nitro

Investor Update

Q1 2020 / COVID-19

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Agenda

1. Business Update

2. COVID-19: Insights from Nitro Analytics

3. Nitro on the Future of Work

4. Financial Commentary

5. Q&A

Business Update

COVID-19 | Q1 Update

Nitro's COVID-19 Response

Fast, ahead of the curve, successful

✓ Organizational productivity measures are green

✓ Customer and partner interactions largely normal

✓ More personal interactions with video replacing voice-only

Immediate COVID-19 Response

- Implemented WFH March 12th

- Ceased all travel and required self-isolation for returning travelers

- Ahead of government policies in all regions

Fully Remote Ready

- All Nitronauts are WFH-enabled

- Laptops, monitors, desks, chairs, headsets, webcams, internet upgrades

"New Normal" Operations

- New meeting, check-in and communication models

- Regular employee surveys

- Expanded health and wellness program

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What We Have Seen

Early business impact of COVID-19

Slow or stalled deals

Many customers are focused on pandemic response and pausing, slowing or reviewing new initiatives.

New interest & demand

Enabling WFH productivity and fully digital document processes has become an urgent priority.

New Customer Wins

Notable new customers in Q1

6,000 Users

600 Users

2,000 Users

720 Users

Nitro now counts three of the UK's "Big Four" banks as major customers

Ministere de l'interieur; builds on Nitro's European Parliament success

Significant Nordics win; Top 10 largest companies in Sweden

Department of Jobs, Precincts and Regions; adds to Australian state and federal government successes

Examples of New and Urgent Demand

Customers seeking solutions for rapid digitization and remote work productivity

Major Southern California Hospital

With leadership working remotely, eSign became urgent priority. Closed large new customer win during emerging pandemic to digitize key workflows with Nitro

Large Private US REIT

Previously perpetual customer immediately upgraded to Nitro Productivity Suite upon implementation of WFH policy to enable eSigning from anywhere

Large Australian Rail Operator

Large existing Nitro customer, now looking to equip hundreds of users with eSign capabilities to enable critical document workflows for remote employees

Major US Insurer
Fortune 10 Subsidiary

Long-time Nitro customer using PDF productivity only, immediately began evaluating Nitro's eSigning capabilities as COVID hit and teams were sent home

Major UK Bank

Large existing Nitro customer, fast-tracked security assessment process to implement Nitro's eSigning and cloud productivity tools to ensure business continuity

Insights from Nitro Analytics

COVID-19 impact through data

Nitro Analytics

Part of the Nitro Productivity Suite

Drive measurable adoption and quantifiable business ROI, while realizing the full value of Nitro

197 Countries

38 Million Daily Events

22+ Industries Reporting

✓ Measure and manage your digital transformation journey

✓ Gain visibility into Nitro adoption and standardization

✓ Benchmark against other companies and best practices

COVID-19 & How Work Has Changed

Three key global trends observed in Nitro Analytics data

- ✓ Printing has declined massively and rapidly
- ✓ Digitization feature usage increased significantly in response
- ✓ Contract execution is happening *faster*

