



Nitro Software Limited

Financial Results Briefing
27 February 2020

Financial data is provided in USD; unaudited statutory financial results



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The information is supplied in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in US dollars unless otherwise indicated.

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We use words such as 'will', 'may', 'expect', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'estimate', 'anticipate', 'believe', 'probability', 'risk', 'aim', or other similar words to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control, and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with our expectations or that the effect of future developments on us will be those anticipated. Actual results could differ materially from those which we expect, depending on the outcome of various factors. Factors that may impact on the forward-looking statements made include, but are not limited to, those described in the section titled 'Risk factors' in Nitro's prospectus dated 21 November 2019 available at <https://ir.gonitro.com/>. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction.

Today's Presenters



Sam Chandler

Co-founder, Chief Executive Officer and Executive Director

- Sam started his first company at 16, while still in high school
- Since then, Sam co-founded Nitro, served as a board member of the Australian Communities Foundation, and is currently an Investor and Mentor in Startmate, a leading Australian tech accelerator
- Sam co-founded Nitro in May 2005 and currently serves as the CEO and a Director
- Sam was also named Ernst and 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



Kathy Miller

Chief Financial Officer

- Kathy has over 30 years of leadership experience and achievement in finance, accounting and operations, holding a number of Chief Financial Officer and senior finance roles across public and private companies
- Previous positions include Chief Operating and Chief Financial Officer of nCourt, Chief Financial Officer of eSecuritel Holdings, Senior Vice President (Global Finance and Accounting) of Witness Systems, and Director (Financial Planning and Analysis) of MapInfo Corporation.
- Kathy is a State of New York licensed Certified Public Accountant

Agenda

- | | |
|---|--------------|
| 1. Business Overview & Financial Highlights | Sam Chandler |
| 2. FY 2019 Financials | Kathy Miller |
| 3. Business Strategy & Outlook | Sam Chandler |
| 4. Q&A | |

Business Overview & Financial Highlights

Sam Chandler, CEO



Financial and Operational Highlights

\$35.7 million
FY 2019 Revenue¹

↑ **100% of prospectus forecast**

(\$3.8) million
FY 2019 EBITDA

↑ **\$2.3 M above prospectus forecast**

\$16.9 million
Ending ARR

↑ **103% of prospectus forecast**

\$6.7 million
New ARR Added

↑ **108% of prospectus forecast**

90%
Subscription Retention Rate²

2 million
Licensed Users

↑ **up 100% over the past four years**

¹ Unaudited 2019 Statutory Financial Results

² Subscription retention rate is measured based on subscription dollars retained

Nitro by the Numbers



Over
2 million

Licensed
users



Over
10,982

Business
customers



~65% & two

of the 2019 Fortune 500
and Fortune 10
respectively⁽¹⁾



111%

Subscription revenue
growth rate FY2017 –
FY2019



126%

Net revenue retention
rate in 2019



2.8x

LTV / CAC ratio
in 2019

1. Based on ten or more user licenses being held within the organisation

Rapid Time-to-Value by Enabling Users with eSigning

Giant, US healthcare company with over 200,000 employees & 12M members

Industry:	# of Employees:	Customer Since:
Hospitals / Healthcare	217,000	2019

- One of the largest non-profit healthcare plans in the United States, with over 12M members, operating 39 hospitals and more than 700 medical offices.
- Introduced an alternative PDF solution in 2018, but found the capabilities to be too limited and needed a cost-effective solution on-par with category-leading product.
- Participated in the Nitro Pilot program to validate that Nitro is the right product and partner fit. The significant incremental value in eSigning and Nitro Analytics made Nitro the clear choice.
- Initial NPS rollout was completed in under 60 days. Nitro Analytics helped quantify the immediate ROI realized by giving users access to the Nitro suite of document productivity tools. Customer increased number of licenses by 60% in the first 6 months.

“The support provided by Nitro during the testing and evaluation phase created such a positive experience that it gave us the confidence to move forward. We are thrilled to be able to offer the full Nitro Productivity Suite to our employees and provide access to eSigning tools that were too cost-prohibitive in the past.”

Director of IT

Partnering on Innovation and Transformation

Global wealth management group, based in Switzerland

Industry:

Financial Services

of Employees:

6,700

Customer Since:

2019

- Provides high-end services and expertise to private clients across the world.
- 2,500 users moved onto Nitro Pro from their legacy PDF solution in April 2019. By October 2019, purchased another 1,500 licenses to displace the legacy solution for the majority of their workforce.
- Nitro has partnered with this customer on product innovation to ensure the Nitro Product Roadmap is evolving along with their changing business needs.

“Nitro has really proven themselves to be a true partner who is committed to the successful adoption of Nitro among our varied user groups. Nitro continuously demonstrates genuine concern and interest in helping us achieve our business goals. We have high confidence in Nitro’s product, and look forward to many more years of collaboration.”

