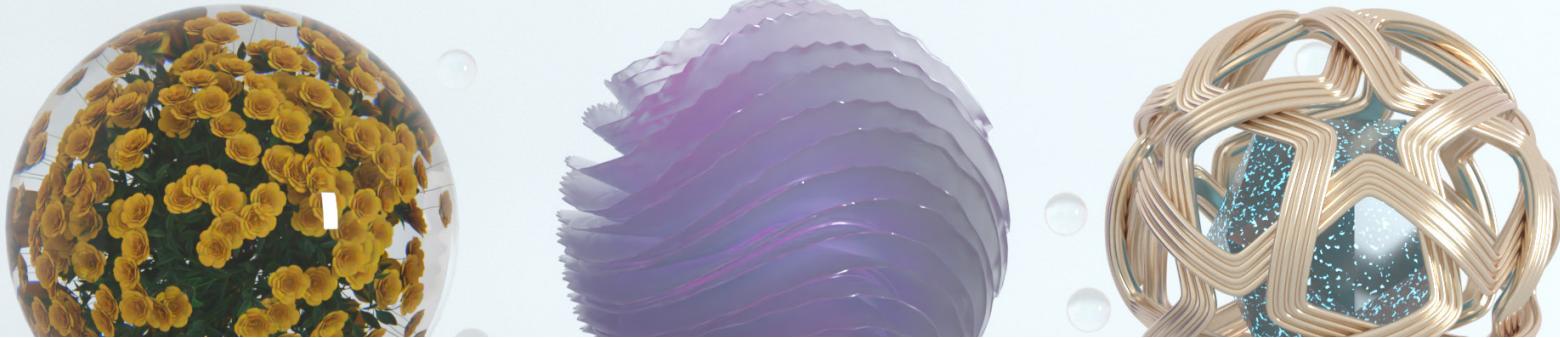


Changing the world through digital experiences



To our stockholders, customers, employees and partners,

As we approach our 40th anniversary, we have the opportunity to reflect on the company's impact. Over the past four decades, our innovations have touched billions of lives across the globe. We could not be more proud of the impact our technologies have had on every aspect of society: from inventing desktop publishing with PostScript; to revolutionizing imaging and artistic expression with Photoshop; to giving designers and publishers unprecedented freedom with InDesign; to pioneering video and gaming through Flash and electronic documents through PDF; to creating the digital marketing category with Adobe Experience Cloud. It is humbling to think that the digital world runs on Adobe's tools and platforms.

Adobe's mission—to Change the World Through Digital Experiences—is more relevant than ever as we look ahead to the next decade. Adobe Creative Cloud, Document Cloud and Experience Cloud are at the nexus of the global shift to digital across all industries. We are catalyzing new markets across the digital economy for creators, communicators, solopreneurs and businesses of all sizes.

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Outstanding Performance in 2021

In 2021, our teams remained laser-focused on innovating and serving customers around the world across Adobe Creative Cloud, Document Cloud and Experience Cloud.

In **Adobe Creative Cloud**, our strategy is to advance the state-of-the-art and creative across all media types including imaging, video and design by building new capabilities across desktop, web and mobile and empowering first-time creators and communicators to tell their stories and collaborate with ease. During the year, we debuted hundreds of advances, including Illustrator and Photoshop on the web and Creative Cloud Spaces. We are continuing to provide state-of-the-art tools for 3D and immersive media with Substance 3D to support end-to-end 3D workflows. With the addition of Frame.io, we are incorporating review and approval functionality to deliver a powerful collaboration platform for end-to-end video production. With the launch of Creative Cloud Express, we are charting a new path to democratize creativity for first-time creators by unifying creation, collaboration and sharing on the web, while adding significant value to our current Creative Cloud subscribers.

In **Adobe Document Cloud**, our strategy is to enable document verbs and use Adobe Acrobat as a gateway to related services. During the year, we saw tremendous growth in Acrobat online as more people tapped our powerful, free, browser-based document tools to handle important tasks on the fly without the need to download any software. Acrobat Web supports 21 frictionless verbs—like create, export, extract and edit—for both text and images in PDF. We continue to deepen the integration between Adobe Sign and Acrobat. Acrobat Liquid Mode uses Adobe Sensei to enable people to customize PDF reading on mobile devices for better readability. We have also made tremendous progress with PDF support within both the Chrome and Edge browsers.

With **Adobe Experience Cloud**, our strategy is to empower companies to deliver predictive, personalized, real-time digital experiences across every phase of the customer lifecycle. This year, we accelerated innovation across Adobe Experience Platform applications. We extended our Real-time Customer Data Platform from business-to-consumer to business-to-business (B2B), bringing together individual and account profiles across systems to give B2B companies a single view of each customer for the very first time. We launched Adobe Journey Optimizer, harnessing over 20 years of industry-leading email marketing and cross-channel campaign management expertise to empower brands to design and deliver personalized experiences across the full customer journey in a single application. As trust becomes mission-critical for digital business success, our continued investment in Adobe Experience Platform as the foundation for strong governance capabilities across our Experience Cloud business is becoming more important. We deepened integrations between Adobe Workfront and the rest of our Experience Cloud applications, unifying marketing workflows for customers.

