

29 April 2021

## Nitro Q1 2021 Quarterly Activities Report and Appendix 4C

**Nitro Software Limited (ASX: NTO)** ('Nitro' or the 'Company'), a global document productivity software company driving digital transformation in organisations around the world, today released its Appendix 4C Quarterly Cash Flow Report for the quarter ended 31 March 2021 (unaudited) and is pleased to provide the following update on financial and operating performance.

### Q1 2021 Highlights (USD unless otherwise stated)

- Annual recurring revenue ('ARR') at 31 March 2021 up 66% vs. ARR at 31 March 2020, in line with Nitro's 2021 forecast.
- SaaS transition continues, with subscription revenue making up 61% of total revenue for the quarter ended 31 March 2021, up from 53% for the year ended 31 December 2020.
- Cash receipts from customers of \$12.0 million, up 31% compared to Q1 2020.
- Cash balance at 31 March 2021 of \$41.8 million with no debt<sup>1</sup>, providing a strong financial position to pursue growth opportunities.
- FY2021 ARR, revenue and operating EBITDA<sup>2</sup> guidance reaffirmed.

Sam Chandler, Nitro's Co-Founder and Chief Executive Officer, said: "The accelerating sales momentum we demonstrated at the end of FY20 has continued into the current year, with the strategic investments we made in our people, product suite and sales strategy across the past 12 months positioning us well to ride the global work-from-anywhere tailwinds.

"As the world continues to manage the fall-out from the COVID-19 pandemic, digital-first and digital-only workflows are becoming increasingly entrenched. Throughout FY20, we laid the foundations to lead in this new environment by strengthening our leadership team, sharpening our go-to-market strategy to win and retain customers, and developing our document productivity platform, with the launch of Nitro Sign.

"The results of this investment are demonstrated by our strong performance in the first quarter, which shows continued growth in ARR and subscription revenue. With a solid balance sheet and a scalable platform for growth, we are confident we can take advantage of the accelerating multi-year shift to a digital workplace to build a truly sizable and substantial enterprise software company."

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<sup>1</sup> Excluding office leases.

<sup>2</sup> Operating EBITDA excludes share-based payments and foreign exchange gains and losses.

## Performance in Q1 2021

Nitro's sales momentum continued in the March quarter, with ARR at 31 March 2021 in line with guidance, up 66% from the ARR at 31 March 2020. Key customer wins and expansions in the quarter included BNY Mellon, Howden Group Holdings, Mace Group, Petrofac, Continental AG, and Jeff Bezos's Blue Origin.

Subscription revenues now represent 61% of total revenue, with the transition in the dominant Business sales channel<sup>3</sup> – where 85% of revenue is now generated from subscription contracts – remaining on target to be effectively completed in FY2021.

Demand for Nitro's document productivity platform of products continues to be underpinned by the global shift to remote and digital work, with more than 1.35 million eSign requests sent since Nitro Sign was launched as a standalone product in 2020 and time spent by Nitro Pro users up 160% year-on-year.

Cash receipts from customers were \$12.0 million in Q1 2021, up 31% from Q1 2020. Net cash outflow from operations in the period was \$1.5 million, largely reflecting Nitro's continued increased investment in important areas that will drive future growth – such as personnel, Nitro's product suite and sales strategy – as well as performance-based bonuses.

Nitro's cash balance of \$41.8 million at 31 March 2021 provides the Company with the financial flexibility to pursue both organic and inorganic growth opportunities.

## FY2021 Outlook

Following another strong growth quarter, Nitro is pleased to reaffirm its FY2021 guidance:

- Ending ARR between \$39 million and \$42 million;
- Revenue between \$45 million and \$49 million; and
- Operating EBITDA loss between \$11 million and \$13 million.

## Ends

Authorised for release to the ASX by the Board.

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<sup>3</sup> Nitro Business sales comprise sales executed by Nitro's Sales team and excludes self-serve online/eCommerce sales via Nitro's website.

## Enquiries

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## About Nitro

Nitro is a global document productivity software company driving digital transformation in organisations across multiple industries around the world. The Company's core solution, the Nitro Productivity Suite™, provides integrated PDF productivity, eSignature, and business intelligence (BI) tools to customers through a horizontal, SaaS and desktop-based software suite. Nitro's software solution is highly scalable, serving large multinational enterprises and government agencies, as well as small businesses and individual users. Nitro has sold over 2.6 million licences and has 11,700 Business Customers in 154 countries, including over 68% of the Fortune 500<sup>4</sup> and three of the Fortune 10<sup>5</sup>. Nitro is headquartered in San Francisco and has offices in Dublin, London, and Melbourne.

For more information on Nitro, please visit:

Website: <https://www.gonitro.com/>

Investors: <https://ir.gonitro.com/Investor-Centre/>

## Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Nitro. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

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<sup>4</sup> 2019 data for Fortune 500

<sup>5</sup> 2020 data for Fortune 10

## Annexure

### Use of funds statement (Listing Rule 4.7C.2)

USD millions	As per IPO prospectus	Actuals till 31 Mar 2021	Comments
Cash received by Nitro from the Offer to be used for the execution of the Company's business objectives (such as cost of sales, marketing spend, research and development, and general and administrative costs) and potential acquisition opportunities as outlined in the prospectus	34.9	-	On track

The earmarked funds have not yet been spent but operating expenses and cash balances continue to track to plan as the Company has made no acquisitions and business activities are currently being funded from existing cash reserves and cash generated from operating activities.

Included in section 6.1 of the Appendix 4C for the quarter ended 31 March 2021 are payments made to related parties of Nitro. These amounts relate to Directors' fees, salaries, allowances, and short-term incentives paid to Directors and their associates.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

NITRO SOFTWARE LIMITED

**ABN**

15 079 215 419

**Quarter ended ("current quarter")**

31 MARCH 2021

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (Three months) US\$'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,951	11,951
1.2 Payments for		
(a) research and development	(283)	(283)
(b) product manufacturing and operating costs	(1,279)	(1,279)
(c) advertising and marketing	(771)	(771)
(d) leased assets (Note 6)	(2)	(2)
(e) staff costs (Note 7)	(8,843)	(8,843)
(f) administration and corporate costs	(2,245)	(2,245)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(25)	(25)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,495)</b>	<b>(1,495)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(109)	(109)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (Three months) US\$'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(109)</b>	<b>(109)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	227	227
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) (Note 6)	(369)	(369)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(142)</b>	<b>(142)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	43,749	43,749
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,495)	(1,495)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(109)	(109)

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (Three months) US\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(142)	(142)
4.5	Effect of movement in exchange rates on cash held	(247)	(247)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>41,756</b>	<b>41,756</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	41,756	43,749
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>41,756</b>	<b>43,749</b>

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	600
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end US\$'000</b>	<b>Amount drawn at quarter end US\$'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)	542	102
7.4 <b>Total financing facilities</b>	542	102
7.5 <b>Unused financing facilities available at quarter end</b>		440
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.  <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> The financing facilities available to the Company relate to Corporate Credit Cards. </div>		

<b>8. Estimated cash available for future operating activities</b>	<b>US\$'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,495)
8.2 Cash and cash equivalents at quarter end (item 4.6)	41,756
8.3 Unused finance facilities available at quarter end (item 7.5)	440
8.4 Total available funding (item 8.2 + item 8.3)	42,196
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	28
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2021

Authorised by: The Board of Directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. In accordance with the requirements of AASB 16 cash payments for the principal portion of the Group's lease liabilities are presented within financing activities aggregating \$369K.
7. The amount includes costs attributable to the R&D function of the business.