

Nitro Software Limited
2020 Annual General Meeting
Chairman's and CEO's address

Good morning and good evening everyone and welcome to the 2020 annual general meeting of Nitro Software Limited. I'm Kurt Johnson, Nitro's Executive Chairman and I am very pleased to welcome you today to our first annual meeting as a publicly listed company, although under unusual circumstances as we gather online from homes and offices around the world.

I'd like to start today's meeting with an overview of the performance of Nitro during 2019 and some of the focus areas for the Board over the past year.

Then, Nitro's CEO Sam Chandler will provide you with an update on the business, share some recent observations in digital transformation associated with the COVID-19 pandemic, walk you through our product roadmap and touch on our outlook for 2020 and beyond.

2019 was an exciting year for Nitro. With the completion of our IPO in December, we successfully raised \$41.1 million US dollars, net. We are incredibly grateful for the strong support from so many top-tier institutional investors backing Nitro on our journey to maximize our growth and value.

We also experienced strong support from customers around the globe and ended the year with over 11,000 business customers and over 2 million licensed users. It's truly inspiring to see the level of confidence and trust companies of all sizes, from Fortune 10 and Fortune 500 companies, to small and home offices, placed in Nitro's productivity solutions. With this support, we ended the year with \$35.7 million in total revenue, up 10% year over year and in line with the prospectus forecast.

Our continued growth in revenue provides us with the opportunity to continue to expand our teams around the world, and during 2019 we added 48 new Nitronauts to our team. We definitely look forward to their contributions as we drive our company forward.

Turning to 2020, we're pleased with our Q1 results. Revenue and ending ARR was slightly ahead of our internal plan, which aligns with our prospectus forecast.

While we are certainly in unprecedented and uncertain times, Nitro's commitments remain unchanged. We are committed to providing document productivity, eSigning and workflow solutions that:

- **Improve** employee productivity and efficiency
- **Respond** to the surging demand for eSigning
- **Deliver** digitization and business process acceleration
- **Provide** business intelligence and actionable insights, and
- **Drive** tangible and measurable ROI

Our solutions and your company are uniquely positioned for these unique times.

- Our solutions are helping organizations sustain and improve productivity in the move to work-from-home.
- The recurring nature of our SaaS business model gives us great visibility into future revenue streams, and
- Our recent IPO provides us with a solid cash position to execute our growth strategy with no debt. Sam will be highlighting more of these details in his presentation.

In addition to focusing on delivering value to our customers and shareholders, a key area we've focused on in our transition to a public company has been corporate governance. We take our fiduciary responsibility to our shareholders very seriously and as such we've adopted most, if not all, of the recommendations of the ASX Corporate Governance Framework. In conjunction with our IPO, we added two experienced independent directors to the Board to head our Audit and Risk and Remuneration and Nomination Committees. We've also adopted policies and procedures aligned with best practises for Corporate Governance and continue to evolve to ensure appropriate levels of governance and oversight.

Let's now discuss our focus during this COVID-19 crisis.

We are continuously managing Nitro to be in the best possible position as all of us are hopefully emerging from this global pandemic.

Our number one priority continues to be maintaining the health and safety of our global workforce. It is with this in mind that we have decided to maintain our work from home policy through the end of 2020. However, our team has risen to the occasion and successfully transitioned into a highly productive work-from-home environment.

Additionally, we continue to provide high levels of customer service and support to our over 11,000 customers and partners around the globe who rely on Nitro's document productivity solutions to increase knowledge worker productivity, and digitize and accelerate business processes from any work location, even at home.

With all our stakeholders in mind, we will continue to strive for ways to expand and grow, drive performance and execution, operate with increased efficiency and meet or exceed customer and stakeholder expectations.

And finally, none of this is possible without the support of our customers, our partners, our passionate team of Nitronauts around the world, my fellow Directors, and of course you - our Nitro shareholders.

On behalf of everyone here at Nitro, I thank you for your continued confidence and support.

Now I'll turn it over to our CEO, Sam Chandler.

