



ASX Announcement

31 January 2020

Nitro releases its first Appendix 4C for the fourth quarter of FY2019

Nitro Software Limited (ASX:NTO) ("Nitro" or the "Company"), a global document productivity software company driving digital transformation in organisations around the world, today released its Appendix 4C Quarterly Cash Flow Report for the quarter ended 31 December 2019 (unaudited) and is pleased to provide the following update on financial and operating performance.

Unaudited Fourth Quarter and Full Year Highlights (in USD)

- FY2019 net cash provided by/ (used in) operating activities was \$1.2 million compared to \$0.5 million in the Company's Prospectus;
- Net cash flow from financing activities was \$40.9 million as a result of the IPO which raised net proceeds of \$44.8 million (before transaction costs);
- Cash balance at 31 December 2019 was \$47.0 million which positions the Company well to fund future activities and growth;
- Q42019 cash receipts from customers were \$11.4 million; FY 2019 cash receipts from customers were \$40.2 million;
- FY2019 revenue is expected to be in line with Company's Prospectus forecast; and
- FY 2019 EBITDA is expected to be ahead of prospectus forecast, largely driven by foreign exchange rate gains on IPO funds held in Australian Dollars

Business Update

During the fourth quarter of 2019, Nitro surpassed 2.0 million licenses sold, and is well placed to accelerate the delivery of its growth strategy through the increased adoption of the Nitro Productivity Suite across its SMB, mid-market and enterprise customer base, as well as new customer wins.

Sam Chandler, Chief Executive Officer and Co-Founder of Nitro said:

"We are thrilled to have achieved the two million licensed user milestone. It took us ten years to secure our first million users, so achieving the second million in only four years really speaks to the business process acceleration and the productivity gains that our customers are achieving with the Nitro Productivity Suite. Following our successful IPO in December 2019, we are well-capitalized and well-positioned to execute on our product and go-to-market strategy in 2020. Our focus continues to be on delivering high-quality document productivity, workflow and business intelligence solutions that provide significant productivity gains and tangible ROI."

During 2H 2019, Nitro added a number of key new customers globally across a diverse set of industries, including financial services, retail, healthcare, oil and gas, construction, education and professional services.

Ends

Authorised for release to the ASX by [Kathleen Miller, CFO and Co-Company Secretary]

Registered Office: | Level 4, 246 Bourke Street | Melbourne, VIC 3000, Australia
Corporate Office: | 150 Spear Street, STE 1500 | San Francisco, CA 94105, USA



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Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Nitro. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

About Nitro

Nitro is a global document productivity software company driving digital transformation in organizations around the world across multiple industries. The Company's core solution, the Nitro Productivity Suite, provides integrated PDF productivity, eSignature and business intelligence (BI) tools to customers through a horizontal, SaaS and desktop-based software suite. Nitro's software solution is highly scalable, serving large multinational enterprises and government agencies, as well as small business and individual users. As of 31 December 2019, Nitro has over 2.0 million licenses sold, and over 10,500 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. Nitro is headquartered in San Francisco and has offices in Dublin, London and Melbourne.

All statistics provided are as of 31 December 2019. The presentation currency of the Company/Group is United States Dollars ("USD") and unless otherwise stated, all amounts are presented in USD.

For more information on Nitro, please visit

Website: <https://www.gonitro.com/>

Investors: <https://ir.gonitro.com/Investor-Centre/>

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

NITRO SOFTWARE LIMITED

ABN

15 079 215 419

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
1	Cash flows from operating activities		
1.1	Receipts from customers	\$11,442	\$40,228
1.2	Payments for		
	(a) research and development	(\$226)	(\$1,070)
	(b) product manufacturing and operating costs	(\$1,433)	(\$5,327)
	(c) advertising and marketing	(\$1,591)	(\$2,659)
	(d) leased assets *	(\$19)	(\$366)
	(e) staff costs **	(\$5,105)	(\$20,426)
	(f) administration and corporate costs**	(\$4,596)	(\$8,581)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	\$12	\$39
1.5	Interest and other costs of finance paid	(\$110)	(\$511)
1.6	Income taxes paid	(\$102)	(\$99)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities (see note 2)	(\$1,728)	\$1,228

* The Group has adopted new accounting standard AASB 16 *Leases* with effect from 1 January 2019. In accordance with the requirements of AASB 16 cash payments for the principal portion of the Group's lease liabilities are presented within financing activities.

** The amount includes costs attributable to the R&D function of the business

2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(\$41)	(\$683)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment	-	-

	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities	\$11	\$31
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(\$30)	(\$652)

3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	\$44,833	\$44,833
3.2	Proceeds from issue of preference shares	-	-
3.3	Proceeds from issue of convertible notes	-	\$5,000
3.4	Proceeds from exercise of share options	\$114	\$121
3.5	Transaction costs related to issues of shares, convertible notes or options	(\$3,376)	(\$3,434)
3.6	Proceeds from borrowings	-	-
3.7	Repayment of borrowings	(\$2,521)	(\$4,466)
3.8	Payment for leased assets *	(\$324)	(\$1,135)
3.9	Dividends paid	-	-
3.10	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	\$38,726	\$40,919

* The Group has adopted new accounting standard AASB 16 *Leases* with effect from 1 January 2019. In accordance with the requirements of AASB 16 cash payments for the principal portion of the Group's lease liabilities are presented within financing activities.

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	\$8,852	\$4,354
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(\$1,728)	\$1,228
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$30)	(\$652)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	\$38,726	\$40,919
4.5	Effect of movement in exchange rates on cash held	\$1,197	\$1,168
4.6	Cash and cash equivalents at end of quarter	\$47,017	\$47,017

Quarterly report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents		Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		US\$'000	US\$'000
5.1	Bank balances	\$46,565	\$8,412
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	\$452	\$440
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	\$47,017	\$8,852

6. Payments to directors of the entity and their associates**Current quarter**
US\$'000

6.1 Aggregate amount of payments to these parties included in item 1.2

295

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

The payments in in 6.1 relate to remuneration paid to the Executive Directors and Non-Executive Directors

7. Payments to related entities of the entity and their associates**Current quarter**
US\$'000

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Not applicable

Quarterly report for entities subject to Listing Rule 4.7B

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	546	155
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
The financing facilities available to the Company relate to credit cards			

9.	Estimated cash outflows for next quarter	US\$'000
9.1	Research and development	\$500
9.2	Product manufacturing and operating costs	\$1,076
9.3	Advertising and marketing	\$500
9.4	Leased assets	\$20
9.5	Staff costs	\$6,136
9.6	Administration and corporate costs	\$2,583
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	\$10,815

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Not applicable	Not applicable
10.2	Place of incorporation or registration	Not applicable	Not applicable
10.3	Consideration for acquisition or disposal	Not applicable	Not applicable
10.4	Total net assets	Not applicable	Not applicable
10.5	Nature of business	Not applicable	Not applicable

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: Kathleen Miller
(Director/Company secretary)

31 January 2020
Date:

Print name: Kathleen Miller

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. This quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows. Receipt of funds from holders of preference shares, outstanding at 31 December 2018 aggregating \$1,750 ('000) has been classified as other receivables and are recognized in operating cashflows for the 12 months ended 31 December 2019, consistent with the prospectus presentation and classification. This classification has no impact on the ending cash for the quarter ended 31 December 2019
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.