Nitro Software Limited
ACN 079 215 419

Prospectus

Initial Public Offering of Ordinary Shares

Lead Manager
Morgan Stanley

Co-Manager
BELL POTTER

Contents

Important information

Offer

This Prospectus is issued by Nitro Software Limited (ACN 079 215 419) ("**Nitro**" or the "**Company**") and Nitro Software SaleCo Limited (ACN 637 092 794) ("**SaleCo**") for the purposes of Part 6D of the Corporations Act 2001 (Cth) ("**Corporations Act**"). The offer contained in this Prospectus is an initial public offer ("**IPO**") to acquire fully paid ordinary shares in the capital of Nitro (the "**Offer**").

Lodgement and Listing

This Prospectus is dated Thursday, 21 November 2019 ("**Prospectus Date**") and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date.

Nitro will apply to the Australian Securities Exchange ("**ASX**") within seven days of the Prospectus Date for admission of Nitro to the official list of the ASX and quotation of the fully paid ordinary shares in Nitro ("**Shares**") on the ASX ("**Listing**").

No Shares will be issued or sold on the basis of this Prospectus later than Monday, 21 December 2020, being 13 months after the Prospectus Date.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Exposure Period

The Corporations Act prohibits Nitro or SaleCo from processing applications to subscribe for, or acquire, Shares under this Prospectus ("**Applications**") in the seven-day period after lodgement of this Prospectus with ASIC ("**Exposure Period**"). The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation, tax position or particular needs.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in Shares.

In particular, you should consider the risk factors that could affect the performance of Nitro. You should carefully consider these risks in light of your personal circumstances, investment objectives, financial situation, tax position and particular needs, and seek professional guidance from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

You should also consider the general and specific assumptions underlying the Forecast Financial Information (see Section 4.11).

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

Industry Data

This Prospectus (and in particular Section 2) contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Nitro's business and markets ("**Industry Data**"). Where indicated by specific attribution to Forrester, the Industry Data is based on a market study that Nitro commissioned from Forrester Research Limited ("**Forrester**" or "**Forrester Consulting**").

Unless otherwise indicated, the Industry Data used in this Prospectus is current as of the Prospectus Date.

Investors should note that industry and markets data, and statistics, are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by any member of the Nitro Group, SaleCo or any of their respective affiliates, Directors, officers, employees, advisers, agents, partners, consultants or representatives, or any person with a direct or indirect equity interest in Nitro or SaleCo (each a "**Limited Party**" and together, the "**Limited Parties**"), or any other person in connection with the Offer. You should rely only on information in this Prospectus. None of the Limited Parties nor any other person warrants or guarantees the future performance of Nitro or any return on any investment made pursuant to this Prospectus.

As set out in Section 7, it is expected that the Shares will be quoted on the ASX initially on a deferred settlement basis. Nitro, SaleCo, their respective Directors and officers, the Share Registry and Morgan Stanley Australia Securities Limited ("**Morgan Stanley**" or the "**Lead Manager**") disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

The Offer is managed and underwritten by Morgan Stanley, subject to the terms and conditions of the Underwriting Agreement. The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by them or by any of their respective affiliates, officers, employees or advisers (or by the officers, employees or advisers of their affiliates). To the maximum extent permitted by law, the Lead Manager and each of their respective affiliates, officers, employees and advisers (and each of the officers, employees and advisers of their affiliates) expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus (other than references to their name), and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus. For further information on the terms and conditions of the Underwriting Agreement, you should refer to Section 9.5.

Forward-looking statements

This Prospectus contains forward-looking statements which are statements that may be identified by words such as "may", "could", "believes", "estimates", "expects", "intends", "projects", "anticipates", "target", "plan", "predict", "propose", "will", "goals", "aims", "forecast", "outlook", "upside", "likely", "should" and other similar words that reflect, involve or imply risks and uncertainties. The Forecast Financial Information is an example of forward-looking statements.

Any forward-looking statements are based on an assessment of present economic and operating conditions and on a number of assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place (including the assumptions set out in Section 4).

Nitro does not have any present intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Any forward-looking statements are subject to various risk factors that could cause Nitro's actual results to differ materially from the results expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Nitro, the Directors of Nitro and SaleCo and the management of Nitro. Forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, Sections 4 and 5, and other information in this Prospectus.

None of the Limited Parties give any assurance as to the reasonableness of any forward-looking statements contained in this Prospectus or that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Statements of past performance

This Prospectus includes information regarding the past performance of Nitro. Past performance information given in this Prospectus is given for illustrative purposes only. Investors should be aware that past performance does not represent, and should not be relied upon as being indicative of, future performance.

Financial Information presentation

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of that information is set out in Section 4.2. All references to FY2017, FY2018, FY2019 and FY2020 appearing in this Prospectus are references to the financial years ended 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020, respectively, and all references to 1H2018 and 1H2019 appearing in this Prospectus are references to the six months ended 30 June 2018 and 30 June 2019, respectively, unless otherwise indicated.

The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards ("**AAS**") and other authoritative pronouncements adopted by the Australian Accounting Standards Board ("**AASB**"), which are consistent with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the accounting policies of Nitro.

Important information

All financial amounts contained in this Prospectus are expressed in U.S. dollars and are rounded to the nearest dollar (unless otherwise stated). Any discrepancies between totals and sums of components in tables, figures and body content contained in this Prospectus are due to rounding. Tables, figures and body content contained in this Prospectus have not been amended by Nitro to correct immaterial summation differences that may arise from this rounding convention. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5 and other information in this Prospectus. Where financial information and metrics present pro forma amounts, they have been labelled "pro forma".

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and any person who comes into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. This Prospectus has been prepared for publication in Australia and may not be distributed to, or relied upon by, any person in the United States.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any State or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States, or to or for the account or benefit of any person in the United States, unless the Shares are registered under the U.S. Securities Act or are offered, sold, pledged or otherwise transferred pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or the securities laws of any State or any other jurisdiction in the United States.

The Offer is not being extended to any investor outside Australia, other than to certain Institutional Investors as part of the Institutional Offer.

None of the Limited Parties (and none of the officers, employees and advisers of each of their affiliates) accepts any liability or responsibility for determining whether a person is able to participate in the Offer.

Obtaining a copy of this Prospectus

An electronic copy of this Prospectus is available to Australian residents online at https://nitrooffer.thereachagency.com.

The Offer constituted by this Prospectus in electronic form is only available to persons downloading or printing it within Australia and is not available to persons in any other jurisdiction (including the United States). Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

A paper copy of this Prospectus is available free of charge to Australian resident investors by calling the Nitro Offer Information Line on 1300 352 259 (within Australia) and +61 3 9415 4300 (outside Australia) from 8:30am until 5:30pm (Melbourne, Australia time), Monday to Friday (excluding public holidays).

Applications

Applications may be made only during the Offer Period by completing an Application Form in respect of the Broker Firm Offer or Priority Offer (whichever is relevant to you and which is generally referred to as an Application Form) attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form, which must be downloaded in its entirety from the Offer website, https://nitrooffer.thereachagency.com. By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person any Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Definitions and time

Defined terms and expressions used in this Prospectus are explained in the Glossary at the end of this Prospectus.

Unless otherwise stated or implied, references to times in this Prospectus are to Melbourne, Australia time.

Privacy

By filling out an Application Form, you are providing personal information to Nitro, SaleCo and the Share Registry. Nitro, SaleCo and the Share Registry may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and/or carry out appropriate administration.

Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in an Application Form, your Application may not be able to be processed or accepted.

Your personal information may also be used from time to time to inform you about other products and services offered by Nitro which may be of interest to you.

Your personal information may also be provided to agents and service providers of Nitro on the basis that they deal with such information in accordance with the privacy policy of Nitro. These agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- the Lead Manager in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- market research companies for the purposes of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors or consultants and other advisers for the purposes of administering, and advising on, the Shares and for associated actions.

If a person who submits an Application ("**Applicant**") becomes a Shareholder, the Corporations Act requires Nitro to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Application Form may not be able to be processed.

The information contained in the Nitro register of members must remain there even if a person ceases to be a Shareholder. Information contained in the Nitro register of members is also used to facilitate dividend payments and corporate communications (including financial results, annual reports and other information that Nitro may wish to communicate to its Shareholders) and compliance by Nitro with legal and regulatory requirements. An Applicant has a right to access and correct the information that Nitro, SaleCo and the Share Registry hold about that person, subject to certain exemptions under law.

Applicants can obtain a copy of Nitro's privacy policy by visiting the Nitro website (http://gonitro.com). The privacy policy contains further details regarding access, correction and complaint rights and procedures.

To the extent of any inconsistency between the foregoing and Nitro's privacy policy, accessible at Nitro's website, the foregoing will apply. In all other respects, personal information collected by Nitro and SaleCo in connection with your Application will be handled in accordance with the privacy policy. To contact Nitro regarding privacy matters, please use the contact details provided on its website, or write to Nitro at its address set out in the corporate directory on the final page of this Prospectus.

The Share Registry's complete privacy policy is available at the Share Registry's website, https://www.computershare.com. Queries regarding the Share Registry's privacy policy may also be emailed to web.queries@computershare.com.au.

Nitro's website

Any references to documents included on the Nitro website, http://gonitro.com, are for convenience only, and none of the documents or other information available on Nitro's website form part of this Prospectus and are not interpreted as part of this Prospectus, or incorporated herein by reference.

Photographs and diagrams

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by Nitro. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Logos

This Prospectus may contain trademarks and trade names of third parties, which are the property of their respective owners. Third-party trademarks and trade names used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with Nitro, SaleCo or the Lead Manager.

Independent Limited Assurance Report on Financial Information and financial services guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act. The financial services guide is provided in Section 8.

Questions

If you have any questions about how to apply for Shares, please call the Nitro Offer Information Line on 1300 352 259 (within Australia) and +61 3 9415 4300 (outside Australia) from 8:30am until 5:30pm (Melbourne, Australia time), Monday to Friday (excluding public holidays). Instructions on how to apply for Shares are set out in Section 7 and on the Application form.

If you have any questions about whether to invest in Nitro, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser.

This document is important and should be read in its entirety.

Key Offer information

Important dates

Prospectus Date	Thursday, 21 November 2019
Opening date of the Broker Firm Offer and Priority Offer	Friday, 29 November 2019
Closing date of the Broker Firm Offer and Priority Offer	Friday, 6 December 2019
Settlement of the Offer	Tuesday, 10 December 2019
Issue of Shares under the Offer (Completion of the Offer)	Wednesday, 11 December 2019
Expected commencement of trading on ASX on a deferred settlement basis	Wednesday, 11 December 2019
Expected despatch of holding statements	Thursday 12 December 2019
Shares expected to begin trading on the ASX on a normal settlement basis	Friday, 13 December 2019

Dates may change

This timetable is indicative only and may change without notice. Unless otherwise indicated, all times are stated in Melbourne, Australia time. The Lead Manager and the Company reserve the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the closing date, or to accept late applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or applicants). Offers may be made and may be open for acceptances, under this Prospectus either generally or in particular cases, including until Completion or, subject to the Corporations Act, thereafter, at the discretion of the Directors.

If the Offer is cancelled or withdrawn before the allocation of Shares, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

How to invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Key Offer statistics[1]

Offer Price	A$1.72 per Share
Total number of Shares to be issued under the Offer	64.1 million
Total proceeds of the Offer	A$110.2 million
Total number of Shares on issue on Completion of the Offer	188.9 million
Number of Shares to be held by Existing Shareholders on Completion of the Offer[2]	124.8 million
Market capitalisation at the Offer Price[3]	A$324.9 million
Pro forma net cash (as of 30 June 2019)[4]	A$61.9 million
Enterprise value at the Offer Price[5]	A$263.1 million
Enterprise value/pro forma FY2019 forecast revenue[6]	7.4x
Enterprise value/pro forma FY2020 forecast revenue[7]	4.5x

Notes:

1. Dollar amounts presented in the key Offer statistics table are in Australian dollars. This table contains Forecast Financial Information and information derived from the Forecast Financial Information. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and Appendix A, and is subject to the key risks set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons described in Section 4. Forecasts have been included in this Prospectus for FY2019 and FY2020.
2. Excluding any Shares acquired under the Offer.
3. Market capitalisation at the Offer Price is defined as the Offer Price multiplied by the total number of Shares on issue at Completion of the Offer.
4. Pro forma net cash is equivalent to cash and cash equivalents (as of 30 June 2019), calculated on a pro forma basis immediately after completion of the Offer, converted to Australian dollars at an exchange rate of A$1.00 = US$0.685.
5. The enterprise value at the Offer Price is defined as market capitalisation at the Offer Price, less pro forma net cash of $42.3 million as of 30 June 2019, converted to Australian dollars at an exchange rate of A$1.00 = US$0.685.
6. The enterprise value/revenue multiple is calculated as enterprise value at the Offer Price divided by pro forma forecast FY2019 revenue of $35.4 million, converted to Australian dollars at an exchange rate of A$1.00 = US$0.685.
7. The enterprise value/revenue multiple is calculated as enterprise value at the Offer Price divided by pro forma forecast FY2020 revenue of $40.5 million, converted to Australian dollars at an exchange rate of A$1.00 = US$0.685.

Chairman's letter

"Today, Nitro has over 1.8 million licensed users around the world, and serves over 10,400 Business Customers across 144 countries."

Dear investor,

On behalf of the Directors, it is my pleasure to invite you to consider becoming a shareholder in Nitro Software Limited.

Nitro is a global document productivity software company that aims to drive digital transformation in organisations around the world across multiple industries. The Company's core solution, the Nitro Productivity Suite, provides integrated Portable Document Format ("**PDF**") productivity and electronic signature ("**eSignature**") tools to customers through a horizontal, software-as-a-service ("**SaaS**") and desktop-based software solution. The solution allows knowledge workers to productively manage and process documents for many functions including editing, collaboration, storage and electronic signing.

The Company was founded in 2005 in Melbourne, Australia, and has since expanded to have offices in the United States, the United Kingdom and Ireland. Today, Nitro has over 1.8 million licensed users around the world, and serves over 10,400 Business Customers across 144 countries. Nitro's customer base includes 65% of the 2019 Fortune 500 list, and two of the 2019 Fortune 10 list.[1] Nitro has grown its number of user licenses at a compound annual growth rate ("**CAGR**") of 59% between FY2008 and 1H2019.

Customers choose the Nitro Productivity Suite for a number of reasons, including the integration of PDF productivity and eSigning in a single tool, its ease of implementation and fast adoption, the ability for the solution to scale quickly and easily, a licensing model that provides unlimited electronic signature capabilities, and access to real-time analytics and reporting to quantify the impact of the solution and provide tangible return on investment ("**ROI**").

The revenue opportunity attributable to the portion of the serviceable available market that Nitro may currently be able to realistically serve is estimated by Forrester in a market study prepared for Nitro to be $5.5 billion, and is expected to grow at a rate of 11% per annum over the next four years. This market represents a global serviceable available market of $46 billion which has the potential to continue to expand in future years, as estimated by Forrester. The adoption of SaaS-based solutions in the document productivity and eSignature market is driven by a number of global trends, including organisational cost control, the desire for greater ecosystem connectivity, an expanding and increasingly globalised workforce, and the need for enhanced turnaround speed, transparency and culture. All of these trends are helping to drive adoption of solutions such as the Nitro Productivity Suite.

Nitro is led by a highly regarded and experienced management team, each of whom bring extensive leadership experience from both internal and external roles. Our Chief Executive Officer ("**CEO**") Sam Chandler, and our Senior Vice President of Tax and Treasury Rich Wenzel, were co-founders of the business and have been actively involved in it for over 14 years. Both Sam and Rich, as well as the entire management team of Nitro, are committed to leading the business following our listing on the ASX.

1. Figures as at 1H2019.

Between 1 January 2017 and 31 December 2020, we are forecast to deliver compound annual growth in pro forma revenue of 13%, with pro forma revenue from subscription licenses forecast to grow at a CAGR of 90% over the same period. In addition, the Company is characterised by a sticky customer base that tend to expand their usage over time, as evidenced by our net revenue dollar retention ratio of over 125% for 1H2019. Whilst Nitro has incurred net losses on a consolidated basis since its inception, the Company is working to achieve profitability across all of its core markets; although the Company does not expect to generate a profit during the forecast period.

Nitro has a growth strategy that seeks to expand usage of the Nitro solution within existing customers, win new enterprise customers, expand the revenue contribution from larger enterprise customers, while continuing to invest in product development and innovation, and supplementing our growth through strategic acquisitions where appropriate.

The purpose of the Offer is to provide funding and financial flexibility to support our growth strategy, to repay existing indebtedness to enable existing Shareholders to partially monetise their investment in the Company, to broaden our shareholder base, and to provide us with the benefits associated with being a listed entity.

Nitro is seeking to raise $65.8 million through the issue of 38.2 million Shares at an Offer Price of A$1.72 per Share, and Existing Shareholders are seeking to sell 25.8 million Shares, also at the Offer Price. The total size of the Offer is therefore A$110.2 million. Upon completion of the Offer, new Shareholders are expected to hold 33.9%[2] of the Shares and Existing Shareholders, including management, will retain 66.1%[2] of the Shares, of which 76.2% are expected to be subject to escrow restrictions applying for various terms as discussed in Section 9.10.

This Prospectus contains detailed information about the Offer, the historical and forecast financial results of Nitro, and the material risks associated with an investment in the Company. Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in Nitro, which are contained in Section 5 of this Prospectus. These should be considered in detail. I encourage you to read this Prospectus carefully and in its entirety before making any investment decision, and consult with your independent professional adviser in connection with the Offer.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of Nitro.

Yours sincerely,

Kurt Johnson
Chairman
Nitro Software Limited

2. Excludes Shares acquired under the Offer.

Co-founder and CEO's letter

"Nitro has always been an ambitious company that has sought to achieve great things while doing the right thing."

Dear investor,

When we founded Nitro nearly 15 years ago, we had a simple vision: we wanted to make document productivity easy, powerful, affordable, and available to all. Today, Nitro serves millions of users every month, counts thousands of businesses, government agencies and educational institutions as its customers, and has been deployed at scale at some of the world's largest and best-known companies.

I can still vividly remember sitting in a cafe in San Francisco in May 2005 when the email announcing our very first Nitro product sale arrived. It was one customer, buying one license. Fast-forward to 2019, and we have over 1.8 million licensed users in 144 countries, and over 10,400 Business Customers including GE, Caterpillar and the European Parliament.

After months, quarters and years of effort, from our original team and so many more, we are proud that we have forged the foundations of what we expect to be an enduring software company. That original vision for document productivity was conceived in a Melbourne laneway but today is truly serving the world.

Our focus at Nitro has always been serving our customers. Their success is our success. Nearly 15 years ago, we were primarily helping individuals and small businesses work smarter and do more with documents. Today we are driving digital transformation at some of the largest companies in the United States, Europe, Australia and beyond. We envision a world of 100% digital document workflows, the end of paper forms and signatures, delightful product experiences for daily document tasks, better document security, and powerful productivity for all.

Nitro has always been an ambitious company that has sought to achieve great things while doing the right thing. That ambition and ethos is hardwired into how we operate, and codified and reflected in our values of "Performance First, No BS, and Be Good". In other words, performance is our highest priority, but we will always strive to be transparent and direct with all stakeholders, and we expect our Nitronauts to be good humans. These values have powered our Nitronauts and our success for a decade and a half, and I hope they are among the reasons that you may consider investing in the Company. We take our responsibility as stewards of shareholder value as seriously as our commitment to our vision and our customers.

We also hope that you will share our belief that enduring companies are built in years, not quarters. We intend to invest for, and manage the business to create, long-term value. As Ben Graham said, in the short run, markets are voting machines; and in the long run, they are weighing machines. We hope that the scales would suggest we invested and managed wisely another 15 years from now.

In the large enterprise software markets that we serve, we have always seen enormous opportunity, and especially in 2019 and beyond. Nitro's IPO will enable us to deliver on the potential of those markets for Nitro, our customers, and our shareholders. While we are proud of what we have been building since 2005, we know there is a lot more still to achieve – and we intend to deliver on our promise to transform the way the world works with documents.

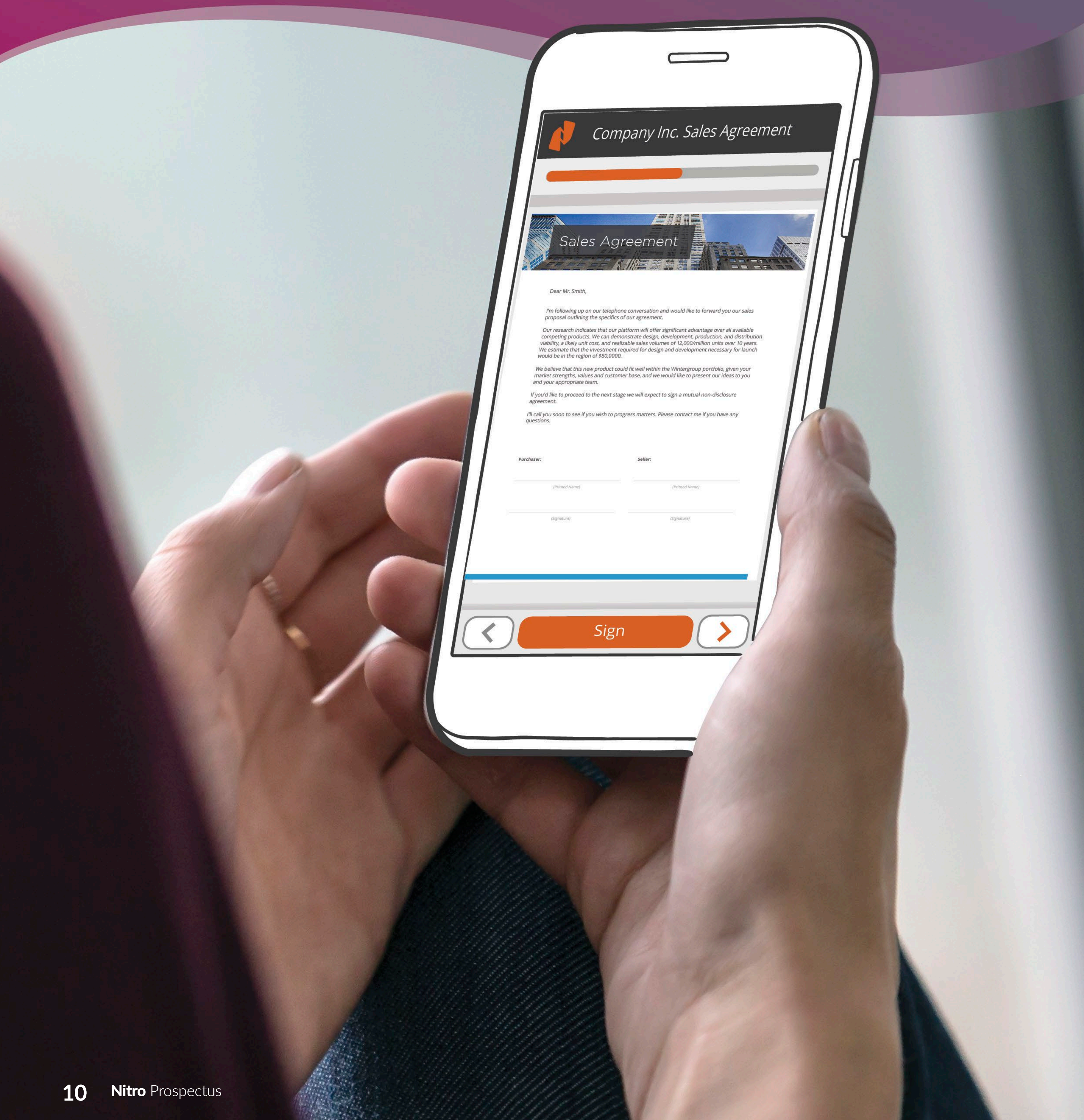
I am thrilled to invite you to join me as a fellow Shareholder of Nitro.

Yours sincerely,

Sam Chandler
Co-Founder and CEO
Nitro Software Limited

SECTION 1

Investment overview



1.1 Overview of Nitro and its business model

Topic	Summary	For more information
Who is Nitro Software?	Nitro is a global document productivity software company that aims to drive digital transformation in organisations around the world across multiple industries. The Company's core solution, the Nitro Productivity Suite, provides integrated PDF productivity and eSignature tools to customers through a horizontal, SaaS and desktop-based software suite. The solution allows knowledge workers to productively manage and process documents for many functions including editing, collaboration, storage and electronic signing.	Section 3.1
What is Nitro's history?	Nitro was founded in 2005 in Melbourne, Australia, offering Nitro Pro as an alternative to Adobe Acrobat for desktop PDF productivity. Nitro Pro was initially sold online, but sales channels have since expanded to include Nitro's growing sales team, as well as a global partner network of software resellers. In 2016, Nitro began transitioning from a perpetual or "one-time" licensing model to a subscription licensing model, as well as commencing a focus on the enterprise market. In 2018, Nitro introduced the Nitro Productivity Suite, a document productivity solution enabling customers to receive PDF productivity tools, eSignature capabilities and usage and ROI analytics through an integrated desktop and cloud solution.	Section 3.2
Where does Nitro operate?	Nitro services over 10,400 Business Customers which have 10 or more licenses, from its headquarters in San Francisco and offices in Dublin, London and Melbourne. Nitro has over 1.8 million licensed users across 144 countries around the world.	Section 3.1
What is Nitro's business model and how does it generate revenue?	Nitro earns revenue from the sale of software to Small Office Home Office ("**SOHO**") users, Small and Medium-size Businesses ("**SMBs**") and large multinational enterprises and government agencies ("**Enterprise**"). Nitro's software is licensed to customers on a right-to-use (or perpetual) license basis, or on a right-to-access (or subscription) license basis. Perpetual license customers pay a one-time, upfront fee for the right to use Nitro's software indefinitely, and may also purchase an ongoing maintenance and support contract that has a one-year term. Maintenance and support is paid up-front for the term of the agreement. Subscription license customers pay annual up-front instalments that provide them with the right to access Nitro over the term of the subscription period (which is typically three years). Historically, Nitro only offered its solution via a perpetual licensing model. In 2016, the Company began offering a SaaS-based subscription licensing model.	Section 3.4

Topic	Summary	For more information
What are Nitro's key products?	The Nitro Productivity Suite comprises three core products: Nitro Pro, Nitro Cloud and Nitro Analytics. This suite is a fully-integrated document productivity solution enabling customers to receive PDF productivity, eSignature capabilities, and analytics through an integrated desktop and cloud solution. In addition, customers can manage users and licenses through the Nitro Admin tool, and access onboarding, adoption and change management capabilities through Nitro's customer success offering. **Nitro Pro:** Nitro Pro is a Windows-based desktop solution allowing users to quickly and easily create, convert, edit, redact, sign, review and protect PDF documents. Nitro Pro makes scanned documents editable, as well as integrating with popular cloud-based storage products such as Dropbox, Google Drive and OneDrive. **Nitro Cloud:** Nitro Cloud is a web-based eSignature and PDF productivity solution that provides users with unlimited electronic signature capabilities, PDF productivity in the browser, and the ability to collaborate on documents via the cloud. The solution provides document tools that can be accessed through any device with a web browser, including mobile devices. **Nitro Analytics:** Nitro Analytics provides customers with actionable insights on user adoption across various work streams; measures print reduction and document processing efficiency in order to identify areas for productivity improvement; and identifies tangible ROI from the Nitro Productivity Suite. **Other tools and capabilities:** The Nitro Productivity Suite also includes Nitro Admin cloud-based functionality to facilitate license deployment and assist with user management across the enterprise. Nitro supports the adoption and implementation of its solutions through onboarding, scaling and enablement best practices delivered through self-help knowledge-based tools, and the Nitro Customer Success team. The Customer Success team works with businesses to ensure customers achieve maximum value from their Nitro Partnership. Support includes live and on-demand training and helpful resources to educate users. For individual users that need assistance using Nitro's solutions, the Company offers 24/7 web-based customer support.	Section 3.3
What differentiates Nitro from other similar products?	Nitro Productivity Suite's key points of differentiation include: • **Single solution for both PDF productivity and eSigning:** combining a PDF productivity tool with electronic signing capability to deliver a single, easy-to-use solution that accelerates digital transformation across organisations; • **Ease of implementation and fast adoption:** an intuitive user interface coupled with Customer Success to facilitate change management, accelerate user adoption and fast track document productivity gains throughout the enterprise; • **Implementation at scale:** Nitro's solution is highly scalable and can be quickly and easily deployed without the need for complex integrations or significant IT resources; • **Unlimited eSigning:** Nitro's licensing model enables organisations to more easily deploy eSignature capabilities by reducing the friction associated with per signature licensing models; and • **Real-time analytics:** Nitro Analytics enables organisations to quantify the impact of the solution, highlight opportunities to continuously optimise results, and prove tangible ROI.	Section 3.3.5

Topic	Summary	For more information
How does Nitro sell its products?	Nitro's revenue growth is primarily driven by a range of sales and marketing strategies focused on winning new customers, increasing penetration of existing customers and expanding revenue contribution from existing customers. Nitro's sales and marketing function takes a multi-faceted approach, which varies the Company's sales resourcing and approach based on the size of potential customers, the complexity of their needs, and the revenue opportunity that exists within those customers. The key components of Nitro's sales and marketing strategy include: • **Online:** "freemium" approach providing free access to a limited feature set of Nitro's products and services, including a 14-day free trial, with a focus on SOHO customers; • **Corporate (inside):** a sales team which typically services customers up to 5,000 employees in size; • **Enterprise (field):** a sales team which typically services customers with over 5,000 employees; and • **Channel:** a global channel partner network which sells Nitro's software solutions, who make introductions to customers and facilitate sales efforts in exchange for a share of revenue or commission payment.	Section 3.6
What is Nitro's business and growth strategy?	Nitro's growth strategy is based on five key pillars: • **Expansion within existing customers:** through an increase in the number of licenses, and through increases in the price paid by customers per license; • **Winning new enterprise customers:** continuing geographical and vertical expansion by winning new customers, including from competitors, to drive increased penetration of Nitro's global addressable market; • **Expanding revenue contribution from larger enterprise customers:** driven by an expansion of the utilisation of Nitro's solution within existing customers, including upgrades from Nitro Pro to the entire Nitro Productivity Suite; • **Continued investment in product development:** Nitro devotes a significant amount of time and resources developing and exploring potential new products which may lead to growth opportunities through new revenue-generating products or by attracting new customers to Nitro's solutions; and • **Acquisitions:** Nitro may from time to time evaluate opportunities to acquire companies or assets to accelerate customer acquisition or product development.	Section 3.8

1.2 Key features of Nitro's industry

Topic	Summary	For more information
What industries and segments does Nitro operate in?	Nitro operates in the document productivity software market. Nitro's software enables organisations and individuals to improve how they create, collaborate, form fill, sign, process and work with digital documents. Nitro primarily operates today in the software categories of PDF productivity and eSigning, and its products are used across many industries and geographies.	Section 2.1
What is SaaS?	SaaS is the abbreviation for Software-as-a-Service and is defined as a software licensing and distribution model whereby software is centrally hosted and delivered to licensed users on a subscription basis. SaaS has become a common delivery model for software applications across many industries, and removes the need for organisations to install, maintain and upgrade software and hardware, eliminating or significantly reducing the costs and complexities associated with on-premise systems.	Section 2.1.2
What is document productivity?	Document productivity is a non-standardised term concerned with achieving the highest possible output with the lowest amount of inputs in all processes involving document interaction. Interactions include creating, editing, collating, signing and sharing documents. Enhanced document productivity can lead to lower financial and environmental costs, time saved, less compliance risk, and general streamlining of processes.	Section 2.1.5
What is PDF?	Portable Document Format ("**PDF**") is a file format that allows documents to be shared, viewed and printed in a consistent format, independent of the software, hardware or operating system upon which they are viewed. It is an open standard technology under International Organization for Standardization ("**ISO**") classification 32000-1:2008.	Section 2.1.6
What is eSigning?	An electronic signature is a digital alternative to a handwritten signature which uses data to provide a secure and accurate identification method without the need for any physical intervention. An eSignature is typically attached to an electronic document (such as a PDF file) as an alternative to a handwritten signature, but which has the same legal standing and binding nature, as long as appropriate requirements and regulations are satisfied (see Section 2.4.1). As defined in the Electronic Signatures in Global and National Commerce Act ("**ESIGN Act**") and Uniform Electronic Transactions Act ("**UETA**"), an electronic signature can be in the form of an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person.	Section 2.1.7
What are the drivers of the document productivity market?	Document productivity technologies have become important enablers of digital business transition. In particular, they can: • assist enterprises in overcoming organisational structures that inhibit information flow by helping replace obsolete business processes and information flows that are encoded in legacy business applications; • empower change agents to promote stronger digital psychology; • drive employee and process productivity by allowing employees to utilise digital collaboration tools that may result in improved efficiency and reduced employee down time; and • enable the secure transmission and dissemination of content.	Section 2.3.1

Topic	Summary	For more information
What is the size of Nitro's addressable market?	According to a market study conducted by Forrester, the revenue opportunity that is attributable to the portion of Nitro's serviceable available market which it may be able to realistically serve is estimated at $5.5 billion. This market is expected to grow at a rate of 10.6% per annum over the next four years. This market includes all potential users of Nitro's solution on a global basis who are ready to implement, expand or maintain current software solutions. This market is relatively evenly split across industry verticals, and approximately 33% of Nitro's serviceable available market is across the United States and Western Europe. Approximately 46% of the market is from East Asia and South East Asia which are relatively unpenetrated markets for Nitro, given that Nitro has not traditionally invested in sales and marketing resources across these jurisdictions. The total global serviceable available market across both PDF productivity and eSignature is estimated at $46 billion.	Section 2.3.2

1.3 Key strengths

Topic	Summary	For more information
Nitro provides an integrated suite of SaaS-based document productivity solutions to drive digital transformation within organisations	The Nitro Productivity Suite provides integrated PDF productivity and eSignature tools to customers through a horizontal, SaaS and desktop-based software suite. The solution allows knowledge workers to productively manage and process documents for many functions including editing, collaboration, storage and electronic signing. The Nitro Productivity Suite also offers analytics capabilities that provide actionable quantitative insights into the adoption and usage of the software solution and the resulting productivity improvements. Nitro's software suite features a familiar Microsoft Office style interface for users which allows them to create, combine, review, convert, edit, sign, redact, protect and compare documents using the PDF standard. Additionally, customers can use Nitro Pro to make scanned documents into searchable and editable PDFs and integrate them into cloud-based storage products such as Dropbox, Google Drive and Microsoft OneDrive. This product is complemented by Nitro Cloud, providing both eSigning and PDF productivity capabilities to any device with a web browser – including mobile devices. It allows users to send and receive documents for signing, collaborate on documents online, and perform other PDF productivity tasks, all without the installation of any software. In addition, the suite contains Nitro Analytics – a tool which provides customers with actionable insights on product usage and adoption, measures print reduction associated with digitising business processes, pinpoints areas for productivity improvement, and identifies tangible ROI from the Nitro Productivity Suite for customers. Nitro supports the adoption and implementation of its solutions through Nitro Admin, which is a cloud-based solution designed to help facilitate enterprise license deployment and user management as well as through its Customer Success team, which is focused not just adoption, but on proving ROI, business impact and ensuring customers achieve maximum value from Nitro.	Section 3.3

Investment overview

Topic	Summary	For more information
A differentiated product offering relative to other document productivity solutions in the market	Nitro was founded in 2005, with Nitro Pro offering an alternative to Adobe Acrobat for desktop PDF productivity. Today, Nitro specialises in document productivity, digital transformation and change management. In addition, the Nitro Productivity Suite differentiates itself from competing solutions by providing: • **Single solution for both PDF productivity and eSigning:** combining a PDF productivity tool with electronic signing capability to deliver a single, easy-to-use solution that accelerates digital transformation across organisations; • **Ease of implementation and fast adoption:** intuitive user interface coupled with Customer Success to facilitate change management, accelerate user adoption and fast track document productivity gains throughout the enterprise; • **Implementation at scale:** Nitro's solution is highly scalable and can be quickly and easily deployed without the need for complex integrations or significant IT resources; • **Unlimited eSigning:** Nitro's licensing model enables organisations to more easily deploy electronic signature capabilities by reducing the friction associated with per-signature licensing models; and • **Real-time analytics:** Nitro Analytics enables organisations to quantify the impact of the solution, highlight opportunities to continuously optimise results, and prove tangible ROI. The combination of price and product differentiation provides Nitro's customers with a superior value proposition to improve employee productivity gains, accelerate paperless initiatives, promote organisation-wide standardisation and reduce technology costs.	Section 3.3.5
A large and growing global addressable market for PDF productivity and electronic signing	According to a market study conducted by Forrester, the revenue opportunity that is attributable to the portion of Nitro's serviceable available market which it may be able to realistically serve is estimated at $5.5 billion. This market is expected to grow at a rate of 10.6% per annum over the next four years. This market includes all potential users of Nitro's solution on a global basis who are ready to implement, expand or maintain current software solutions. This market is relatively evenly split across industry verticals, and approximately 33% of Nitro's serviceable available market is across the United States and Western Europe. Approximately 46% of the market is from East Asia and South East Asia which are relatively unpenetrated markets for Nitro, given that Nitro has not traditionally invested in sales and marketing resources across these jurisdictions. The total global serviceable available market across both PDF productivity and eSignature is estimated at $46 billion.	Section 2.3.2
High quality, global customer base and scalable business model	Nitro has over 1.8 million licenses and over 10,400 Business Customers worldwide, including 65% of the 2019 Fortune 500, and two of the 2019 Fortune 10 list[1]. The Nitro Productivity Suite is currently used by a number of high-profile market-leading enterprises, including ExxonMobil, UnitedHealth Group, BNY Mellon, T-Mobile, Caterpillar, Chubb and JLL. Nitro's business model is highly scalable due to the straightforward nature of its industry agnostic software, and its ease of deployment into organisations. This scalability is enhanced by the natural growth of licensed users via continued deeper penetration of existing customers, and the roll-out of the software across multiple sites and geographies within large multi-national companies. Such expansion has already been demonstrated by large enterprise customers.	Sections 3.4, 3.7 and 3.8

1. Figures as at 1H2019.

Topic	Summary	For more information
Strong track record of customer acquisition and retention	To date, Nitro has a strong track record of customer acquisition and retention. The Company has historically experienced high customer retention rates, with a subscription-based customer retention rate of over 90% for the four quarters up to and including Q22019; and a net revenue retention rate of 127% for 1H2019. The Company also has a 4.1x LTV/CAC ratio for 1H2019, demonstrating a highly productive sales force. For subscription customers, Nitro typically enters into three-year contracts which provides visibility into revenue in future periods due to the recurring nature of those revenue streams. Nitro's software solutions have been designed to be scalable on an international basis with its multi-jurisdictional and industry agnostic platform.	Sections 3.4, 3.6 and 4.2.5
A growing proportion of revenue that is classified as recurring in nature	Nitro's historical results include: • In 1H2019, subscription revenue increased by 110% from 1H2018 and accounted for 34% of total revenue; • Pro forma gross margin for 1H2019 was approximately 89%; and • Approximately 21% of total revenue was recurring in FY2018, up from 11% in FY2017. Nitro generates recurring revenues as a result of selling its software products under a subscription-based model, in particular to enterprise customers. Nitro also generates revenue from the sale of perpetual licenses. However, the Company has been transitioning its sales and marketing effort away from the sale of perpetual licenses since FY2016, and is now focused on increasing the proportion of its revenues generated from SaaS-based licenses, resulting in an increase in the proportion of recurring revenue to total revenue. The Company has business customers in 144 countries around the world, including global market leaders across multiple industries.	Sections 3.1, 3.4.1, 4.3 and 4.12
Multiple levers of business growth and strong growth prospects	Nitro has a proven growth strategy, which is based on the following key elements: • **Expansion within existing customers:** through an increase in the number of licenses, and through increases in the price paid by customers per license; • **Winning new enterprise customers:** Nitro is focused on continuing its geographical and vertical expansion by winning new customers, including from competitors, to drive increased penetration of the Company's global addressable market; • **Expanding revenue contribution from larger enterprise customers:** Nitro continues to focus on expanding the revenue contribution from enterprise customers to drive greater revenue per customer, increase the profile of Nitro's solutions, and enhance the network benefits of using Nitro's products between organisations; • **Continued investment in product development:** Nitro believes there are additional growth opportunities in both its core markets as well as adjacent markets, and maintains a balanced approach between exploring new ideas and developing existing products; and • **Acquisitions:** Nitro may from time to time evaluate opportunities to acquire companies or assets that may help to accelerate customer acquisition or product development, or which may be additive to Nitro's future product roadmap.	Section 3.8
A stable and experienced management team	Nitro is led by its Chief Executive Officer, Sam Chandler, who co-founded the business in 2005 and has overseen the transformation of Nitro into a global software business. Rich Wenzel, another co-founder of Nitro, also remains within the business as its Senior Vice President of Tax and Treasury. Nitro's Chief Financial Officer ("**CFO**"), Kathy Miller, joined Nitro in early 2019 and has over 30 years' experience in senior financial management and operating positions with extensive experience in both private and public technology and software companies. Nitro's senior leadership team is supported by a stable Board of Directors with experience across the broader software and technology sector.	Sections 6.1 and 6.2

1.4 Key risks

Topic	Summary	For more information
Failure to retain existing clients or attract new customers	Nitro's business depends on its ability to retain its existing customers, and the Company's growth depends on its ability to attract further business from existing customers and to attract new customers. There is a risk that existing customers reduce their usage of Nitro's software – for example, in terms of the number of users, the number of geographies in which Nitro's software is used, and/or the number of services or products they use of the Nitro Productivity Suite, which would all result in a reduction in the level of payments they make to the Company. Additionally, Nitro may not attract new customers at the rate, over the timeframes or with pricing, revenue and costs it currently experiences. Nitro's ability to retain existing customers and attract new ones, and retain or increase customers' level of usage, depends on many factors including the adequacy of the Company's solution with respect to matters such as functionality, reliability, cost-effectiveness, pricing, customer support and value compared to competing products. If customers do not continue to use Nitro's software or increase their use over time, and if new customers do not choose to use Nitro's software, the growth in revenue may slow, or revenue may decline.	Section 5.1.1
Impact of changing revenue model	Nitro is in the process of shifting its revenue away from its historical model of one-off sales of perpetual licenses, and towards subscription-based, multi-year, SaaS-based contracts for its products. Entering into multi-year contracts with customers results in a lower recognition of revenue for the financial period in which the sale is closed than an equivalent number of perpetual licenses, as the revenue is recognised across the term of the contract. Where those customers would otherwise have purchased a perpetual license, changing the mix between one-off and subscription sales may result in a reduction of Nitro's revenue for the current period.	Section 5.1.2
Success of sales and marketing strategy	Nitro's business is partly dependent on the conversion of customer sales from investment in sales and marketing campaigns and initiatives, which is expected to continue to increase as the business grows. Failure to realise the intended benefits from sales and marketing investment could negatively impact Nitro's ability to attract new customers, and may adversely impact Nitro's operating and financial performance.	Section 5.1.3
Loss-making operations to date	Since commencing operations in 2005, Nitro's business operations, and investments in product, marketing and customer acquisition activities have principally been funded through private equity financing, working capital and (to a lesser extent) debt. Like many start-up companies, Nitro has incurred losses since inception. The cumulative losses up to 30 June 2019 are approximately $50 million. Given Nitro's limited history, it may be difficult to make an evaluation of its business or its products.	Section 5.1.4
Nitro operates in a competitive industry	Nitro competes against other international document productivity and electronic signature software providers, as well as with internally-developed or manual paper-based systems. The global document productivity industry is rapidly evolving, is increasingly competitive and the market leader has significantly more financial and operational resources than Nitro. As such, there is a risk that at any time Nitro may compete less effectively against its competitors, causing it to lose market share and the ability to develop or secure new clients, which could have an adverse impact on Nitro's business, operations and financial performance.	Section 5.1.5
Pricing risk	Nitro primarily generates revenue by charging monthly or annual subscription fees to its customers for the length of their contract, based on the product features chosen by the customer and the number of users they have using Nitro's software suite. Upon completion of their contract, Nitro's customers may try to renegotiate contract terms for more favourable price discounts which, if realised, would result in a direct reduction in the payments they make to Nitro and have a negative impact on the Company's financial performance. While Nitro may resist such attempts to renegotiate prices, business economics, market conditions or competitive forces may dictate such terms need to be accepted.	Section 5.1.6

Topic	Summary	For more information
Reliance on up-take of SaaS-based document productivity and electronic signature software	Nitro's future growth in revenues depends on the increasing adoption of SaaS-based document productivity and electronic signature software solutions. It may be difficult for Nitro to persuade potential customers to change existing on-premise, perpetual license or manual paper-based solutions to adopt Nitro's SaaS-based software product. If Nitro's software is not accepted and used by more organisations, or if the market for such solutions fails to grow as expected, Nitro's platform could be adversely affected and revenue growth may slow, which could negatively impact the business, operations and financial performance.	Section 5.1.7
Failure to adequately maintain and develop Nitro's software platform	Nitro's business model depends on the Company's ability to continue to ensure that customers are satisfied with the products that Nitro offers. There is a risk that Nitro fails to maintain its software platform adequately, or that updates may introduce errors and performance issues, causing customer satisfaction in the Company's software to fall. Additionally, the failure to successfully develop new product features and modules may have a materially adverse impact on Nitro's future operations and financial performance.	Section 5.1.8
Failure to realise benefits from research and development	Historically, Nitro has invested significantly in research and development and it expects to continue to do so in the future in order to further expand and improve its software and to maintain its competitive position. Software development is expensive and often involves an extended period of time to achieve an ROI; or Nitro may receive no economic benefit at all from such investment.	Section 5.1.9
Cyber security incidents or breaches of data privacy rules and regulations	The use of information technology is critical to Nitro's ability to deliver products and services to customers and the growth of its business. It is possible that measures taken by Nitro to prevent technology breaches may prove to be inadequate. By their nature, information technology systems are susceptible to cyber-attacks, with third parties seeking unauthorised access to data, financial theft and to cause disruption to business-as-usual services. Any accidental or deliberate security breaches or other unauthorised access to Nitro's information technology systems or customer data may subject Nitro to reputational damage, a loss of confidence in the services provided, a disruption of services to customers, claims by customers, loss of customers, theft and misappropriation of funds, legal action and regulatory scrutiny. Nitro may also be required to incur costs to rectify system vulnerabilities or introduce additional safeguards to minimise the risk of future security breaches. Any of these events could adversely impact Nitro's reputation, business and financial performance.	Section 5.1.12
Disruption or failure of technology systems and software	Nitro and its customers are dependent on the performance, reliability and availability of the Company's technology platforms, data centres and global communications systems (including servers, the internet, hosting services and the cloud environment in which the Company provides products). There is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power outages or other similar events. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could have a materially adverse impact on Nitro's business, operations and financial performance.	Section 5.1.13
Failure to manage growth	Nitro has experienced a period of considerable growth in revenue, employee numbers and the number of people using its software solutions. Based on the Company's projections, it expects further growth in the future which could place strain on current management, operational and financial resources as well as the infrastructure supporting Nitro's platform. Failure to appropriately manage growth could result in failure to retain existing customers and a failure to attract new clients, which could adversely affect the Company's operating and financial performance.	Section 5.1.14

Topic	Summary	For more information
Inability to attract or retain key personnel	The success of the Company is dependent upon the ongoing retention of key personnel, including the current senior executive, sales and product teams. In addition, there is a risk that Nitro may not be able to attract and retain key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a materially adverse impact on management's ability to operate the business and achieve its growth strategies and prospects, including through the development and commercialisation of new solutions or modules. The loss of key personnel could also have an adverse impact on operations, with the potential loss of key customer relationships, potential loss of business process knowledge and an adverse impact on financial performance.	Section 5.1.17
Reliance on third party information technology suppliers	Nitro relies on certain contracts with third party suppliers such as Amazon Web Services ("**AWS**") to maintain and support information technology infrastructure, particularly related to cloud services. In particular, Nitro relies on third party suppliers for the provision of database and software infrastructure. Any failure or disruption to the services provided from or termination of contracts for any reason with third party service providers could negatively impact operating and financial performance. It could also expose the Company to claims for loss and damage from customers that may exceed the amounts that Nitro is entitled to recover from the third party service providers.	Section 5.1.20
Platform capacity	Customers' use of Nitro's software can vary from time to time depending on their business requirements. There is a risk that at any one time a spike in utilisation volumes could mean that demand for Nitro's solutions exceeds the capacity of its platform and infrastructure capability, which in turn could result in a service outage, loss of customer data or the inability for users to utilise Nitro's electronic signature features. The failure to manage these risks could result in customer dissatisfaction, resulting in attracting fewer new customers as well as having an adverse impact on operations and financial performance.	Section 5.1.24
Other risks	More details on these risks and a number of other risks are included in Section 5, including risks relating to failure to protect intellectual property rights, breach of third party intellectual property rights, risk of litigation, foreign exchange exposure, changes in political and regulatory climate, and general investment risks.	Section 5

1.5 Key financials and dividend policy

Topic	Summary	For more information
How does Nitro expect to fund its operations?	Nitro's principal sources of funds are expected to be cash flows generated from operations, cash on hand, and proceeds from the Offer. Nitro expects to pay down its existing debt upon completion of the Offer and will be in a net cash position. Nitro believes it will have sufficient cash flow from operations to meet its operational requirements during the forecast period. The main use of cash is to fund operations and support growth initiatives, potentially including acquisitions.	Section 4.5.1
What is Nitro's dividend policy?	The policy of the Company is to reinvest all cash flow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near term following the Company's listing on the ASX. The payment of a dividend by Nitro, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Directors), including the general business environment, the financial results of the business, cash flows and financial condition of Nitro, future funding requirements, taxation considerations (including the level of franking credits available), and any contractual, legal or regulatory restrictions on the payment of dividends by Nitro.	Sections 4.8 and 4.15

Topic	Summary	For more information
What is Nitro's pro forma historical and forecast financial performance?	(see table below)	Section 4.3.1

USD in millions	Notes	Pro Forma Historical Results FY2017	Pro Forma Historical Results FY2018	Pro Forma Forecast Results FY2019	Pro Forma/ Statutory Forecast Results FY2020	Statutory Forecast Results FY2019
Subscription		3.0	6.9	13.1	20.2	13.1
Perpetual, maintenance and support		24.9	25.5	22.3	20.2	22.3
Revenue	1	**27.9**	**32.4**	**35.4**	**40.5**	**35.4**
Cost of sales		(3.6)	(3.8)	(4.0)	(4.5)	(4.0)
Gross profit		**24.2**	**28.6**	**31.4**	**35.9**	**31.4**
Selling and marketing expense	1	(17.7)	(15.6)	(18.5)	(21.3)	(18.4)
General and administration expense		(8.5)	(8.2)	(9.2)	(9.7)	(11.6)
Research and development expense		(6.6)	(7.7)	(7.4)	(10.3)	(7.4)
Other (loss)	2	0.5	(1.2)	(0.2)	–	(0.2)
EBITDA		**(8.1)**	**(4.2)**	**(3.8)**	**(5.3)**	**(6.1)**
Interest income		0.0	0.0	0.0	0.4	0.0
Depreciation and amortisation expense		(3.2)	(2.0)	(2.0)	(1.8)	(2.0)
Finance costs		(0.8)	(0.6)	(0.6)	(0.1)	(1.8)
(Loss) before income tax		**(12.1)**	**(6.8)**	**(6.4)**	**(6.8)**	**(10.0)**
Income tax (expense)/benefit	3	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
(Loss) for the year		**(12.4)**	**(6.9)**	**(6.5)**	**(7.0)**	**(10.1)**
Other comprehensive income						
Adjustment from translation from foreign controlled entities		(0.4)	0.2			
Total comprehensive (loss) for the year		**(12.8)**	**(6.7)**	**(6.5)**	**(7.0)**	**(10.1)**

Refer to Section 4.3.1, Figure 21 for the notes relating to the above.

