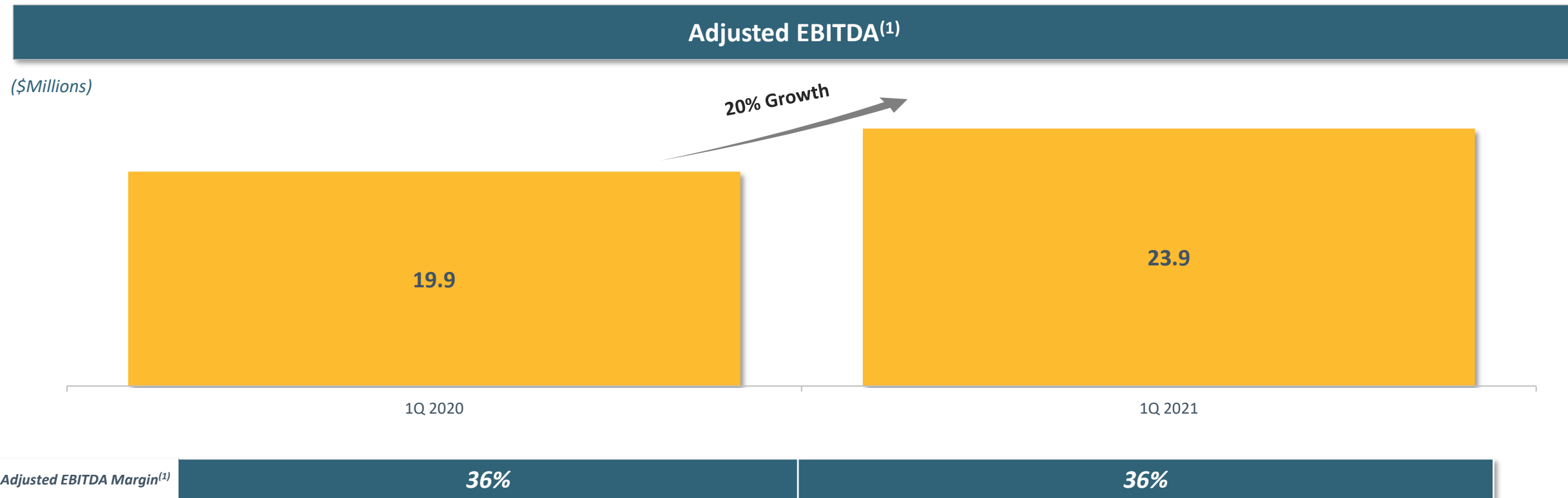
1Q 2021 Results - Net Bookings



Bookings are highly correlated with revenue and drive strong visibility

(1) Includes software and software implementation and deployment services related to service segment bookings.

1Q 2021 Results – Adjusted EBITDA

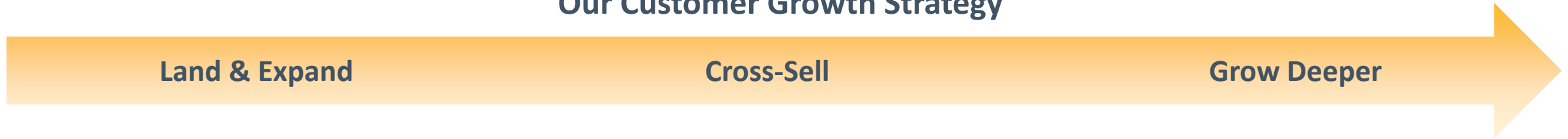


Certara delivered consistent profitability on a year-over-year basis

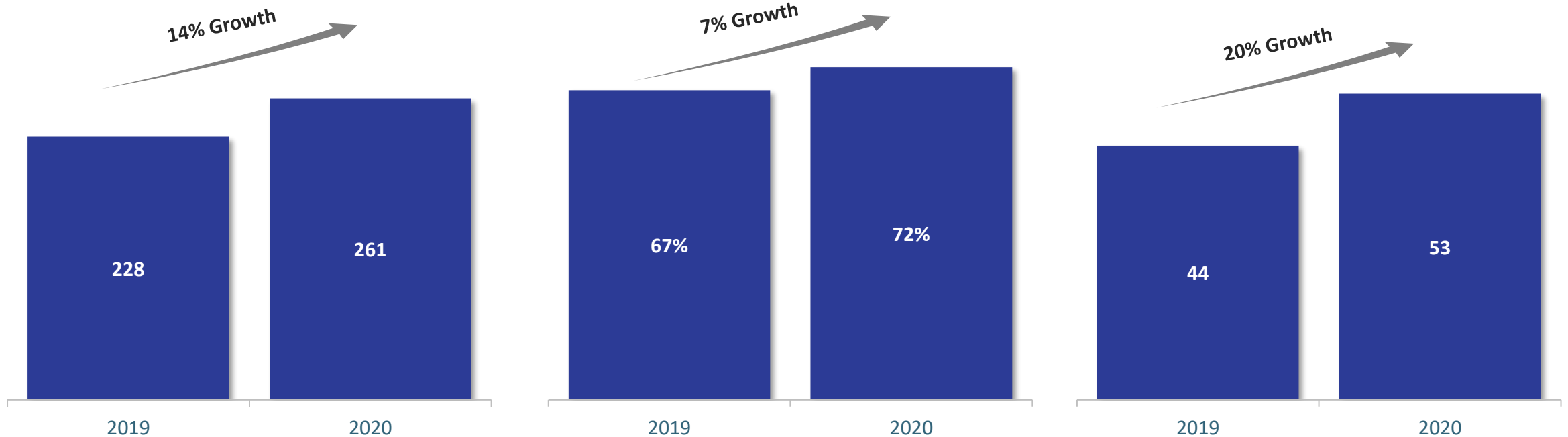
(1) See Appendix for a reconciliation net income (loss) to adjusted EBITDA