Who led the digital transformation of your company?
A) CEO
B) CTO
C) COVID-19

Follow

3:10 PM - 14 Apr 2020

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Printing Drops

Observed trend #1

Without access to office printers, we saw a **52% decline** in global printing due to more employees working from home.
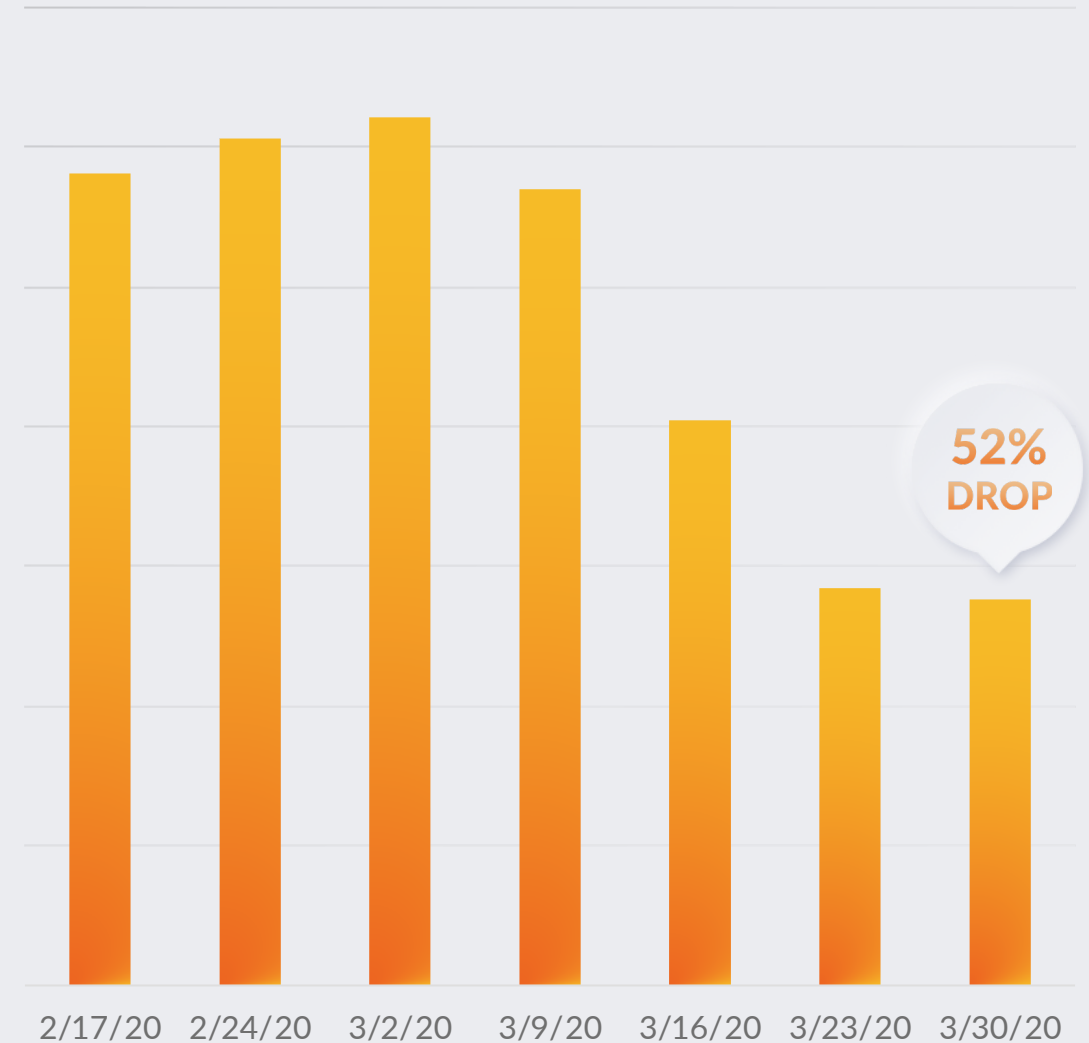
By Country

USA	UK	AUS	IE
-42%	-76%	-70%	-85%

IT	ES	FR	DE
-75%	-85%	-86%	-34%

*data observed from Nitro Analytics during the weeks 2/17/20 through 3/30/20

Nitro Analytics

Total Pages Printed

52% DROP

2/17/20 2/24/20 3/2/20 3/9/20 3/16/20 3/23/20 3/30/20

Urgent Migration to Digital Workflows

Observed trend #2

Nitro Analytics

Without access to office printers and scanners, or the ability to redline a document with a pen and share with a colleague, **many physical processes are now being entirely replaced** with new digital workflows.