Thank you, Kurt

2019 was truly a remarkable year for Nitro. Our revenue of \$35.7 million was up 10% year over year and in line with our prospectus forecast. Subscription revenue of \$13.2 million was **up 91% year over year** and we ended 2019 with \$16.9 million in Annual Recurring Revenue, **an increase of 66%** over the prior year. Net Revenue Retention was 126% for the year and we achieved a 90% subscription renewal rate. Our strong performance reflects both our success in landing new customers and also our ability to expand as our customers extend their usage of the Nitro Productivity Suite throughout the enterprise.

Our EBITDA loss was (\$3.8 million) for the year, \$2.3 million ahead of the prospectus forecast. We continue to make measured investments in sales, marketing and product development to fuel our growth while operating at or near cash flow breakeven.

When Rich and I started this company 15 years ago, our goal was always to build a scalable, sustainable, and substantial business. That said, it still amazes and delights us to report that 65% of the Fortune 500 and 3 of the Fortune 10 are our customers today, with many of those customers having thousands or tens of thousands of employees using Nitro every day. The depth and breadth of our global customer base continues to grow, often with household names, in virtually every major region and industry around the world.

During this time, when certain industries are struggling, we're incredibly fortunate to have such a broad and diverse base with no customer, geographic or industry concentration. We continue to add blue-chip customers, including, just last quarter, the Royal Bank of Scotland, one of the UK's big 4 banks, 3 of which are now major Nitro customers, and Sandvik, one of the 10 largest companies in Sweden. Remarkably both of these customers were added in March, at the height of the COVID-19 pandemic.

Our business has been built with a desire to serve our customers and a belief that we can be Better Together. In fact, Better Together is one of Nitro's key themes for 2020. This theme plays on a few key aspects of our company, our culture, and our strategy. We uniquely offer both PDF productivity and eSigning in a single simple subscription – two core product elements of any digitization strategy, that are “Better Together”. We amplify our reach to the markets we serve with our channel partners – we're “Better Together”. And of course, we are famous for our service levels and unrelenting commitment to our customer's success – it is a true partnership. Again, Better Together.

The Nitro Productivity Suite is transforming the way the world works with documents. We're partnering with our customers to ensure their knowledge workers can be productive anywhere, and with Nitro Analytics, our completely unique -in-market analytics tool, we're providing senior executives much needed visibility into knowledge worker productivity. Our team of passionate and dedicated Nitronauts, the most important ingredient to our success, are providing our customers with best-in-class service and support.

Across the world, digital transformation is happening in real time. The business intelligence data captured by Nitro Analytics, covering 197 countries, over 22 industries and around 38 million daily product events, gives us unique insight into this transformation. There are three major trends we're seeing at global scale as companies shift to a remote working environment in response to the COVID-19 pandemic.

First, we've seen a massive decline in printed pages. In just the three weeks from the beginning to the end of March, printing volumes fell by 50% overall, and in some countries, we saw reductions of greater than 85%. That translates into millions of pages saved.

So, if printing is down so dramatically in business-critical document workflows, how are these organizations operating? The answer lies in the second major trend

we've seen. Rather than printing, organizations have moved to 100% digital documents. As they've done so, we've seen a significant increase in the usage of features that support digitization such as annotation, collaboration and electronic signing. Digital forms and electronic signature requests doubled in less than a month.

Which highlights the third major trend. Using eSigning, contract execution is actually happening faster. The average time to get an eSignature request completed using Nitro is approaching 10 hours, compared to a historical average of closer to 20 hours. As people stop traveling or commuting, knowledge work has actually become significantly more efficient.

Through Nitro Analytics, we're bearing witness to the Future of Work. We firmly believe that once processes, and organizations go digital, they never go back. Organizations and their employees will demand tools that allow fully remote and fully digital knowledge work. Digital transformation has become a critical necessity for business operations.

Nitro's solutions make 100% digital document workflows possible for organizations of all sizes across all industries. Now more than ever, Nitro is highly relevant.

The Future of Work is here. Our 2020 product roadmap is focused on delivering on the market demand for new levels of rapid, effective digitization by expanding in particular our capabilities around eSigning and Analytics.

