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4Q/Full-Year 2025 Financial Results

February 2026

Cautionary Note and Disclaimer

This presentation contains certain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements, other than statements of historical fact, made by Schrödinger, Inc. (“we,” “us,” “our,” “Schrödinger,” or the “Company”) contained in this presentation, including, without limitation, statements regarding the potential advantages of our computational platform, our financial outlook for the fiscal year ending December 31, 2026, and first quarter ending March 31, 2026, our financial objectives for the fiscal year ending December 31, 2028, including our goal of achieving positive adjusted EBITDA, our strategic plans to accelerate the growth of our software licensing business, our ability to accelerate the transition of our customers to hosted software contracts, the potential impact on our business and financials relating to the accelerated transition, our research and development efforts for our proprietary drug discovery programs and our platform, our ability to improve and advance the science underlying our platform, including the ability to predict toxicity associated with binding to off-targets, our ability to improve drug discovery and the timing during which the predictive toxicology initiative’s technology will become available to software customers and collaborators, the initiation, timing, progress, results, and reporting of data of our proprietary drug discovery programs and the drug discovery programs of our collaborators, the clinical potential and favorable properties of our molecules, including SGR-1505, SGR-3515, and other compounds discovered with our platform and of our collaborators’ product candidates, our plan to explore strategic opportunities for clinical development of SGR-1505 and SGR-3515, the potential of our collaborations to develop new therapies, our plans to discover and develop product candidates and to maximize their commercial potential by advancing such product candidates ourselves or in collaboration with others, our ability to realize potential benefits and estimated savings from the restructuring and other cost reductions, including the phasing out of independent clinical development, our plans to leverage the synergies between our businesses, our ability to realize potential benefits from our collaborative programs, including additional milestones and potential royalties, our expectations regarding our ability to fund our operating expenses and capital expenditure requirements with our existing cash, cash equivalents, and marketable securities, and our expectations related to the key drivers of our performance, are forward-looking statements. The words “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” or the negative of these words or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Actual results may differ materially from those described in the forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and important factors that are beyond our control, including the demand for our software solutions, the reliance upon our third-party drug discovery collaborators, our ability to further develop our computational platform, our ability to transition customers to hosted software deployments, the uncertainties inherent in drug development and commercialization, such as the conduct of research activities and the timing of and our ability to initiate and complete preclinical studies and clinical trials, whether results from preclinical studies and clinical trials will be predictive of the results of later preclinical studies and clinical trials, uncertainties associated with the regulatory review of clinical trials and applications for marketing approvals, factors adversely affecting the life sciences industry, and other risks detailed under the caption "Risk Factors" and elsewhere in our Securities and Exchange Commission (“SEC”) filings and reports, including our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 25, 2026, as well as future filings and reports by us. Any forward-looking statements contained in this presentation speak only as of the date hereof. Except as required by law, we undertake no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events, changes in expectations or otherwise.

This presentation includes statistical and other industry and market data that we obtained from industry publications and research, surveys, and studies conducted by third parties as well as our own estimates of potential market opportunities. All of the market data used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. We have not independently verified such third-party data, and we undertake no obligation to update such data after the date of this presentation.

This presentation includes key operating metrics and non-GAAP financial measures. The non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles. The definitions of these key operating metrics and reconciliations of non-GAAP financial measures to comparable GAAP measures are included in the Appendix to this presentation.

Today’s Agenda

Introduction — Ramy Farid

Financial Results & Acceleration Transition to Hosted — Richie Jain

Therapeutics Portfolio Update — Karen Akinsanya

Closing Remarks — Ramy Farid

Q&A



Ramy Farid, Ph.D.
Chief Executive Officer, Board Member



Richie Jain
Chief Financial Officer



Karen Akinsanya, Ph.D.
President, Head of Therapeutics R&D
and Chief Strategy Officer, Partnerships

Multi-Pronged Business Enabled by Highly Differentiated Computational Platform



SOFTWARE LICENSING

- Accelerating molecular design for Life Sciences and Materials Science global customers
- Increasing customer R&D efficiency by embracing predict-first approach
- FY25 software revenue and ACV ~$200M*



THERAPEUTICS PORTFOLIO

- Full-scale application of predict-first approach producing highly differentiated molecules across proprietary and collaborative portfolio
- Extensive track record of delivering development candidates resulting in high value portfolio of milestones and royalties

COMPUTATIONAL PLATFORM

Integrating physics, AI, and scalable data infrastructure to accelerate molecular discovery

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*FY25 software revenue $199.5M; FY25 ACV $198.5M.

Schrödinger's Vision for the Future of Molecular Discovery

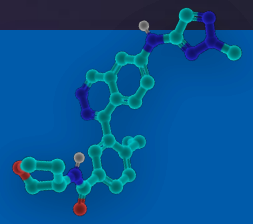
If all properties can be calculated with perfect accuracy, designing drugs/materials would have a much **higher success rate**, be much **faster** and **cheaper**, and would produce much **higher-quality** molecules.

All synthesizable molecules ("infinite")

Physics-powered AI

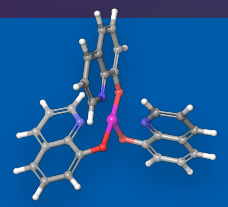


Select **THE** best molecule



Life Sciences

- ✓ Potency
- ✓ Selectivity
- ✓ Solubility
- ✓ Bioavailability
- ✓ Clearance / Half-life
- ✓ Permeability
- ✓ Drug-Drug Interactions
- ✓ Synthesizability



Materials Science

- ✓ Reactivity
- ✓ Selectivity
- ✓ Solubility
- ✓ Sustainability
- ✓ Redox
- ✓ Kinetics
- ✓ Stability
- ✓ Synthesizability

Schrödinger's Platform Uniquely Addresses the Challenge of Data Scarcity in Molecular Discovery



AI models in molecular discovery require massive training sets

Simulated data is needed to unlock power of AI

Physics provides ground truth for AI models in molecular discovery

Highly sophisticated AI applications rely on simulated data

- **Autonomous Vehicles**
- **Weather Prediction**
- **Chip Design**
- **Aircraft Design**

Poised to Drive the Next Era of Molecular Discovery

Scaling the Impact of the Schrödinger Platform

Advances in AI & Compute Increasing Demand for Schrödinger Platform

- Increased knowledge of biology
- More protein structures
- Faster compute
- More capable agentic AI

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Physics-based predictions to power generative AI

Centralized, high-quality data to train next-generation AI models

Throughput-based licensing captures value from agentic AI scale up



Multi-Billion Dollar Computational Drug Discovery Market

11% CAGR (2025-2034)*

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*Source: Precedence Research.