Application Manager

Nitro Productivity Suite

Our Solution: Nitro Productivity Suite

Software solutions to drive document productivity



Nitro Pro
PDF Productivity



Nitro Cloud
eSigning



Nitro Analytics
Document Intelligence



Other tools and capabilities for user success



Customer Success
Deployment and Adoption



Nitro Admin
User Management

Access a broad range of features



View, create and edit
PDF documents



Document
conversion



Secure eSigning
capabilities



Cloud
collaboration



Create fillable
forms



Workflow
monitoring



Print cost
management



User adoption
management



Return on investment
measurement



Comprehensive solutions for user management



24/7 support team



License management



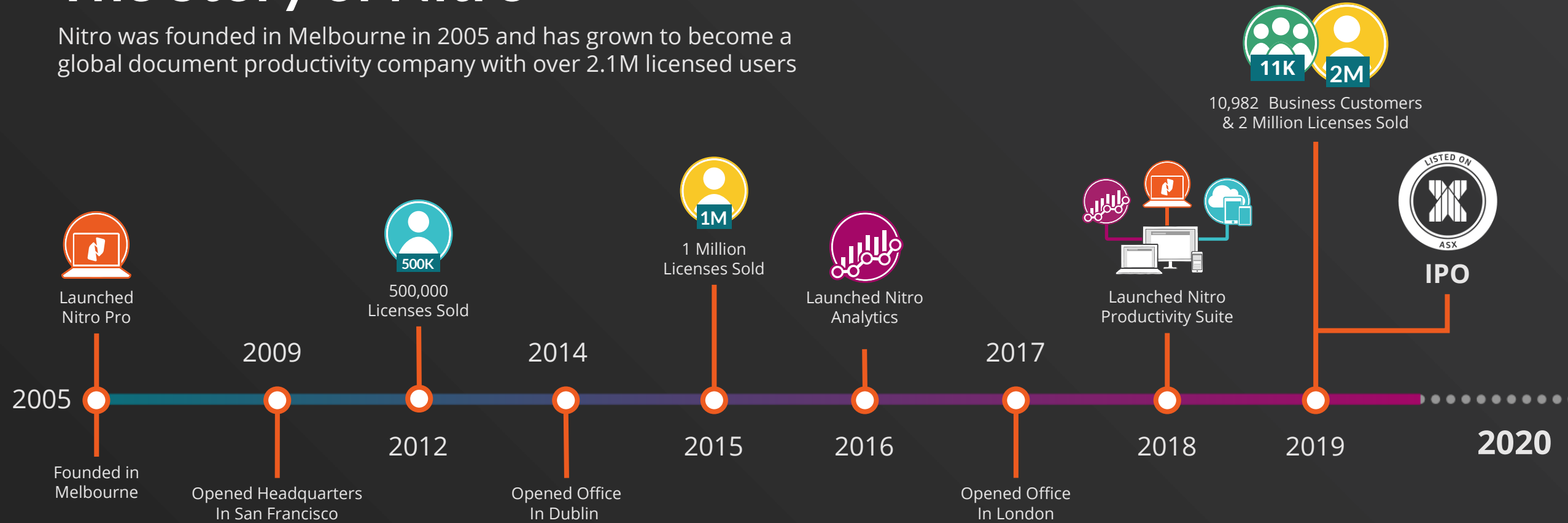
Self-help tools



User management

The Story of Nitro

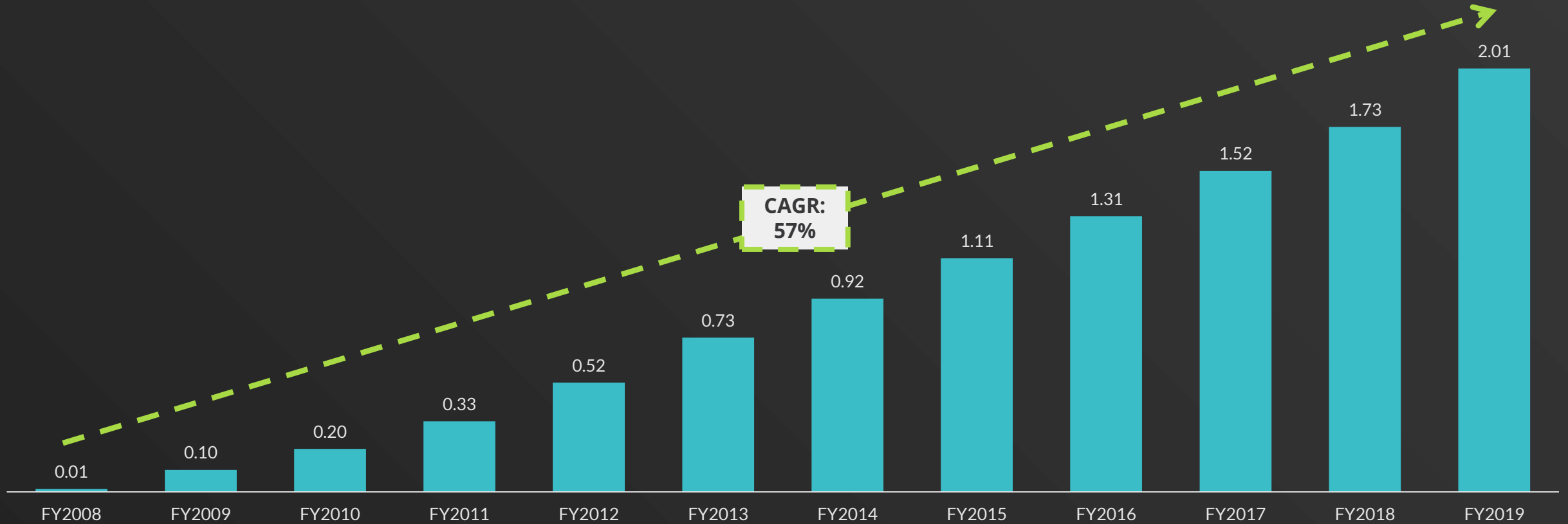
Nitro was founded in Melbourne in 2005 and has grown to become a global document productivity company with over 2.1M licensed users



Listed on the ASX on 11 December 2019
Raised US\$45M (gross)

User Licenses Over Time

(Year ended 31 December, millions)



FY 2019 Financials

Kathy Miller, CFO



FY2017 – FY2019 Statutory Income Statement

COMMENTARY

- Subscription revenue grew 91% from FY2018 to FY2019, driven by the continued shift towards growing subscription customers
- Perpetual, maintenance & support revenues declined by 12% from FY2018 to FY2019 as a result of a continued focus to shift perpetual customers onto subscription-based licensing agreements
- Cost of sales was 12% in FY2018, and improved to 10% in FY2019 as a result of the increase in subscription bookings, which have a lower cost of sale versus perpetual licenses
- Sales and marketing expense was 48% and 52% of total revenue in FY 2018 and FY2019, respectively. The increase is primarily due to an increase in quota carrying sales reps and marketing program spend
- Total general and administration expense was 22% in FY2018, and 32% in FY2019. The year over year increase is primarily due to personnel expenses and share-based payments
- Research and development expense decreased year over year in 2019 from \$7.7 million in 2018 to \$7.0 million as a result of the finalization of the transition of the development team from San Francisco to Dublin, as well as thru attrition. Total R&D headcount at 31 December 2019 was 42

STATEMENT OF FINANCIAL PERFORMANCE

US\$M	Notes	FY2017	FY2018	FY2019 ⁴	Change vFY2018	Change % vFY2018
Subscription		3.0	6.9	13.2	6.3	91%
Perpetual, maintenance & support		24.9	25.5	22.5	(3.0)	-12%
Revenue	1	27.9	32.4	35.7	3.3	10%
Cost of sales		(3.6)	(3.8)	(3.7)	0.1	3%
Gross profit		24.2	28.6	32.0	3.4	12%
Selling and marketing expense	1	(17.5)	(15.4)	(18.7)	(3.3)	21%
General and administration expense		(7.3)	(7.0)	(11.3)	(4.3)	61%
Research and development expense		(6.6)	(7.7)	(7.0)	0.7	(9%)
Other gain/(loss)	2	0.5	(1.2)	1.2	2.4	200%
EBITDA		(6.7)	(2.8)	(3.8)	1.0	36%
Interest income		0.0	0.0	0.0	0.0	-
Depreciation and amortization expense		(3.2)	(2.0)	(2.0)	0.0	-
Finance costs		(0.8)	(0.6)	(1.8)	(1.2)	(200%)
(Loss) before income tax		(10.7)	(5.4)	(7.6)	(2.2)	41%
Income tax (expense) / benefit	3	(0.3)	(0.2)	(0.4)	(0.2)	100%
(Loss) for the year		(11.0)	(5.5)	(7.9)	(2.4)	44%
Other comprehensive income						
Adjustment from translation from foreign controlled entities		(0.4)	0.2	(0.2)	0.0	-
Total comprehensive (loss) for the year		(11.4)	(5.3)	(8.1)	(2.8)	53%

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: \$1.2 million gain and net loss on disposal of property, plant and equipment (FY2018: \$0.5 million) and relocation costs (FY2018: \$0.1 million).

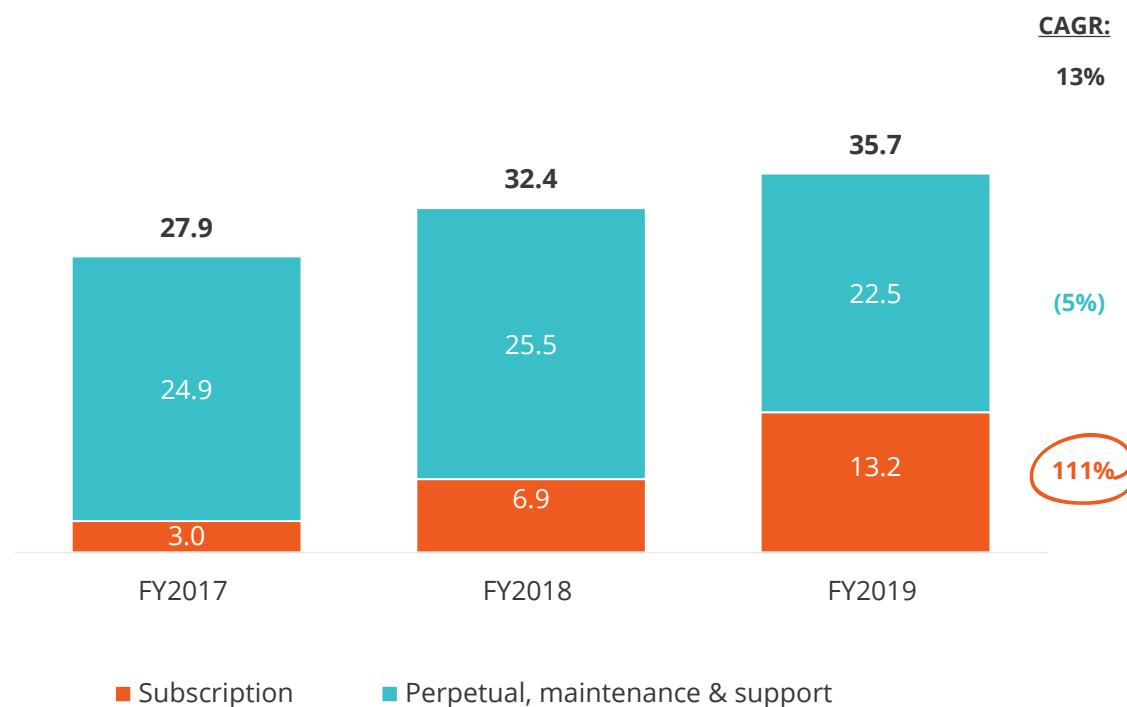
3. Income tax (expense)/benefit: includes income tax on the Company's Irish subsidiary. The Company has not recorded taxable profits in the United States or Australia.

