



TRADING UPDATE

26 JULY 2022



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1H22 HIGHLIGHTS



ARR Growth¹

Up 52%
INCLUDING CONNECTIVE

Up 32%
EXCLUDING CONNECTIVE



Strong Revenue Performance²

Up 36%
INCLUDING CONNECTIVE

Up 22%
EXCLUDING CONNECTIVE



Record Cash Receipts from Customers³

US\$16.2 million
CASH RECEIPTS

Up 43%
CASH RECEIPTS



Strong Financial Position

US\$35.2 million
CASH

US\$0
DEBT⁴

¹ Represents Annual Recurring Revenue growth at the end of 1H 2022, compared to end of 1H 2021.

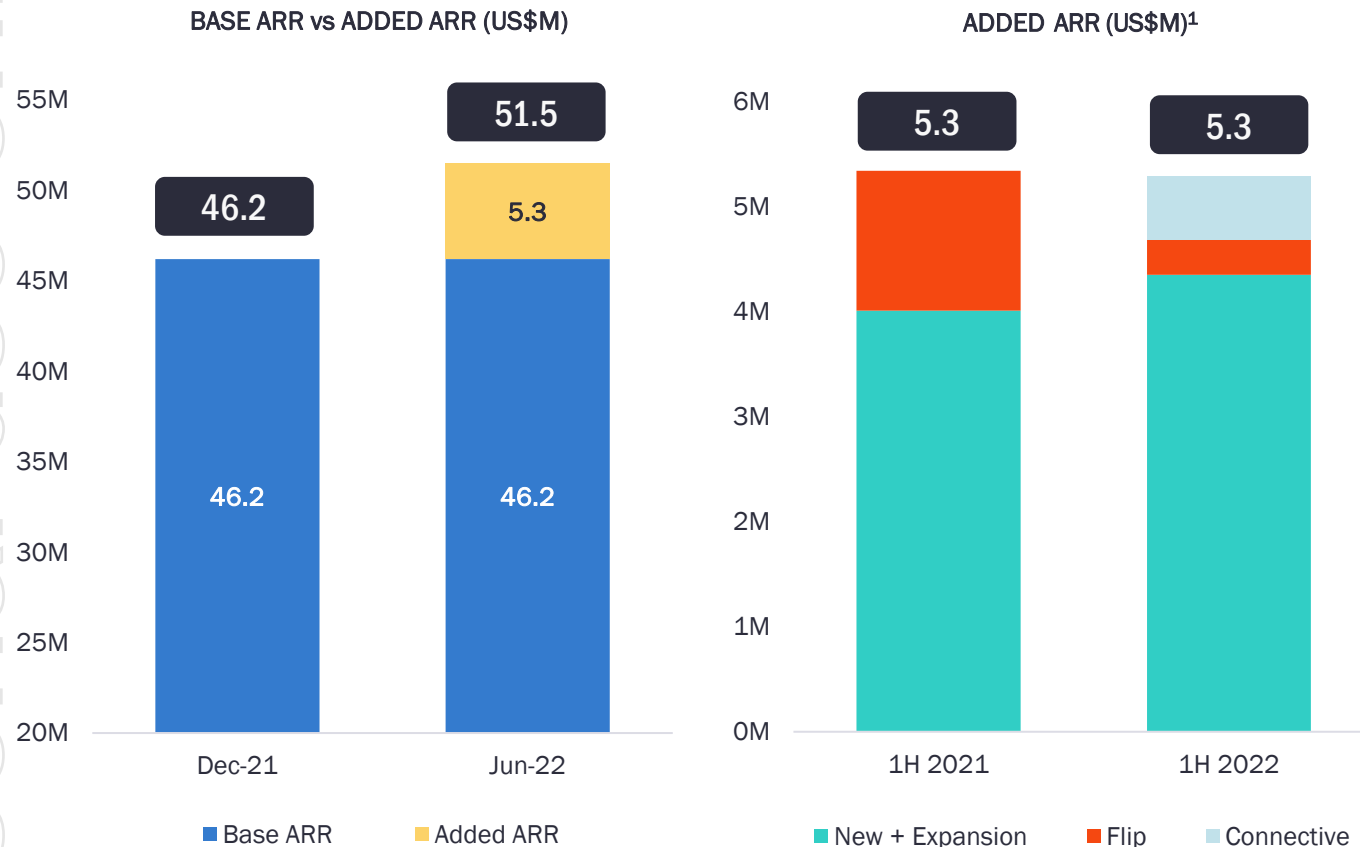
² Unaudited 1H 2022 revenue, compared to 1H 2021 revenue.

