Nitro Software Limited

Financial Results Briefing
27 February 2020

Financial data is provided in USD; unaudited statutory financial results
Disclaimer

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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.

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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 Revenue\(^1\)
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 Rate\(^2\)

2 million
Licensed Users
up 100% over the past four years

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\(^1\) 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 of the 2019 Fortune 500 and Fortune 10 respectively\(^1\)
- ~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**

- 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**
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

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

Other tools and capabilities for user success

Customer Success
Deployment and Adoption

Nitro Admin
User Management

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.

- 2005: Founded in Melbourne
- 2009: Opened Headquarters in San Francisco
- 2012: Opened Office in Dublin
- 2014: Opened Office in London
- 2015: Launched Nitro Analytics
- 2016: 1 Million Licenses Sold
- 2017: Launched Nitro Productivity Suite
- 2018: Opened Office in London
- 2019: Listed on the ASX on 11 December 2019
- 2020: Raised US$45M (gross)

- 2009: 500,000 Licenses Sold
- 2015: 1 Million Licenses Sold
- 2018: 10,982 Business Customers & 2 Million Licenses Sold
- 2019: 11K Business Customers & 2M Licenses Sold

Listed on the ASX on 11 December 2019
Raised US$45M (gross)
User Licenses Over Time
(Year ended 31 December, millions)

CAGR: 57%


0.01    0.10    0.20    0.33    0.52    0.73    0.92    1.11    1.31    1.52    1.73    2.01

FY2008 to FY2019
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

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

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.

## Revenue and EBITDA Performance

### REVENUE (FY2017 – FY2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>27.9</td>
</tr>
<tr>
<td>FY2018</td>
<td>32.4</td>
</tr>
<tr>
<td>FY2019</td>
<td>35.7</td>
</tr>
</tbody>
</table>

### STATUTORY EBITDA (FY2017 – FY2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (US$M)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>(6.7)</td>
<td>24%</td>
</tr>
<tr>
<td>FY2018</td>
<td>(2.8)</td>
<td>8%</td>
</tr>
<tr>
<td>FY2019</td>
<td>(3.8)</td>
<td>11%</td>
</tr>
</tbody>
</table>

### CAGR:

- **Subscription**
  - FY2017: 11%
  - FY2018: 21%
  - FY2019: 37%

- **Perpetual, maintenance & support**
  - FY2017: 3.0
  - FY2018: 6.9
  - FY2019: 13.2

### Notes:
1. Recurring revenue is the revenue recognized from subscription contracts throughout the year
Subscription ARR and New ARR Added

**Subscription ARR**
US$M, last month of period x 12

- FY2017: 4.4
- FY2018: 10.2
- FY2019: 16.9

CAGR: 96%

**New Subscription ARR Added**
US$M

- FY2017: 2.6
- FY2018: 5.8
- FY2019: 6.7

CAGR: 61%

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

Incremental ARR added during a financial reporting period
Subscription Revenue and Customer Growth Accelerating Over Time

LICENSES OVER TIME
Millions, subtotals in 000's

0 0.92 1.11 1.31 1.52 1.73 2.01
916 1,107 1,279 1,380 1,385 1,201 806

CAGR: 17%

CAGR: 6% (1)

CAGR: 206% (2)

Subscription Perpetual

SUBSCRIPTION CUSTOMERS OVER TIME
#

12 44 76 367 865 1,612

CAGR: 206% (2)

CAGR: 166%

CAGR: 17%

CAGR: 6% (1)

1. FY2014 – 2019
2. FY2016 – 2019
74% of 2020 Revenue Under Contract

- **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
- **New recurring revenue from existing subscription customers**: $1.8M
- **New recurring revenue from new subscription customers**: $1.9M
- **Revenue from contracts expected to be renewed in the year, net of churn**: $1.6M
- **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 enterprise customers**
- **Conversion of existing perpetual licenses onto subscription agreements**

**Relevant key metrics**
- Prior year ARR
- Customer retention rate
- Net revenue retention
- Quota carrying sales representatives
Operating Cash Flow and R&D Investment

OPERATING CASH FLOW (FY2017 – FY2019)
US$M

<table>
<thead>
<tr>
<th>Year</th>
<th>Statutory operating cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>(9.1)</td>
</tr>
<tr>
<td>FY2018</td>
<td>(0.3)</td>
</tr>
<tr>
<td>FY2019</td>
<td>0.4</td>
</tr>
</tbody>
</table>

INVESTMENT IN R&D (FY2017 – FY2019)
US$M

<table>
<thead>
<tr>
<th>Year</th>
<th>Research and development expense</th>
<th>Capitalized software development investment$1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>6.6</td>
<td>2.0</td>
</tr>
<tr>
<td>FY2018</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>7.0</td>
<td></td>
</tr>
</tbody>
</table>

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.
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
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 eSign services

Rich insights that make productivity visible for individuals and businesses
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 forecast\(^1\)

2020 Subscription Revenue

![Pie chart showing 74% of subscription revenue under contract]

### USD, millions
31 December 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>USD, millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription</td>
<td>$ 20.2</td>
</tr>
<tr>
<td>Perpetual</td>
<td>20.2</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>40.5</strong></td>
</tr>
<tr>
<td>COGS</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td><strong>35.9</strong></td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>21.3</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>10.3</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td><strong>41.3</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>(5.3)</td>
</tr>
</tbody>
</table>

