



Goldman Sachs

Investor Briefing

Disclaimer

The material contained in this presentation is intended to be general background information on Nitro Software Limited (“Nitro”) and its activities.

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.

Unless otherwise noted, financial information in this presentation has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other authoritative pronouncements adopted by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This presentation may contain statements that constitute “forward-looking statements” within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition.

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.



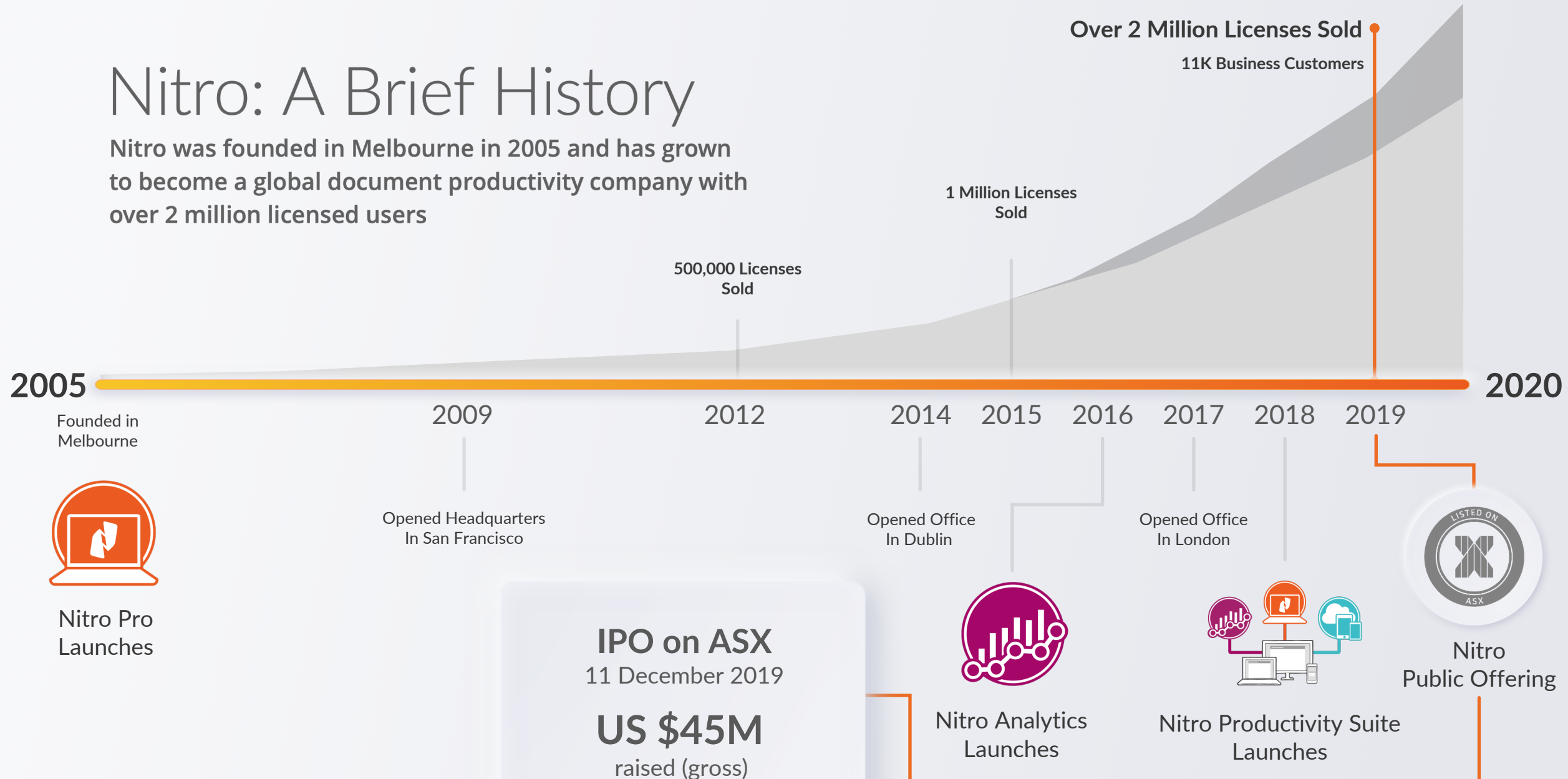
Agenda

1. Intro to Nitro
2. COVID19 Update
3. Insights from Nitro Analytics
4. Financial Commentary



Nitro: A Brief History

Nitro was founded in Melbourne in 2005 and has grown to become a global document productivity company with over 2 million licensed users