The information presented above contains non-IFRS measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information in Section 4 of this Prospectus, as well as the risk factors outlined in Section 5.

Topic	Summary	For more information
What will be Nitro's capital structure on Completion?	On Completion, Nitro will have 188.9 million Shares on issue.	Section 7.1

1.6 Board and management

Topic	Summary	For more information
Who are the Directors of Nitro?	• Kurt Johnson – Chairman, Non-Executive Director; • Sam Chandler – Chief Executive Officer; Executive Director • Rich Wenzel – Executive Director; • Andrew Barlow – Non-Executive Director; • John Dyson – Non-Executive Director; • Michael Brown – Non-Executive Director; • Sarah Morgan – Non-Executive Director; and • Lisa Hennessy – Non-Executive Director.	Section 6.1
Who are the executives of Nitro?	• Sam Chandler – Co-Founder, Executive Director and Chief Executive Officer; • Kathy Miller – Chief Financial Officer; • Gina O'Reilly – Chief Operating Officer; • Rich Wenzel – Co-Founder, Executive Director and Senior Vice President of Tax and Treasury; and • David O'Donoghue – Vice President of Engineering.	Section 6.2

1.7 Significant interests of key people and related party transactions

Topic	Summary	For more information
Who are the Existing Shareholders and what will be their interest in the Company at Completion of the Offer?	Shareholdings of Existing Shareholders on the Prospectus Date and immediately following Completion of the Offer are set out in the table below. This table does not include any additional Shares that may be acquired under the Offer.	Section 7.1.6

	Prospectus Date		Completion	
Shareholder	**Shares**	**%**	**Shares**	**%**
Starfish Technology Fund II LP	32,081,373	21.3%	26,076,463	13.8%
Battery Ventures	27,440,649	18.2%	24,872,515	13.2%
Richard Wenzel	11,872,440	7.9%	9,650,188	5.1%
Regal Emerging Companies Fund	10,915,761	7.2%	10,915,761	5.8%
Sam Chandler	9,191,880	6.1%	9,191,880	4.9%
Other existing Shareholders	59,170,089	39.3%	44,121,409	23.4%
New Shareholders	–	–	64,093,670	33.9%
Total	**150,672,192**	**100.0%**	**188,921,886**	**100.0%**

Refer to Section 7.1.6, Figure 51, for the notes relating to the above table.

New Shareholders will hold in aggregate 64.1 million Shares immediately following Completion.

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>What significant benefits are payable to Directors and other persons connected with the Company or the Offer and what interests do they hold?</td><td>For Shares expected to be held by Directors on Completion, refer to Section 6.4.2.5.
Directors and senior management are entitled to remuneration and fees as disclosed in Sections 6.4.2, 6.4.3 and 6.4.4, and are entitled to participate in the incentive arrangements described in Sections 6.4.6, 6.4.7, 6.4.8, 6.4.9 and 6.4.11.
Advisers and other service providers are entitled to fees for services and have other interests as disclosed in Section 6.4.1.</td><td>Section 6.4</td></tr>
<tr><td>Will any Shares be subject to restrictions on disposal following Completion?</td><td>Existing Shares which are held at Completion by the Escrowed Shareholders (other than any Shares purchased under the Offer) will be subject to disposal restrictions as follows:
• Existing Shares held by Battery and Starfish will be subject to voluntary escrow restrictions until the date on which Nitro’s full-year results for the period ending 31 December 2020 are released to the ASX, subject to potential early release as set out below;
• Existing Shares held by various Existing Shareholders will be subject to voluntary escrow arrangements until the date that is six months after Completion; and
• Existing Shares and options held by director entities, Sam Chandler and members of management will be subject to voluntary escrow restrictions until the date on which Nitro’s full-year results for the period ending 31 December 2020 are released to the ASX.
Subject to certain exceptions, the Escrowed Shareholders may not dispose of their Escrowed Shares whilst those Escrowed Shares are subject to voluntary escrow arrangements or other disposal restrictions.
Starfish and Battery may be released early from these escrow obligations to the extent required in order to dispose of up to the percentage of their escrowed Shares (in one or more transactions) listed below after the corresponding conditions have been satisfied:
<table><tr><th>Shares to be released from escrow</th><th>Escrow release condition</th></tr><tr><td>33.3%</td><td>• The half yearly results of Nitro for the period ended 30 June 2020 have been released to the ASX; and
• The volume-weighted average price (“VWAP”) in any 10 consecutive trading days following release of those financial results exceeds the Offer price by more than 20%.</td></tr></table></td><td>Section 9.10</td></tr>
<tr><td>Are there any other related party transactions?</td><td>Other than as disclosed in this Prospectus, Nitro is not party to any material related party arrangements.</td><td>Section 6.4.12</td></tr>
</table>

1.8 Overview of the Offer

Topic	Summary	For more information
Who is the issuer of the Prospectus?	Nitro Software Limited (ACN 079 215 419) and Nitro Software SaleCo Limited (ACN 637 092 794).	Important information
What is the Offer?	This Prospectus relates to an initial public offering of Shares issued by Nitro at a price of A$1.72 per Share ("**Offer Price**"). A total of 64.1 million Shares will be available under the Offer, of which 25.8 million existing Shares will be offered on behalf of Selling Shareholders. The Offer is expected to raise approximately A$110.2 million. The Shares to be issued under the Offer will represent 33.9%[2] of the Shares on issue at Completion of the Offer.	Section 7.1
Why is the Offer being conducted?	The Offering is being conducted to: • provide funds to fuel and support the Company's growth strategy and to enable it to capitalise on future growth opportunities; • repay existing debt; • enable existing shareholders to partially monetise their existing investments; and • expand the Company's shareholder base.	Section 7.1.2
What is the consideration payable for the Shares?	The price payable under the Offer is A$1.72 per Share.	Section 7.1
What is SaleCo?	SaleCo is a special purpose vehicle that has been established to facilitate the sale of certain Existing Shares held by the Selling Shareholders.	Section 9.4
Will the Shares be quoted on the ASX?	Nitro will apply for admission to the Official List of the ASX and quotation of Shares on the ASX under the code "NTO". Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.2
How is the Offer structured?	The Offer comprises the following components: • **Broker Firm Offer:** open to Australian resident retail clients of Brokers who have received a firm allocation of Shares from their Broker; • **Priority Offer:** open to selected investors in Australia who have received an invitation from the Company to apply for Shares at the Offer Price; and • **Institutional Offer:** an invitation to bid for Shares made to institutional investors in Australia and certain other eligible jurisdictions.	Sections 7.3, 7.4 and 7.7
Is the Offer underwritten?	The Offer (other than the Priority Offer) is underwritten by the Lead Manager, Morgan Stanley Australia Securities Limited.	Section 7.2
What is the allocation policy?	The allocation of Shares under the Institutional Offer was determined by the Company and the Lead Manager. The allocation of Shares between the Broker Firm Offer and the Priority Offer will be determined by agreement between the Company and the Lead Manager. With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they allocate Shares among their retail clients. The allocation of Shares under the Priority Offer will be determined by agreement between the Company and the Lead Manager.	Sections 7.3.4, 7.4 and 7.7.2

2. Excludes Shares acquired under the Offer.

Topic	Summary	For more information
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by the Applicants on acquisition of Shares under the Offer. See Section 9.5.1 for details of various fees payable by Nitro to the Lead Manager.	Section 7.2
Are there any tax considerations for Australian investors?	Refer to Section 9.12 and note that it is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.	Section 9.12
When will I receive confirmation that my Application has been successful?	It is expected that the dispatch of holding statements will occur by Thursday, 12 December 2019 and that Shares will commence trading on ASX on a normal settlement basis on or about Friday, 13 December 2019. Refunds to Applicants will be made as soon as possible after Settlement of the Offer, which is expected to occur on or about Tuesday, 10 December 2019. No interest will be paid on any refunds.	Section 7.2
How can I apply?	• Applicants under the Broker Firm Offer should follow the instructions provided by their Broker in relation to any application for Shares. • Applicants under the Priority Offer may apply for Shares by following the instructions in their personalised invitation to participate in the Priority Offer. • To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable.	Sections 7.3.2, 7.4.2 and 7.7.1
Where can I find more information about this Prospectus or the Offer?	Call the Nitro Offer Information Line at 1300 352 259 (within Australia) or +61 3 9415 4300 (outside Australia) from 8:30am to 5:30pm (Melbourne, Australia time) Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether Nitro is a suitable investment for you, you should seek advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.	Section 7.2
Can the Offer be withdrawn?	Yes. Nitro reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 7.9

SECTION 2

Industry overview

2.1 Introduction

Nitro operates in the document productivity software market. Nitro's software enables workers in all industries to improve how they manage and process documents, including editing, electronic signing, collaboration and storage functionality. The software also provides businesses with document intelligence and insights from analytics. Nitro's productivity solution is focused primarily on documents utilising PDF, however its solution also offers compatibility with other document formats.

Nitro provides its software solutions as a service to customers, who can access the software as they require. This model is commonly referred to as Software-as-a-Service or SaaS. Nitro's software can be deployed or accessed via a number of mechanisms, including cloud, desktop, virtualised desktop and via mobile devices. Increasingly, customers pay for use of the software through annual subscription plans, based on a per-user, "on-demand" subscription, license model, without having to incur any significant upfront license fees.

Nitro allows its customers to access their software at any time, at any location and on any internet connected devices that support the software (including desktop computers and laptops running Microsoft Windows for Nitro Pro and any devices including tablets and smartphones for Nitro Cloud). In addition, most of Nitro's customers access Nitro's software solution under a perpetual license. The proportion of customers acquiring perpetual licenses and the resulting contribution to pro forma revenue derived from customers using this model is expected to decline over time as a function of Nitro's shift towards the sale of SaaS subscriptions.

This Section provides an overview of the broader software industry, and the document productivity software industry and its related growth drivers. It also describes the document productivity software market and the drivers for individual and commercial document productivity software solutions, including cloud-based and/or SaaS solutions.

This Section discusses the whole industry and is not specific to Nitro.

2.1.1 Introduction to Forrester market research and methodology

This Section provides an overview of Nitro's core addressable software market, including both PDF document productivity and eSigning. The information in this Section has been partially derived from a market study conducted by Forrester Consulting, one of the leading industry experts in Nitro's industry segment. Forrester was commissioned by the Company specifically for the purposes of the Offer. The intention of this commissioned research was to produce a third party study focused on the size of Nitro's serviceable available market, the forecast growth of this market, and the drivers and differentiators of PDF productivity and eSignature market incumbents. To achieve that objective, Forrester has leveraged existing expertise, secondary research and primary surveys with decision makers.

2.1.2 What is SaaS?

SaaS stands for Software-as-a-Service. It is a software licensing and distribution model whereby software is centrally hosted and delivered to licensed users on a subscription basis.

SaaS has become a common delivery model for software applications across many industries. SaaS removes the need for organisations to install, maintain and upgrade software and hardware, eliminating or significantly reducing the costs and complexities associated with on-premise systems. SaaS is typically licensed on a monthly or annual usage or subscription basis, which reduces the upfront cost and makes the cost of the software a recurring operating expense (being the subscription fee). This is unlike traditional software, which is conventionally sold as a perpetual license with an upfront license fee and an ongoing maintenance fee. Software hosted on cloud-based infrastructure also allows for upgrades to be delivered automatically to all users from a centralised location with minimal impact to both the software vendor and user.

2.1.3 What is the cloud?

The cloud is a form of internet-based computing that provides access to data and programs via the internet, which are remotely hosted and stored on a network of servers. This eliminates or minimises the need to run applications or programs from software downloaded and installed on a physical computer or an on-premise server.

2.1.4 What is digital transformation?

Digital transformation is a term used to describe the process of shifting traditional non-digital operations to digital operations, with the intention of exploiting technology to create efficient business processes that enable speed and nimbleness to rapidly respond to changing customer expectations.

Generally, digital transformation revolves around the strategic integration of digital technologies within a business in order to improve some or all aspects of its operations. Examples of digital transformation can include the shift from manual processes to technology-enabled processes within production lines or the shift from printing paper documents to physically sign with a pen to reviewing, editing and signing on a digital medium. This can include work stream processes, risk management, safety management, customer service, resource planning, labour productivity, efficiency of inputs to production, security, sustainability and profitability. This transformation involves both technological implementation and a shift in organisational culture.

2.1.5 What is document productivity?

Document productivity is a non-standardised term concerned with achieving the highest possible output with the lowest amount of inputs in processes involving document interactions. Interactions include creating, editing, collating, signing and sharing documents. Enhanced document productivity can lead to lower operational and environmental costs, time savings, less compliance risk, and general streamlining of business and personal processes.

Nitro's software includes both productivity and workflow capabilities that are designed to improve document productivity. Nitro Pro is primarily focused on productivity related to the PDF format; whereas Nitro Cloud enables productivity and workflow for all major document types. PDF productivity tools such as Nitro allow users to create and manipulate PDF and other document types, and perform tasks such as adding eSignatures, filling forms, sending documents for signature, converting documents between different formats, adding annotations, adding or removing document objects, rearranging pages, securing content, and sharing content inside or outside an organisation.

For more information on the document productivity industry, please see Section 2.3.

2.1.6 What is PDF?

The Portable Document Format ("**PDF**") is a file format that allows documents to be shared, viewed, and printed in a consistent format, independent of the software, hardware or operating system upon which they are viewed. PDF was developed in the 1990s by Adobe Systems, now known as Adobe Inc., and released as an open specification in 1993, which allowed software developers, including Nitro, to create applications that leveraged the format.

In 2008, PDF transitioned from a proprietary format to an open standard technology under ISO classification 32000-1:2008, passing control of the specification from Adobe to an ISO committee of volunteer industry experts. PDF supports many different kinds of electronic document capabilities, including text and images, forms, interactive elements, security, encryption and digital signatures.

Today, the PDF Association, of which Nitro is a member and has a representative on its Board of Directors, is influential in shaping the future of the format.

2.1.7 What is eSigning?

An electronic signature is a digital alternate to a handwritten signature. It uses data to provide a secure and accurate identification method without the need for any physical intervention. An eSignature is typically attached to an electronic document (such as a PDF file) as an alternative to a handwritten signature, but which has the same legal standing and binding nature, as long as appropriate requirements and regulations are satisfied (see Section 2.4.1). The increasing use of eSignature software has resulted in efficiency gains and a reduction in paper usage across many organisations.

As defined in the ESIGN and UETA Acts, an electronic signature can be in the form of an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person.

Legislation validating eSigning and the definition of what may constitute a legally binding eSignature differs from country to country. However, common requirements for an eSignature to be deemed legally valid include intent to sign, consent to do business electronically, signature attribution and record retention.

Digital Signatures differ from eSignatures in that they are a specific technology that uses a standard accepted format called Public Key Infrastructure ("**PKI**") to encrypt and/or decrypt information.

Digital signature encryption technologies help to ensure integrity and authenticity of electronically signed documents by securely capturing, verifying and storing data associated with both the document and the underlying eSignature(s). Digital signature technology is often used in combination with other technologies in order to implement legally binding eSignature solutions, as on a standalone basis they may not satisfy all of the requirements necessary make an eSignature legally binding.

In the context of a document that has been signed electronically, digital signature technology is used to securely record and store the identity of authors and signatories of the document and maintain an audit trail of parties who have accessed or changed the document, which ultimately enables users to verify that the content of the document has not been tampered with.

2.2 Overview of the software industry

The software industry involves the development, maintenance and publication or distribution of software. In recent decades, the software industry has undergone significant changes, and is now mission-critical for many businesses to operate competitively and efficiently. Software products help businesses redefine traditional processes, create new and more efficient ways to use computers to get work done and reduce overall operating costs by streamlining and automating functions.

Over the last 30 years, the commercial software industry has grown rapidly, offering both substitutes for existing proprietary, self-developed software used for core business functions and new software solutions that create opportunities for efficiency and automation. The development of computer networking, including the internet and cloud-based delivery systems, has also expanded the range of possible uses for software. Together, this has led to the development of standardised software that can be used by different customers, which means that businesses do not need to develop and maintain their own proprietary software.

Software that is available over the internet or is cloud-based can offer advantages over proprietary software, particularly as a result of the economies of scale available when development costs can effectively be spread across many customers. Sophisticated software is expensive to develop, requires significant testing to achieve high levels of robustness and reliability, and requires regular updating to keep pace with developments and the capabilities of hardware and networks. Where third-party products can provide a similar level of functionality to proprietary, self-developed software, it may be more attractive for companies to use that commercial software rather than investing capital and incurring development risk.

The software industry has seen new business models emerge in terms of delivering and charging for software. Traditionally, a customer would buy a license to use the software (sometimes tied to a specific number of users), and then would be entitled to install the software on its own IT infrastructure. Improvements in connectivity have enabled cloud solutions, where the software is hosted by the provider (or in a third-party data centre) and it is accessed as SaaS as needed by the customer's systems via the internet. A cloud-based SaaS model can offer benefits such as a lower upfront cost in license fees and IT infrastructure, easier updating, greater scalability and enhanced connectivity to other business systems and services.

2.3 Overview of the document productivity industry

2.3.1 Document productivity and the document productivity industry

In recent years, organisations have placed an increasing focus on cost reduction and productivity improvements in workflows and tasks undertaken by their employees and workers. In many organisations, such tasks involve the creation, editing and handling of electronic documents by knowledge workers. Figure 1 depicts documentation collaboration as one of six key elements of the wider enterprise collaboration landscape. The document productivity industry provides software that can be applied within enterprises, to improve document collaboration within the enterprise collaboration ecosystem through successful digital transformation.

FIGURE 1: OVERVIEW OF THE ENTERPRISE COLLABORATION LANDSCAPE

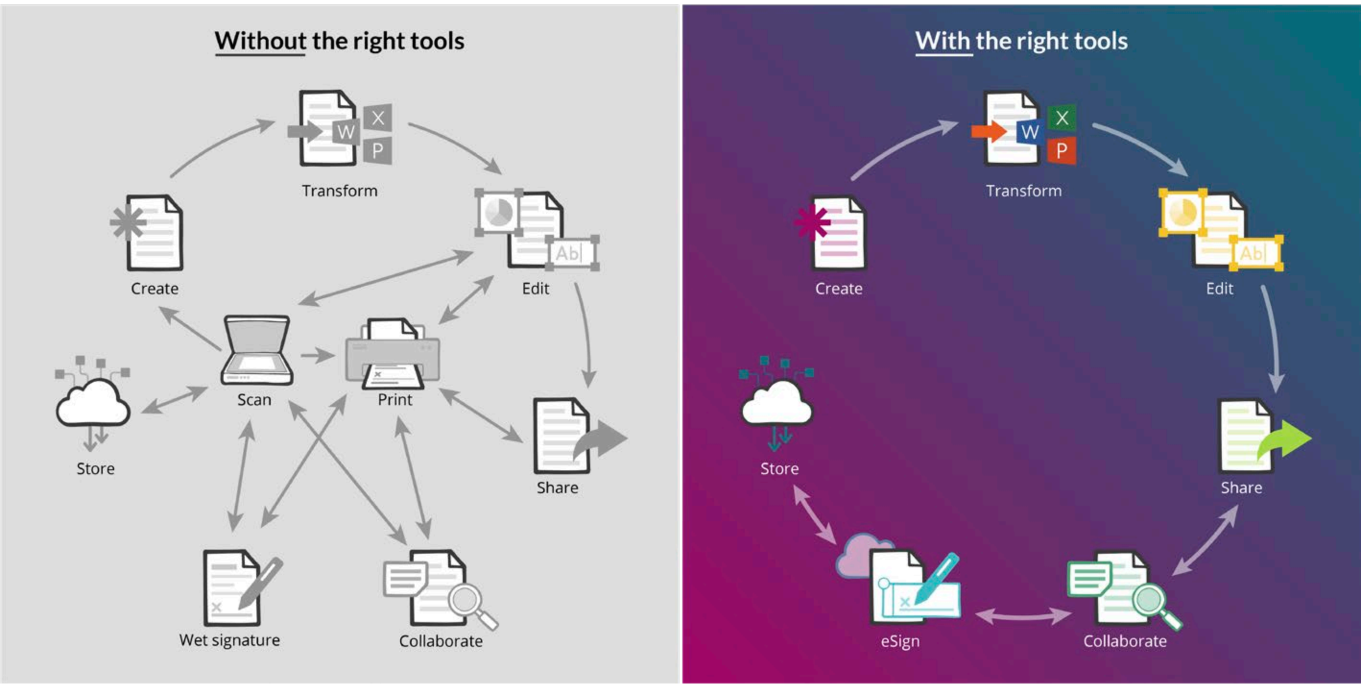
Source: "Knowing The Enterprise Collaboration Landscape Is Essential To Digital Transformation", Forrester Research Inc., January 29, 2019.

Enterprise collaboration technologies including document productivity technologies have become important enablers of digital business transition. In particular, they can:

- **Assist enterprises in overcoming organisational structures that inhibit information flow:** Organisational structures often trap people and their knowledge within departments and groups. These structures have developed over time to serve stakeholders, boards, shareholders and scaled operations, but, within modern enterprise, they often repress the formation and dissemination of new ideas. Enterprise collaboration technologies can help organisations replace obsolete business processes and information flows that are encoded in legacy business applications and facilitate broad and rapid information flow between employees. That information flow can support elevated performance and a better customer experience;
- **Empower change agents to promote stronger digital psychology:** An enterprise's use of collaboration tools can reflect and encourage positive digital attitudes (i.e. where employees adopt and embrace digital alternatives) within the organisation;
- **Drive employee and process productivity:** Allowing employees to utilise digital collaboration tools may result in improved efficiency and reduced employee down time, as well as reductions in the time taken to complete basic administrative tasks; and
- **Security:** Technologies that enable the secure transmission and dissemination of content, as well as the application of eSignatures are seen by users as enhancing overall document security and enabling compliance with data privacy regulations and standards.

Documents are an integral part of day-to-day operations for all enterprise collaboration ecosystems, in businesses of all sizes, shapes and forms. Figure 2 shows a typical lifecycle of such a document.

FIGURE 2: OVERVIEW OF THE LIFECYCLE OF A DOCUMENT IN A COLLABORATIVE LANDSCAPE



The lifecycle of a document, especially within businesses, is complicated as a result of the necessity for collaboration between multiple stakeholders, for disparate objectives and processes; and can often involve multiple solution providers and end users. A range of potential sources of this additional complexity are discussed below:

- **Multiple contributors:** Taking into consideration the disparate functions of knowledge worker participants to the enterprise collaboration landscape (Figure 1), as well as the multi-stage lifecycle of a document (Figure 2), there can be numerous individuals and teams contributing to the same document;
- **Mixture of physical and digital solutions:** The steps depicted in Figure 2 are typically performed by knowledge workers using a mixture of solutions including printing documents and using PDF productivity and other tools to create, print, mail, organise, review, organise and store documents;
- **Signing:** Multiple stakeholders may be responsible for reviewing and signing a document throughout its lifecycle;
- **Customers:** The end users or customers can range from individuals and small businesses to large corporate enterprises;
- **Multiple avenues of disseminating and storing the final document:** Often there will be a need to distribute, upload, store and archive the final document. These steps are usually performed by knowledge workers using physical and/or digital methods (e.g. on-premises archive room or cloud-based sharing solutions);
- **Multiple software providers:** There are software providers who offer various niche services, with some market participants choosing to offer products within a particular stage or set of stages of a document's lifecycle. Other software providers offer products which deal with every stage identified in Figure 2 above. For example, some document productivity software providers are directly involved in the user experience of documents – providing readers, editors, signing tools, cloud-based collaboration software and desktop-based software; and
- **Ancillary solutions:** Additionally, there are ancillary or related products that offer features such as license management, document security, data storage, hardware and printing which supplement the document productivity ecosystem.

One opportunity to improve employee productivity, accelerate workflow efficiency and drive digital transformation is via PDF productivity and eSignature solutions software, which can provide assistance in each stage of a document's lifecycle. The products can improve productivity and reduce overall operating costs by digitising these steps and assisting enterprises to ensure that interactions between all parties are as cohesive as possible.

Industry overview

The document productivity industry has evolved in recent years and has a clear roadmap to future growth and expansion. Historically, document productivity products took the form of traditional word processors confined to simple services such as creating, editing, tracking changes and printing. Over time, the introduction and adoption of PDF and other electronic document technologies has seen document productivity products evolving to include niche, limited feature services such as document collaboration, eSigning and storage. In addition, there are now full service providers who can provide customers with comprehensive software suites that address multiple document productivity needs.

Document productivity requirements can typically vary depending on the size of an organisation or business. Figure 3 provides an overview of the general needs and requirements for document productivity solutions across SOHO users, SMBs and larger enterprise users.

FIGURE 3: DOCUMENT PRODUCTIVITY USER REQUIREMENTS

	SOHO	SMB	Enterprise
Creation	✓	✓	✓
Editing	✓	✓	✓
Collaboration	✓	✓	✓
Signing	✓	✓	✓
Sharing	✓	✓	✓
User management/licensing		✓	✓
Team collaboration		✓	✓
Team analytics		✓	✓
Onboarding/adoption		✓	✓
Productivity impact/ROI		✓	✓
Enterprise integrations			✓
Advanced administration/control			✓
Advanced document security			✓
Advanced data security			✓
Sustainability impact/ROI			✓

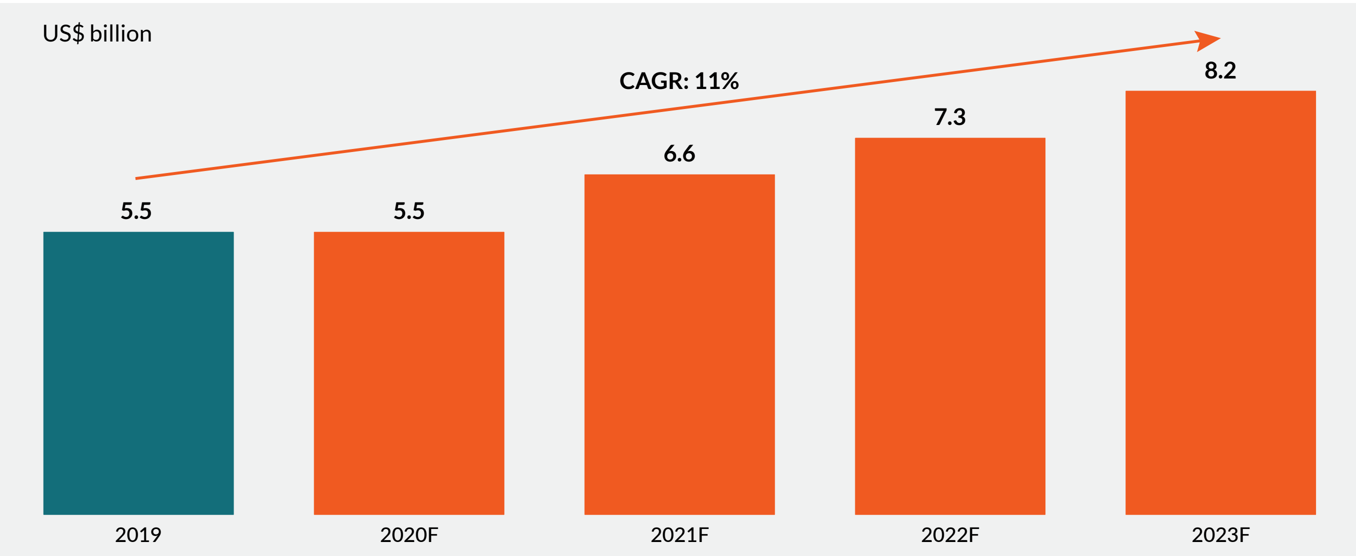
Looking forward, the roadmap for the document productivity industry moves beyond PDF productivity and eSigning and into areas such as analytics, the application of big data and artificial intelligence, workflow management and content management. The industry may see players attempting to provide applications in such areas in order to further improve workplace and operational productivity.

2.3.2 Market size

Based on the findings of a market survey conducted by Forrester, Nitro is able to realistically serve a market with a revenue opportunity of approximately $5.5 billion. This market represents a portion of Nitro's global serviceable available market which Forrester has estimated to be worth approximately $46 billion. This market includes all users or potential users who are actually ready to implement, expand or maintain current solutions across both PDF productivity and eSignature. This estimate, based on Forrester's independent primary research, is derived from the volume of organisations already using a paid PDF productivity or eSigning software solution and planning to either maintain or increase their use, in addition to organisations that are not currently using a solution but are interested and ready to implement a paid solution.[1] Demand from organisations that are only using or only interested in increasing usage of free solutions is excluded from this estimate. The serviceable available market also excludes organisations that are not interested in adopting a solution or that are not ready to implement a solution, in addition to organisations decreasing their current use of a paid solution. The model that Forrester has used to estimate the global serviceable available market size is based on Nitro's license fees adjusted to reflect discrepancies in pricing across different geographies. The total number of employed persons in a country, sourced from each of the relevant publicly available government databases, is then applied as a multiplier to survey findings from Forrester's primary research, in order to extrapolate the percentage of employees who would benefit from having access to a PDF productivity or eSignature solution. This assumption accounts for differences in the size of working populations within different countries and, when combined with data from Forrester's primary research, attempts to exclude working populations that are employed in roles where the frequency of use of a PDF productivity or eSignature solution is likely to be limited (e.g. blue collar or non-office-related jobs). The sizing model also incorporates downwards risk adjustments based on macroeconomic forecasts (affecting employment data), the growing use of macOS in enterprises, and the requirement of Asian regional language support.

Based on Forrester's research, the revenue opportunity that is attributable to the portion of the serviceable available market which Nitro may be able to realistically serve is expected to grow at a rate of 10.6% per annum over the next four years. Figure 4 provides an overview of the serviceable available market for Nitro's solutions.

FIGURE 4: NITRO'S SERVICEABLE AVAILABLE MARKET FOR PDF PRODUCTIVITY AND eSIGNING

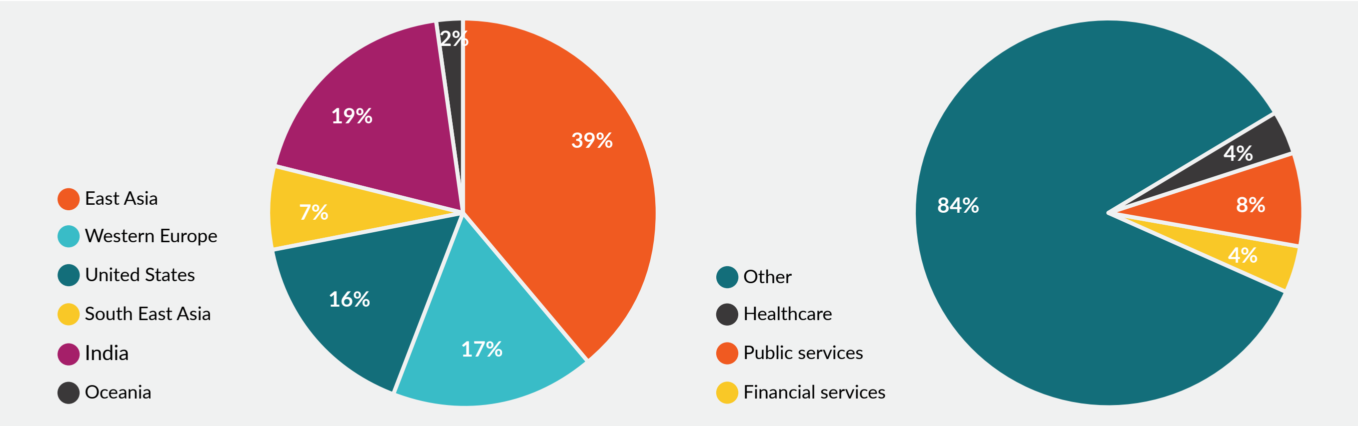


Source: Forrester, "Market Insight Study on PDF Productivity and eSignature Solutions", October 2019.

Based on Nitro's FY2019 pro forma forecast total revenue of $35.4 million, Nitro has captured less than 1% of this available market. Of the serviceable available market for Nitro's software solutions, approximately 33% is within the United States and Western Europe, which are Nitro's core target markets today. Approximately 46% of the market sits within East Asia and South East Asia, which is a relatively unpenetrated market for Nitro given that Nitro has not traditionally invested in sales and marketing resources across Asia. Figure 5 provides an overview of the serviceable available market for PDF productivity and eSigning by geographic area, as well as a breakdown of this market by key industry segments, which highlights the relatively industry agnostic nature of such software solutions.

1. Market sizing analysis has been developed for both PDF Productivity and eSignature solutions. The global serviceable available market and Nitro serviceable available market are represented by the larger of either the PDF Productivity market or the eSignature market as Nitro Productivity Suite offers and integrates both solutions.

FIGURE 5: NITRO'S SERVICEABLE AVAILABLE MARKET FOR PDF PRODUCTIVITY AND eSIGNING BY GEOGRAPHY AND INDUSTRY (2019)



Source: Forrester, "Market Insight Study on PDF Productivity and eSignature Solutions", October 2019.

2.3.3 Drivers of adoption for SaaS-based solutions

For customers, cloud-based SaaS models can be more efficient to deploy and maintain than proprietary, on-premise applications. Where the cloud-based infrastructure is managed by the software vendor, it can result in lower hardware and IT support costs for the customer. In addition, software upgrades can be rolled out with limited or no disruption. These features are well suited to addressing the challenges of document productivity.

Cloud-based SaaS models are expected to continue to grow faster than the overall document management software market. Such models help knowledge workers meet the following challenges:

- **Cost control:** A SaaS solution generally does not include a significant upfront software license fee. Cloud-based delivery also assists document productivity software providers by allowing them to allocate less time, money and resources to managing hardware;
- **Greater ecosystem connectivity:** Cloud-based SaaS solutions include tools and technologies that connect various applications, systems, repositories, and IT environments together to enable the real-time exchange of data and processes. Once combined, the data and integrated cloud-based software services can then be accessed by multiple devices over a network or via the internet. This type of integration can take place across a broad range of business systems, applications, processes and services;
- **An expanding and increasingly globalised workforce:** A cloud-based SaaS solution can assist global enterprises to create and facilitate valuable collaboration opportunities and improved transparency by providing users in different regions with the ability to access the same files and data simultaneously including 24/7, 365 days access; and
- **Enhanced turnaround speed, transparency and culture:** Knowledge workers are under pressure to complete increasing volumes of work in decreasing timeframes all while maintaining transparency and compliance. Document productivity tools can be rolled out to help minimise the time where a document is idle.

2.3.4 Competitive landscape

The competitive environment in the document productivity software market includes both single-point, niche service providers and full service providers which provide customers with comprehensive solutions to address multiple document productivity needs. Software vendors also compete with solutions or processes developed in-house, and in many cases manual processes such as printing, signing, storing and sharing documents.

Nitro's value proposition is to offer a comprehensive document productivity solution which addresses multiple customer needs, integrates with other third-party applications, and streamlines the software procurement and management process for customers.

Figure 6 summarises the key categories of competitors in the global document productivity software market.

FIGURE 6: KEY CATEGORIES OF COMPETITORS IN THE DOCUMENT PRODUCTIVITY SOFTWARE MARKET

	Single-point, niche solution providers	Full-service providers	In-house developed solutions	Manual processes
Description	• Single solution providers typically focus on one part of the document lifecycle or feature area, and/or a specific platform i.e. mobile, and/or a specific industry	• Full-service providers typically support a broader range of capabilities that span more of the document lifecycle and/or platforms, and multiple industries	• In-house developed solutions are custom software solutions developed by internal or third-party development teams and typically not available commercially	• Manual processes are traditional paper-based workflows that have not yet been digitised
Examples	• Bluebeam • DocuSign • Readdle	• Adobe • Nitro	• Internal, proprietary workflow solutions	• Legacy paper-based workflows
Key observations	• Often very good for specific use cases but lack broad applicability and can be expensive	• Key to standardisation and holistic solutions for document lifecycle • Solutions range from lower-cost to expensive	• Trend over time has been away from in-house developed solutions with the explosion in software products and the challenges of maintaining proprietary software	• Still exist where processes have not been digitised or where end users do not have the tools to complete workflows 100% digitally

Single-point, niche solution providers

Single solution providers typically focus on one part of the document lifecycle or feature area, and/or a specific platform (which may include, for example, mobile, and/or a specific industry). Example providers include DocuSign, Readdle and Bluebeam. These solutions are often appropriate for specific use cases but lack broad applicability and can be expensive.

Full-service providers

Full-service providers typically support a broader range of capabilities that span more of the document lifecycle and/or platforms, and multiple industries. Examples of such providers include Adobe and Nitro. Such full-service offerings are key to providing standardisation and holistic solutions for document lifecycles. Solutions can range from lower-cost to expensive.

In-house developed solutions

In-house developed solutions are custom software solutions developed by internal or third-party development teams and typically not available commercially. Such solutions are internal, proprietary workflow solutions. The trend over time has been away from in-house developed solutions with the explosion in software products and the challenges of maintaining proprietary software.

Manual processes

Manual processes are traditional paper-based workflows that have not yet been digitised. Examples include legacy paper-based workflows. Such processes still exist where processes have not been digitised or where end users do not have the tools to complete workflows 100% digitally.

2.3.5 Key factors affecting entry into the document productivity software market

A number of dynamics and attributes in the document productivity software market benefit certain existing market participants, including:

- **Product development investment:** Providing software and services utilising a number of different file types to a wide range of complex organisations requires a substantial initial and ongoing investment of time and capital. In order to enter the market, new competitors would need to invest effort and capital into the design, development, testing and launch of applications and a platform, as well as ongoing constant software enhancements and features, likely over a long period of time. The investment required to develop the significant breadth and depth of functionality required to compete against leading incumbent providers represents a significant competitive advantage for existing participants;
- **Change management costs:** There can be material costs associated with switching critical day-to-day company-wide software applications or services. There will likely be IT management costs associated with any significant change. Furthermore, time and money may need to be invested in training and enablement in order to support the rapid adoption of new software. These switching costs typically serve as a significant barrier to new entrants;
- **Network effect:** Although PDF is a universal document format, enterprises that have workers using the same PDF productivity and eSigning solutions may experience benefits from enhanced collaboration and productivity, knowledge sharing and cost savings from print reduction. Increasing ROI correlated to increasing adoption within an enterprise may create the rationale to retain an incumbent provider, and may reduce the risk of that provider being displaced by a competitor;
- **Industry regulation:** In order to comply with the myriad of global industry standards regarding data security, privacy and eSignatures, a significant amount of work is required. The investment required to meet the compliance requirements expected in the industry represents a significant competitive advantage for existing participants; and
- **Reputation and brand:** Well-established, strong brands have an advantage with strong customer loyalty.

While these factors may represent competitive advantages to incumbent or established document productivity software companies, they are also factors faced by existing players when attempting to win market share from competitors. In particular, product development and change management costs serve as a material barrier to entry.

2.4 Industry regulation and standards

2.4.1 eSigning regulation

Legislation and regulation have enabled eSigning to become a legally valid and acceptable form of contractual agreement across many jurisdictions.

Examples of legislation leading the eSigning industry in key global markets include:

- In the U.S., the ESIGN Act and UETA. The former is a federal law that was passed in 2000, while the latter was a precursor to the ESIGN Act and was introduced in 1999 and has since been adopted by 47 U.S. States in addition to the District of Columbia and the U.S. Virgin Islands;
- In the European Union ("**EU**"), the Electronic Identification Authentication and Trust Services ("**eIDAS**") regulation, which was first adopted in 2014; and EU-wide recognition was achieved in September 2018;
- In China and Hong Kong, the PRC Electronic Signature Law of 2004 and Electronic Transactions Ordinance Act of 2000 ("**ETO**") respectively, with both providing legality to eSignatures; and
- In Australia, the Electronic Transactions Act, which was legislation passed in 1999. In addition, all of Australia's States and Territories have State Electronic Transactions Acts which were legislated between the years 2000 and 2001.

2.4.2 Privacy regulation

Information security in general, and privacy in particular, have become areas of interest for consumers, business and government.

Governing bodies are now paying careful attention to privacy and are holding organisations liable for the secure handling of data. As with eSigning, regulation for general data privacy and protection tends to differ from region to region.

- In the EU and the U.S., Privacy Shield Frameworks were co-designed by the U.S. Department of Commerce and the European Commission and Swiss Administration. These frameworks regulate the manner upon which data should be transferred from the EU and Switzerland to the U.S., and vice versa.

- In the EU, the General Data Protection Regulation ("**GDPR**") governs data protection and privacy for all individual citizens of the EU and the European Economic Area ("**EEA**"). In addition, it also touches upon the transfer of personal data outside the EU and EEA.
- Across Asia, levels of data regulation tend to vary and generally lag behind those of the rest of the world. The voluntary APEC Cross-Border Privacy Rules ("**CBPR**") System established in 2011 has provided a blueprint for a common approach. Countries such as Japan, Australia, South Korea, Taiwan and Singapore have already signed up.
- In Australia, legislation such as the *Privacy Act 1988* (Cth), the *Privacy Regulation 2013* (Cth) and the *Privacy Amendment (Notifiable Data Breaches) Act 2017* (Cth) dictate the way in which personal data is handled, and how to respond in the case of a breach.

2.4.3 Information security and privacy certification

In addition to regulations and legal frameworks, there are a number of industry standards and compliance initiatives in the information security and privacy space, some of which are region-specific and others with a broader base.

In the U.S., the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") is legislation that mandates data privacy and security provisions for safeguarding medical information. In addition, the American Institute of Certified Public Accountants ("**AICPA**") controls the Service Organisation Control ("**SOC**") standards, which provide certain standards and requirements for organisations in the area of data privacy and information security. In particular, the SOC2 standard is the AICPA's information security compliance standard. SOC2 Type 1 certification requires a point-in-time audit, whereas SOC1 Type 2 is a longer-term audit, typically spanning months and years.

Certification for regulations such as SOC2 and HIPAA are at least an annual process, in which an organisations availability, security, privacy, confidentiality and integrity controls are audited by independent third-party compliance experts – ensuring that robust controls are in place, actively used, consistent and fit-for-purpose.

Whereas SOC2, HIPAA and Privacy Shield are specific to individual regions, there are independent, non-government organisations composed of many national standards bodies; perhaps the best example of this is the International Organisation for Standardisation.

For organisations that operate cloud-based software and have operations in the cloud, specialised frameworks exist, such as the Center for Internet Security ("**CIS**") framework and also the Cloud Security Alliance ("**CSA**") framework.

2.4.4 Document control and security

With respect to the PDF standard, there are multiple layers of security which can be used to protect, manage and control PDF documents. These include, but are not limited to:

- Legally binding eSignatures;
- Metadata controls which provide for chains of trust, document activity tracking and notifications;
- Digital signatures based on PKI which proves non-repudiation through cryptography;
- Security features for document confidentiality and integrity, including restrictions on editing, copying, and printing;
- 256-bit Advanced Encryption Standard ("**AES**") for secure encryption of sensitive documents; and
- Redaction and whiteout features allow for masking of sensitive data within a document.

SECTION 3

Company overview

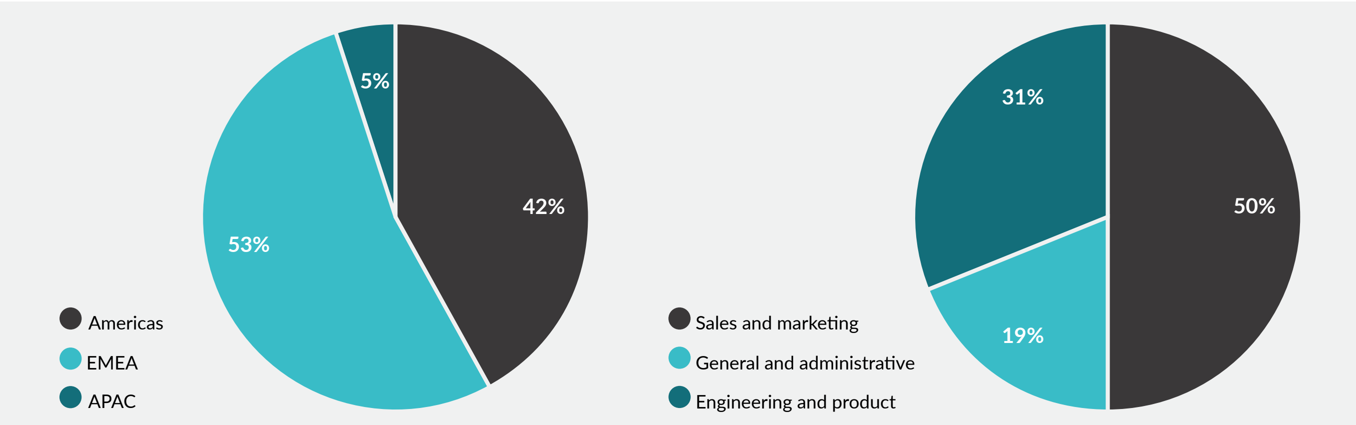
3.1 Overview of Nitro

Nitro is a global document productivity software company that aims to drive digital transformation in organisations around the world across multiple industries. The Company's core solution, the Nitro Productivity Suite, provides integrated PDF productivity and eSignature tools to customers through a horizontal, SaaS and desktop-based software suite. The solution allows knowledge workers to productively manage and process documents for many functions including editing, collaboration, storage and electronic signing. The Nitro Productivity Suite also offers analytics capabilities that provide actionable quantitative insights into the adoption and usage of the software solution and the resulting productivity improvements.

Nitro's software solution is highly scalable, serving large multinational enterprises and government agencies, SMBs and SOHO users. Nitro has over 1.8 million licenses sold, and over 10,400 Business Customers in 144 countries around the world, including global market leaders across multiple industries, over 65% of the 2019 Fortune 500, and two of the 2019 Fortune 10[1].

Nitro is headquartered in San Francisco and has offices in Dublin, London and Melbourne. At 30 June 2019, Nitro had 123 full-time employees. Figure 7 below provides a breakdown of Nitro's employees by region and by function.

FIGURE 7: OVERVIEW OF NITRO'S EMPLOYEES BY REGION AND DIVISION



3.2 Company history

Nitro was founded in 2005 in Melbourne, Australia, offering Nitro Pro as an alternative to Adobe Acrobat for desktop PDF productivity. Nitro Pro was initially sold online, but sales channels have since expanded to include Nitro's growing sales team, as well as a global partner network of software resellers.

In 2016, Nitro began transitioning from a perpetual or "one-time" licensing model to a subscription licensing model, as well as commencing a focus on the Enterprise market that has since resulted in significant growth in enterprise subscription revenues.

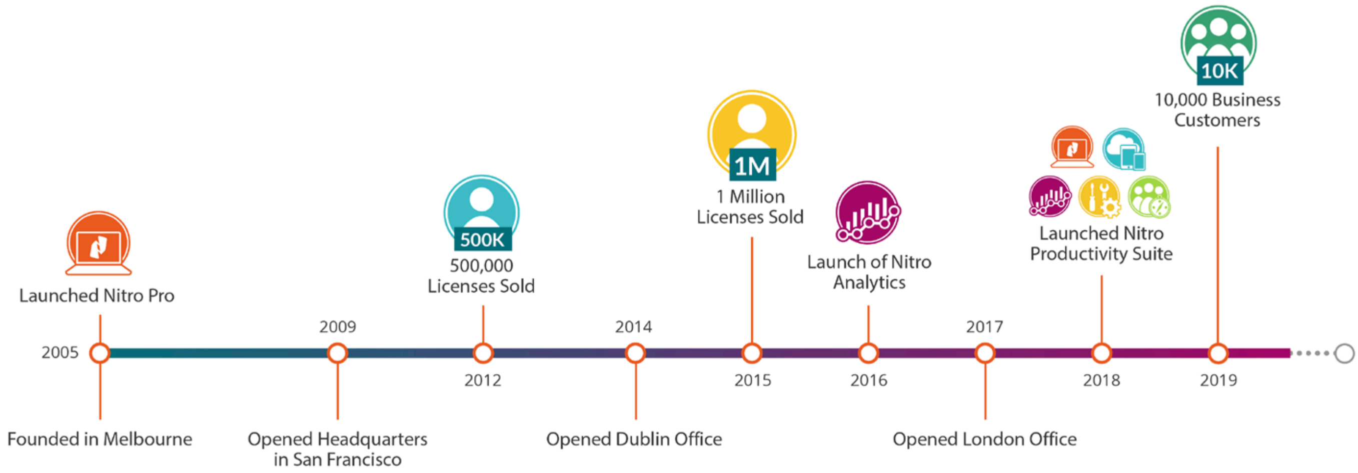
In 2018, Nitro introduced the Nitro Productivity Suite, a document productivity solution enabling customers to receive PDF productivity tools, eSignature capabilities and document analytics through an integrated desktop and cloud solution.

Today, Nitro specialises in document productivity, digital transformation and change management. Two of Nitro's founders, Sam Chandler and Rich Wenzel, remain with the Company today – and are employed as Nitro's CEO, and Senior Vice President of Tax and Treasury, respectively.

1. Figures as at 1H2019.

Figure 8 provides an overview of Nitro's history since 2005.