4. Unaudited statement of financial performance for the year ended 31 December 2019

Revenue and EBITDA Performance

REVENUE (FY2017 – FY2019)

US\$M

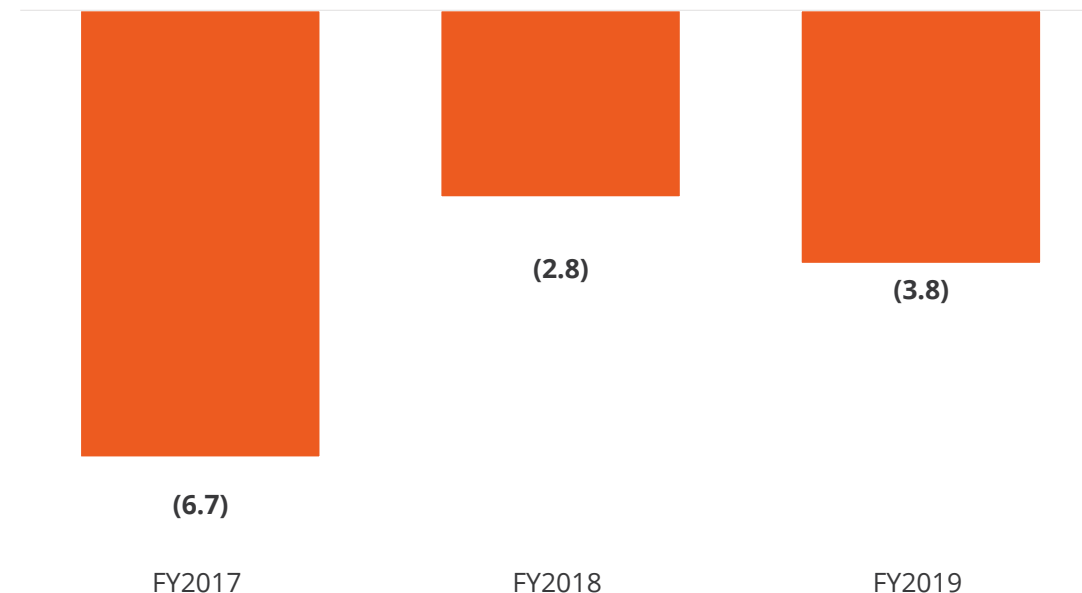


Recurring revenue ⁽¹⁾	11%	21%	37%
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1. Recurring revenue is the revenue recognized from subscription contracts throughout the year

STATUTORY EBITDA (FY2017 – FY2019)

US\$M

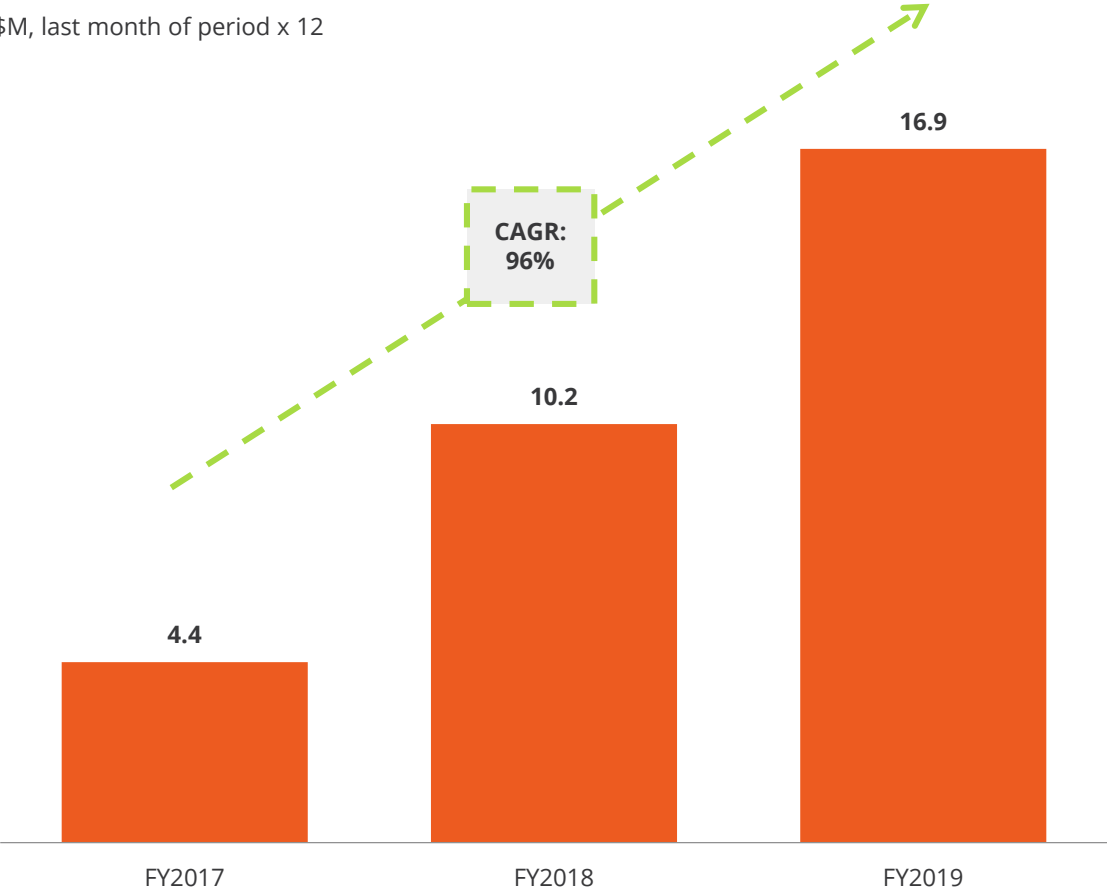


EBITDA margin	(24%)	(8%)	(11%)
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Subscription ARR and New ARR Added