Strategic partner for document productivity and workflow
for the most critical documents in an enterprise



**Productivity &
Process
Acceleration**



**Business
Intelligence &
Insights**



**Lower Total Cost
of Ownership
(TCO)**



The Nitro Productivity Suite

Software solutions to drive document productivity and process acceleration



Nitro Pro
PDF Productivity



Nitro Cloud
eSigning



Nitro Analytics
Document Intelligence



Customer Success
Deployment and Adoption



Nitro Admin
User Management



View, create and edit
PDF documents



Document
conversion



Secure eSigning
capabilities



Cloud
collaboration



Create fillable
forms



24/7 support team



License management



Workflow
monitoring



Print cost
management



User adoption
management



Return on
investment
measurement



Self-help tools



User management



Nitro by the Numbers



Over
2 million

Licensed
users



Over
11,000

Business
customers¹



~65% & three

of the 2019 Fortune 500
and Fortune 10
respectively



111%

Subscription revenue
growth rate FY2017 –
FY2019



126%

Net revenue retention
rate in 2019



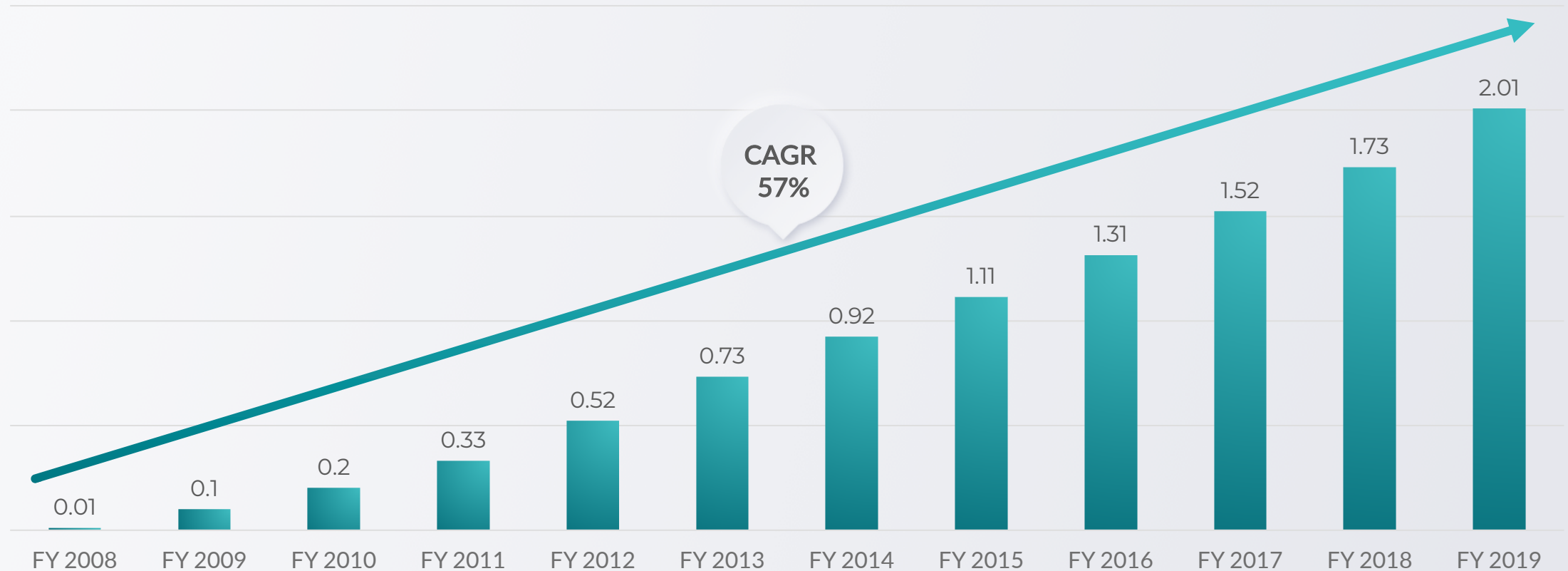
2.8x

LTV / CAC ratio
in 2019

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

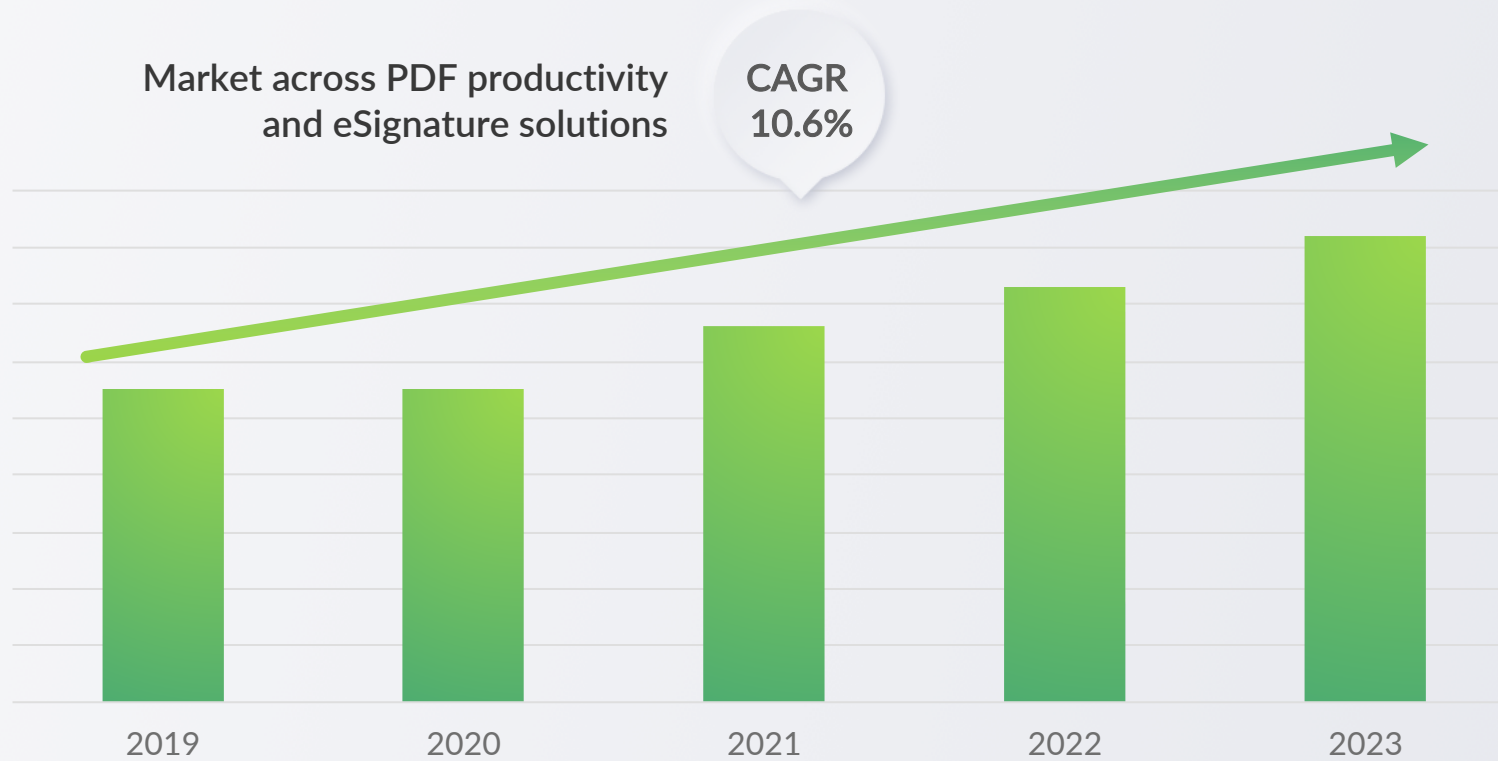
User Licenses Over Time

(through 31 December 2019, millions)