All of this execution resulted in another outstanding fiscal year for Adobe. We achieved \$15.79 billion in revenue, which represents 23% year-over-year growth. Earnings per share was \$10.02 on a GAAP basis and \$12.48 on a non-GAAP basis. We marked several significant milestones in Q4: our first \$4 billion quarter overall, our first \$3 billion quarter for Digital Media, our first \$1 billion quarter for Digital Experience and over \$2 billion in operating cash flows for the quarter. Our ability to drive top and bottom-line growth at scale is unparalleled, and we are well-positioned to capture the expansive market opportunities ahead of us.

Driving the Next Decade of Growth

Our strategy to unleash creativity for all, accelerate document productivity and power digital business puts us in the sweet spot of where the world needs technology to play a role, and positions us well for the next decade of growth.

With Adobe Creative Cloud, we are **Unleashing Creativity** across every media type and surface—empowering more people than ever with the tools to create, communicate, distribute, monetize their content and actively participate in the Creator Economy. As creativity becomes as much about collaboration as creation, we are integrating collaboration as a default directly into our applications and existing creative workflows. Our advances in 3D and immersive media are speeding up product, asset and scene creation for inclusion in games, videos and emerging platforms, while empowering

customers to meet their own sustainability goals by lessening our collective impact on the earth. For immersive environments to succeed, they will have to be filled with rich, interactive, creative content, truly ownable digital assets and deliver uniquely engaging events and experiences—all areas where Adobe will play a pivotal role. The total addressable market for Creative Cloud is projected to be approximately \$63 billion in 2024.

With Adobe Document Cloud, we are **Accelerating Document Productivity** by powering the paper-to-digital revolution as remote and hybrid work become increasingly ingrained in our daily lives. Our strategy of innovating our ubiquitous PDF format to enable frictionless document actions across web, desktop and mobile is paying big dividends. With PDF now the de-facto standard for business-to-business collaboration, we are deepening integrations between Adobe Acrobat and Adobe Sign to continue to extend the value of Acrobat in eSignature workflows. We remain committed to making PDF more intelligent for both interacting and reading. Using the power of artificial intelligence (AI) with Adobe Sensei, Document Cloud is automating workflows, adding new value across all document “verbs,” and enabling new levels of productivity for small businesses, nonprofits and enterprises alike. We are unlocking business workflows through our PDF and Sign APIs and empowering developers to build document automation solutions that transform how their businesses work. The addressable market for Document Cloud is projected to grow to \$32 billion by 2024.

With Adobe Experience Cloud, we are **Powering Digital Business** to deliver personalization at scale in a rapidly changing digital economy. Brands must address consumers' rising expectations for engaging content that is personalized to their interests, needs and preferences—while protecting the privacy and security of their data. Adobe offers the most comprehensive set of solutions for building these personalized experiences, leveraging advanced content creation tools, business-changing insights, and real-time customer data from the industry's only enterprise-grade Customer Data Platform. Taken together, these solutions empower businesses to deliver personalized experiences to millions of people in milliseconds. Our total addressable market for Adobe Experience Cloud is estimated to be \$110 billion in 2024.

Underpinning our three clouds is the magic and power of Adobe Sensei—a significant differentiator and an enabler to more rapid innovation with a people-centered focus

that allows us to enhance human endeavor in an ethical, responsible and inclusive way. We are hard at work making AI better for both our customers and our communities by amplifying human creativity, intelligence and ingenuity in service of cutting-edge digital experiences. The combined addressable market across our three clouds is estimated to be \$205 billion in 2024.

For our next decade of growth, we will continue to build on our strong track record of creating and leading categories. We're thinking more expansively about each part of the business and expanding the customers we serve—from first-time creators, communicators and students to small businesses and the largest global enterprises. We're delivering leading products, services and platforms that stand the test of time. We are optimizing our data-driven operating model and continuously innovating business models to deliver value more rapidly to customers, capitalize on market opportunities and enable new monetization approaches. Our technologies support a vibrant and growing global ecosystem of partners and developers—across ISVs, system integrators, digital agencies and technology vendors—that create, customize and extend our solutions to the unique needs of our joint customers.

Our Purpose

At Adobe, we believe that it is not just **what** you do, but **how** you do it that matters. We have always been committed to building a company that does the right thing by focusing on people, purpose and community. This core set of values has guided our evolution and growth over the past four decades and inspires our employees around the world to focus on having more impact and inventing the future. There are three key areas in which we are uniquely positioned and motivated to make a difference: Adobe for All; Creativity for All; and Technology to Transform.