+67%
Digital Annotation & Collaboration

+61%
Digital Signing

+92%
Digital Forms Filling

+108%
Electronic Signature Requests

*data observed from Nitro Analytics during the weeks 2/17/20 through 3/30/20
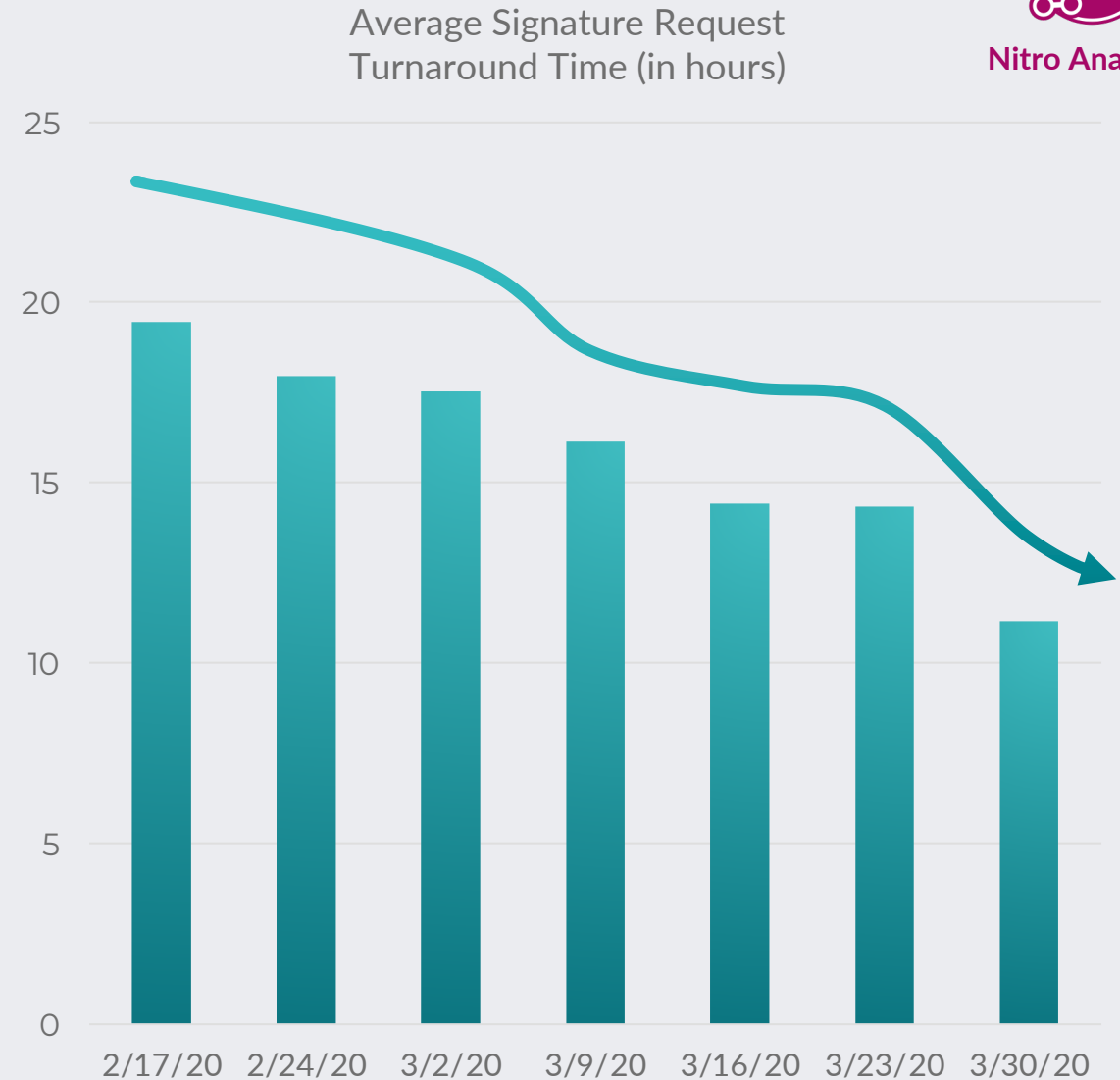
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Signing is Faster

Observed trend #3

Electronic signature requests are being completed **43% faster** with more recipients working from home and often close to their computer and smartphones.

*data observed from Nitro Analytics during the weeks 2/17/20 through 3/30/20

Average Signature Request Turnaround Time (in hours)