FIGURE 8: COMPANY TIMELINE

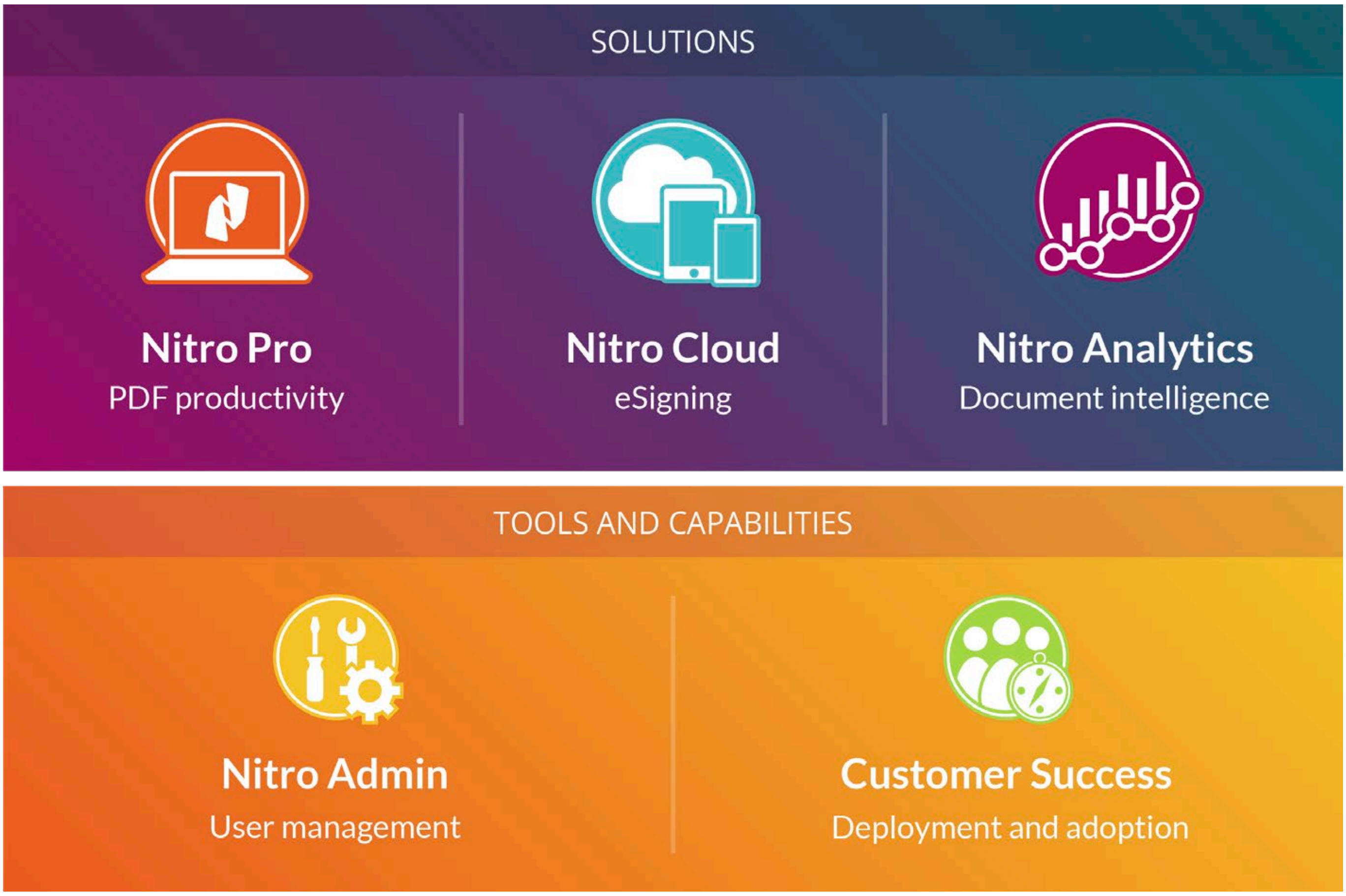


3.3 Product and service overview

Nitro's software solution empowers organisations and knowledge workers through a suite of tools that improve document productivity by making it more efficient to create, convert, share, sign and collaborate on documents on any device that supports the software. The Nitro Productivity Suite comprises three core products: Nitro Pro, Nitro Cloud and Nitro Analytics. Customers can manage users and licenses through the Nitro Admin tool and the Company also offers on-boarding, adoption and change management capabilities through its Customer Success offering. Each of these products is described in more detail below.

An overview of the components of the Nitro Productivity Suite is set out below in Figure 9.

FIGURE 9: OVERVIEW OF THE NITRO PRODUCTIVITY SUITE

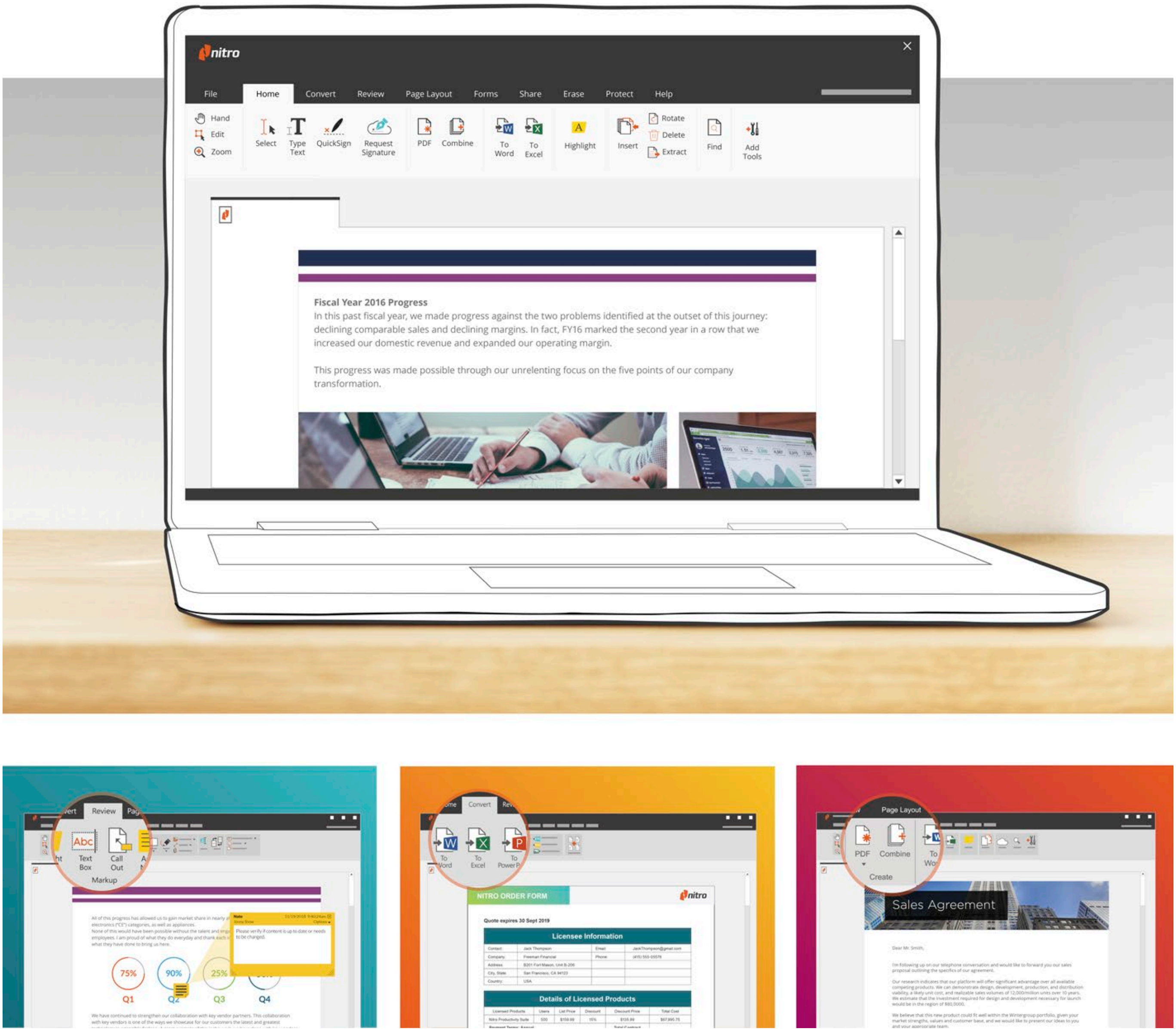


3.3.1 Nitro Pro

Nitro Pro is a Windows-based desktop PDF productivity application enabling users to quickly and easily create, convert, edit, redact, sign, review and protect PDF documents. Users can create PDF documents, or convert PDF documents into Word, Excel or PowerPoint formats. Nitro Pro makes PDF files and scanned documents editable using Optical Character Recognition ("**OCR**") technology and integrates with cloud-based storage products such as Dropbox, Google Drive and Microsoft OneDrive.

Nitro Pro enables users to collaborate digitally, fill and sign forms, protect and control document integrity and editability, and improve productivity and corporate sustainability by minimising printing, scanning and paper waste. Figure 10 provides an overview of the look and feel and key features of the Nitro Pro solution and demonstrates its familiar "ribbon" menu design.

FIGURE 10: NITRO PRO FEATURES



Nitro Pro's interface is optically similar to Microsoft Office style, as seen in Figure 10. For instance, Nitro Pro's Home tab gives quick access to key features while the navigation pane on the left allows users to manipulate page order and orientation.

The familiarity and design of the Nitro Pro interface makes product implementation and adoption straightforward, with new users able to on-board quickly, saving valuable time in training, minimising any resistance to change and accelerating time-to-value.

Company overview

3.3.2 Nitro Cloud

Nitro Cloud provides customers with both eSigning and PDF productivity capabilities to any device with a web browser, including mobile devices. It allows users to send and receive documents for signing, collaborate on documents online, and perform other PDF productivity tasks, all without the installation of any software. For example, when sending a digital document to request eSignatures from a particular party, the receiving party does not require a Nitro account.

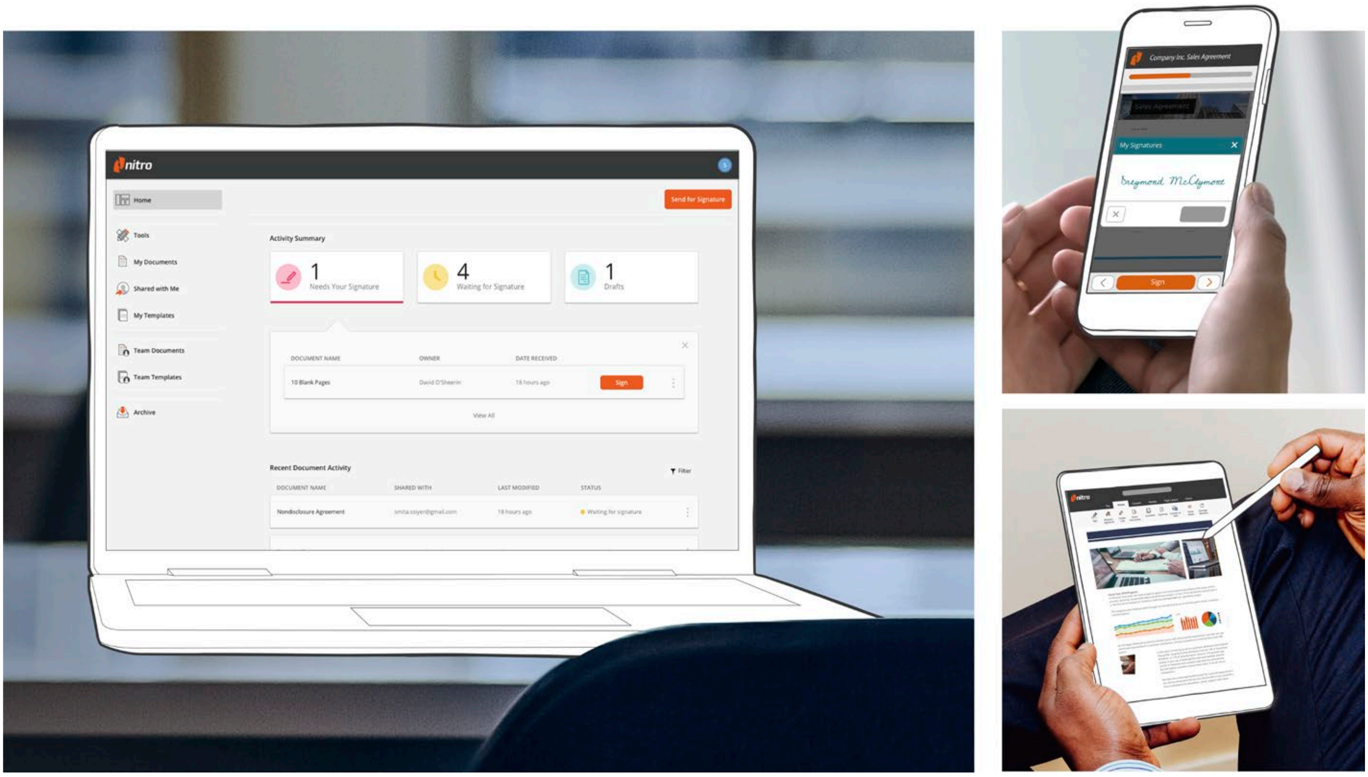
Nitro Cloud is differentiated from competitors in several key respects, including advanced collaboration and analytics capabilities, an easy-to-use user interface, and a licensing model that provides for unlimited signatures. Most competing solutions charge on both a per-user and per-signature (or transaction) basis.

The collaboration capabilities within Nitro Cloud enable users to securely share documents online, invite others to comment, and track document workflows with real-time notifications. The solution also makes eSigning documents and form filling much faster and more efficient compared to manually entering data into forms. Nitro Cloud is integrated with Nitro Pro and Microsoft Word, enabling users to send documents for signature directly from within these applications. In addition, Nitro Cloud has support for features such as Single Sign-On ("**SSO**") and Two-Factor Authentication ("**2FA**") to enable enterprise user management and enhanced signing security, respectively.

Nitro aims to ensure data and documents stay secure with digital audit trails, SSL AES, and advanced security and data privacy compliance certifications, including GDPR, SOC 2 Type 2, HIPAA and Privacy Shield.

Figure 11 provides graphical examples of the Nitro Cloud solution, in particular focusing on its electronic signature capability.

FIGURE 11: NITRO CLOUD FEATURES



3.3.3 Nitro Analytics

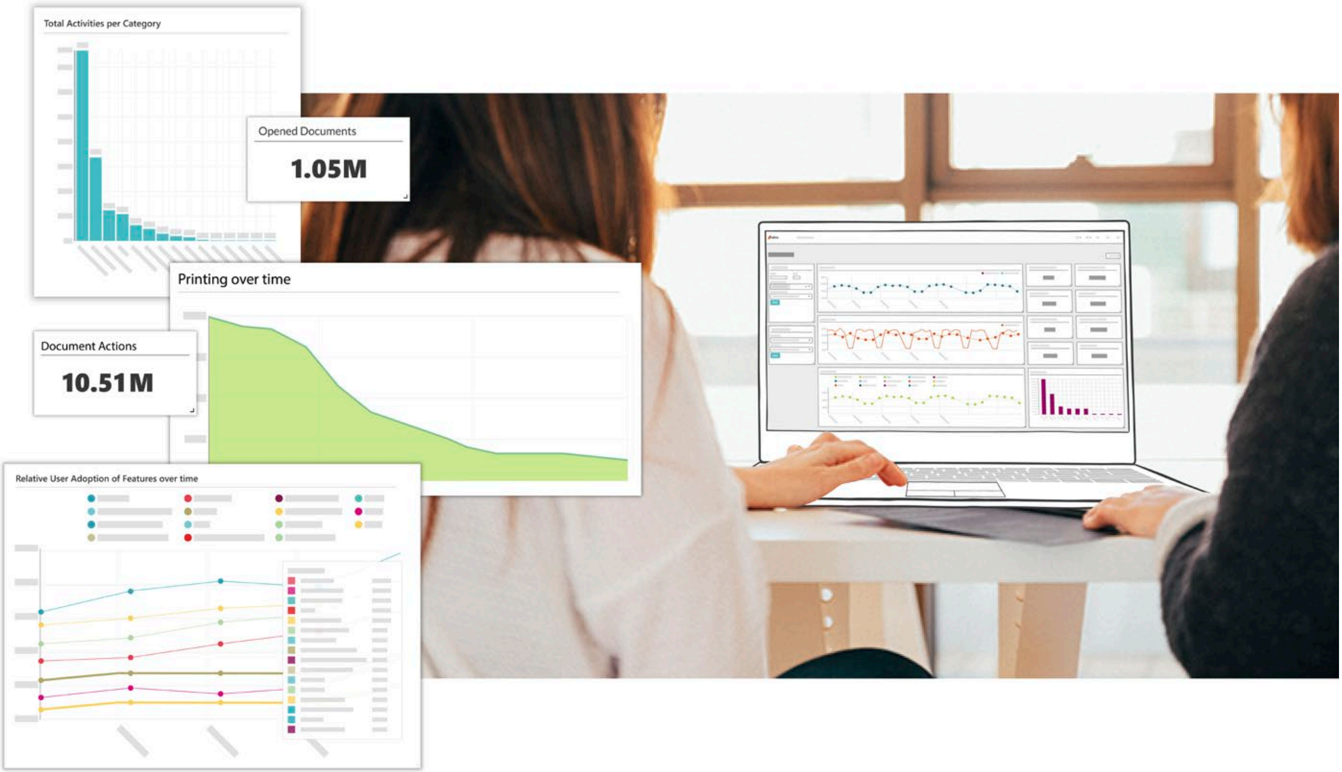
Nitro Analytics provides customers with actionable insights on product usage and adoption, measures print reduction associated with digitising business processes, pinpoints areas for productivity improvement, and identifies tangible ROI from the Nitro Productivity Suite for customers.

Nitro Analytics is used by customers to:

- understand, improve and accelerate product adoption;
- gain unique insights into document productivity and workflows;
- optimise inefficient document processes;
- visualise printing behaviours and trends;
- drive targeted training activities; and
- measure ROI.

Nitro customers can leverage Nitro Analytics to measure process digitisation and print reduction initiatives that are tied to broader organisational digital transformation goals. Figure 12 provides a stylised representation of the information that an organisation can access through the Nitro Analytics tool. These examples outlined in Figure 12 include the number of users/devices at any given time across all licenses, real-time printing statistics across all Nitro initiated print activity, usage of various features across Nitro Pro and Nitro Cloud, and how they have tracked over time.

FIGURE 12: NITRO ANALYTICS



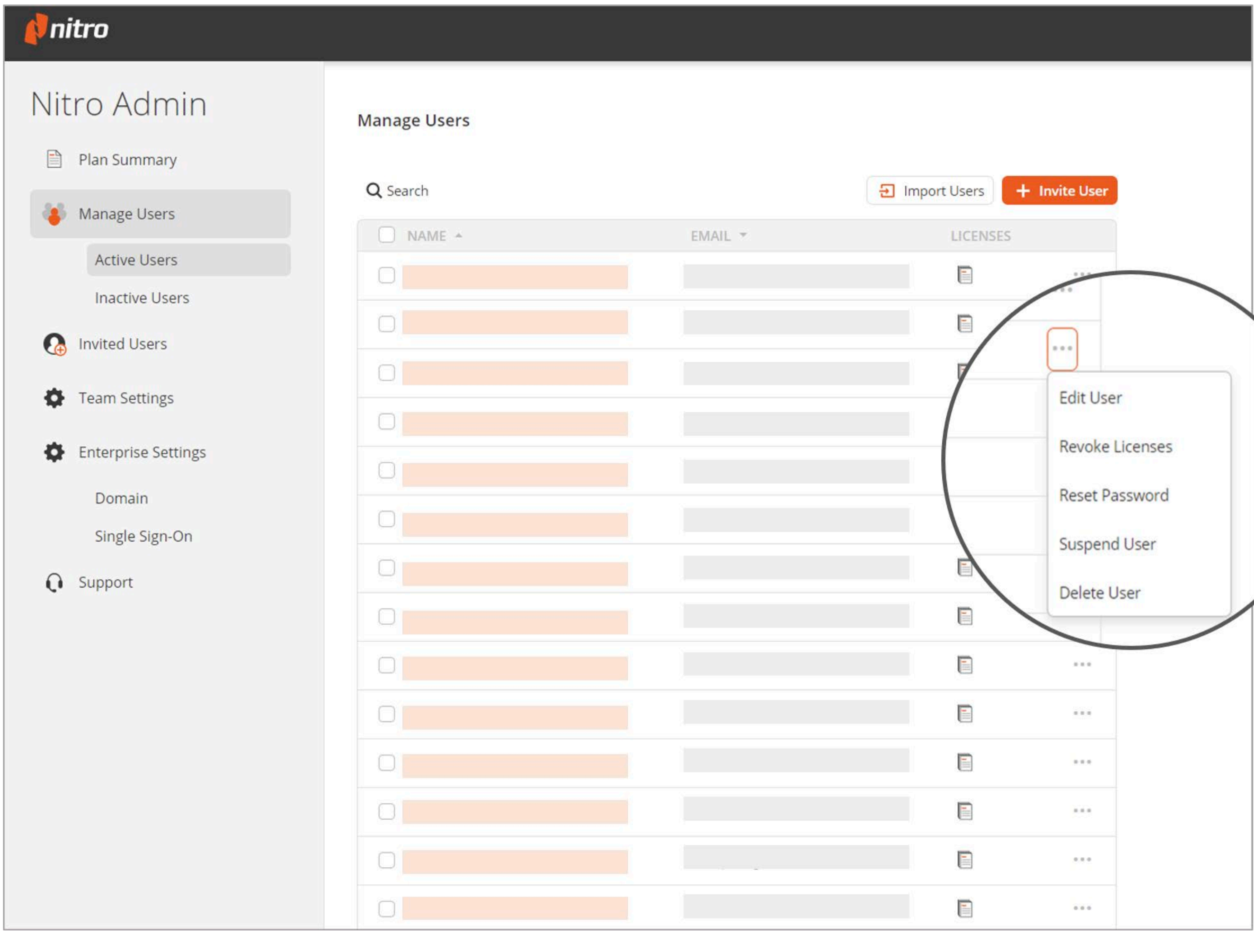
3.3.4 Other tools and capabilities

The Nitro Productivity Suite also includes Nitro Admin, which is a cloud-based solution designed to help facilitate enterprise license deployment and user management. Nitro Admin supports adoption and implementation through self-help knowledge-based tools, enables license and user management via identity-based access, offers improved visibility into license allocation and streamlines new user on-boarding processes by enabling setup and management by multiple methods, while simple invitation workflows enable greater productivity.

Nitro supports the adoption and implementation of its solutions through on-boarding, scaling and enablement best practices delivered through self-help knowledge-based tools, and via the Nitro Customer Success team, which is focused not just on adoption, but on proving ROI, business impact and ensuring customers achieve maximum value from their Nitro partnership. Support includes live and on-demand training and helpful resources to educate users. The team works with customers of all sizes, but notably has helped some of the largest companies in the world deploy Nitro to tens of thousands of individual users (see Section 3.8.3). Support also includes comprehensive reviews that measure progress against business goals such as user adoption and print elimination. For individual users that need assistance using Nitro's solutions, the Company offers 24/7 web-based customer support. Nitro's customer success program gives customers access to resources that assist with on-boarding and rollout.

Figure 13 provides a graphical example of the Nitro Admin solution, in particular focusing on its user interface designed to assist enterprise customers deploying and managing licenses.

FIGURE 13: NITRO ADMIN



3.3.5 Product strengths

The Nitro Productivity Suite's competitive strengths include:

- **Single solution for both PDF productivity and eSigning:** Combining a PDF productivity tool with electronic signing capability to deliver a single, easy-to-use solution that accelerates digital transformation across organisations;
- **Ease of implementation and fast adoption:** Intuitive user interface coupled with Customer Success to facilitate change management, accelerate user adoption and fast track document productivity gains throughout the enterprise. Customers have successfully implemented Nitro's software at scale to enable full access to the solution for thousands of enterprise users within weeks (see Section 3.8.3 for further detail);
- **Implementation at scale:** Nitro's solution is highly scalable and can be quickly and easily deployed without the need for complex integrations or significant IT resources. Nitro's largest Business Customers have upwards of 20,000 users, and deployments of upwards of 10,000 users have been achieved in less than four weeks;
- **Unlimited eSigning:** A licensing model that enables organisations to more easily deploy electronic signature capabilities by reducing the friction associated with per-signature licensing models; and
- **Real-time analytics:** Analytics and reporting that enable organisations to quantify the impact of the solution, highlight opportunities to continuously optimise results, and prove tangible ROI.

Nitro's differentiating features deliver numerous benefits to its customers, including:

- **Employee productivity gains:** Nitro's features drive improvements in user productivity, as knowledge workers are provided with the tools to easily combine and convert documents and complete approval workflows 100% digitally. For example, the typical knowledge worker wastes four hours per week related to paper processes that, if avoided, can translate to a 10% increase in employee productivity over a year[2];
- **Advancement and acceleration of paperless initiatives:** Nitro's end-to-end digital workflow solution drives noticeable reductions in user print volumes. By tracking printing statistics and successfully converting to paperless initiatives, research has shown that companies can reduce their printing-related expenditure anywhere from 10% to 30%[3];
- **Organisation-wide standardisation:** Nitro's organisation-wide standardisation accelerates digital transformation and reduces the risk of non-compliance, security vulnerabilities, and IT management difficulties; and
- **Reduction in technology costs:** By consolidating multiple software applications into one platform, Nitro's single solution for both PDF productivity and eSigning, combined with unlimited eSignatures, can significantly help to reduce the number of vendors providing software solutions and the associated complexity and cost of using multiple technology providers.

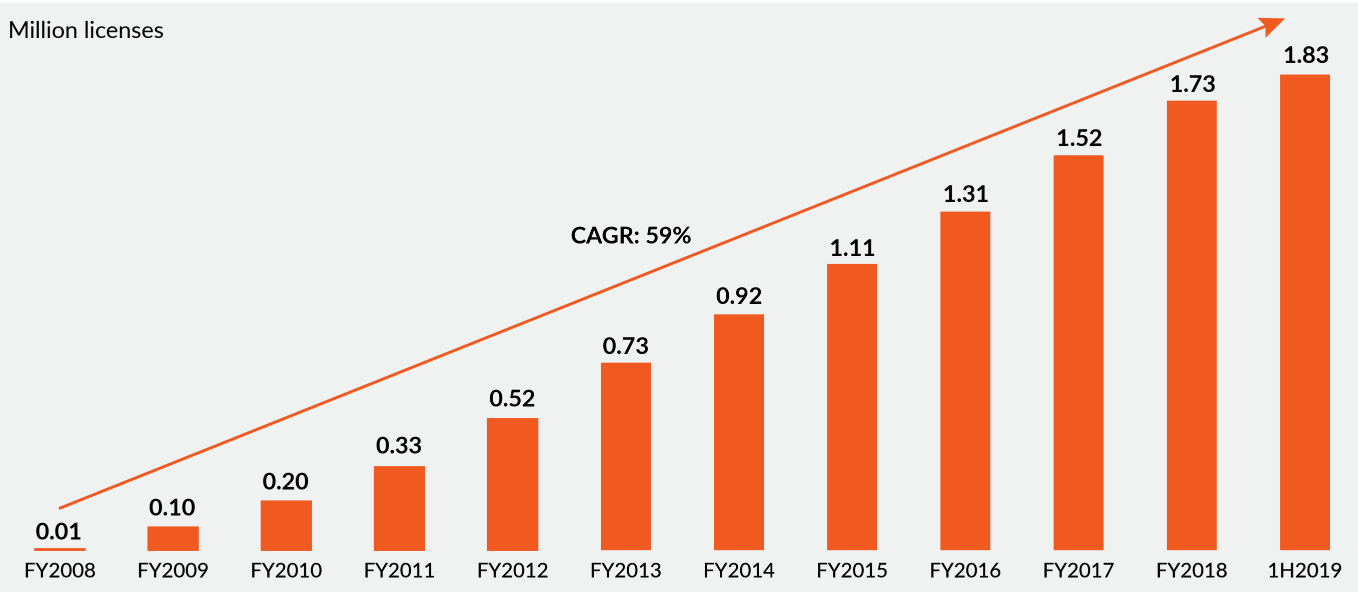
3.4 Business model

3.4.1 Revenue generation and evolution of the licensing model

Historically, Nitro only offered its solution via a perpetual licensing model. In 2016, the Company began offering its Nitro Pro solution for enterprises and SMBs via a SaaS-based subscription licensing model. In addition to the sale of subscription licenses to new customers, the Company is also transitioning legacy enterprise and SMB customers from perpetual licenses to subscription-based licensing. SOHO customers and individuals are still able to purchase perpetual licenses via Nitro's online store front.

Figure 14 shows the number of user licenses sold by Nitro over the last decade, from FY2008 to 1H2019 inclusive. Over this period, the number of user licenses has grown by a CAGR of 59%.

FIGURE 14: USER LICENSES GROWTH



In FY2018, 21% of the Company's revenue was generated from the sale of subscription licenses. In the 1H2019 period, 34% of the Company's revenue was generated from subscription licenses, and this is forecast to grow to approximately 50% in FY2020.

2. Nitro internal research, accessed at https://itbrief.com.au/story/aussie-workers-ready-paperless-dx-productivity-gains-study (assumes 48 working weeks per year).
3. Gartner research report, accessed at https://www.gartner.com/en/documents/2537615.

A summary of Nitro's revenue model is provided in Figure 15 below, based on customer segment.

FIGURE 15: NITRO'S REVENUE MODEL

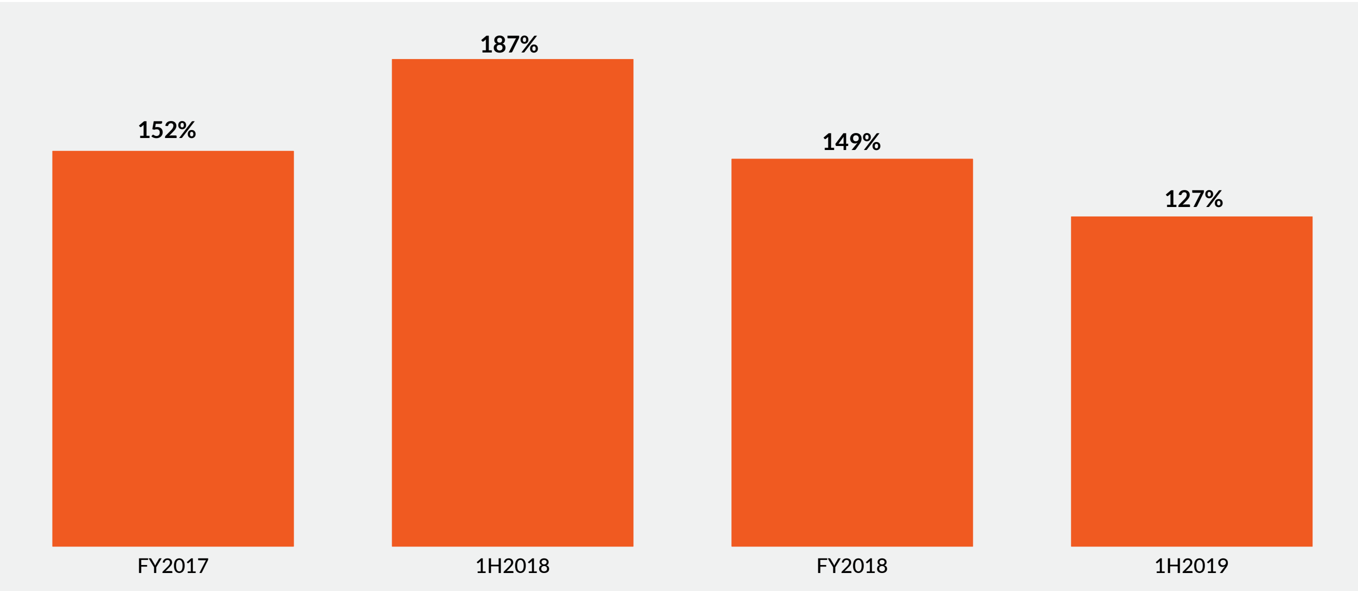
Typical customer segment	% of 1H2019 pro forma revenue	% of FY2020 statutory revenue	Licensing model	Revenue recognition policy
Enterprise and SMBs	34.3%	50.0%	Subscription	• Over length of subscription agreement, generally 36 months
SOHO	65.7%	50.0%	Perpetual	• Perpetual license revenue is recognised upon delivery of the software key • Perpetual licenses can be sold with an ongoing maintenance and support contract which is recognised over the length of the contract (generally 12 months)

3.4.2 Key strengths of Nitro's business model

The key strengths of Nitro's business model include:

- **Track record of high net revenue retention:** To date, Nitro's subscription solution has a strong track record of customer retention, with a customer retention rate of over 90% for 1H2019. Nitro's incremental revenue generation from the expansion of net users within existing work streams and into new work streams has a net revenue retention ("**NRR**") rate of 127% for 1H2019. Nitro's historical net revenue dollar retention rates are shown in Figure 16 below.

FIGURE 16: NITRO'S NRR[4]



- **SaaS-based licensing model:** Nitro has a growing proportion of subscription revenue that is classified as recurring in nature, as shown in Figure 15 above.

4. Refer to Section 4.2.5 for the full definition of net revenue retention.

- **Multi-jurisdictional and industry agnostic solution:** Nitro's software solutions have been designed to be scalable on an international basis with its multi-jurisdictional and industry agnostic platform. Nitro currently provides document productivity software solutions to customers principally in the United States, Western Europe and Australia; however, the platform is multi-jurisdiction compatible and used in 144 countries and multiple languages. Nitro's document productivity software solutions are industry agnostic and are currently deployed across 43 different industries.

3.5 Product development and innovation

Product development and innovation is an important driver of growth for the Company. Nitro is focused on continuous product development and innovation to enhance its product functionality and flexibility. As new products, features and software enhancements are released to customers, user experience improves; which in turn helps to support new customer acquisition and increased usage of Nitro's software within its existing customer base. The SaaS and cloud-based infrastructure of Nitro's solutions allows for new product features to be easily and quickly sold and implemented to both new and existing customers.

As of 30 June 2019, Nitro had 38 employees within its product management and engineering team, and the Company has plans to expand this headcount significantly over the forecast period. This investment in product development and innovation reflects the focus and importance of this area for the business to drive sales activity and to continuously improve the Nitro user experience. Nitro's product management and engineering team is located within a single office in Dublin, Ireland, which facilitates high quality communication and collaboration rather than having the team split across multiple geographies or offices. The group contains a diverse set of highly qualified team members with backgrounds in areas such as scalable and reliable cloud-based distributed systems, desktop application development, document and image rendering, data science and analytics, and user experience.

3.5.1 Product development at Nitro

Nitro's approach to product development is centred around creating both new products and enhancements to existing products in order to drive growth. Idea generation is at the core of product development initiatives, with Nitro being able to leverage its extensive digital transformation, PDF productivity and e-signing expertise to create new products and software enhancements. In addition, Nitro also incorporates elements of co-creation in its product development process through its close relationships with customers, and end-users that have the opportunity to provide input and ideas for enhancements to Nitro's products. The Company has a highly active and iterative product development process, having rolled out 17 new versions of Nitro Pro and 21 new versions of Nitro Cloud since the beginning of 2018, and a total of 25 product and software releases in 2018 and 33 releases year-to-date in 2019.

Nitro is also able to utilise and integrate data collected by the Nitro Analytics platform into the product development process. As an example, analysis of trial user behaviour enables Nitro to understand if users are experiencing difficulties when using the product for the first time. These insights can be incorporated into the product to ensure a more successful experience for first-time users.

3.5.2 Innovation

Nitro has focused on building a modern engineering culture, designed to leverage the group of talented and creative engineers that it employs. The Company boasts a flat organisational culture within its innovation team. Nitro not only focuses on opportunities available through its existing products, but believes in the investment of resources in the development of new products in adjacent or new markets. By asking which products and features will be driving revenue in the future and creating a culture and environment for intelligent, creative people, Nitro maximises its ability to continually innovate.

3.5.3 Software development at Nitro

Nitro's development strategy includes the following key pillars:

- **Speed:** which involves reducing waste and inefficiencies in the development process;
- **Communication:** which involves Nitro's developers working in one physical location to enhance communication and collaboration;
- **Flexibility:** which involves reacting to change rather than resisting it; and
- **Quality:** which involves developing code using a "test-driven" approach (under which every line of new code is subjected to an automated test that verifies it is behaving as expected), and ensuring that all new features are extensively reviewed by a dedicated test team.

As many of Nitro's PDF productivity features for power users are delivered to the desktop, Nitro deploys a thorough development process for its desktop platform in order to maximise speed and increase feedback and flexibility. Nitro does this by planning a two-week delivery cycle, which avoids "big bang" or infrequent releases that require significant overhead to deliver and delay customer feedback. In addition, Nitro's development team works in small batches (breaking down tasks into their smaller components, allowing greater focus on each task), which helps to reduce process waste and increase both quality and throughput.

Nitro's development of cloud-based software adopts overarching principles of speed, flexibility and quality. This framework includes the following elements:

- Continuous integration and deployment to validate new code and to ensure that Nitro's software is always in a working state;
- A full suite of automated tests should be executed as new code is integrated, in order to validate the new code and ensure existing code remains intact; and
- Ease of deployment, particularly for minor updates, which should be developed, verified and deployed to the cloud within hours or days (rather than weeks or months).

As a result of these principles, Nitro is able to frequently deliver updates, enhancements, fixes and new ideas for its customers.

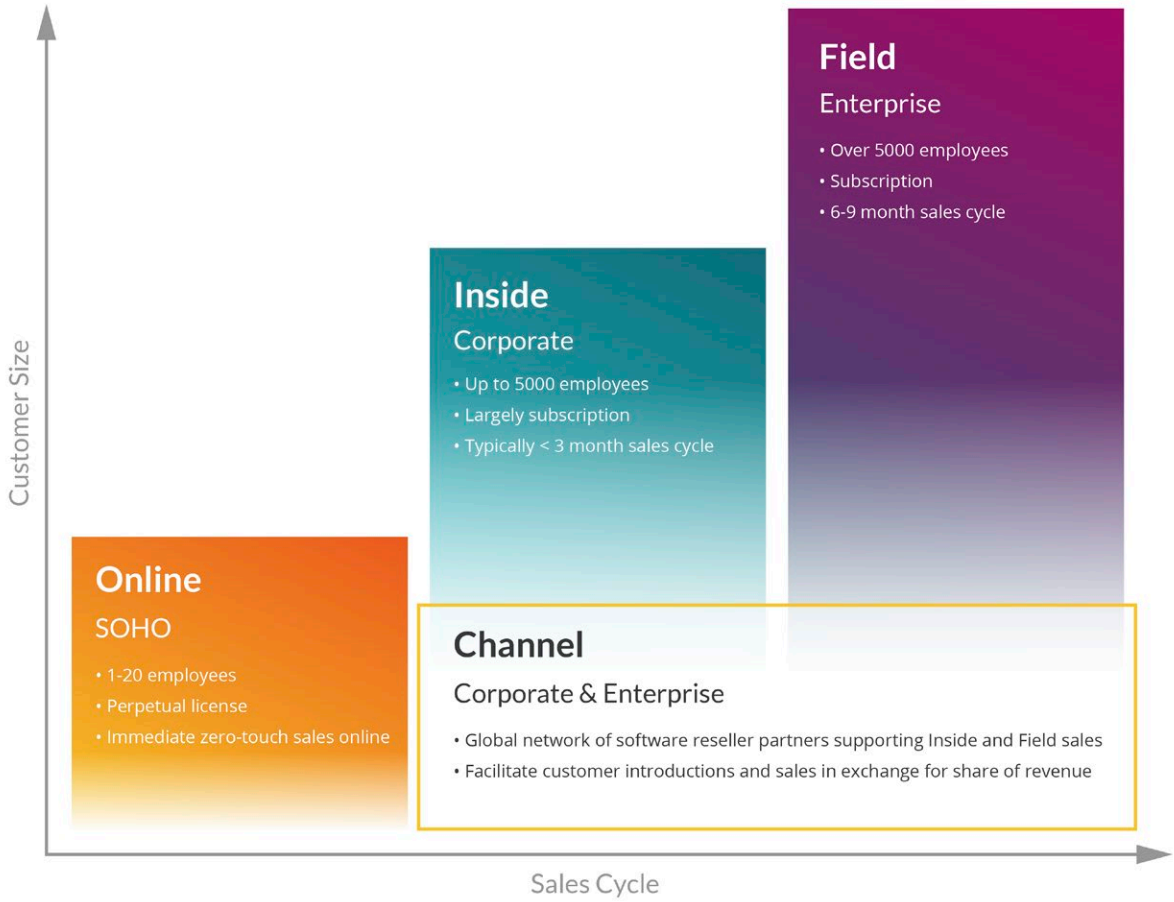
3.6 Sales and marketing strategy

Nitro's revenue growth is primarily underpinned by a range of sales and marketing strategies, focused on winning new customers, increasing penetration within existing customers and simultaneously expanding revenue contribution from existing customers.

Nitro's sales and marketing function takes a multi-faceted approach, which varies the Company's sales resourcing and approach based on the size of potential customers, the complexity of their needs, and the revenue opportunity that exists within that customer. For individual or SOHO customers, Nitro's online channel provides customers with the ability to research, trial and subscribe for Nitro's products without the need for sales agents, or with minimal involvement of Nitro's direct sales team. For SMBs and Enterprise customers, a more comprehensive direct sales model is adopted, which is supplemented with a number of channel partnerships to provide access to customer leads.

Figure 17 below provides an overview of Nitro's sales channels and the approach taken to each segment.

FIGURE 17: NITRO'S SALES CHANNELS AND USER MODEL



The key elements of Nitro's sales and marketing strategy are described below.

3.6.1 Online

Nitro's online marketing model adopts a "freemium" approach, whereby free access is provided to a limited feature set of Nitro's products and services. Individual users are able to sign up for a 14-day free trial via the Nitro website, under which they have access to the broad feature set that is available for paid users of the Nitro Productivity Suite. At the end of this free trial period, users have their feature set restricted to basic PDF reading and editing functionality, and are given the opportunity to pay to purchase the product in full via Nitro's online store, or from within the product itself. Given that online sales are predominantly self-service with little or no intervention from Nitro's physical sales and marketing team, the cost to acquire customers via the online channel is relatively low when compared to the corporate and enterprise sales teams discussed in Sections 3.6.2 and 3.6.3.

Nitro believes that giving limited access to a trial period via its website gives potential customers the ability to directly experience the productivity benefits of Nitro's software, and understand the utility and features available from a paid license. As a result, Nitro believes that customer conversion rates are higher than not offering a free trial period at all. Today, customers buying Nitro's software solution online will buy a perpetual license; but it is expected that a subscription offering for this channel will be made available in the future.

3.6.2 Corporate (inside)

Nitro's corporate sales team typically services customers up to 5,000 employees in size. The team is an inside sales organisation, located in Nitro's various offices worldwide. The team's sales pipeline is driven by both inbound and outbound sales and marketing efforts, and is focused on acquiring new customers and expanding existing customers. Sales cycles are typically less than three months.

3.6.3 Enterprise (field)

Nitro's enterprise sales team typically services customers with over 5,000 employees. It is predominantly a field-based sales organisation with sales representatives located in regions where Nitro is focused. As with the corporate team described in Section 3.6.2, the sales pipeline is driven by both inbound and outbound sales and marketing efforts, and the team is responsible for both acquiring new customers and expanding existing customers.

The enterprise sales team has demonstrated success in selling into some of the largest companies in the world. Nitro's customers include two of the 2019 Fortune 10, and over 300 of the 2019 Fortune 500.[5] Within some of these enterprise customers, Nitro's software has been successfully deployed to tens of thousands of end users.

3.6.4 Channel

Nitro utilises a global channel partner network to sell its software solutions, comprised of software resellers who make introductions to customers and help to facilitate and close sales in exchange for a share of revenue or commission payment. Nitro works with some of the largest resellers in the world including SoftwareOne and Insight.

Historically, Nitro's channel partners have been an important source of leads for new customers for the Company, and it is expected that Nitro will continue to seek to add channel partnerships to help drive SMB and enterprise sales leads going forward. Nitro has not historically relied on any one particular channel partner to deliver on its sales targets.

3.7 Customers

Nitro provides its software solutions to over 1.8 million licensed users[6] globally, which includes approximately 662,000 users who have purchased the Nitro solution via the online channel. Nitro is used by over 10,400 Business Customers, and this group represents approximately 1.3 million licensed users in aggregate.

Nitro's business model is highly scalable due to the straightforward nature of its industry-agnostic software, and its ease of deployment into organisations. This scalability is enhanced by the natural growth of licensed users via continued deeper penetration of existing customers, and the roll-out of the software across multiple sites and geographies within large multi-national companies.

5. Figures as at 1H2019.
6. Licensed users comprises the number of perpetual licenses sold plus the number of current users under active subscription agreements. Given Nitro has historically sold (and continues to sell) licenses which grant a perpetual right to use the relevant product and it is not possible to determine whether those product licenses are actively used at any given time, it is not possible to disclose information regarding Nitro's number of active customers.

Figure 18 provides an overview of a selected group of Nitro's Business Customers. Nitro's customer base includes 65% of the 2019 Fortune 500 list, and two of the 2019 Fortune 10.[7]

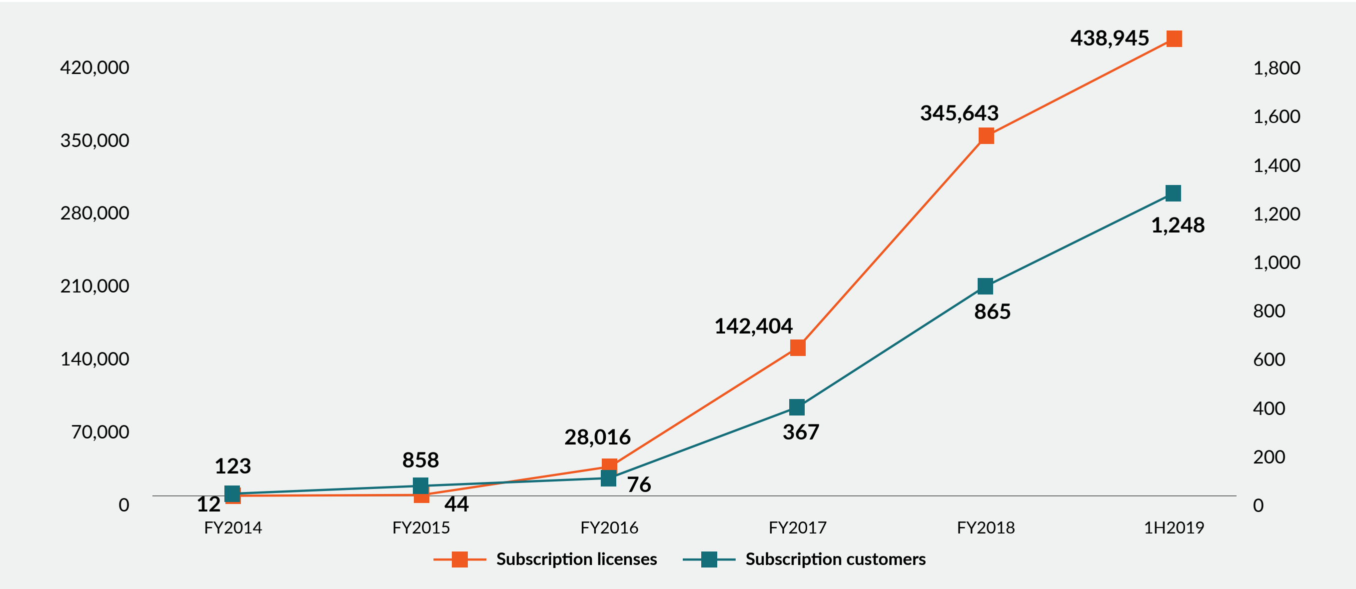
FIGURE 18: SELECTED CUSTOMERS BY INDUSTRY

Industrial – Manufacturing and Engineering	Professional/IT/ Financial Services	Insurance/Healthcare	Government
General Electric	Bank of New York Mellon	Chubb	European Parliament
Caterpillar	Swiss Re	United Health Group	Australian Bureau of Statistics
Lufthansa	King & Wood Mallesons	ThermoFisher	
Pacific National			
BlueScope Steel			
Ausenco			

Real Estate	Energy	Telecommunications	Consumer/Retail
Jones Lang LaSalle	ExxonMobil	T-Mobile	Treasury Wine Estates
CBRE Group	Continental Energy Corporation		
Colliers International			

Over the past three years, a key focus of the Company has been to invest in the corporate and enterprise sales teams, and to drive growth in the number of subscription customers using the Nitro solution. Between 31 December 2016 and 30 June 2019, the number of subscription customers using Nitro has increased at a CAGR of approximately 110%, and the number of subscription licenses has grown at a similar growth rate. The chart in Figure 19 illustrates the growth in Nitro's subscription customer and license base since FY2014.

FIGURE 19: SUBSCRIPTION CUSTOMER AND SUBSCRIPTION LICENSE GROWTH



7. Figures as at 1H2019.

3.8 Nitro's growth strategy

Nitro has a track record of strong growth, supported by its differentiated product offering. An overview of Nitro's growth strategy is provided below.

3.8.1 Expansion within existing customers

Nitro increases the value it derives from existing customer accounts in two ways – through an increase in the number of licenses, and through increases in the price paid by customers per license. Customers typically add more user licenses as their employee base grows organically or through mergers and acquisitions ("**M&A**"), or if a decision is made that Nitro's capabilities are required by an expanded number of knowledge workers or workflows. Nitro is able to increase the price paid by customers per license over time by cross-selling and up-selling new products, expanded features, and through time-based price increases.

Customer case study: U.S. based supply chain management company
In 2010, Nitro was first deployed by a U.S. based Fortune 500 provider of supply chain management and tracking technologies. Over time, as this company has grown organically and through M&A, it has expanded both its number of licensed Nitro users, as well as adopting new products and services from Nitro as they became available. This customer initially deployed Nitro Pro, and purchased perpetual licenses. When the Nitro Productivity Suite was released in 2018, it also introduced Nitro Analytics and the Company moved to subscription-based licensing. With the Nitro Productivity Suite, the Company continued to expand its user footprint and deployed its eSigning capabilities. Today, this customer has over 2,000 licensed Nitro users, all leveraging the full value of the Nitro Productivity Suite.

3.8.2 Winning new enterprise customers

Nitro is focused on continuing its geographical and vertical expansion by winning new customers, including from competitors, to drive increased penetration of the Company's global addressable market.

Customer case study: Large global energy company
A Fortune 5 energy company first approached Nitro to standardise on one PDF productivity application for approximately 20,000 knowledge workers, and to drive measurable digital transformation results through document workflow digitisation and optimisation. The incumbent solution that Nitro displaced was also deployed at scale, and Nitro's Customer Success team delivered a seamless transition. Nitro was able to significantly lower costs for the customer and provide more license flexibility in addition to product benefits like Nitro Analytics. According to the customer, Nitro was selected for its ease of use, commitment to a partnership, and the productivity gains and print elimination benefits that could be achieved using Nitro at scale. Nitro also partnered with this customer to deliver a best-in-class Microsoft SharePoint integration, which is driving more effective collaboration across thousands of document lifecycles.