³ Represents cash receipts in the Q2 2022 period compared to cash receipts in Q2 2021.

⁴ Excluding AASB 16 right-of-use leased assets and corporate credit cards.

ARR GROWTH

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



BY THE NUMBERS

94%

GROSS RETENTION RATE

113%

NET RETENTION RATE

US\$51.5 million

ENDING ARR

72%

SUBSCRIPTION REVENUE²

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

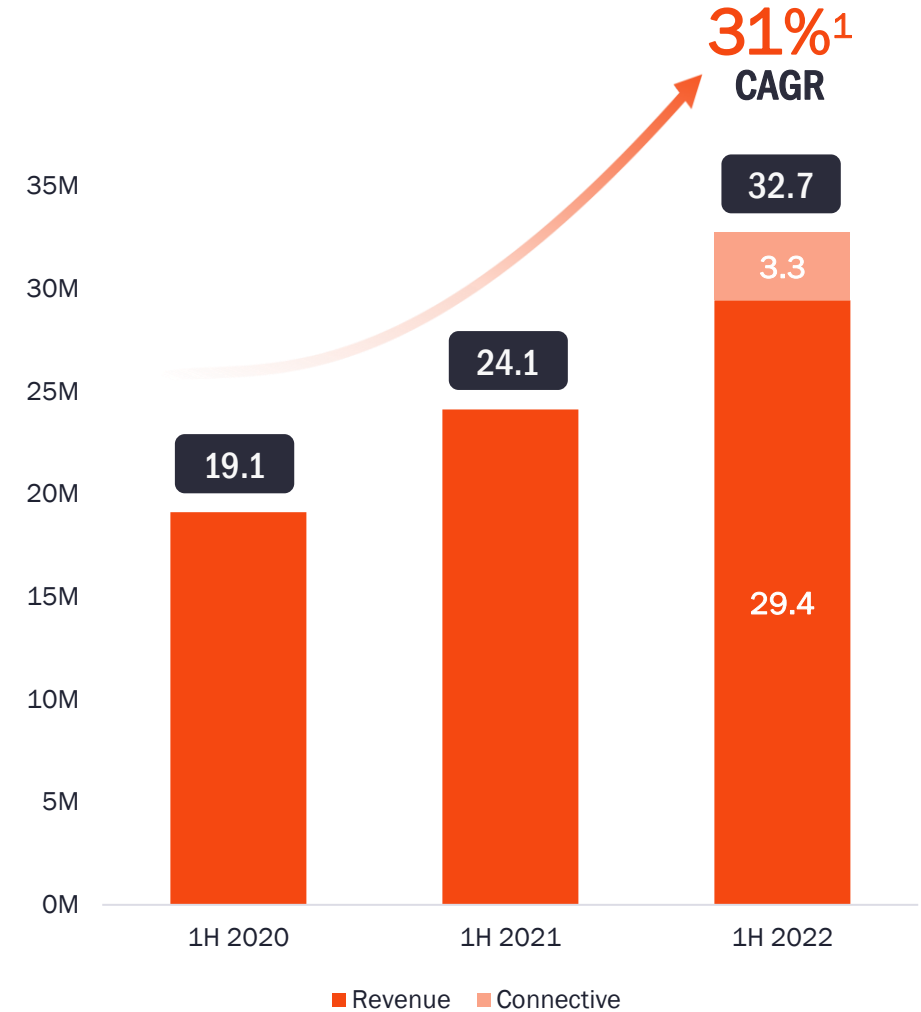
² Represents Subscription Revenue as a percentage of Total Revenue in 1H 2022

TOTAL REVENUE

Strong revenue performance for the period, with both subscription and perpetual exceeding Company expectations



TOTAL REVENUE (US\$M)



Revenue performance during financial reporting period

¹. 22% excluding Connective

MAJOR ENTERPRISE WINS

Nitro serves 13,000+ Business Customers¹, including some of the world's largest companies

Q2 2022 NEW CUSTOMER WINS, EXPANSIONS & RENEWALS



¹ A Business Customer has 10 or more licensed Nitro users or a premium Nitro Sign offering.