Strong 2025 Provides Momentum to Advance 2026 Priorities

	Financials	Platform	Therapeutics
2025 Highlights	• 23% total revenue growth • $402M cash and equivalents	• Expanded platform capabilities for biologics, drug formulations, and materials • Released beta version of predictive toxicology solution • Entered new collaborations with Lilly TuneLab and Manas AI • Designed new ammonia catalyst with Copernic	• Advanced SGR-1505 and SGR-3515 Phase 1 studies • Expanded collaboration agreements with Ajax Therapeutics, Lilly, and Otsuka Pharmaceutical • Encouraging Phase 3 clinical data reported by Takeda on investigational drug co-invented with Nimbus
2026 Priorities	• Achieve 10-15% software ACV growth • Accelerate transition to hosted • Continue expense discipline	• Increase adoption of computational and informatics platform • Expand addressable market with newly released products	• Complete SGR-1505 and SGR-3515 Phase 1 studies • Continue growing portfolio of partnered programs • Achieve $55-65M of drug discovery revenue

Commercial Sales Strategy to Scale Adoption and Broaden Reach

- Accelerate adoption with existing customers by demonstrating validated, at-scale outcomes from predict-first approach
- Newly released products expand addressable market
  - Drug Safety – Predictive Toxicology
  - Biologics – Enterprise Informatics
  - Formulation – Crystal Structure Prediction
  - Synthetic Chemistry – Retrosynthetic Analysis
  - Automation – Agentic AI
- Grow Materials Science business
  - Deliver transformative solutions – machine-learned force fields, process chemistry optimization, device optimization
  - Increase platform adoption in target sectors: drug formulations, consumer packaged goods, chemicals, energy capture and storage, and electronics

Schrödinger Continues to Set the Standard for Molecular Discovery

- **Platform**: Leaders in physics-based simulation, delivering ground truth data *required* to realize full potential of AI in molecular discovery
- **Scale**: Driving unprecedented efficiencies through expanding adoption of our platform across Life Sciences and Materials Science R&D
- **Impact**: Enabling a new era of molecular discovery – faster design cycles, higher success rates, and better molecules

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Strong Performance in 2025 Establishes Platform for Growth

Total Revenue

$256M

+23%

Growth across Software and Drug Discovery

Software Revenue

$200M

+11%

ACV of $198M

Drug Discovery Revenue

$56M

Advancing portfolio of collaborative programs

Balance Sheet

$402M

Strong balance sheet

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Total revenue: $255.9M FY25 vs. $207.5M FY24; Software revenue: $199.5M FY25 vs. $180.4M FY24; Drug discovery revenue: $56.4M FY25 vs. $27.2M FY24; Cash and equivalents: $402.3M as of December 31, 2025.

FY25 Financial Highlights vs. FY24

Balanced Growth, Disciplined Expenses, Strong Balance Sheet

	Twelve Months Ended December 31		
	FY 2025 ($M)	**FY 2024 ($M)**	**% Change**
Software revenue	$199.5	$180.4	11%
Drug discovery revenue	$56.4	$27.2	107%
Total revenue	**$255.9**	**$207.5**	**23%**
Gross profit	$142.6	$132.1	
Software gross margin	74%	80%	
Operating expenses	**$309.5**	**$341.4**	**(9%)**
Other income	$64.6	$23.6	
Net loss	**($103.3)**	**($187.1)**	

	as of 12/31/25	as of 12/31/24
Cash and marketable securities	$402.3	$367.5
Deferred revenue, current and long term	$191.7	$220.8

4Q25 Financial Highlights vs. 4Q24

Three Months Ended December 31

	4Q 2025 ($M)	4Q 2024 ($M)	% Change
Software revenue	$69.3	$79.7	(13%)*
Drug discovery revenue	$18.0	$8.7	107%
Total revenue	**$87.2**	**$88.3**	**(1.2%)**
Gross profit	$57.3	$64.1	
Software gross margin	81%	83%	
Operating expenses	**$74.5**	**$84.8**	**(12%)**
Other income/(expense)	$50.1	($18.5)	
Net income/(loss)	**$32.5**	**($40.2)**	

*Large multi-year, on-premise contract recognized in 4Q24.

Introduction of New Key Performance Indicators

Software KPI	2025	2024	% Growth
Total annual contract value (ACV)	$198.5M	$190.8M	4.0%
Top 20 Pharma[1] ACV	$80.8M	$70.0M	15.3%
Commercial ACV	$177.4M	$165.8M	7.0%
ACV / Commercial Customer (>$1M)	$3.9M	$3.3M	16.3%
Number of Commercial Customers (>$1M ACV)[2]	27	29	–
Net Dollar Retention (Commercial Customers)	100%	113%	–
Gross Dollar Retention (Commercial Customers)	96%	96%	–
Drug Discovery KPI	**as of 12/31/25**	**as of 12/31/24**	
Ongoing programs eligible for royalties	16	13	
Number of collaborators since 2018	20	19	

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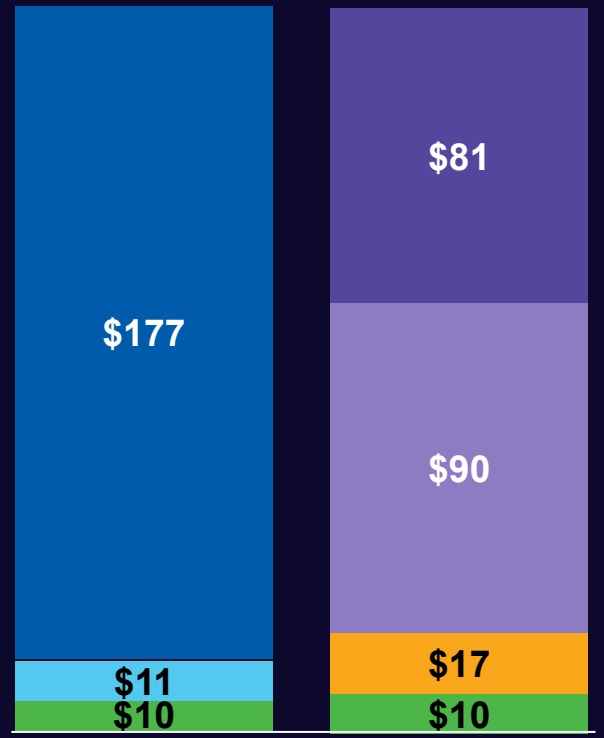
[1]Top 20 Pharma represents top 20 pharma companies by 2024 revenues. [2]Two >$1M commercial customers were acquired by Top 20 Pharma customers in 2025. See Appendix for additional information regarding KPIs.

