

29 AUGUST 2022

1H 2022 RESULTS PRESENTATION







Sam Chandler
Co-Founder & CEO

WELCOME

AGENDA

- Business Overview and Financial Highlights
- **?** Financial Results
- Business Strategy and Outlook
- 4 Q&A



RESULTS PRESENTATION 1H 2022

BUSINESS OVERVIEW & FINANCIAL HIGHLIGHTS





We're a leader in document productivity, workflow and digital transformation.



of the Fortune 500 are Nitro customers¹
14% of the Fortune 500 are scaled customers²



13,000+

Business Customers³



Deutsche Bank

UNITEDHEALTH GROUP



ExonMobil



² Scaled customer represents a customer with >100 licenses

 $^{^{3}}$ A Business Customer is a PDF Pro customer with 10 or more licenced users, or an eSign customer

nitro SNAPSHOT





High-growth, recurring B2B SaaS revenue model



Large and growing global TAM



Leader in both PDF productivity and eSigning, evolving into broader platform



Used by many of the world's largest and best-known companies at scale



Acquired high-trust eSigning leader Connective in December 2021

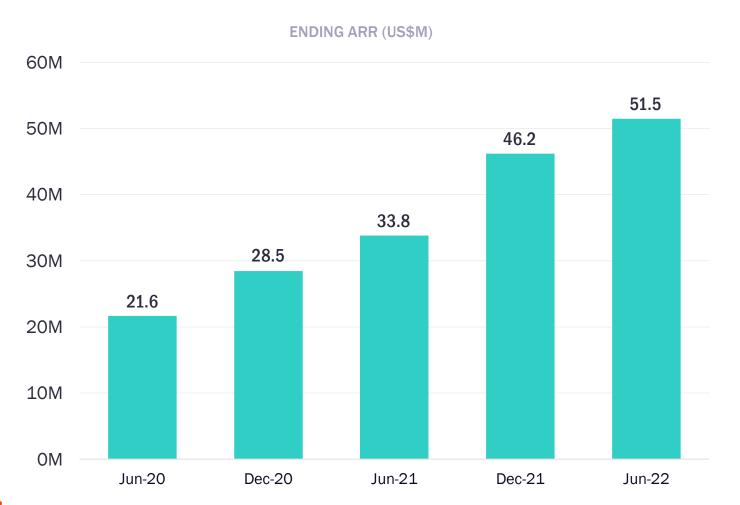


Committed to being cash flow positive¹ for 2H 2023



1H 2022 GROWTH HIGHLIGHTS

More than doubled ARR in 2 years, surpassing US\$50M of ARR scale.



BY THE NUMBERS

ENDING ARR

US\$51.5 million



SUBSCRIPTION REVENUE

US\$23.5 million



REVENUE

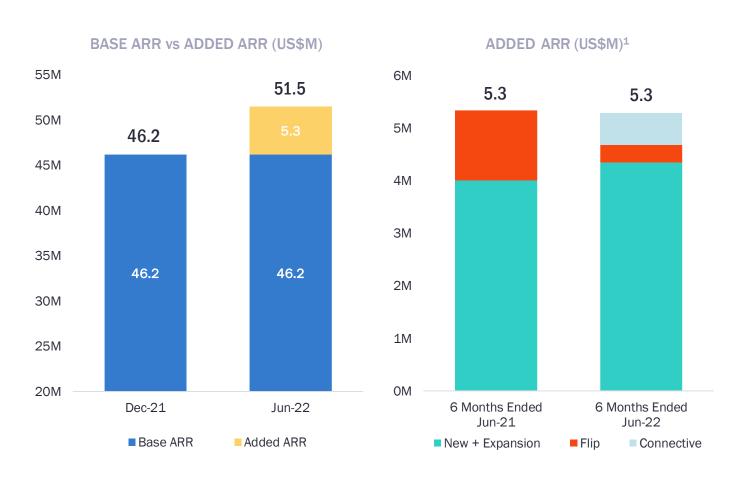
US\$32.7 million





ARR & SUBSCRIPTION TRANSITION

Continued ARR growth throughout 1H 2022 following effective completion of subscription transition in FY2021.