3.8.3 Expanding revenue contribution from larger enterprise customers

Nitro continues to focus on expanding the revenue contribution from enterprise customers to drive greater revenue per customer, increase the profile of Nitro's solutions, and enhance the network benefits of using Nitro's products between organisations.

Customer case study: Global equipment manufacturer

A Fortune 100 company, which is one of the world's largest construction equipment manufacturers with nearly 100,000 employees globally, first approached Nitro as it was seeking to replace an incumbent document productivity solution to lower IT costs and accelerate digital transformation initiatives. After a comprehensive evaluation process, this customer selected Nitro.

In 2018, this customer purchased Nitro for approximately 4,000 users. After four months, the customer added approximately 1,000 additional users, and within nine months had added approximately 3,000 additional users above the initial deployment. Nitro's ability to demonstrate value and ROI to this customer resulted in an expansion from approximately 4,000 to 9,000 users in less than 12 months.

Customer case study: European medical research organisation

A global, European-headquartered, 14,000 employee clinical research organisation approached Nitro as it was seeking a PDF productivity and eSigning solution to deploy at scale in offices around the world. This customer required rapid implementation and scalability due to contractual pressures with incumbent software providers. Nitro was chosen by this customer for its product roadmap and the unique combination of PDF productivity and eSigning capabilities with workflow analytics, and a proven ability to deploy and scale swiftly within large enterprises. Nitro was able to deploy its solution to over 11,000 users in less than 30 days, within a heavily regulated operating environment.

3.8.4 Continued investment in product development

Nitro has experienced continued growth and success with its PDF productivity and eSigning products, but believes there are additional growth opportunities both in these core markets as well as adjacent markets in document productivity and workflow. The Company is well positioned to take advantage of these opportunities, given that it has significant expert domain knowledge within the Nitro team, strong customer relationships with deployments at enterprise scale, constant product feedback loops, and its Nitro Analytics solution which enables the Company to generate usage insights that guide the creation of product enhancements.

Document productivity sits within a broader document creation, collaboration, lifecycle, workflow and insights and intelligence market, where a myriad of opportunities exist for new features and product development.

As described in Section 3.5, Nitro has an intensive new development process which is applied to all potential products. Nitro devotes a significant amount of time and resources developing and exploring potential new products. Nitro plans for a balanced approach between exploring new ideas and developing existing products.

3.8.5 Acquisitions

In addition to organic growth drivers explained in this Section 3.8, Nitro may from time to time evaluate opportunities to acquire companies or assets that may help to accelerate customer acquisition or product development, or which may be additive to Nitro's future product roadmap.

3.9 Further information on Nitro's business

3.9.1 IT infrastructure

The architecture model behind Nitro Cloud is a Service Oriented Architecture ("**SOA**") system, where an application is composed of a collection of independently deployable micro-services. This model structure makes Nitro Cloud resilient, highly scalable and easy to maintain. Nitro's back-end infrastructure is comprised of Linux servers within a "dedicated to Nitro" virtual private cloud hosted by AWS. All public internet traffic to the Nitro website is encrypted and secured accordingly.

Nitro uses a range of advanced methods for ensuring consistent, secure delivery of the Nitro Cloud offering:

- Automated full database backups for 20 generations of data to support timely disaster recovery;
- Data encryption using AES technology; and
- Continuous monitoring of all systems with real-time alerts.

The infrastructure and practices described above provide Nitro with a strong base upon which the Company can build, enhance and deploy its offerings.

3.9.2 Risk management procedures

Nitro's risk management procedure begins with the licensing of the ISO/IEC 27005:2011 – Information Technology – Security Techniques – Information Security Risk Management (Second Edition) Standard. Accordingly, the Company's risk management techniques include:

- Formal internal risk assessments on a regular basis with reports to senior management;
- Regular external risk reviews carried out by independent experts, along with regular penetration tests of the Nitro ecosystem;
- Operation of Bug Bounty, a program where individuals are awarded for reporting bugs as a means to support responsible disclosure; and
- Continuous and connected logging, monitoring, automated alerting, reporting and trend analysis to ensure optimal risk management.

Ultimately, Nitro's senior management are responsible for leading compliance with Nitro policies and procedures, risk management and incident response.

3.9.3 Data protection and cyber security

Adequate security and compliance are crucial to how well Nitro earns and maintains its customers' trust. Nitro has based its data protection and cyber security protocols on reputable and trusted standards worldwide, including:

- ISO 27000 suite of standards licensed in March 2017;
- US National Institute of Standards & Technology Special Publication 800-53; and
- EU GDPR regulation on data privacy.

These standards enable Nitro Cloud to maintain certification as SOC1 Type 2 and HIPAA compliant, and also enable Nitro to maintain its Privacy Shield certification.

3.9.4 Intellectual property

Nitro's core intellectual property includes the source code of each software solution in the Nitro Productivity Suite, as well as the operational processes and technologies involved in delivering these products. To protect its intellectual property, Nitro has designed and put in place the following procedures:

- **Copyright:** Nitro asserts copyright on all software created by Nitro employees;
- **Contractual terms and conditions of employment:** Nitro requires its employees to sign standard agreements that cover acceptable use policy and non-disclosure; and
- **Trademarks and legal counsel:** Nitro has employed external counsel to register its name and logo as registered trademarks. The external counsel are also engaged to perform regular monitoring of Nitro's trademarks and applications to identify any attempts by a third party to register trademarks which are identical or substantially identical to Nitro's name or logo.

SECTION 4

Financial information

4.1 Introduction

The financial information contained in Section 4 relates to the historical consolidated financial information for the 12-month periods ended 31 December 2017 ("**FY2017**") and 31 December 2018 ("**FY2018**"), and the six-month periods ended 30 June 2018 ("**1H2018**") and 30 June 2019 ("**1H2019**"), and the forecast consolidated financial information for the 12-month periods ending 31 December 2019 ("**FY2019**") and 31 December 2020 ("**FY2020**") (the "**Financial Information**").

FIGURE 20: OVERVIEW OF NITRO FINANCIAL INFORMATION

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	**Statutory Historical Financial Information** includes the: • statutory historical consolidated statements of financial performance for FY2017 and FY2018 ("**Statutory Historical Annual Results**") and historical consolidated statements of financial performance for 1H2018 and 1H2019 ("**Statutory Historical Half Year Results**") (together "**Statutory Historical Results**"); • statutory historical consolidated statements of cash flow for FY2017 and FY2018 ("**Statutory Historical Annual Cash Flows**") and historical consolidated statements of cash flow for 1H2018 and 1H2019 ("**Statutory Historical Half Year Cash Flows**") (together "**Statutory Historical Cash Flows**"); and • historical consolidated statement of financial position as of 30 June 2019 ("**Statutory Historical Statement of Financial Position**").	**Pro Forma Historical Financial Information** includes the: • pro forma historical consolidated statements of financial performance for FY2017 and FY2018 ("**Pro Forma Historical Annual Results**") and historical consolidated statements of financial performance for 1H2018 and 1H2019 ("**Pro Forma Historical Half Year Results**") (together "**Pro Forma Historical Results**"); • pro forma historical consolidated statements of cash flow for FY2017 and FY2018 ("**Pro Forma Historical Annual Cash Flows**") and historical consolidated statements of cash flow for 1H2018 and 1H2019 ("**Pro Forma Historical Half Year Cash Flows**") (together "**Pro Forma Historical Cash Flows**"); and • pro forma historical consolidated statement of financial position as of 30 June 2019 ("**Pro Forma Historical Statement of Financial Position**").
Forecast Financial Information	**Statutory Forecast Financial Information** includes the: • statutory forecast consolidated statements of financial performance for FY2019 and FY2020 ("**Statutory Forecast Annual Results**"); and • statutory forecast consolidated statements of cash flow for FY2019 and FY2020 ("**Statutory Forecast Annual Cash Flows**").	**Pro Forma Forecast Financial Information** includes the: • pro forma forecast consolidated statements of financial performance for FY2019 and FY2020 ("**Pro Forma Forecast Annual Results**"); and • pro forma forecast consolidated statements of cash flow for FY2019 and FY2020 ("**Pro Forma Forecast Annual Cash Flows**").

All amounts disclosed in Section 4 are presented in United States Dollars and, unless otherwise noted, are rounded to the nearest $0.1 million. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables, as well as percentage calculations.

Also summarised in Section 4 are:

- the basis of preparation and presentation of the Financial Information and explanation of certain non-AAS Financial Information (see Section 4.2);
- summary of key operating and financial metrics (see Section 4.3);
- the pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (see Sections 4.3.3, 4.4.2 and 4.5);
- details of net (debt)/cash (see Section 4.6);
- information regarding liquidity and capital resources (see Section 4.8);
- information regarding contractual obligations, commitments and contingent liabilities (see Section 4.9);
- quantitative and qualitative disclosures about market risk (see Section 4.10);
- the Directors' best estimate, general and specific assumptions underlying the Forecast Financial Information (see Section 4.11);

- management discussion and analysis of the Pro Forma Historical Financial Information and of the Pro Forma Forecast Financial Information (see Section 4.12);
- a discussion of the key elements of operating results and their drivers (see Section 4.12.1);
- an analysis of the key sensitivities in respect of the Forecast Financial Information (see Section 4.13);
- a description of critical accounting estimates and judgements (see Section 4.14); and
- a summary of the Company's proposed dividend policy (see Section 4.15).

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview and preparation of the Financial Information

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Nitro. The Forecast Financial Information is intended to provide an indication of the future prospects of Nitro. The Financial Information has been prepared on a going concern basis, and the Directors are responsible for the preparation and presentation of the Financial Information.

The Statutory Historical Financial Information and Statutory Forecast Financial Information have been prepared in accordance with the recognition and measurement principles specified in the AAS (including the Australian Accounting Interpretations) issued by the AASB, which are consistent with IFRS and interpretations issued by the IASB. The recognition and measurement bases are more fully described in the accounting policies set out in Appendix A, and critical accounting estimates and judgements are described in Section 4.14. Other than with respect to the new accounting standards discussed in Section 4.2.4, Nitro's key accounting policies have been consistently applied throughout the financial periods presented. Nitro operates on a financial year ended 31 December. The Financial Information is presented in U.S. dollars. As well as the United States, Nitro has operations in Australia, Ireland and the United Kingdom. Results of these operations are consolidated using the applicable average monthly exchange rate for the Income Statement and the period end rate for the Statement of Financial Position.

The Statutory Historical Financial Statements of Nitro for FY2017 and FY2018 have been audited by the Australian Firm of PricewaterhouseCoopers ("**PwC**") in accordance with Australian Auditing Standards. PwC has issued an unqualified audit opinion on Nitro's financial statements for all periods presented. The Statutory Historical Financial Statements of Nitro for 1H2019 (which include financial information for 1H2018 for comparative purposes) have been prepared in accordance with AASB 134 *Interim Financial Reporting*, and have been reviewed by PwC in accordance with Australian Auditing Standards on Review Engagements ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. PwC has issued an unqualified review report with respect to these financial statements.

This Prospectus includes Forecast Financial Information based on the specific and general assumptions of Nitro. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information has been reviewed and reported on in accordance with the Australian Standard on Assurance Engagements ASAE 3450 "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" by PricewaterhouseCoopers Securities Ltd ("**PwCS**") as set out in the Independent Limited Assurance Report on Historical Financial Information located in Section 8. The Forecast Financial Information has been reviewed and reported on in accordance with that same Australian Standard by PwCS as set out in the Independent Limited Assurance Report on Forecast Financial Information located in Section 8. Investors should note the scope and limitations of the respective reports (refer to Section 8).

Following Completion of the Offer, Nitro will continue to prepare its financial statements in accordance with AAS issued by the AASB and its financial statements post-Listing will be audited and reviewed by Nitro's auditor in accordance with AAS.

The Company manages its operations as two individual business segments that align with the Company's software licensing models. Customers license Nitro's solutions on a perpetual basis, which gives them the right to use the Nitro software solution in perpetuity, or through a subscription-based licensing model, which gives them the right to access the Nitro software solution over the subscription contract term, generally three years. In accordance with AASB 8 *Operating Segments*, Nitro reports revenue, cost of sales and gross profit for each operating segment. The perpetual operating segment also includes recurring revenue from maintenance and support agreements that provide for upgrades, maintenance releases and customer support for customers who have purchased perpetual licenses.

In addition to the Financial Information, Section 4.2.5 describes certain non-IFRS financial measures that the Company uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

4.2.2 Preparation of the Historical Financial Information

The Statutory Historical Financial Information has been extracted from the audited statutory financial statements of Nitro for FY2018, including the restated comparatives for FY2017, and the reviewed 1H2019 financial statements of Nitro including 1H2018 comparatives. The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Results and Pro Forma Historical Cash Flows have been derived from the Statutory Historical Financial Information, with pro forma adjustments being made to reflect Nitro's operating and capital structure following Completion, including public company expenses. The Pro Forma Historical Statement of Financial Position as of 30 June 2019 is based on the reviewed financial statements of Nitro at that date adjusted to reflect the impact of the Offer as if it had occurred at that date (refer to Section 4.5). Refer to Section 4.3.3 for a reconciliation between the Statutory Historical Results and the Pro Forma Historical Results, and to Section 4.4.2 for a reconciliation between the Statutory Historical Cash Flows and the Pro Forma Historical Cash Flows.

Investors should note that past results are not a guarantee of future performance.

4.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis for FY2019 and FY2020. The FY2019 forecast has been derived from the Statutory Forecast Financial Information as well as reviewed actual results for the six months to 30 June 2019, and Nitro's specific and general forecast assumptions for the six months to 31 December 2019, as set out in Section 4.11. The FY2020 forecast is based on Nitro's specific and general forecast assumptions for FY2020, as set out in Section 4.11.

In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to reflect Nitro's operating and capital structure following Completion, to eliminate certain non-recurring items, and to reflect public company expenses. The Forecast Financial Information has been prepared by Nitro based on an assessment of current economic and operating conditions, and on the specific and general assumptions regarding future events and actions as set out in Section 4.11.

Nitro believes the specific and general assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material impact (positive or negative) on Nitro's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are, by their very nature, subject to material uncertainties, many of which will be outside the control of the Company, the Directors and management. Accordingly, none of Nitro and its Directors and management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material impact (positive or negative) on the Forecast Financial Information. The Forecast Financial Information is subject to the risks set out in Section 5. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in Section 4.11.1, the specific assumptions set out in Section 4.11.2, the sensitivity analysis set out in Section 4.13, the risk factors set out in Section 5, the key accounting policies set out in Appendix A and other information in this Prospectus.

Nitro has no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

4.2.4 Changes in accounting policies or standards

The following new accounting standards have been adopted by Nitro during FY2019 or will apply to Nitro's future financial reports and have been reflected in the Financial Information in the manner discussed below.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* incorporates IFRS 9 *Financial Instruments* issued by the IASB. AASB 9 addresses the classification, measurement and recognition of financial assets and liabilities, sets out new rules for hedge accounting and introduces a new impairment model. This standard is applicable for annual reporting periods beginning on or after 1 January 2018. Nitro adopted the new standard on the effective date. There has been no significant impact on the Company's statement of financial position from applying the classification and measurement requirements of AASB 9 *Financial Instruments*.

AASB 9 *Financial Instruments* requires Nitro to record expected credit losses on its trade receivables and contract assets either on a 12-month or lifetime basis. Nitro records expected losses using the lifetime expected loss allowance. Historically, Nitro has experienced strong receivable collections. As a result, the impact of applying the new standard has no material impact on the financial statements and prior periods have not been restated for comparative purposes.

AASB 15 *Revenue from Contracts with Customers*

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers supersedes all prior revenue recognition standards issued under AAS and incorporates IFRS 15 Contracts with Customers, issued by the IASB, for annual reporting periods commencing on or after 1 January 2018. Nitro adopted the standard on the effective date and applied the standard using the full retrospective approach. The result of applying the full retrospective approach is that the standard has been applied to all periods presented in the Prospectus.

AASB 16 Leases

AASB 16 *Leases* incorporates IFRS 16 *Leases* issued by the IASB, and must be adopted with respect to all annual reporting periods beginning on or after 1 January 2019. This new standard represents a significant change to how lessees account for operating leases. The Company has not early adopted the standard. However, the standard would not have had a material impact on the FY2018 financial statements or results of operations of Nitro, given that the Company did not have any leases that had remaining terms of greater than one year as of 31 December 2018.

During 1H2019, the Company (through its U.S. and Irish subsidiaries, respectively) entered into two long-term leases for its San Francisco and Dublin office locations. In accordance with AASB 16 *Leases* the Company recorded a right to use asset and corresponding lease liability on its balance sheet at the date of execution of the underlying lease. The impact on Nitro's statement of financial performance results in a reduction in occupancy-related expenses (recognised within EBITDA) and an increase in both amortisation (of right to use assets) and finance costs (associated with the lease liabilities).

4.2.5 Explanation of certain non-IFRS and other financial measures

Nitro uses certain information, measures and ratios to manage and report on performance which are prepared on a basis that is not in accordance with all relevant accounting standards ("**Non-Statutory Information**"). This Non-Statutory Information may exclude certain transactions, or present transactions or balances on a different recognition and measurement basis from that required or permitted by accounting standards. These measures do not have prescribed definitions and therefore may not be directly comparable to similarly titled measures presented by other entities.

Nitro discloses the following Non-Statutory Information in this Prospectus as follows:

- **Annual Recurring Revenue (**"**ARR**"**)** is the annual amount of revenue the Company will recognise from subscription-based licensing agreements with customers who have entered into multi-year agreements for the right to access the Company's software. The typical subscription contract length is three years. ARR represents the annual value of subscription revenue under such contracts. Nitro's multi-year subscription-based licensing contracts provide visibility into revenue in future periods due to the recurring nature of those revenue streams. ARR is calculated by multiplying the monthly subscription revenue in the last month of the financial reporting period by 12;
- **New ARR added** measures the incremental ARR added during a financial reporting period. The growth in ARR provides additional predictability and visibility into future revenue for the Company. New ARR added is calculated by subtracting the total monthly subscription revenue in the last month of the last prior reporting period from the total monthly subscription revenue in the last month of the current financial reporting period, multiplied by 12;

- **Net Revenue Retention** ("**NRR**") is the revenue generated in the current financial reporting period from subscription customers who were using the Company's software in the prior financial reporting period, net of churn. NRR measures the incremental recurring revenue the Company generates from its existing subscription customers as they expand their usage of Nitro's solutions, which may be a result of adding additional licenses within their organisation, or by expanding usage into new areas of their organisation that previously did not use Nitro's solution. NRR greater than 100% is a potential indicator of customer satisfaction, and implies that customers are expanding their use of Nitro's software solutions over time. NRR is calculated by dividing the subscription and maintenance ARR from subscription customers in the last month of the period, by the subscription and maintenance ARR from the same cohort of subscription customers over the same period in the prior year;
- **Customer retention rate** is the percentage of customers that renew their subscription agreements at the expiration of their current contact term as measured on an annual contract value basis. The Company believes customer retention rates can be indicative of customer satisfaction with Nitro's software solutions and customer service. The inverse of the customer retention rate is commonly referred to as customer churn;
- **Quota carrying sales representatives** are the number of sales representatives that are directly engaged in the sales process;
- **Lifetime Value/Customer Acquisition Cost** ("**LTV/CAC**") measures the ratio of "lifetime value" per customer to "customer acquisition cost". The LTV/CAC ratio compares the value of a customer over their lifetime, compared to the cost of acquiring them. LTV/CAC is calculated as follows:
  - LTV = (new bookings/number of new customers)/(1 – customer retention rate); and
  - CAC = (selling expense + direct marketing expense + marketing personnel expense)/number of new customers;
- **Gross profit** is revenue less cost of sales. Gross profit represents the amount the Company is able to retain after paying the cost directly associated with the sales of its products. Gross margin is gross profit expressed as a percentage of total revenue;
- **EBITDA** is earnings before interest, taxation, depreciation and amortisation. Nitro uses EBITDA to evaluate the operating performance of the Company without the non-cash impact of depreciation and amortisation, and before interest and taxation. EBITDA should not be considered as an alternative to measures of cash flow under AASB and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Nitro's operations;
- **EBIT** is earnings before interest and taxation;
- **Indebtedness** is gross borrowings less cash and cash equivalents;
- **Operating cash flow** is net income after the removal of non-cash items in net income (e.g. share-based payment expenses, net losses or gains on the sale of non-current assets and net exchange differences), changes in working capital and income tax received/paid. Operating cash flow is used as a measure to indicate the level of operating cash flow generated from EBITDA;
- **Net free cash flow** is operating cash flow, less capital expenditures and repayment of lease liabilities. Net free cash flow is used as a measure of the net cash generated before other investing cash flows; and
- **Working capital** is trade and other receivables plus costs to fulfill contracts plus other current assets less trade and other payables less contract liabilities less provisions less other current liabilities.

Although the Directors believe that these measures provide useful information about Nitro's financial performance, they should be considered as supplements to the measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. Because Non-Statutory Information is not based on AAS, IFRS, or any other recognised body of accounting standards, it does not have prescribed definitions, and the way Nitro calculates these measures may differ from similarly titled measures used by other companies. Investors should therefore not place undue reliance on Non-Statutory Information.

4.3 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

4.3.1 Pro Forma Historical Annual Results, Pro Forma Forecast Annual Results and Statutory Forecast Annual Results

Figure 21 summarises Nitro's Pro Forma Historical Annual Results, the Pro Forma as well as Statutory Forecast Annual Results for FY2019 and the Pro Forma/Statutory Forecast Annual Results for FY2020. The Statutory Historical Annual Results and the Statutory Forecast Annual Results are reconciled to the Pro Forma Historical Annual Results and Pro Forma Forecast Annual Results respectively in Section 4.3.3. See Section 4.12.3 for a description of the presentation and composition of the cost and expense categories in Figure 21. The Pro Forma Forecast Annual Results and the Statutory Forecast Annual Results are subject to the general and specific assumptions underlying the Forecast Financial Information outlined in Section 4.11.

FIGURE 21: SUMMARY OF PRO FORMA HISTORICAL ANNUAL RESULTS, PRO FORMA FORECAST ANNUAL RESULTS AND STATUTORY FORECAST ANNUAL RESULTS

		Pro Forma Historical Results		Pro Forma Forecast Results	Pro Forma/ Statutory Forecast Results	Statutory Forecast Results
USD in millions	**Notes**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2019**
Subscription		3.0	6.9	13.1	20.2	13.1
Perpetual, maintenance and support		24.9	25.5	22.3	20.2	22.3
Revenue	1	**27.9**	**32.4**	**35.4**	**40.5**	**35.4**
Cost of sales		(3.6)	(3.8)	(4.0)	(4.5)	(4.0)
Gross profit		**24.2**	**28.6**	**31.4**	**35.9**	**31.4**
Selling and marketing expense	1	(17.7)	(15.6)	(18.5)	(21.3)	(18.4)
General and administration expense		(8.5)	(8.2)	(9.2)	(9.7)	(11.6)
Research and development expense		(6.6)	(7.7)	(7.4)	(10.3)	(7.4)
Other (loss)	2	0.5	(1.2)	(0.2)	–	(0.2)
EBITDA		**(8.1)**	**(4.2)**	**(3.8)**	**(5.3)**	**(6.1)**
Interest income		0.0	0.0	0.0	0.4	0.0
Depreciation and amortisation expense		(3.2)	(2.0)	(2.0)	(1.8)	(2.0)
Finance costs		(0.8)	(0.6)	(0.6)	(0.1)	(1.8)
(Loss) before income tax		**(12.1)**	**(6.8)**	**(6.4)**	**(6.8)**	**(10.0)**
Income tax (expense)/benefit	3	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
(Loss) for the year		**(12.4)**	**(6.9)**	**(6.5)**	**(7.0)**	**(10.1)**
Other comprehensive income						
Adjustment for translation from foreign controlled entities		(0.4)	0.2			
Total comprehensive (loss) for the year		**(12.8)**	**(6.7)**	**(6.5)**	**(7.0)**	**(10.1)**

Notes:

1. **Revenue:** consists of product revenue derived from the sales of subscription or perpetual software licenses, as well as service revenue from the provision of maintenance and support for customers who license software on a perpetual basis. Revenue includes commissions to channel partners which are offset by an equal and opposite cost in sales and marketing expenses and so have nil net impact on EBITDA.
2. **Other (loss):** includes net foreign exchange gains/(losses) (FY2017: $0.4 million gain; FY2018: $0.5 million loss; FY2019: $0.2 million loss), net loss on disposal of property, plant and equipment (FY2018: $0.5 million) and relocation costs (FY2018: $0.1 million).
3. **Income tax (expense)/benefit:** includes income tax on the Company's Irish subsidiary. The Company has not recorded taxable profits in the United States or Australia.

Figure 22 summarises the Statutory and Pro Forma Historical Half Year Results. The Statutory Historical Half Year Results are reconciled to the Pro Forma Historical Half Year Results in Section 4.3.3.

FIGURE 22: SUMMARY OF PRO FORMA HISTORICAL HALF YEAR RESULTS AND STATUTORY HISTORICAL HALF YEAR RESULTS

	Statutory Historical Results		Pro Forma Historical Results	
USD in millions	**1H2018**	**1H2019**	**1H2018**	**1H2019**
Subscription	2.7	5.7	2.7	5.7
Perpetual, maintenance and support	14.0	11.0	14.0	11.0
Revenue	**16.8**	**16.7**	**16.8**	**16.7**
Cost of sales	(2.0)	(1.9)	(2.0)	(1.9)
Gross profit	**14.8**	**14.8**	**14.8**	**14.8**
Selling and marketing expense	(7.5)	(8.7)	(7.6)	(8.8)
General and administration expense	(3.5)	(3.9)	(4.1)	(4.5)
Research and development expense	(4.0)	(3.7)	(4.0)	(3.7)
Other (loss)	(0.8)	(0.1)	(0.8)	(0.1)
EBITDA	**(0.9)**	**(1.5)**	**(1.7)**	**(2.2)**
Interest income	0.0	0.0	0.0	0.0
Depreciation and amortisation expense	(1.1)	(0.9)	(1.1)	(0.9)
Finance costs	(0.4)	(0.3)	(0.4)	(0.3)
(Loss) before income tax	**(2.4)**	**(2.7)**	**(3.1)**	**(3.4)**
Income tax (expense)/benefit	(0.2)	(0.1)	(0.2)	(0.1)
(Loss) for the half year	**(2.6)**	**(2.8)**	**(3.3)**	**(3.5)**
Other comprehensive income				
Adjustment for translation from foreign controlled entities	0.1	(0.1)	0.1	(0.1)
Total comprehensive (loss) for the half year	**(2.5)**	**(2.8)**	**(3.2)**	**(3.5)**

4.3.2 Key operating and financial metrics

Figure 23 summarises Nitro's key pro forma historical operating and financial metrics for FY2017, FY2018, 1H2018 and 1H2019.

FIGURE 23: KEY OPERATING AND FINANCIAL METRICS

		Historical				Forecast	
USD in millions	**Note**	**FY2017**	**FY2018**	**1H2018**	**1H2019**	**FY2019**	**FY2020**
Gross margin		87%	88%	88%	89%	89%	89%
NRR		152%	149%	187%	127%		
ARR		4.4	10.2	7.0	12.8	16.4	24.4
New ARR added		2.6	5.8	2.6	2.6	6.2	7.9
LTV	1	153	158	164	136		
CAC	1	35	26	21	33		
LTV/CAC ratio (x)		**4.3x**	**6.2x**	**8.0x**	**4.1x**		

Note:

1. Amounts shown in thousands of dollars.

4.3.3 Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results

Figure 24 summarises the pro forma adjustments that have been made to EBITDA and net (loss) in the historical and forecast periods.

FIGURE 24: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL RESULTS AND THE STATUTORY FORECAST RESULTS

		Historical Results		Forecast Results		Historical Results	
USD in millions	Notes	FY2017	FY2018	FY2019	FY2020	1H2018	1H2019
Statutory historical/forecast EBITDA		**(6.7)**	**(2.8)**	**(6.1)**	**(5.3)**	**(0.9)**	**(1.5)**
IPO Offer costs	1	–	–	3.2	–	–	–
Public company costs	2	(1.4)	(1.4)	(1.3)	–	(0.7)	(0.7)
One-off share-based payment costs	3	–	–	0.4	–	–	–
Pro forma historical/pro forma forecast EBITDA		**(8.1)**	**(4.2)**	**(3.8)**	**(5.3)**	**(1.7)**	**(2.2)**
Statutory/forecast net (loss)		**(11.0)**	**(5.5)**	**(10.1)**	**(7.0)**	**(2.6)**	**(2.8)**
IPO Offer costs	1	–	–	3.2	–	–	–
Public company costs	2	(1.4)	(1.4)	(1.3)	–	(0.7)	(0.7)
One-off share-based payment costs	3	–	–	0.4	–	–	–
Convertible Notes fair value impact	4	–	–	1.3	–	–	–
Tax effect	5	–	–	–	–	–	–
Pro forma historical/pro forma forecast net (loss)		**(12.4)**	**(6.9)**	**(6.5)**	**(7.0)**	**(3.3)**	**(3.5)**

Notes:

1. **IPO Offer costs (expensed):** total costs of the Offer are estimated at $6.9 million of which $3.7 million wholly relates to the issue of new Shares and has been capitalised against equity with no impact on the income statement. The composition of the $6.9 million total costs of the Offer represents $3.5 million of Lead Manager underwriting fees, $0.9 million of legal costs, $1.0 million of accounting and tax costs, $0.3 million of regulatory costs, $0.6 million of insurance costs and $0.5 million of other costs.
2. **Public company costs:** reflects the Directors' estimate of the incremental annual costs that the Company will incur as a listed entity. These costs include Non-Executive Director remuneration, Director's and officer's insurance premiums, investor relations costs, annual general meeting and annual report costs, additional audit and legal costs, listing fees, share registry costs, as well as additional travel costs. This adjustment assumes a December 2019 Listing, and as a result Statutory Forecast Results in FY2019 include one month of public company costs while the Statutory Forecast Results in FY2020 include 12 months of public company costs.
3. **Share-based payment adjustments:** this adjustment removes the income statement impact of share-based payments that are one-off in nature due to them being contingent upon finalisation of the Offer.
4. **Convertible Notes fair value adjustment:** in August 2019, the Company issued $5 million of convertible notes at a face value of $1 each for a $5 million equity raise. On Completion of the Offer the Convertible Notes convert to Shares at a 20% discount to the Offer Price. This adjustment removes the associated non-recurring expense recognised for the discount element on Completion of the Offer.
5. **Tax impact of adjustments:** the Company did not generate taxable profits in Australia or the United States in historical periods and is not forecast to generate taxable profits in Australia or the United States in FY2019 or FY2020. As a result, no tax effect on the above pro forma adjustments has been recognised due to the uncertainty of the Company's ability to utilise any deferred tax assets in the foreseeable future.

4.3.4 Statutory Historical Income Statements

Figure 25 summarises the Company's Statutory Historical Results.

FIGURE 25: SUMMARY OF STATUTORY HISTORICAL RESULTS

	Statutory Historical Results			
USD in millions	**FY2017**	**FY2018**	**1H2018**	**1H2019**
Subscription	3.0	6.9	2.7	5.7
Perpetual, maintenance and support	24.9	25.5	14.0	11.0
Revenue	**27.9**	**32.4**	**16.8**	**16.7**
Cost of sales	(3.6)	(3.8)	(2.0)	(1.9)
Gross profit	**24.2**	**28.6**	**14.8**	**14.8**
Selling and marketing expense	(17.5)	(15.4)	(7.5)	(8.7)
General and administration expense	(7.3)	(7.0)	(3.5)	(3.9)
Research and development expense	(6.6)	(7.7)	(4.0)	(3.7)
Other (loss)	0.5	(1.2)	(0.8)	(0.1)
EBITDA	**(6.7)**	**(2.8)**	**(0.9)**	**(1.5)**
Interest income	0.0	0.0	0.0	0.0
Depreciation and amortisation expense	(3.2)	(2.0)	(1.1)	(0.9)
Finance costs	(0.8)	(0.6)	(0.4)	(0.3)
(Loss) before income tax	**(10.7)**	**(5.4)**	**(2.4)**	**(2.7)**
Income tax (expense)/benefit	(0.3)	(0.2)	(0.2)	(0.1)
(Loss) for the year	**(11.0)**	**(5.5)**	**(2.6)**	**(2.8)**
Other comprehensive income				
Adjustment from translation from foreign controlled entities	(0.4)	0.2	0.1	(0.1)
Total comprehensive (loss) for the year	**(11.4)**	**(5.3)**	**(2.5)**	**(2.8)**

4.4 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

4.4.1 Pro Forma Historical Cash Flows, Pro Forma Forecast Annual Cash Flows and Statutory Forecast Annual Cash Flows

Figure 26 summarises the Company's Pro Forma Historical Annual Cash Flows, the Pro Forma as well as Statutory Forecast Annual Cash Flows for FY2019, the Pro Forma/Statutory Forecast Annual Cash Flows for FY2020, and the Pro Forma Historical Half Year Cash Flows. The Statutory Historical Annual Cash Flows, the Statutory Forecast Annual Cash Flows and the Statutory Historical Half Year Cash Flows are reconciled to the Pro Forma Historical Annual Cash Flows, the Pro Forma Forecast Annual Cash Flows and the Pro Forma Historical Half Year Cash Flows respectively in Section 4.4.2.

FIGURE 26: SUMMARY OF PRO FORMA HISTORICAL CASH FLOWS, PRO FORMA FORECAST ANNUAL CASH FLOWS AND STATUTORY FORECAST ANNUAL CASH FLOWS

		Pro Forma Historical		Pro Forma Forecast	Pro Forma/ Statutory Forecast	Pro Forma Historical		Statutory Forecast
USD in millions	**Notes**	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**1H2018**	**1H2019**	**FY2019**
Pro forma net (loss)	1	**(12.4)**	**(6.9)**	**(6.5)**	**(7.0)**	**(3.3)**	**(3.5)**	**(10.1)**
Less non-cash items in net (loss)								
Depreciation and amortisation		3.2	2.0	2.0	1.8	1.1	0.9	2.0
Non-cash employee benefits expense – share-based payments		0.2	0.6	0.6	1.3	0.3	0.3	1.0
Net loss (gain) on sale of non-current assets		(0.0)	0.5	–	–	0.5	–	–
Net exchange differences		(0.4)	0.5	(0.1)	–	0.2	0.0	(0.1)
Non-cash lease liability interest expense		–	–	0.2	0.1	–	0.1	0.2
Other non-cash items		–	–	0.0	–	0.0	–	1.3
Total non-cash items in net (loss)		**2.9**	**3.6**	**2.7**	**3.3**	**2.2**	**1.3**	**4.4**
Pro forma net (loss) excl. non-cash items		**(9.5)**	**(3.4)**	**(3.9)**	**(3.7)**	**(1.1)**	**(2.2)**	**(5.8)**
(Increase) decrease in working capital		(1.5)	1.5	6.2	2.2	(0.3)	1.9	6.2
Income tax paid		0.4	(0.2)	–	–	(0.1)	(0.1)	–
Operating cash flow		**(10.6)**	**(2.1)**	**2.4**	**(1.6)**	**(1.5)**	**(0.3)**	**0.5**
Capital expenditure (property, plant and equipment)	2	(0.0)	(0.1)	(0.7)	(0.2)	(0.1)	(0.5)	(0.7)
Capital expenditure (intangibles)	3	(2.0)	–	–	–	–	–	–
Repayment of lease liabilities		(0.9)	(0.2)	(1.2)	(1.5)	(0.2)	(0.5)	(1.2)
Net free cash flow		**(13.5)**	**(2.3)**	**0.5**	**(3.4)**	**(1.8)**	**(1.4)**	**(1.4)**
Proceeds from Pre-IPO Convertible Notes	4							5.0
Repayment of borrowings	5							(4.4)
Net proceeds from the issue of New Shares	6							38.1
Reversal of expensed offer costs reflected in net (loss)								3.2
Net cash flow before dividends								**40.4**

Notes:

1. **Pro forma net (loss):** adjusted to reflect the pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results.
2. **Capital expenditure (property, plant and equipment):** relates to leasehold improvements associated with office relocations.
3. **Capital expenditure (intangibles):** relates to capitalised costs for the development of the Nitro Productivity Suite which was launched in FY2018. Research and development costs incurred in FY2018 and 1H2019 no longer met the capitalisation criteria and were expensed.
4. **Proceeds from Pre-IPO Convertible Notes:** in August 2019, the Company issued 5.0 million Convertible Notes to four investors. The Convertible Notes were issued with an issue price of $1 and convert to Shares, on Completion of the Offer, at a 20% discount to the Offer Price. Expenses of $1.25 million, representing the amount of the discount, are recognised through the income statement on Completion of the Offer.
5. **Repayment of borrowings:** reflects settlement of current borrowings from the Silicon Valley Bank ($3.2 million as at 30 June 2019) as well as repayments made by the Company in 1H2019 ($1.3 million).
6. **Proceeds from the issue of New Shares:** reflects proceeds from the issue of New Shares ($45.0 million) less total costs of the Offer of $6.9 million, of which $3.7 million is offset against equity. Total costs of the Offer include $3.2 million of costs related to the sale of existing equity which is expensed.

4.4.2 Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

Figure 27 sets out the pro forma adjustments that have been made to Nitro's historical and forecast statutory operating cash flows. These adjustments are summarised and explained below.

FIGURE 27: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL OPERATING CASH FLOWS AND STATUTORY FORECAST OPERATING CASH FLOWS

		Pro Forma Historical Results		Pro Forma Forecast Results		Pro Forma Historical Results	
USD in millions	Note	FY2017	FY2018	FY2019	FY2020	1H2018	1H2019
Statutory/forecast operating cash flows		**(9.1)**	**(0.7)**	**0.5**	**(1.6)**	**(0.8)**	**0.4**
IPO Offer costs		–	–	3.2	–	–	–
Public company costs		(1.4)	(1.4)	(1.3)	–	(0.7)	(0.7)
Cash flow impact of adjustments to net (loss)	1	**(1.4)**	**(1.4)**	**1.9**	**–**	**(0.7)**	**(0.7)**
Pro forma operating cash flows		**(10.6)**	**(2.1)**	**2.4**	**(1.6)**	**(1.5)**	**(0.3)**

Note:

1. **Cash flow impact of adjustments to net (loss):** reflects the cash flow impact of pro forma adjustments to net (loss) discussed in Section 4.3.3.

4.4.3 Statutory Historical Cash Flows

Figure 28 summarises Nitro's Statutory Historical Cash Flows.

FIGURE 28: SUMMARY OF STATUTORY HISTORICAL CASH FLOWS

	Statutory Historical			
USD in millions	FY2017	FY2018	1H2018	1H2019
Net (loss)	**(11.0)**	**(5.5)**	**(2.6)**	**(2.8)**
Less non-cash items in net (loss)				
Depreciation and amortisation	3.2	2.0	1.1	0.9
Non-cash employee benefits expense – share-based payments	0.2	0.6	0.3	0.3
Net loss (gain) on sale of non-current assets	(0.0)	0.5	0.5	–
Net exchange differences	(0.4)	0.5	0.2	0.0
Non-cash lease liability interest expense	–	–	–	0.1
Total non-cash items in net (loss)	**2.9**	**3.6**	**2.2**	**1.3**
(Increase) decrease in working capital	(1.5)	1.5	(0.3)	1.9
Income tax paid	0.4	(0.2)	(0.1)	(0.1)
Operating cash flow	**(9.1)**	**(0.7)**	**(0.8)**	**0.4**
Capital expenditure (property, plant and equipment)	(0.0)	(0.1)	(0.1)	(0.5)
Capital expenditure (intangibles)	(2.0)	–	–	–
Repayment of lease liabilities	(0.9)	(0.2)	(0.2)	(0.5)
Net free cash flow	**(12.1)**	**(0.9)**	**(1.1)**	**(0.7)**

4.5 Statutory and Pro Forma Historical Statement of Financial Position

Figure 29 summarises the Statutory Historical Statement of Financial Position as of 30 June 2019, and the adjustments that have been made to derive the Pro Forma Historical Statement of Financial Position. These adjustments reflect the impact of the operating structure that will be in place at Completion of the Offer as if the Offer had occurred as of 30 June 2019. The Pro Forma Historical Statement of Financial Position is therefore provided for illustrative purposes only and is not necessarily indicative of Nitro's view of its future financial position. The Company has no off-balance sheet arrangements.

Further information on the sources and uses of funds of the Offer is contained in Section 7.

FIGURE 29: STATUTORY AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

USD in millions	Statutory 30 June 2019	Pre-IPO funding[1]	Debt repayment[2]	Impact of the Offer[3]	Pro Forma 30 June 2019
Cash and cash equivalents	2.3	5.0	(3.2)	38.1	42.3
Receivables and contract assets	9.6	–	–	–	9.6
Current tax receivables	0.2	–	–	–	0.2
Current assets	**12.2**	**5.0**	**(3.2)**	**38.1**	**52.2**
Receivables and contract assets	14.0	–	–	–	14.0
Property, plant and equipment	0.6	–	–	–	0.6
Intangible assets	0.3	–	–	–	0.3
Deferred tax assets	0.2	–	–	–	0.2
Right of use assets	3.8	–	–	–	3.8
Non-current assets	**18.9**	**–**	**–**	**–**	**18.9**
Trade and other payables	(2.9)	–	–	–	(2.9)
Borrowings	(3.2)	–	3.2	–	–
Deferred income	(18.2)	–	–	–	(18.2)
Current tax liabilities	(0.1)	–	–	–	(0.1)
Provisions	(0.7)	–	–	–	(0.7)
Lease liability	(1.5)	–	–	–	(1.5)
Current liabilities	**(26.5)**	**–**	**3.2**	**–**	**(23.4)**
Deferred income	(11.9)	–	–	–	(11.9)
Provisions	(0.0)	–	–	–	(0.0)
Lease liability	(2.2)	–	–	–	(2.2)
Non-current liabilities	**(14.1)**	**–**	**–**	**–**	**(14.1)**
Net assets	**(9.6)**	**5.0**	**–**	**38.1**	**33.6**
Contributed equity	42.5	6.3	–	41.3	90.1
Other reserves	1.2	–	–	–	1.2
Retained earnings	(53.4)	(1.3)	–	(3.2)	(57.8)
Equity	**(9.6)**	**5.0**	**–**	**38.1**	**33.6**

Notes:

1. **Pre-IPO funding:** reflects the impact of the following pre-IPO funding transactions undertaken. In August 2019, the Company issued 5.0 million Convertible Notes to four investors. The Convertible Notes were issued with an issue price of $1.00 and convert to Shares, on Completion of the Offer, at a 20% discount to the Offer Price. As a result of the 20% discount, on Completion of the Offer, share capital increases $6.25 million being the total of the $5.0 million face value of the Convertible Notes and $1.25 million impact of the discount. Expenses of $1.25 million are recognised through the income statement on Completion of the Offer, however, have been adjusted for in the pro forma income statement.
2. **Debt repayment:** the proceeds from the Offer will be used to repay existing debt facilities with Silicon Valley Bank.
3. **Impact of the Offer:** as a consequence of the Offer, share capital increases $41.3 million through the issue of new Shares in relation to the Offer of $45.0 million less capitalised offer costs at Completion of $3.7 million that are offset against equity. Total costs of the Offer of $6.9 million include $3.2 million of costs related to the sale of existing equity which are expensed.

4.5.1 Cash and working capital

Following Completion of the Offer, on a pro forma basis at 30 June 2019, Nitro would have had approximately $42.3 million cash on its consolidated statement of financial position. Following Completion, principal sources of funds are expected to be cash flow generated from operations and cash on hand. The main use of cash is to fund operations and support growth initiatives, potentially including acquisitions. Historical and forecast working capital trends are described in Section 4.12.5. Nitro expects that the business will have sufficient cash flow from operations to meet its operational requirements and business needs during the forecast period.

The ability to generate sufficient cash depends on Nitro's future performance. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 4.10.

4.6 Indebtedness

Figure 30 summarises the net (debt)/cash position as of 30 June 2019, on a statutory basis (before Completion of the Offer) and on a pro forma basis (assuming Completion of the Offer as at that date). A description of Nitro's current Banking Facilities is provided in Section 4.7.

FIGURE 30: INDEBTEDNESS AS OF 30 JUNE 2019

USD in millions	Statutory (pre Offer) 30 June 2019	Pro forma (post Offer) 30 June 2019
Current borrowings	(3.2)	–
Lease liabilities – short-term	(1.5)	(1.5)
Lease liabilities – long-term	(2.2)	(2.2)
Total borrowings	**(6.8)**	**(3.7)**
Cash and cash equivalents	2.3	42.3
Net (debt)/cash	**(4.5)**	**38.6**

4.7 Description of Banking Facilities

Nitro has existing loan and revolving facilities ("**Banking Facilities**") with Silicon Valley Bank. The Banking Facilities comprise a term loan and a bank overdraft facility of up to $13.0 million.

The Banking Facilities were first signed in July 2013, and subsequently amended in December 2016. The Banking Facilities provide for a term loan and a bank overdraft facility of up to $13.0 million based upon achievement of certain financial hurdles. The maximum borrowing available under the Banking Facilities is currently capped at $10.0 million. The outstanding balance of the Banking Facilities was $3.2 million as of 30 June 2019. The principal amount of the Banking Facilities accrues interest at a floating rate per annum equal to 1.50% above the prime rate. The Banking Facilities mature on 1 June 2020. The Company intends to repay the Banking Facilities upon Completion of the Offer.

4.8 Liquidity and capital resources

Following Completion of the Offer, Nitro's principal sources of funds are expected to be cash on hand (including the proceeds of the Offer) and revenue generated from operations. Nitro's primary use of cash is funding its research and development operations including, but not limited to, product and technology development and growth in employee headcount, as well as to fund sales and marketing activities. Nitro expects that it will have sufficient cash flow from operations and from the proceeds of the Offer to meet its operational requirements and business needs for at least 12 months following Completion of the Offer. The Company's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions.

Nitro anticipates that it may need to raise additional financing in the future to fund its operations, or to fund acquisitions. In order to meet these additional cash requirements, the Company may seek to sell additional equity or issue debt, convertible debt or other securities that may result in dilution to its Shareholders. If the Company raises additional funds through the issuance of debt or convertible debt securities, these securities could have rights senior to those of its ordinary Shares and could contain covenants that restrict its operations. There can be no assurance that the Company will be able to obtain additional equity or debt financing on terms acceptable to it, if at all. Additional debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting Nitro's ability to take specific actions such as incurring debt, making capital expenditures or declaring dividends. Nitro's failure to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on its business, results of operations and financial condition.

4.9 Contractual obligations, commitments and contingent liabilities

The Company has no material contractual obligations, commitments and contingent liabilities. The Company has two operating leases for its London and Melbourne offices that have payment obligations less than $1 million in the forecast period. In accordance with AASB 16, the Company has recorded a right-to-use asset for the San Francisco and Dublin office leases.

4.10 Qualitative disclosures about market risk

4.10.1 Interest rate risk

Nitro is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The primary financial liabilities impacted by interest rate movements include cash balances, loans and borrowings, which have interest rates tied to the prime rate. The Company monitors and analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, uses of funds and alternative financing options and the mix of fixed and variable interest rates.

4.10.2 Foreign exchange risk

Nitro transacts in various currencies other than the Company's reporting currency, which is the U.S. dollar, including the Euro, the United Kingdom pound, and the Australian dollar. Nitro has not historically hedged its foreign currency exposure and as a result earnings are exposed to the net impact of movements in foreign exchange rates on sales, deferred revenue, unbilled accounts receivable, employee expenses and purchases in the foreign currencies in which the transactions occur.

The potential impact on revenue and EBITDA of movements in foreign currency exchange rates over the forecast period is considered in Section 4.13. Nitro has foreign currency bank accounts, receivables and payables that are denominated in a currency other than the U.S. dollar reporting currency and holds investments in overseas subsidiaries which are not hedged. Any foreign exchange rate movements in respect to the transactional currency in which the net investment in foreign subsidiaries are held are recognised in the foreign currency translation reserve.

4.11 Assumptions underlying the Forecast Financial Information

The Forecast Financial Information is based on various general and specific assumptions, including those set out below. In preparing the Forecast Financial Information, the Directors have undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for FY2019 and FY2020. The Company and its Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus, including each of the assumptions set out in this Section 4.11. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of the Company and its Directors. Accordingly, none of the Company, the Directors, or any other person can give any assurance that the Forecast Financial Information or any forward-looking statements contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The general and specific assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.13, the risk factors set out in Section 5 and the Independent Limited Assurance Report set out in Section 8. The pro forma adjustments to the Statutory Forecast Results are set out in Section 4.3.3 and the pro forma adjustments to the Statutory Forecast Cash Flows are set out in Section 4.4.2.

4.11.1 General assumptions

In preparing the Forecast Financial Information, Nitro has adopted the following general assumptions:

- no acquisitions are assumed to occur;
- no material change in the competitive environment in which the Company operates;
- no significant deviation from current market expectations of economic conditions relevant to the industries in which the Company operates;
- no material changes in government regulations or policies which impact Nitro's business or customers;
- no material changes in foreign currency exchange rates, particularly as they relate to the Euro, the United Kingdom pound and the Australian dollar;
- no significant interruptions, industry disturbances or disruptions in relation to the Company's technology, platform, software solutions or operations;
- no material amendment to any material agreement or arrangement relating to Nitro's business, nor any material change in licenses and license providers relating to Company's business;
- no material industrial actions or other disturbances, environmental costs or legal claims;
- no material cash flow, financial performance or financial position impact in relation to litigation (existing or otherwise);
- no material changes in key personnel, including key management personnel, and the Company is able to continue to recruit and retain personnel which will be required to support future growth of the Company;
- no material change in corporate or funding structure other than as contemplated by this Prospectus;
- the Offer proceeds in accordance with the timetable set out in the Important Information section of this Prospectus;
- no material change in applicable AAS, IFRS, the Corporations Act or other mandatory professional reporting requirements which have a material effect on Nitro's financial performance or cash flows, financial position, accounting policies, or financial reporting or disclosures; and
- none of the key risks listed in Section 5 occurs; or if they do, none of them has a material adverse impact on the Company's operations.

4.11.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, Nitro has analysed historical performance including the current rates of revenue and expenses and applied assumptions, where appropriate, across the business.

These assumptions are a summary only and do not represent all factors that will affect forecast financial performance and cash flows.