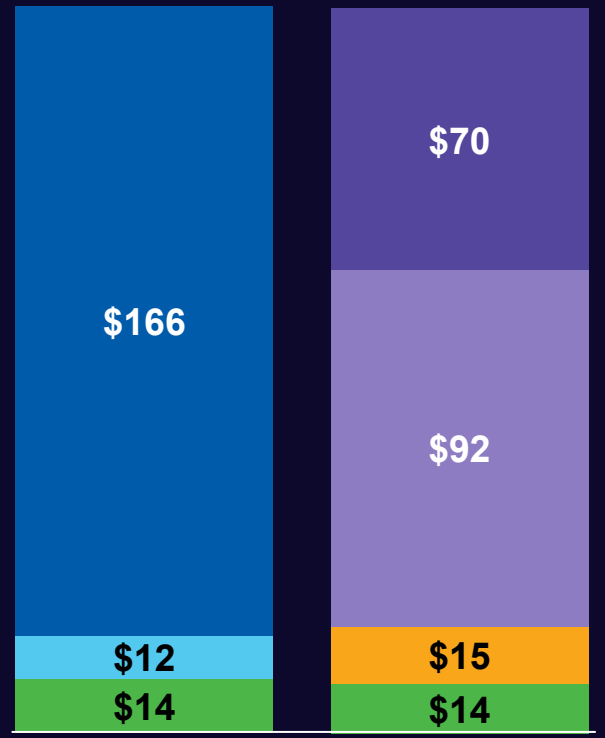
ACV Composition

Strong Performance with Commercial Customers

- Commercial
- Government / Academic
- Gates Foundation[1]
- Top 20 Pharma
- Rest of Life Sciences
- Materials[2]

Overall Growth = **4%**
Growth excl. Gates = **6%**
Commercial Growth = **7%**
Top 20 Pharma Growth = **15%**





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[1]Includes both Gates Ventures, LLC and the Bill & Melinda Gates Foundation. [2] For customers purchasing software for both drug discovery and materials design, management allocates ACV between the applicable life sciences industry cohort and the materials cohort.

Accelerating Transition to Hosted Contracts

Simplified Offering for Customers

Current Licensing

Predominantly on-premise resulting in highly variable revenue from mostly upfront recognition

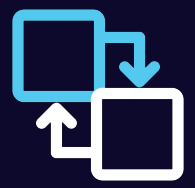
Accelerated Transition to Hosted

Prioritize hosted deployments resulting in predictable revenue



Efficiencies

Deployment, renewals, licensing and support



Track Record

Several large customers deployed hosted



Customer

Expect minimal customer disruptions

Why?

- Industry standard with customers that are embracing cloud-based solutions
- Faster deployment and enhanced renewals
- Licensing and support efficiencies
- More predictable revenue

Why now?

- Hosted revenue is already 23% of software revenue but transition to hosted has been gradual
- Have successfully deployed or transitioned to hosted for some of our our largest and most sophisticated customers
- Regulatory trends toward hosted

Key Accounting Considerations for Transition

Goal to Transition to 75% Hosted Revenue by 2028

- Hosted revenue for 2025 and 2024 was 23% and 20%, respectively
- Expect to see greater increase in 2027 hosted percentage given focus of transition in 2026
- **No impact to ACV or cash flow**
- Within any given year, every 1% increase in hosted revenue results in ~$2-3 million reduction in reported revenue depending on renewal quarter and contract length
- Hosted revenue is recognized ratably over the duration of the contract
- Contracts later in the year and/or with longer term will result in greater reduction in current year revenue
- Revenue not recognized in current year will be captured in deferred revenue or backlog
- Shift in mix has no impact to cost-of-goods sold or operating expenses, but will compress gross margins and adjusted EBITDA in current year due to reduced revenue recognition

Transition to Hosted Results in Predictable Revenue

Type of Deployment

Term Length

% Revenue Recognized Upfront

Total Contract Value

Deployment	Deal[1]	Term Length (Years)	Renewal Quarter	% Revenue Recognized Upfront	ACV ($MM)	TCV ($MM)	Year 1				Year 2				Year 3			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
On-prem	#1	1	1	88%	$1,000	$1,000	$880	$40	$40	$40	$880	$40	$40	$40	$880	$40	$40	$40
	#2	1	4	88%	$1,000	$1,000				**$880**	**$40**	**$40**	**$40**	$880	$40	$40	$40	$880
	#3	2	4	88%	$1,000	$2,000				$1,760	$34	$34	$34	$34	$34	$34	$34	$1,760
	#4	3	4	68%	$1,000	$3,000				$2,040	$87	$87	$87	$87	$87	$87	$87	$87
Hosted	#5	1	1	0%	$1,000	$1,000	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250
	#6	1	4	0%	$1,000	$1,000				**$250**	**$250**	**$250**	**$250**	$250	$250	$250	$250	$250
	#7	2	4	0%	$1,000	$2,000				$250	$250	$250	$250	$250	$250	$250	$250	$250
	#8	3	4	0%	$1,000	$3,000				$250	$250	$250	$250	$250	$250	$250	$250	$250

Over the term of the contract each $1,000 of ACV will turn into $1,000 in revenue

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[1]Illustrative examples of zero-growth renewal contracts.

2026 Financial Outlook and 2028 Financial Objectives

2026 Financial Outlook

- Software ACV of $218–$228 million, representing 10-15% growth over 2025
- Drug discovery revenue of $55–$65 million
- Operating expenses less than 2025

First Quarter 2026

- Software ACV of $24–$28 million, representing $197–$201 million on a trailing four quarter basis

2028 Financial Objectives

- Durable software ACV growth of 10-15% annually
- Substantially complete transition to hosted software as revenue converges with ACV
- Return gross margin to high 70s
- Drug discovery revenue of $50 million annually, with potential variability each year due to collaboration and milestone-driven nature of business
- Positive adjusted EBITDA by the end of 2028[1]

[1]See Appendix for Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

Organization Alignment to Achieve our Vision

Strong Balance Sheet Supports Path to Positive Adjusted EBITDA by end of 2028

Actions Taken to Date

- Expense saving initiatives announced in 2025; Execution in process
- Platform investments to fuel future software growth
- Shift toward a discovery-focused therapeutics R&D model

Our Financial Objectives



10-15% annual software ACV growth
Drug Discovery revenue of $50 million annually



Accelerated transition to Hosted



Operating expense discipline



Positive adjusted EBITDA by end of 2028

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Driving Sustained Value Through a Multi-Layer Therapeutics Strategy