KEY SAAS METRICS

94% GROSS RETENTION RATE

113%
NET RETENTION RATE

72% SUBSCRIPTION REVENUE²

4.2x LTV/CAC3

¹ Connective added ARR of US\$0.6m is included in 1H 2022 Added ARR

² Represents Subscription Revenue as a percentage of Total Revenue in 1H 2022

³ LTV / CAC metric excludes Connective

OTHER KEY FINANCIAL METRICS

Record Cash Receipts from Customers¹

Operating EBITDA²

Strong Cash Balance Strong Balance Sheet³

CASH RECEIPTS

US\$33.2 Million

№ Up 43%

OPERATING EBITDA

US(\$6.3) Million

CASH

US\$35.2 Million

DEBT

US\$0



¹ Represents cash receipts in the 1H 2022 period compared to cash receipts in 1H 2021

² Operating EBITDA excludes stock-based payments, foreign exchange gains and losses, Connective integration costs, transaction costs and non-recurring items

1H 2022 PRODUCT HIGHLIGHTS



7.8 Billion+

pages opened in Nitro products

Laid end-to-end these would wrap 58 times around the world



46 Million

hours spent by users in Nitro Pro in 1H

The average user spent 9 hours in Nitro Pro every month

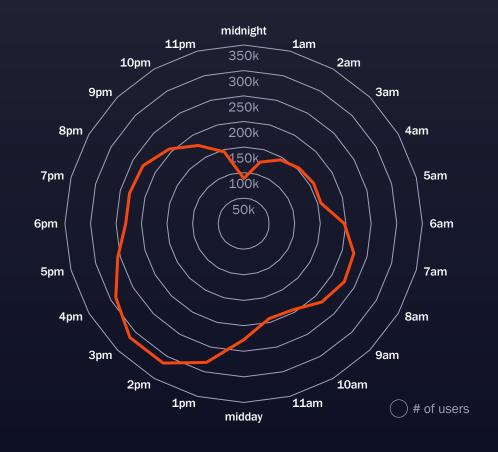


94 Million

pages in documents signed by Nitro Sign

Up to **11,000 trees** & **3,800 tonnes of CO**² saved by replacing paper-based workflows

THE SUN NEVER SETS AT NITRO



At any hour of the day up to **315**,000 users are using Nitro products.

(Chart in UTC)



CONNECTIVE UPDATE

CONNECTIVE INTEGRATION

Key integration milestones achieved on schedule in 1H 2022.



Connective team fully integrated into Nitro organisation



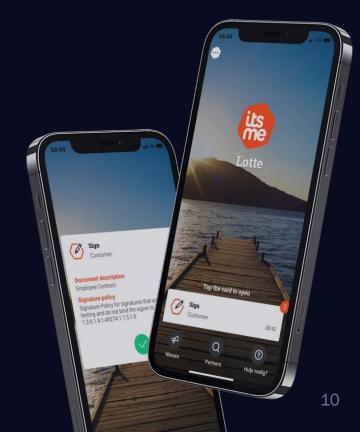
Deployed local cloud environments in US and Australia