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

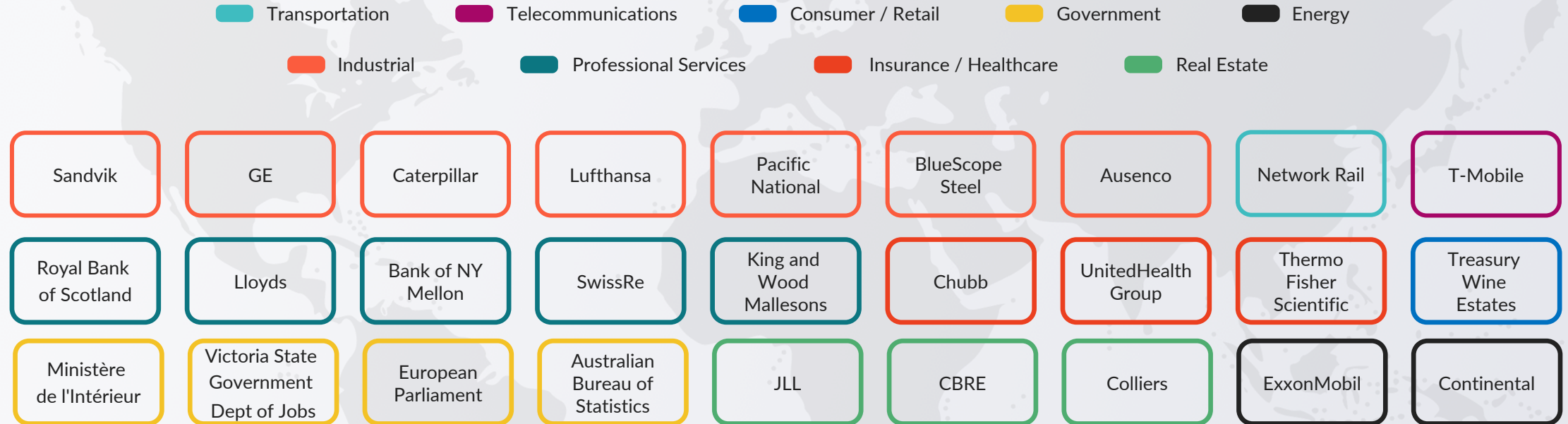


Serviceable available market pertains to the portion of the market ready to implement, expand or maintain PDF productivity and / or eSigning solutions, and which Nitro can realistically serve

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

Broad, Diverse Customer Base

Selected Customers



Over 2 million
licensed users



Over 11,000
business customers



~66%
of Fortune 500



3
of Fortune 10



159
Countries



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

Nitro's business model is underpinned by high net revenue retention, SaaS-based licensing, growing subscription revenue and a multi-jurisdictional and industry agnostic offering



High net revenue retention

90% subscription customer retention rate in FY2019 demonstrates low churn SaaS dynamics

Net revenue retention of 126% for FY2019 shows high customer expansion rates and customer satisfaction



SaaS-based licensing model

Increasing proportion of recurring revenue to total revenue

~37% of revenue was recurring in FY2019 to 50% in FY2020F



Growing subscription revenue base

ARR increased from \$10.2M in FY2018 to \$16.9M in FY2019 and is forecast to increase to \$24.4M in FY2020F

New ARR added:

- \$2.6M in FY2017
- \$5.8M in FY2018
- \$6.7M in FY2019
- \$7.9M in FY2020F



Multi-jurisdictional and industry agnostic

Product and go-to-market strategy scales globally

Generating revenue from 144 countries across a wide array of industries

Product Vision

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 and ROI visible for individuals and businesses



Multiple Levers of Business Growth

Nitro's growth strategy is underpinned by key levers that include upselling and cross-selling existing customers, new customer acquisition, segment and geographic expansion, new features and services, 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





Business Update

COVID-19 | Q1 Update



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.