Equity Stakes

Multiple M&A events → cash

Current stakes in

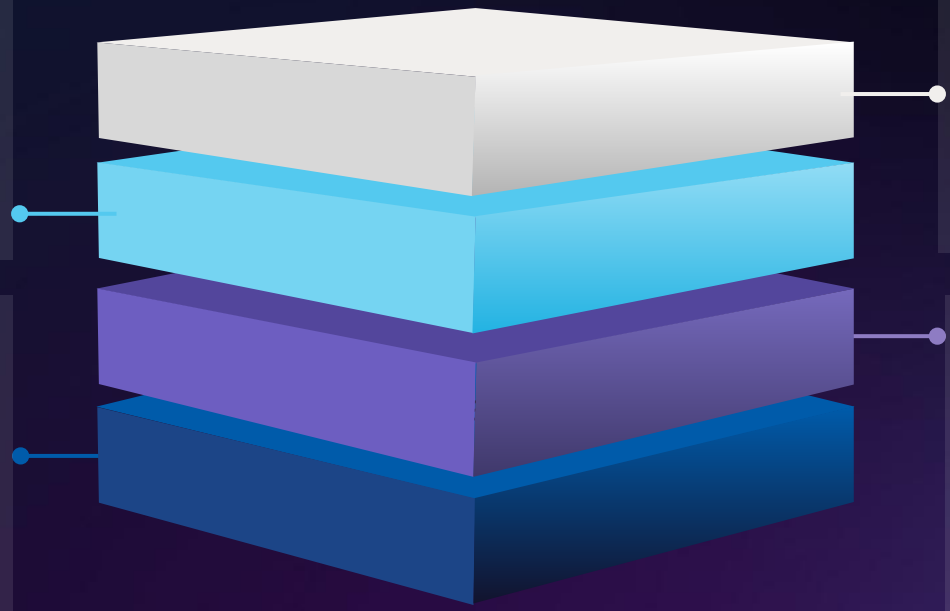
- Nimbus Therapeutics
- Ajax Therapeutics
- Structure Therapeutics

Milestones & Royalties

$5B in potential milestones

16 programs eligible for royalties

- 5 programs targeting >$5B markets
- Pharma royalties mid-single digit to low-double digits



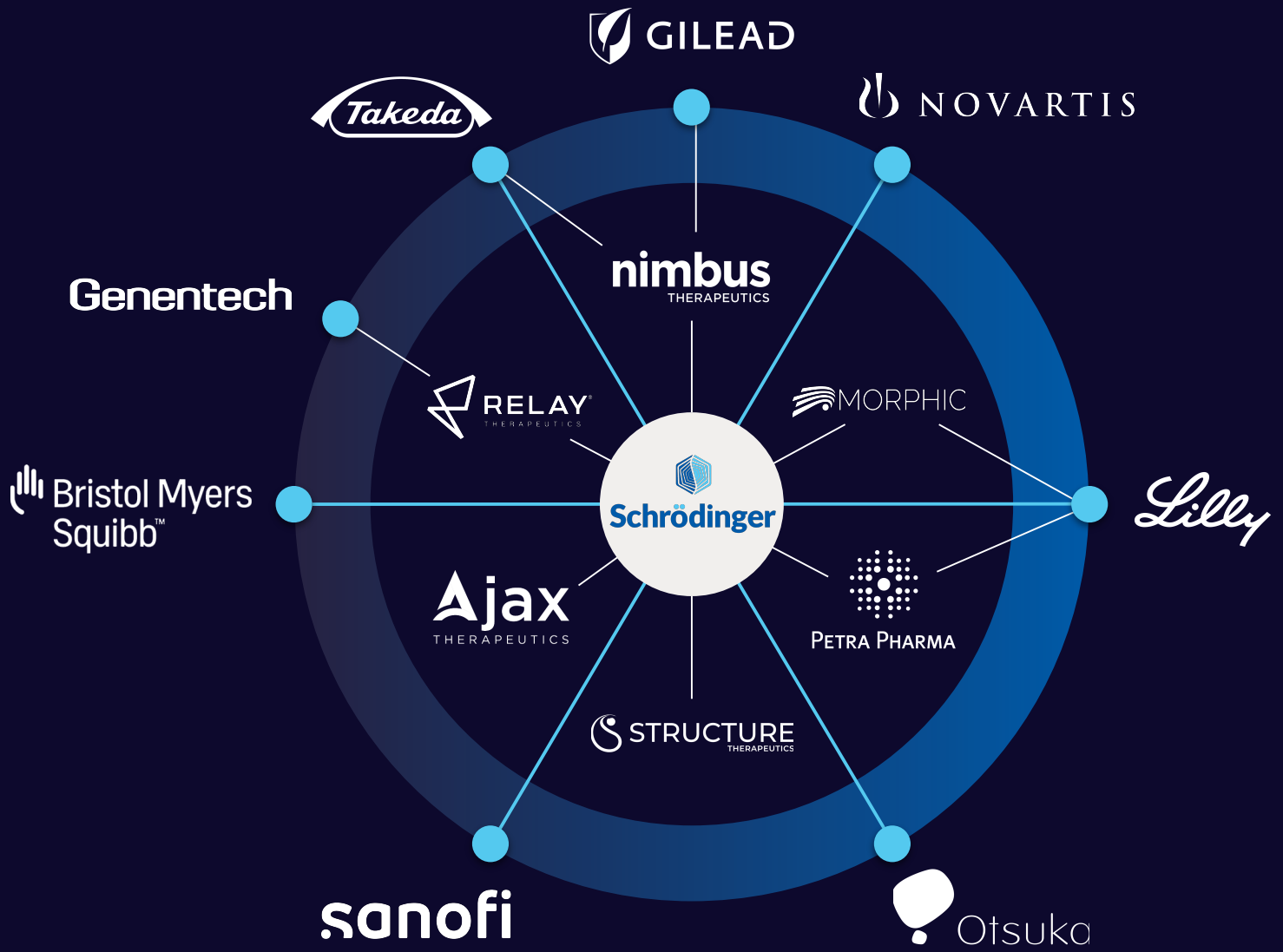
Drug Discovery Revenue

- Proprietary programs licensed to pharma
- $56M revenue in 2025
- 20 collaborators since 2018

Proprietary Programs

- Phase I – Oncology
- Preclinical – Inflammation
- Discovery – Modality Switches

Driving Innovation and Value Through Diverse Strategic Collaborations



Expanding Number of Compounds with Clinical Impact



- >25 active programs in the combined collaboration and proprietary portfolio
- Multiple drugs and programs acquired by pharmaceutical companies
- Multiple fast track and orphan drug FDA designations
- ~$650M of cash, upfronts and milestones from progressing programs[1]

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[1]Cash includes proceeds received since 2020 on account of distributions and sale of equity in companies we have co-founded.