Completed key sales enablement activities



>250 synergy sales opportunities created, first sales closed



DIGITAL TRANSFORMATION

THE OPPORTUNITY IS VAST & GROWING

TAM¹





eSigning

Document Workflow

Automation

Digital Identity



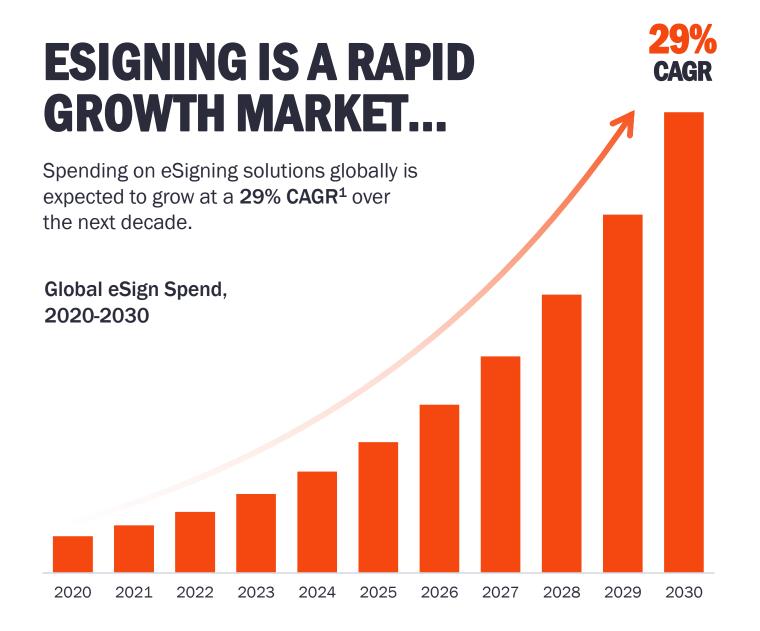


PDF Productivity

PDF Document Services

Document Insights & Intelligence





...AND HIGH-TRUST SIGNING IS BECOMING THE NEW STANDARD

High-trust signing is common in Europe and increasingly for high-value transactions worldwide as customers demand better security, compliance, and higher levels of legal assurance.

eID adoption is forecasted to grow at 44% CAGR through 2025 making high-trust signing one of the fastest-growing forms of eSigning.





Sweden is a leader in eID adoption and experienced 50% growth in high-trust eSigning volumes in 2021 compared to 2020.





¹ Juniner Research I

² BankID Comparison period September 2021 vs September 2020

1H MAJOR ENTERPRISE WINS











Ontinental









babylon









Silicon Valley Bank

lastminute.com

































BETTER BY DESIGN

THE NITRO DIFFERENCE





- ✓ One vendor, multiple solutions
- ✓ Any end user, any device, any workflow
- Better for IT, better for teams, better for end users
- ▼ The leader in high-trust workflows



- Measure, prove and tell your digital transformation story
- ✓ Completely unique in market
- Evolving toward even deeper, richer insights and reporting



Unparalleled sales and service experience

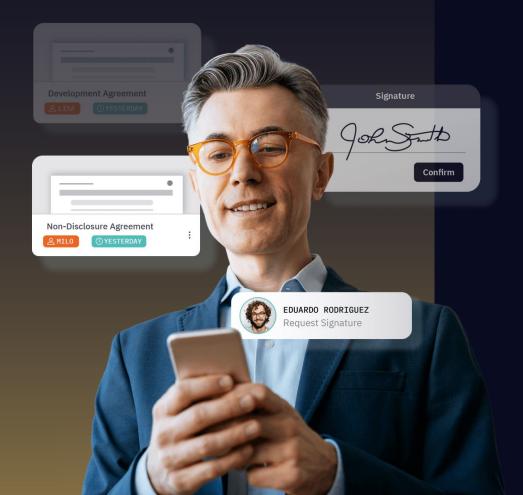








POWERFUL NEW CAPABILITIES LEAD TO SELECTION AND STANDARDISATION



Initial Nitro PDF Pro deployment leads to Nitro Sign success following Connective acquisition.

- Initial purchase of 1,250 Nitro PDF Pro licenses
- Initially unable to deploy Nitro Sign (pre-Connective) due to firm requirements for single global solution integrated into multiple core applications supporting high-trust signing
- Following Connective acquisition, and based on proven Nitro PDF Pro success, short-listed for German-region eSigning RFP in early 2022
- Nitro Sign Premium chosen as eSigning standard due to high-trust capabilities, broad integration support and impending direct integration with Nitro PDF Pro
- 60,000 signatures initial volume including SES, AES, and QES signatures
- Significant global expansion opportunity beyond initial DACH region

Privately-owned global manufacturing supplier of automation technology and technical education solutions for more than 35 industries across 61 countries.

INDUSTRY

Manufacturing

CUSTOMER SINCE

2021

EMPLOYEES

20,100

INCUMBENT

N/A







Nitro becomes global PDF productivity standard as Fortune 100 customer shifts to remote work.

- Initial subscription for nearly 9,000
 Nitro PDF Pro licenses in 2017
- When Covid emerged, customer committed to providing employees with key productivity tools to support remote work
- Subsequently, Nitro PDF Pro usage has increased to over 30,000 users worldwide
- Nitro now global PDF productivity standard and default for all new employees
- Nitro PDF Pro used heavily in business-critical contract workflows worldwide
- To date, using Nitro PDF Pro for signing has saved over 2 million pages of paper, 250 trees and 85 tonnes of CO²

Fortune 100 multinational conglomerate with sectors including healthcare, aviation and energy.
Ranked in the top 50 largest firms in the US by gross revenue.

