

SCHRÖDINGER, INC. AND SUBSIDIARIES
Consolidated Balance Sheet

Confidential

March 31, 2014

Assets

Current assets:

Cash and cash equivalents	\$	10,632,546
Accounts receivable, net of allowance for doubtful accounts of \$62,120		3,531,694
Other receivables		119,385
Prepaid expenses		652,857
Other assets		<u>13,318,611</u>

Total current assets 28,255,093

Property and equipment, net		3,766,185
Intangible assets, net		334,913
Security deposits		<u>797,519</u>

\$ 33,153,710

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$	1,363,185
Accrued payroll, taxes and benefits		2,139,473
Deferred revenue		21,239,364
Other accrued expenses		<u>1,066,912</u>

Total current liabilities 25,808,933

Long-term deferred revenue		4,272,713
Deferred rent		<u>809,027</u>

Total Liabilities 30,890,673

Stockholders' equity:

Series A Convertible preferred stock, \$0.01 par value. 134,704,785 shares authorized; 134,704,785 shares issued and outstanding		1,347,048
Series B Convertible preferred stock, \$0.01 par value. 29,468,101 shares authorized; 29,468,101 shares issued and outstanding		294,681
Series C Convertible preferred stock, \$0.01 par value. 47,242,235 shares authorized; 47,242,235 shares issued and outstanding		472,422
Common stock, \$0.01 par value. 273,300,000 shares authorized; 24,344,016 shares issued and outstanding		243,440
Additional paid-in capital		60,718,124
Accumulated deficit		<u>(60,812,679)</u>

Total stockholders' equity 2,263,037

\$ 33,153,710

SCHRÖDINGER, INC. AND SUBSIDIARIES**Confidential**Consolidated Income Statement
(Statement of Operations)Quarter Ended
March 31, 2014

Revenues:		
Products	\$	7,605,422
Services		<u>1,196,743</u>
Total revenues		8,802,165
Cost of revenues		<u>1,741,543</u>
Gross profit		<u>7,060,622</u>
Operating expenses:		
Research and development		5,507,380
Sales and marketing		2,721,190
General and administrative		<u>2,433,816</u>
Total operating expenses		<u>10,662,386</u>
Income (Loss) from operations		<u>(3,601,764)</u>
Other income (expense):		
Interest income		14,744
Other income, net		<u>14,744</u>
Income (Loss) before taxes		(3,587,020)
Income tax expense		<u>11,955</u>
Net Income (Loss)	\$	<u>(3,598,974)</u>

Quarter Ended
March 31, 2014

Cash flows from operating activities:	
Net income (loss)	\$ (3,598,974)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation and amortization	300,570
Increase in assets, net of acquisition:	
Accounts receivable	4,735,839
Other receivables	221,204
Prepaid expenses and deposits	7,787
Other assets	(14,663)
Increase in liabilities, net of acquisition:	
Accounts payable	515,657
Accrued Payroll, taxes and benefits	(152,188)
Deferred revenue	3,522,269
Other accrued liabilities	(1,249,200)
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Net cash provided by operating activities	4,288,302
Cash flows from investing activities:	
Purchases of property and equipment	(127,146)
Proceeds from long term securities, net	4,740,247
Purchase of intangible assets	
Contingent liabilities	(169,245)
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Net cash used in investing activities	4,443,857
Cash flows from financing activities:	
Issuance of common stock	116,060
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Net cash provided by financing activities	116,060
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Net increase in cash and cash equivalents	8,848,219
Cash and cash equivalents at beginning of period	1,784,327
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Cash and cash equivalents at end of period	\$ 10,632,546
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