\(^1\) subject to foreign currency fluctuations
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

<table>
<thead>
<tr>
<th>US$M</th>
<th>Statutory 31 Dec 2019¹</th>
<th>Statutory 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>47.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Receivables and contract assets</td>
<td>6.7</td>
<td>6.4</td>
</tr>
<tr>
<td>Current tax receivables</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>53.8</strong></td>
<td><strong>10.4</strong></td>
</tr>
<tr>
<td>Receivables and contract assets</td>
<td>17.5</td>
<td>16.0</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>0.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Right of use assets</td>
<td>3.1</td>
<td>-</td>
</tr>
<tr>
<td>Other non-current asset</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>21.6</strong></td>
<td><strong>17.2</strong></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>2.7</td>
</tr>
<tr>
<td>Deferred income</td>
<td>18.9</td>
<td>15.7</td>
</tr>
<tr>
<td>Lease liability</td>
<td>1.4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>25.9</strong></td>
<td><strong>22.2</strong></td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
<td>1.7</td>
</tr>
<tr>
<td>Deferred income</td>
<td>14.2</td>
<td>10.9</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Lease liability</td>
<td>1.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>16.1</strong></td>
<td><strong>12.7</strong></td>
</tr>
<tr>
<td>Net assets</td>
<td>33.4</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Contributed equity</td>
<td>90.2</td>
<td>42.6</td>
</tr>
<tr>
<td>Other reserves</td>
<td>1.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(58.5)</td>
<td>(50.6)</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>33.4</strong></td>
<td><strong>(7.0)</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subscription</strong></td>
<td>6.9</td>
<td>13.2</td>
<td>13.1</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Perpetual, maintenance and support</strong></td>
<td>25.5</td>
<td>22.5</td>
<td>22.3</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>32.4</td>
<td>35.7</td>
<td>35.4</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(3.8)</td>
<td>(3.7)</td>
<td>(4.0)</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>28.6</td>
<td>32.0</td>
<td>31.4</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>(31.4)</td>
<td>(35.8)</td>
<td>(37.6)</td>
<td>14%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>(2.8)</td>
<td>(3.8)</td>
<td>(6.2)</td>
<td>37%</td>
</tr>
</tbody>
</table>

**SaaS metrics**

<table>
<thead>
<tr>
<th>FY2019</th>
<th>FY2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross margin</strong></td>
<td>90%</td>
</tr>
<tr>
<td><strong>Net Revenue Retention</strong></td>
<td>126%</td>
</tr>
<tr>
<td><strong>Annual Recurring Revenue (ARR) $million</strong></td>
<td>16.9</td>
</tr>
<tr>
<td><strong>New Annual Recurring Revenue (New ARR) $million</strong></td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Lifetime value per customer (LTV) $’000</strong></td>
<td>123</td>
</tr>
<tr>
<td><strong>Customer acquisition costs (CAC) $’000</strong></td>
<td>44</td>
</tr>
<tr>
<td><strong>LTV/CAC (ratio)</strong></td>
<td>2.8x</td>
</tr>
</tbody>
</table>

**Statutory EBITDA reconciliation FY2019 to FY2019F**

**Reconciliation of Statutory operating cashflow FY2019 to FY2019F**

1. Unaudited statement of financial performance for the year ended 31 December 2019
# Reconciliation from Statutory to Proforma Financial Results

<table>
<thead>
<tr>
<th>US$M</th>
<th>FY2018</th>
<th>FY2019¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory revenue</td>
<td>32.4</td>
<td>35.7</td>
</tr>
<tr>
<td>Q4FY2019 revenue over-performance</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Prospectus forecast revenue</td>
<td>32.4</td>
<td>35.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$M</th>
<th>FY2019¹</th>
<th>FY2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory/prospectus forecast EBITDA</td>
<td>(3.8)</td>
<td>(6.1)</td>
</tr>
<tr>
<td>IPO Offer costs</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Public company costs</td>
<td>(1.0)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>One off share-based payments</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Proforma actual/proforma forecast EBITDA</td>
<td>(1.5)</td>
<td>(3.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$M</th>
<th>FY2019¹</th>
<th>FY2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory/prospectus forecast net (loss)</td>
<td>(7.9)</td>
<td>(10.1)</td>
</tr>
<tr>
<td>IPO Offer costs</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Public company costs²</td>
<td>(1.0)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>One off share-based payments</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Convertible note fair value impact</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Proforma historical/Proforma prospects forecast net (loss)</td>
<td>(4.3)</td>
<td>(6.5)</td>
</tr>
</tbody>
</table>

---

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
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

- **2019**: 5.5
- **2020**: 5.5
- **2021**: 6.6
- **2022**: 7.3
- **2023**: 8.2

**CAGR: 10.6%**

Market across PDF productivity and eSignature solutions

**NITRO’S SERVICEABLE AVAILABLE MARKET BY INDUSTRY**

2019, %

- Healthcare: 4%
- Public services: 8%
- Financial services: 4%
- Other: 84%

**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"

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

Broad, Diverse Customer Base