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





Urgent Migration to Digital Workflows

Observed trend #2

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



Digitization Soars

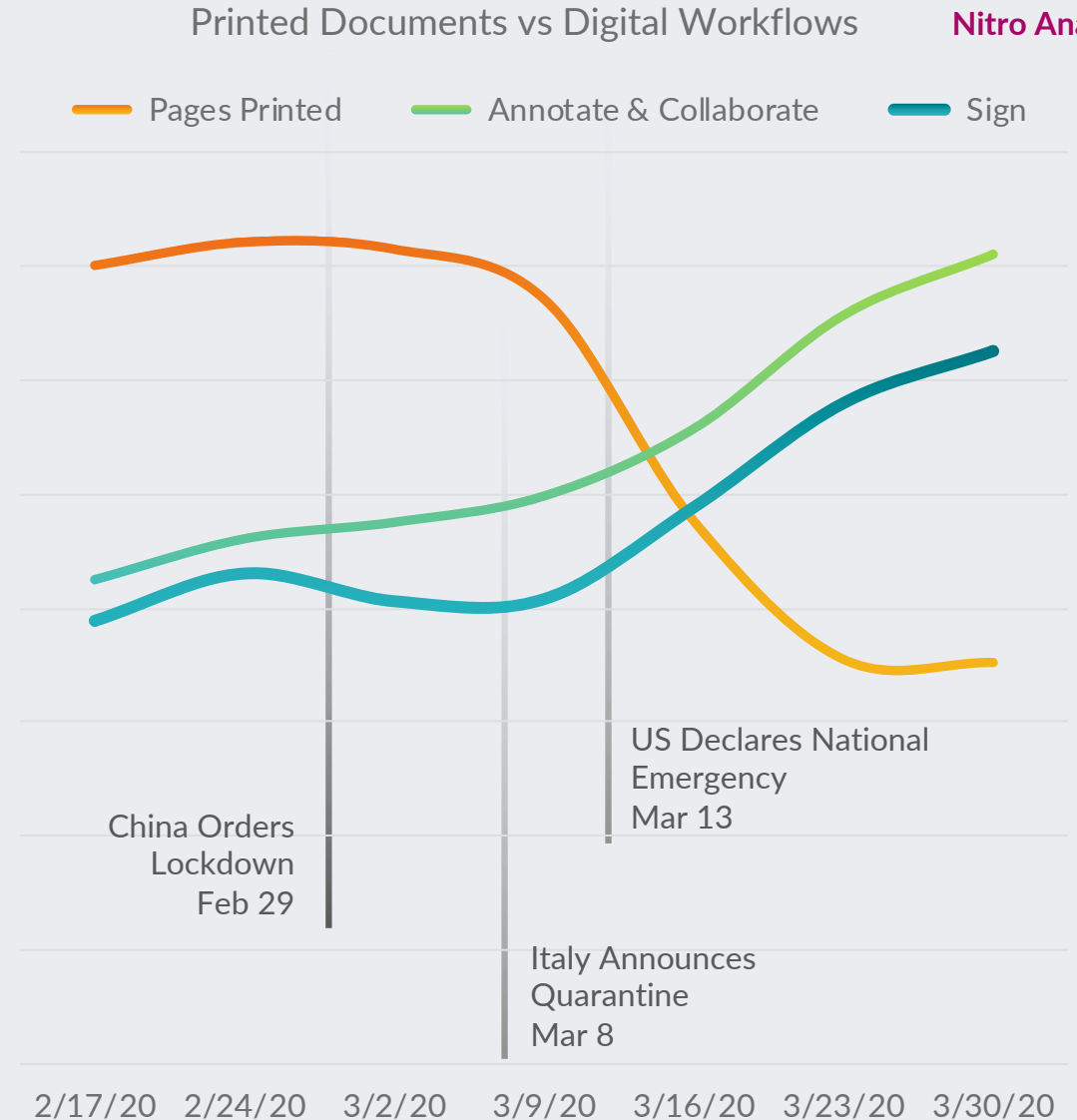
Summary observations

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



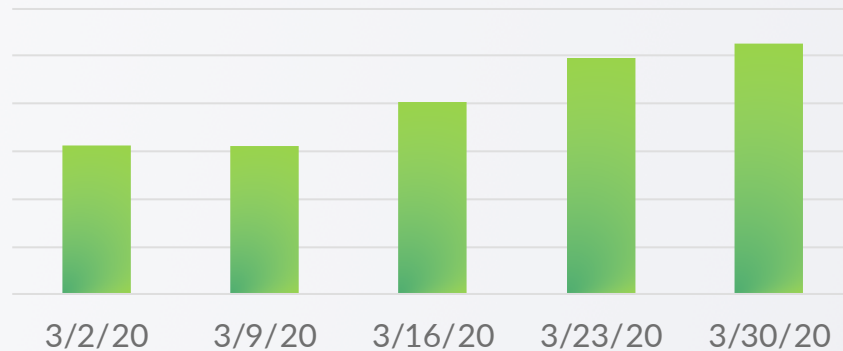
Nitro Analytics



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



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



Worldwide. Past 12 months. Web Search.