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Adobe for All: We believe that everyone deserves equal treatment and opportunity and that the best way to drive change is to start within Adobe, by building a diverse and inclusive culture that represents and celebrates different

perspectives. Greater representation leads to a virtuous cycle of more role models, advancement, growth and meaningful innovations for our customers and communities. We continue to be a leader in pay and opportunity parity and we are committed to growing our talent pipeline and increasing global diversity across the company and in leadership positions.

As part of our ongoing efforts to prepare students from diverse backgrounds with strong technology and creativity skills, Adobe established partnerships with Historically Black Colleges and Universities and Hispanic-serving Institutions. Each university received a \$1 million donation from Adobe as part of our newly launched Anchor School Program to prepare students for jobs in the technology and creative industries.

In the last year, we have focused on supporting the protection and advancement of equal access to opportunities for marginalized and underrepresented groups. As a first step in this effort, Adobe, with financial support from the Adobe Foundation, launched a **3-year Equity and Advancement Initiative** with 11 leading global Non-Governmental Organizations, including OutRightAction International, Human Rights Watch and Equal Justice Initiative, that will seek to address systemic barriers to opportunity and advance social equity. Through this model, the Adobe Foundation and the company are making long-term, strategic commitments and investing a minimum of \$20 million over three years to provide meaningful partnership opportunities, learning experiences for employees and new ways of leveraging Adobe's unique strengths in support of issues key to Adobe and our communities.

Creativity for All: We believe everyone is creative and has the right to share their story, which will create a richer world for all of us. We are committed to leading the way in empowering creators of all ages and backgrounds to access the tools, skills and platforms they need to express themselves, reach their full potential and share their unique and diverse perspectives with the world.

As part of our longstanding commitment to create greater opportunities for all, we have much to be proud of over the last year: our work with Sundance Ignite is empowering talented young filmmakers from around the world with mentorship and support to pursue the next step in their careers; our Diverse Voices platform is showcasing stories of diverse creators from a spectrum of disciplines; our Khan Academy partnership is providing millions of students

throughout the world with high-quality educational resources and fluency in creative skills; our Creative Residency program has supported hundreds of creators from 45 countries through resources, mentorship and grants to bring their creative projects to life; and the many schools and organizations globally that we enable with our products. We are using our platform to give everyone the opportunity to tell their story.

Technology to Transform: As one of the world's most innovative software companies whose products touch billions of people, we must take the impact of our technology as seriously as the development of the technology itself. As we continue to bring transformational technologies to market, we are committed to advancing the responsible use of technology for the good of society. Our innovations are making a significant impact through areas such as Content Authenticity, AI Ethics, Privacy & Security and Digital Literacy.

We are leading the **Content Authenticity Initiative** with numerous partners in hardware, software, publishing and social media, establishing the standard for transparency and attribution across the entire content ecosystem and helping to bring more trust to media. We believe AI has the power to amplify human intelligence, creativity and ingenuity to create exceptional digital experiences, and we're committed to advancing **AI Ethics** in a responsible and inclusive way. In 2021, Adobe fully implemented its internal comprehensive AI review process to detect and resolve AI Ethics considerations, and we are partnering with BSA to ensure that responsible AI Ethics regulations are passed throughout the world. On Security and Privacy, Adobe continues to incorporate certified security and privacy controls into product development that meet and exceed regulations, as part of our commitment to honor the trust in our management of data placed in us by our employees and customers.

Sustainability

We are committed to achieving a zero-carbon operational footprint, developing digital products designed to enable our customers and communities to drive positive environmental impact and working with our peers, partners and employees to foster a culture of sustainability. We have demonstrated leadership in energy efficiency and renewable energy practices through the adoption of leading Science-Based Targets and a 100 percent renewable energy target by 2035 to add more renewable energy to our grid. More than 70 percent of our employees around the world work in LEED-certified offices, and we look forward to the grand opening of our fully electric office tower at our San Jose headquarters later this year.

Of course, none of this would be possible without the talent and dedication of our highly engaged global employee base —over 25,000 strong and growing! I am proud of the continued industry recognition we receive as a great and equitable place to work. Adobe was named one of Fortune's 100 Best Companies to Work for the 21st year and received a 100 percent score on the Disability Equality Index for Best Places to Work for Disability Inclusion.

Looking Ahead

As we look to our 40-year anniversary, Adobe has a strong foundation—with an impressive track record of innovation, category and brand leadership, financial performance and growth. Our sustained momentum springs from our unwavering focus on our people, our customers and our purpose to harness the best of Adobe toward making a significant, positive impact across the globe. Coupled with the expanding market opportunity, Adobe's best years are ahead of us.

Sincerely,



Shantanu Narayen
Chairman & CEO
Adobe Inc.