Nitro Analytics
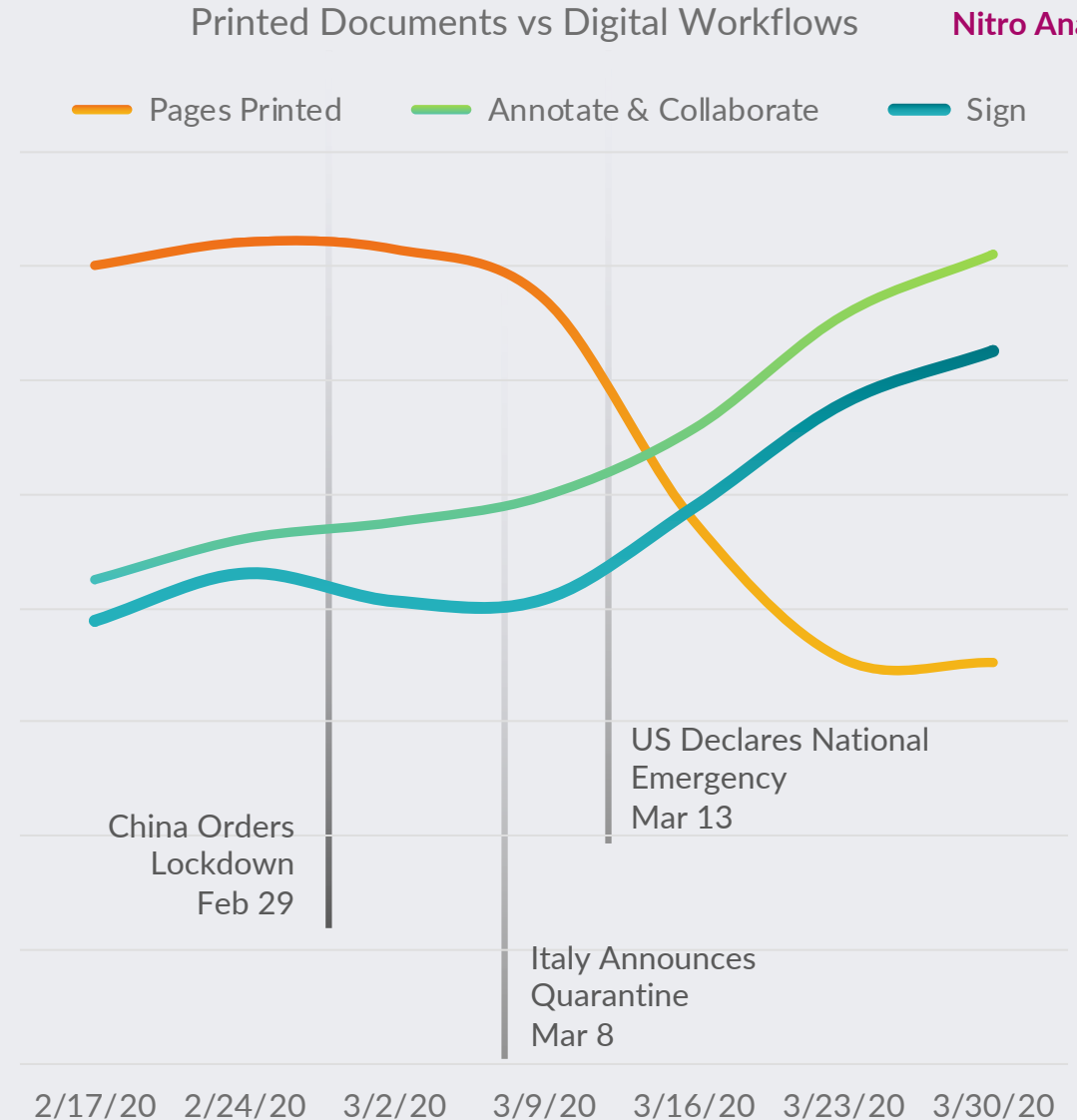
Digitization Soars

Summary observations

An inverse correlation between **decreasing printing** and **increasing digital workflows** shows that a rapid and urgent shift toward digital workflows occurred as workers adapt to remote collaboration, and in direct response to COVID-19.

*data observed from Nitro Analytics during the weeks 2/17/20 through 3/30/20

Nitro Analytics

Printed Documents vs Digital Workflows

— Pages Printed   — Annotate & Collaborate   — Sign

China Orders Lockdown Feb 29

Italy Announces Quarantine Mar 8

US Declares National Emergency Mar 13

2/17/20   2/24/20   3/2/20   3/9/20   3/16/20   3/23/20   3/30/20

Customer Feedback

Common themes have emerged

Our knowledge workers don't have printers and scanners at home.

In many cases, it is digitized document workflows, or no workflows.

Paper poses efficiency, health, security, and cost concerns.

"We've seen old habits of printing, redlining or signing, shift to a pure digital format. No-one has large multi-function devices at home, many employees don't even have printers. Employees and managers alike are requesting tools to be more digitally efficient."