Oral Versions of Antibodies & Peptides Have High Potential

Commercially Validated Drugs

Cardiometabolic
Obesity, Type 2 Diabetes

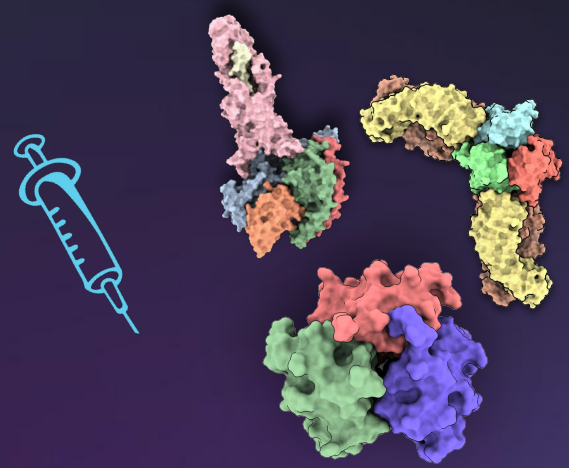
once weekly mounjaro® (tirzepatide) injection
once weekly zepbound™
ONCE-WEEKLY wegovy®

~$152B
estimated
2030 sales*

Inflammatory & Immunology
Rheumatoid Arthritis, Crohn's Disease, Ulcerative Colitis

Simponi ARIA® golimumab for infusion
HUMIRA® adalimumab
Remicade® INFLIXIMAB

~$57B
estimated
2030 sales*



"Modality Switch" Programs

Oral Options

Combinations

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*Source: Evaluate Pharma.

Significant Upside Potential from Collaboration Programs

Partner	Therapeutic Area	Target	Phase	Potential Milestones	Royalties[6]
Takeda / nimbus[1]	Inflammation (Psoriasis)	TYK2[5]	Phase 3	Up to ~$100M[7]	-
Lilly / MORPHIC[1]	IBD (UC/Crohn's)	$\alpha_4\beta_7$[3]	Phase 2	Undisclosed	LSDs
Structure	Cardiometabolic	GLP-1[8]	Phase 2	-	-
Ajax THERAPEUTICS	Oncology (Myelofibrosis)	JAK2[2]	Phase 1	Undisclosed	-
Structure	IPF	LPA1R	Phase 1	$17M	LSDs
Structure	PAH	APJR	Phase 1	-	-
Lilly / MORPHIC[1]	Cardiovascular (PAH)	$\alpha_5\beta_1$	Phase 1	Undisclosed	LSDs
Ajax THERAPEUTICS	Undisclosed	Undisclosed	Preclinical	Undisclosed	SD
Bristol Myers Squibb	CNS	Undisclosed	Preclinical	$482M	MSDs to LDDs
Lilly	Undisclosed	Undisclosed	Preclinical	$420M	LSDs to LDDs
NOVARTIS	Undisclosed	Multiple	Preclinical	$2.3B	MSDs to LDDs
Otsuka	CNS + Undisclosed	Multiple	Preclinical	Undisclosed	Tiered
Structure	Cardiometabolic	Amylin[4]	Preclinical	$89M	LSDs

[1]Morphic acquired by Lilly, Nimbus TYK2 program (zasocitinib) acquired by Takeda. [2]Non-proprietary name (NPP): AJ1-11095. [3]NPP: MORF-057. [4]NPP: ACCG-2671. [5]NPP: zasocitinib (TAK-279). [6]MSD = Mid-single digit; LDD = Low-double digit; SD = Single digit. [7]Schrödinger is eligible to receive future cash distributions from potential milestone payments made to Nimbus upon achievement of certain specified sales milestones. [8]NPP: aleniglipron (GSBR-1290). *Excludes undisclosed collaborations.*

Encouraging Phase 3 Data on Co-Invented TYK2 Inhibitor

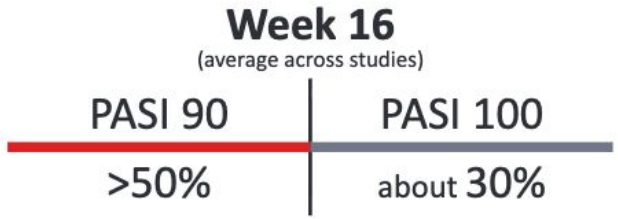
- Highly selective TYK2 inhibitor with once-daily oral profile
- Co-invented with Nimbus prior to its sale to Takeda
- Initial Phase 3 data reported December 2025
- Expected FDA submission in 2026, launch in 2027
- Takeda guidance: $3-$6B in peak revenue in psoriasis and psoriatic arthritis
- Schrödinger eligible for payments of up to ~$100M based on zasocitinib reaching $4B and $5B global sales

Zasocitinib Ph3 Results: Compelling Profile to Treat Psoriasis With a Once-Daily Oral Therapy

Met All Primary and Secondary Endpoints Phase 3 in Plaque Psoriasis (30mg QD)

- Met co-primary endpoints of sPGA 0/1 and PASI 75 versus placebo at week 16
- Fast-acting with significant PASI 75 response at week 4
- Met all 44 ranked secondary endpoints, including PASI 90, PASI 100 and sPGA 0 vs placebo and apremilast
- Generally well-tolerated, with safety and tolerability profile consistent with prior studies

Zasocitinib has exquisite selectivity for TYK2[1] a key mediator of IL-23 and other pathways