In just a few days, we'll be re-launching and re-branding Nitro Cloud, our eSigning application, as Nitro Sign. And importantly, **Nitro Sign** will now be offered as a stand-alone electronic signature solution that will allow anyone to get documents signed smarter, faster, and more securely.

We'll also be launching bulk signing, making it easier to request and complete signatures from large groups of signers, along with other key new features in the coming weeks and months.

And, and this is a big announcement so I hope you're all listening, we're launching a special promotion that will provide Nitro Sign **at no cost** through the end of 2020. We want to help businesses successfully adapt to and thrive in the new remote-working world of COVID-19, and this is a powerful way to do it. This is business-class eSigning, available at no cost, through the end of the year. We don't think there is a more compelling eSigning product offering in the market today.

We're also releasing key new Nitro Sign integrations, adding to our existing integration support but really expanding into key business applications for workflow, task and process automation, and more. Some of the highlights include Microsoft Azure and SharePoint connectivity to enable seamless provisioning and user management across the enterprise including via SSO, and the ability to launch eSignature workflows from inside your most-used Microsoft applications and workspaces. And our new Zapier integration is really focused on task and process automation, to allow you to connect Nitro more deeply and flexibly into the 2000+ apps in the Zapier business applications ecosystem. With the release of Nitro Sign, and our 2020 roadmap, Nitro is firmly moving into the dynamic and very-high-growth eSign and workflow automation markets.

And just one more significant product update today. I talked earlier about Nitro Analytics and the scale and power of that platform to deliver business insights and a unique perspective on how work is changing.

Today we are announcing that over the course of 2020 we will be opening Nitro Analytics up to all users, including by way of self-serve online dashboards. Today Nitro Analytics is primarily serving enterprise customers, allowing them to report on the progress toward their Nitro adoption and digital transformation goals, and providing insights into product usage, printing behaviors, contract execution speed, performance benchmarking, and much more.

But by the end of the year, the power of Nitro Analytics will be available to all.

The first customers start onboarding into our online dashboards this quarter, and by the end of the year, there will be broad availability and many new features and capabilities.

We're incredibly excited about our entire 2020 roadmap, but particularly the eSigning and Nitro Analytics announcements we're making today.

And finally from me, I want to touch briefly on our 2020 outlook.

As we continue to move through this period of economic uncertainty, we are in a fortunate position. We finished Q1 at or above plan on most of our key operating metrics. We were able to shift to fully remote work with little to no interruption to productivity. If required, we can work fully remote indefinitely, in fact with enhanced productivity in many respects and potentially a lower cost structure.

The recurring revenue nature of our business gives us revenue visibility, the IPO provided us with ample cash, we have no debt, and we have a highly relevant product offering.

Our solutions are helping organizations sustain and improve productivity, no matter where their employees are located. We are seeing a sudden acceleration in digital transformation across our customer base with the future of work becoming just “work” in a few short months. 100% digital is the new normal.

While the impacts of COVID-19 have been devastating for individuals and companies, we believe the pandemic is accelerating digital transformation to become a permanent feature of the business landscape. With that said, we also recognize that many businesses are struggling. The tailwinds created by the move to digital workflows are being met with headwinds of economic uncertainty, the need of many businesses to conserve cash and reduce spending, and the overall market disruption of COVID-19.

Our plan, and our focus continues to be on daily execution, which includes:

- Ensuring the health and safety of our team around the world;
- Delighting our customers with best-in-class service and support;
- Delivering products that are highly relevant;
- Operating as efficiently and effectively as possible; and
- Positioning ourselves for The Future of Work

We believe that Nitro has a very bright future. We have multiple levers for growth including:

- Continuing to expand the usage of the Nitro Productivity Suite in our existing customer base;
- Winning new customers;
- Cross-selling and upselling existing customers to the Nitro Productivity Suite and to new plans and offerings within and in addition to that suite;
- Expanding into new geographic markets; and
- Growth through new products, new partnerships and acquisitions.

I'm excited about the opportunities ahead of us. The commitment and support of you, our shareholders, makes realizing these opportunities possible and we are incredibly grateful.

My thanks also to our team of dedicated and talented Nitronauts around the world, my fellow Directors, our customers and our partners. Thank you.