INDUSTRY

Various

CUSTOMER SINCE

2012

EMPLOYEES

168.000

INCUMBENT

Adobe







LICENSED USERS AND PRODUCT ADOPTION INCREASING OVER TIME



Large US insurer scales Nitro adoption to 10,000 users across productivity and signing use cases.

- Initial purchase of 7,500 Nitro PDF Pro perpetual licenses in 2018
- Moved to Nitro Productivity Suite subscription in 2020 to obtain access to Nitro Sign
- Expanded to 10,000 licensed users in 2022
- Scaled to over 2,000 active users of Nitro Sign and more than 80,000 eSignatures annually
- Nitro Sign provides cost-effective and fast-deployed eSign solution with audit trail capabilities for simple person-to-person signing workflows, now deployed to 80% of signing use cases
- 20% of remaining workflows using DocuSign are now Nitro Sign Premium expansion opportunity

US-based insurer with approximately \$2 billion in revenue and over 500,000 clients nationwide.

INDUSTRY

Insurance

CUSTOMER SINCE

2018

EMPLOYEES

10.000

INCUMBENT

Adobe / DocuSign

RESULTS PRESENTATION 1H 2022

FINANCIAL RESULTS



FINANCIAL RESULTS

- ARR increased US\$17.6M (52%) YoY to US\$51.5M at 30 June 2022
- Revenue increased US\$8.6M (36%) YoY to US\$32.7M
- Subscription revenue increased US\$8.4M (55%) YoY to US\$23.5M, driven by the continued success of Nitro's subscription products with both new and existing customers
- Subscription revenue now accounts for 72% of total revenue (1H 2021: 63%)
- Gross margin reduced to 90% from 92% in 1H 2021, primarily due to the changing product mix with the inclusion of Connective products
- S&M expenses increased US\$4.8M (34%) YoY and remained stable at 58% of revenue
- R&D expenses increased US\$3.4M (58%) YoY and now represent 28% of revenue (1H 2021: 24%) reflective of further investment in product functionality
- G&A expenses increased US\$2.2M (42%) YoY and remain stable at 23% of revenue

US\$M	1H2O22	1H2O21	Change compared to 1H2O21	
ARR	51.5	33.8	17.6	52%
Revenue				
Subscription	23.5	15.1	8.4	55%
Perpetual	9.2	9.0	0.2	2%
Total Revenue	32.7	24.1	8.6	36%
Cost of Sales	(3.3)	(1.8)	(1.5)	80%
Gross Profit	29.4	22.3	7.1	32%
Operating Expenses				
Sales & Marketing	(19.0)	(14.2)	(4.8)	34%
Research & Development	(9.2)	(5.8)	(3.4)	58%
General & Administrative	(7.5)	(5.3)	(2.2)	42%
Operating EBITDA ²	(6.3)	(3.0)	(3.3)	107%
Share Based Payments	(3.2)	(4.1)	0.9	-22%
Integration and Transaction Costs	(1.6)	(0.2)	(1.5)	NM^3
Foreign Exchange Loss	(1.4)	(0.1)	(1.3)	NM^3
Other Non-Recurring Items	(1.1)	-	(1.1)	NM^3
EBITDA	(13.7)	(7.5)	(6.2)	NM ³
Depreciation & Amortisation	(3.3)	(0.9)	(2.4)	265%
Other	(0.3)	(0.2)	(0.2)	110%
Net Loss	(17.3)	(8.6)	(8.8)	NM ³

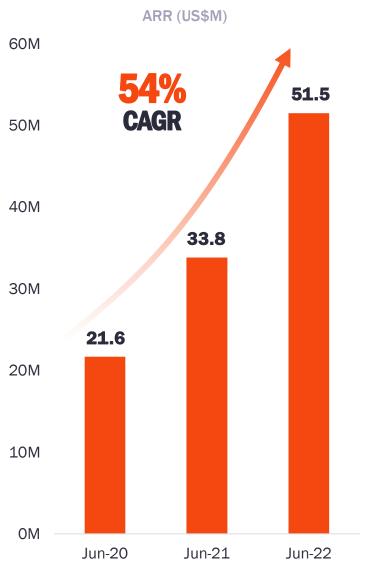


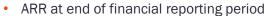
² Operating EBITDA excludes stock-based payments, foreign exchange gains and losses, Connective integration costs, transaction costs and non-recurring items
³ NM = Not Meaningful