4.11.2.1 Revenue assumptions

The Forecast Financial Information is based on the following key revenue drivers and assumptions:

- The number of sales representatives in the Company increasing as summarised in Figure 31, with materially consistent productivity by sales representative, taking into account ramp time as new representatives join the Nitro team;

FIGURE 31: SUMMARY OF ASSUMPTIONS RELATING TO QUOTA-CARRYING SALES REPRESENTATIVES

	Historical				Forecast	
	FY2017	1H2018	FY2018	1H2019	FY2019	FY2020
Quota carrying sales representatives	19	23	22	24	23	32

- The expected mix of bookings by product and between key product types (being perpetual, maintenance and support, and subscription, with a forecast increase in subscription-based licensing as part of the Company's strategy to move its customers to subscription-based licensing over time), as summarised in Figure 32;

FIGURE 32: SUMMARY OF ASSUMPTIONS RELATING TO BOOKINGS MIX

	Historical				Forecast	
% of total bookings Product	FY2017	1H2018	FY2018	1H2019	FY2019	FY2020
Subscription	36%	35%	41%	45%	48%	60%
Perpetual, maintenance and support	64%	65%	59%	55%	52%	40%

- Forecast customer retention and renewal rates (which represents the percentage of customers that are forecast to renew their subscription agreement during the financial reporting period), as summarised in Figure 33;

FIGURE 33: SUMMARY OF SUBSCRIPTION RENEWAL RATES

	Historical	Forecast	
	1H2019	FY2019	FY2020
Subscription renewal rate	91%	95%	90%

- The revenue generated from subscription and maintenance and support contracts that were entered into in prior periods, noting:
  - the Company forecasts $6.7 million in subscription revenue during the second half of FY2019 related to subscription agreements entered into prior to 1 July 2019. These same contracts are forecast to contribute $11.4 million in subscription revenue in the FY2020 period;
  - maintenance contracts entered into prior to the second half of FY2019 are forecast to contribute $2.8 million in maintenance and support revenue in 2H2019, and $1.0 million in the FY2020 period;
  - the forecast assumes that management's pricing methodology will remain consistent with prior periods; and
- Financial Information has been prepared on the basis of the exchange rates versus the U.S. dollar (where applicable) as summarised in Figure 34.

FIGURE 34: U.S. DOLLAR EXCHANGE RATE ASSUMPTIONS

Per US$1.00	2H2019	FY2020
Australian dollar	0.69	0.67
United Kingdom pound sterling	1.29	1.21
Euro	1.14	1.12

4.11.2.2 Expense assumptions

The Forecast Financial Information is based on the following key expense assumptions and allocated to functional expense categories on a consistent basis with the Pro Forma Historical Results.

Sales and marketing expenses

Key drivers of sales and marketing expense include people cost (salaries, commissions, bonuses and benefits), travel cost, third-party technology and tools such as Customer Relationship Management ("**CRM**") systems, quoting and pricing tools and marketing automation applications. Marketing program expense is largely focused on improving brand awareness and driving demand for Nitro's products, expanding the Company's sales reach through reseller channel development around the world, digital or online marketing programs including Search Engine Marketing ("**SEM**") and Search Engine Optimisation ("**SEO**") to support the Company's online sales channel, marketing events such as webinars, trade shows and reseller partner events, advertising and vertical industry marketing. The Company is forecast to increase its sales and marketing headcount by eight full-time employees during 2H2019 (to 75 in total) and by a further 14 full-time employees during FY2020.

Sales and marketing also includes the capitalisation and amortisation of sales and partner channel commissions in accordance with IFRS 15 *Contracts with Customers*.

Research and development expenses

Research and development expenses are largely driven by the cost of software engineers and product managers, occupancy cost associated with Nitro's office in Dublin (where the research and development and product management teams are located), and the cost of third-party tools and technologies that are used by the development team. Nitro plans to add 10 full-time equivalent employees (bringing the total to 48) during 2H2019 and a further 20 full-time equivalent employees to the development team in FY2020 to maintain the Nitro Productivity Suite, and to innovate on new technologies to support future growth initiatives, all of which is expensed in the forecast period.

Beginning in FY2018, Nitro adopted a rapid development cycle engineering process and, as such, does not capitalise any research and development costs in the forecast period as these costs no longer meet the criteria for capitalisation.

Also included in research and development are costs associated with maintaining certifications and compliance with regulations expected in the industry including GDPR, the ESIGN Act, on-going SOC2 Type 2 certification and ISO 2700 certification.

General and administration expenses

General and administration expenses include the accounting, finance, internal IT, human resources and executive functions within Nitro. Key expenditures included in general and administrative include professional service fees, such as auditing, tax, legal, and ASX listing fees, corporate insurance, employee events, Board of Director fees and all share-based payment expenses.

General and administrative fees are expected to increase over the forecast period due to increased cost associated with being a listed company, including increased insurance, Board of Director fees, legal fees and audit/tax fees. The incremental operating cost associated with being a listed company of $1.4 million has been assumed in the forecast period.

General and administrative headcount is expected to increase by four full-time equivalent employees (to 27 in total) during 2H2019 and by a further one full-time equivalent employee in FY2020.

Share-based payment expense is a non-cash expense related to the imputed value of long-term incentives (stock options and performance shares) provided to Directors, senior executives and employees of Nitro. In FY2019 Nitro expects to incur $1.0 million of share-based payment expenses, of which $0.4 million are one-off costs associated with the Offer. In FY2020, Nitro expects to incur $1.3 million of share-based payment expenses.

4.12 Management discussion and analysis of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information

4.12.1 Key elements of Nitro operating results and their drivers

Below is a discussion of the composition of Nitro's revenue and expenses and the main factors which affected the Company's operating and financial performance during the period of the Historical Financial Information and which the Company expects may continue to affect it over the period of the Forecast Financial Information.

The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that have affected the historical operating and financial performance, or everything that may affect the operations and financial performance of the Company in the future. The information in this Section 4.12 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

4.12.2 Revenue

Nitro generates revenue through the sale of software licenses, either on a right-to-use (perpetual) basis, or on a right-to-access (subscription) basis, as well as through providing maintenance and support for customers who license software on a perpetual basis. In addition to the factors discussed below that drive particular categories of revenue, revenue is generally driven by a number of factors discussed in Section 4.11.2 of this Prospectus. These factors include:

- the growth of the market for document productivity software, discussed in Section 2;
- the attributes of Nitro's product, discussed in Section 3.3;
- the attractiveness and cost of alternatives to Nitro's software and the entry of new competitors, discussed in Sections 2.3 and 3.3.5;
- Nitro's business model, discussed in Section 3.4;
- Nitro's sales and marketing efforts, discussed in Section 3.6; and
- the success of the Company's growth strategies, discussed in Section 3.8.

In FY2020, the Company forecasts perpetual, maintenance and support revenue to decline 9% to $20.2 million or 50% of total revenue. The decline in perpetual, maintenance and support revenue is driven by the continued transition of customers onto subscription-based licensing agreements as well as a decline in sales of perpetual licenses through Nitro's online sales channel.

4.12.2.1 Revenue categories

Nitro categorises revenue according to the license model under which it is generated. Figure 35 summarises the Company's key customer categories, licensing models and revenue recognition policies. Trends in each of the categories of revenue are discussed below.

FIGURE 35: SUMMARY OF REVENUE MODEL

Customers	Licensing model	Revenue recognition policy
Enterprise and SMBs	Subscription	Over length of subscription agreement, generally 36 months.
SOHO	Perpetual	Recognised upon delivery of the software key. Perpetual licenses can be sold with an ongoing maintenance and support contract which is recognised over the length of the contract (generally 12 months).

4.12.2.2 Subscription revenue

As discussed in Sections 3.2, 3.4 and 4.11.2.1, Nitro's licensing model has evolved over time. Historically, the Company sold its software under a perpetual licensing model. In 2016, the Company introduced a subscription-based licensing model. Subscription contracts are generally three-year agreements that entitle the user to the right to access Nitro's software over the term of the subscription agreement. Revenue from these agreements is recognised on a straight-line basis over the life of the agreement. Today, subscription agreements are sold to enterprise and SMB customers.

Subscription revenue is derived from sales of the Nitro Productivity Suite and historically Nitro Pro. The Company sells products through both a direct and indirect sales organisation and globally through sales organisations in the United States, Europe and the Asia Pacific region. The Company expects to grow subscription revenue by continuing to invest in sales and marketing around the world to attract new customers for its solutions, through increased usage of its subscription-based products by the existing customer base, and by continuing to convert existing perpetual customers to subscription-based licensing.

As customers who previously purchased Nitro software via perpetual licenses with maintenance and support contracts come up for renewal of their maintenance and support agreements, the Company is actively working to convert these customers to a subscription-based licensing model. The advantage of taking a subscription license for customers is the ability to access to the full Nitro Productivity Suite, which is only sold as a subscription-based license. Additionally, the Company believes that enterprise customers prefer the subscription-based licensing model because it provides them with immediate access to product updates and upgrades as they become available. Over time, the Company intends to move all its customers to subscription-based licensing agreements.

Subscription revenue accounted for $3.0 million or 11% of total revenue in FY2017, which increased 133% to $6.9 million or 21% of total revenue in FY2018. This increase was driven by both the transition of existing customers from perpetual to subscription-based pricing, as well as Nitro winning new, large enterprise customers such as United Healthcare and Caterpillar during FY2018.

For 1H2018, subscription revenue was $2.7 million or 16% of total revenue, and in 1H2019 subscription revenue increased by 110% to $5.7 million or 34% of total revenue, also driven by the transition of existing customers from perpetual to subscription licensing and the successful on-boarding of new enterprise customers.

The Company measures new ARR added to provide an indication of growth in subscription license sales during a financial reporting period. The measure reflects sales from subscription licenses to new customers plus sales from add-on incremental subscription licenses to existing customers during a period. In FY2017, new ARR added was $2.6 million, bringing total ARR at the end of the period to $4.4 million. In FY2018, new ARR added increased by 123% to $5.8 million, bringing total ARR at the end of the period to $10.2 million (an increase of 132% over FY2017). In 1H2019, new ARR added was $2.6 million for the six-month period ended 30 June 2019, bringing total ARR at the end of the period to $12.8 million.

In FY2019, the Company forecasts subscription revenue to increase 91% to $13.1 million or 37% of total revenue. The increase in FY2019 is forecast to be driven by the conversion of existing customers onto subscription-based licenses, existing subscription contract customer renewals, price increases on subscription contract renewals, additional subscription license sales to existing customers, upselling existing Nitro Pro subscribers to the full Nitro Productivity Suite, and new enterprise and SMB customer wins. The Company first began offering subscription license agreements in 2016, and given that these are three-year agreements, the first renewal period for subscription agreements is during the FY2019 financial reporting period.

In FY2020, the Company forecasts subscription revenue to increase 54% to $20.2 million or 50% of total FY2020 revenue. The growth in subscription revenue is driven by:

- Contracted recurring revenue from existing subscription customers:
  - $15.0 million of revenue is forecast to be recognised in FY2020 from the continuation of existing customer contracts sold in prior years, which are not subject to renewal, including $11.4 million related to contracts that were entered into prior to 1 July 2019; and
  - $1.6 million of revenue is forecast to be recognised in FY2020 from existing customer contracts sold in prior years, which are expected to be renewed during the year, net of churn. To date, the Company has achieved a customer retention rate amongst its subscription customer base of greater than 90%, which the Company believes reflects the value and satisfaction customers experience with Nitro's products. Management forecasts that customer retention rates will be approximately 95% in FY2019 and 90% in FY2020.
- New recurring revenue from existing subscription customers, which is reflected in NRR:
  - add-on subscription licenses being purchased by existing Nitro customers; and
  - incremental subscription revenue from upselling existing Nitro Pro subscription customers to the full Nitro Productivity Suite.
- New recurring revenue from new subscription customers, which is driven by Nitro's quota-carrying sales representatives, which are forecast to increase by 9 during FY2020:
  - new enterprise customers purchasing subscription licenses for the Nitro Productivity Suite; and
  - the conversion of existing perpetual license customers onto subscription licenses.

4.12.2.3 Perpetual, maintenance and support revenue

Perpetual software licenses entitle users to an irrevocable right-to-use Nitro software. Perpetual licenses are mainly sold to SOHO customers and into SMBs. SOHO customers generally gain access to Nitro software through the Company's freemium offering through the Company's website, which provides free access to a limited feature set of the Nitro Pro solution for a limited period of time. Upon expiration of the limited use period, customers are prompted to purchase a full Nitro Pro license with a one-year maintenance and support agreement. Perpetual licenses generate one-time revenue for the Company upon delivery of the software license key. SMBs can purchase perpetual licenses with one-year maintenance and support agreements online or historically through the Company's inside sales organisation.

As the Company continues to migrate existing customers to subscription-based licenses, and as it sells all new SMB and enterprise customers subscription licenses, perpetual revenue is forecast to decline as a percentage of total revenue in FY2019 and FY2020.

In FY2017, the sale of perpetual licenses and accompanying maintenance and support contracts generated $24.9 million in revenue or 89% of total revenue. In FY2018, perpetual, maintenance and support increased 2% to $25.5 million but decreased to 79% of total revenue. This change in revenue was driven by an increase in the sale of perpetual licenses through Nitro's online channel. Overall, the percentage contribution of perpetual licenses, maintenance and support contracts to total revenue declined between FY2017 and FY2018 and the Company expects perpetual, maintenance and support revenue to continue to decline as a percentage of total revenue.

For 1H2018, perpetual, maintenance and support revenue was $14.0 million or 84% of total revenue, and in 1H2019 this declined to $11.0 million or 66% of total revenue. This reduction was driven by the overall transition of Nitro's enterprise and SMB customer base to subscription-based licensing.

In FY2019, the Company forecasts perpetual, maintenance and support revenue to decline 13% to $22.3 million or 63% of total revenue. This reduction in FY2019 revenue is forecast to be driven by a decline in the sale of perpetual, maintenance and support bookings of $3.3 million that will result from a greater proportion of bookings in FY2019 coming from subscription bookings. Perpetual, maintenance and support bookings accounted for 59% of total bookings in FY2018, compared to our expectation of 52% of total bookings for FY2019.

In FY2020, the Company forecasts perpetual, maintenance and support revenue to decline a further 9% to $20.2 million or 50% of total revenue due to a greater percentage of bookings being subscription license bookings. As a percentage of total bookings, perpetual, maintenance and support bookings are forecast to decrease from 49% of total bookings in 2H2019 to 40% of total bookings in FY2020. The decrease in total bookings coming from perpetual, maintenance and support is driven by the Company's focus on transitioning the business to a subscription-based licensing model, and is broadly consistent with recent bookings mix trends.

4.12.3 Expenses

Nitro presents its operating expense categories within the consolidated statement of financial performance on a functional basis. The Company classifies operating expenses into four categories: cost of sales, sales and marketing, general and administrative and research and development expense. Figure 36 summarises the breakdown of operating expenses for both the historical and forecast financial periods.

FIGURE 36: SUMMARY OF PRO FORMA EXPENSES

	Historical		Forecast		Historical	
USD in millions	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**1H2018**	**1H2019**
Cost of sales	3.6	3.8	4.0	4.5	2.0	1.9
Sales and marketing	17.7	15.6	18.5	21.3	7.6	8.8
General and administrative expenses	8.5	8.2	9.2	9.7	4.1	4.5
Research and development	6.6	7.7	7.4	10.3	4.0	3.7
% of total revenue						
Cost of sales	13%	12%	11%	11%	12%	11%
Sales and marketing	63%	48%	52%	53%	45%	53%
General and administrative expenses	31%	25%	26%	24%	24%	27%
Research and development	24%	24%	21%	25%	24%	22%

Nitro incurs expenses in a number of currencies as discussed in Section 4.10.2. The Company's two main locations for operations and staff are in the United States and Ireland.

4.12.3.1 Cost of sales

Cost of sales includes the cost of third party technologies that are used to host Nitro's cloud-based products, third party technologies that are embedded in the Company's technology, third party hosting services for the Company's online storefront and salaries, benefits, bonuses and other operating costs associated with the Company's customer support organisation.

In the FY2018 period, cost of sales increased from $3.6 million to $3.8 million, which represented 13% and 12% of FY2017 and FY2018 total revenue, respectively. The increase in cost of sales during this period was driven by an increase in hosting and customer support costs associated with the growth in the number of customers using the Nitro solution during the period.

In the 1H2019 period, cost of sales decreased to $1.9 million, or 11% of total revenue, from $2.0 million, or 12% of total revenue in 1H2018.

In FY2019, the Company forecasts cost of sales to increase to $4.0 million, or 11% of total revenue. The proportion of cost of sales relative to total revenue is forecast to decline, as a result of the increase in subscription bookings which have a lower cost of sale. The proportion of cost of sales relative to total revenue is forecast to remain constant at 11% in FY2020.

4.12.3.2 Sales and marketing

Sales and marketing includes all the costs associated with selling and marketing Nitro's solution and services. Selling expenses include salaries, payroll taxes, sales commissions, sales bonuses, travel expenses and other costs such as occupancy, training and technologies associated with the global sales team. The Company's sales organisation is comprised of inside, field, reseller partner channel and renewals sales representatives. This team is supported by business development representatives who provide lead generation support for the sales team by contacting prospects, providing product education and arranging customer meetings; and sales operations who assist the sales team with pricing, quoting and customer relationship management system administration. The Company also has a Customer Success team within the sales organisation that works with prospective and existing customers to ensure they are achieving the maximum value from the Nitro Productivity Suite by providing change management best practices, knowledge-base and online training resources, and analytics reporting to provide insights into the adoption and utilisation of the Nitro Productivity Suite.

Marketing expenses include salaries, payroll taxes, bonuses, travel costs, overhead costs such as occupancy and technology expense and marketing program costs. Marketing programs consist of reseller/partner marketing programs to support the attraction and expansion of Nitro's reseller/partner sales channel, branding and creative marketing to raise market awareness of the Nitro solution, segment marketing, marketing events such as trade shows and conferences, customer and competitive research, digital marketing and content management, localisation and public relations.

In FY2018, sales and marketing expense was $15.6 million, down $2.1 million or 12% from FY2017. As a percentage of total revenue, sales and marketing declined from 63% of total FY2017 revenue to 48% of revenue in FY2018. The decrease in sales and marketing expense during this period was driven by cost savings associated with relocating the Company's San Francisco office to a lower cost facility resulting in a saving of $0.5 million in sales and marketing occupancy expense, as well as the reorganisation of the sales and marketing teams to improve productivity and shift the mix between inside and field sales representatives which enabled the Company to increase the total number of quota-carrying sales representatives from 19 to 22 and reduce cost by $1.0 million. In addition, the Company reduced its marketing program spend in FY2018 by $0.6 million.

During the 1H2019, sales and marketing expense increased from $7.6 million in 1H2018 to $8.8 million in 1H2019, an increase of $1.2 million or 16%. Sales and marketing expense was 45% and 53% of 1H2018 and 1H2019 total revenue, respectively. The increase in sales and marketing expense was driven by five full-time equivalent employees being added during the 1H2019, which resulted in an increase of $0.8 million in employee costs. Of the five full-time equivalents ("**FTEs**") added, two were quota-carrying sales representatives. Additionally, the Company increased marketing program spend by $0.4 million during the period.

In FY2019, the Company forecasts sales and marketing expense to increase $2.9 million, to $18.5 million or 52% of total revenue, compared to $15.6 million or 48% of total revenue in FY2018. The increase is driven by a forecast increase of eight additional FTEs during the second half of the FY2019 reporting period.

In FY2020, the Company forecasts sales and marketing expense to increase $2.8 million to $21.3 million or 53% of total revenue. This increase is driven by a forecast increase of 14 FTEs during FY2020, of which nine will be quota-carrying sales representatives focused on the enterprise and SMB markets.

The Company measures the effectiveness of its sales and marketing expense by monitoring the LTV/CAC ratio. The LTV/CAC ratio was 4.3x for FY2017, 6.2x for FY2018, 8.0x for 1H2018 and 4.1x for 1H2019. The decrease in the LTV/CAC ratio in 1H2019 versus 1H2018 was due to two large enterprise customers being signed during 1H2018, which resulted in a higher level of sales team efficiency in this period.

4.12.3.3 General and administrative

General and administrative expenses include the salaries, benefits and bonuses for the key executive team, as well as the finance, accounting, human resources and internal IT teams. Also included in general and administrative expenses are legal, audit/tax, director's and officer's insurance, corporate insurance, Board fees, ASX listing fees, share-based payments expense, occupancy costs, bank fees, licensing fees for internal use technologies and employee events and training.

In FY2018, general and administrative expense was $8.2 million, down $0.3 million or 4% from $8.5 million in FY2017. As a percentage of total revenue, general and administrative expense decreased from 31% of total revenue in FY2017 to 25% of revenue in FY2018. The decrease in general and administrative expense during FY2018 was primarily due to lower people cost of $0.7 million as a result of planned attrition, partially offset by increased share-based payments expense of $0.4 million.

In 1H2019, general and administrative expense was $4.5 million, an increase of $0.4 million or 9% from $4.1 million in 1H2018. As a percentage of total revenue, general and administrative expense increased from 24% of 1H2018 revenue to 27% of total revenue in 1H2019. The increase in general and administrative expense during 1H2019 is due to increased personnel cost of $0.4 million including cost associated with hiring a new CFO of approximately $0.2 million, as well as increased office costs in the U.S. and Ireland of $0.1 million.

In FY2019, the Company forecasts general and administrative expense to increase $1.0 million, to $9.2 million or 26% of total revenue, compared to $8.2 million or 25% of total revenue in FY2018. This increase was primarily driven by $1.2 million of increased salary costs reflecting four additional FTEs, including the full year impact of the new CFO.

In FY2020, the Company forecasts general and administrative expense to increase $0.5 million to $9.7 million or 24% of total revenue, compared to $9.2 million or 26% of total revenue in FY2019. The increase in costs in FY2020 is driven by increased share-based payments expense of $0.7 million partially offset by reduced costs of temporary staff and subcontractors, travel and recruitment costs.

4.12.3.4 Research and development

The Company invests in research and development with the objective to design and develop high-quality, feature-rich, user-friendly software solutions. Attracting and retaining product managers, software development engineers, testers, data analysts and automation engineers is critical to the successful development of Nitro's solution. Research and development expense consists primarily of the salaries, benefits and bonuses for the research and development team. Additionally, occupancy costs, technology tools and solutions utilised by the engineering team and training are key expenses in research and development. In FY2018, Nitro adopted a rapid-deployment engineering process and, as a result, the Company does not capitalise any of its software development expenses.

In FY2018, research and development expenses were $7.7 million, up $1.1 million or 17% from $6.6 million in FY2017. As a percentage of total revenue, research and development remained consistent as 24% of total revenue in FY2017 and in FY2018. The increase in research and development expense during FY2018 was primarily the result of the Company no longer capitalising software development costs, and a slight increase in the number of FTEs from 38 in FY2017 to 40 in FY2018. In FY2017, approximately $2.0 million of development costs were capitalised compared to zero in the FY2018 period. This impact was partially offset by lower consulting costs of approximately $0.7 million in FY2018 alongside other small cost decreases.

In 1H2019, research and development expenses were $3.7 million, a decrease of $0.3 million or 8% from $4.0 million in 1H2018. As a percentage of total revenue, research and development decreased from 24% in 1H2018 to 22% in 1H2019. This decrease was the result of reduced people cost following attrition in the product development team during 1H2019, leading to a reduction in average cost per FTE as the Company continued to transition its development team from San Francisco to Dublin. The average number of FTEs during 1H2019 declined by three FTEs compared to the average headcount during FY2018.

In FY2019, the Company forecasts research and development expense to decrease $0.3 million, to $7.4 million or 21% of total revenue, compared to $7.7 million or 24% of total revenue in FY2018. This reduction is a result of attrition in the product development team during 1H2019; however this is partially offset by a forecast increase of 10 FTEs in the Company's development team, primarily in Dublin, during the second half of FY2019.

In FY2020, the Company forecasts research and development expense to increase $2.9 million to $10.3 million or 25% of total revenue, compared to $7.4 million or 21% of total revenue in FY2019. This increase is a result of a forecast increase of 20 FTEs during the FY2020 period, with these employees primarily relating to continued development of the Nitro Productivity Suite.

4.12.4 Depreciation and amortisation

Depreciation is a non-cash expense that predominantly relates to the ongoing use of fixed assets that have a useful life greater than one year, including items such as computer hardware and software, leasehold improvements and other assets with a useful life greater than one year. Depreciation expense is based on the estimated useful life of the underlying asset and assets are depreciated on a straight-line basis. Amortisation is a non-cash expense that relates to intangible assets including acquired technologies and, in FY2017, capitalised software development cost. In accordance with AASB 16 Leases, implemented in FY2019, amortisation expense also includes the amortisation of the right-of-use assets related to the change in classification of operating leases.

Included in FY2017 and FY2018 operating expenses are lease costs of $1.9 million and $1.4 million, respectively, related to leased office space in San Francisco, Dublin, London and Melbourne. These leases had terms of less than one year and as such are included in operating expenses as incurred. During the first half of 2019, the Company (through its U.S. and Irish subsidiaries, respectively) entered into long-term leases for its facilities in Dublin and San Francisco. Due to the long-term nature of these new leases, the lease costs are capitalised as a right-of-use asset and amortised over the term of the lease. For 1H2019, $0.3 million of amortisation expense has been recorded related to the capitalisation of lease cost. In FY2019, amortisation expense related to right-of-use assets is expected to be $1.0 million and in FY2020, amortisation of right-of-use assets is forecast to be $1.4 million.

Depreciation and amortisation decreased from $3.2 million in FY2017 to $2.0 million in FY2018. In FY2019, Nitro expects depreciation and amortisation expense to be $2.0 million, and in FY2020 it is expected to be $1.8 million. The decrease in depreciation and amortisation in expense is driven by a number of factors, including the continued amortisation of intangible assets recognised in prior periods being fully depreciated, and certain fixed assets becoming fully depreciated, offset by the increased amortisation of right-of-use assets (facilities leases).

4.12.5 Working capital

Working capital is a measure of a company's liquidity and refers to the difference between operating current assets and operating current liabilities. Nitro's working capital relates primarily to the Company's trade receivables, prepaid assets, trade payables, deferred revenue, accrued expenses, and accrued wages and salaries. Of these components, trade receivables and deferred revenue are generally the most significant items. An increase in accounts receivable results in an increase in working capital, and an increase in deferred revenue results in a decrease in working capital. Nitro has historically had a negative net working capital position due to the fact that the Company's subscription contracts are multi-year arrangements that are generally paid annually upfront. The current year portions of these contracts are reflected in short-term deferred revenue on the balance sheet. As the Company adds new subscription customers and subscription revenue continues to grow, both trade receivables and deferred revenue are expected to grow. However, deferred revenue will generally grow at a higher rate than trade receivables due to multi-year arrangements that are generally paid annually upfront. As a result, Nitro's working capital is expected to decrease as subscription revenue increases.

In FY2018, working capital decreased $1.5 million compared to an increase of $1.5 million in working capital during FY2017. This change was primarily driven by an increase in deferred revenue of $8.8 million, more than offsetting an $8.0 million increase in accounts receivable.

In 1H2019, working capital decreased by $1.9 million, compared to an increase of $0.3 million during 1H2018. The decrease was primarily driven by a further increase in deferred revenue of $3.5 million, partially offset by an increase in accounts receivable of $1.6 million during the same period.

In FY2019, working capital is expected to decrease by $6.2 million due to a number of individually significant up-front payments for multi-year contracts. These contracts resulted in a significant increase in deferred revenue of $5.9 million but no corresponding increase in trade receivables. Accounts receivable is forecast to increase $0.6 million in FY2019.

In FY2020, working capital is expected to decrease by $2.2 million. This decrease is lower than the $6.2 million forecast for FY2019 despite the continued growth in the subscription bookings, as a result of the individually significant up-front payments experienced in FY2019 not being expected to repeat in FY2020.

4.12.6 Cash flow

As an early-stage development business, the Company has focused on its core commercial objectives to increase revenue and grow market share, which has driven negative free cash flows over the historical financial reporting periods.

In FY2017, the Company generated a pro forma net free cash outflow of $13.5 million. This was primarily driven by a $9.5 million pro forma net loss, excluding non-cash items. In addition, the Company experienced a $1.5 million outflow from movements in working capital, repaid $0.9 million of capital lease liabilities, and incurred capital expenditure of $2.0 million relating to capitalised development costs. The Company has since ceased capitalisation of development costs due to the shorter timeframe adopted in the product development cycle.

In FY2018, the Company generated a pro forma net free cash outflow of $2.3 million. This was primarily driven by a $3.4 million pro forma net loss, excluding non-cash items. In addition, the Company experienced a $1.5 million inflow from movements in working capital, repaid $0.2 million of capital lease liabilities, and incurred capital expenditure of $0.1 million.

In 1H2019, the Company incurred a net free cash outflow of $1.4 million primarily due to the pro forma net loss, excluding non-cash items, of $2.2 million. The Company experienced an inflow from movements in working capital of $1.9 million. This compares to the net free cash outflow of $1.8 million in 1H2018, during which period the business experienced a net loss of $1.1 million excluding non-cash items but experienced a small cash outflow from movements in working capital of $0.3 million. Management attributes this change to the growth in subscriptions driving a more positive cash flow profile in the business.

In FY2019, the Company is forecasting to achieve a pro forma net free cash inflow of $0.5 million. This is driven by the net loss, excluding non-cash items, of $3.9 million and capital expenditure of $0.7 million related to office fit-outs in San Francisco and Dublin, being more than offset by an inflow from movements in working capital of $6.2 million described in Section 4.12.5 above.

In FY2020, the Company expects to generate a net free cash outflow of $3.4 million. This is primarily driven by the net loss for the period, excluding non-cash items, of $3.7 million being partially offset by the cash inflow from movements in working capital of $2.2 million as described in Section 4.12.5. The net free cash outflow reflects the Company's continued investment in achieving its commercial objectives of revenue and market share growth partially offset by the positive working capital profile of its subscription contracts.

4.13 Sensitivity analysis

The Forecast Financial Information included in Sections 4.3 and 4.4 of this Prospectus is based on a number of estimates and assumptions as described in Section 4.11. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of Nitro, its Directors and management. These estimates are also based on assumptions with respect to future business developments, which are subject to change.

Figure 37 sets out a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in key assumptions are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial. For the purpose of the sensitivity analysis shown in Figure 37, each sensitivity is presented in terms of the impact on FY2019 and FY2020 forecast pro forma revenue and EBITDA.

FIGURE 37: FY2020 REVENUE AND EBITDA IMPACT OF KEY SENSITIVITIES

		Assumptions		Increase/	Revenue impact		EBITDA impact	
USD in millions	**Notes**	**FY2019**	**FY2020**	**decrease**	**FY2019**	**FY2020**	**FY2019**	**FY2020**
Bookings mix – Subscription		48.0%	60.0%	-/+ 5ppt[1]	+/- 0.2	+0.6/(0.7)	+/- 0.2	+0.4/(0.5)
Customer retention rates								
Subscription		95.4%	90.0%	+/- 5ppt	+/- 0.0	+/- 0.1	+/- 0.0	+/- 0.1
Maintenance		81.0%	80.0%	+/- 5ppt	+/- 0.0	+/- 0.2	+/- 0.0	+/- 0.1
Online revenue	2	9.6	9.6	+/- 5%	+/- 0.1	+/- 0.5	+/- 0.1	+/- 0.4
Quota carrying sales reps churn		n/a	+ 2 FTE churn	+ 2 FTE churn	–	(0.3)	–	(0.3)
FX movements	3							
AUD:USD	4			+/- 5%	+/- 0.0	+/- 0.2	-/+ 0.0	+/- 0.1
GDP:USD	4			+/- 5%	+/- 0.1	+/- 0.3	+/- 0.1	+/- 0.3
EUR:USD	4			+/- 5%	+/- 0.1	+/- 0.4	-/+ 0.1	-/+ 0.3

Notes:

1. Bookings mix sensitivity is calculated based on +/- 5ppt change in underlying new business bookings from Nitro's quota-carrying sales representatives.
2. The sensitivity for online takes into account revenue achieved through the online channel in the year to date period in FY2019.
3. The EBITDA impact in FY2019 reflects the impacts on pro forma EBITDA (i.e. excludes the impact of one-off Offer costs).
4. The foreign exchange rate sensitivities take into account both the revenue and cost impact of changes in foreign exchange rates. In general, for the Company, a strengthening of local currency exchange rates versus the U.S. dollar has a positive impact on revenues (as reported in U.S. dollars). As the Company is expected to have more costs than revenues denominated in Euros in FY2019 and FY2020, a strengthening in the Euro would be expected to reduce pro forma EBITDA.

4.14 Critical accounting estimates and judgements

Preparing financial statements in accordance with AAS requires Nitro's management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Judgements that the Company has made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, value in use/impairment calculations and capitalisation of development costs and acquired intangibles as described in the significant accounting policies outlined in Appendix A.

4.15 Dividend policy

The policy of the Company is to reinvest all cash flow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near term following the Company's listing on the ASX. The payment of a dividend by Nitro, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Directors), including the general business environment, the financial results of the business, cash flows and financial condition of Nitro, future funding requirements, considerations, and any contractual, legal or regulatory restrictions on the payment of dividends by Nitro. The Directors do not provide any assurance of the future level of dividends paid by the Company.

SECTION 5

Risks

This Section 5 describes some of the potential risks associated with an investment in Nitro.

An investment in Nitro is subject to risks both specific to Nitro and its business activities, as well as general risks. Each of these risks could, either individually or in combination, if they eventuate, have a material adverse impact on Nitro's business, financial position, operating and financial performance and the value of Nitro Shares. Some of the circumstances giving rise to these risks are partially or completely beyond the control of Nitro and its Directors and management. There can be no guarantee that Nitro will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate. You should note that past performance may not be a reliable indicator of future performance.

You should note that the risks described in this Section 5 are not the only risks faced by Nitro. Additional risks (including risks of which Nitro and its Directors are currently unaware) also have the potential to have a material adverse effect on Nitro's business, financial position, operating and financial performance and the value of its Shares. The selection of risks has been based on an assessment of the combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and Nitro's senior management as at the date of the Prospectus, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

Before deciding whether to invest in Nitro, you should read this Prospectus carefully and in its entirety, and satisfy yourself that you have a sufficient understanding of the actual and potential risks associated with such an investment. You should consider whether an investment in Nitro is suitable for you, having regard to your personal circumstances, investment objectives, financial circumstances, taxation position and particular needs. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Nitro, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser.

5.1 Business and industry risks

5.1.1 Failure to retain existing clients or attract new customers

Nitro's business depends on its ability to retain its existing customers, its ability to gain incremental revenue from existing customers through the addition of new users and additional products within the existing customer base, and its ability to attract new customers.

Nitro primarily generates revenue through customers utilising products which are purchased through either one-off fees for a perpetual license or annual subscription fees over a three-year contract. Nitro's customers have no obligation to purchase new products in the future, or to renew their service offering when their contract term ends; and Nitro cannot guarantee that its customers will purchase new products or renew their current service offerings after the completion of their contract terms. Nitro also cannot guarantee that it will successfully increase revenue from its existing customers through the ability to cross-sell other products to the same customers or through the addition of additional licensed users of existing products.

Nitro may be unable to retain its existing clients and their current level of usage or gain additional revenue from existing customers. There is a risk that existing customers reduce their usage of Nitro's software; for example, in terms of the number of users, the number of geographies in which Nitro's software is used, and/or the number of products they use of the Nitro suite – which would all result in a reduction in the level of payments they make to the Company. Additionally, Nitro may not attract new customers at the rate, over the timeframes or with pricing, revenue and costs it currently experiences.

Nitro's ability to retain existing customers and attract new ones, and retain or increase customers' levels of usage, depends on many factors including the adequacy of the Company's solution with respect to matters such as functionality, reliability, cost-effectiveness, pricing, customer support and value compared to competing products. In addition, customers' use of Nitro's software may be affected by external factors such as changes to laws and regulations which affect customers' business. If customers do not continue to use Nitro's software and increase their use of such over time, and if new customers do not choose to use Nitro's software, the growth in revenue may slow, or revenue may decline.

5.1.2 Impact of changing revenue model

Nitro is in the process of shifting its revenue away from its historical model of one-off sales of perpetual licenses, and towards subscription-based, multi-year, SaaS-based contracts for its products. Entering into multi-year contracts with customers results in a lower recognition of revenue for the financial period in which the sale is closed than an equivalent number of perpetual licenses, as the revenue is recognised across the term of the contract. Where those customers would otherwise have purchased a perpetual license, changing the mix between one-off and subscription sales will result in a reduction of Nitro's revenue for the current period.

Nitro recognises revenue for its subscription customers over the term of the agreement, which is typically three years. The Company typically invoices such customers annually, in advance, and recognises revenue monthly on a pro-rated basis throughout the term of the contract. As a result, most of the subscription revenue realised in any given period relates to agreements entered into during previous periods. Consequently, as the proportion of subscription revenue generated by Nitro increases, a shortfall in demand for Nitro's products or losses amongst the existing customer base may not be reflected in the revenue results of that period but are likely to negatively impact revenue in subsequent periods. Accordingly, the effect of a shortfall in revenue from Nitro's products may not be fully reflected in the financial performance until future periods.

5.1.3 Success of sales and marketing strategy

Nitro's business is partly dependent on the attraction of new customers resulting from investments in sales and marketing campaigns and initiatives, which is expected to continue to increase as the business grows. Promoting awareness of Nitro's brand and reputation is critical to the Company's success as a SaaS-based document productivity software provider.

Nitro may not realise benefits from such investments for several years or may not realise benefits from such investments at all. Nitro may also be unable to convert (or experience delays in converting) pipeline customer opportunities into new customer wins. Large enterprise customers generally have longer sales cycles and procurement processes. Failure to realise the intended benefits from sales and marketing investment could negatively impact Nitro's ability to attract new customers, and may adversely impact Nitro's operating and financial performance.

5.1.4 Loss-making operations to date

Since commencing operations in 2005, Nitro's business operations, investments in product, marketing and customer acquisition activities have principally been funded through private equity financing, working capital and (to a lesser extent) debt. Like many start-up companies, Nitro has incurred losses since inception. The cumulative losses up to 30 June 2019 are approximately $50 million. Given Nitro's limited history, it may be difficult to make an evaluation of its business or its prospects.

Nitro also anticipates that its operating expenses will increase substantially in the foreseeable future as it continues to increase spending on adding additional FTEs to its research and development organisation to enhance its product offerings, expand its sales team by adding additional quota-carrying sales representatives to obtain additional market share and expand its sales channels, and expand its marketing programs to drive sales leads through increased market awareness. These efforts may not succeed in increasing revenue sufficiently to offset these higher expenses. Further, Nitro may encounter unforeseen expenses, operating delays or other unknown factors that may result in losses in future periods.

Nitro will continue to focus on establishing and growing its business, and accordingly expects to make losses and have negative cash flow in the short to medium term.

5.1.5 Nitro operates in a competitive industry

Nitro competes against other international document productivity and electronic signature software providers, including Adobe, as well as with internally-developed or manual paper-based systems. The global document productivity industry is rapidly evolving, is increasingly competitive, and is currently serviced by large competitors (for example, Adobe) which have significantly more financial and operational resources than Nitro. Nitro faces the risk that:

- it may fail to increase adoption and usage of Nitro's software;
- Nitro's software may fail to meet the expectations of customers, or Nitro may fail to implement changes to satisfy the changing expectations of customers relative to Nitro's competitors;
- it may fail to anticipate and adapt to technology changes as quickly as competitors;
- technological advancements could make Nitro's software obsolete;
- competitors may enhance their product offering to improve their competitive positioning relative to Nitro by increasing the functionality of their software or increasing the number of products they offer to customers;
- existing or new market entrants may increase or gain market share through aggressive marketing campaigns, product innovation or development, improved functionality, price discounting or acquisitions;
- new entrants into the document productivity industry may develop software which competes directly with Nitro; and
- in-house developed solutions may become preferred to outsourced solutions such as Nitro.

If any of these risks arise, Nitro may compete less effectively against its competitors which could reduce the Company's market share and ability to develop or secure new clients, which could have an adverse impact on Nitro's business, operations and financial performance.

5.1.6 Pricing risk

Nitro primarily generates subscription revenue by charging annual subscription fees to its customers over the length of their contracts, based on the product features chosen by the customer and the number of users they have using Nitro's software. Upon completion of their contracts, Nitro's customers may try to renegotiate contract terms for more favourable price discounts, which would result in a direct reduction in the payments they make to Nitro and have a negative impact on the Company's financial performance. While Nitro may resist such attempts to renegotiate prices, business economics, market conditions or competitive forces may require the Company to accept less favourable terms to retain its customers.

In addition, Nitro does not currently incorporate any annual price increase clauses into its contracts such as a price increase based on the level of consumer price index. As a result, Nitro is currently unable to pass on any potential cost increases it may face to its customers. Consequently, any significant increase in costs that Nitro incurs could have a material adverse effect on its financial performance.

5.1.7 Reliance on up-take of SaaS-based document productivity and eSigning software

Nitro's future growth in revenues depends on the increasing adoption of its SaaS-based document productivity and eSigning software solutions. It may be difficult for Nitro to persuade potential customers to change from existing on-premise, perpetual license or manual paper-based solutions to adopt Nitro's SaaS-based software product. If Nitro's solution is not accepted and used by more organisations, or if the market for such solutions fails to grow as expected, Nitro's platform could be adversely affected and revenue growth may slow, which could negatively impact the business, operations and financial performance.

5.1.8 Failure to adequately maintain and develop Nitro's software platform

Nitro's business model depends on the Company's ability to continue to ensure that customers are satisfied with the products that Nitro offers. There is a risk that if Nitro fails to maintain its software platform adequately, or that if updates introduce errors and performance issues, customer satisfaction in the Company's software may decline. Customer satisfaction may also decline as a result of real or perceived reductions in functionality, product quality, reliability, cost-effectiveness, and customer support for Nitro's software, or a failure to accommodate and reflect changes and developments in technology and in the commercial, compliance and regulatory environment. Any of these factors may result in reduced sales and usage, loss of clients, damage to the Company's reputation, an inability to attract new customers and potentially claims for compensation.

Future growth also depends on the Company's ability to develop enhancements and new features for its software so that it continues to satisfy customer needs, attract new customers and generate additional revenue from increased usage within the existing customer base. There is a risk that the development and introduction of new features does not result in a successful outcome for Nitro due to various reasons – such as the development process taking longer than expected, new features failing to address a market need, new features having a negative impact on the performance, functionality or operation of existing features within the solution, low customer acceptance or adoption of newly introduced features, functionality and/or products, insufficient investment in forward-looking development, unforeseen costs, existing competition or economic and market conditions. The failure to successfully develop new product features and products or maintain existing products, features and functionality may have a materially adverse impact on Nitro's future operations and financial performance.

5.1.9 Failure to realise benefits from research and development

Historically, Nitro has invested significantly in research and development and expects to continue to do so in the future in order to further expand and improve its software and to maintain its competitive position. Software development is expensive and often involves an extended period of time to achieve an ROI. Nitro may not receive economic benefits for several years or at all from such investment.

Nitro makes certain assumptions about the expected future benefits generated by investment in product research and development and the expected timeframe in which such benefits may be realised. These assumptions involve both known and unknown risks that are beyond the control of Nitro and are thus subject to change. Any change to these assumptions may have an adverse impact on the Company's ability to realise benefits from innovation and product development related costs.

5.1.10 Failure to maintain security and data protection certifications

Nitro has based its data protection and cyber security protocols on the ISO 27000 suite of standards, the U.S. National Institute of Standards & Technology Special Publication 800-53 and the EU GDPR regulation on data privacy. These standards enable Nitro to maintain its certifications for SOC2 Type 2, HIPAA and Privacy Shield. These are important accreditations that customers expect when dealing with software providers in the industries in which Nitro operates. In certain circumstances, such accreditations are also required to be maintained in order to allow Nitro to tender for, and offer its product offering to, certain clients (e.g. government entities). Failure to maintain these security accreditations would impact Nitro's ability to attract new clients and may cause existing customers to stop using Nitro products.

5.1.11 The General Data Protection Regulation (EU) 2016/679

The General Data Protection Regulation (EU) 2016/679 ("**GDPR**") came into force across the EU in May 2018 and governs the processing of personal data by Nitro. The failure to process such data in accordance with GDPR could result in significant reputational damage and additional costs relating to customer compensation. In Ireland the Data Protection Commission has the power to levy monetary penalties for the loss or unapproved disclosure of personal data and potential fines under the GDPR are up to the greater of 4% of annual worldwide turnover or €20 million although it is as yet unclear how the GDPR will be policed in Ireland or what the approach of the Data Protection Commission will be to any breaches. Nitro processes a significant volume of personal data in the performance of its services and also processes personal data of its employees and website users. Whilst Nitro has undertaken a number of workstreams for compliance with the GDPR and updated many of its procedures and documentation in light of the GDPR, in the event of a breach of the GDPR or other legislation governing the processing of personal data in countries in which Nitro conducts its business any fine levied could be substantial and could adversely affect Nitro's financial condition, business, prospects and results of operations.

5.1.12 Cyber-security incidents or breaches of data privacy rules and regulations

The use of information technology is critical to Nitro's ability to deliver products and services to customers and the growth of its business. Nitro's products also involve the storage and transmission of its customers' confidential and propriety data, which may include confidential personal or business information, information regarding the employees of Nitro's customers, and other forms of confidential information. It is possible that measures taken by Nitro may not be sufficient to prevent or detect unauthorised access to, or disclosure of, such confidential or proprietary data or other technology breaches. By their nature, information technology systems are susceptible to cyber-attacks, with third parties seeking unauthorised access to data, financial theft and to cause disruption to business-as-usual services. Any of these events could cause a material disruption to Nitro's business and operations.

Any accidental or deliberate security breaches or other unauthorised access to Nitro's information technology systems or customer data may subject Nitro to reputational damage, a loss of confidence in the services provided, a disruption of services to customers, claims by customers, loss of customers, termination of contracts, theft, misappropriation of funds, legal action by customers and regulatory fines, investigations or scrutiny. Nitro may also be required to incur costs to rectify system vulnerabilities or introduce additional safeguards to minimise the risk of future security breaches. Any of these events could adversely impact Nitro's reputation, business and financial performance.

There is no guarantee that insurance will be adequate to cover potential financial exposures for one of more of these circumstances.

In addition, any security or data issues experienced by other cloud software companies globally could adversely impact customers' trust in cloud solutions generally and could adversely affect Nitro's ability to migrate customers to its software solutions.

5.1.13 Disruption or failure of technology systems and software

Nitro and its customers are dependent on the performance, reliability and availability of the Company's technology solution, data centres and global communications systems (including servers, the internet, hosting services and the cloud environment in which the Company provides products). There is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "bugs" or "worms", malware, internal or external misuse by websites, cyber-attacks or other disruptions including natural disasters, power surges or outages or other similar events. Certain of these events may be caused by events outside of the Company's control, and may lead to prolonged disruption to its platform, or operational or business delays and damage to its reputation. This could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could have a materially adverse impact on Nitro's business, operations and financial performance.

5.1.14 Failure to manage future growth

Nitro has experienced a period of considerable growth in revenue, employee numbers and the number of people using its software solutions. Based on the Company's forecasts, it expects further growth in the future which could place strain on current management, operational and financial resources as well as the infrastructure supporting Nitro's platform. Nitro's future success depends on its ability to manage this growth. Failure to appropriately manage growth could result in failure to retain existing customers and a failure to attract new clients, which could adversely affect the Company's operating and financial performance.

5.1.15 Regulatory frameworks across different jurisdictions

Nitro has operations in overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. Nitro is subject to the risks associated with doing business in the relevant regions, which may include:

- unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements;
- different or less sophisticated technology standards; and
- different regulatory or legislative requirements applicable to the Company's products (including data privacy and intellectual property rights).

In addition, separate legal and regulatory regimes apply to e-signatures across different jurisdictions. There is a risk that Nitro's eSigning functionality does not comply with the legal and regulatory requirements in one or more jurisdictions in which Nitro or its customers operate.

There is a risk that Nitro could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with (or comply with developing interpretations of) applicable laws and regulations or any failure of its products to satisfy the requirements of applicable laws and regulations.

5.1.16 Failure to keep abreast of changes in political, compliance and regulatory environments

Nitro is subject to a broad range of laws and regulations across the jurisdictions in which its products are available. These laws are administered by a number of different regulators.

There is a risk that Nitro or its products may fail to comply in all material respects with all the laws and regulations relating to the markets in which it operates. If the Company does not meet regulatory requirements it may be exposed to fines or other penalties, it may be forced to pay compensation or it may even be suspended or have its authorisations cancelled in which case it may not be able to continue to provide some or all of the services it currently provides.

In particular, global laws and regulations regarding eSignatures, data privacy and internet regulation are continuing to evolve. Any new or altered laws or regulations which affect Nitro could require it to increase spending and employee resources on regulatory compliance and/or change business practices, which could adversely affect operations and profitability. Further, there is a risk that customers reduce their usage of Nitro's software, or Nitro fails to attract new customers, if it fails to build into its software appropriate coverage of existing compliance or regulatory requirements sought by customers which it does not currently cover, or features or innovation which adequately address changes and developments in compliance and regulatory requirements.

5.1.17 Inability to attract or retain key personnel

The success of the Company is dependent upon the ongoing retention of key personnel, including the current senior executive, sales and product teams. In addition, Nitro needs to attract and retain highly skilled software development engineers. Competition for such personnel is intense.

There is a risk that Nitro may not be able to attract and retain such personnel or be able to find effective replacements for such personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a materially adverse impact on management's ability to operate the business and achieve its growth strategies and prospects, including through the development and commercialisation of new solutions or products. The loss of such personnel could also have an adverse impact on operations, the potential loss of key customer relationships, potential loss of business process knowledge and an adverse impact on financial performance.

Nitro notes that Mr Sam Chandler (CEO and Director) is in a long-term de facto relationship with Ms Gina O'Reilly (COO). Any dissolution of that relationship could impact the Company's ability to retain one or both of those senior executives. The loss of one or both of those senior executives may have an adverse impact on the business as set out above. The Company confirms that Mr Chandler does not approve or determine Ms O'Reilly's remuneration.

5.1.18 Programming errors

Nitro's products contain complicated programming and its objectives are to quickly develop and launch new and innovative products and features. They may therefore contain, now or in the future, errors, bugs or vulnerabilities or not be sufficiently documented or tested. Any errors, bugs or vulnerabilities discovered may take time to be remedied if not properly documented and could result in (among other consequences) damage to the brand of the Company and its products or services, loss of customers, loss of platform partners, fall in revenues or liability for damages, any of which could adversely affect Nitro's business and operating results.

5.1.19 Failure to listen and satisfy customer requirements

The development and refinement of Nitro's products and services requires the Company to work closely with existing and potential customers to listen to and understand their needs. There is the risk that Nitro may fail to maintain its current service culture, for example by failing to listen to its customers, and may not develop products or provide services that satisfy its customers' requirements. This may negatively impact Nitro's reputation and its customers' adoption of new products or services, and ultimately adversely impact the Company's revenue and profitability.