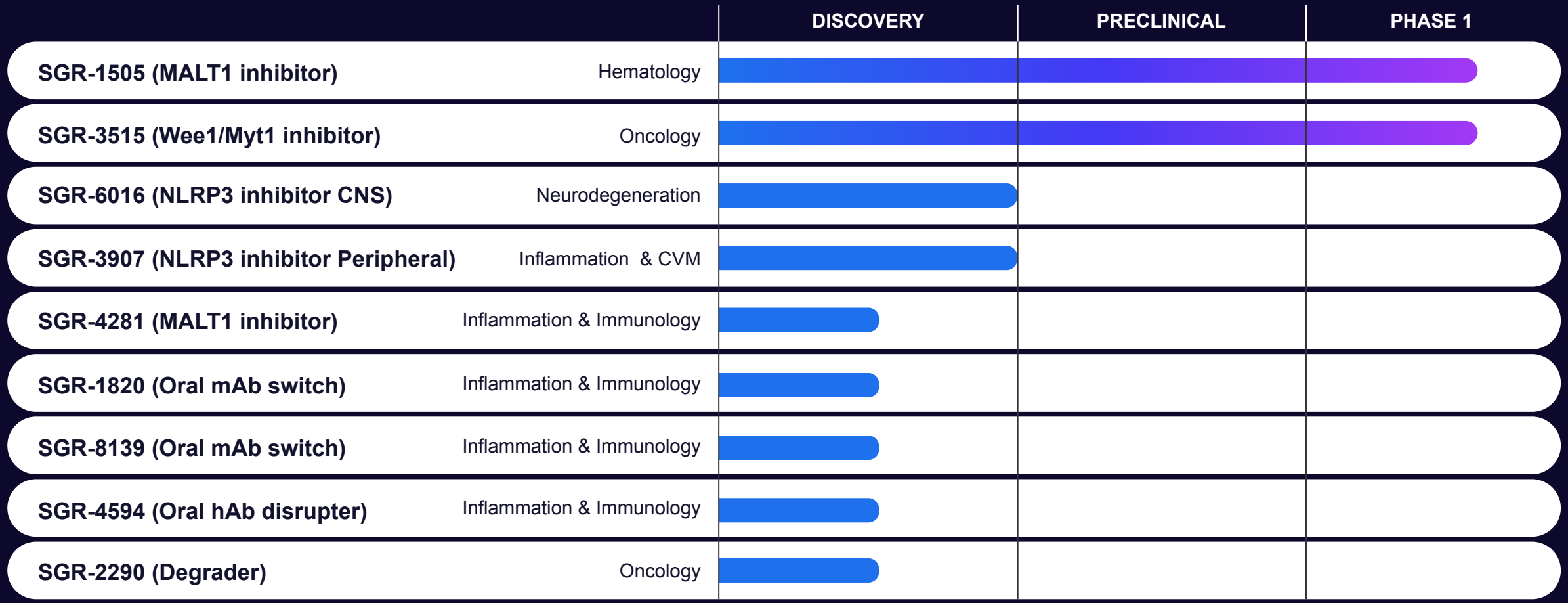
Response rates continued to increase through week 24

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Market Sizing Source: Evaluate Pharma.

Proprietary Pipeline

Differentiated Portfolio of Inflammation & Immunology Programs



SGR-4174 SOS1 inhibitor, SGR-5573 EGFR^{C797S} inhibitor and SGR-0320 LRRK2 inhibitor: Further discovery/development subject to collaborations and potential partnering discussion. SGR-0295 partnered with Lilly in 2022. SGR-0431 partnered with Novartis in 2024.

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Key Takeaways



Strong 2025

- 23% total revenue growth
- Double-digit software growth
- Doubling of drug discovery revenue
- Disciplined expense management
- >$400M cash



2026 Outlook

- Increase adoption of platform
- Introduce new products that expand TAM
- Accelerated transition to hosted
- $218-228M software ACV
- $55-65M drug discovery revenue



2028 Financial Objectives

- Durable software ACV growth of 10-15% annually
- $50M per year of drug discovery revenue*
- Largely complete transition to hosted contracts
- Positive adjusted EBITDA by year-end 2028

*Targeting drug discovery revenue of $50 million annually, with potential variability each year due to milestone-driven timing of collaboration revenue.

Today’s Agenda

Introduction — Ramy Farid

Financial Results & Accelerated Transition to Hosted — Richie Jain

Therapeutics Portfolio Update — Karen Akinsanya

Closing Remarks — Ramy Farid

Q&A



Ramy Farid, Ph.D.
Chief Executive Officer, Board Member



Richie Jain
Chief Financial Officer



Karen Akinsanya, Ph.D.
President, Head of Therapeutics R&D
and Chief Strategy Officer, Partnerships

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4Q/Full-Year 2025 Financial Results

February 2026

APPENDIX

Definitions

Annual Contract Value (ACV). Schrödinger tracks the ACV for each customer. With respect to contracts that have a duration of one year or less, or contracts of more than one year in duration that are billed annually, ACV is defined as the contract value billed during the applicable period. For contracts with a duration of more than one year that are billed upfront, ACV in each period represents the total billed contract value divided by the term. ACV should be viewed independently of revenue and does not represent revenue calculated in accordance with GAAP on an annualized basis, as it is an operating metric that can be impacted by contract execution start and end dates and renewal rates. ACV is not intended to be a replacement for, or forecast of, revenue.

ACV by Cohorts. Schrödinger tracks ACV by certain industries and customer cohorts. These cohorts include:

Industry cohorts:

- **Top 20 pharma.** This cohort consists of the top 20 pharmaceutical companies, as measured by their 2024 revenue, which purchase our computational software solutions for drug discovery.
- **Rest of life sciences.** This cohort includes customers purchasing our computational software solutions for drug discovery, excluding the top 20 pharma cohort.
- **Materials science.** This cohort includes customers purchasing our computational software solutions for materials design.
- **Contribution.** This cohort includes customers from which Schrödinger derives contribution revenue, which for the fiscal years ended December 31, 2025 and 2024, consisted solely of Gates Ventures, LLC and the Bill & Melinda Gates Foundation. Schrödinger presents this ACV separately because it relates to grant agreements accounted for as non-exchange contributions, rather than commercial software contracts.

Customer cohorts:

- **Commercial.** This cohort includes all of Schrödinger's customers purchasing our computational software solutions for commercial use, excluding government and academic institutions and customers from which Schrödinger'derives contribution revenue.
- **Government and academic.** This cohort includes U.S. federal, state, local and international government entities, as well as universities, medical centers, and non-profit research institutions.
- **Contribution.** This cohort includes customers from which Schrödinger'derives contribution revenue, which for the fiscal years ended December 31, 2025 and 2024, consisted solely of Gates Ventures, LLC and the Bill & Melinda Gates Foundation. Schrödinger presents this ACV separately because it relates to grant agreements accounted for as non-exchange contributions, rather than commercial software contracts.

Definitions

Net Dollar Retention Rate (Commercial customers). Schrödinger calculates Net Dollar Retention Rate for Commercial customers by comparing the ACV from the same cohort of Commercial customers across two periods. This metric excludes ACV attributable to new Commercial customers added during the period. The company calculates this by starting with the prior year's ACV for its Commercial customers. The company then adds the amount of increase in renewals from these customers, which it refers to as upsells, and subtracts the amount of decreases in renewals either as a result of decreased usage of its software or lost business, which it refers to as churn. The company then divides this aggregate number by the prior year ACV for its Commercial customers to arrive at the net dollar retention rate for its Commercial customers.