SUBSCRIPTION ARR

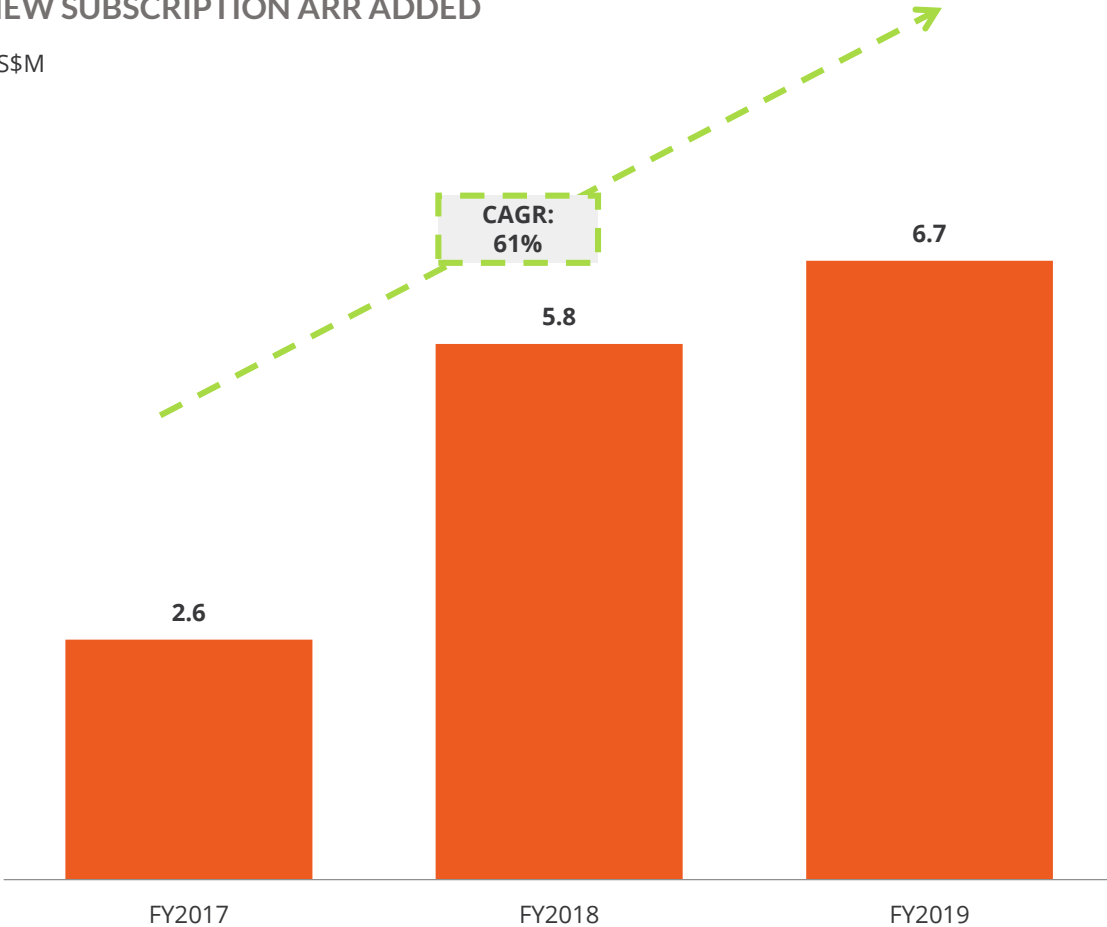
US\$M, last month of period x 12



Annual amount of revenue recognized from subscription-based licensing arrangements with customers who have entered multi-year agreements