5.1.20 Reliance on third-party information technology suppliers

Nitro relies on certain contracts with third-party suppliers such as AWS to maintain and support information technology infrastructure, particularly related to cloud services. In particular, Nitro relies on third-party suppliers for the provision of server and database infrastructure. Any increase in price, failure or disruption to the services provided from, or termination of contracts for any reason with, third-party service providers could negatively impact operating and financial performance. In such circumstances, Nitro may be required to undertake additional development tasks internally, or find new suppliers of such services who may offer less favourable terms. It could also expose the Company to claims for loss and damage from customers that may exceed the amounts that Nitro is entitled to recover from the third-party service providers.

5.1.21 Foreign exchange fluctuations

Nitro's financial statements are presented in U.S. dollars. The Company has a portion of current sales revenue denominated in currencies other than the U.S. dollar, most notably Euros, the United Kingdom pound sterling, and Australian dollars. As a result, Nitro's revenue is increasingly sensitive to movements in the exchange rates between the U.S. dollar and these other currencies. The proportion of revenue denominated in currencies other than the U.S. dollar may increase over time as the Company continues to grow and expand into overseas jurisdictions. At present, Nitro does not hedge this exposure, and as a result any changes in the exchange rates in the jurisdictions in which the Company operates may adversely impact the Company's operations and financial performance.

5.1.22 Breach of third-party intellectual property rights

There is a risk that third parties may allege that Nitro's products use intellectual property derived by them or from their products without their consent or permission. The Company has been in the past, and may be in the future, the subject of claims which could result in disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have an adverse impact on operations, reputation and financial performance. Nitro may be legally required to expend significant resources to redesign its products so that they do not infringe third parties' intellectual property rights, or it may be required to obtain relevant licenses to avoid further infringements. Intellectual property litigation against Nitro could significantly disrupt its business, divert its management's attention, or consume much of its financial resources.

5.1.23 Failure to protect intellectual property rights

The value of Nitro's software is dependent on its ability to protect intellectual property, including business processes, know-how, copyrights and trademarks. There is a risk that unauthorised use or copying of Nitro's software, data or intellectual property rights may occur and that Nitro may be unable to detect the unauthorised use of intellectual property rights in all instances. In addition, actions to protect intellectual property may not be adequate or enforceable and this may not prevent the misappropriation of Nitro intellectual property and propriety information. A breach of intellectual property may result in the need for Nitro to commence legal action which could be costly and time-consuming and potentially difficult to enforce in certain jurisdictions and may ultimately prove unfavourable to the Company. The failure to protect Nitro's intellectual property rights could have an adverse impact on its operations and financial performance.

In addition, Nitro cannot give any assurance that counterfeiting, or imitation of its products, will not occur in the future or, if it does occur, that it will be able to detect or address the problem effectively. Any occurrence of counterfeiting or imitation of its products or other breaches of Nitro's intellectual property rights could negatively affect its reputation and brand name, lead to loss of consumer confidence in its brand and products, and, as a consequence, adversely affect its operations. Any litigation to prosecute infringements upon Nitro's rights and products is likely to be expensive and may divert the management's attention, as well as other resources, away from its business.

5.1.24 Platform capacity

Customers' use of Nitro's software can vary from time to time depending on their business requirements. There is a risk that at any one time a spike in utilisation volumes could mean that demand for Nitro's solutions exceeds the capacity of its platform and infrastructure capability, which in turn could result in a service outage, loss of customer data or the inability for users to utilise Nitro's electronic signature features. The failure to manage these risks could result in customer dissatisfaction, and impose difficulty in attracting new customers, as well as having an adverse impact on operations and financial performance.

5.1.25 Risk of litigation, claims, disputes and regulatory investigations

Nitro has offices, agreements or arrangements with employees, contractors, partners, customers, suppliers and other entities or government agencies, in several jurisdictions around the world. These arrangements and Nitro's activities in relation to them may be subject to local laws which differ from jurisdiction to jurisdiction. There is a risk that the Company may be subject to litigation and other claims and disputes in the course of business, including contractual disputes and indemnity claims, misleading and deceptive conduct claims, intellectual property disputes and employment related claims. There is also a risk the Company may be subject to regulatory investigations and sanctions or fines by governmental agencies in the event of non-compliance with relevant statutory or regulatory requirements. These may involve how the Company employs people (e.g. whether Nitro appropriately characterises people as employees or contractors, and has paid or withheld appropriate amounts of tax) or how the Company advertises its software, or in relation to licensing or other compliance requirements.

Even if Nitro is ultimately successful, there is a risk that such litigation, claims, disputes or investigations, including the costs of settling claims or paying sanctions or fines, and any associated operational impacts, may be costly and damaging to Nitro's reputation and business relationships, any of which could have an adverse effect on its financial performance, position or industry standing.

5.1.26 Future funding requirements

Although the Company believes that, on Completion of the Offer, it will have sufficient working capital to meet its operational requirements and business objectives during the forecast period, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Furthermore, raising additional funds by issuing equity securities may result in dilution for some or all of the Shareholders.

Nitro has historically relied on equity funding in addition to working capital to help fund its business operations. Nitro may also seek to raise additional debt finance or new equity in the future to maintain or grow its business. Any deterioration in the level of liquidity in the debt and equity markets may prevent Nitro from being able to refinance some or all of its debt on favourable terms (if at all), or raise new equity. This may adversely impact Nitro's business, and its operating and financial performance.

Nitro may rely on debt funding to help fund its business operations in the future. If debt financing is used in the future, Nitro will face refinancing risk if it is unable to refinance its debt when it falls due. If this occurs, the terms available to Nitro (including in relation to pricing) on refinancing with a new debt facility may not be as favourable as those under its existing debt facilities at the time and, if there is a deterioration in the level of debt market liquidity, this may prevent Nitro from being able to refinance some or all of its debt.

5.2 General risks of an investment in Shares

5.2.1 Price of Shares may fluctuate

Once Nitro becomes a publicly listed company on the ASX, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by its fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some of the factors which may adversely impact the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions including gross domestic product growth, interest rates, inflation rates, foreign currency fluctuations, commodity and oil prices, changes to fiscal, monetary or regulatory policies and settings, changes in legislation or regulation, inclusion in or removal from market indices, variations in sector performance, which can lead to investors exiting one sector in preference for another, initiatives by other sector participants which may lead to investors switching from one stock to another, the nature of the markets in which Nitro operates and general operational and business risks.

Deterioration of general economic conditions may also affect Nitro's business operations, and the consequent returns from an investment in Shares.

5.2.2 Trading in Shares may not be liquid

There is currently no public market through which Shares may be sold. There can be no guarantee that an active market for the Shares will develop or that the price of the Shares will increase, following Completion. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

Upon Completion of the Offer, the Existing Shareholders of the Company will hold approximately 66.1%[1] of the total issued capital of the Company. Of these Shares, 16.3% are expected to be the subject of escrow for six months from Admission. A further 59.9% of these Shares are expected to be the subject of escrow until the date of which Nitro's full-year results for the period ending 31 December 2020 are released to the ASX (excluding options). Further details of the escrow arrangements are set out in Section 9.10. The absence of any sale of Shares by these Existing Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for the Shares.

During the relevant escrow period the existence of such escrow arrangements may adversely affect the market price of Shares. Also, following the end of the relevant escrow period, a significant sale of Shares by the Escrowed Shareholders, or the perception that such sales might occur following the relevant escrow period, could adversely affect the market price of the Shares. The interests of the Existing Shareholders may be different from the interests of investors who acquire the Shares in the Offer.

5.2.3 Inability for Nitro to pay dividends

The payment of dividends by the Company is determined by the Board from time to time in its absolute discretion. Nitro's ability to pay dividends or make other distributions in the future is contingent on profits and certain other factors, including the capital and operational expenditure requirements of the business. Circumstances may arise where the Company is required to reduce or cease paying dividends for a period of time; therefore, there is no assurance that dividends will be paid. Moreover, to the extent that Nitro pays any dividends, its ability to offer fully franked dividends is contingent on making taxable profits. Taxable profits may be difficult to predict, making the payment of franked dividends unpredictable.

The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

5.2.4 Risk of Shareholder dilution

In the future, Nitro may elect to issue Shares (including pursuant to employee and management incentive arrangements) or engage in fundraisings including to fund acquisitions or growth initiatives that Nitro may pursue. While Nitro will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that is able to be issued within a 12-month period (other than where exceptions apply), Shareholders may be diluted as result of such issues of Shares and fundraisings.

5.2.5 Taxation

There are tax implications arising from buying and selling Shares, the receipt of dividends (both franked and unfranked, if any) from the Company and participation in any on-market Share buy-back. Investors should seek their own independent taxation advice before applying for Shares.

Tax laws may change in the future. Any changes to the current rates of taxes (including transfer pricing, goods and services taxes, stamp duties and the ability to claim R&D offsets) imposed on Nitro are likely to affect returns to Shareholders. In particular, both the level and basis of taxation may change. An interpretation of tax laws by the ATO, the IRS in the United States, or any other relevant authority or body, that is contrary to Nitro's view of those laws, may increase the amount of tax to be paid, or may cause changes in the carrying value of tax assets or liabilities in Nitro's view of those laws, may increase the amount of tax to be paid or cause changes in the carrying value of tax assets or liabilities in Nitro's financial statements. In addition, any change in tax rules could have a material adverse effect on the level of dividend franking and Shareholder returns.

1. Excludes any Shares acquired under the Offer.

5.2.6 IFRS may change

IFRS are issued by the IASB and are not within the control of either Nitro or its Directors. The IASB may, from time to time, introduce new or refined IFRS, which may affect future measurement and recognition of key statement of profit or loss and balance sheet items.

There is also a risk that interpretation of existing IFRS, including those relating to the measurement and recognition of key statement of profit or loss or balance sheet items, may differ. Any changes to IFRS or to the interpretation of those standards may have a material adverse effect on the reported financial performance and position of Nitro.

5.2.7 Force majeure events may occur

Events may occur within or outside the United States or Australia that negatively impact global or other local economies relevant to Nitro's financial performance, the operations of Nitro and/or the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that may have a material adverse effect on the Company's suppliers, the demand for its software and its ability to conduct business. Nitro has only a limited ability to insure against some of these risks.

5.2.8 Expected future events may not occur

Certain statements in this Prospectus constitute forward-looking statements. Such forward-looking statements rely on various contingencies and assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Nitro to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective investors should not place undue reliance on forward-looking statements. In addition, under no circumstances should forward-looking statements be regarded as a representation or warranty by Nitro or any other person referred to in this Prospectus that a particular outcome or future event is guaranteed.

5.2.9 Interest rate fluctuations

Changes in interest rates will affect borrowings which bear interest at floating rates. Any increase in interest rates will affect Nitro's costs of servicing borrowings and may affect the relative strength of the Australian and the U.S. dollar, each of which could materially and adversely affect its financial performance and position, as well as the market value of Shares.

SECTION 6

Key people, interests and benefits

Key people, interests and benefits

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

FIGURE 38: BOARD OF DIRECTORS, EXPERIENCE AND BACKGROUND

Director	Experience and background
Kurt Johnson *Independent Chairman and Non-Executive Director* 	• Kurt joined the Board as an independent Board member in 2010 and was appointed Chairman in 2019. • Kurt has over 24 years of professional management experience, including public and private company leadership across a range of internet and technology-based companies, and is now an active angel investor. • Kurt's previous roles include CEO of Fastclick (NASDAQ: FSTC, acquired by ValueClick), CFO of ValueClick/Conversant (NASDAQ: VCLK, acquired by Alliance Data Systems), Founding Investor and Board Member of true[X] media (acquired by 21st Century Fox), and Investor and Advisor to ShopNation (acquired by Meredith Corporation). • Earlier in Kurt's career he was an investment banker with Olympic Capital Partners, providing M&A and financial advisory services for mid-market companies in the telecommunications, media and technology industries. Additionally he held corporate finance positions with companies ranging from early-stage to Fortune 1000. • Kurt holds a BA from Eastern Washington University, and an MBA from Gonzaga University.
Sam Chandler *Executive Director and Chief Executive Officer* 	• Sam co-founded Nitro in May 2005 and currently serves as the CEO and as a Director. • Sam is an experienced entrepreneur, starting his first company at 16 years old while still in high school. • Since then, Sam has started two more companies, sat on the board of the Australian Communities Foundation, and is currently an investor and mentor in Startmate, a leading Australian tech accelerator. • Sam has over 20 years of global technology leadership experience, including 11 years living and working in Silicon Valley, and was named Ernst & Young's Australian Emerging Entrepreneur of the Year in 2014. Since founding Nitro, Sam has been on a permanent leave of absence from Melbourne's RMIT University where he studied business.
Richard Wenzel *Executive Director and Senior Vice President, Tax and Treasury* 	• Richard co-founded Nitro in 2005, and has been a Director since then. He also sits on the board of Nitro's U.S. and EMEA entities. • Richard is a pragmatic entrepreneur with 21 years' experience in document productivity software. • Richard founded his first software company (ARTS PDF) in 1998 after a career in investment banking. ARTS PDF was a leading developer of PDF plug-ins and an instrumental grounding in the path to founding Nitro. • Richard also co-founded Planet PDF, a global resource for PDF technologists and users and A-Frame, an e-learning software solution that was divested and subsequently sold to Salmat Ltd (ASX: SLM). • Richard has a wealth of experience having previously held a number of roles including CFO, Treasurer, Company Secretary and Vice President, Strategic Operations. • Richard is currently the Senior Vice President of Tax and Treasury and is now primarily responsible for key treasury functions and tax compliance. He also serves as the primary internal legal adviser. • Richard previously worked as an adviser at Challenger Group, as well as having been a trader in the treasury department for the Italian office of Bankers Trust. • Richard holds a Bachelor of Commerce from the University of Melbourne.

Director	Experience and background
Andrew Barlow *Independent Non-Executive Director* 	• Andrew led the seed investment round in the Company in late 2006, and joined the Nitro Board in early 2007. • Andrew is an experienced technology entrepreneur and venture investor, with more than 25 years' private company board and operational experience, and 12 years' public company board experience. • Andrew is the founder and Executive Chairman of Adslot Ltd (ASX: ADJ) – a leading provider of automated digital media trading platforms listed on the ASX. • Andrew was also a Founder, CEO and Chairman of Hitwise, Inc. – a global data analytics company specialising in online competitive intelligence which sold to Experian Plc (LSX: EXPN) in 2007. • Andrew was also a Founder and CEO of Max Super, an Australian online retail superannuation fund sold to Orchard Funds Management in 2007. • Andrew has a wealth of capital raising, corporate governance and M&A experience on both the sell-side and buy-side, and is a passionate entrepreneur, mentor and investor, with an operational focus on people and product.
John Dyson *Non-Executive Director* 	• John joined the Nitro Board in 2018 representing Starfish Ventures, the manager of Starfish Technology Fund II, LP, a substantial Shareholder in the Company. • John is currently a Director of Aktana, Atmail, Audinate Group Ltd, DesignCrowd, Echoview, and Hearables 3D. • John has over 24 years of experience working in the venture capital industry, investing in and supporting companies in the technology sector. • John co-founded Starfish Ventures in 2001, and prior to that was General Manager (Australia) of JAFCO Asia for six years. Additionally, he was a Director of the Australian Venture Capital Association including being Chairman and Deputy Chairman. • Prior to that he had over nine years of experience in the investment banking and stockbroking industries. • John holds a Bachelor of Science from Monash University, an MBA from RMIT University, and is a Graduate of the Australian Institute of Company Directors.
Michael Brown *Non-Executive Director* 	• Michael joined the Board in 2014 on behalf of Battery Ventures after its participation in the Series B fundraising. • Since joining Battery Ventures in 1998, Michael has made, or managed, multiple investments spanning the enterprise software, financial services and technology-enabled business services markets. • Currently, Michael serves on the boards of AuditBoard, CarNow, Diametric Capital, Istra Research, J. Hilburn, Joor, KeyMe, MX, Newforma, Quinyx, RiskIQ, ServiceTitan, Vidyard, VNDLY and Xenex; he is also a board observer at Mews. • Michael was previously involved with Battery's investments in Bluestem Brands (acquired Capmark Financial Group), Bonfire (merged into GTY Technology, NASDAQ: GTYH), ChemConnect (acquired by InterContinental Exchange), ExactTarget (NYSE: ET, acquired by Salesforce.com), IDI Direct Insurance (TASE: IDIN), JAMF (acquired by Vista Equity Partners), The London International Financial Futures and Options Exchange, or LIFFE (acquired by Euronext), Mendix (acquired by Siemens), MRU Holdings (NASDAQ: UNCL), Neolane (acquired by Adobe), OutlookSoft Corporation (acquired by SAP), Panjiva (acquired by S&P), Q2 Holdings (NYSE: QTWO), and TradeKing (acquired by Ally Financial). • From 1996 to 1998, Michael was a member of the high-technology group at Goldman, Sachs & Co., where he worked on debt and equity financings as well as on M&A transactions. Previously, he was a financial analyst within Goldman Sachs' financial-institutions group. There he focused on mergers and acquisitions within asset management, insurance, specialty finance and retail/mortgage banking. • Michael graduated magna cum laude from Georgetown University with a dual BS in finance and international business. He is currently on the board of the National Venture Capital Association.

Director	Experience and background
Sarah Morgan *Independent Non-Executive Director* 	• Sarah is an experienced public and private company director, particularly in an audit and risk capacity. She currently serves as a Non-Executive Director and Chairman of the Audit and Risk Committee of ASX-listed Whispir, Hansen Technologies and Adslot, and serves as a Non-Executive Director of Future Generation Global Investment Company. She is a Non-Executive Director and Chairman of the Audit and Risk Committee of Intrepid Group. • Prior to becoming a company director, Sarah spent over 15 years as an executive director of independent corporate advisory firm Grant Samuel, specialising in M&A, public and private capital raisings and other forms of corporate financial advice. • Sarah holds a Bachelor of Engineering (Hons) and a Masters of Business Administration from the University of Melbourne, and is a Graduate of the Australian Institute of Company Directors.
Lisa Hennessy *Independent Non-Executive Director* 	• Lisa is a highly experienced executive and company director with over 30 years of experience worldwide. • Lisa currently sits on the board of Planet Innovation, FirstStep Investments, Walter and Eliza Hall Institute of Medical Research Commercialisation Committee, and Arts Centre Melbourne Foundation and is also currently the President of the Harvard Club of Victoria. • Lisa was previously on the board of Murray River Organics (ASX: MRG) where she chaired the Remuneration and Nomination Committee. Prior to this, Lisa spent over a decade in strategy and M&A roles in the U.S., including Director of Strategy and M&A for Del Monte Foods, Director at GE Capital, and she was also a Consultant at Bain & Company. • Lisa holds a Bachelor's degree in Electrical Engineering from Purdue University, as well as an MBA from Harvard Business School and is a graduate of the Australian Institute of Company Directors.

6.2 Senior executives

FIGURE 39: SENIOR EXECUTIVES, EXPERIENCE AND BACKGROUND

Executive	Experience and background
Sam Chandler *Executive Director* *Chief Executive Officer*	• See Section 6.1
Kathy Miller *Chief Financial Officer* 	• Kathy joined Nitro in January 2019 in the role of CFO. • Kathy is responsible for all global financial, legal, IT, compliance and reporting functions within Nitro. • Kathy has over 30 years of leadership experience and achievement in finance, accounting and operations, holding a number of CFO and senior finance roles across public and private companies. • Kathy has significant experience in the global software and information technology industries, having spent the last 25 years working with companies operating within the space both domestically and cross-border. • These roles include Chief Operating and Financial Officer of nCourt, CFO of eSecuritel Holdings, Senior Vice President Global Finance and Accounting of Witness Systems, and Director, Financial Planning and Analysis of MapInfo Corporation. • Kathy holds a Bachelor of Science in Accounting Cum Laude from Alfred University, and is a New York State Certified Public Accountant.

Executive	Experience and background
Gina O'Reilly *Chief Operating Officer* 	• Gina joined Nitro in 2009, initially as a Senior Vice President of Sales and Marketing, and is currently the Company's Chief Operating Officer. • Gina has global responsibility for the marketing, business and people operations functions, including employee experience and talent. • Gina has over 20 years of software industry experience, having previously held the roles of Director of Sales and Marketing at activePDF, as well as International Relations and Marketing Manager at Software Technology Resources. • Gina holds a BA in International Marketing and Languages (French/Spanish) from Dublin City University, as well as a Masters of Business Administration (Marketing) from the University of Phoenix.
Richard Wenzel *Executive Director Senior Vice President, Tax and Treasury*	• See Section 6.1
David O'Donoghue *Vice President, Engineering* 	• David joined Nitro in 2018 in the role of Vice President of Engineering. • David is responsible for overseeing the global engineering team across Dublin and San Francisco, as well as all Nitro products. • David has over 30 years of extensive experience developing, coaching and leading software engineering organisations. • David was previously the Head of Engineering at Zalando Ireland, Head of Software Development at Full Tilt Poker, Senior Development Manager at Oracle and Head of R&D at Performix Technologies. • David recently completed a Master of Science (First Class Honours) in Work and Organisational Behaviour from Dublin City University.

6.3 Directors' disclosures

No Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares.

Except as set out below, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

Sam Chandler was a director of Aliqua Partners Pty Ltd which went into creditors' voluntary liquidation in November 2009. The company was finally wound up and deregistered in November 2014. No claims have been made against Mr Chandler in relation to the liquidation proceedings.

John Dyson was a director of NewZoom, Inc which filed for Chapter 11 bankruptcy protection in October 2015. The US Bankruptcy Court approved the company's reorganisation plan and NewZoom, Inc emerged from Chapter 11 bankruptcy in or around December 2015. No claims have been made against Mr Dyson in relation to the bankruptcy proceedings.

Michael Brown was a director of MRU Holdings, Inc which filed for Chapter 7 bankruptcy in February 2009. No claims have been made against Mr Brown in relation to the bankruptcy proceedings.

6.4 Interests and benefits

This Section 6 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director of the Company or SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- Underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as of the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director to induce them to become, or qualify as, a Director of the Company or SaleCo.

6.4.1 Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- Morgan Stanley Australia Securities Limited has acted as Lead Manager to the Offer and the fees payable to the Lead Manager pursuant to the Underwriting Agreement are described in Section 9.5.1;
- Bell Potter has acted as Co-Manager to the Offer and the fees payable to the Co-Manager are described in Section 9.5.1;
- Gilbert + Tobin has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately A$750,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Gilbert + Tobin in accordance with its normal time-based charges;
- Cooley LLP has acted as U.S. legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately $250,000 (excluding disbursements) for these services up until the Prospectus Date. Further amounts may be paid to Cooley LLP in accordance with its normal time-based charges;
- William Fry has acted as Irish legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately €70,000 (excluding disbursements) for these services up until the Prospectus Date. Further amounts may be paid to William Fry in accordance with its normal time-based charges;
- PricewaterhouseCoopers Securities Ltd has acted as the Investigating Accountant in connection with the Offer and has performed work in relation to the Investigating Accountant's limited assurance reports. The Company has paid, or agreed to pay, approximately A$650,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to PricewaterhouseCoopers Securities Ltd in accordance with its normal time-based charges; and
- PricewaterhouseCoopers has acted as the Australian taxation adviser in relation to the Offer. The Company has paid, or agreed to pay, approximately A$465,000 (excluding disbursements and GST) for these services up and until the Prospectus Date. Further amounts may be paid to PricewaterhouseCoopers in accordance with its normal time-based charges.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1.3.

6.4.2 Directors' interests and remuneration

6.4.2.1 Chief Executive Officer

Sam Chandler is employed in the position of Chief Executive Officer of the Company. Nitro has entered into an employment contract with Sam Chandler to govern his employment. See Section 6.4.3 below.

6.4.2.2 Senior Vice President of Tax and Treasury

Rich Wenzel is employed in the position of Senior Vice President of Tax and Treasury. Nitro has entered into an employment contract with Rich Wenzel to govern his employment. See Section 6.4.3 below.

6.4.2.3 Non-Executive Directors

The Company has entered into an appointment letter with each of its Non-Executive Directors. The Directors' fees currently agreed to be paid by the Company under the appointment letters for the year ending December 2019 are as provided in Figure 40.

FIGURE 40: NON-EXECUTIVE DIRECTOR FEES

Director	Annual cash Director's fees[1]	Audit and Risk Committee Chair fee	Remuneration and Nomination Committee Chair fee	Board Committee participation fee
Kurt Johnson[2]	$126,000			
Andrew Barlow[3]	$63,072			$3,942
John Dyson[4]	$57,600			$3,600
Michael Brown	$57,600			
Sarah Morgan[5]	$63,072	$11,826		$3,942
Lisa Hennessy[6]	$63,072		$11,826	$3,942

Notes:

1. Excluding GST but including superannuation where applicable.
2. Kurt Johnson serves on the Audit and Risk Committee and the Remuneration and Nominations Committee. Mr Johnson is not compensated for his participation on these committees.
3. Andrew Barlow serves on the Audit and Risk Committee.
4. John Dyson serves on the Remuneration and Nominations Committee. Payments are made to Starfish Technology Fund II, LP.
5. Sarah Morgan serves as the Chairwoman of the Audit and Risk Committee. Ms Morgan also serves on the Remuneration and Nominations Committee.
6. Lisa Hennessy serves as the Chairwoman of the Remuneration and Nominations Committee. Ms Hennessy also serves on the Audit and Risk Committee.

6.4.2.4 Deeds of access, insurance and indemnity

The Company has entered into a deed of access, indemnity and insurance with each Director. Each deed contains the Director's right of access to certain books and records of the Company or Group Company for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

Pursuant to the Constitution, the Company must indemnify all Directors and executive officers, past and present, against all liabilities that arise from their position as an officer of the Company or Group Company to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company indemnifies each Director against any liability that may arise from their position as an officer of the Company or Group Company, to the extent permitted by law. The deed provides that the Company must meet the full amount of any such liabilities, including legal costs that are reasonably incurred, charges and expenses.

Pursuant to the Constitution, the Company must arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or Group Company. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

In this Section, "**Group Company**" means the Company, a subsidiary of the Company, any companies which are 50% or more owned directly or indirectly by any other Group Company, or any partnership or unincorporated joint venture in which any Group Company or a related body corporate of the Company has an interest of 50% or more.

6.4.2.5 Directors' interests in Shares and other securities

The Directors are not required by the Constitution to hold any Shares. The Directors' interests in Shares and other securities in the Company as of the Prospectus Date are set out in Figure 41 (excluding any Shares acquired under the Offer). All of the Directors are subject to the voluntary escrow conditions described in Section 9.10.

FIGURE 41: SUMMARY OF DIRECTORS' INTERESTS IN SHARES AND OTHER SECURITIES[1]

Director	Shares held on Completion	Options held on Completion
Kurt Johnson	–	740,520
Sam Chandler	9,191,880	5,715,135
Richard Wenzel	9,650,188	161,469
Andrew Barlow	4,563,347	–
John Dyson	26,076,463	–
Michael Brown	24,872,515	–
Sarah Morgan	–	–
Lisa Hennessy	–	–

6.4.3 Executive remuneration

The key management personnel of the Company are Sam Chandler (CEO) and Kathy Miller (CFO). Their employment arrangements, along with those of Rich Wenzel (Senior Vice President of Tax and Treasury and an Executive Director) are set out in Figures 42, 43 and 44.

FIGURE 42: CHIEF EXECUTIVE OFFICER REMUNERATION DETAILS

Term	Description
Employer	• Nitro Software, Incorporated
Fixed annual remuneration	• $300,000
Short-term incentive	• $200,000
Long-term incentive	• 968,814 Options (on terms as set out in Section 6.4.8 below). • 3,159,900 vested options with an exercise price of A$0.204 granted under the Historical LTIP described in Section 6.4.10. • 1,586,421 vested options with an exercise price of $0.308 granted under the Historical LTIP described in Section 6.4.10.[2]
Other benefits	• Mr Chandler is entitled to participate in the Company's employee benefit plans, that among other benefits (such as paid leave and paid holidays), provide medical, dental and vision insurance coverage, for which the Company currently pays 100% of the premiums for employees and 70% of the cost of coverage for employee family members. Mr Chandler also receives an annual allowance of $5,000 to be used towards air fares for personal trips between his home country and the United States; $10,000 per annum for the cost of maintaining his global pension fund; and up to $3,000 for the preparation and filing of his personal income tax return.

1. Excludes any Shares acquired under the Offer.
2. Including 297,450 options that vested on an accelerated basis upon Completion.

Term	Description
Notice period, termination and termination payments	• Either Mr Chandler or the Company may terminate the employment relationship at any time, with or without Cause or advance notice. Notwithstanding Mr Chandler's at-will employment, Mr Chandler agrees to give the Company six (6) months' advance written notice in the event of his resignation of employment from the Company. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Nitro may terminate Sam's employment contract immediately by notice in writing and without payment in lieu of notice. In the event Mr Chandler's employment with the Company is terminated by the Company without cause or by Mr Chandler for good reason, as defined in his employment agreement, he will be entitled to severance benefits in the amount of the equivalent of six (6) months of his base salary. • All payments on termination will be subject to the termination benefits cap under the Corporations Act. The shareholders of the Company have approved the provision of benefits on cessation of employment to Mr Chandler as summarised in this Section.
Non-solicitation/restrictions of future activities	• There are no non-solicitation or non-compete obligations under Mr Chandler's employment agreement, as such obligations are not enforceable under Californian law.

FIGURE 43: CHIEF FINANCIAL OFFICER REMUNERATION DETAILS

Term	Description
Employer	• Nitro Software, Incorporated
Fixed annual remuneration	• $350,000
Short-term incentive	• $150,000 plus a one-time IPO cash bonus of $75,000
Long-term incentive	• 322,938 Options (on terms as set out in Section 6.4.8 below). • 1,032,291 vested options with an exercise price of $0.385 granted under the Historical LTIP described in Section 6.4.10.[3] • 722,291 unvested options with an exercise price of $0.385 granted under the Historical LTIP described in Section 6.4.10, of which 1/4th will vest in January 2020 and the remainder will vest in 1/48th increments each month for the three years thereafter provided Ms Miller remains an employee of the Company. 20% of these unvested options will be subject to additional performance hurdles agreed with the Board from time to time. • The Company has agreed that all unvested options under the Historical LTIP will vest immediately if Ms Miller is terminated other than for cause, or resigns for good reason, in the 12 months following Completion.
Other benefits	• Ms Miller is entitled to participate in the Company's employee benefit plans that among other benefits (such as paid leave and paid holidays) provide medical, dental and vision insurance coverage, for which the Company currently pays 100% of the premiums for employees and 70% of the cost of coverage for employees' family members.

3. Including 722,291 options that vested on an accelerated basis upon Completion.

Term	Description
Notice period, termination and termination payments	• Either Ms Miller or the Company may terminate the employment relationship at any time, with or without Cause or advance notice. Notwithstanding Ms Miller's at-will employment, Ms Miller agrees to give the Company six (6) months' advance written notice in the event of her resignation of employment from the Company. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Nitro may terminate Ms Miller's employment contract immediately by notice in writing and without payment in lieu of notice. In the event Ms Miller's employment with the Company is terminated by the Company without cause or by Ms Miller for good reason, as defined in her employment agreement, she will be entitled to severance benefits in the amount of the equivalent of six (6) months of her base salary. • All payments on termination will be subject to the termination benefits cap under the Corporations Act. The shareholders of the Company have approved the provision of benefits on cessation of employment to Ms Miller as summarised in this Section.
Non-solicitation/restrictions of future activities	• There are no non-solicitation or non-compete obligations under Ms Miller's employment agreement, as such obligations are not enforceable under Californian law.

FIGURE 44: SENIOR VICE PRESIDENT, TAX AND TREASURY REMUNERATION DETAILS

Term	Description
Employer	• Nitro Software, Incorporated
Fixed annual remuneration	• $225,000
Short-term incentive	• $50,000 plus a one-time IPO cash bonus of $5,000
Long-term incentive	• 161,469 Options (on terms as set out in Section 6.4.8 below).
Other benefits	• Mr Wenzel is entitled to participate in the Company's employee benefit plans that among other benefits (such as paid leave and paid holidays) provide medical, dental and vision insurance coverage, for which the Company currently pays 100% of the premiums for employees and 70% of the cost of coverage for employees' family members. Mr Wenzel also receives an annual allowance of $5,000 to be used towards air fares for personal trips between his home country and the United States; $10,000 per annum for the cost of maintaining his global pension fund; and up to $3,000 for the preparation and filing of his personal income tax return.
Notice period, termination and termination payments	• Either Mr Wenzel or the Company may terminate the employment relationship at any time, with or without Cause or advance notice. Notwithstanding Mr Wenzel's at-will employment, Mr Wenzel agrees to give the Company three (3) months' advance written notice in the event of his resignation of employment from the Company. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Nitro may terminate Mr Wenzel's employment contract immediately by notice in writing and without payment in lieu of notice. In the event Mr Wenzel's employment with the Company is terminated by the Company without cause or by Mr Wenzel for good reason, as defined in his employment agreement, he will be entitled to severance benefits in the amount of the equivalent of three (3) months of his base salary.
Non-solicitation/restrictions of future activities	• There are no non-solicitation or non-compete obligations under Mr Wenzel's employment agreement, as such obligations are not enforceable under Californian law.

6.4.4 Non-Executive remuneration

Under the Company's Constitution, the Directors decide the total amount paid to each Non-Executive Director as remuneration for their services as a Director of the Company. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. The current amount approved by shareholders is $1,000,000 per annum. Any increase in the aggregate amount needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate. Directors may also be reimbursed for expenses properly incurred by the Directors in connection with the affairs of the Company including travel and other expenses in attending to the Company's affairs. The Directors' fees do not include a commission on, or a percentage of, profits or income.

If a Director renders or is called on to perform extra services or to make any special exertions in connection with the affairs of the Company, the Directors may arrange for special remuneration to be paid to that Director, either in addition to or in substitution for that Director's remuneration set out below. There are no contractual redundancy or retirement benefit schemes for Non-Executive Directors, other than statutory superannuation contributions.

The annual Directors' fees currently agreed to be paid by the Company are $126,000 to the Chairman of the Board and $57,600, inclusive of superannuation where applicable, to each of the other Non-Executive Directors.

In addition, the following annual fees, inclusive of superannuation, where applicable, are payable to Directors for their involvement in Board Committees:

FIGURE 45: BOARD COMMITTEE FEE SUMMARY

Committee	Chair	Member
Audit and Risk Management Committee	$10,800	$3,600
Remuneration and Nomination Committee	$10,800	$3,600

6.4.5 Employee incentive plans

Nitro has established various incentive arrangements to assist in the attraction, motivation and retention of management and employees of Nitro as set out below.

Briefly, the Board has determined that to align the interests of Nitro's executive team and the goals of Nitro, the remuneration packages of the CEO and the other senior executives of Nitro should comprise the following components:

- fixed annual cash reward (inclusive of superannuation and fringe benefits);
- cash-based short-term incentives; and
- equity-based long-term incentives.

Payment of cash under the short-term incentives and the award of equity under long-term incentives will be subject to the achievement of performance criteria or hurdles set by the Board.

The remuneration packages of the CEO, Executive Directors and other members of senior management are determined by the Remuneration and Nomination Committee and reported to the Board. At the absolute discretion of the Remuneration and Nomination Committee, Nitro may seek external advice on the appropriate level and structure of the remuneration packages of the executive team from time to time.

6.4.6 Short-term incentive plan

The CEO and other senior management of Nitro are eligible to participate in Nitro's short-term incentive plan ("**STIP**").

The Board has determined that Nitro's current remuneration policy for its eligible employees includes an annual incentive program, payments under which are subject to satisfaction of performance criteria set by the Board each year. Participants in the STIP have a target annual bonus in the form of a cash payment. Actual short-term incentive payments in any given year may be below, at or above that target depending on the achievement of financial and non-financial criteria as set by the Board, in accordance with the terms of the STIP, which may be varied from time to time by the Board. Payment of short-term incentives in any given year is conditional upon achievement of:

- individual performance criteria tailored to each respective role (if any); and
- Nitro's financial performance (which includes total revenue and EBTIDA targets) against criteria set by the Board.

Short-term incentives payable for FY2019 and FY2020 have to meet an EBITDA hurdle, and no award of short-term incentive will be payable below the target EBITDA level (unless the Board exercises its discretion otherwise). Performance between the minimum and maximum total revenue target levels will be rewarded on a pro-rata straight-line basis. The underlying level of performance required to be achieved for each award level will be assessed against financial and non-financial key performance indicators ("**KPIs**") determined by the Board. These KPIs will include performance against financial measures and non-financial measures.

At least 80% and up to 100% of an annual incentive payment will be assessed by financial measures and quantitative KPIs. The financial measures and indicators used under the STIP may reference Nitro's revenue and EBITDA performance, or a combination of these measures, as agreed by the Board. Up to 20% of an annual incentive payment will be assessed having regard to non-financial measures, being key performance indicators determined annually by the Board. These measures are tested annually after the end of the relevant financial year.

Where available, payments under the STIP will be made at the end of the month following the completion of the filing of the Company's annual audit and report to the Board, but in no event later than 15 March of the year following the applicable STIP period.

Awards will also be subject to claw back for any material financial misstatements in relation to Nitro's performance for the relevant period which are subsequently revealed.

6.4.7 Long-term incentive plan

As part of the Listing process, Nitro has adopted a long-term incentive plan ("**LTIP**") governed by an omnibus equity incentive plan for employees (including Executive Directors) ("**Omnibus Plan**") to assist in the motivation, retention and reward of certain senior executives. Participants in the United States are governed by the Sub-Plan to the Omnibus Plan ("**U.S. Sub-Plan**"). The purpose of the U.S. Sub-Plan is to facilitate compliance with U.S. tax, securities and other applicable laws and to permit the Company to issue Options to eligible participants in the United States. The LTIP is designed to align the interests of senior executives more closely with the interests of Shareholders by providing an opportunity for senior executives to receive an equity interest in Nitro through the granting of Options or Rights. The vesting of the Options or Rights is subject to satisfaction of certain performance conditions.

Nitro may offer additional incentive schemes to management and employees over time. It is intended that future grants under the LTIP be made annually and that these will vest three years from grant, subject to satisfaction of any share vesting conditions, Options vesting conditions or Rights vesting conditions (as applicable) set by the Board. However, there is no obligation on the Company or the Board to make any further grants.

The key terms of the LTIP are as follows in Figure 46.

FIGURE 46: LTIP SUMMARY

Topic	Summary
Administration	The LTIP is administered by the Board.
Eligibility	Eligibility to participate in the LTIP, and the number of Options or Rights offered to each eligible employee, will be determined by the Board.
Grants	Under the rules of the LTIP, Options and or Rights may be offered and granted to eligible employees of Nitro from time to time, subject to the absolute discretion of the Board. The Company currently intends to make offers of Options on or shortly after Listing only to the CEO, COO, CFO and two other senior executives of the Company. The Company intends that the maximum notional value of the Options offered to each senior executive will be 50% of their respective total fixed remuneration.
Terms and conditions	The Board has the absolute discretion to set the terms and conditions (including conditions in relation to vesting, cash settlement, disposal restrictions or forfeiture and any applicable exercise price) on which it will offer and grant Options or Rights under the LTIP and may set different terms and conditions which apply to different participants in the LTIP. The Board will determine the procedure for offering and granting Options or Rights (including the form, terms and content of any offer or invitation or acceptance procedure) in accordance with the rules of the LTIP.

Topic	Summary
Vesting conditions and performance period	Options and Rights will vest (and, in the case of Options, become exercisable) if and to the extent that any applicable performance, service and other vesting conditions specified at the time of the grant are satisfied (collectively, the "**Performance Criteria**") and the Options or Rights have not been forfeited. Performance Criteria may include conditions relating to continuation of employment or service, the performance of Nitro and or the exercise price (if any) being less than the current market price of the underlying Share as at vesting. Typically, the Performance Criteria must be satisfied by reference to a predetermined performance period. Both the Performance Criteria and the performance period are set by the Board in its absolute discretion. The Board has set the performance period for the first grant of Options to senior executives as the period from 1 January 2020 to 31 December 2021. Thereafter, the Board currently intends that subsequent offers of Options or Rights will have a performance period of three years commencing on 1 January of the relevant year in which an offer or grant is made under the LTIP.
Ranking of Shares	Shares allocated on exercise of Options or conversion of Rights granted under the LTIP will rank equally with the other issued Shares and carry the same rights and entitlements, including dividend and voting rights.
Voting and dividend rights of Options and Rights	Options and Rights will not carry any voting rights. The Board may determine whether a holder of Options of Rights is entitled to dividends. Shares issued or transferred to participants on exercise of an Option or conversion of a Right will carry the same rights and entitlements as other issued Shares, including voting and dividend rights.
New issues	Options do not confer on a participant the right to participate in new issues of Shares or other securities in Nitro, including by way of bonus issues, rights issues or otherwise.
Options	Each Option confers on its holder the entitlement to acquire one Share (by way of issue or transfer) at the exercise price (if any) upon the exercise of the Option.
Rights	Each Right confers on its holder the entitlement to receive one Share (by way of issue or transfer) at the exercise price (if any) upon the exercise of the Right.
Exercise of Options or Rights	A participant may exercise Options in respect of which the Board has given a vesting notice and which have not expired or been forfeited. To exercise an Option, the participant must lodge with Nitro a notice of exercise and comply with any requirements under the rules of the LTIP or as specified by the Board.
Expiry of Options or Rights	Options or Rights which have not been exercised or converted, respectively, will expire if the applicable vesting conditions and any other conditions are not met during the prescribed performance period or other relevant time or, in the case of Options, if they are not exercised before the applicable last exercise date. The Board currently intends that the last exercise date for Options will be the date that is 10 years after the end of the applicable performance period, unless the recipient ceases to be an employee of the Company for any reason (in which case the Options will expire 90 days after the employment ceases). In addition, the Board may determine that Options and Rights will lapse if the participant deals with the Options and Rights in breach of the rules of the LTIP or, in the opinion of the Directors, the participant has acted fraudulently or dishonestly or materially breached their obligations to the Company.
Claw back	If the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested Options or vested Rights were not satisfied, then the Board may elect to claw back the benefit of that vesting.
Issue or acquisition of Shares	Generally, Shares to be allocated to participants upon the exercise of Options, or the conversion of Rights, may be issued by Nitro or acquired on-market or off-market by Nitro or its nominee. Nitro may appoint a trustee to acquire and hold those Shares on behalf of participants.

Topic	Summary
Capital limit	Subject to the rules of the LTIP, the Board must not offer Options or Rights if their grant would breach the capital limit set out in ASIC Class Order 03/184 in relation to employee share schemes ("**Class Order**") or contravene the Corporations Act, ASX Listing Rules or instruments of relief issued by ASIC from time to time. To the extent the Class Order is replaced by a new Class Order at a future date, the Company will ensure that any future offers of Options or Rights are in compliance with any capital limit prescribed under the new Class Order.
Trustee	Nitro may appoint a trustee for the purpose of administering the LTIP, including to acquire and hold Shares, or other securities of the Company, on behalf of participants or otherwise for the purposes of the LTIP.
Quotation	Options and Rights will not be quoted on the ASX. Nitro will apply for official quotation of any Shares issued under the LTIP in accordance with the ASX Listing Rules and having regard to any disposal restrictions in place under the LTIP.
Options exercise price	The Board may in its absolute discretion determine that a participant is required to pay an exercise price to exercise the Options offered and granted to that participant. No amount will be payable by a participant to acquire Shares on conversion of vested Rights.
Approval	Grants of Options or Rights under the LTIP to an Executive Director may be subject to the approval of Shareholders, to the extent required under the ASX Listing Rules.
No hedging or transfer	Without the prior approval of the Board, unvested or unexercised Options or Rights which have not been exercised may not be sold, transferred, encumbered or otherwise dealt with. Further, if restricted by applicable law, participants may not enter into any transaction, scheme or arrangement which hedges or otherwise affects the participant's economic exposure to the Options or Rights before they vest.
Amendments	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the LTIP. This includes varying the number of Options or Rights or the number of Shares to which a participant is entitled, or the exercise price to be paid in respect of an Option, upon a reorganisation of the capital of Nitro.
Cessation of employment	The LTIP contains provisions concerning the treatment of vested and unvested Options or Rights in the event a participant ceases employment.
Takeovers	In relation to takeover bids made for Shares, schemes of arrangement in relation to the Company or other change in control transactions in relation to the Company that occur, all or a part of the participant's unvested Options or Rights will become vested. In such circumstances, the Company must promptly notify each participant in writing that they may, within the period specified in the notice, exercise vested Options or Rights.
Costs and administration	Generally, Nitro must bear any costs incurred in the administration of the LTIP.
Other terms	The LTIP contains other terms relating to the administration, variation, suspension and termination of the LTIP.

6.4.8 Offer to Directors and key management personnel under the LTIP

Sam Chandler (CEO), Kathy Miller (CFO) and Rich Wenzel (Senior Vice President of Tax and Treasury) will be granted Options under the LTIP on terms generally described above in Section 6.4.7, and as outlined in Figures 47 and 48.

FIGURE 47: DIRECTOR AND KEY MANAGEMENT PERSONNEL LTIP GRANT

Key management personnel	Total number of Options granted on Completion	Number of Options vesting on satisfaction of each vesting condition
Sam Chandler (CEO)	968,814	319,716 Options vesting at Completion 324,549 FY2020 Options 324,549 FY2021 Options
Kathy Miller (CFO)	322,938	106,578 Options vesting at Completion 108,180 FY2020 Options 108,180 FY2021 Options
Richard Wenzel (Senior Vice President, Tax and Treasury)	161,469	53,289 Options vesting at Completion 54,090 FY2020 Options 54,090 FY2021 Options

FIGURE 48: LTIP SUMMARY

Topic	Summary
Grant date	Upon listing
Consideration for grant	Nil
Performance period	1 January 2019 to 31 December 2021, inclusive.
Last exercise date	11 December 2029
Vesting conditions	33% of the Options will have no vesting conditions and will be immediately exercisable on Completion. 33.5% of the Options granted (“**FY2020 Options**”) will vest subject to a revenue performance hurdle with two prongs: • none of the FY2020 Options will vest unless the Company’s revenue for the period ending 31 December 2019 (as shown in the Company’s audited financial statements, with such amendments as determined by the Board in its absolute discretion) is equal to or exceeds the forecast revenue for that of the same period in this Prospectus; and • subject to the foregoing, the proportion of FY2020 Options that will vest will be determined by reference to the Company’s revenue for the period ending 31 December 2020 (as shown in the Company’s audited financial statements, with such amendments as determined by the Board in its absolute discretion) relative to the forecast revenue for that of the same period in this Prospectus. The proportions will be as follows: – below the 100th percentile – 0%; – up to and including the 100th percentile – 50%; – greater than the 100th percentile but less than the 120th percentile – 50% to 100% of the FY2020 Options will vest on a pro-rata straight-line basis; and – equal to or greater than the 120th percentile – 100% of the FY2020 Options will vest. The remaining 33.5% (“**FY2021 Options**”) will vest subject to the revenue performance hurdle over the performance period determined by reference to the Company’s revenue for the period ending 31 December 2021 (as shown in the Company’s audited financial statements, with such amendments as determined by the Board in its absolute discretion) relative to the revenue for that of the same period in the budget determined by the Board. The proportions will be as follows: • below the 100th percentile – 0%; • up to and including the 100th percentile – 50%; • greater than the 100th percentile but less than the 120th percentile – 50% to 100% of the FY2021 Options will vest on a pro-rata straight-line basis; and • equal to or greater than the 120th percentile – 100% of the FY2021 Options will vest. Any FY2020 Options or FY2021 Options that do not vest on the relevant vesting date will lapse.

6.4.9 Offer to other senior executives under the LTIP

In addition to the grant of Options to the CEO, CFO and Senior Vice President, Tax and Treasury described above in Section 6.4.8, Nitro intends to offer the COO and one other senior executive the opportunity to participate in the LTIP on the same terms (including the same vesting conditions and proportions) generally described above set out in Section 6.4.8. An aggregate of 565,137 Options will be granted to these executives on or around Completion (being 186,507 Options with no vesting conditions, 189,315 FY2020 Options and 189,315 FY2021 Options).

6.4.10 Legacy equity incentive arrangements

The Company previously adopted:

- an employee share option plan ("**Historical ESOP**"); and
- an employee share plan ("**Historical ESP**"),

(collectively, the "**Historical LTIPs**"). The purpose of the Historical LTIPs was to attract and retain persons of ability to perform services for the Company through equity participation in the Company and to reward individuals who contribute to the Company's achievement of its economic objectives. The Historical LTIPs are administered by the Board.

The Historical LTIPs are the predecessors to the LTIP, with the Company ceasing to grant new awards under the Historical LTIPs in March 2019. Options and shares previously granted under the Historical LTIPs will continue to be governed by the terms of the Historical LTIPs. The terms of the Historical LTIPs have been amended to comply with the ASX Listing Rules.

As at the date of this Prospectus, there are 14,975,679 awards currently issued and outstanding under the Historical LTIPs (316,800 restricted stock units ("**RSUs**") under the Historical ESP and 14,658,879 options under the Historical ESOP). Of these outstanding awards, 116,381 of the Historical ESP RSUs have vested and 200,419 have not yet vested, 11,719,251 Historical ESOP options have vested and 2,939,628 have not yet vested.[1]

Pursuant to the Historical LTIPs but subject to the ASX Listing Rules, in the event of a reorganisation, merger, consolidation, recapitalisation, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture, extraordinary dividend or other change in the Company's capitalisation, the Board may make appropriate adjustments to the options in order to prevent dilution or enlargement of the rights of holders, the number and kind of securities or other property (including cash) subject to, and the exercise price of, outstanding options or shares.

At the discretion of the Board, some or all of the outstanding awards issued under the Historical LTIPs may become immediately exercisable in full if a change of control of the Company occurs and certain other conditions apply.

A table summarising the grant date, exercise price, expiry date and total number of outstanding options granted under the Historical LTIPs as at Completion is as follows in Figure 49.