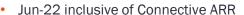
ARR AND REVENUE

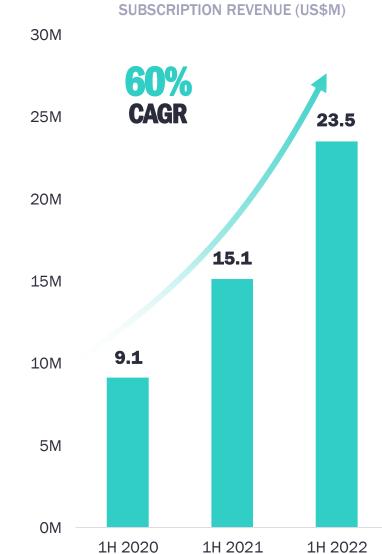
ARR and subscription revenue have more than doubled in two years, reflecting Nitro's successful organic and M&A-supported growth strategy.











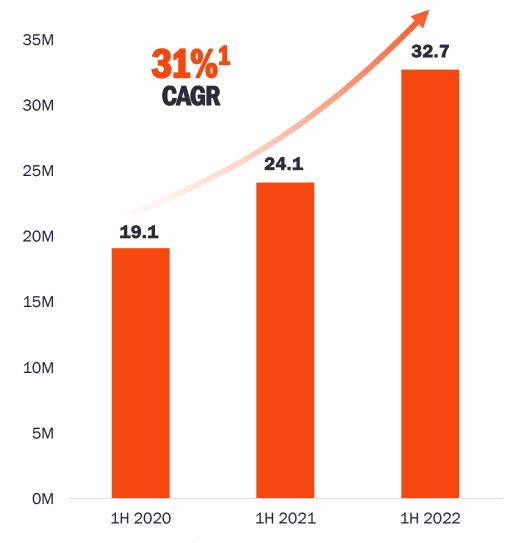
- Subscription revenue during financial reporting period
- 1H 2022 inclusive of Connective revenue

TOTAL REVENUE

1H 2022 delivered strong revenue performance, with both subscription and perpetual revenue exceeding company expectations.



TOTAL REVENUE (US\$M)



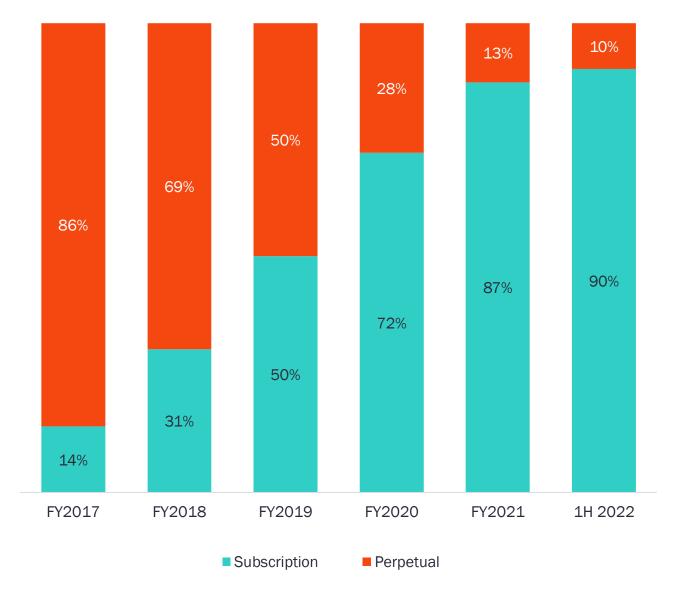
- Total revenue during financial reporting period
- 1H 2022 inclusive of Connective revenue

BUSINESS¹ REVENUE: % SUBSCRIPTION VS. % PERPETUAL

TRANSITION TO SUBSCRIPTION

Full transition to subscription model in Business sales is effectively completed.

- In the Business sales channel, subscription revenue increased to 90% of revenue in 1H 2022, up from 87% in FY2021
- The Business sales channel generates the majority of Nitro's revenue and constituted 79% of total revenue in 1H 2022





BALANCE SHEET

Strong balance sheet provides sufficient working capital for continued growth and return to cash flow positive.