GTM RESTRUCTURE

Following the acquisition of Connective, Nitro is restructuring its Go-to-Market function to lower costs, increase efficiency, improve GTM effectiveness, and accelerate a return to cash flow breakeven



EFFECTIVENESS

Drive Revenue Performance

- 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



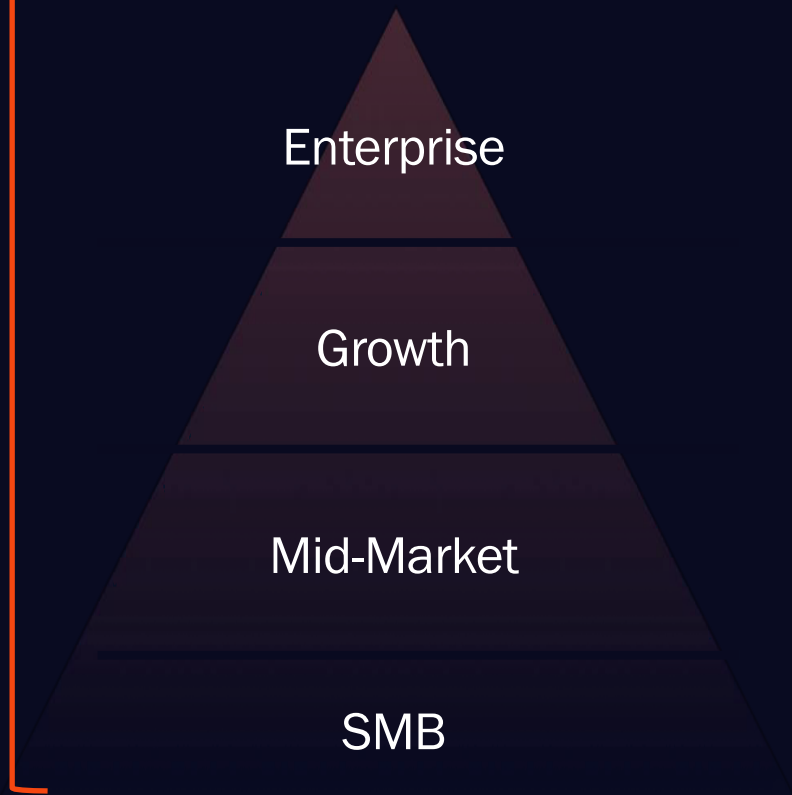
EFFICIENCY

Lower Cost Structure; Enhanced Unit Economics

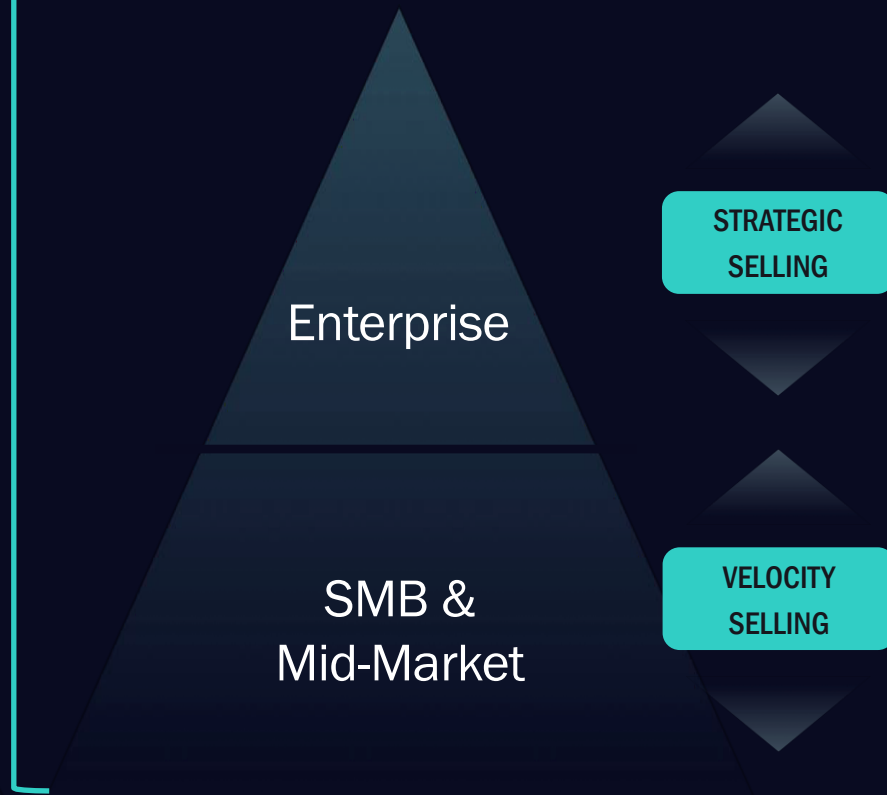
- Reduced overall GTM cost structure
- Simplified, optimised organisational design
- Improved productivity and efficiency metrics including CAC and Payback Period