FIGURE 49: HISTORICAL LTIP SUMMARY

Grant date	Total number of awards on issue[1]	Total number of unvested awards[1]	Total number of vested awards[1]	Exercise price	Expiry date
Historical ESOP (options)					
25 November 2011	4,905,900	–	4,905,900	AUD 0.204	25 November 2021
2 December 2011	1,481,040	–	1,481,040	AUD 0.204	25 November 2021
24 August 2012	54,000	–	54,000	AUD 0.222	30 August 2022
30 November 2013	90,000	–	139,500	AUD 0.246	30 November 2023
12 May 2014	863,190	–	863,190	AUD 0.413	4 May 2024
28 February 2015	108,000	–	126,000	USD 0.298	27 February 2025
10 August 2015	117,000	–	198,000	USD 0.308	9 August 2025
29 November 2015	184,500	–	184,500	USD 0.308	28 November 2025
28 February 2016	1,586,421	–	1,586,421[2]	USD 0.308	28 November 2025
1 May 2017	838,521	237,843	600,678	USD 0.345	30 April 2027
1 January 2018	1,434,186	686,232	747,954[3]	USD 0.372	31 December 2027
25 July 2018	248,529	135,426	113,103	USD 0.372	24 July 2028
25 March 2019	2,747,592	1,880,127	867,465[4]	USD 0.385	24 March 2029

Grant date	Total number of awards on issue[1]	Total number of unvested awards[1]	Total number of vested awards[1]	Exercise price	Expiry date
Historical ESP (RSUs)					
28 February 2015	18,000	–	18,000	USD 0.298	N/A
1 January 2018	4,500	2,344	2,156	USD 0.372	N/A
25 July 2018	271,800	175,575	96,225	USD 0.372	N/A
25 March 2019	22,500	22,500	–	USD 0.385	N/A

Notes:
1. Options have a time-based vesting schedule based on the length of service with Nitro, subject to remaining employed by Nitro. As such, the numbers of vested and unvested options described above are accurate as at 12 December 2019 (assuming all optionholders as at the Prospectus Date remain employed by Nitro) but will change in accordance with the applicable vesting schedule or cessation of employment of optionholders.
2. Includes 99,153 options that will vest automatically on Completion.
3. Includes 43,947 options that will vest automatically on Completion.
4. Includes 1,032,291 options that will vest automatically on Completion.

6.4.11 Defined contribution plans

The Company has in place a defined contribution retirement savings plan under Section 401(k) of the U.S. Internal Revenue Code ("**401(k) Plan**"). The 401(k) Plan is open to all U.S. employees of the Company (including Mr Chandler, Ms Miller and Mr Wenzel) and allows participants to contribute their pre-tax income to the plan up to the maximum annual amounts allowed under the U.S. Internal Revenue Code.

The Company's Irish subsidiary is the principal (sponsoring) employer of a defined contribution scheme, Nitro Software EMEA Ltd Group Retirement Plan.

6.4.12 Related party agreements

Other than as disclosed in this Prospectus, Nitro is not party to any material related party arrangements.

6.4.13 Corporate governance

This Section 6.4.13 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget).

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at ir.gonitro.com/investors.

6.4.14 The Board of Directors

The Board of Directors is comprised of:

- Kurt Johnson – Chairman, Independent Non-Executive Director;
- Sam Chandler – Executive Director;
- Richard Wenzel – Executive Director;
- Andrew Barlow – Independent Non-Executive Director;
- John Dyson – Non-Executive Director;
- Michael Brown – Non-Executive Director;
- Sarah Morgan – Independent Non-Executive Director; and
- Lisa Hennessy – Independent Non-Executive Director.

Biographies of the Board members are provided in Section 6.1.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director without constraint from other commitments.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its securityholders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that each of Kurt Johnson, Andrew Barlow, Sarah Morgan and Lisa Hennessy is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfill the role of independent Director for the purpose of the ASX Recommendations.

Sam Chandler, Richard Wenzel, John Dyson and Michael Brown are currently considered by the Board not to be independent. Mr Chandler and Mr Wenzel are each an Executive Director and one of the co-founders of the Company. Mr Dyson and Mr Brown are not considered independent as they are nominee Directors of Starfish Ventures and Battery Ventures, respectively, who are each substantial holders of Shares.

There will therefore be at Listing an equal number of Directors who are considered non-independent as there are Directors who are considered independent. Accordingly, as at Listing, the Board will not consist of a majority of independent Directors contrary to the ASX Recommendations.

The Board considers that this composition is appropriate given the Shareholding structure (in which a substantial number of Shares on issue will be held by the major Existing Shareholders) as well as the value that the Board obtains from having input on operational and strategic matters from one of the Company's founders and nominees of Starfish Ventures and Battery Ventures. The Board intends to evolve over time to have a majority of independent Directors.

6.4.14.1 Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

6.4.14.2 Board Committees

The Board may from time to time establish appropriate Committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee and a Nomination and Remuneration Committee.

Other Committees may be established by the Board as and when required. Membership of Board Committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

(i) Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's financial reporting, internal control structure, risk management systems and internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Company will comply with the recommendations set out by the ASX Corporate Governance Council in relation to the composition and operation of the Committee. The Committee will comprise Sarah Morgan (Chair), Lisa Hennessy, Andy Barlow and Kurt Johnson.

(ii) Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's nomination and remuneration policies and practices.

This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior executives. The Nomination and Remuneration Committee is also responsible for administering short-term and long-term incentive plans (including any equity plans). In addition, the Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its Committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Company will comply with the recommendations set out by the Listing Rules and the ASX Corporate Governance Council in relation to the composition and operation of the Committee. The Committee will comprise Lisa Hennessy (Chair), Sarah Morgan, John Dyson and Kurt Johnson.

6.4.15 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

6.4.15.1 Disclosure policy

Once listed on ASX, Nitro will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Nitro will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of Nitro's Shares were that information to be generally available. Nitro is committed to observing its disclosure obligations. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX, and continuous disclosure announcements will be made available on the Company website, ir.gonitro.com/investors.

6.4.15.2 Shareholder communication policy

The Board's aim is to ensure that Shareholders are informed in a timely and readily accessible manner of all major developments affecting the state of affairs of Nitro. Information will be communicated to Shareholders through the lodgement of information with ASX as required by Nitro's continuous disclosure obligations and publishing information on Nitro's website at ir.gonitro.com/investors. The website will contain information about Nitro, including periodic releases, key policies, the terms of reference of Board committees and other information relevant to Shareholders. All announcements made to the market and any other relevant information will be posted on the website following release to ASX.

6.4.15.3 Securities trading policy

Nitro has adopted a securities trading policy which will apply to Nitro's Directors, senior management and any other person designated by the Board from time to time. This policy is designed to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and to establish procedures in relation to such persons' dealing in the Shares.

Subject to certain exceptions, the securities trading policy defines certain "blackout periods" during which trading in Shares by Nitro's Directors, officers, employees, contractors and people close to them is prohibited.

6.4.15.4 Code of conduct

In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information in a manner contrary to the Corporations Act. The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a code of conduct which sets out the standards of ethical behaviour that Nitro expects from its Directors, officers and employees. Nitro will carry on business honestly and fairly, acting only in ways that reflect well on Nitro in strict compliance with all laws and regulations.

6.4.15.5 Diversity policy

The workforce of Nitro is made up of individuals with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected. The Diversity policy aims to align Nitro's business operations with the positive outcomes that can be achieved through a diverse workforce that recognises and utilises the contribution of diverse skills and talents amongst its Board, management and employees.

6.4.15.6 Privacy policy

Nitro is committed to protecting the safety and security of its registered users of its solutions and is sensitive to their concerns about the safety of their personal information provided to the Nitro Group. The privacy policy details how any personal information collected by the Nitro Group is used and is available on Nitro's website at gonitro.com.

6.4.15.7 Whistleblower policy

Nitro has adopted a whistleblower policy to encourage its employees, suppliers, contractors, customers, tenderers and other persons who have business dealings with Nitro to raise any concerns and report instances of unethical, illegal, socially irresponsible or fraudulent conduct, where there are reasonable grounds to suspect such conduct, without fear of intimidation, disadvantage or reprisal. The whistleblower policy sets out Nitro's commitment to investigating all matters reported in an objective and fair manner as soon as possible after the matter has been reported. The Board will be informed of any material concerns raised under the whistleblower policy that call into question the culture of Nitro.

6.4.15.8 Anti-bribery and corruption policy

Nitro is committed to operating in a manner consistent with the laws and regulations of the jurisdictions in which its businesses operate, including those relating to bribery and corruption. Accordingly, the Board has adopted an anti-bribery and corruption policy which sets out the responsibilities of Nitro and its employees or other personnel or representatives in observing and upholding the prohibition on bribery and related improper conduct and provides information and guidance on how to recognise and deal with instances of bribery and corruption. The Board will be informed of any material breaches of the anti-bribery and corruption policy.

SECTION 7

Details of the Offer

7.1 Description of the Offer

This Prospectus relates to an initial public offering of new Shares by the Company and the sale of existing Shares by SaleCo at an Offer Price of A$1.72 per Share. A total of 64.1 million Shares will be available under the Offer. These Shares will be available for investors under the Broker Firm Offer, the Institutional Offer and the Priority Offer.

The Shares offered under this Prospectus will represent approximately 33.9% of the Shares on issue at completion of the Offer. The Offer is expected to raise approximately $45.0 million from the issue of New Shares by the Company and for the Company's benefit.

The total number of Shares on issue at Completion will be 188.9 million and all Shares will, once issued, rank equally with each other.

The Shares held by certain of the Existing Shareholders will be subject to escrow arrangements described in Section 9.10 of this Prospectus.

The Offer has been fully underwritten by the Underwriter. A summary of the Underwriting Agreement including the events which would entitle the Underwriter to terminate the Underwriting Agreement is set out in Section 9.5.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises the following components:

- the **Broker Firm Offer**, which is an offer to Australian resident retail clients of Brokers who have received a firm allocation of Shares from their Broker (see Section 7.3);
- the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus (see Section 7.7); and
- the **Priority Offer**, which is open to selected investors in Australia nominated by the Company (see Section 7.4).

No general public offer of Shares will be made under the Offer. The allocation of Shares between the Broker Firm Offer, the Institutional Offer and the Priority Offer will be determined by agreement between Nitro and the Lead Manager, having regard to the allocation policies outlined in Section 7.3.4 and Section 7.7.2.

7.1.2 Purpose of the Offer

The purpose of the Offer is to:

- provide funding and financial flexibility to support the Company's growth strategy and future growth opportunities;
- repay, in part, existing indebtedness;
- allow Existing Shareholders to realise part of their investment in Nitro;
- broaden Nitro's shareholder base and provide a liquid market for Shares;
- provide Nitro with the benefits of an increased brand profile that arises from being a publicly listed entity; and
- pay transaction costs.

Nitro will apply the cash it receives arising from the Offer to achieve the above objectives, including forecast expenditure in FY2020 of $4.5 million in cost of sales, $21.3 million in sales and marketing spend, $10.3 million in research and development and $9.7 million in general and administrative costs. Nitro will continue to assess opportunities to strengthen its product offerings, including potentially funding acquisitions. The primary areas of focus for the Company are:

- expansion within existing customers;
- winning new enterprise customers;
- expanding revenue contribution from larger enterprise customers;
- continued investment in product development; and
- the potential acquisition of companies or assets to accelerate customer acquisition or product development.

7.1.3 Sources and uses of funds

The proceeds of the Offer received by the Company will be applied as described in Figure 50. The Offer is expected to raise gross proceeds of approximately $45.0 million. The proceeds of the Offer received by SaleCo in respect of the sale of Shares by it will be paid to SaleCo and paid by SaleCo to the Selling Shareholders.

FIGURE 50: SOURCES AND USES OF FUNDS

Sources of funds	$ million	Uses of funds	$ million
Nitro			
Cash proceeds received by Nitro	45.0	Transaction costs[1]	6.9
		Debt repayment	3.2
		Cash received by Nitro from the Offer to be used for the execution of the Company's business objectives (such as cost of sales, marketing spend, research and development, and general and administrative costs) and potential acquisition opportunities as outlined above	34.9
SaleCo[2]			
Cash proceeds received by SaleCo from the sale of Existing Shares by SaleCo	30.4	Payments to Selling Shareholders	30.4
Total sources	**75.4**	**Total uses**	**75.4**

Notes:

1. Transaction costs includes the fees payable to advisers as referred to in Sections 6.4.1 and 9.5, as well as other costs such as registry fees, ASX listing fees and other adviser fees.
2. Assumes an exchange rate of A$1.00 = US$0.685.

The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as circumstances require.

7.1.4 Pro forma historical statement of financial position

The Company's Pro Forma Historical Statement of Financial Position following Completion, including details of the pro forma adjustments, is set out in Section 4.5.

7.1.5 Capitalisation and indebtedness

The Company's capitalisation and indebtedness as of 30 June 2019, before and following Completion, are set out in Sections 4.5 and 4.6.

7.1.6 Shareholding structure of Nitro

The Company's ownership structure on the Prospectus Date and following Completion of the Offer is set out in Figure 51 below. This Figure does not include any additional Shares that may be acquired under the Offer.

FIGURE 51: OWNERSHIP STRUCTURE

	Prospectus Date		Completion	
Shareholder[1,2]	Shares	%	Shares	%
Starfish Technology Fund II LP	32,081,373	21.3%	26,076,463	13.8%
Battery Ventures	27,440,649	18.2%	24,872,515	13.2%
Richard Wenzel	11,872,440	7.9%	9,650,188	5.1%
Regal Emerging Companies Fund[3,4]	10,915,761	7.2%	10,915,761	5.8%
Sam Chandler	9,191,880	6.1%	9,191,880	4.9%
Other existing Shareholders[4,5]	59,170,089	39.3%	44,121,409	23.4%
New Shareholders	–	–	64,093,670	33.9%
Total	**150,672,192**	**100.0%**	**188,921,886[6]**	**100.0%**

Notes:
1. Shareholders may hold their interests in Shares directly, or through entities associated with them (e.g. through holdings by companies or trusts).
2. Refer also to Section 6.4 for further information on interests and benefits (including Directors' interests in Shares).
3. This includes 2,519,733 Shares that will be issued prior to Completion on conversion of Convertible Notes.
4. The exact number of Shares is determined in part by the currency exchange rate determined in accordance with the terms of those Convertible Notes and Warrants. As a result of the exchange rate of A$1.00 = US$0.685 is assumed for the purposes of calculating the total number of Shares resulting from conversion of the Convertible Notes and Warrants and may differ from the actual exchange rate that applies.
5. This includes 2,784,966 Shares that will be issued prior to Completion on conversion of Convertible Notes and 20,877 Shares that will be issued prior to Completion on exercise of Warrants.
6. The total Shares on Completion includes 5,304,699 Shares issued as a result of instruments convertible into Shares on or prior to Completion. The exact number of Shares is determined in part by the currency exchange rate determined in accordance with the terms of those instruments. As a result, the exchange rate of A$1.00 = US$0.685 assumed for purposes of calculating the total number of Shares resulting from the conversion of those convertible instruments may differ from the actual exchange rate that applies.

The Share numbers presented in Figure 51 have been rounded up. This also excludes any Shares that may be acquired by Directors (or their associated entities), key management or other employees under the Offer. At Completion, 95.1 million of the Shares will be subject to voluntary escrow arrangements (i.e. in the opinion of the Company, the free float of Shares at the time of Listing on the Official List will be no less than 20% of Shares on issue at that time). See Section 9.10 for further information.

7.1.7 Control implications of the Offer

The Directors do not expect any single Shareholder to control the Company on completion (based on the definition of "control" in Section 50AA of the Corporations Act).

7.1.8 Potential effect of the Offer on the future of Nitro

The Directors believe that on Completion, Nitro will have sufficient working capital from the funds raised from the Offer and its operations to carry out its stated objectives in this Prospectus.

7.2 Terms and conditions of the Offer

FIGURE 52: TERMS AND CONDITIONS OF THE OFFER

What is the type of security being offered?	Shares (being fully paid ordinary shares in the issued capital of Nitro.
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.11.
What is the consideration payable for the Shares?	Successful applicants under the Offer will pay the Offer Price, being A$1.72 per Share.
What is the Offer period?	The Broker Firm Offer will open at 9.00am (Melbourne, Australia time) on Tuesday, 26 November 2019 and will close at 5.00pm (Melbourne time) on Friday, 6 December 2019. The key dates, including details of the Offer Period, are set out on page 4 of this Prospectus. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Melbourne, Australia time. The Company and SaleCo, in consultation with the Lead Manager, reserve the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. No Shares will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised under the Offer?	Approximately A$110.2 million will be raised if the Offer proceeds (comprising A$65.8 million from the issue of New Shares by Nitro for Nitro's benefit and A$44.5 million for the sale of Existing Shares held by SaleCo).
Is the Offer underwritten?	Yes. The Underwriter has fully underwritten the Offer pursuant to the Underwriting Agreement. Details are provided in Section 9.5.
Who is the Lead Manager for the Offer?	The Lead Manager is Morgan Stanley Australia Securities Limited.
What is the minimum and maximum application size under the Broker Firm Offer?	The minimum application size for investors in the Broker Firm Offer and the Priority Offer is A$2,000 worth of Shares and in multiples of A$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Broker Firm Offer or the Priority Offer. Nitro and SaleCo, along with the Lead Manager, reserve the right to treat any Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject or scale back Applications. Nitro and SaleCo, along with the Lead Manager, also reserve the right to aggregate any Applications believed to be multiple Applications from the same person.
What is the allocation policy?	The allocation of Shares between the Institutional Offer and Broker Firm Offer was determined by agreement between the Company and the Lead Manager, having regard to the allocation policy outlined in Sections 7.3.4 and 7.7.2 of this Prospectus. With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they allocate Shares among their retail clients. The allocation of Shares under the Priority Offer is at the absolute discretion of the Company. Nitro, along with the Lead Manager, have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in our absolute discretion. Nitro and SaleCo, in conjunction with the Lead Manager, also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.

When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about Thursday, 12 December 2019. Refunds (without interest) to Applicants who make an Application and are scaled back (or otherwise receive Shares having a lesser value than the amount of Application Monies they have paid) will be made as soon as possible after Completion of the Offer.
Will the Shares be quoted?	Nitro will apply within seven days of the Prospectus Date to the ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code "NTO"). Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Nitro will be required to comply with the ASX Listing Rules, subject to any waivers obtained by us from time to time. The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that Nitro may be admitted to the Official List is not to be taken as an indication of the merits of Nitro or the Shares offered for sale.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or around Wednesday, 11 December 2019 on a deferred settlement basis. Shares are expected to commence trading on the ASX on a normal settlement basis on or around Friday, 13 December 2019. It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. Nitro, SaleCo, their respective Directors and officers along with the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them or a Broker or from the Nitro Offer Information.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.10.
Has any ASIC relief or ASX waiver been sought or obtained?	Yes. Details are provided in Section 9.8.
Are there any taxation considerations for Australian investors?	Yes. Refer to Section 9.12.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 9.5 for details of various fees payable by Nitro to the Lead Manager and by the Lead Manager to the Co-Manager and Brokers (on behalf of the Company).
What should I do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Nitro Offer Information Line on 1300 352 259 (toll free within Australia) or +61 3 9415 4300 (outside Australia) from 8:30am until 5:30pm (Melbourne, Australia time) Monday to Friday (excluding public holidays). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who may apply

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.3.2 How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Broker Firm Offer Application Form, or download a copy at https://nitrooffer.thereachagency.com. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5:00pm (Melbourne, Australia time) on the Closing Date or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation of Shares. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

The minimum Application under the Broker Firm Offer is A$2,000 worth of Shares and in multiples of A$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. Nitro, SaleCo and the Lead Manager reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Offer. Nitro and SaleCo may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in their discretion in compliance with applicable laws.

Nitro, SaleCo, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9:00am (Melbourne, Australia time) on Friday, 29 November 2019 and is expected to close at 5:00pm (Melbourne, Australia time) on Friday, 6 December 2019. Nitro, SaleCo and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions provided by that Broker.

7.3.4 Allocation policy

The allocation of Shares to the Broker Firm Offer, and the identity and level of participation of Brokers participating in the Broker Firm Offer, have been determined by agreement between the Lead Manager and Nitro. Shares that have been allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of Nitro, SaleCo and the Lead Manager to reject, aggregate or scale back Applications).

It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not Nitro, SaleCo or the Lead Manager) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation. However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Nitro Offer Information Line or confirmed your allocation through a Broker.

Nitro, SaleCo, their respective directors and officers, the Lead Manager and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Nitro Offer Information Line or confirmed your firm allocation of Shares through a Broker.

7.3.5 Acceptance of Applications

An Application under the Broker Firm Offer is an offer by you to the Company and SaleCo to apply for Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful applicants conditional on Settlement and the quotation of Shares on the ASX on an unconditional basis.

The Company, SaleCo and the Lead Manager reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom the Company believes is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.

The final allocation of Shares to Applicants in the Broker Firm Offer will be at the Company's absolute discretion and the Company may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for.

7.3.6 Application monies

Application monies received under the Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

7.4 Priority Offer

7.4.1 Who may apply

The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Nitro and who have a registered address in Australia and are not located in the United States. If you have been invited by Nitro to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Shares that are allocated to you and you will receive a personalised invitation to apply for Shares in the Priority Offer.

7.4.2 How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for some or all of those Shares, you should follow the instructions on your personalised invitation.

Applications under the Priority Offer must be for a minimum of A$2,000 worth of Shares and in multiples of A$500 worth of Shares thereafter. There is no maximum number or value of Shares that may be applied for under the Priority Offer.

Applications must be received by the Share Registry on or before 5:00pm (Melbourne, Australia time) on Friday, 6 December 2019.

7.4.3 How to pay

Payment must be made in Australian dollars and via BPAY®, and must otherwise be made in accordance with the instructions provided on your personalised invitation. Application Monies must be received by the Share Registry by 5:00pm (Melbourne, Australia time) on Friday, 6 December 2019. It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (Melbourne, Australia time) on Friday, 6 December 2019. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.5 Acceptance of Applications

An Application under the Broker Firm Offer or Priority Offer is an offer by you to Nitro and SaleCo to apply for Shares in the dollar amount specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a paper copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

An Application may be accepted by Nitro or SaleCo in respect of the full amount specified on the Application Form, or any amount lower than that, without further notice to the Applicant. Nitro and SaleCo reserve the right to decline any Application (in whole or in part) if they believe any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application, or for any other reason.

Nitro, SaleCo and the Lead Manager reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Broker Firm Offer or Priority Offer, or to waive or correct any errors made by an Applicant in completing their Application. In addition, Nitro, SaleCo and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications) which they believe may be from an Institutional Investor, or are for more than $250,000 worth of Shares.

Successful Applicants in the Broker Firm Offer or Priority Offer will be issued Shares at the Offer Price. Acceptance of an Application will give rise to a binding contract, conditional on Settlement and quotation of Shares on the ASX.

7.6 Application monies

Application Monies received under the Broker Firm Offer or Priority Offer will be held in a special purpose account until Shares are issued to Successful Applicants. Applicants under the Broker Firm Offer or Priority Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will receive a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by Nitro. You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your BPAY® payment or electronic funds transfer. If the amount of your BPAY® payment or electronic funds transfer is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares.

7.7 Institutional Offer

7.7.1 Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions outside the United States to bid for an allocation of Shares at the Offer Price. The Lead Manager separately advised Institutional Investors of the application procedures for the Institutional Offer.

7.7.2 Allocation policy under the Institutional Offer

The allocation of Shares among bidders in the Institutional Offer was determined by agreement between the Lead Manager, Nitro and SaleCo. Nitro, the Lead Manager and SaleCo had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager.

The allocation policy was influenced, but not constrained, by the following factors:

- the number of Shares bid for by particular applicants;
- the timeliness of the bid by particular applicants;
- the Company's desire for an informed and active trading market following listing on the ASX;
- the Company's desire to establish a wide spread of institutional Shareholders;
- the overall level of demand under the Broker Firm Offer and the Institutional Offer; and
- any other factors that the Company, the Lead Manager and SaleCo considered appropriate, in the Company's sole discretion.

7.8 Restrictions on distributions

No action has been taken to register or qualify this Prospectus, the Shares that are subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. securities laws.

Each Applicant in the Broker Firm Offer or Priority Offer, as well as each person in Australia and New Zealand to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. securities laws;
- it is not in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7.9 Discretion regarding the Offer

Nitro and SaleCo may withdraw the Offer at any time before the issue or transfer of Shares to successful applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

Nitro, SaleCo and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate a lesser number of Shares than that applied for.

7.10 ASX Listing, registers and holding statements, and deferred settlement trading

7.10.1 Application to the ASX for listing and quotation of Shares

Nitro will apply to the ASX for Admission to the Official List and quotation of Shares on the ASX within seven days of the Prospectus Date (which is expected to be under the code "NTO").

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit Nitro to the Official List is not to be taken as an indication of the merits of Nitro or the Shares offered under this Prospectus.

If permission is not granted for the official quotation of the Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), the Offer will be withdrawn and all Application Monies received by Nitro will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

From the date of listing on the ASX, Nitro will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Nitro from time to time (including those described in Section 9.8.2.

7.10.2 CHESS and issuer sponsored holdings

Nitro will apply to participate in CHESS and must comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products under the ASX Settlement Operating Rules, holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number ("**HIN**") for CHESS holders or, where applicable, the Securityholder Reference Number ("**SRN**") of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. Nitro and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.10.3 Deferred settlement trading and selling Shares on-market

It is expected that the Shares will commence trading on the ASX on or about Wednesday, 11 December 2019, initially on a deferred settlement basis.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. Nitro, SaleCo, their respective Directors and officers, the Lead Manager and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them or a Broker or from the Nitro Offer Information Line.

Shares are expected to commence trading on the ASX on a normal settlement basis on or about Friday, 13 December 2019.

7.11 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

The rights and liabilities attaching to the ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that Nitro is admitted to the Official List.

7.11.1 Voting at a general meeting

At a general meeting of Nitro, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands; and, on a poll, one vote for each Share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid Share held and in respect of each partly paid Share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid Share bears to the total amounts paid and payable (excluding amounts credited) on that Share. Amounts paid in advance of a call are ignored when calculating the proportion.

7.11.2 Meetings of members

Every Shareholder is entitled to receive notice of, attend and vote at general meetings of Nitro and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. Nitro must give at least 28 days' written notice of a general meeting.

7.11.3 Dividends

The Board may pay any interim, special or final dividends that, in its judgement, the financial position of Nitro justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and method of payment.

7.11.4 Transfer of Shares

Subject to the Constitution and to any restrictions attached to any Share or classes of shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, Corporations Regulations and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may, in accordance with the Corporations Act or the ASX Listing Rules, decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer.

7.11.5 Issue of further Shares

The Board may, subject to the Constitution, Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules issue or grant options for, or otherwise dispose of, Shares in Nitro on such terms as the Board decides.

7.11.6 Preference shares

Nitro may issue preference shares, including preference shares which are, or at the option of Nitro or a holder are, liable to be redeemed or converted into Shares. The rights attaching to preference shares are those set out in the Constitution.

7.11.7 Winding up

If Nitro is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of Shares, any surplus property must be divided among Shareholders in proportion to the Shares held by them (irrespective of the amounts paid or credited as paid on the Shares), less any amounts which remain unpaid on those Shares at the date of distribution.

If Nitro is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of Nitro's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

7.11.8 Non-marketable parcels

In accordance with the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares by following the procedures set out in the Constitution. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of at least A$500.

7.11.9 Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those provisions were adopted or the date those rules were last renewed.

7.11.10 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

7.11.11 Directors – appointment and retirement

Under the Constitution, the number of Directors shall be a minimum of three Directors and a maximum of 12 Directors or such lower number as the Directors determine, provided Nitro resolves to authorise such determination at a general meeting. Directors are elected or re-elected at general meetings of Nitro.

No Director (other than the Managing Director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later). The Board may also appoint any eligible person to be a Director (but not the CEO), either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will hold office until the conclusion of the next annual general meeting of Nitro following their appointment.

A person is eligible for election to the office of a Director at a general meeting if they are nominated by the Board or by another Shareholder in accordance with procedures in the Constitution (subject to timing requirements).

7.11.12 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote, in which case the Chair of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

A written resolution of the Board may be passed without holding a meeting of the Board, if all of the Directors sign or assent to the resolution (other than Directors permitted not to vote on the resolution in accordance with the terms of the Constitution).

7.11.13 Directors – remuneration

Under the Constitution, the Board may decide the remuneration from Nitro to which each Director is entitled for his or her services as a Director. The total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by Nitro in general meeting for that purpose. The remuneration of a Director must not include a commission on, or a percentage of, operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 6.4.4. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors may be reimbursed for travel and other expenses properly incurred in attending to Nitro's affairs, including attending and returning from general meetings of Nitro, Board meetings or meetings of committees of the Board. If a Director renders or is called on to perform extra services, or make any special exertions in connection with the affairs of Nitro, the Directors may arrange for special remuneration to be paid to that Director either in addition to or in substitution for that Director's remuneration. Directors' remuneration is discussed in Section 6.4.2.

7.11.14 Powers and duties of Directors

The Directors are responsible for managing the business of Nitro and may exercise to the exclusion of Nitro in general meeting all the powers of Nitro which are not required by law or by the Constitution to be exercised by Nitro in general meeting.

7.11.15 Indemnities

Nitro may indemnify, to the extent permitted by law, each Director, alternative Director or executive officer of Nitro (and, if the Directors so determine, any current or former officer or auditor of Nitro or its related bodies corporate) against any losses or liability incurred by that person as an officer or auditor (as applicable) of Nitro or of a related body corporate of Nitro including, but not limited to, a liability for negligence or for reasonable legal costs on a full indemnity basis. Nitro may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each Director, alternative Director or executive officer of Nitro (and, if the Directors so determine, any current or former officer or auditor of Nitro or its related bodies corporate) against any liability incurred by that person as an officer or auditor (as applicable) of Nitro or of a related body corporate, including but not limited to a liability for negligence or for legal costs.

7.11.16 Amendment

The Constitution may be only amended in accordance with the Corporations Act, which requires a special resolution passed by at least 75% of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of Nitro.

7.12 Escrow arrangements

See Section 9.10 for details on escrow arrangements.

SECTION 8

Independent Limited Assurance Report

The Directors
Nitro Software Limited
4/246 Bourke Street
Melbourne, VIC 3000
Australia

The Directors
Nitro Software SaleCo Limited
4/246 Bourke Street
Melbourne, VIC 3000
Australia

21 November 2019

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on Nitro Software Pty Limited's historical and forecast financial information and Financial Services Guide

We have been engaged by Nitro Software Pty Limited (the **Company**) and Nitro Software SaleCo Limited (**SaleCo**) (collectively, **you**) to report on the historical and forecast financial information of the Company for the years ended 31 December 2017 (FY17) and 31 December 2018 (FY18), the six months ended 30 June 2018 (H118) and 30 June 2019 (H119), and the years ending 31 December 2019 (FY19F) and 31 December 2020 (FY20F) as described below for inclusion in the prospectus (**Prospectus**) dated on or about 21 November 2019 in relation to the proposed initial public offering of fully paid ordinary shares in the Company, the offer of certain existing shares in the Company by SaleCo and listing of the Company on the Australian Securities Exchange (the **Offer**).

Expressions and terms defined in the Prospectus have the same meaning in this report, unless otherwise specified.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to review the following historical and pro forma historical financial information (**Historical Financial Information**) and forecast and pro forma forecast financial information (**Forecast Financial Information**) of the Company (the responsible party) included in the Prospectus:

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

a) ***Historical Financial Information*** comprising:

- the Statement of Financial Position as at 30 June 2019;
- the Statements of Financial Performance for the years ended 31 December 2017 (**FY17**) and 31 December 2018 (**FY18**), and the six months ended 30 June 2018 (**H118**) and 30 June 2019 (**H119**);
- the Statements of Cash Flows for FY17, FY18, H118 and H119.

b) ***Pro Forma Historical Financial Information*** comprising:

- Pro forma historical statement of Financial Position as at 30 June 2019;
- Pro forma historical statement of Financial Performance for FY17, FY18, H118 and H119; and
- Pro forma historical statement of Cash Flows for FY17, FY18, H118 and H119,

in each case, assuming completion of the Offer.

c) ***Forecast Financial Information*** comprising:

- Forecast statement of Financial Performance for the years ending 31 December 2019 (**FY19F**) and 31 December 2020 (**FY20F**); and
- Forecast operating Cash Flows for FY19F and FY20F;

d) ***Pro Forma Forecast Financial Information*** comprising:

- Pro forma forecast statement of Financial Performance for FY19F; and
- Pro forma operating Cash Flows for FY19F,

in each case, which assumes completion of the Offer,

(the Historical Financial Information and the Forecast Financial Information collectively, the **Financial Information**)

Historical Financial Information

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of the Company for the years ended 31 December 2017 and 31 December 2018, which was audited by the Australian firm of PricewaterhouseCoopers in accordance with the Australian Auditing Standards. PricewaterhouseCoopers issued an unmodified audit opinion on the financial report. The Historical Financial Information has been extracted from the management report of the Company for the six months ended 30 June 2018 and 30 June 2019, which was reviewed by PricewaterhouseCoopers in accordance with the Australian Auditing Standards.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company, after adjusting for the effects of pro forma adjustments described in section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

Forecast Financial Information

The directors' best-estimate assumptions underlying the Forecast Financial Information are described in section 4 of the Prospectus. The stated basis of preparation used in the preparation of the Forecast Financial Information being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Forecast Financial Information

The Pro Forma Forecast Financial Information has been derived from the Company's Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in section 4 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information being the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Forecast Financial Information. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance, and/or cash flows for FY19F.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information.

The directors of the Company are also responsible for the preparation of the Forecast Financial Information, including its basis of preparation and the best-estimate assumptions underlying the Forecast Financial Information. They are also responsible for the preparation of the Pro Forma Forecast Financial Information, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information, Pro Forma Historical Financial Information, a Forecast Financial Information and a Pro Forma Forecast Financial Information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, the Pro Forma Historical Financial Information, the Forecast Financial Information and Pro Forma Forecast Financial Information, the best- estimate assumptions underlying the Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company, as described in section 4 of the Prospectus, and comprising:

- the Statement of Financial Position as at 30 June 2019;
- the Statements of Financial Performance for the years ended 31 December 2017 (FY17) and 31 December 2018 (FY18), and six months ended 30 June 2018 (H118) and 30 June 2019 (H119);
- the Statements of Cash Flows for FY17, FY18, H118 and H119,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in section 4 of the Prospectus, and comprising:

- the pro forma historical statement of Financial Position as at 30 June 2019;
- the pro forma historical statements of Financial Performance for FY17, FY18, H118 and H119; and
- the pro forma historical statements of Cash Flows for the FY17, FY18, H118 and H119,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information.

Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the forecast Statements of Financial Performance and Cash Flows of the Company for FY19F and FY20F do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
  - is not properly prepared on the basis of the directors' best-estimate assumptions as described in section 4 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and
- the Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not properly prepared on the basis of the directors' best-estimate assumptions, as described in section 4 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, applied to the Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred as at the date of the Pro Forma Forecast Financial Information; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Forecast Financial Information and Pro Forma Forecast Financial Information

The Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for FY19F and FY20F (note - no Pro Forma adjustments are required for FY20F).

There is a considerable degree of subjective judgment involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the Forecast Financial Information and Pro Forma Forecast Financial Information are based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information and Pro Forma Forecast Financial Information are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 5 and section 4.13 of the Prospectus. The sensitivity analysis described in section 4.13 of the Prospectus demonstrates the impact on the Forecast Financial Information and Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information or Pro Forma Forecast Financial Information will be achieved.

The Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by the directors of the Company for the purpose of inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information or Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4.2 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

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Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of the proposed Offer other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Robert Silverwood
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

pwc

Appendix A – Financial ServicesGuide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 21 November 2019

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by Nitro Software Pty Limited (the Company) and Nitro Software SaleCo Limited (SaleCo) to provide a report in the form of an **Independent Accountant's Report** in relation to the proposed initial public offering of fully paid ordinary shares in the Company, the offer of certain existing shares in the Company by SaleCo and listing of the Company on the Australian Securities Exchange (the **Offer**) for inclusion in the **Prospectus**.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees charged are $650,000 (excluding GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (**"AFCA"**), an external complaints resolution service. AFCA can be contacted by calling 1800 931 678. You will not be charged for using the AFCA service.

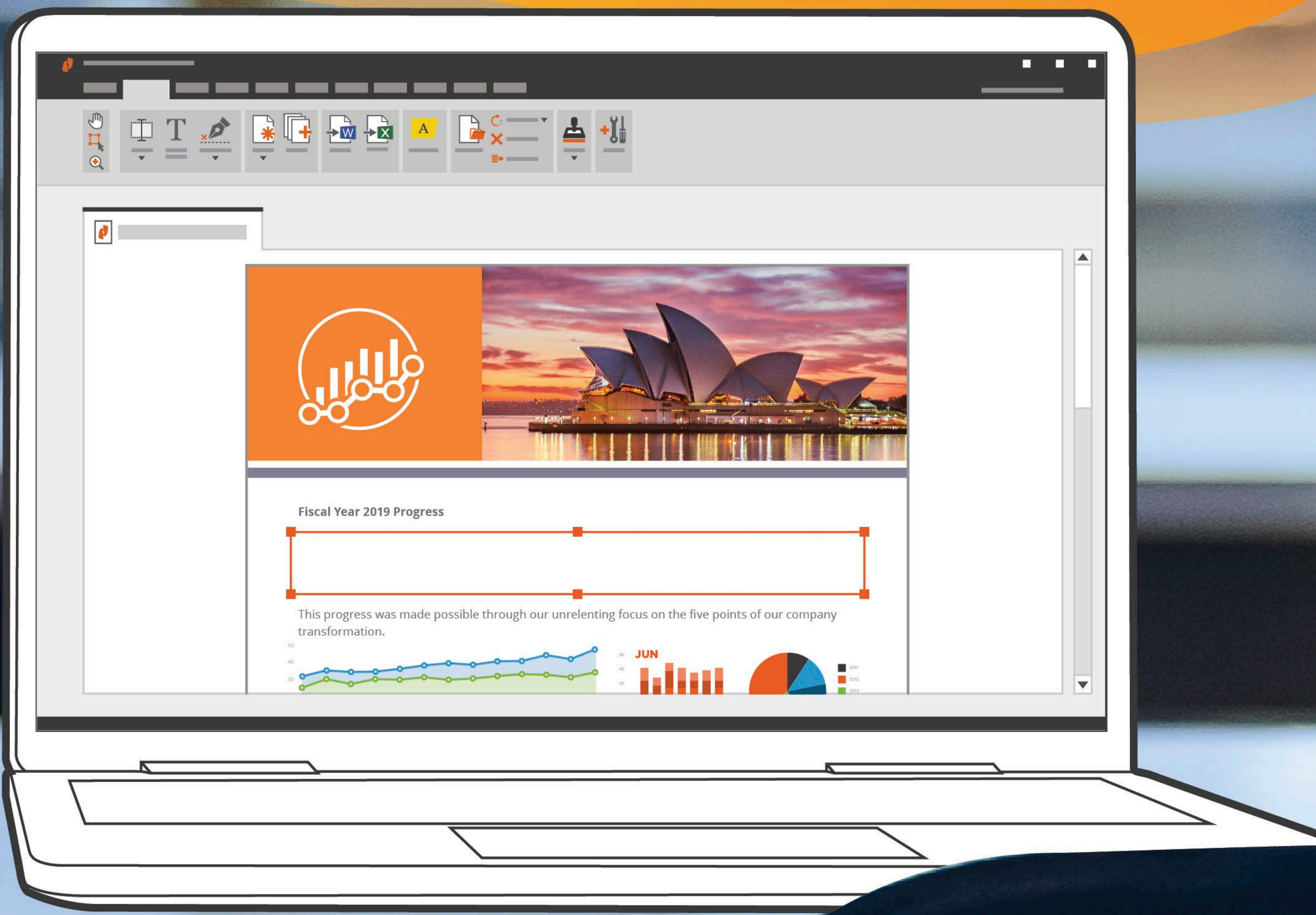
8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Robert Silverwood
Authorised Representative
PricewaterhouseCoopers Securities Ltd,
2 Riverside Quay
SOUTHBANK VIC 3006
GPO Box 1331, MELBOURNE VIC 3001

SECTION 9

Additional information



9.1 Registration

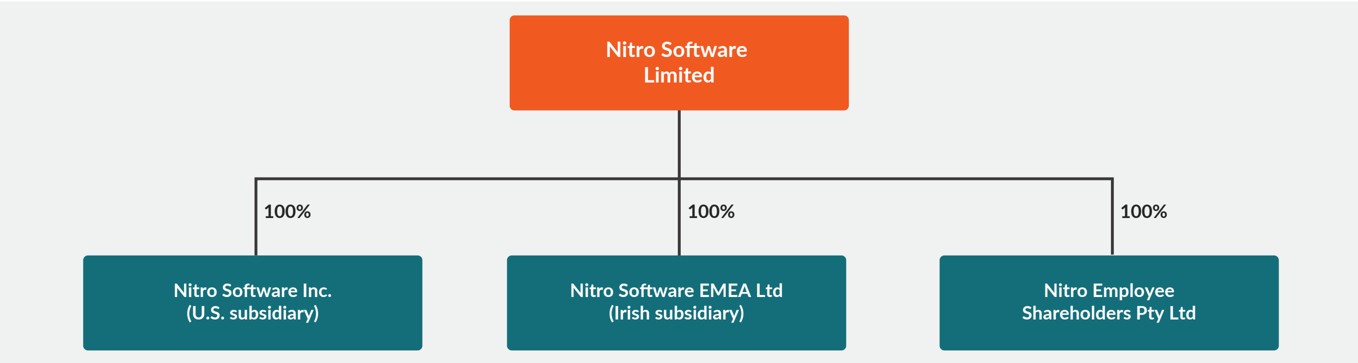
Nitro was registered in Victoria, Australia on 3 July 1997 as a proprietary company and was converted to a public company on 24 October 2019. SaleCo was registered in Victoria, Australia on 28 October 2019 as a public company.

Mark Licciardo (Managing Director, Mertons) has been engaged to act as the company secretary for Nitro and to provide related company secretarial services.

9.2 Corporate structure

The corporate structure of Nitro immediately after Completion will be as shown in Figure 53.

FIGURE 53: CORPORATE STRUCTURE



9.3 Company tax status

The Nitro Group operates in various jurisdictions, and is subject to various taxation regimes and tax rates.

9.4 Sale of Existing Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Shares by the Selling Shareholders.

Each of the Selling Shareholders has entered into a Sale Deed with Nitro and SaleCo under which the relevant Selling Shareholder has agreed to sell some or all of their Shares to SaleCo, which will be sold by SaleCo into the Offer, free from encumbrances and third-party rights and conditional on (among other things) the Underwriting Agreement not having being terminated as of the date of settlement of the Offer.

The Shares which SaleCo acquires from the Selling Shareholders will be transferred to successful Applicants at the Offer Price. The price payable by SaleCo for these Shares is the Offer Price. Nitro will also issue new Shares to successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the deeds described above. The Directors of SaleCo are Lisa Hennessy, Sarah Morgan, Andrew Barlow, John Dyson, Rich Wenzel and Kurt Johnson, who are also Directors of Nitro. Andrew Barlow is the secretary of SaleCo and the sole shareholder of SaleCo is Kurt Johnson. Nitro has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of costs of the Offer. Nitro has indemnified SaleCo and the shareholders and officers of SaleCo for any loss which they may incur as a consequence of the Offer.

9.5 Underwriting Agreement

The Offer is being underwritten by the Lead Manager pursuant to an Underwriting Agreement, dated 21 November 2019, between the Lead Manager, SaleCo and Nitro. Under the Underwriting Agreement, the Lead Manager has agreed to arrange, manage and underwrite the Offer.

9.5.1 Commissions, fees and expenses

Nitro and SaleCo must pay to the Lead Manager in accordance with the Underwriting Agreement a base fee equal to 3.0% and a selling and management fee equal to 1.0% of the total Offer proceeds. Nitro may also elect, at its absolute discretion, to pay the Lead Manager an incentive fee of 0.5% of the total Offer proceeds.

The Company has agreed to reimburse the Lead Manager for reasonable costs and expenses incurred by the Lead Manager in relation to the Offer. The Company has authorised the Lead Manager to pay any fees of the Co-Managers or Brokers in relation to the Offer, out of fees payable to them.

9.5.2 Termination events

The Lead Manager may, at any time after the date of the Underwriting Agreement until 11:00am on the Settlement Date, terminate the Underwriting Agreement if any of the following events occur:

- a statement contained in the Prospectus is or becomes misleading or deceptive (including by omission) or a matter required to be included is omitted from the Prospectus;
- if the Lead Manager is of the reasonable opinion that the Company or SaleCo are required to lodge a supplementary prospectus with ASIC or the Company or SaleCo lodges a supplementary prospectus in a form and substance that has not been approved by the Lead Manager;
- if at any time the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on the date of the Underwriting Agreement and stays at or below that level for two consecutive business days or on the business day immediately prior to the Settlement Date;
- if an escrow agreement with an Existing Shareholder is not complied with or it is withdrawn, varied or terminated;
- any SaleCo sale deed poll is withdrawn, varied, terminated, rescinded, amended in a material respect, breached or found to be void or voidable;
- the SaleCo indemnity deed is terminated, rescinded, found to be void or voidable, varied, amended, breached or altered in any material respect;
- the Company is prevented from transferring or allotting the New Shares, or SaleCo is prevented from transferring the Shares from Selling Shareholders;
- the Company alters its issued capital, or disposes or attempts to dispose of a substantial part of its business or property (except as is not material in the context of the Offer);
- a change in the Chief Executive Officer, Chief Financial Officer or the Board occurs;
- any of the following occur:
  - a Director, or proposed Director of the Company or SaleCo is charged with an indictable offence, engages in any fraudulent conduct or activity or is disqualified from managing a corporation; or
  - any government agency commences any public action against the Company or SaleCo or any of their Directors in their capacity as a Director of that entity, or announces that it intends to take that action;
- the Company, SaleCo or a member of the Group, becomes insolvent, or there is an act or omission which is likely to result in a party becoming insolvent;
- an event specified in the timetable is delayed by more than two business days, other than any delay agreed to by the parties);
- the Company's application for admission to the Official List of the ASX or the quotation of all the Shares is refused or not granted, or subject to conditions other than customary conditions;
- if any of the following notifications are made (unless not made public and withdrawn within two business days or the business day prior to the Settlement Date) in respect of the Offer:
  - ASIC issues an order under section 739 of the Corporations Act;
  - ASIC holds a hearing under section 739(2) of the Corporations Act; or
  - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer;

- any person (other than the Lead Manager), who has previously consented to the inclusion of its name in this Prospectus, withdraws that consent;
- any person (other than the Lead Manager) gives a notice under section 730 of the Corporations Act in relation to this Prospectus;
- a regulatory body withdraws any necessary approval required for the Company or SaleCo to perform their obligations under the Underwriting Agreement or this Prospectus;
- an event of force majeure occurs which would make it illegal for a Joint Leader Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- the Company or SaleCo withdraw this Prospectus, or they indicate that do not want to proceed with all or part of the Offer;
- the Company or SaleCo does not provide a closing certificate when required; or
- there are not, or there ceases to be, reasonable grounds, in the reasonable opinion of the Lead Manager, for any financial forecast, or, in the reasonable opinion of the Lead Manager, any financial forecast is incapable of being met or unlikely to be met in the projected timeframe.

9.5.3 Termination events subject to materiality

The Lead Manager may, at any time after the date of the Underwriting Agreement until 11:00am on the Settlement Date, terminate the Underwriting Agreement if any of the below events occur and in the reasonable opinion of the Lead Manager the event:

- has or is likely to have a materially adverse effect on the marketing, outcome, success or settlement of the Offer, or on the ability of the Lead Manager to market, promote or settle the Offer, or on the likely price Shares will trade at on the ASX following the Offer, or the willingness of investors to subscribe for Shares under the Offer; or
- will, or is likely to, give rise to a liability of the Lead Manager under, or a contravention by the Lead Manager or its affiliates or the Lead Manager or its affiliate being involved in a contravention of, any applicable law, regulation or rule of any securities exchange, regulatory body or self-regulatory body.

The Lead Manager can terminate as above, if any of the following events occur:

- the due diligence report, any verification material or any other information provided by or on behalf of the Company or SaleCo to the Lead Manager is, or is likely to become, or becomes, misleading or deceptive;
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group;
- there are not, or there ceases to be, reasonable grounds, in the reasonable opinion of the Lead Manager, for any, expression of opinion, belief or expectation in this Prospectus;
- the Company or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;
- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement is breached, becomes not true or correct or is not performed;
- the Company varies any term of its Constitution without the prior written consent of the Lead Managers, or does not comply with its Constitution;
- any of the following occur:
  - the commencement of legal proceedings against the Company, SaleCo, a member of the Group or against any director of the Company, SaleCo or a member of the Group; or
  - any regulatory body commences an enquiry or public action against the Company, SaleCo or a member of the Group;
- a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
- there is any security breach, violation of any security policy or other unauthorised access to the Nitro Group's IT systems that results in any breach of privacy, theft, misappropriation of funds, legal action, regulatory scrutiny, disruption of services or reputational damage;
- any hostilities not presently existing commence, or a major escalation in existing hostilities occurs, involving any one or more of Australia, New Zealand, the United Kingdom, the United States, Canada, the People's Republic of China, Hong Kong, Singapore or any member of the European Union, or a national emergency is declared by any one of those countries or a major terrorist act is perpetrated on any of these countries;
- there is introduced or proposed to be introduced, into the Parliament of Australia or any State or Territory of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy, other than a law or policy which was announced before the date of the Underwriting Agreement;

- any of the following occur:
  - a general moratorium or disruption in commercial banking activities in Australia, Singapore, Hong Kong, the United Kingdom, the United States, China, Japan or any member state of the European union is declared;
  - any disruption to the financial markets in Australia, Singapore, Hong Kong, the United Kingdom, the United States, China, Japan or any member state of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial and economic conditions in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the New York Stock Exchange or the London Stock Exchange is suspended or limited in a material respect for at least one day on which that exchange is open for trading.

9.5.4 Representations, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Lead Manager.

The representations and warranties given by the Company and SaleCo relate to matters such as conduct of the Company and SaleCo, power and authorisations, information provided by the Company and SaleCo, a proper due diligence process, solvency, information in this Prospectus, brokers' fees and commissions, the conduct of the Offer, no substantial U.S. market interests, anti-money laundering, sanctions, bribery, no U.S. Securities Act registration required, no directed selling efforts and compliance with laws, the ASX Listing Rules and other legally binding requirements.

The Company also provides additional representations and warranties in connection with matters including, but not limited to, eligibility for listing, material contracts, disposal of escrowed Shares, assets, litigation, licenses, insurance, title to property, the Company's constitution, labour, occupational health and safety, property, dividends and distributions, financial statements and information, internal controls, stamp and transfer taxes, taxation, intellectual property, data privacy and IT systems.

The undertakings by each of the Company and SaleCo include, among other things, provision of and consultation with the Lead Manager in respect of ASIC and ASX correspondence, notification of breach to the Lead Manager and no variation this Prospectus. The Company also undertakes during the period following the date of the Underwriting Agreement to:

- until 120 days after Completion, not allot or agree to allot any convertible or exchangeable securities into equity;
- until 120 days after Completion, carry on business and not dispose of any material part of the business or property;
- until 120 days after Completion, not reorganise or otherwise alter its capital structure (except as is not material in the context of the Offer);
- until Completion, not vary a term of its constitution;
- not create or agree to create any encumbrance over the Shares; and
- strictly enforce any escrow deeds with Selling Shareholders.