Annual Expansion of Customer Partnerships

Our Customer Growth Strategy



Customers with ACV > \$100,000 % of Top 300 Customers Purchasing 2+ Solutions Customers with ACV > \$1M



Simcyp™ PBPK Simulator Version 20

- Expands use cases of biosimulation with new and enhanced models for maternal health
- Automates the assessment of virtual bioequivalence to attain biowaivers
- Includes newly expanded Simcyp Biologics Simulator
 - Available to be licensed as a standalone software
 - Upgraded capabilities in protein development
 - Opens up new customers and markets for biosimulation



Leading mechanistic biosimulation platform used to predict how drugs work, without human or animal studies

Supported ~250 label claims for 80+ drugs

FY 2021 Financial Guidance

This financial guidance was provided as of May 6, 2021, and its inclusion in this presentation should not be construed as continued affirmation of such guidance beyond that date.

- Certara expects full year 2021 revenue to be in the range of \$277mm to \$285mm
- Certara expects full year 2021 Adjusted EBITDA⁽¹⁾ to be in the range of \$100mm to \$102mm
- Full year 2021 Adjusted Diluted Earnings Per Share⁽¹⁾ is expected to be in the range of \$0.20 to \$0.24

	Full Year 2021 (Range)
(In millions, except earnings per share data)	
Revenue	\$277 - \$285
Adjusted EBITDA⁽¹⁾	\$100 - \$102
Adjusted Diluted Earnings Per Share⁽¹⁾	\$0.20 - \$0.24

Certara expects continued mid-teens growth in revenue and adjusted EBITDA

(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.



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Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA

	THREE MONTHS ENDED MARCH 31,	
<i>(in thousands)</i>	2021	2020
Net loss ^(a)	\$1,052	\$1,046
Interest expense ^(a)	3,928	6,858
Interest income ^(a)	(70)	(11)
(Benefit from) provision for income taxes ^(a)	527	621
Depreciation and amortization expense ^(a)	602	553
Intangible asset amortization ^(a)	10,102	9,930
Currency gain (loss) ^(a)	191	(282)
Equity-based compensation expense ^(b)	5,151	538
Acquisition-related expense ^(c)	1,596	455
Transaction related expenses ^(d)	685	—
Severance expense ^(e)	—	195
Reorganization expense ^(f)	—	5
First-year Sarbanes-Oxley implementation costs ^(g)	107	—
Adjusted EBITDA	\$23,871	\$19,908

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

	THREE MONTHS ENDED MARCH 31,	
<i>(in thousands, except per share data)</i>	2021	2020
Net income (loss) ^(a)	\$1,052	\$1,046
Currency gain (loss) ^(a)	191	(282)
Equity-based compensation expense ^(b)	5,151	538
Acquisition-related expense ^(c)	1,596	455
Transaction related expenses ^(d)	685	—
Severance expense ^(e)	—	195
Reorganization expense ^(f)	—	5
First-year Sarbanes-Oxley implementation costs ^(g)	107	—
Income tax expense impact of adjustments ^(h)	665	103
Adjusted Net Income	\$9,477	\$2,060

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

	THREE MONTHS ENDED MARCH 31,	
	2021	2020
Diluted earnings per share ^(a)	\$ 0.01	\$ 0.01
Currency gain (loss) ^(a)	—	—
Equity-based compensation expense ^(b)	0.03	0.01
Acquisition-related expense ^(c)	0.01	—
Transaction related expenses ^(d)	0.01	—
Severance expense ^(e)	—	—
Reorganization expense ^(f)	—	—
First-year Sarbanes-Oxley implementation costs ^(g)	—	—
Income tax expense impact of adjustments ^(h)	—	—
Adjusted Diluted Earnings Per Share	\$ 0.06	\$ 0.02
Adjusted diluted weighted average common shares outstanding	152,084,745	132,407,786

Notes to Adjusted EBITDA Reconciliation

- (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 costs associated with mergers and acquisitions and any retention bonuses pursuant to the acquisitions.
- (d) Represents costs associated with our secondary offering that are not capitalized.
- (e) Represents charges for severance provided to former executives and non-executives.
- (f) Represents expense related to reorganization, including legal entity reorganization.
- (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.