Financial Commentary



\$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

90%

Subscription Retention Rate²

\$6.7 million

New ARR Added



108% of
prospectus forecast

2 million

Licensed Users



up 100%
over the past four years

\$ in USD

¹ Final 2019 Statutory Financial Results

² Subscription retention rate is measured based on subscription dollars retained

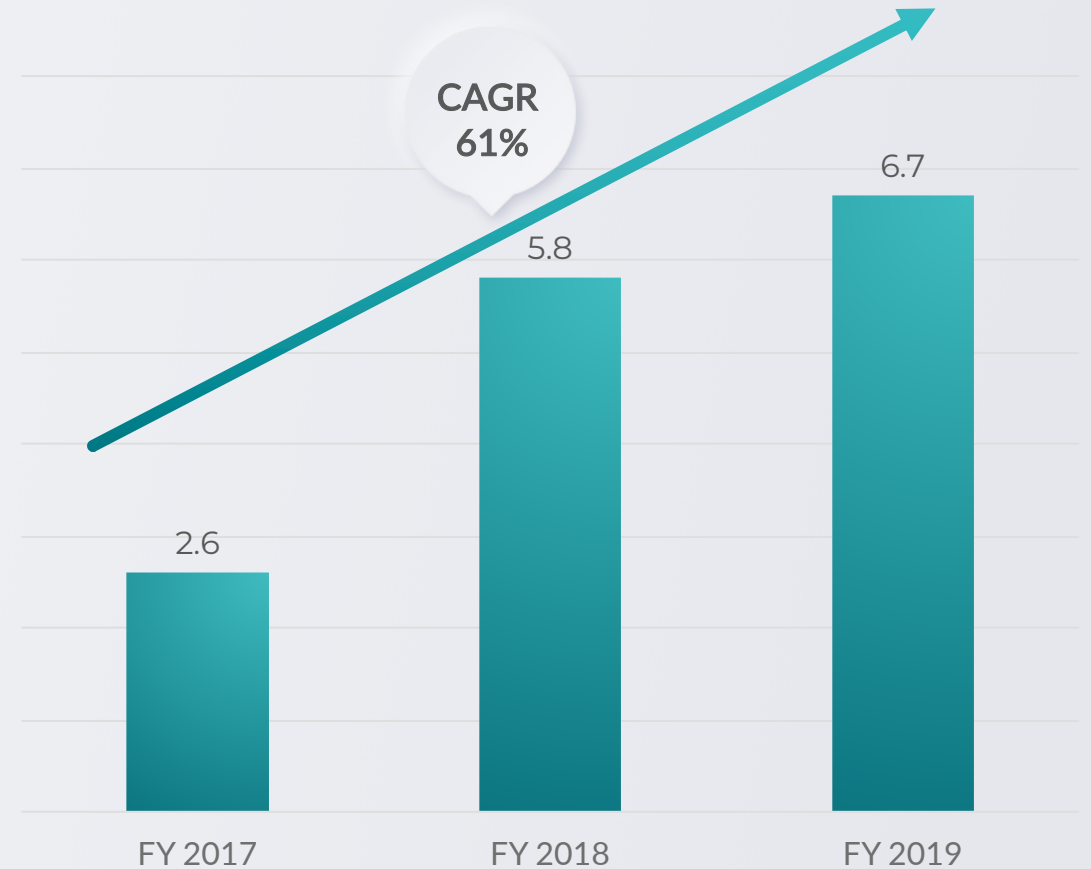


Subscription ARR + New ARR



Subscription ARR added
(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



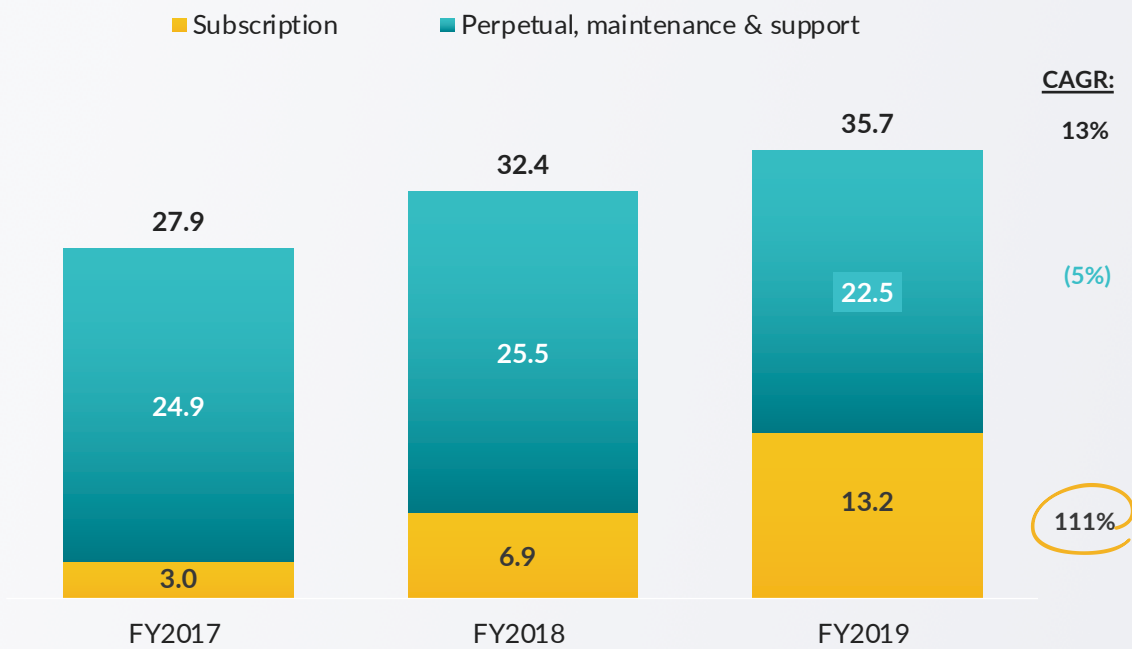
New Subscription ARR added
(US\$M)

Incremental ARR added during a financial reporting period



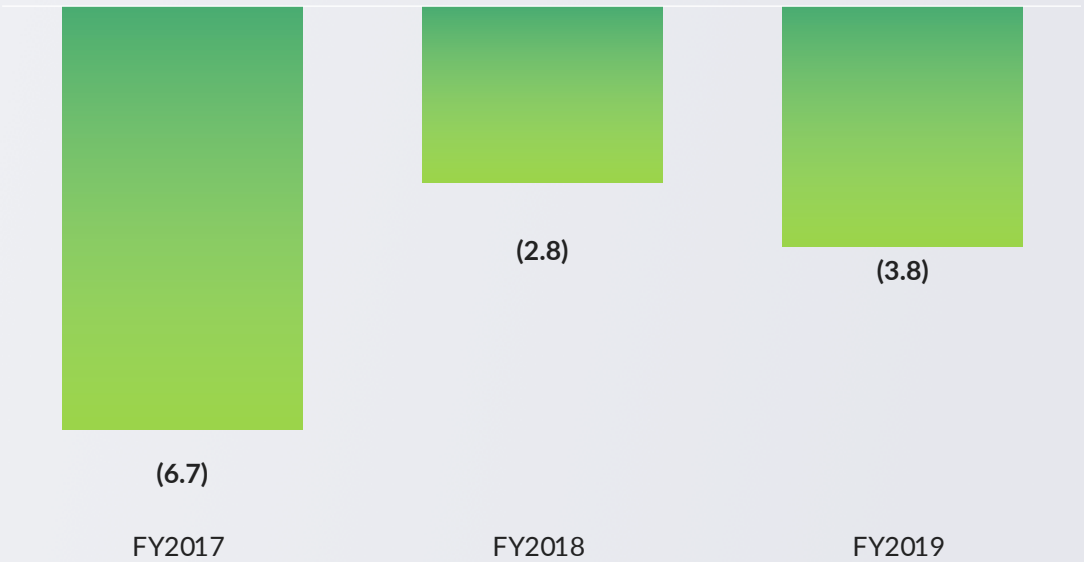
Revenue and EBITDA Performance

Revenue (FY2017 – FY2019)
US\$M



Recurring revenue ⁽¹⁾	11%	21%	37%
----------------------------------	-----	-----	-----

Statutory EBITDA (FY2017 – FY2019)
US\$M



EBITDA margin	(24%)	(8%)	(11%)
---------------	-------	------	-------

1. Recurring revenue is the revenue recognized from subscription contracts throughout the year

FY2017 – FY2019 Statutory Income Statement

COMMENTARY

- Subscription revenue grew 91% from 2018 to 2019, driven by the continued shift towards growing subscription customers
- Perpetual, maintenance & support revenues declined by 12% from 2018 to 2019 as a result of a continued focus to shift perpetual customers onto subscription-based licensing agreements
- Cost of sales was 12% in 2018, and improved to 10% in 2019 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 2018 and 2019, 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 2018, and 32% in 2019. 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.