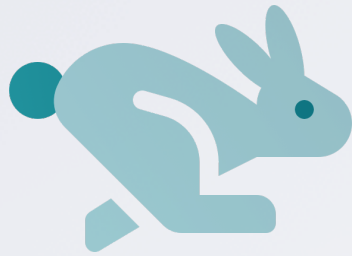**VP of IT, Fortune 200 Bank & Nitro Customer**
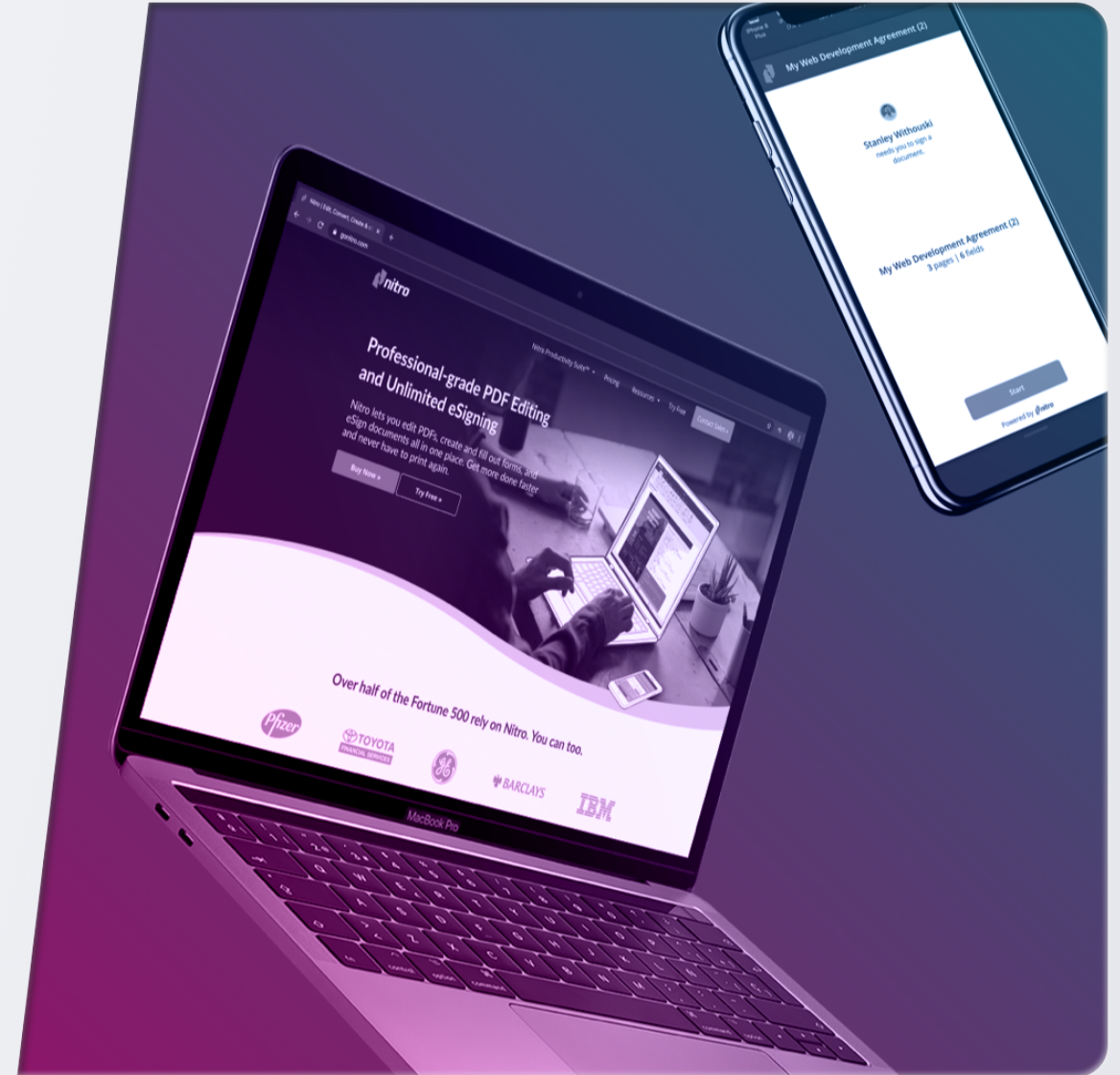
Nitro on the
Future of Work

What the Data Tells Us

Nitro Analytics data is telling us what has happened but also what lies ahead

Transformation is Fast

Digital Transformation for most organizations is typically planned for over periods of many years, COVID-19 is forcing companies to evolve in weeks.