Gross Dollar Retention Rate (Commercial customers). Schrödinger calculates Gross Dollar Retention Rate for Commercial customers by comparing the ACV from the same cohort of Commercial customers across two periods, excluding the effect of any increases or expansions of ACV from any customers within the cohort. This metric also excludes ACV attributable to new Commercial customers added during the period. The company calculates this by starting with the prior year's ACV for its Commercial customers. The company then subtracts the amount of churn, and divides this resulting number by the prior year ACV for its Commercial customers to arrive at the gross dollar retention rate for its Commercial customers.

For both its net dollar retention rate and its gross dollar retention rate, Schrödinger excludes from the calculation Commercial customers that were acquired by other companies during the applicable period, as these events are outside of the company's control, may not reflect the underlying demand for its software solutions, and enhance comparability between periods. Together, gross and net dollar retention rates provide insight into both customer retention and the company's ability to drive incremental growth from current customers.

Ongoing programs eligible for royalties. Schrödinger tracks the aggregate number of collaborative and partnered programs for which the company is eligible to receive any amount of future royalties on sales, if any.

Numbers of collaborators since 2018. Schrödinger tracks the aggregate number of collaborators that the company has collaborated with, or partnered with, for drug discovery and drug development since 2018. The number of collaborators presented is a cumulative number and the company only includes those collaborations from which the company has derived revenue since January 1, 2018.

Non-GAAP Information

Included in this presentation is certain financial information that has not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). The company presents adjusted EBITDA, which is a non-GAAP financial measure. Adjusted EBITDA is defined as net income (loss) before interest, taxes, depreciation, amortization, and stock-based compensation expense, and further adjusted to exclude gains and losses on equity investments, changes in fair value of equity investments, restructuring costs, litigation and settlement expenses, and, when applicable, other non-recurring items that management does not consider indicative of ongoing operating performance.

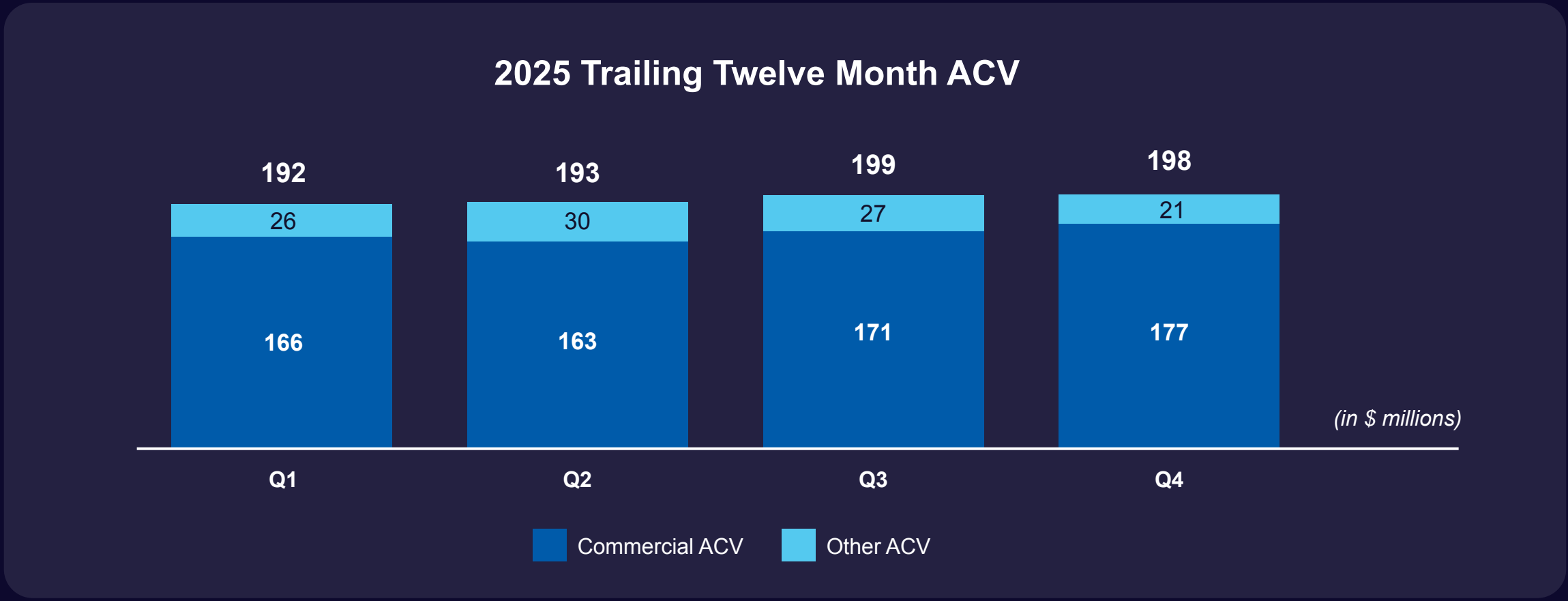
Management believes adjusted EBITDA is a useful measure for investors, taken in conjunction with the company's GAAP financial statements because they provide greater period-over-period comparability with respect to the company's operating performance, by excluding the effects of capital structure, tax impacts, non-cash depreciation and amortization, non-cash equity compensation expense, non-cash mark-to-market and other valuation adjustments for the company's equity investments, non-recurring cash distributions from the company's equity investments, and other non-recurring items that are not reflective of the ongoing performance of the business. However, adjusted EBITDA as a non-GAAP financial measure should be considered only in addition to, not as a substitute for or as superior to, net income (loss) or other financial measures prepared in accordance with GAAP.