NEW SUBSCRIPTION ARR ADDED

US\$M

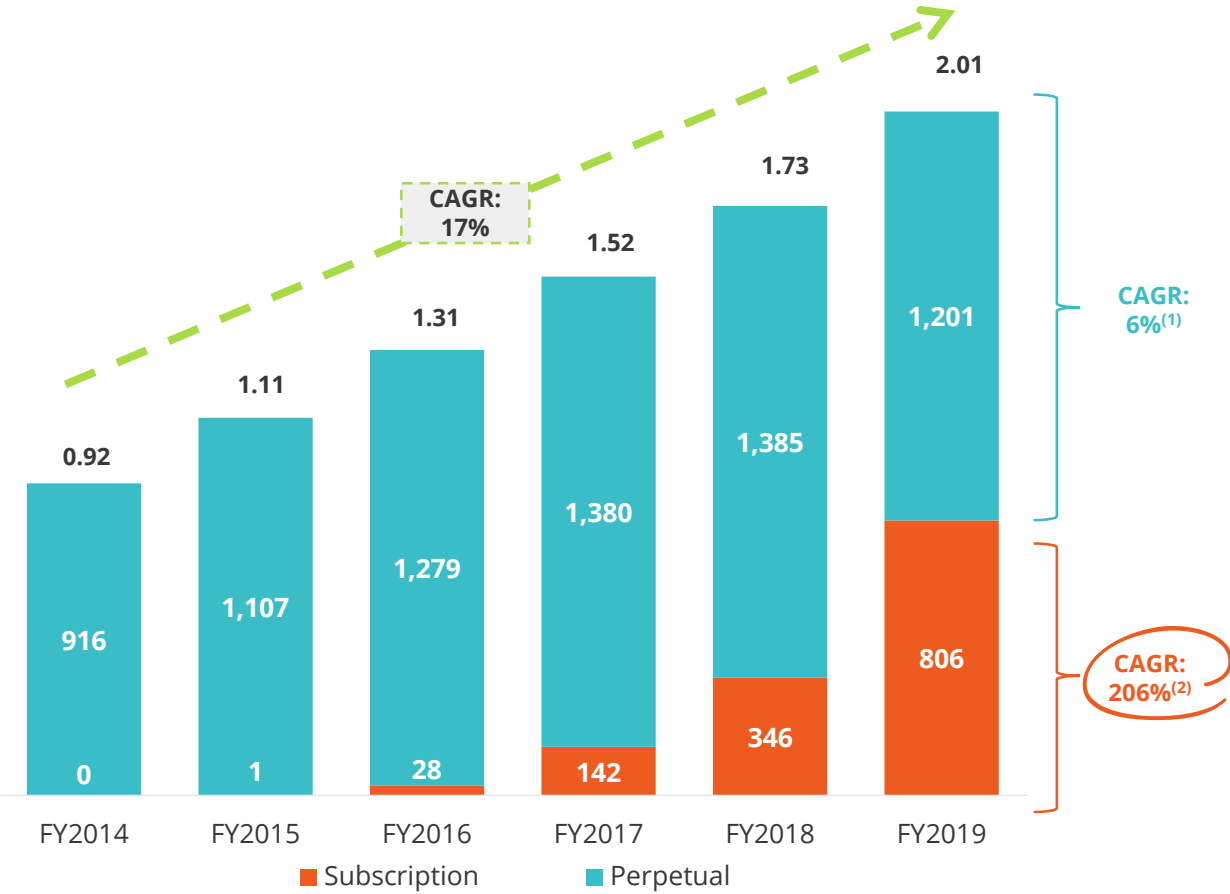


Incremental ARR added during a financial reporting period

Subscription Revenue and Customer Growth Accelerating Over Time

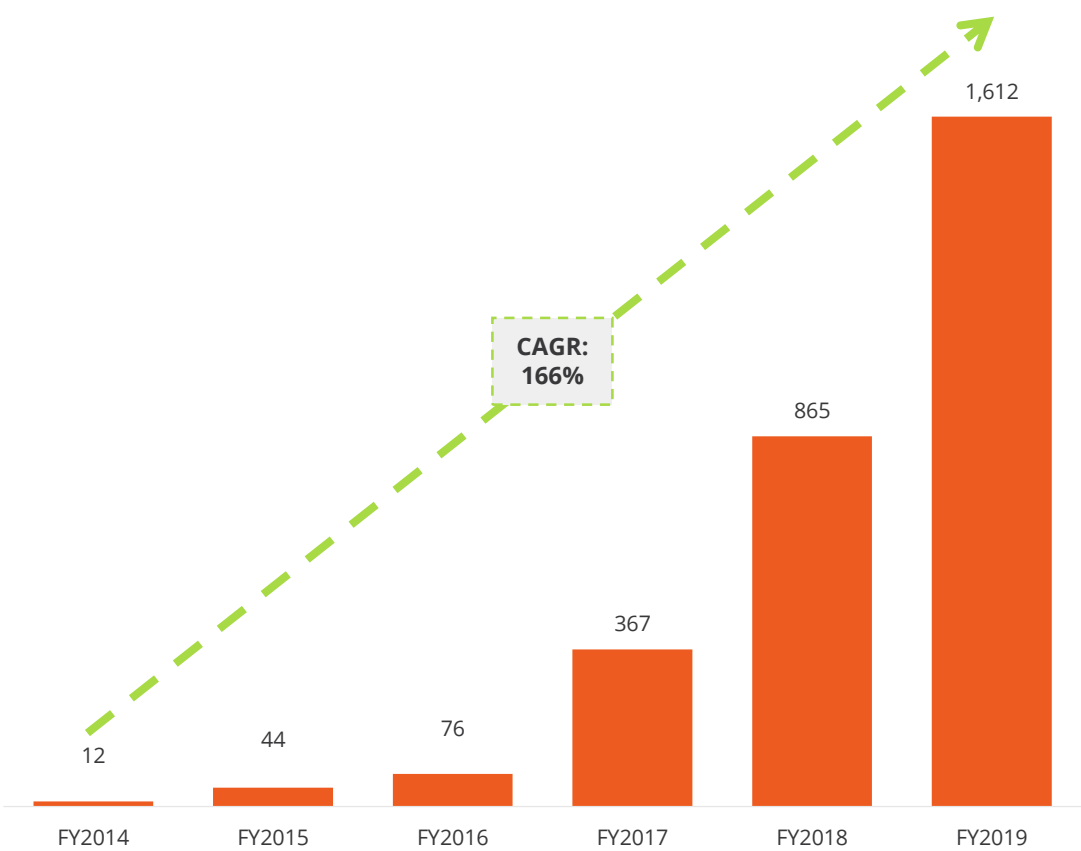
LICENSES OVER TIME

Millions, subtotals in 000's



SUBSCRIPTION CUSTOMERS OVER TIME

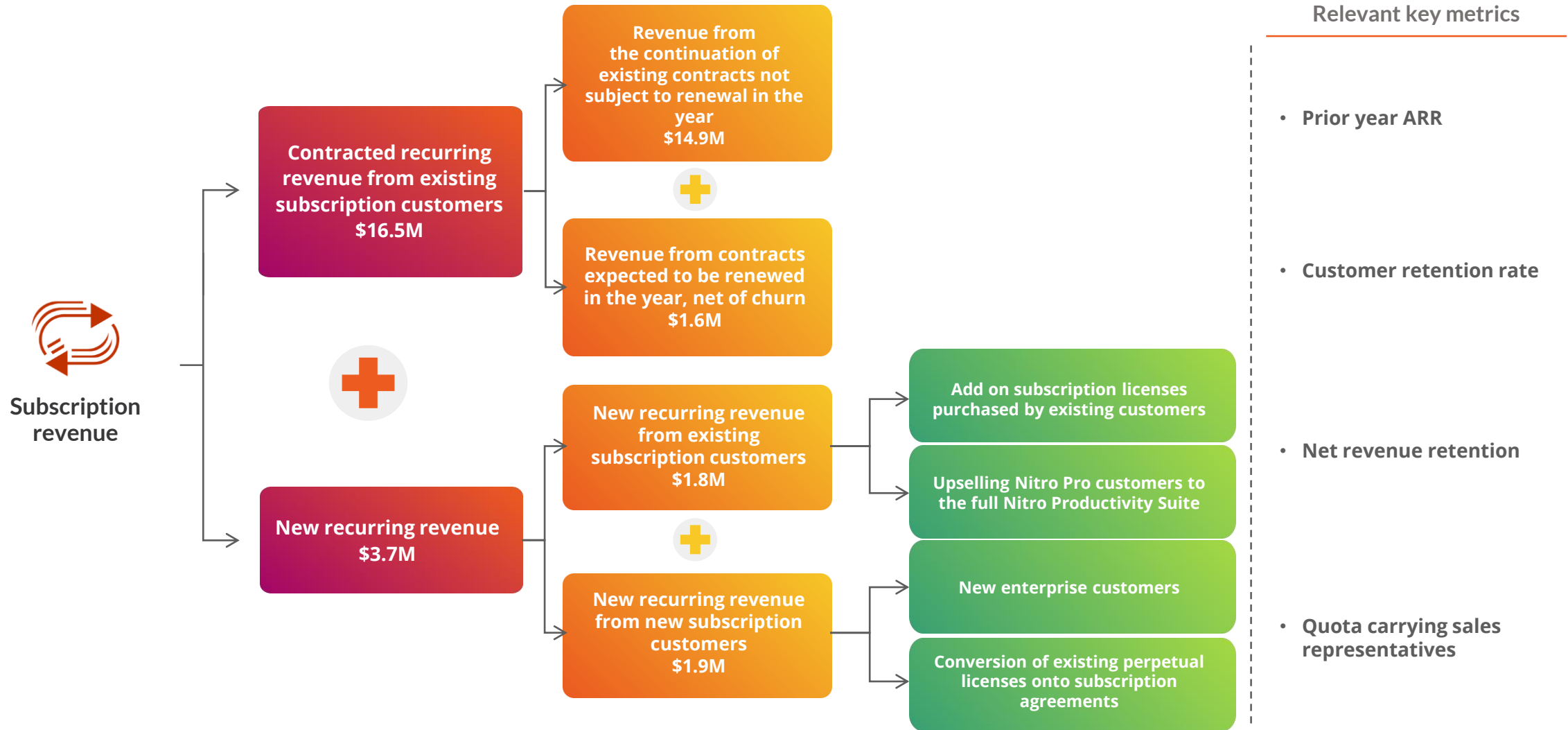
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1. FY2014 –2019

2. FY2016 – 2019

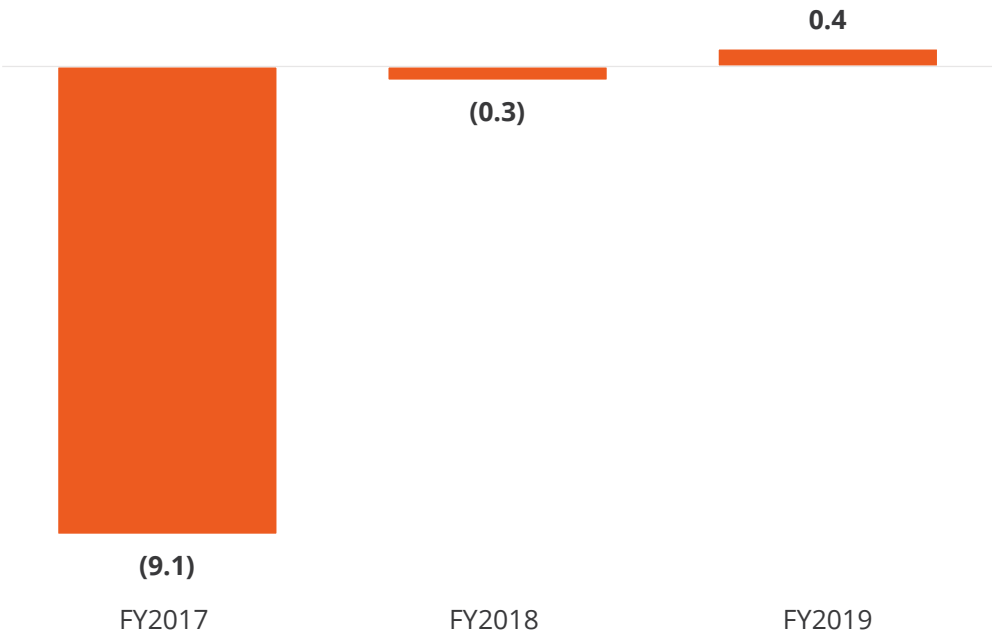
74% of 2020 Revenue Under Contract



Operating Cash Flow and R&D Investment

OPERATING CASH FLOW (FY2017 – FY2019)

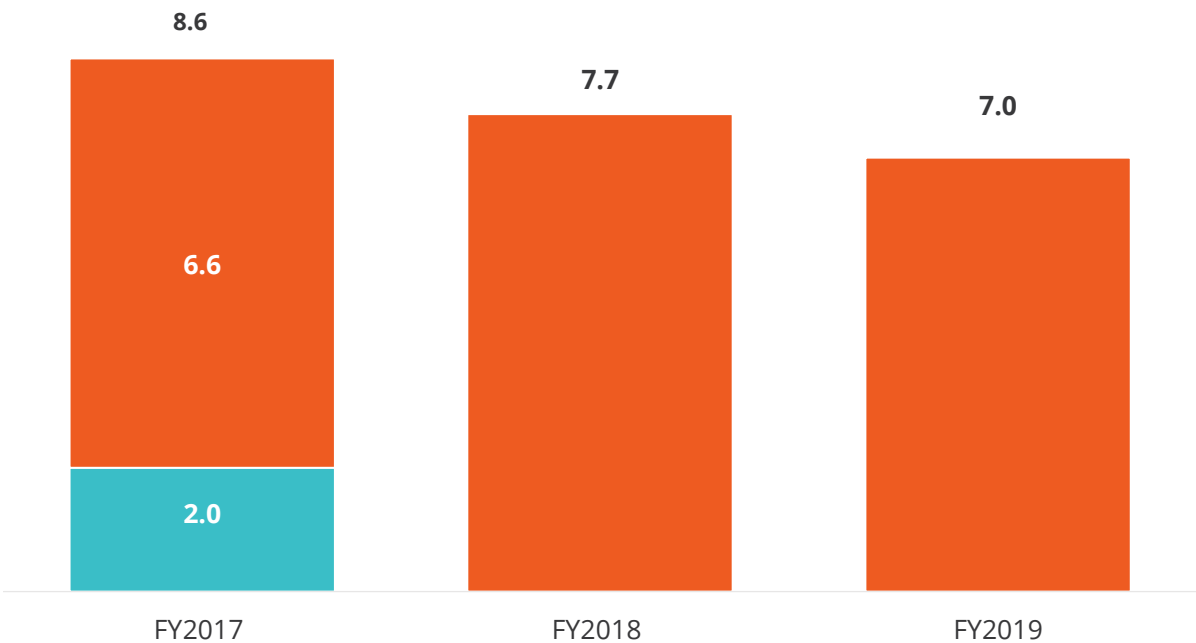
US\$M



■ Statutory operating cash flow

INVESTMENT IN R&D (FY2017 – FY2019)