- Cash balance of US\$35.2 million with no debt¹
- Intangible assets and goodwill includes the acquisition of PDFpen and Connective. Reduction in balances as compared to 31 December 2021 are attributable to amortisation and unfavourable exchange rate movements

US\$M	30 Jun 2022	31 Dec 2021
Cash and cash equivalents	35.2	48.2
Receivables	12.3	11.6
Other current assets	3.1	3.9
Current assets	50.6	63.7
Receivables and contract assets	1.1	0.2
Property, plant and equipment	0.8	0.7
Intangible assets	80.6	89.6
Right of use assets	2.3	2.5
Other non-current assets	6.2	6.0
Non-current assets	91.1	99.0
Trade payables	5.4	6.4
Deferred revenue	27.5	26.2
Lease liability	1.0	1.2
Employee benefits	3.2	4.6
Other current liabilities	2.1	1.4
Current liabilities	39.3	39.9
Deferred revenue	1.0	0.7
Deferred tax liability	6.1	6.6
Lease liability	1.4	1.3
Non-current liabilities	8.5	8.6
Net assets	93.9	114.3
Contributed equity	189.2	189.2
Other reserves	9.7	12.9
Accumulated losses	(105.1)	(87.7)
Equity	93.9	114.3



RESULTS PRESENTATION 1H 2022

BUSINESS STRATEGY & OUTLOOK



PERFECTLY POSITIONED FOR TODAY AND THE FUTURE

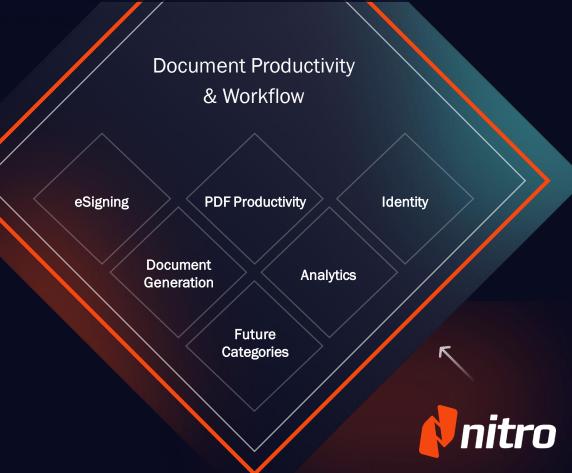
Digital Transformation (DX) is a multi-decade trend creating significant opportunities for Nitro in core and adjacent markets.

Key IT priorities for enterprises in 2022

- 1. Security, Identity, and Privacy
- 2. Creating Digital Capability
- 3. Building the Modern Workplace
- 4. Modernize Legacy Systems
- 5. Adopt Cloud Services

...and Nitro's solutions perfectly reflect the top enterprise technology trends.

DX DIGITAL TRANSFORMATION





25

MULTIPLE LEVERS FOR GROWTH

From new customers and products, to cross-sell opportunities and partnerships, we have multiple levers for continued growth in a \$28B global market.





Expansion within existing customers

Continued account development including cross-sell between Nitro and Connective customers, upsell, plan upgrades, new product adoption, license and signature volume scaling, and more



Winning new customers

Leveraging established big wins and new and existing products to penetrate new accounts, regions and verticals



Channel

Scaling reach, power and value of partner ecosystem through the addition of Connective's 110+ solution integrators and launch of Nitro's Next-Gen Partner strategy



New product development

Continued innovation across Nitro Pro, Sign and Analytics, and Connective's Identity Hub and Smart Documents products, while adding new products and capabilities in line with platform vision



Partnerships & M&A

Strategic partnerships and M&A to accelerate product capabilities, roadmap, and expand GTM reach



GTM RESTRUCTURE

Following the acquisition of Connective and 1H performance, Nitro restructured its Go-to-Market function to lower costs, increase efficiency, improve GTM effectiveness, and accelerate a return to cash flow positive.