9.5.5 Indemnity

Subject to certain exclusions relating to, among other things, gross negligence, fraud or wilful misconduct by an indemnified party, Nitro and SaleCo agree to keep the Lead Manager and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.6 Consents to be named and inclusion of statement and disclaimers of responsibility

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- Morgan Stanley has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Lead Manager to the Offer in the form and context in which it is named;
- Bell Potter Securities Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named;
- Gilbert + Tobin has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters and stamp duty) to Nitro and SaleCo in relation to the Offer in the form and context in which it is named;
- PricewaterhouseCoopers has given, and has not withdrawn prior to lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor to Nitro, in the form and context in which it is named;

- PricewaterhouseCoopers Securities Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to Nitro in relation to the Financial Information in connection with the Offer in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information in the form and context in which they are included in this Prospectus;
- PricewaterhouseCoopers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser to Nitro and SaleCo in connection with the Offer, in the form and context in which it is named;
- Forrester Research Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as industry consultant to Nitro and SaleCo in connection with the Offer in the form and context in which it is named; and
- Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry of the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Nitro. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

None of the entities or persons referred to above has authorised or caused the issue of this Prospectus or has made or purports to make any statement or representation included in this Prospectus or any statement on which a statement included in this Prospectus is based, except as stated above. To the maximum extent permitted by law, each of the entities and persons referred to above expressly disclaims, makes no representation regarding, and takes no responsibility for, any statements or material in or omissions from this Prospectus, other than with respect to its name or as stated above.

9.7 Description of syndicate

The Lead Manager and Underwriter to the Offer is Morgan Stanley.

9.8 Regulatory relief

9.8.1 ASIC exemptions and relief

ASIC has made a declaration under subsection 741(1)(b) of the Corporations Act modifying subsections 707(3) and 707(4) so that the modified form of subsection 707(3) applies to sale offers, within 12 months of issue, of Shares issued (including upon exercise of Options under the Historical LTIP and conversion of preference shares that were on issue prior to the Prospectus Date) to:

- certain investors in the Company that held preference shares prior to the Prospectus Date which were converted to Shares, to the extent that conversion involved an issue of Shares;
- holders of Convertible Notes on conversion of the Convertible Notes; or
- holders of certain Options and Warrants on the exercise of those Options and Warrants.

The effect of the declaration is that sale offers of such Shares within 12 months after their issue will not need disclosure under Chapter 6D of the Corporations Act.

The Company has applied to ASIC for a modification of Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described in Section 9.10 do not give rise to a relevant interest for the Company in respect of escrowed Shares held by Escrowed Shareholders.

In addition, the Company received from ASIC an exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit communications with employees of the Company and Existing Shareholders of the Company in relation to the Offer prior to lodgement of this Prospectus.

9.8.2 ASX waivers and confirmation

ASX has given the Company "in principle" advice that it would be likely to provide the confirmations and waivers described below on receipt of the Company's application for admission to the Official List of the ASX:

- confirmation that the Company will satisfy the requirements of the assets test in Listing Rule 1.3; and
- confirmation that the Company is an entity that has a track record of operating profit and/or revenue acceptable to the ASX such that pursuant to Listing Rule 9.1.3 there will be no mandatory escrow of existing securities.

9.9 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by Australian laws and laws in other countries in which the Company operates that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.9 contains a general description of these laws.

9.9.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

9.9.2 Foreign Acquisitions and Takeovers Act 1975 (Cth)

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("**FATA**") applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates ("**Substantial Interest**"), or 40% or more by two or more unassociated foreign persons and their associates ("**Aggregate Substantial Interest**"). Where a foreign person holds a Substantial Interest in the Company or foreign persons (subject to certain exceptions for small foreign holders) hold an Aggregate Substantial Interest in the Company, the Company itself will be a "foreign person" for the purposes of the FATA.

In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without non-objection notification or contravening a condition in a non-objection notification.

9.10 Voluntary escrow arrangements

Existing Shares which are held at Completion by the following Escrowed Shareholders (other than any Shares acquired by them under the Offer) will be subject to voluntary escrow arrangements and, subject to the exceptions outlined below, will be escrowed until the date that is six months after Completion:

FIGURE 54: ESCROWED SHAREHOLDERS

Escrowed Shareholder	Escrowed Shares
Richard Crocker	4,438,666
Regal Funds Management Pty Ltd (ACN 107 576 821) ATF Regal Emerging Companies Fund	4,198,014
Chris Dahl	3,354,252
Dempsey Capital Pty Ltd (ACN 632 685 468) ATF Alium Alpha Fund	2,030,000
Craig Chandler ATF Jensen-Scot Superannuation Fund	1,992,375
Peter Griffin	1,501,811
M&S Skyleisure Pty Ltd (ACN 614 009 077) ATF M&S Skyleisure No.1 Trust	1,285,695
M&S Skyleisure Pty Ltd (ACN 614 009 077) ATF M&S Skyleisure No.2 Trust	1,285,695
Ballandry Nominees Pty Ltd (ACN 067 163 624) ATF Peter J Griffin Superannuation fund	244,995

Existing Shares and options over Shares which are held at Completion by the following Escrowed Shareholders (other than any Shares acquired by them under the Offer) will be subject to voluntary escrow arrangements and, subject to the exceptions outlined below, will be escrowed until the date on which Nitro's full-year results for the period ending 31 December 2020 are released to the ASX. The Board may agree to release the escrow for optionholders in respect of the Shares that result from the exercise of vested options in circumstances where that optionholder ceases to be employed by Nitro.

FIGURE 55: ESCROWED SHAREHOLDERS

Escrowed Shareholder	Escrowed Shares/Options
Starfish Technology Fund II, LP (ABN 95 957 065 715)	26,076,463
Battery	24,872,515
Vistra Trust (Singapore) Pte Ltd ATF IS&P Singapore Retirement Fund – Sam Chandler	5,008,140
Vistra Trust (Singapore) Pte Ltd ATF IS&P Singapore Retirement Fund – Richard Wenzel	8,265,674
Venturian Pty Ltd (ACN 109 613 274) ATF Maverick Innovation Trust	3,872,723
Sam Chandler	9,545,535
Venturian Pty Ltd (ACN 109 613 274) ATF The J&M Barlow Pension Fund	689,805
Gina O'Reilly	3,208,239
Richard Wenzel	1,545,983
Aliqua Pty Ltd (ACN 102 751 351) ATF SJ Chandler Discretionary Trust	353,340
Kathleen Miller	2,077,520
Kurt Johnson	740,520
David O'Donoghue	583,668

Each of the Escrowed Shareholders has entered into an Escrow Deed in respect of their Escrowed Shares. This deed will prevent them from disposing of their Escrowed Shares for the applicable escrow period. The restriction on "disposing" is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any interest in the Escrowed Shares, encumbering or granting a security interest over the Escrowed Shares, granting or exercising an option over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares, or agreeing to do any of those things.

All of the Escrowed Shareholders may be released early from these escrow obligations to enable:

- the Escrowed Shareholders to accept an offer under a takeover bid in relation to their escrowed Shares if holders of at least half of the Shares the subject of the bid that are not escrowed Shares have accepted the takeover bid;
- the Escrowed Shareholders to tender their Escrowed Shares into a bid acceptance facility established in connection with a takeover bid if holders of at least half of the Shares the subject of the bid that are not escrowed Shares have accepted the bid or tendered their Shares into the bid acceptance facility; and
- the Escrowed Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a merger or acquisition by scheme of arrangement under Part 5.1 of the Corporations Act.

In addition, Starfish and Battery may be released early from these escrow obligations to the extent required in order to dispose of up to the percentage of their escrowed Shares (in one or more transactions) listed below after the corresponding conditions have been satisfied:

FIGURE 56: EARLY RELEASE CONDITION

Shares to be released from escrow	Escrow release condition
33.3%	• The half yearly results of Nitro for the period ended 30 June 2020 have been released to the ASX; and • The volume-weighted average price ("**VWAP**") in any 10 consecutive trading days following release of those financial results exceeds the Offer price by more than 20%.

The VWAP on any trading day prior to the release of the half yearly results for the period ended 30 June 2020 is not relevant to determining whether the exception is available.

During the Escrow Period, Escrowed Shareholders may dispose of any of their Escrowed Shares to the extent that the disposal is:

- required by applicable law (including an order of a court of competent jurisdiction) or by order of a regulatory authority; or
- to certain affiliates or entities controlled by (or under common control with) the Escrowed Shareholder, where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

9.11 Litigation and claims

Nitro is, from time to time, party to various disputes and legal proceedings related to the conduct of its business, including intellectual property disputes, employment disputes and contractual disputes.

The Directors are not aware of any current or threatened litigation, arbitration proceeding or administrative appeal or criminal or governmental prosecution of a material nature in which Nitro is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Nitro.

On 5 November 2019, Digital Verification Systems, LLC filed a complaint against Nitro US and two other defendants which alleges the infringement of a patent relating to two-factor authentication. Having regard to advice from external counsel, the Company does not consider that this matter is likely to have a material adverse impact on the business.

9.12 Taxation considerations

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, complying superannuation entities, companies (other than life insurance companies or banks), trusts, and partnerships, each of whom hold their shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares or investors who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or TOFA regime).

This summary is based on the law in Australia in force at the time of issue of this Prospectus. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the Shares will depend upon each investor's specific circumstances.

Investors should obtain their own advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

9.12.1 Dividends on a Share

Where dividends on a Share are distributed by the Company, those dividends will constitute assessable income of the Shareholders. The Shareholders should include the dividend in their assessable income in the year the dividend is received, together with any franking credit attached to that dividend provided the Shareholder is a "qualified person" (see comments below).

Where a franking credit is included in the Shareholders' assessable income, the Shareholders should be entitled to a tax offset equal to the franking credit. The tax offset is applied to reduce the tax payable on the Shareholders' taxable income. Where the tax offset exceeds the tax payable on the Shareholders' taxable income, such Shareholders which are individuals or superannuation funds should be entitled to a tax refund for the amount of the excess.

Where a dividend paid by the Company is unfranked, the Shareholder should include the dividend in their assessable income in the year of receipt but receives no tax offset.

9.12.1.1 Shares held at risk/"qualified person"

To be eligible for a tax offset, the Shareholder must be a "qualified person". Broadly, to be a "qualified person", a Shareholder must satisfy the "holding period rule" and, if necessary, the "related payment rule".

The "holding period rule" broadly requires a Shareholder to hold the Shares "at risk" for more than 45 days continuously, in the period commencing the day after the Shareholder acquires the Shares and ending on the 45th day after the Shares become ex-dividend. The dates the Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which a Shareholder has a materially diminished risk of loss or opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the Shareholder held the Shares "at risk".

The "holding period rule" is subject to certain exceptions, including where the total franking offsets of an individual in a year of income does not exceed A$5,000. Furthermore, special rules apply to trusts and beneficiaries which have not been considered as part of this summary.

Under the "related payment rule", a different testing period applies where the Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment includes any event which transfers the benefit of the dividend to a person other than the Shareholder. The related payment rule requires the Shareholder to have held the Shares at risk for a period of 45 continuous days in the period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend.

Generally, the related payment rule should not impact upon Shareholders who continue to hold Shares and do not pass the benefit of a dividend to another person. Shareholders should obtain their own tax advice to determine if these requirements have been satisfied.

9.12.1.2 Corporate Shareholders

Where a Shareholder is a company, the Shareholder is required to include both the dividend and associated franking credit in their assessable income, subject to being a qualified person. A tax offset is then allowed up to the amount of the franking credit on the dividend. A corporate Australian Shareholder should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate Australian Shareholders can then pass on the benefit of franking credits to their own Shareholders(s) on the payment of dividends. Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry-forward tax losses.

Shareholders which are companies should seek specific advice regarding the tax consequences of dividends received in respect of the Shares they hold and the calculation and availability of carry-forward tax losses arising from excess tax offsets.

9.12.1.3 Trusts

Shareholders who are trustees (other than trustees of complying superannuation entities) should include the franking credit in assessable income for the purpose of determining the net income of the trust. Subject to being a qualified person, the relevant beneficiary may be entitled to a tax offset equal to the beneficiary's share of the franking credit received by the trust.

Shareholders who are trustees or beneficiaries should seek specific advice regarding the tax consequences of dividends received in respect of Shares held.

9.12.1.4 Dividend washing

Any franked distributions which a Shareholder receives as a result of "dividend washing" will not entitle the Shareholder to a franking tax offset or require the Shareholder to include the amount of the franking credit in their assessable income.

A distribution will be considered to be one received as a result of a "dividend washing" arrangement where the taxpayer has also received a corresponding distribution in respect of a substantially identical interest that the taxpayer sold before acquiring the current interest.

The Shareholders should consider the impact of the "dividend washing" rules as well as other integrity measures that may apply to claiming tax offsets, having regard to their specific circumstances.

9.12.2 Disposal of Shares

The disposal of a Share by a Shareholder will trigger a capital gains tax (“**CGT**”) event. A capital gain will arise where the capital proceeds on disposal of the Share exceeds the cost base of the Share, whereas a capital loss will arise where the reduced cost base of the Share exceeds the capital proceeds from the disposal of that Share.

Broadly, the cost base and reduced cost base of a Share will equal the amount paid to acquire the Share (including certain other costs, such as incidental costs of acquisition and disposal). In the case of an arm’s length on-market sale, the capital proceeds will generally be the cash proceeds from the sale of the Share.

Generally, all capital gains and losses made by an Australian Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Australian Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in an Australian Shareholder’s assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years. Capital losses cannot be offset against other assessable income.

If the Shareholder is an individual, complying superannuation entity or trust, and has held the share for at least 12 months or more before disposal of the Share, the Shareholder may be entitled to apply a “CGT discount” against the net capital gain made on the disposal of the Share. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half. For a complying superannuation entity, any net capital gain may be reduced by one third.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Where a Shareholder is a company, the CGT discount will not apply.

9.12.3 Tax File Numbers (“TFN”)

Shareholders are not required to quote their Tax File Number (“**TFN**”) or, where relevant, Australian Business Number (“**ABN**”) to the Company. However, if a valid TFN, a valid ABN or exemption details are not provided, Australian income tax may be required to be deducted by the Company from distributions made by it at the maximum marginal tax rate plus any relevant levy (e.g. Medicare levy). Australian tax should not be required to be deducted by the Company in respect of fully franked dividends.

The Company is required to withhold and remit to the Australian Taxation Office (“**ATO**”) such tax until such time as the relevant TFN, ABN or exemption notification is given to it. Shareholders will be able to claim a tax credit in respect of any tax withheld on dividends in their income tax returns.

9.12.4 Stamp duty

Broadly, Shareholders should not be liable for stamp duty in any Australian State or Territory in respect of their investment in Shares, unless they acquire, either alone or with an associated/related person or under substantially one arrangement, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of Shares of a less than 90% interest in the Company, while the Company remains listed and its Shares quoted. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.12.5 Goods and Services Tax ("GST") implications

No GST should be payable by the Shareholders in respect of the acquisition or disposal of their Shares, regardless of whether or not the Australian Shareholder is registered for GST.

Australian Shareholders may not be entitled to claim input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by the Shareholders in this respect, relevant to their particular circumstances.

No GST should be payable by the Shareholders on receiving dividends distributed by the Company.

9.13 Foreign selling restrictions

This document does not constitute an offer of new Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the new Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

9.13.1 European Union ("EU")

This document has not been, and will not be, registered with or approved by any national securities regulator in the EU. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in the EU except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the EU is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

9.13.2 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

9.13.3 Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

9.13.4 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

9.13.5 Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

9.13.6 Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly

9.13.7 Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

9.13.8 United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of Section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to Section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which Section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

9.14 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the laws applicable in Victoria and each Applicant submits to the exclusive jurisdiction of the courts of Victoria.

9.15 Statement of Directors

This Prospectus is authorised by each Director of Nitro and SaleCo. Each Director has consented to the lodgement of this Prospectus with ASIC and the issuance of this Prospectus, and has not withdrawn that consent.

APPENDIX A

Significant accounting policies

The following provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with AAS and Interpretations issued by the AASB and the Corporations Act 2001. Nitro Software Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Nitro Software Limited group also comply with IFRS as issued by the IASB.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by assets held for sale measured at fair value less costs to sell, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for first time in its annual reporting period commencing 1 January 2018:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The Group had to change its accounting policies following the adoption of AASB 9 and AASB 15.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Amendments to AASB 16 *Leases*

This new standard will replace the current guidance on lease accounting in AASB 117. The new accounting standard will be mandatory for the fiscal year ending 31 December 2019 and early adoption is permitted. The Company has not elected early adoption of the standard. Under the new standards, entities will no longer be required to distinguish between finance leases and operating leases. For the majority of leases, lessees will be required to recognise a lease liability and a corresponding asset on the balance sheet. The potential effect of the new standard on the financial results of the consolidated entity upon adoption is expected to be immaterial for the financial statements as of 31 December 2018.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nitro Software Limited as of 31 December 2018 and the results of all subsidiaries for the year then ended. Nitro Software Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the functional currency, that being the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in U.S. dollars, which is the presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated income statement and consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer.

(i) Sale of subscription agreements

Software license agreements are entered through direct sales to customers and through reseller agreements.

Revenues from sale of license agreements are recognised on a straight line basis over the period of license, from the date a purchase order is raised until the end of the license agreement. Revenue is recognised "over time" which is reflective of when the Group transfers control of the subscription service to a customer.

In adopting AASB 15 to contracts with customers, the Group has determined that there are no material rights offered by way of options for additional goods or services to be provided at a discount within the contractual terms Where the Group provides discounts to customers, these are factored into the transaction price and are recognised over the life of the contract.

(ii) Reseller agreements

The Group enters in software license agreements through reseller agreements, for which a reseller is entitled to a commission payment for new contracts obtained. The Group has considered the requirements in AASB 15 of whether revenue from these contracts should be recognised gross (principal) or net of commissions paid to resellers (agent). On the basis that the Group is responsible for delivering the licenses to the end customer including any maintenance and support, and the Group bears collection and inventory risk of these contracts, the revenues recognised from these agreements are recognised gross.

(iii) Sale of goods (perpetual license and support)

Revenue is recognised when control of the software products has transferred, being when the products are delivered to the customer "at a point in time", and there is no unfilled obligation that could affect the customer's acceptance of the software.

Delivery occurs when the perpetual license software has been provided to the customer and the customer has accepted the products in accordance with the revenue contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The license agreements include an optional post-contract customer support service. Post-customer support includes rights to receive unspecified software license updates and upgrades, maintenance releases and patches released during the term of the support period, and internal access to support personnel and content.

(iv) Costs of obtaining a customer contract

AASB 15 requires that incremental costs associated with acquiring a customer contract, such as sales commissions, are recognised as an asset and amortised over a period that corresponds with the period of the benefit. Sales commissions and commissions paid to distributors relate to agreements that have a contractual duration of three years, which thus is determined to be the period of the benefit.

(v) Interest income

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(vi) Deferred revenue

Deferred revenue is measured based on the consideration specified in a contract with a customer for which the customer has the right to use the software in the future. Subscription license agreements generally have terms of three years. Deferred license revenue relates to the portion of the subscription agreement that will be recognised over the term of licensing the agreement. Deferred maintenance fees generally relate to payments for software maintenance and support in advance of the time of delivery of services. These deferred amounts are expected to be recognised as revenue based on the policy outlined above.

(e) Cost of sales

Cost of sales includes all expenses incurred attributable to the generation of revenue by the Group. These costs typically include: payments made to retail merchants to manage revenue from online stores, services to ensure our services are able to be delivered (e.g. public cloud services), and personnel costs which are directly related to delivering post-contract customer support.

(f) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within their contract terms, which can be over three years. They are presented as current assets for collection which is expected within 12 months of the reporting date, or otherwise are classified as non-current.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

The contract assets relate to subscription license agreements with terms greater than 12 months and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation of furniture and fixtures and computer equipment is measured using the straight-line method over estimated useful lives of the assets, generally three to five years. Leasehold improvements are amortised over the lesser of the estimated useful life of the asset or the remaining lease term.

The depreciation rates used for each class of depreciable assets are:

- Leasehold improvements: 20%
- Furniture and fittings: 33%
- Office equipment: 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(l) Intangible assets

Software development costs

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from three to five years.

The amortisation rates used for each class of intangible assets are:

- Intellectual property: 20%
- Software: 33% to 40%
- Capitalised software: 50%
- Domains: 33%

Software development costs include costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(s) Parent entity financial information

The financial information for the parent entity, Nitro Software Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Nitro Software Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Tax consolidation legislation

Nitro Software Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Nitro Software Limited, and the controlled entities in the tax consolidated group, account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Nitro Software Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Nitro Software Limited for any current tax payable assumed and are compensated by Nitro Software Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Nitro Software Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

APPENDIX B

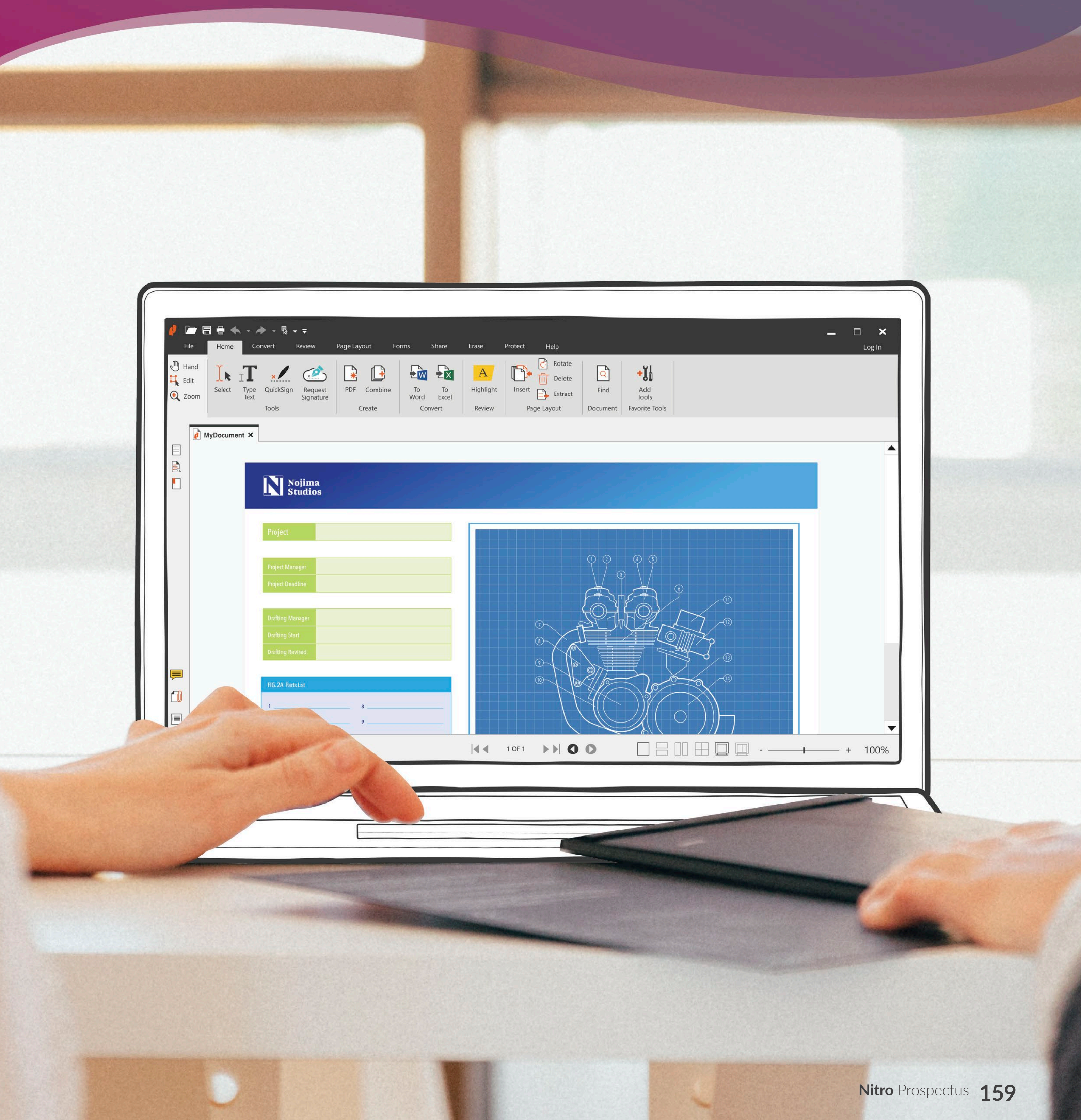
Corporate structure – list of subsidiaries

Significant accounting policies

Company name	Nature of subsidiary's business
Nitro Software, Inc.	• Primary operating entity for the business.
Nitro Software EMEA Ltd	• Primary operating entity for the Dublin office, and provides engineering, product development and EMEA sales services to Nitro Software, Inc.
Nitro Employee Shareholders Pty Ltd	• Non-trading entity that administers the Historical LTIP.

All of the above entities are wholly owned subsidiaries of Nitro Software Limited.

Glossary


File
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QuickSign
Request Signature
Tools
PDF
Combine
Create
To Word
To Excel
Convert
Highlight
Review
Insert
Rotate
Delete
Extract
Page Layout
Find
Document
Add Tools
Favorite Tools
MyDocument
Nojima Studios
Project
Project Manager
Project Deadline
Drafting Manager
Drafting Start
Drafting Revised
FIG. 2A Parts List
1 OF 1
100%

Glossary

Topic	Description
2FA	Two-factor authentication ("**2FA**") is an authentication method in which a user of a system or application is granted access only after successfully presenting two pieces of evidence (or factors) to an authentication mechanism: something the user and only the user knows, something the user and only the user has, or something the user and only the user is or are.
401(k) Plan	Defined contribution retirement savings plan under Section 401(k) of the U.S. Internal Revenue Code.
A$	Australian dollars.
ABN	Australian Business Number.
ACN	Australian Company Number.
AES	Advanced Encryption Standard.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Adobe	Adobe Inc.
AICPA	American Institute of Certified Public Accountants.
Aggregate Substantial Interest	Definition under the FATA meaning acquisitions of shares and voting power in a company of 40% or more by two or more unassociated foreign persons and their associates.
Applicant	A party who submits an Application Form during the Offer Period.
Application(s)	An application made to subscribe for Shares offered under this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Application Monies	The amount of monies for an Application and accompanying an Application Form submitted by an Applicant.
ARR	Annual recurring revenue is the amount of revenue the Company will recognise from subscription-based licensing agreements with customers who have entered into multi-year agreements.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by it (as the context requires).
ASX Corporate Governance Council	An independent body that brings together a wide range of business, shareholder and industry groups, each offering their individual insights and perspectives on governance issues. It operates under a charter adopted in November 2012. The primary role of the Council is to develop and issue principles-based recommendations on the corporate governance practices to be adopted by ASX listed entities.
ASX Listing Rules	The official listing rules of the ASX, as amended, modified or waived from time to time.
ASX Recommendations	Revised in 2019, the fourth edition ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Topic	Description
ASX Settlement Operating Rules	The rules of ASX Settlement Pty Limited (ACN 008 504 532).
ATO	Australian Taxation Office.
Australian Accounting Standards or **AAS**	Australian Accounting Standards and other authoritative pronouncements adopted by the AASB.
Australian Accounting Standards Board or **AASB**	An Australian Government agency under the Australian Securities and Investments Commission Act 2001.
AWS	Amazon Web Services.
Banking Facilities	Nitro's existing loan and revolving facilities as described in Section 4.7.
Battery	Battery Investment Partners X, LLC and Battery Ventures X, L.P. (and each of them).
Board	The Board of Directors of the Company.
Board Charter	A Board Charter is defined as a written policy document that sets out the respective roles, responsibilities and authorities of the board of directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation.
Bookbuild	The process through which Institutional Investors and ASX participating organisations may be invited to bid for Shares under the Offer and during which the number of Shares offered is determined.
Broker	Any ASX participating organisation appointed to act as a broker for the Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to eligible Australian resident retail clients of Brokers.
Bug Bounty	A program where individuals are awarded for reporting bugs as a means to support responsible disclosure.
Business Customer	A unique customer account with 10 or more licenses.
CAGR	Compound annual growth rate.
CBPR	APEC Cross-Border Privacy Rules.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGT	Capital Gains Tax.
CHESS	ASX's Clearing House Electronic Subregister System.
CIS	Center for Internet Security.
Class Order	ASIC Class Order 03/184.
Co-Manager	Bell Potter Securities Limited (ACN 006 390 772).
Company	Nitro Software Limited (ACN 079 215 419).

Glossary

Topic	Description
Completion or **Completion of the Offer**	The completion of the Offer, being the date on which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer.
Constitution	The constitution of Nitro.
Convertible Notes	Convertible notes issued by the Company, which will be converted into New Shares prior to Completion.
COO	Chief Operating Officer.
Corporations Act	*Corporations Act 2001* (Cth).
CRM	Customer Relationship Management.
CSA	Cloud Security Alliance.
Customer Success team	The Customer Success team is a dedicated support team that works with businesses through the change management process, dealing with unique technical needs, or seeking deeper insights into the usage of Nitro solutions across their organisations.
Director	Each of the Directors of the Company and/or SaleCo (as the context requires) from time to time.
EBIT	Earnings Before Interest and Tax.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EEA	European Economic Area.
eIDAS	Electronic Identification Authentication and Trust Services.
EMEA	Europe and the Middle East.
Enterprise	Large enterprises and government agencies.
Escrow Deed	A written agreement by Escrowed Shareholders that prevents them from disposing of their Escrowed Shares for the applicable escrow period.
Escrowed Shares	Certain current management employees or Directors of Nitro who hold existing Shares or options over Shares, as well as certain other holders of existing Shares as detailed in Section 9.10.
Escrowed Shareholders	Forecast Escrowed Shareholders and Six Month Escrowed Shareholders.
ESIGN Act	Electronic Signatures in Global and National Commerce Act.
eSignature	Electronic Signature.
ETO	Electronic Transactions Ordinance Act of 2000.
Executive Director	A member of the Board who forms part of the Company's management.
Existing Shares	Shares held by all Existing Shareholders as at the Prospectus Date.
Existing Shareholders	Persons owning Shares in the Company prior to Completion.

Topic	Description
Exposure Period	The seven-day period commencing on the date of lodgement of the Original Prospectus with ASIC, which may be extended by ASIC for up to an additional seven days, during which an Application must not be accepted.
EU	European Union.
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth).
Financial Information	Together, the Historical Financial Information and the Statutory Financial Information.
FMC Act	Financial Markets Conduct Act 2013.
Forecast Financial Information	Together, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information.
Forrester or **Forrester Consulting**	Forrester Research Limited.
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.
FSMA	Financial Services and Markets Act 2000.
FTE	Full-Time Equivalents.
FY2017	The 12 month period ended 31 December 2017.
FY2018	The 12 month period ended 31 December 2018.
FY2019	The 12 month period ended 31 December 2019.
FY2020	The 12 month period ended 31 December 2020.
FY2020 Options	Options under the CEO LTIP that will vest in the year FY2020 subject to vesting conditions.
FY2021 Options	Options under the CEO LTIP that will vest in the year FY2021 subject to vesting conditions.
GDPR	General Data Protection Regulation.
Group Company	The Company, a subsidiary of the Company, any companies which are 50% or more owned directly or indirectly by any other Group Company, or any partnership or unincorporated joint venture in which any Group Company or a related body corporate of the Company has an interest of 50% or more.
GST	Australian Goods and Services Tax.
HIN	Holder Identification Number.
HIPAA	Health Insurance Portability and Accountability Act of 1996.
Historical ESOP	The Company's existing Employee Share Option Plan.
Historical ESP	The Company's existing Employee Share Plan.
Historical Financial Information	The Historical Financial Information described as such in Section 4.1.

Glossary

Topic	Description
Historical LTIP	The Historical ESOP and the Historical ESP.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards.
Industry Data	Statistics, data and other information relating to markets, market sizes, competitive landscape, market positions and other industry data pertaining to Nitro's business and markets.
Institutional Investors	Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act, respectively; or (b) institutional investors in certain other jurisdictions, as agreed between the Company and the Lead Manager, to whom offers or invitations in respect of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which the Company and SaleCo are willing, in their absolute discretion, to comply), in either case, provided that if such person is in the United States, it is either a person that the Lead Manager reasonably believes to be a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act or a dealer or other professional fiduciary within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act.
Institutional Offer	An offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus.
Investigating Accountant	PricewaterhouseCoopers Securities Ltd.
IPO	Initial Public Offering.
IRS	Internal Revenue Service.
ISO	International Organization for Standardization.
KPI(s)	Key Performance Indicators.
Lead Manager	Morgan Stanley Australia Securities Limited (ACN 078 652 276).
Limited Party or **Limited Parties**	Any person with a direct or indirect equity interest in Nitro or SaleCo.
Listing	Admission of the Company to the Official List and quotation of the Shares on the ASX.
LTIP	Long Term Incentive Plan.
LTV/CAC	Lifetime value per customer/customer acquisition cost as per the formula described in Section 4.2.5.
M&A	Mergers and Acquisitions.
Morgan Stanley	Morgan Stanley Australia Securities Limited (ACN 078 652 276).
NRR	Net revenue retention is the revenue generated in the current financial reporting period from customers who were using the Company's software in the prior financial reporting period, net of customer churn.

Topic	Description
Nitro or **Nitro Group**	Nitro Software Limited and its subsidiaries, and their businesses, as the context permits.
Nitro Admin	Nitro Admin is a cloud-based solution designed to help facilitate enterprise license deployment and user management.
Nitro Analytics	Nitro Analytics provides customers with actionable insights on product usage and adoption, measures print reduction associated with digitising business processes, pinpoints areas for productivity improvement, and identifies tangible ROI from the Nitro Productivity Suite for customers.
Nitro Cloud	Nitro Cloud provides customers with both eSignature and PDF productivity capabilities to any device with a web-browser, including mobile devices.
Nitro Offer Information Line	1300 352 259 (within Australia) and +61 3 9415 4300 (outside Australia).
Nitro Pro	Nitro Pro is a Windows-based desktop PDF productivity solution enabling users to quickly and easily create, convert, edit, redact, sign, review, and protect PDF documents.
Nitro Productivity Suite	Nitro's document productivity solution enabling customers to receive PDF productivity tools, eSignature capabilities, and document analytics through an integrated desktop and cloud solution. The suite contains Nitro Pro, Nitro Cloud and Nitro Analytics.
Non-Executive Director	A member of the Board who does not form part of the Company's management.
Non-Statutory Information	Information, measures and ratios to manage and report on performance which are prepared on a basis that is not in accordance with all relevant accounting standards.
OCR	Optical Character Recognition.
Offer	The invitation under this Prospectus to subscribe for New Shares to be issued by the Company and Existing Shares for sale by SaleCo.
Offer Document	Any of the following documents issued or published by or on behalf of the Company or SaleCo in respect of, or relating to, the Offer, including: (i) any draft Prospectus, (ii) the Prospectus, any application form and any supplementary prospectus, (iii) the cover email, including the appropriate cautionary legend, sent to eligible Institutional Investors in the Offer jurisdictions with a link to, or attaching, any draft Prospectus in connection with the Institutional Offer and Bookbuild, and (iv) any Offer roadshow presentation, investor presentation or marketing presentation materials or other announcements or information provided to prospective investors, including any documents lodged with any government agency, and any addendum, supplements, replacements or updates to any of them to any of them.
Offer Period	The period from the opening date to the closing date of the Broker Firm Offer.
Offer Price	A$1.72 per Share.
Official List	The official list of the ASX, of entities which have been admitted to, and not removed from, listing.
Omnibus Plan	Omnibus equity incentive plan for employees.
Options	Options granted under the LTIP.
PDF	Portable Document Format.

Glossary

Topic	Description
Performance Criteria	Any applicable performance, service and other vesting conditions specific at the time of an option or rights grant under the STIP or LTIP.
PKI	Public Key Infrastructure.
Priority Offer	The Offer of Shares to selected investors in Australia nominated by the Company, as described in Section 7.4.
Privacy Shield	EU–U.S. Privacy Shield is a framework for regulating transatlantic exchanges of personal data for commercial purposes between the European Union and the United States.
Pro Forma Financial Information	The Pro Forma Financial Information described as such in Section 4.1.
Pro Forma Forecast Annual Cash Flows	Pro Forma Forecast Consolidated Cash Flow Information for FY2019 and FY2020.
Pro Forma Forecast Annual Results	Pro Forma Forma Forecast Consolidated Statement of Profit or Loss for FY2019 and FY2020.
Pro Forma Forecast Financial Information	Pro Forma Forecast Results and Pro Forma Forecast Cash Flows.
Pro Forma Historical Annual Cash Flows	Pro Forma Historical Consolidated Cash Flow Information for FY2017 and FY2018.
Pro Forma Historical Annual Results	Pro Forma Historical Consolidated Statements of Profit or Loss for FY2017 and FY2018.
Pro Forma Historical Cash Flows	Pro Forma Historical Annual Cash Flows and Pro Forma Historical Half Year Cash Flows.
Pro Forma Historical Half Year Cash Flows	Pro Forma Historical Consolidated Cash Flow Information for 1H2018 and 1H2019.
Pro Forma Historical Financial Information	Pro Forma Historical Results, Pro Forma Historical Cash Flows, and Pro Forma Historical Statement of Financial Position.
Pro Forma Historical Half Year Results	Pro Forma historical consolidated statements of profit or loss for 1H2018 and 1H2019.
Pro Forma Historical Results	Pro Forma Historical Annual Results and Pro Forma Historical Half Year Results.
Pro Forma Historical Statement of Financial Position	Pro Forma Historical Consolidated Statement of Financial Position as of 30 June 2019.
Prospectus	This document dated Thursday, 21 November 2019 and any replacement or supplementary prospectus in relation to this document.
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being Thursday, 21 November 2019.
Prospectus Regulation	Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.

Topic	Description
PwC	PricewaterhouseCoopers.
PwCs	PricewaterhouseCoopers Securities Ltd.
QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act.
Rights	Rights granted under the LTIP.
ROI	Return on Investment.
RSUs	Restricted Stock Units granted under the Historical ESP.
SaaS	Software-as-a-Service.
SaleCo	Nitro Software SaleCo Limited (ACN 637 092 794), a special purpose vehicle that has been established to facilitate the sale of Shares by the Selling Shareholders.
Sale Deed	A sale deed poll executed by each Selling Shareholder in favour of the Company and SaleCo in respect of the offer for sale of some or all of that Selling Shareholder's Shares to SaleCo.
Selling Shareholders	Existing Shareholders who have irrevocably offered to sell Existing Shares to SaleCo prior to Listing.
SEM	Search Engine Marketing.
SEO	Search Engine Optimisation.
Serviceable Available Market	The users and potential users in the market that are actually ready to implement, expand or maintain current solutions across both PDF productivity and electronic signature.
Settlement	The Settlement in respect of the Shares which are the subject of the Offer occurring under the Underwriting Agreement.
Settlement Date	The date on which Settlement occurs.
SFO	Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
Shares	Fully paid ordinary shares in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Shareholder	The registered holder of one or more Shares.
SMBs	Small and Medium Businesses.
SOA	Service Oriented Architecture.
SOC-2	Certification relating to the appropriate management of customer data, as developed by the American Institute of CPAs.
SOHO	Small Office/Home Office.

Glossary

Topic	Description
SRN	Securityholder Reference Number.
SSL	Secure Sockets Layer.
SSO	Single sign-on ("**SSO**") is a session and user authentication service that permits a user to use one set of login credentials (e.g. name and password) to access multiple applications. SSO can be used by enterprises, smaller organisations, and individuals to mitigate the management of various usernames and passwords.
Starfish	Starfish Technology Fund II, LP (ABN 95 957 715).
Statutory Financial Information	The Statutory Financial Information described as such in Section 4.1.
Statutory Forecast Annual Results	Statutory Forecast Consolidated Statement of Profit or Loss for FY2019 and FY2020.
Statutory Forecast Annual Cash Flows	Statutory Forecast Consolidated Cash Flow Information for FY2019 and FY2020.
Statutory Forecast Financial Information	Statutory Forecast Results and Statutory Forecast Cash Flows.
Statutory Historical Annual Cash Flows	Statutory Historical Consolidated Cash Flow Information for FY2017 and FY2018.
Statutory Historical Annual Results	Statutory Historical Consolidated Statements of Profit or Loss for FY2017 and FY2018.
Statutory Historical Cash Flows	Statutory Historical Annual Cash Flows and Statutory Historical Half Year Cash Flows.
Statutory Historical Half Year Cash Flows	Condensed Statutory Historical Consolidated Cash Flow Information for 1H2017 and 1H2018.
Statutory Historical Financial Information	Statutory Historical Results, Statutory Historical Cash Flows, Statutory Historical Statement of Financial Position.
Statutory Historical Half Year Results	Condensed Statutory Historical Consolidated Statements of Profit or Loss for 1H2018 and 1H2019.
Statutory Historical Results	Statutory Historical Annual Results and Statutory Historical Half Year Results.
Statutory Historical Statement of Financial Position	Condensed Historical Consolidated Statement of Financial Position as of 30 June 2019.
STIP	Short Term Incentive Plan.
Substantial Interest	Definition under the FATA meaning acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates.
TFN	Tax File Number.

Topic	Description
UETA	Uniform Electronic Transactions Act.
Underwriter	Morgan Stanley Australia Securities Limited.
Underwriting Agreement	The underwriting agreement (as amended or supplemented) entered into between the Lead Manager, the Company and SaleCo dated 21 November 2019.
U.S. or **United States**	United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
U.S. Securities Act	United States Securities Act of 1933.
U.S. Sub-Plan	Participants in the United States are governed by the Sub-Plan to the Omnibus Plan.
VWAP	Volume-Weighted Average Price.
Warrants	A security that entitles the holder to buy the underlying stock of the issuing company at a fixed price called exercise price until the expiry date.
You	The investors under this Prospectus, and **Your** has a corresponding meaning.

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Nitro Software Limited

ACN 079 215 419

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Broker Firm Offer Application Form (**Application Form**) relates to the Broker Firm Offer by Nitro Software Limited ACN 079 215 419 **("Nitro" or the "Company")** of fully paid ordinary shares (**Shares**) in the Company, made under the prospectus dated 21 November 2019 (**Prospectus**). The expiry date of the Prospectus is the date that is 13 months after the Prospectus Date.

This Application Form is important. If you are in doubt as to how to deal with it, please contact your professional advisers without delay. You should read the Nitro Software Limited Prospectus dated 21 November 2019 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A I/we apply for

A$.

B I/we lodge full Application Money

A$.

Number of Shares in Nitro Software Limited at A$1.72 per Share or such lesser number of Shares which may be allocated to me/us. Minimum application is A$2,000.00 worth of Shares and in multiples of A$500.00 worth of Shares thereafter.

B Individual/Joint applicants - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

C Enter the postal address - include State and Postcode

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

D Enter your contact details

Contact Name

Telephone Number - Business Hours

( )

E CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued to you as a result of the Offer will be held on the Issuer Sponsored subregister.

F Payment details - please follow the instructions provided to you by your Broker.

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

If paying by cheque, your cheque should be drawn according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Nitro Software Limited.

See overleaf for completion guidelines ➔

How to complete this Broker Firm Offer Application Form

A **Application Monies**
Enter the dollar value of Shares you are applying for. The minimum Application size is A$2,000.00.

B **Number of Shares applied for**
Enter the number of Shares you wish to apply for. Applications must be for a minimum of A$500.00 Shares. You may be issued all of the Shares applied for or a lesser amount.

C **Applicant Name(s)**
Enter the full name you wish to appear on the statement of security holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D **Postal Address**
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E **Contact Details**
Enter your contact details. These are not compulsory but may be used to contact you regarding this Application.

F **CHESS**
Nitro Software Limited will participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Nitro Software Limited and allocated a Securityholder Reference Number (SRN).

Payment
Please follow the instructions provided to you by your Broker.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application Form relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in Nitro Software Limited is upon and subject to the terms of the Prospectus and the Constitution of Nitro Software Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

The Broker Firm Offer opens on 29 November 2019 and is expected to close on 6 December 2019 (Closing Date). Nitro Software Limited may elect to extend the Broker Firm Offer.
If you have been contacted by your Broker regarding the Broker Firm Offer, you should ask your Broker for information about how and when to lodge this Application Form and how to make payment. Generally, you will lodge your Application with your Broker in accordance with their instructions. Do NOT lodge this Application Form with the Share Registry.

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Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Nitro Software Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Nitro Software Limited

ACN 079 215 419

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Broker Firm Offer Application Form (**Application Form**) relates to the Broker Firm Offer by Nitro Software Limited ACN 079 215 419 **("Nitro" or the "Company")** of fully paid ordinary shares (**Shares**) in the Company, made under the prospectus dated 21 November 2019 (**Prospectus**). The expiry date of the Prospectus is the date that is 13 months after the Prospectus Date.

This Application Form is important. If you are in doubt as to how to deal with it, please contact your professional advisers without delay. You should read the Nitro Software Limited Prospectus dated 21 November 2019 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A I/we apply for

A$.

B I/we lodge full Application Money

A$.

Number of Shares in Nitro Software Limited at A$1.72 per Share or such lesser number of Shares which may be allocated to me/us. Minimum application is A$2,000.00 worth of Shares and in multiples of A$500.00 worth of Shares thereafter.

B Individual/Joint applicants - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

C Enter the postal address - include State and Postcode

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

D Enter your contact details

Contact Name

Telephone Number - Business Hours

( )

E CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued to you as a result of the Offer will be held on the Issuer Sponsored subregister.

F Payment details - please follow the instructions provided to you by your Broker.

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$

If paying by cheque, your cheque should be drawn according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Nitro Software Limited.

See overleaf for completion guidelines ➔

Samples/000001/000001/i12

How to complete this Broker Firm Offer Application Form

A Application Monies
Enter the dollar value of Shares you are applying for. The minimum Application size is A$2,000.00.

B Number of Shares applied for
Enter the number of Shares you wish to apply for. Applications must be for a minimum of A$500.00 Shares. You may be issued all of the Shares applied for or a lesser amount.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of security holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but may be used to contact you regarding this Application.

F CHESS
Nitro Software Limited will participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Nitro Software Limited and allocated a Securityholder Reference Number (SRN).

Payment
Please follow the instructions provided to you by your Broker.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application Form relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in Nitro Software Limited is upon and subject to the terms of the Prospectus and the Constitution of Nitro Software Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

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Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Corporate directory

Nitro Software Limited

Registered office
Unit 4, 246 Bourke Street
Melbourne VIC 3000
Australia

Lead Manager

Morgan Stanley Australia Securities Limited
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Co-Manager

Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne VIC 3000
Australia

Legal Adviser

Gilbert + Tobin
Level 35, Tower Two,
International Towers Sydney
200 Barangaroo Avenue
Barangaroo NSW 2000
Australia

Investigating Accountant

PricewaterhouseCoopers Securities Ltd
2 Riverside Quay
Southbank VIC 3006
Australia

Independent Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006
Australia

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Australia

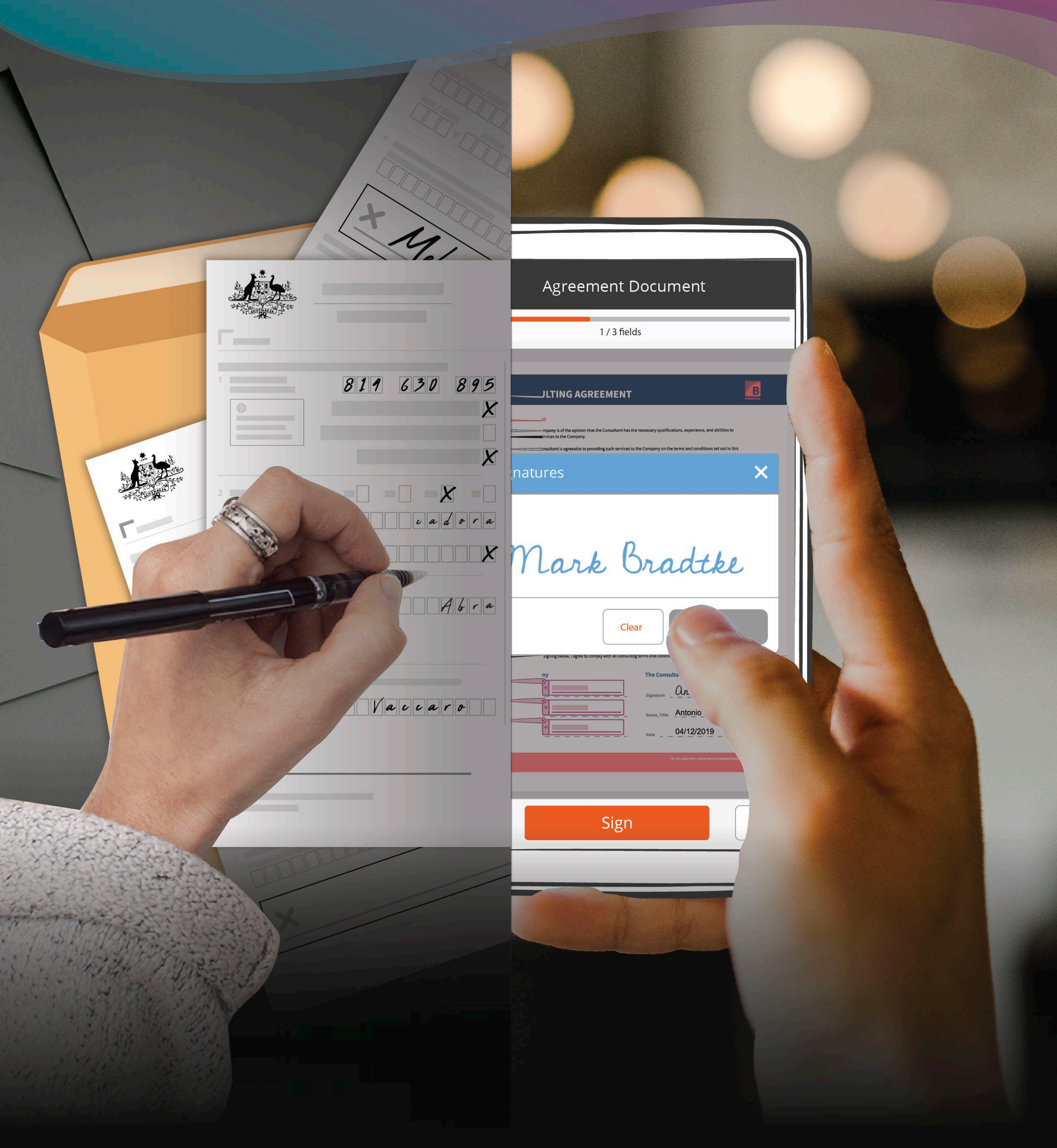
Offer Website

https://nitrooffer.thereachagency.com

Corporate Website

http://www.gonitro.com

nitro


Agreement Document
1 / 3 fields
Mark Bradtke
Clear
Antonio
04/12/2019
Sign