US\$M



■ Research and development expense
■ Capitalized software development investment⁽¹⁾

% Total Revenue ²	24%	24%	20%
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Notes:
1. From FY2018 and onwards, the Company stopped capitalizing software development costs
2. Excludes capitalized portion of \$2.0m in FY2017
3. FY2019A are based on unaudited results for the year ended 31 December 2019



Business Strategy & Outlook

Sam Chandler, CEO

What is our Value Proposition?

We help our customers win with software solutions that boost end-user productivity, accelerate critical business processes, deliver valuable business insights, and save time and money.



Nitro Pro



Nitro Cloud



Nitro Analytics



Strategic partner for document productivity and workflow in the Office of the CIO & Line of Business

1.

Productivity
& Process Acceleration

2.

Business Intelligence
& Insights

3.

Lower TCO

Multi-platform, strong application + platform layer presence,
system of record and engagement, network effects, high
switching costs, strong brand, delighted customers

Multiple Levers of Business Growth

Nitro's path to growth is underpinned by key pillars ranging from geographical expansion customer acquisition, product development, and acquisitions



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

2

Winning new 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

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 organizations

4

Continued investment in product development

Nitro believes there are additional growth opportunities both in the core markets of PDF productivity and eSigning, as well as adjacent markets in document productivity and workflow

5

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

Nitro's Product Ambition 2020-2022



Seamless, simple & delightful document productivity from any device



Faster document processes with intuitive experiences and no-code automation



eSigning workflows optimized for individuals and teams



Signing integrations with the most-used business apps



A vibrant ecosystem built around enterprise grade document productivity and eSigning services



Rich insights that make productivity visible for individuals and businesses

Key Investment Highlights

1.

Differentiated integrated suite of document productivity solutions

- SaaS-based, integrated and industry agnostic PDF productivity and eSigning solution with analytics
- Highly scalable and fast deployment
- Enables knowledge workers to productively manage and process documents for many business functions, including editing, eSigning, collaboration, storage and document intelligence

2.

High quality, global customer base

- Services over 10,900 business customers in 144 countries
- Customers include over 65% of the 2019 Fortune 500, and two of the 2019 Fortune 10
- Customers include high-profile names such as ExxonMobil, UnitedHealth Group, T-Mobile and JLL
- In 2019, net revenue retention rate was 126% and LTV / CAC ratio was 2.8x

3.

Multiple levers of business growth

- Expansion within existing customers through number and price of licenses
- Winning new enterprise customers through increased investment in sales and marketing
- Expanding revenue contribution from larger enterprise customers to drive Nitro's profile and revenue per customer
- Continued investment in product development to ideas in core and adjacent markets
- Acquisitions that may accelerate customer acquisition or product development

4.

Large and growing available market

- Independently assessed combined PDF productivity and eSignature serviceable available market of US\$5.5 billion⁽¹⁾
- Market forecast to grow at a 10.6% CAGR over the next four years⁽¹⁾
- Based on FY2019 total revenue, Nitro has captured less than 1% of this market so far

5.

A growing proportion of revenue that is classified as recurring in nature

- In 2019, subscription revenue increased by 91% from 2018 and accounted for 37% of total 2019 revenue
- Gross margin for 2019 was 90%
- Diversified revenue base with largest customer representing only 1% of FY2019 revenue

6.

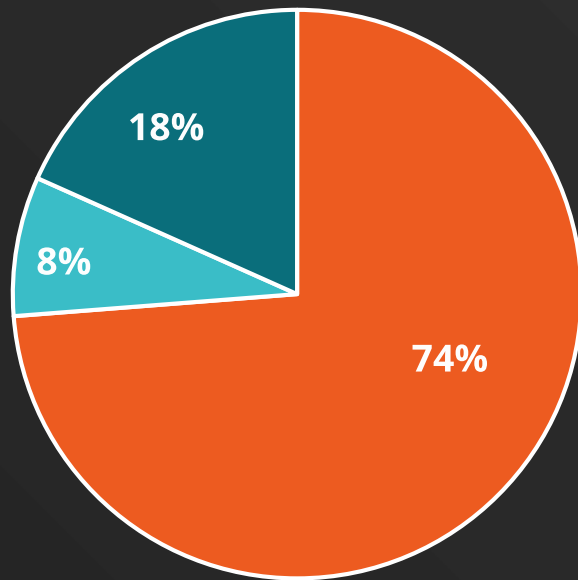
Highly experienced team

- Founder-led business, with co-founders Sam Chandler (CEO) and Richard Wenzel (Senior VP, Tax and Treasury, Executive Director) in the Company
- Kathy Miller (CFO) has over 30 years of leadership experience across finance, accounting and operations, including with both private and public technology and software companies

Outlook

- 74% of 2020 Subscription revenue under contract
- Nitro reaffirms its FY2020 Prospectus forecast¹

2020 Subscription Revenue



- Recurring revenue under contract
- Expected recurring revenue renewals
- New recurring

¹ subject to foreign currency fluctuations

USD, millions 31 December 2020

Subscription	\$ 20.2
Perpetual	20.2
Total Revenue	40.5
COGS	4.5
Gross Profit	35.9
Sales & Marketing	21.3
Research & Development	10.3
General & Administrative	9.7
Total Operating Expense	41.3
EBITDA	(5.3)

Q&A

Appendix

Balance Sheet

COMMENTARY

- \$45.0M primary capital raising (gross), \$41.4 million (net)
- \$5.0M convertible note instrument (issued in 2019) is converted to equity on completion of the IPO
- \$4.5M repayment of borrowings pertains to repayment of the outstanding balance of the Banking Facilities
- Cash balance of \$47.0M to support ongoing working capital requirements, and potentially support future acquisitions or other growth initiatives
- The remaining \$2.9M of borrowings relate to short and long-term lease liabilities of \$1.4M and \$1.5M, respectively