- Sales, Marketing and Channel initiatives with specific focus on rep enablement, pipeline growth, new customer acquisition, and Connective cross-sell
- Simplified customer segments and better alignment between teams, programmes and product offerings
- New organisational design and programme model aligned by region



- Reduced overall GTM cost structure
- Simplified, optimised organisational design
- Improved productivity and efficiency metrics including CAC and Payback Period

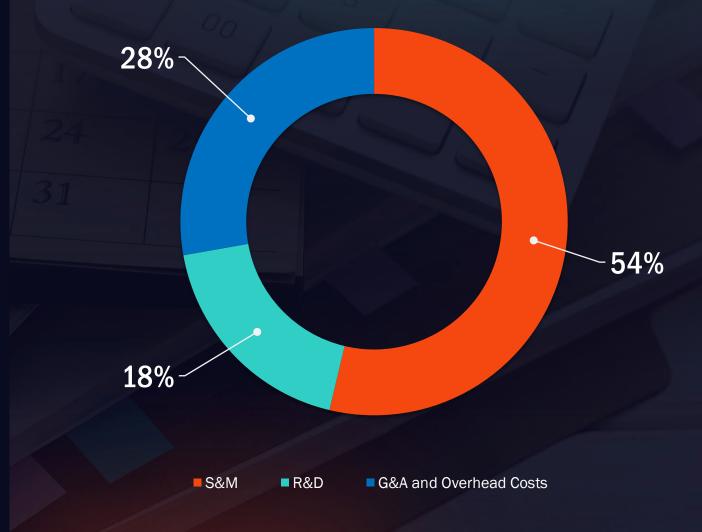


2H 2022 NEW COST-SAVING INITIATIVES

Restructure of GTM organisation and other costsaving initiatives implemented expected to deliver cash flow positive¹ for 2H 2023.

- On track to achieve US\$5.0M in cost savings against Nitro's internal plan in 2H 2022
- Initiatives and savings in 2H are incremental to those outlined in 1H
- GTM restructure, implemented in Q3, includes reduction in team size and reduced hiring
- Reduced hiring in Product & Engineering
- Additional cost-saving initiatives implemented business-wide

US\$5M IN COST-SAVING INITIATIVES





FY2022 GUIDANCE¹

ENDING ARR

US\$57-60 Million

24-30% Growth on FY2021

OPERATING EBITDA²

US\$(10–13) Million

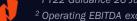
REVENUE

US\$65-69 Million

28-36% Growth on FY2021

CASH FLOW

Nitro is committed to being cash flow positive for 2H 2023³



¹ FY22 Guidance 26 July 2022

² Operating EBITDA excludes stock-based payments, foreign exchange gains and losses, Connective integration costs, transaction costs and non-recurring items

³ Refers to cash flows from 'operating activities' excluding implementation costs, transaction costs and other non-recurring items, less capital expenditure and AASB 16 lease repayment costs

RESULTS PRESENTATION 1H 2022





IMPORTANT NOTICE & DISCLAIMER

Disclaimer

The material contained in this document is a presentation of general information about Nitro's activities current as at the date of this presentation (29) August 2022). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate. To the maximum extent permitted by law, none of Nitro Software Limited or its direct or indirect subsidiaries or their directors. employees or agents accepts any liability (including, without limitation, liability arising out of fault or negligence) for any loss arising from anyone acting or refraining from acting as a result of this material.

Forward-Looking Information

This document may contain forward-looking statements with respect to the financial condition, results of operations, and business strategy of Nitro. These forward-looking statements are based on estimates, projections and assumptions made by Nitro about circumstances and events that have not yet taken place. Although Nitro believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Nitro's control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results).

Nitro makes no representation or warranty as to the accuracy of any forward-looking statements in this document and undue reliance should not be placed upon such statements. Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will" or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends. The forward-looking statements included in this document speak only of the date of this document. Nitro does not intend to update the forward-looking statements in this document in the future

Currency

All amounts in this presentation are in US dollars unless otherwise stated.

Past Performance

Past performance information, including past share price information, given in this presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

Financial Information

Certain financial data included in this presentation is "non IFRS financial information." These measures are used internally by management to assess the performance of the business and make decisions on the allocation of resources and are included in this presentation to provide greater understanding of the underlying financial performance of Nitro's operations.

When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS. The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies. Readers are cautioned not to place undue reliance on any non-IFRS financial information and ratios included in this presentation. The non-IFRS information has not been subject to audit or review by Nitro's external auditor.

Market Share Information

All market share information in this presentation is based on management estimates and internally available information, unless otherwise indicated.

No Offer of Securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Nitro securities in any jurisdiction.

Reliance on Third Party Information

The views expressed in this presentation contain information that has been 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. This presentation should not be relied upon as a recommendation or forecast by Nitro.



RESULTS PRESENTATION 1H 2022

THANK YOU