Other companies in Schrödinger's industry may calculate adjusted EBITDA differently than Schrödinger does, limiting their usefulness as comparative measures. A reconciliation of Adjusted EBITDA to GAAP net income (loss) is as follows:

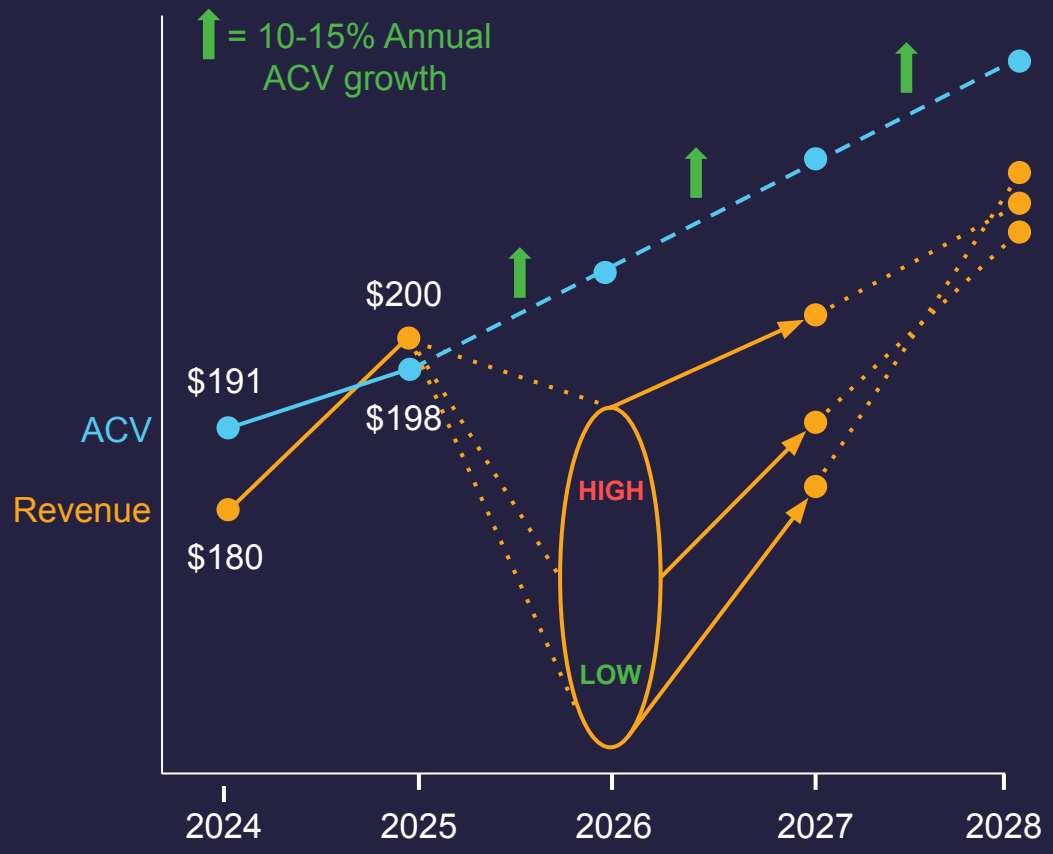
	Three Months Ended December 31		Twelve Months Ended December 31	
	2025	2024	2025	2024
	(in thousands)			
Net income (loss) (GAAP)	$32,511	$ (40,216)	$ (103,265)	$ (187,123)
Change in fair value of equity investments	(46,999)	22,080	(48,174)	(5,683)
Other income	(3,131)	(3,539)	(16,396)	(17,902)
Income tax expense	462	963	939	1,412
Depreciation and amortization	1,437	1,633	6,022	6,159
Stock-based compensation	9,950	12,479	42,997	49,903
Reorganization expense[(a)]	521	—	2,581	—
Litigation and settlement (income) expense[(b)]	—	(18)	390	705
Adjusted EBITDA	$ (5,249)	$ (6,618)	$ (114,906)	$ (152,529)

(a) Represents costs in connection with restructuring, consisting of severance payments, employee benefits, and related costs.
(b) Represents costs related to a derivative action and a settlement with a royalty partner, neither of which we consider to be representative of our underlying operating performance.

Trailing Four Quarter ACV



Highly Illustrative Software Profile (2026-2028)

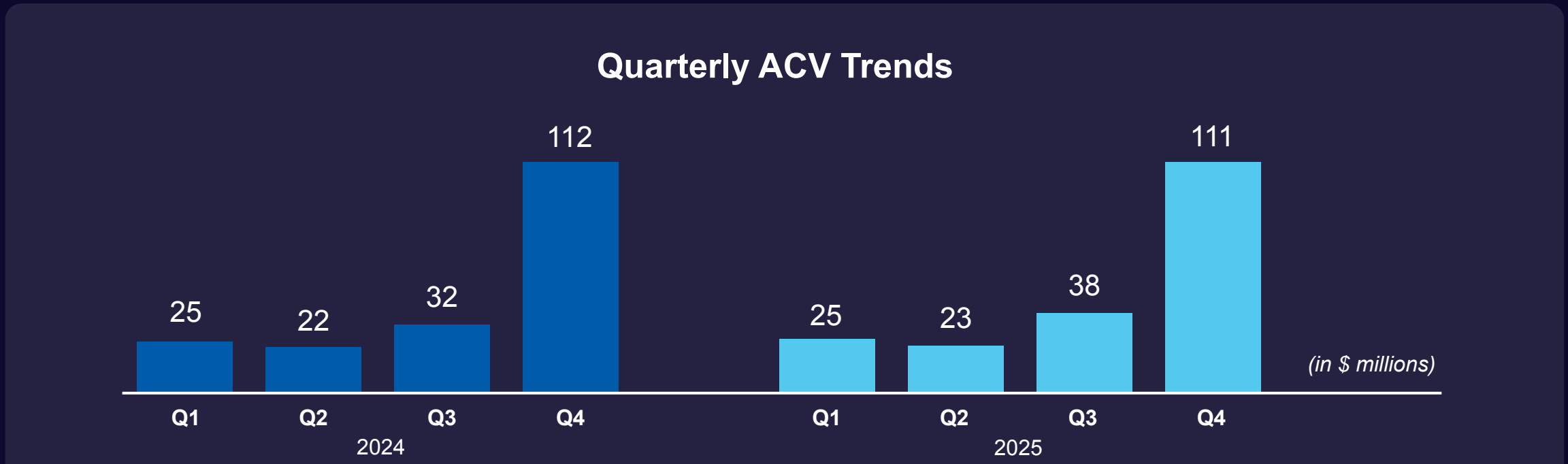


Software Line Items	2026	2027	2028
ACV Growth (%)	↑	↑	↑
Revenue Growth (%)	↓↓	↑↑	↑↑
Deferred Revenue and Backlog ($)	Will capture revenue not recognized in current year		
Cost of Goods Sold ($)	No impact		
Gross Margin (%)	↓↓	↑↑	↑↑
Operating Expenses ($)	No impact		
Adjusted EBITDA margin (%)	↓↓	↑↑	↑↑
Operating Cash Flow ($)	No impact		

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This slide is provided solely for illustrative purposes to demonstrate, on a directional basis, the potential impact of certain financial factors under simplified assumptions. It does not constitute guidance, a forecast, or a projection of future performance.

Highly Illustrative Software Profile (2026 Quarterly)



Software Line Items	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Revenue vs. ACV	Revenue > ACV	Revenue > ACV	Revenue ~ ACV	Revenue << ACV

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