WFH is Here to Stay

Work-from-home – or work-from-anywhere – is the new normal right now and there will be lasting structural change as a result.

Inaction is Liability

Productivity anywhere, anytime and business continuity through global crises will be mission-critical priorities for IT going forward.

The Future of Work Has Arrived

Within weeks, the way we work has fundamentally changed in an irreversible way. Productivity and processes anywhere, anytime is the new normal. With this massive shift comes enormous opportunity.

Paper-related processes are inefficient at best

Printing has become an even bigger liability

**In an uncertain world, cost control and flexibility are key**

Nitro is typically less than half the TCO of its competitors and with compellingly flexible licensing models

Nitro is Highly Relevant

Nitro's solutions make 100% digital document workflows possible for organizations of all sizes and industries

Increases in Nitro Electronic Signature Sign-ups

3/2/20   3/9/20   3/16/20   3/23/20   3/30/20
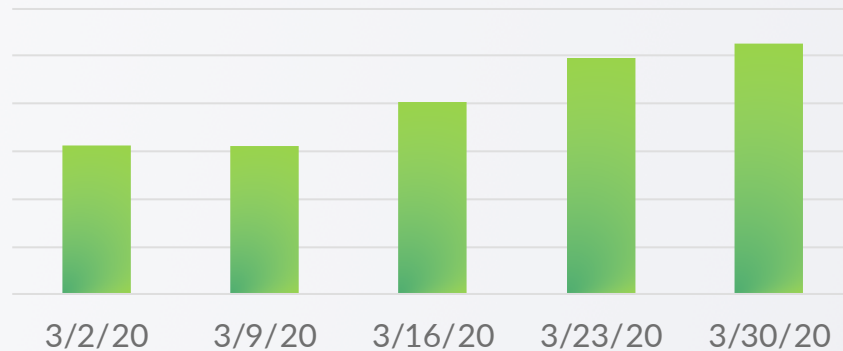
Nitro is well-positioned to service the increased demand for new levels of rapid, effective digitization. Many COVID-19-induced changes in how we work are likely to be permanent structural changes.

Search Trend for "Electronic Signature"

Interest over time

Google Trends

● electronic signature

100

75

50

25

Apr 14, 2019   Dec 15, 2019

Worldwide. Past 12 months. Web Search.

Financial Commentary

Q1 Financial Highlights

Unaudited

Revenue

At or above internal plan[1]

ARR

At or above internal plan[2]

Ending Cash

$40.5M
108% of prospectus forecast

$ in USD

[1] All numbers unaudited
[2] Q1 Ending Annual Recurring Revenue

Financial Commentary

COVID-19 risk and 2020 expectations

Revenue

- Bookings pacing and pipeline creation in Q1 mostly on plan
- Future billings analysis shows limited 2020 revenue risk
- No customer/industry concentrations
- Retention rate slightly lower than plan

Operating Expense

- Travel, trade show and some specific sales and marketing spending eliminated
- Timing of new hires is key lever to manage expenses
- Enabling work-from-home did not require material increase in expense
- Taking full advantage of capital redeployment opportunities

Cash

- $40.5 million ending cash
- DSO up from 31 to 47 days at end-February due to March billings; few customers asking for extended terms
- FX exposure on AUD balance, but ATM option and conversion to USD and EURO were put in place pre-pandemic
- Minimal cash burn
- No debt