STATEMENT OF FINANCIAL POSITION

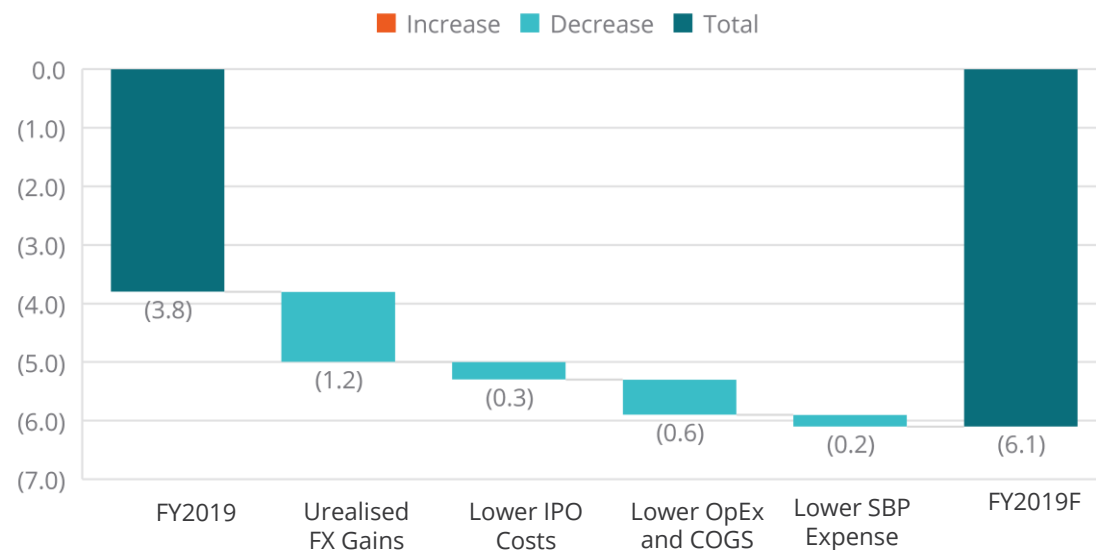
US\$M	Statutory 31 Dec 2019 ¹	Statutory 31 Dec 2018
Cash and cash equivalents	47.0	4.0
Receivables and contract assets	6.7	6.4
Current tax receivables	0.1	0.0
Current assets	53.8	10.4
Receivables and contract assets	17.5	16.0
Property, plant and equipment	0.6	0.0
Intangible assets	0.1	0.9
Deferred tax assets	0.2	0.2
Right of use assets	3.1	-
Other non-current asset	0.2	-
Non-current assets	21.6	17.2
Trade and other payables	5.6	3.7
Borrowings	-	2.7
Deferred income	18.9	15.7
Lease liability	1.4	-
Current liabilities	25.9	22.2
Borrowings	-	1.7
Deferred income	14.2	10.9
Deferred tax liability	0.3	-
Lease liability	1.5	-
Non-current liabilities	16.1	12.7
Net assets	33.4	(7.0)
Contributed equity	90.2	42.6
Other reserves	1.7	1.0
Retained earnings	(58.5)	(50.6)
Equity	33.4	(7.0)

1. Unaudited statement of financial position as at 31 December 2019

Financial Performance

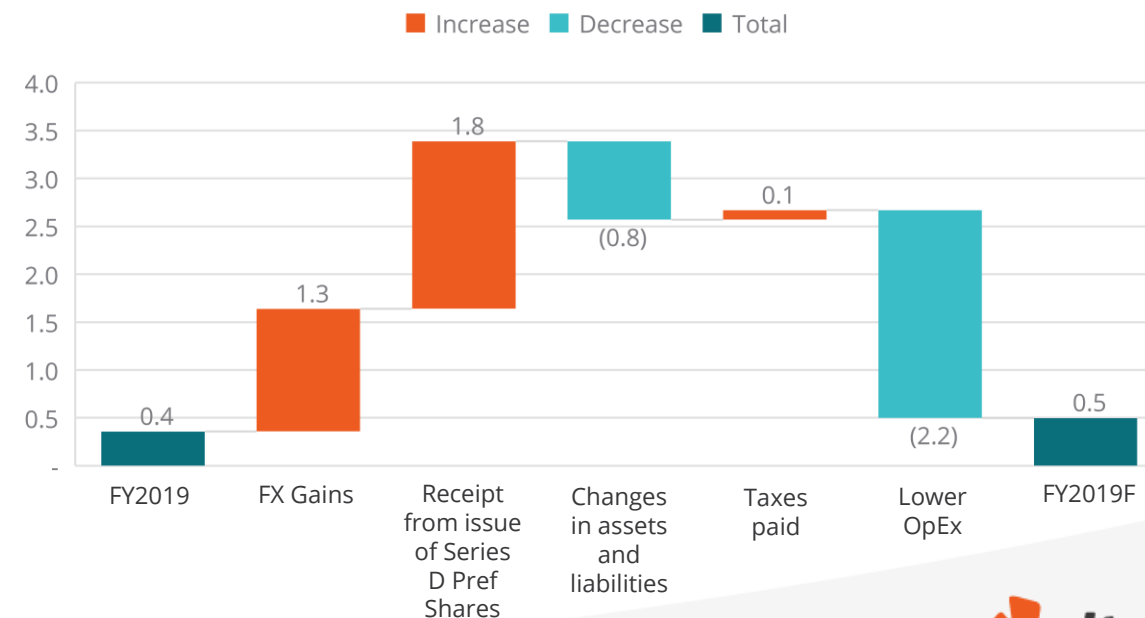
US\$M	Actual		Prospectus Forecast	Change	
	FY2018	FY2019 ¹	FY2019F v FY2018	v FY2019F	
Subscription	6.9	13.2	13.1	92%	1%
Perpetual, maintenance and support	25.5	22.5	22.3	-12%	1%
Revenue	32.4	35.7	35.4	10%	1%
Cost of sales	(3.8)	(3.7)	(4.0)	-5%	-9%
Gross profit	28.6	32.0	31.4	12%	2%
Other operating expenses	(31.4)	(35.8)	(37.6)	14%	5%
EBITDA	(2.8)	(3.8)	(6.2)	37%	-39%

Statutory EBITDA reconciliation FY2019 to FY2019F



SaaS metrics	Actual	Prospectus Forecast	Change
	FY2019	FY2019F	FY2019F
Gross margin	90%	89%	1%
Net Revenue Retention	126%		
Annual Recurring Revenue (ARR) \$million	16.9	16.4	3%
New Annual Recurring Revenue(New ARR) \$million	6.7	6.2	8%
Lifetime value per customer (LTV) \$'000	123		
Customer acquisition costs (CAC) \$'000	44		
LTV/CAC (ratio)	2.8x		

Reconciliation of Statutory operating cashflow FY2019 to FY2019F



Reconciliation from Statutory to Proforma Financial Results

US\$M	FY2018	FY2019 ¹
Statutory revenue	32.4	35.7
Q4FY2019 revenue over-performance	-	(0.3)
Prospectus forecast revenue	32.4	35.4

US\$M	FY2019 ¹	FY2019F
Statutory/prospectus forecast EBITDA	(3.8)	(6.1)
IPO Offer costs	2.9	3.2
Public company costs	(1.0)	(1.3)
One off share-based payments	0.4	0.4
Proforma actual/proforma forecast EBITDA	(1.5)	(3.8)

US\$M	FY2019 ¹	FY2019F
Statutory/prospectus forecast net (loss)	(7.9)	(10.1)
IPO Offer costs	2.9	3.2
Public company costs ²	(1.0)	(1.3)
One off share-based payments	0.4	0.4
Convertible note fair value impact	1.3	1.3
Proforma historical/Proforma prospects forecast net (loss)	(4.3)	(6.5)

1. Unaudited statement of financial performance for the year ended 31 December 2019

2. Public company costs for FY2019 were not fully incurred on account of listing in Q4FY2019

Solutions Offering Detail

Nitro Productivity Suite consists of three main modules which are



Nitro Pro

PDF Productivity

- ✓ Create, convert, edit, redact, sign, review and protect PDF documents
- ✓ Makes PDF files and scanned documents editable using Optical Character Recognition technology
- ✓ Integrates with popular cloud-based storage products such as Dropbox, Google Drive and Microsoft OneDrive
- ✓ Collaborate digitally, fill and sign forms, protect and control document integrity and editability
- ✓ Familiarity of Microsoft Office style ribbon design makes product implementation and adoption fast and straightforward



Nitro Cloud

eSigning

- ✓ eSigning and PDF productivity capabilities to any device with a web browser, including mobile devices, without the installation of any software
- ✓ Licensing model allows unlimited signatures
- ✓ Enables users to securely share documents online, invite others to comment, and track document workflows with real-time notifications
- ✓ Integrated with Nitro Pro and Microsoft Word as well as cloud storage systems such as Google Drive, Dropbox and OneDrive
- ✓ Supports features such as Single Sign-On and Two-Factor Authentication to enable enterprise user management and enhanced signing security