SIMPLIFIED SALES MODEL

Current Segmentation



Revised Segmentation

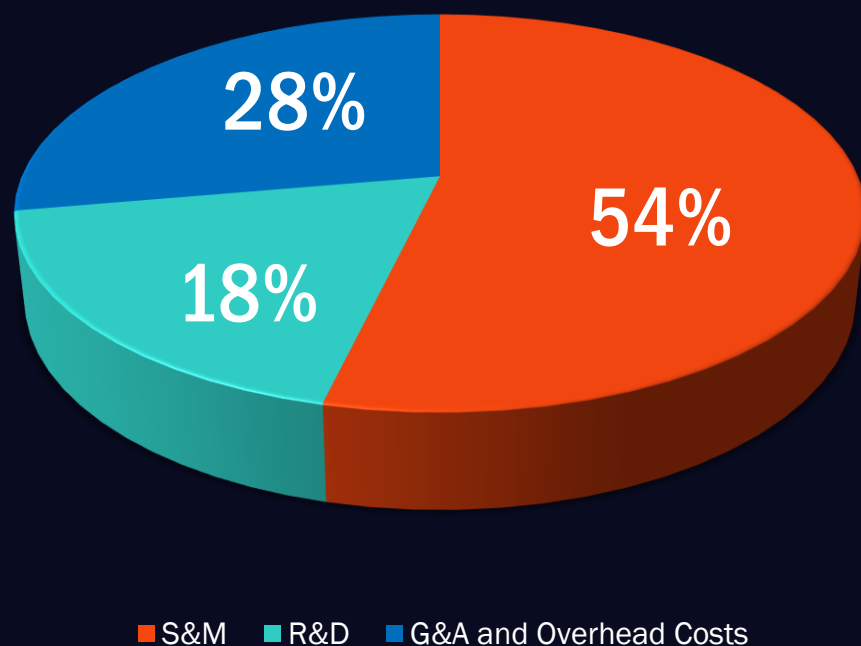


- New, simplified customer segmentation model supported by new, aligned organisational model makes distinction between velocity and strategic sales motions
- Better suited to new product offering post-Connective acquisition
- Aligns appropriate cost structure to segment ACVs/LTVs, drives higher ACVs/LTVs and enhances key productivity and efficiency metrics
- Better aligns Sales, Marketing, Channel and Customer Service/Success
- Reduces costs through more efficient organisational model, revised opportunity routing and sales and customer service processes

2H 2022 NEW COST-SAVING INITIATIVES

Accelerated and lower-risk path to 2H 2023 cash flow breakeven¹ remains core focus

US\$5.0M in Cost-Saving Initiatives



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

¹ 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.

CONNECTIVE INTEGRATION UPDATE

Key integration milestones achieved on schedule in Q2/1H



Connective team fully integrated into Nitro org



Deployed local cloud environments in US and Australia



Completed key sales enablement activities



>250 synergy sales opportunities created, first sales closed

USAGE GROWTH

> **22** MILLION¹

ESIGNATURES IN 2021

UP FROM

1 MILLION

ESIGNATURES IN 2020

TOTAL ESIGN TAM

\$17B USD TAM

\$6B

SIMPLE ESIGN

+

\$11B

ENTERPRISE ESIGN

¹ 22 million includes 2 million Nitro Sign, and 20 million Connective eSignatures.

FY2022 REVISED GUIDANCE¹

\$ IN USD

- FY2022 Ending ARR reduced to US\$57–60M
 - Smaller GTM org, less carried quota
 - Macro challenges and headwinds
 - Connective synergies of US\$1.0M (previously: US\$2.5M)
- 1H22 revenue performance ahead of Company expectations; FY2022 revenue guidance remains unchanged
- FY2022 Operating EBITDA Loss reduced by US\$5M to US\$10–13M
 - GTM restructure
 - Broader cost savings programme
- Nitro remains committed to generating positive operating cash flow for 2H 2023³

PREVIOUS ENDING ARR

\$64–\$68 million

39–47% Growth on FY2021



ENDING ARR

\$57–\$60 million

24–30% Growth on FY2021

REDUCED

PREVIOUS REVENUE

\$65–\$69 million

28–36% Growth on FY2021



REVENUE

\$65–\$69 million

28–36% Growth on FY2021

NO CHANGE

PREVIOUS OPERATING EBITDA²

(\$15)–(\$18) million



OPERATING EBITDA²

(\$10)–(\$13) million

IMPROVED

¹Last Company Guidance dated 29 April 2022.

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

³Refers 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.

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