Recurring nature of our business, expense management control and strong cash position minimizes near and medium-term risk
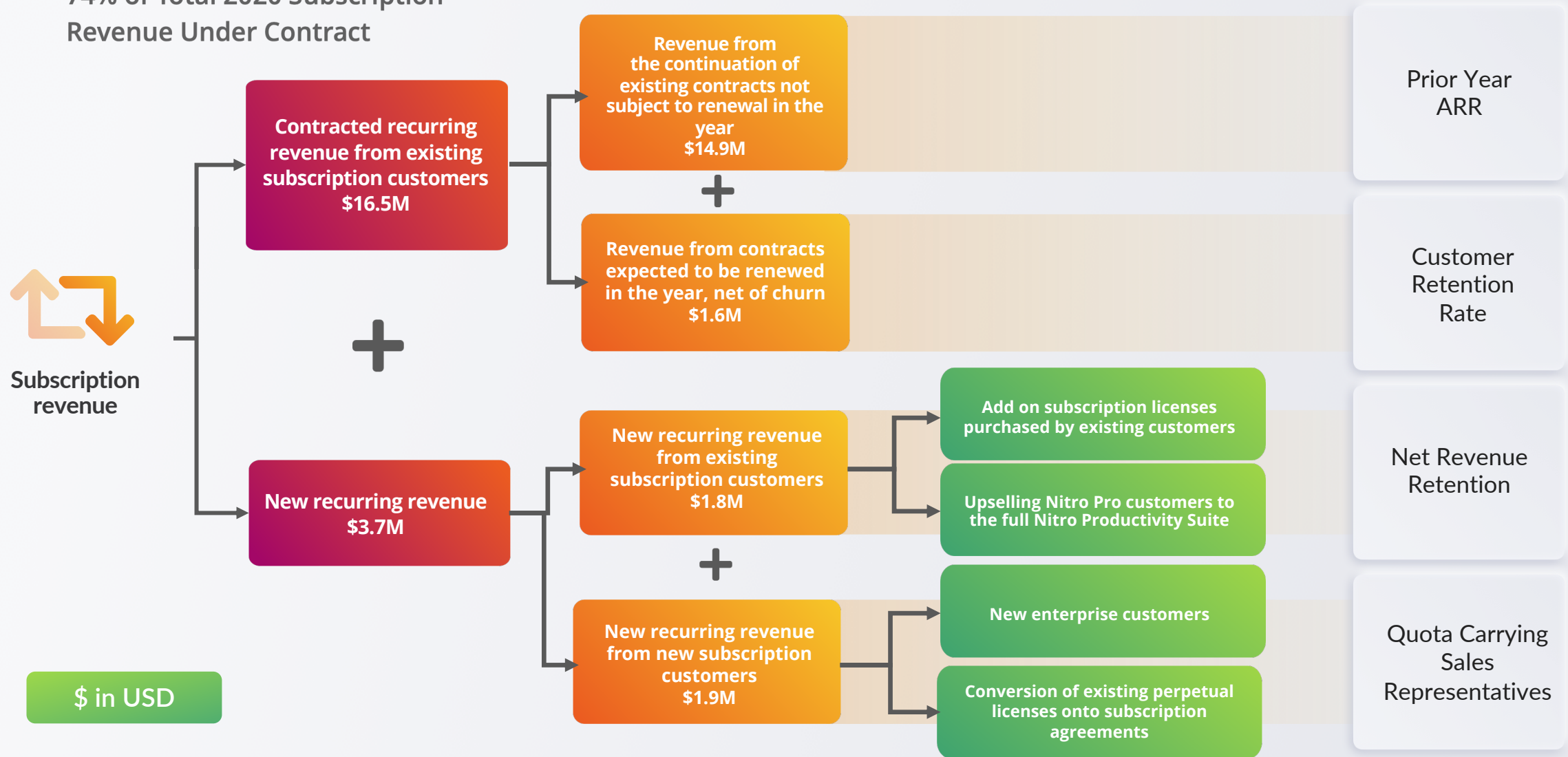Macro uncertainty exists

$ in USD

Subscription Revenue Under Contract

74% of Total 2020 Subscription Revenue Under Contract

Subscription revenue

+

Contracted recurring revenue from existing subscription customers $16.5M

→ **Revenue from the continuation of existing contracts not subject to renewal in the year $14.9M**

+

Revenue from contracts expected to be renewed in the year, net of churn $1.6M

New recurring revenue $3.7M

→ **New recurring revenue from existing subscription customers $1.8M**

→ **Add on subscription licenses purchased by existing customers**

→ **Upselling Nitro Pro customers to the full Nitro Productivity Suite**

+

New recurring revenue from new subscription customers $1.9M

→ **New enterprise customers**

→ **Conversion of existing perpetual licenses onto subscription agreements**

$ in USD

Relevant Key Metrics

- Prior Year ARR
- Customer Retention Rate
- Net Revenue Retention
- Quota Carrying Sales Representatives

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Q&A