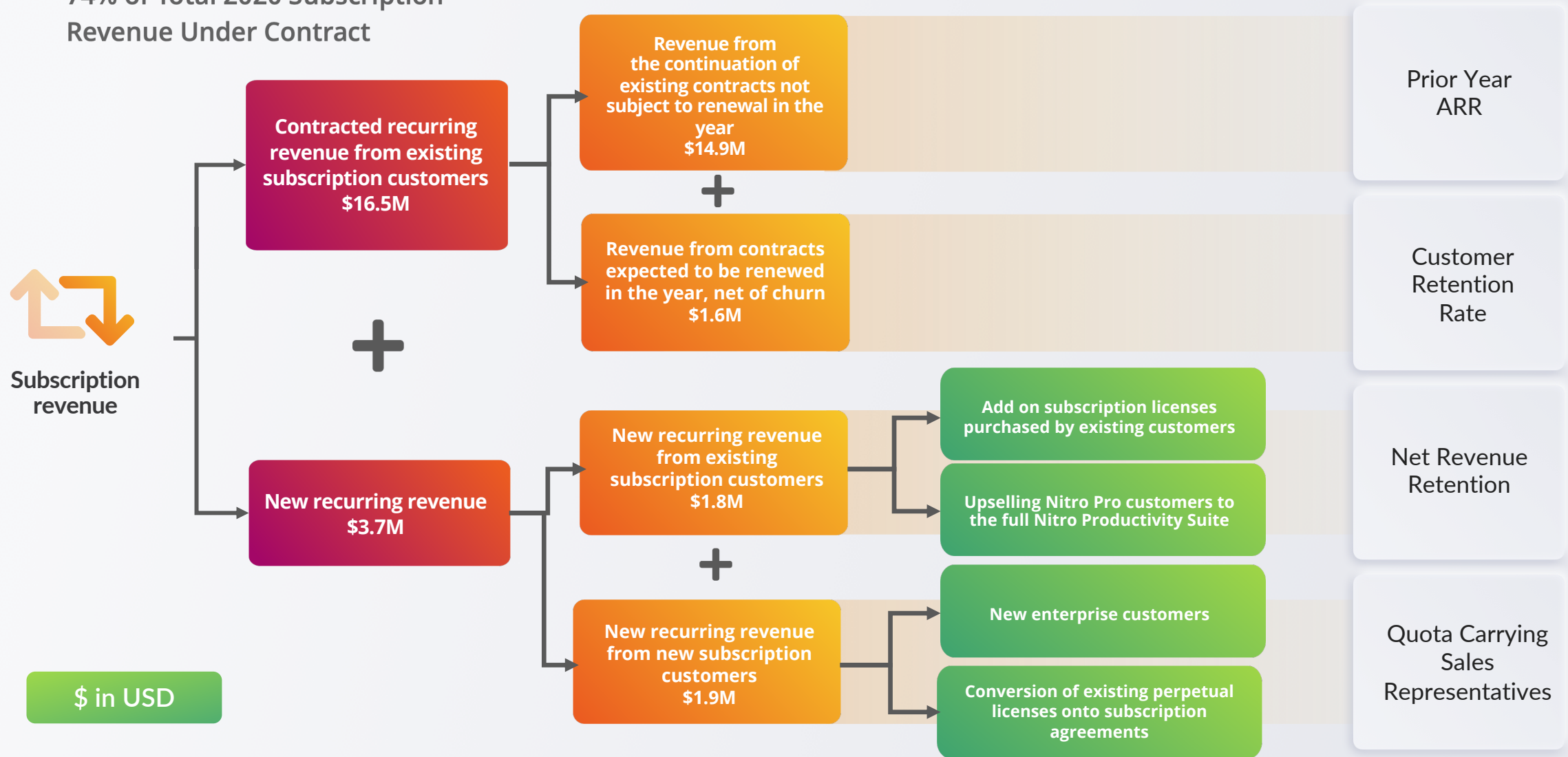
4. Unaudited statement of financial performance for the year ended 31 December 2019



Subscription Revenue Under Contract

74% of Total 2020 Subscription
Revenue Under Contract

Relevant Key Metrics



Q1 Financial Highlights

Unaudited

Revenue



At or above
internal plan¹

ARR



At or above
internal plan²

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





Goldman Sachs
Investor Briefing

Q&A