Nitro Analytics

Document Intelligence

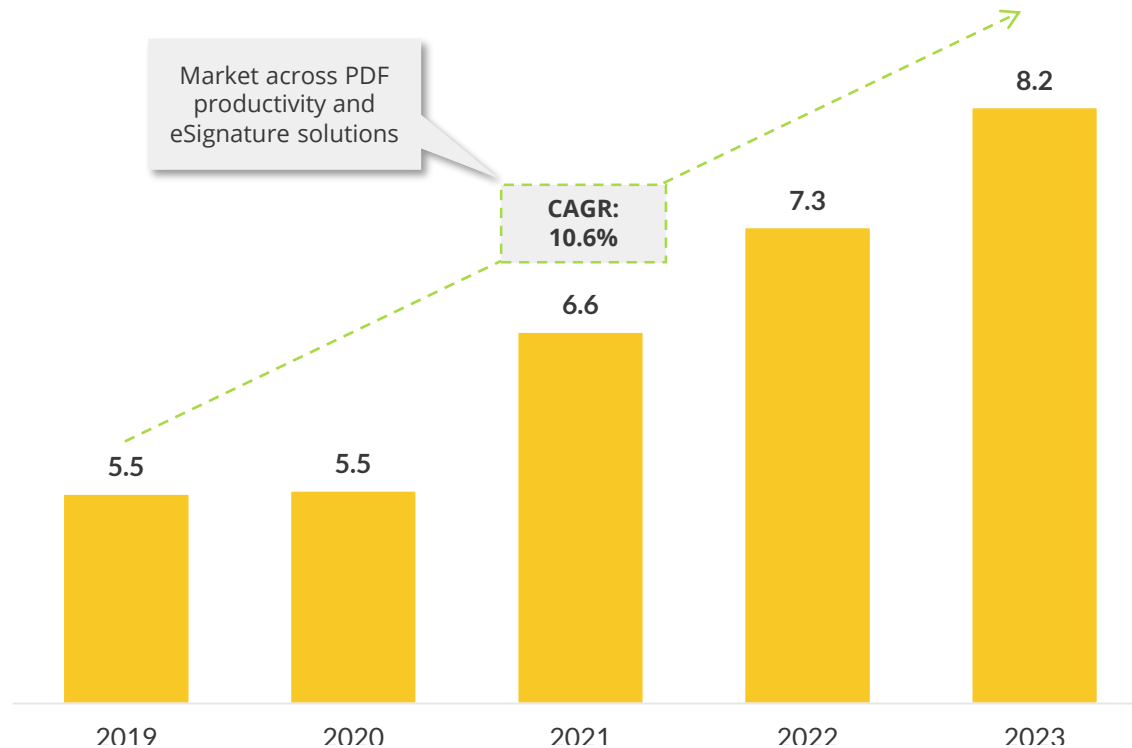
- ✓ Real-time actionable insights on product usage and adoption
- ✓ Identifies tangible return on investment from the Nitro Productivity Suite
- ✓ Helps customers to understand, improve and accelerate product adoption
- ✓ Provides insights into document productivity, workflows and areas for improvement
- ✓ Supports optimization of inefficient document processes
- ✓ Visualizes printing behaviors and trends in real-time including print reduction
- ✓ Assists in driving targeted training activities
- ✓ Drives process digitization and print reduction initiatives that are tied to broader organizational digital transformation goals

Large and Growing Available Market

The PDF productivity and eSignature serviceable available market is expected to grow at a CAGR of 10.6% from 2019 to 2023

NITRO'S SERVICEABLE AVAILABLE MARKET

Year ended 31 December, billions

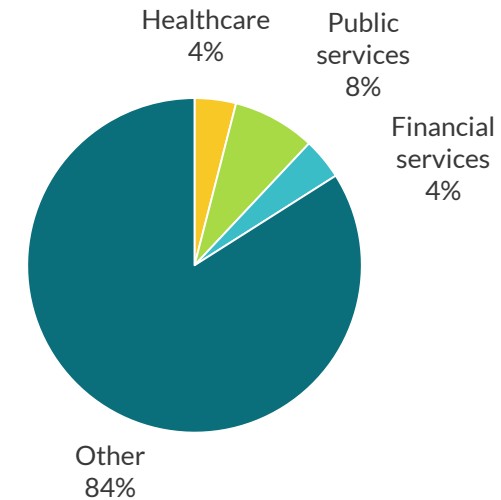


Serviceable available market pertains to the portion of the market ready to implement, expand or maintain PDF productivity and / or eSigning solutions, and which Nitro can realistically serve

Source: Forrester Consulting, "Forrester Market Insight Study on PDF Productivity & eSignature Solutions"

NITRO'S SERVICEABLE AVAILABLE MARKET BY INDUSTRY

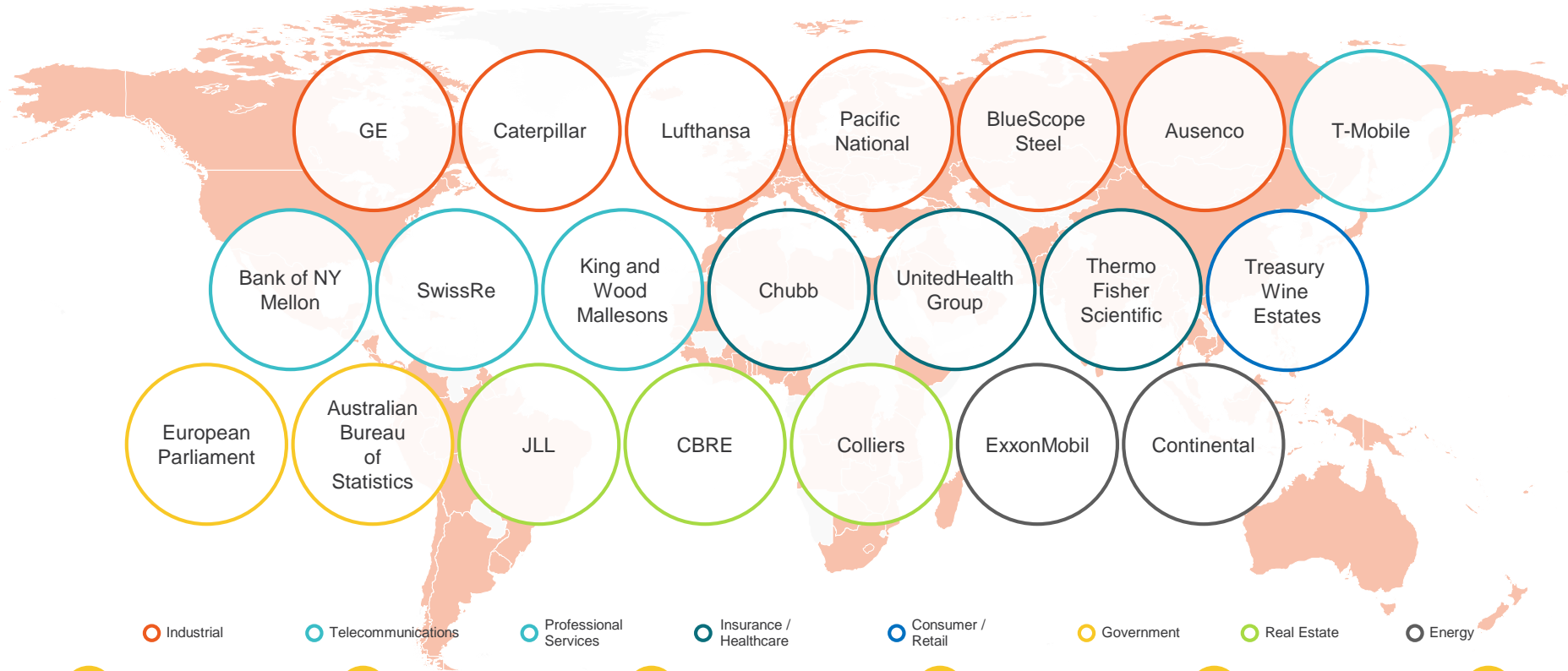
2019, %



PDF productivity and eSigning solutions have applicability across a multitude of industries

Broad, Diverse Customer Base

SELECTED CUSTOMERS



Over 2.0 million licensed users

Over 10,982 business customers

90% net customer retention

~65% of Fortune 500

2 out of Fortune 10

144 Countries